EVOLVING ESG REPORTING LANDSCAPE IN INDIA*

INTRODUCTION

Investment decisions have traditionally been driven by financial parameters. With the global pandemic, climate change, continual depletion of natural resources and the various instances of frauds and scams, investors have awoken to the reality of how environmental, social and governance (ESG) factors of a business entity could have an impact on its long-term financial performance.

While on one side investors have become more conscious of their responsibility towards environment and society, on the other side pressure on companies to focus on ESG in their business practices has also increased. This has led to increased investor interest and demand for ESG reporting, ESG ratings and ESG related products.

ESG reporting means, the disclosure of data covering the company's operations in three areas i.e. (i) environmental; (ii) social and (iii) governance. ESG reporting helps investors avoid companies that might pose a greater financial risk due to their environmental performance or other social or governmental practices and assist them in taking informal decisions while they are investing their hard-earned money.

In recent times, adapting to and mitigating climate change impact, inclusive growth and transitioning to a sustainable economy have emerged as major issues globally. There is an increased focus of investors and other stakeholders seeking businesses to be responsible and sustainable towards the environment and society. Thus, reporting of company's performance on sustainability related factors has become as vital as reporting on financial and operational performance.

COMPONENTS OF ESG

ESG norms guide organizations to adopt practices and policies that are intended to create long term, sustainable benefits to all stakeholders in the investment ecosystem. In addition to targeting commercial benefits, ESG investing designs portfolios that also cater to the investors' social and environmental goals.

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Views expressed in the Article may not express the views of the Institute.

ESG comprises of three criteria i.e., Environmental, Social and Governance. It must be noted that there is no exhaustive list of ESG examples, however there are certain common factors which are universally applied while determining the ESG metrics. There is gamut of aspects to be considered while talking about environmental, social and governance. For example:

Environmental	**Social**	**Governance**
• Preservation of our natural world • Climate change and its aspects • Carbon emission reduction • Water pollution / water scarcity • Air pollution / Environmental pollution • Deforestation	• Consideration of humans and our interdependencies • Customer success • Gender and diversity inclusion • Community relations • Mental health	• Process for running a business or organization • Board of Directors and its composition • Executive compensation guidelines • Political contributions and lobbying • Venture partner compensation • Hiring and onboarding best practices
• ESG helps as a tool which is used by the investors to understand the behavior of the companies and forecast the future performance of companies. It may be noted that ESG metrics are not mandatory for financial reporting, though many entities still choose to incorporate these metrics in their annual reports because of its impact on the investment behaviour.		

MODE OF ESG REPORTING

- The ESG reports or sustainability reporting done by the companies is through publication of annual sustainability reports which form part and parcel of the annual financial statements. The ESG reporting is based on the Global Reporting Initiatives (GRI) standards and the integrated reporting framework respectively.

IMPORTANCE OF ESG REPORTING

- The purpose and the value of ESG reporting is that the ESG reporting ensures the companies to consider their impacts on sustainability issues and enables them to be transparent about the risks and opportunities they face while reporting in the annual report to the stakeholders.

SUSTANABLE DEVLOPMENT GOALS (SDGs)

The UN Agenda 2030 is a plan of action for people, planet and prosperity. It also seeks to strengthen universal peace in larger freedom. It recognises that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development. All countries and all stakeholders, acting in collaborative partnership, will implement this plan.

The following are the 17 Sustainable Development Goals adopted at the UN Sustainable Development Summit in New York in September 2015 (The 2030 Agenda for Sustainable Development):

- **Goal 1.** End poverty in all its forms everywhere.
- **Goal 2.** End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
- **Goal 3.** Ensure healthy lives and promote well-being for all at all ages.
- **Goal 4.** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
- **Goal 5.** Achieve gender equality and empower all women and girls.
- **Goal 6.** Ensure availability and sustainable management of water and sanitation for all.
- **Goal 7.** Ensure access to affordable, reliable, sustainable and modern energy for all.
- **Goal 8.** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- **Goal 9.** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
- **Goal 10.** Reduce inequality within and among countries.
- **Goal 11.** Make cities and human settlements inclusive, safe, resilient and sustainable.
- **Goal 12.** Ensure sustainable consumption and production patterns.
- **Goal 13.** Take urgent action to combat climate change and its impacts.
- **Goal 14.** Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
- **Goal 15.** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
- **Goal 16.** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
- **Goal 17.** Strengthen the means of implementation and revitalize the global partnership for sustainable development.

