THE INSTITUTE OF
Company Secretaries of India
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

Vision
"To be a global leader in promoting good corporate governance"

Motto
सत्यं वद। धर्मं चर। speak the truth. abide by the law.

Mission
"To develop high calibre professionals facilitating good corporate governance"

ESG CATALYST

A JOURNEY TOWARDS SUSTAINABLE FUTURE

The ICSI has always promoted good corporate governance, environmental sustainability, and social responsibility among stakeholders including its members as well as students' community.

The "ESG Catalyst" is a bimonthly initiative launched by the ICSI to build awareness about the ESG amongst the professionals by sharing key ESG term, write-up, promising practices and latest developments in ESG domain with professional fraternity.

Company Secretaries are vital in ESG reporting, ethical governance, and stakeholder engagement. By implementing ESG initiatives in their organisations, the Company Secretaries can drive positive change towards a more sustainable, equitable, and resilient future.

Through this initiative of ICSI, we urge upon the professional's fraternity to take a lead in prioritising and setting the ESG agenda in their respective organisation in alignment with the sustainable development goals.

To embark on this journey, the ICSI will continuously mentor the professionals by sharing knowledge on concepts, sustainable practices and latest developments in ESG.

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Green Credit Programme (GCP)

Green Credit Program (GCP) notified by Ministry of Environment, Forest and Climate Change (MoEFCC) on 12th October, 2023 is a market-based mechanism designed to incentivize voluntary environmental actions across diverse sectors, by various stakeholders like individuals, communities, private sector industries, and companies. The GCP's governance framework is supported by an inter-ministerial Steering Committee and the Indian Council of Forestry Research and Education (ICFRE) serves as the GCP Administrator, responsible for program implementation, management, monitoring, and operation.

This mechanism was introduced to encourage voluntary plantation activity across the country, resulting in award of Green Credits (GCs) and to build an inventory of degraded land which can be utilised for Afforestation programmes. The objectives of this programme are:

- to establish a dynamic land bank for plantations accessible via a dedicated web portal. This facility enables the registration of degraded forest lands by Forest departments. The inventory thus formed becomes a valuable resource available for voluntary plantation activities.
- to encourage Government Institutions/ Public Sector Undertakings/ Non-Government Organisations/ Private Companies/ Organisations/ Philanthropies/ Individuals/ Group of Individuals registered under Societies Registration Act to select Plantation Blocks from the registered Plantation blocks for encouraging afforestation.
- to issue green credits which serve as key incentive for entities engaged in tree plantation.
- the GCP streamlines its operations through technology-based tools like a web platform and a registry. These digital resources ensure seamless registration, verification, and monitoring of plantation-related activities.

The expected outcomes of this programme are:

- to enhance India's forest and tree cover;
- to build an inventory of degraded land under the control and management of Forest Departments suitable for plantation; and
- to encourage participation of individuals and entities in pro-planet actions by rewarding Green Credits.

One of the leadership indicators under Principle 6 of Business Responsibility & Sustainability Report (BRSR) which relates to "Businesses should respect and make efforts to protect and restore the environment" has been added seeking disclosures on green credits as to how many green credits have been generated by the listed entity and by the top ten value chain partners in terms of value of purchases and sales, respectively.

Issue of Green Credits:

(1) **Selection of Plantation Blocks by Entity for Afforestation:** From the registered Plantation block details, Registered entity will select suitable grids for plantation. The Administrator will inform the Entity about the amount to be paid for undertaking the plantation. Once charges are paid, the plantation activity will be undertaken by concerned Implementation Agency (Forest Department/Forest Development Corporation) on the grid/Plantation Blocks selected by the Entity.

(2) **Issuance of GC:** GCs will be issued in 2nd year completion of plantation based on methodology and guidelines as defined by Administrator. GC will be allocated at the rate of 1 GC per tree, on the generation of plantation completion certificate in the GCP portal. The Implementing agency (Forest department) will be responsible for ensuring completion of plantation within 2 years.

Good Practices in ESG

ENVIRONMENTAL

Organizations should undertake tree plantation drive and initiatives to save the environment

SOCIAL

Organizations should conduct awareness campaign on social issues

GOVERNANCE

Organizations should adopt a Reporting and Disclosure Policy on ESG

Tips for Environment Friendly Initiatives

Use Recyclable Products	Use e-version to save paper	Promote upcycling and repurposing

News in ESG

(i) Singapore Launches Guidebook for Sustainability Reporting Training Providers

Singapore's Accounting and Corporate Regulatory Authority (ACRA) has launched the Sustainability Reporting Body of Knowledge (SR BOK)- a structured guidebook designed to help training providers create high-quality, ISSB-aligned programmes for professionals in sustainability reporting. This will set a national benchmark for sustainability-reporting education aligned with ISSB standards.

Due to mandatory ISSB aligned climate disclosures for SGX-listed companies, demand for professionals equipped with relevant expertise is rising fast. The SR BOK addresses this by offering a detailed roadmap of technical skills and competencies in:

- Greenhouse gas accounting
- IFRS S1 and S2 standards
- Climate-related disclosures in line with the Greenhouse Gas Protocol

The SR BOK framework has been validated by more than 50 stakeholders including regulators, corporate preparers, assurance providers, and training institutions through focused consultations.

ACRA is working with SkillsFuture Singapore to provide funding for SR BOK aligned programmes, ensuring wider accessibility and institutional alignment. The SR BOK is available for public access at: go.gov.sg/acra-srbok

Source: https://esgnews.com/singapore-launches-guidebook-for-sustainability-reporting-training-providers/

(ii) European Union and United Kingdom to Create Unified Emissions Trading System

The European Union and the UK government have agreed to work towards linking their carbon markets, in a move that could unify the EU and UK Emissions Trading Systems (ETS) and reshape carbon pricing across Europe. Linking the ETS frameworks would allow carbon allowances issued by either jurisdiction to be recognized under the other's system, effectively enabling cross-border trading of emissions permits.

