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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Natural Hydrogen

Natural hydrogen, also called white or geologic hydrogen, is pure hydrogen found naturally underground, formed by geological processes like water reacting with rocks, and is considered a clean, abundant, low-cost energy source because it requires no industrial production and emits no CO2 when used. While currently in early exploration, it's seen as a potential game-changer for decarbonization, challenging manufactured hydrogen's dominance and offering a path to energy security. It has gained global momentum with accidental discovery in Mali, West Africa and active projects in various countries.

In India, Directorate General of Hydrocarbons (DGH), being the nodal agency for oil and gas exploration is designated to assess hydrogen exploration potential. India possesses necessary geological conditions for the natural formation of hydrogen through processes like serpentinization of olivine-rich ultramafic rocks. These geological settings are analogous to petroleum systems where traditional hydrocarbons accumulate. Knowledge and efforts towards natural hydrogen resources are still in a preliminary stage.

In a pledge to reach net-zero emissions by 2070, the exploitation and use of natural hydrogen offers futuristic opportunity to meet the forecasted demand. If the estimated potential of natural hydrogen is discovered in India, we may not even need to engage in the process of manufacturing hydrogen anymore but rather pursue the quest of finding and producing naturally occurring hydrogen that would help decarbonize Indian economy faster at a lower cost.

Good Practices in ESG

ENVIRONMENTAL

Organizations should promote judicious use of natural resources.

SOCIAL

Organizations should develop community engagement plan.

GOVERNANCE

Organizations should conduct regular review of governance norms and conducts.

Tips for Environment Friendly Initiatives

Adopt eco-labelled products | Participate in Social Campaign | Avoid fossil fuels

News in ESG

(i) ISSB Eases Financed Emissions Rules Under IFRS S2

The International Sustainability Standards Board (ISSB) has moved to ease one of the most contentious elements of climate reporting for financial institutions, rolling out targeted amendments to its IFRS S2 standard that narrow and clarify how financed emissions must be disclosed. The changes focus squarely on greenhouse gas reporting challenges that emerged as banks, insurers, and asset managers began applying the standard in practice. While IFRS S2 remains intact as a global framework for climate risk disclosure, the ISSB has acknowledged that some requirements, particularly around Scope 3 financed emissions, were proving difficult to operationalise at scale. Financial institutions, in particular, raised concerns about the breadth and complexity of Scope 3 category 15 emissions, which cover emissions linked to investments, lending, and other financing activities.

Earlier this year, the ISSB launched a consultation to address those concerns, leading to the amendments. Under the amended guidance, banks and other financial institutions may limit disclosures to emissions attributed to loans and investments they make directly. For asset managers, reporting may focus on emissions linked to assets under management. Beyond Scope 3 boundaries, the amendments introduce additional flexibility aimed at easing compliance without weakening comparability. It also addressed jurisdictional differences in emissions measurement. Companies may use Global Warming Potential values mandated by local regulators, even if those differ from the latest Intergovernmental Panel on Climate Change assessment. Similarly, where a jurisdiction requires a measurement approach other than the Greenhouse Gas Protocol, firms may apply that method under IFRS S2. These adjustments recognise that financial institutions often operate across multiple regulatory regimes, each with its own technical requirements.

Source: https://tinyurl.com/ISSB-IFRS2

(ii) India's Resolution on 'Strengthening the Global Management of Wildfires' adopted at UNEA

India's resolution on 'Strengthening the Global Management of Wildfires' was adopted at the 7th Session of the United Nations Environment Assembly (UNEA-7) on 12th December, 2025 in Nairobi, Kenya. The resolution, moved by India, received wide support from Member States, reaffirming global recognition of the urgent need to address the rising threat of wildfires worldwide.

India underlined that wildfire have emerged as one of the most pressing environmental challenges globally. The resolution aimed at strengthening international cooperation and coordinated action for wildfire management. It highlighted that region across the world are witnessing a steady rise in the number, scale and intensity of wildfires, which were once limited to seasonal occurrences. Wildfires have now become frequent and prolonged, driven largely by climate change, rising temperatures, extended droughts, and human activities. Each year millions of hectares of land are affected by fires, causing enormous destruction to forests, biodiversity, water resources, soil health, air quality, and livelihoods. Wildfires also release significant greenhouse gases, weaken carbon sinks, and heavily impact forest-dependent communities and national economies.

India reaffirmed its commitment to work with UNEP, Member States, and partners to boost global preparedness, prevention, and resilience against escalating wildfire risks.

Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2203299&reg=3&lang=1

(iii) Global Regulators Meet in Abu Dhabi to Tackle Risks in Expanding Private Credit Market

Global Regulators from the Middle East, Europe, Asia and the United States convened in the UAE capital for the fourth Global Financial Regulators Summit, held during Abu Dhabi Finance Week 2025. Hosted by the Financial Services Regulatory Authority of Abu Dhabi, Global Market, the closed-door forum has become one of the most influential annual meetings for supervisors confronting structural shifts across global finance.

The rise of private credit dominated the agenda. Once a niche strategy, private credit funds have grown into one of the most dynamic pockets of the global financial system, surpassing trillions in assets and expanding well beyond traditional institutional channels. That growth has accelerated discussions around the role of Non-Bank Financial Intermediation and the pace at which regulatory frameworks must adapt. Regulators highlighted that rapid expansion has drawn heightened scrutiny worldwide. Concerns ranged from leverage levels and liquidity management to the degree of interconnectedness with the broader financial system. Another area gaining attention is increasing retail appetite for private credit-linked products, raising questions about suitability, transparency and market access.

Although the summit is designed as an exclusive platform for candid dialogue, core insights were later shared with the wider Abu Dhabi Finance Week audience. The decision to convey outcomes publicly reflected rising interest from investors, asset managers and policymakers in understanding how global regulators are shaping the next phase of private credit oversight.

Source: https://tinyurl.com/globalregulator-abudhabi

(iv) New York Mandates Statewide GHG Disclosure for Large Emitters Starting 2027

New York mandates greenhouse gas reporting from facilities emitting 10,000 metric tons of CO2e or more, beginning in 2027, covering power, fuel supply, waste, and industrial sectors. For corporate leaders and investors, the rule introduces a durable, state-enforced emissions dataset at a time when federal disclosure pathways remain uncertain. Verified, standardized emissions reporting will inform capital allocation, climate risk assessment, and regulatory compliance strategies in one of the world's largest subnational economies. When federal alignment weakens, states and regions are increasingly setting the pace, creating parallel disclosure regimes that multinational companies must integrate into their reporting, assurance, and transition planning frameworks.

Source: https://tinyurl.com/newyork-emission2027

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.**