NON FINANCIAL REPORTING FRAMEWORKS

Several reporting standards and frameworks are emerging globally, seeking to provide a structure to the multitude of perspectives, thematic interests and information needs around sustainability topics. These include Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), The Task Force on Climate-related Financial Disclosures (TCFD) and The Carbon Disclosure Project (CDP). These standards provide companies with a framework to identify key value drivers and develop non-financial metrics and accompanying narrative disclosures to gauge value and value creation.

The brief of the reporting standards and frameworks is given below:

- **The Global Reporting Initiative (GRI)** is the independent international organization that helps businesses, governments and other organizations understand and communicate their impacts. The GRI Standards are the world's most widely used for sustainability reporting. The GRI Standards create a common language for organizations - large or small, private or public - to report on their sustainability impacts in a consistent and credible way. This enhances global comparability and enables organizations to be transparent and accountable.
- **The International Integrated Reporting Council (IIRC)** is a global coalition of regulators, investors, companies, standard setters, the accounting profession, academia and NGOs. The coalition promotes communication about value creation as the next step in the evolution of corporate reporting. The IIRC's vision is a world in which capital allocation and corporate behaviour are aligned to the wider goals of financial stability and sustainable development through the cycle of integrated reporting and thinking.
- **The Sustainability Accounting Standards Board (SASB)** connects businesses and investors on the financial impacts of sustainability. SASB Standards enable businesses around the world to identify, manage, and communicate financially material sustainability information to investors. SASB Standards are industry-specific and are designed to be decision-useful for investors and cost-effective for companies. They are developed using a process that is evidence based and market informed.
- **CDP** is a global non-profit that drives companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests. Over 8,400 companies with over 50% of global market capitalization disclosed environmental data through CDP in 2019. This is in addition to the over 920 cities, states and regions who disclosed, making CDP's platform one of the richest sources of information globally on how companies and governments are driving environmental change.
- **The Climate Disclosure Standards Board (CDSB)** was founded in 2007 and is an international consortium of business and environmental NGOs committed to advancing and aligning the global mainstream corporate reporting model to equate natural capital with financial capital. It does so by offering companies a framework for reporting environmental and climate information with the same rigour as financial information.
- **The Task Force on Climate-related Financial Disclosures (TCFD) is established by** Financial Stability Board to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and, in turn, enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks.

INTEGRATED REPORTING

The Integrated Report is the most visible and tangible product of integrated reporting. It is a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to value creation over time. An integrated report should be prepared in accordance with the International <IR> Framework.

The International <IR> Framework defines integrated reporting as 'a process founded on integrated thinking that results in a periodic integrated report by an organization about value creation over time and related communications regarding aspects of value creation.' Integrated reporting brings together material information about an organization's strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context within which it operates. It provides a clear and concise representation of how the organization demonstrates stewardship and how it creates value, now and in the future.

But integrated reporting isn't just a reporting process. It's founded on integrated thinking, or systems thinking. Integrated thinking drives an improved understanding of how value is created and enhances decision-making by boards and management. The more integrated thinking is embedded in daily operations, the more naturally this information will be expressed in internal and external communications. On this basis, integrated thinking and integrated reporting are mutually reinforcing.

The <IR> Framework was developed in 2013 and revised in 2021, following extensive consultation and testing by report preparers and users in all regions of the world.

Integrated reporting aims to:

- Improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital.
- Promote a more cohesive and efficient approach to corporate reporting that draws on different reporting strands and communicates the full range of factors that materially affect the ability of an organization to create value over time.
- Enhance accountability and stewardship for the broad base of capitals (financial, manufactured, intellectual, human, social and relationship, and natural) and promote understanding of their independencies.
- Support integrated thinking, decision-making and actions that focus on the creation of value over the short, medium and long term.