A unified ETS strengthens Europe's carbon pricing mechanism and increases liquidity, potentially stabilizing carbon prices while reducing compliance costs for multinationals operating in both regions.

The EU ETS, launched in 2005, covers emissions-intensive sectors like energy, steel, cement, and aviation, and is expected to generate €40 billion in revenues between 2020 and 2030. It has been bolstered by the 2023 introduction of the Carbon Border Adjustment Mechanism (CBAM), designed to prevent "carbon leakage" by imposing tariffs on imported goods based on their carbon footprint.

Since 2021, the UK has operated its own ETS and plans to implement its own CBAM by 2027. The proposed linkage would aim to enable mutual CBAM exemptions for goods originating from each other's markets, reducing administrative and financial burdens on cross-border trade. The joint statement made clear that alignment will only proceed if the UK's emissions cap and reduction trajectory "are at least as ambitious as the European Union cap and the European Union reduction pathway."

The proposed linkage will initially target sectors such as electricity generation, industrial heat, heavy industry, maritime transport, and aviation, with provisions to expand further. For corporations and investors, this signals a broader trend toward regulatory harmonization in climate policy, boosting confidence in long-term carbon pricing mechanisms and market predictability across Europe.

Source: https://esgnews.com/eu-and-uk-to-link-carbon-markets-creating-unified-emissions-trading-system/

(iii) UN Adopts New Carbon Credit Rules to Boost Climate Market Credibility

A United Nations body supervising the carbon market under the Paris Agreement has adopted a set of new rules to ensure the environmental integrity of emissions reduction projects - a move seen as crucial for restoring confidence in international carbon credits. The Supervisory Body for the Paris Agreement Crediting Mechanism (PACM) approved new standards for measuring and accounting for emission reductions, including methodologies for setting baselines (the level of emissions that would have occurred without a project) and for tracking unintended emissions increases elsewhere, known as "leakage." These standards require baselines to be set at least 10% below historical or business-as-usual emissions, with a mandatory downward adjustment of at least 1% over time, to prevent credit inflation and ensure genuine climate impact.

The leakage standard will help those developing methodologies to identify all potential sources of emissions. Beyond adopting the baseline and leakage standards, the Supervisory Body also made a number of related decisions to support implementation. These include a process of consultation on how project benefits can be shared equitably with host countries, and a renewed focus on capacity building to help countries build the systems they need to take part in the mechanism - including through clearer roles for host countries.

These decisions mark a major milestone in operationalizing Article 6.4 of the Paris Agreement, which allows countries and private actors to generate and trade carbon credits tied to verified emissions cuts. The adoption of these rules is expected to lay the groundwork for issuing high-integrity carbon credits and accelerating global climate mitigation efforts. The Supervisory Body aims to approve the first PACM methodologies by the end of 2025 and will continue to monitor and report on the funding situation to Parties under the Paris Agreement.

Source: https://www.esgtimes.in/climate/carbon/un-adopts-new-carbon-credit-rules-to-boost-climate-market-credibility/

(iv) India partners with GEAPP to fund and mentor climate-tech start-ups

The Department for Promotion of Industry and Internal Trade (DPIIT) has entered into a strategic two-year partnership with the Global Energy Alliance for People and Planet (GEAPP) to catalyze climate-tech entrepreneurship. The collaboration, marked by signing a memorandum of understanding, aims to accelerate clean energy innovation by supporting early-stage startups with access to funding, mentorship, pilot opportunities and market linkages.

The initiative is designed to foster a pipeline of scalable ventures that align with India's target to reach net-zero carbon emissions by 2070. Under the agreement, GEAPP will launch the Energy Transitions Innovation Challenge, a competitive platform offering up to $500,000 in rewards for high-impact climate-tech solutions. GEAPP will also facilitate investment support through capital partners.

The DPIIT will integrate the program into its existing Startup India network, leveraging major government schemes to expand outreach and ensure broad participation.

Source: https://www.esgtimes.in/energy/renewables/dpiit-geapp-sign-pact-to-support-clean-energy-startups-in-india/

(v) India's Largest Hybrid Renewable Projects to be built with an investment of $2.5B

ReNew Energy Global will invest Rs. 22,000 crore ($2.5 billion) to develop one of India's largest hybrid renewable energy projects in Andhra Pradesh's Anantapur district. The facility will generate 2.8 GW of power comprising 1.8 GW from solar + 1 GW from wind and include a 2 GWh battery energy storage system (BESS), enabling the plant to dispatch clean power for up to four peak demand hours daily.

The phased project will begin with 587 MWp of solar and 250 MW of wind capacity, plus a 415 MWh BESS. Power purchase agreements (PPAs) for this phase are already signed. The remainder will follow in future development stages.

Aligned with the Make in India initiative, the solar panels will be 100% domestically produced from ReNew's manufacturing units in Jaipur and Dholera. Advanced solar tracking systems and waterless robotic panel cleaning will optimize energy generation while reducing water use. The project is expected to create approximately 1,500 direct and indirect jobs and advance Andhra Pradesh's clean energy targets—78.5 GW solar, 35 GW wind, and 25 GWh BESS capacity.

Source: https://esgnews.com/renew-commits-2-5b-to-build-one-of-indias-largest-hybrid-renewable-projects/

We hope that the above information provided in the ESG Catalyst will be useful for professionals and inspire them to adopt ESG practices. Your suggestions and inputs on ESG Catalyst may be shared by email at **esgsb@icsi.edu.**