

# Chapter - 18 " Social Development Goals (SDG) and Environment, Social and Governance (ESG) Assurance

## (1) Meaning of Sustainability and Sustainable development:

Development of Products, Goods and Services that involves

meeting our present needs

without compromising the ability of future generations to fulfill their needs

Use Environment and its resources rationaly and protect it for Good of Earth, Environment, humanity and all living things.

Development that strives to meet the needs of developing countries

seeking to achieve a more

Sustainable world

## Three Pillars of Sustainable Development:

(A) Environment

↓ Comprises of

- Corporate Climate Policies
- Use of Energy
- Waste Mngt. and Pollution Control
- Conservation of Natural Resources
- Treatment of Animals
- Utilisation of Nature Resources

(B) Social

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- Addresses relationship and Reputation of Entity, it fosters with People and Institutions
- Also considers the Labour relations.

(C) Governance

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- Internal System of Practices, Control and Procedures to
- ↓
- Govern itself
- make effective investments
- Compliance with Law.

(2) Sustainable Development Goals: 17 Goals (Reading from book)

(3) Sustainable Reporting:

(A) Meaning: Information that an entity provide about their performance to outside world on a regular basis in a structured manner.

It is a comprehensive mechanism of measuring and disclosing Sustainability data with Performance Indicators and Management Disclosures.

(B) Benefits: (i) Help stakeholders to understand Organisational Performance vis a vis Sustainability.

(ii) Help Entities to focus on long term value creation by addressing ESG issues.

(iii) Improve business continuity and better position with B2B customers.

(C) Global trends in Reporting:

(i) Global Reporting Initiative: - General Disclosures reported as per GRI Framework includes Economic, Environment and Social Impacts.  
(GRI)  
- Report addressed to all Stakeholders.

(ii) Carbon Disclosure Project: Captures environmental performance data related to GHG emissions, water security, forest security and supply chain.  
(CDP)  
- Report addressed to all Investors, buyers and Other Stakeholders.

(iii) International Integrated Reporting Framework:

IIRC established the Principles to produce

Integrated reports that consists of :

- (a) Organisational Overview;
- (b) Governance structure;
- (c) Business Models;
- (d) Risk and opportunities;
- (e) Strategy, Performance, Outlook etc.

#### (4) Integrated Reporting : (6 Capitals)

(A) Financial Capital	Debt, Equity, Grants	Funds available for use in production of Goods and provision for services
(B) Natural Capital	Water, Land, Minerals, Forest etc.	Input to production of Goods and provision for services.
(C) Manufactured Capital	Buildings, Machines, Equipments, Tools etc.	Human created; production oriented. available for use in production of Goods and provision for services.
(D) Human Capital	Manpower - skills, experience, Capability, Motivation, etc.	Input for production of Goods or provision for services
(E) Social Capital	Relationship with people and Institutions, reputation, Ethic, Values, behaviour towards society etc.	- Organisational <sup>social</sup> licence to operate. - Relationship with customers, suppliers, business partners.
(F) Intellectual Capital	Patents, Copyrights and Other IPRs	- Input to production of Goods, provision for services - provide value additions.

## Inputs



**Financial Capital**  
₹75,407 cr Net assets  
₹31,286 cr Consolidated cash and investments



**Intellectual Capital**  
1,90,000 Employees trained in digital skills  
40 Industry-leading products, solutions and platforms  
248 Startups in our innovation ecosystem



**Human Capital**  
3,43,234 Total no. of employees  
16.31 Annual average training days per employee  
₹1,585 cr Investments in employee well-being



**Natural and Manufactured Capital**  
28.9 mn sq. ft. Highest rated green buildings  
₹1,510 cr Capex spend on tech infrastructure  
32 Climate change solutions



**Social and Relationship Capital**  
₹517 cr Global CSR spends  
1,872 Total no. of active clients  
28 No. of nearshore / tier-2 locations  
13 No. of carbon offset projects



## (5) Legal Principles of ESG in India:

(A) NG RBC (National Guidelines on Responsible Business Conduct)

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Formulated by MCA

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Comprises of 9 Principles

(B) BRSR (Business Responsibility and Sustainability Report)

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Required under Regulation 34(2) of SEBI (LODR) Regulations, 2015

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Applicable over → Top 1000 Listed Entities based on Market Capitalisation.

(6) BRSR Structural Format: BRSR seeks disclosure on entity's performance against 9 Principles of NGRBC.

BRSR Reporting Questionnaire is divided in 3 Sections:

Section A: General Disclosures:

Contains details of the Company;

Products, Services; operations;

Employee related details;

holding, subsidiary and associate cos,

CSR Activities etc.

Section B: Management and Process Disclosures

This Part Contains details relating to:

a) Policy and Management Processes; and

b) Governance, Leadership and Oversight

Section C: Principle wise Performance Indicators:

This section contains reporting over Key Performance Indicators (KPI) in alignment with 9 Principles of NGRBC.