The IIRC framework can be discussed under the following heads:

1. Six Capitals
2. Seven Guiding Principles
3. Eight Content Elements

REPORTING FRAMEWORK IN INDIA

In India, the Ministry of Corporate Affairs (MCA) took the initiative to guide the corporates towards responsible conduct and a sustainable future by issuing Corporate Social Responsibility Voluntary Guidelines in December 2009. The "Voluntary Guidelines on Corporate Social Responsibility," announced by the Ministry of Corporate Affairs (MCA) in 2009, was one of the earliest initiatives in this regard. Its goal was to integrate sustainability into business practices and decision-making processes.

In 2010, the Department of Public Enterprises (DPE) developed a CSR guideline to encourage central public sector enterprises to engage in CSR initiatives. The Ministry of Corporate Affairs then issued additional guidelines, known as the "National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business, 2011" (NVGs), emphasising the importance of corporate entities' environmental, social, and economic responsibilities, as well as the need to integrate them into business practices and investment decision making processes.

2009 – 'Corporate Social Responsibility Voluntary Guidelines 2009'

Ministry of Corporate Affairs (MCA) issued Corporate social Responsibility Voluntary Guidelines 2009 for responsible business which will add value to the operations and contribute towards the long term sustainability of the business. To prescribe a mechanism in which the Government, corporate sector and the communities need to partner together, working closely within the framework of national aspirations and policies.

Core element of these efforts was to draw attention of corporates towards, caring for all Stakeholders, Ethical functioning, Respecting Workers' Rights and Welfare, Human Rights, Environment and take up activities for Social and Inclusive Development.

2011 - 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business'.

Ministry of Corporate Affairs, Government of India, in July 2011, came out with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business'. These guidelines contained comprehensive principles to be adopted by companies as part of their business practices.

2012 - SEBI mandates top 100 listed entities to file BRR

In, 2012 SEBI had mandated the top 100 listed entities by market capitalisation to file Business Responsibility Reports (BRRs) from environmental, social and governance (ESG) perspective.

2013 - Introduction of Provision under Companies Act 2013, for spending on Corporate Social Responsibility and its Reporting in the Annual Report.

2015 – BRR became part of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

SEBI vide Circular no. CIR/CFD/CMD/10/2015 dated November 04, 2015 had prescribed the format for the Business Responsibility Report (BRR) in respect of reporting on ESG (Environment, Social and Governance) parameters by listed entities in line with clause (f) of sub regulation (2) of regulation 34 of SEBI(LODR) Regulations 2015 and 2012 circular issued earlier got rescinded. It was mandated that the annual report of the top 500 hundred listed entities based on market capitalization should contain a business responsibility report in the prescribed format.

2017 – SEBI recommended Integrated Reporting (IR) by top 500 Companies.

On 6 February 2017, SEBI issued a circular advising top 500 listed companies which are required to prepare BRR to adopt IR on a voluntary basis from the financial year 2017-18.

2019 - National Guidelines on Responsible Business Conduct (NGRBC) 2018

Ministry of Corporate Affairs has revised the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011 (NVGs) and formulated the National Guidelines on Responsible Business Conduct (NGRBC). These guidelines urge businesses to actualise the principles in letter and spirit.

2019 – BRR became mandatory for top 1000 listed companies

SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019, with effect from December 26, 2019, the annual report of the top 1000 thousand listed entities based on market capitalization shall contain a business responsibility report as per clause (f) of sub regulation (2) of regulation 34 of Listing Regulations.

2021 - New reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR).

Vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021, SEBI has introduced new reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR).

The BRSR seeks disclosures from listed entities on their performance against the nine principles of the 'National Guidelines on Responsible Business Conduct' (NGBRCs) and reporting under each principle is divided into essential and leadership indicators. The essential indicators are required to be reported on a mandatory basis while the reporting of leadership indicators is on a voluntary basis. Listed entities should endeavor to report the leadership indictors also.

The BRSR is intended towards having quantitative and standardized disclosures on ESG parameters to enable comparability across companies, sectors and time. Such disclosures will be helpful for investors to make better investment decisions. The BRSR shall also enable companies to engage more meaningfully with their stakeholders, by encouraging them to look beyond financials and towards social and environmental impacts.

The listed entities already preparing and disclosing sustainability reports based on internationally accepted reporting frameworks (such as GRI, SASB, TCFD or Integrated Reporting) may cross-reference the disclosures made under such framework to the disclosures sought under the BRSR.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

In India, broader legislative intent in the sustainability space has been ahead of the curve. The Companies Act 2013 require a director of the company to act in the best interests of the company, its employees, the community and for the protection of the environment. The SEBI Listing Regulations echo similar expectations.

Indian investors are showing increased interest in ESG compliant companies and investment products. Business sustainability guidelines in India have been continuously evolving to meet the dynamic business environment in the country.

In the backdrop of global developments and the increasing focus on sustainability investing, the disclosure requirements under the BRR were reviewed. SEBI radically improved the ESG-related reporting with the introduction of the Business Responsibility and Sustainability Report (BRSR) in May 2021.

In terms of amendment to regulation 34 (2) (f) of LODR Regulations vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021, it has now been decided to introduce new reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR). The BRSR is accompanied with a guidance note to enable the companies to interpret the scope of disclosures.

The BRSR is a notable departure from BRR. It is more focussed on having quantifiable metrics and is outcome oriented. The BRSR framework offers over 500 data points. The BRSR seeks disclosures from listed entities on their performance against nine principles. These nine principles echo the SDGs and cover both environment and social aspects such as climate action, responsible consumption and production, gender equality, working conditions etc.

BRSR is a more outcome oriented reporting format, which lays considerable emphasis on quantifiable metrics, which allows for easy measurement and comparisons. BRSR requires listed companies to make disclosures related to nine principles covering both environment and social aspects such as climate action, responsible consumption and production, gender equality, working conditions, etc. The BRSR seeks to ensure disclosure of the listed entity's material ESG risks and opportunities as well as the approach to mitigate or adapt to the risks along with financial implications of the same.

The structure of BRSR is segregated under essential or mandatory indicators and leadership or voluntary indicators. The leadership indicators also include disclosures related to the value chain of the reporting listed entities. The BRSR is applicable to top 1,000 listed entities by capitalisation, for reporting on a voluntary basis for 2021-22 and on mandatory basis from 2022-23 onwards.

BRR AND BRSR - KEY DIFFERENCE

In the current reporting under BRR, the reporting sections are five which has been reduced to three in the revised BRSR reporting. However, additional disclosures have been inserted in each of these sections in the revised BRSR.

As compared to the BRR, the metrics on climate and social issues have been enhanced and made more granular. Disclosures relating to value chain partners have also been strengthened. The performance metrics are segregated into essential and leadership indicators. The essential indicators are required to be reported on a mandatory basis while the reporting of leadership indicators is on a voluntary basis. The BRSR is accompanied with a guidance note to help companies in understanding the requirement and aid in the reporting.

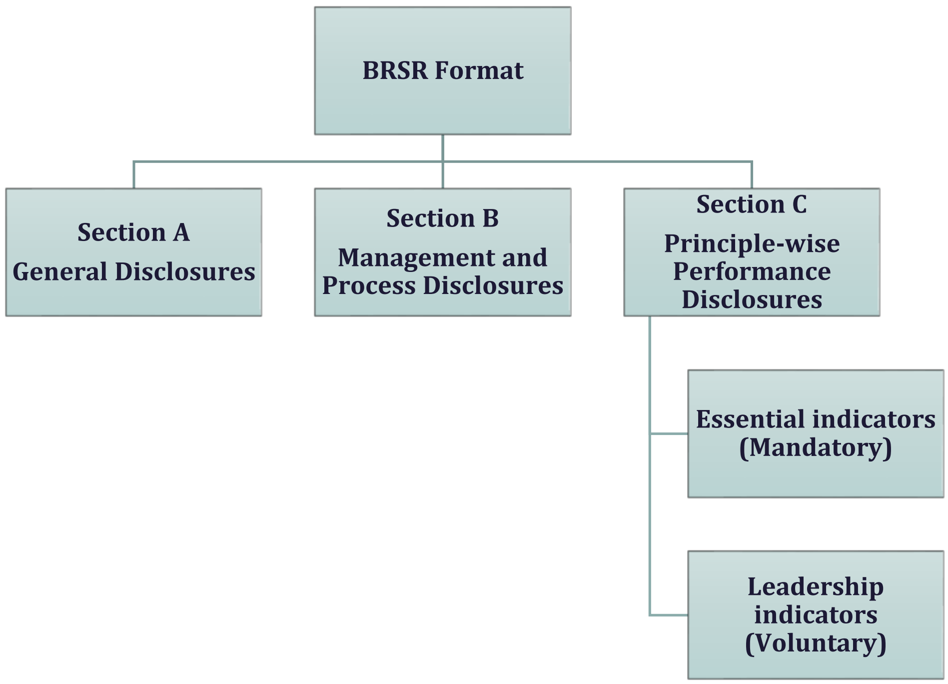
The new format mainly has the following additional details as compared to BRR:

- Essential Leadership Indicators
- Quantitative data enables easy measurement and comparability across companies and sectors
- Data in MCA portal – preferably in XBRL format
- NGRBC (National Guidelines on Responsible Business Conduct) to be linked with SDGs
- BRSR data to be used to develop Business Responsibility sustainability index
- Obtaining information of Value Chain Partners

STRUCTURE OF BRSR

The BRSR seeks disclosures from listed entities on their performance against the 9 principles of the 'National Guidelines on Responsible Business Conduct' (NGBRCs) and reporting under each principle is divided into essential and leadership indicators.

The essential indicators are required to be reported on a mandatory basis while the reporting of leadership indicators is on a voluntary basis. Listed entities should endeavor to report the leadership indictors also.



The business responsibility & sustainability reporting format contains the following parameters:

SECTION A: GENERAL DISCLOSURES

Details of the listed entity

Products/services

Operations

Employees

Holding, Subsidiary and Associate Companies (including joint ventures)

CSR Details

Transparency and Disclosures Compliances

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the (National Guidelines on Responsible Business Conduct) NGRBC Principles and Core Elements.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1: Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.

Principle 2: Businesses should provide goods and service in a manner that is sustainable and safe.

Principle 3: Businesses should respect and promote the wellbeing of all employees, including those in their value chains.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Principle 5: Businesses should respect and promote human rights.

Principle 6: Businesses should respect and make efforts to protect and restore the environment.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Principle 8: Businesses should promote inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

ESG INVESTMENTS IN INDIA

Over the past few years, the investment in the companies have surged multifold due to the relaxation in legislative regulation and increase in the risk-taking appetite of the new young investors. Even in the post COVID-19 era, it is expected that people will move away from traditional forms of investment like Fixed Deposits, Recurring Deposits, etc. to invest in the capital market due to expected higher rates of return. It is forecasted that there will be significant improvement in the capital market investments and rates of return by the year 2030.

To encourage the investors to participate in the capital market, it is very much important that they are educated about the choices available to them in such market. For this, ESG helps as a tool which is used by the investors to understand the behavior of the companies and forecast the future performance of companies.

Investors are increasingly driven by the ESG factors that traditionally have not been captured in a company's balance sheet, but that can influence future returns.

Mutual Funds

From an investment standpoint, ESG funds are rapidly expanding in the Indian Mutual Fund Industry. Asset Management Companies (AMCs) have been launching equity schemes in the ESG space under thematic category. The AMCs are also launching Exchange Traded Funds (ETFs) and ETF Fund of Funds in ESG space. These schemes have disclosures in their Scheme Information Documents in line with the other scheme categories, such as investment objective, asset allocation, investment strategy, investment restrictions, etc. and subsequent disclosures.

As on October 31, 2021, there were 11 mutual fund schemes in India having ESG as their theme with assets under management of over INR 13,000 crore.

Green Bonds

In May 2017, SEBI issued guidelines for issuance and listing of Green Debt Securities, i.e. bonds which raise funds for exclusively financing projects in areas such as renewable and sustainable energy, low carbon transport modes, sustainable land use, water and waste management, climate change adaptation, energy efficiency, bio diversity conservation, etc. Since 2016-17, there have been 19 issuances of green bonds in India which together mobilized INR 5,819 crore.

A recent issue of green bonds by the Ghaziabad Municipal Corporation, which raised INR 150 crore for the construction of a tertiary treatment sewage plant.

CONSULTATION PAPER ON INTRODUCING DISCLOSURE NORMS FOR ESG MUTUAL FUND SCHEMES

SEBI has brought Consultation Paper on introducing disclosure norms for ESG Mutual Fund schemes. In order to take into consideration the views of various stakeholders, public comments are invited on the proposed disclosures for ESG schemes.

With the increased interest and focus on investments in ESG space globally, Asset Management Companies (AMCs) in India have also been launching equity schemes in the ESG space under thematic category. The AMCs are also launching Exchange Traded Funds (ETFs) and ETF Fund of Funds in India in ESG space. Globally, the concept of ESG investments is still emerging and there are no universally agreed norms and standards. Standard setting bodies like IOSCO, FSB etc. are working in this area including development of standardised disclosures for funds in the ESG space.

While all Mutual Fund schemes are subject to disclosure norms, disclosures assume further significance for ESG schemes, in order for them to be true to label which should reflect consistently in its name, stated objectives, its documented investment policy and strategy and its investments. SEBI in its consultation paper has recommended that Mutual Funds which already have ESG schemes in existence are required to update their Scheme Information Documents (SIDs) with the disclosures given below:

Name of the scheme: The name of the scheme should accurately reflect the nature and extent of the scheme's ESG focus taking into account investment objective and type of strategy followed.

Investment objectives: It shall provide transparency about the nature and extent of the scheme's ESG related investment objectives.

Investment Policy: The investment policy of AMCs should encompass processes to review the investments during a certain period and the strategy pursued. The strategy should include the broad universe of the companies in which they intend to invest. The investments should be designed to generate a beneficial ESG/sustainability impact alongside a financial return and the AMC should clearly state the intended 'real world' outcome in qualitative terms, especially for strategies related to Integration, Impact Investing and Sustainable Objectives.

Responsible Investment Policy of AMCs should be revised to contain a clause that from October 1, 2022, AMCs shall only invest in securities which have Business Responsibility and Sustainability Report (BRSR) disclosures. The existing investments in the schemes for which there are no BRSR disclosures would be grandfathered by SEBI for a period of one year i.e., till September 30, 2023. Schemes which invest in overseas securities would choose any global equivalent of the BRSR which will be specified by Association of Mutual Funds in India (AMFI).

Article

Investment Strategy: The AMC shall disclose the type of strategy followed by scheme, with regards to sustainability / ESG characteristics which merit the nomenclature of an ESG fund.

Disclosure of material risks: Disclosure of unique risks that arise from a scheme's focus on sustainability.

Asset Allocation: As per extant regulations these schemes fall under thematic sub-category and so a minimum of 80% of total assets of the scheme shall be invested in securities following ESG theme.

Benchmark: The benchmark should be continuously aligned with each of the environmental, governance and social characteristics followed by the scheme.

Disclaimer: Apart from the above, AMCs can provide suitable disclaimers, if any, for aspects related to the above disclosures in the SIDs.

INTEREST IN ESG RATING

The introduction of BRSR and launch of ESG Mutual Fund schemes have generated interest in ESG Ratings as a way for ESG disclosures by listed issuers to aid investors meaningfully integrate ESG into their investment decisions.

Further, in the recent years, increasing investor demand for companies to demonstrate high ethical and moral standards has compelled managers of private capital to identify ESG compliant startups to form a significant part of their portfolio. As a result, ESG ratings have become equally important for unlisted companies.

CONCLUSION

If ESG norms are to add value to businesses and investments, it is necessary to have a thorough understanding of the inter-linkages between 'Environment', 'Social' and 'Governance' factors and their individual and collective impact on a company's sustainability and its business ecosystem. This requires identification of standardized and quantifiable performance indicators. For example, these factors may include work place safety, customer relations, personnel diversity and inclusion, etc.

The increasing attention to ESG parameters of companies and corporations has necessitated the need for appropriate tools for ESG assessment and reporting.

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