THE INSTITUTE OF
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भारतीय कम्पनी सचिव संस्थान
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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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ECOLOGY: THE WORLD'S PERMANENT ECONOMY

The phrase "Ecology is the world's permanent economy," popularized by environmentalist Sunderlal Bahuguna, serves as a critical philosophical and economic framework. It challenges the conventional view that the economy and the environment are separate entities, asserting instead that the planet's ecological health is the indispensable foundation upon which all human prosperity and economic activity are built. Without robust natural systems, long-term economic stability is impossible. Conventional economics often focuses on manufactured, financial, and human capital. The "Permanent Economy" model insists on recognizing Natural Capital as the primary asset.

Achieving a "Permanent Economy" requires integrating ecological sustainability into the heart of economic planning through the following mechanisms:

- **Ecological Accounting:** Implementing systems like Inclusive Wealth (IW) or Genuine Progress Indicator (GPI) that account for the depreciation of natural capital alongside conventional assets.
- **Circular Economy:** Transitioning from a linear "take-make-dispose" model to one where resources are reused, repaired, and recycled, drastically reducing the demand on primary resource extraction.
- **Green Innovation:** Investing in technologies and infrastructure (e.g., renewable energy, sustainable construction materials) that decouple economic growth from resource consumption and environmental damage.
- **Policy and Valuation:** Utilizing market mechanisms, such as carbon pricing, green taxes, and payment for ecosystem services (PES) schemes, to reflect the true value of natural capital in economic decisions.

The principle that ecology is the permanent economy is not a call to halt development, but a guide for sustainable, resilient development.

Good Practices in ESG

ENVIRONMENTAL

Organizations should adopt green innovation and technology for its products and services.

SOCIAL

Organizations should create awareness campaign on preservation of natural assets and habitat.

GOVERNANCE

Organizations should develop a governance framework for ecological and human capital.

Tips for Environment Friendly Initiatives

Share resources | Practice minimalism | Encourage waste management

News in ESG

Brazil Cuts Amazon Deforestation to 11-Year Low Ahead of COP30

As per government data, deforestation in Brazil's Amazon rainforest fell to an 11-year low in the 12 months through July, strengthening President Silva's push to restore Brazil's environmental credibility ahead of COP30. Lula's return to power in 2023 reversed a four-year surge in deforestation under his predecessor, when environmental protections were weakened, and illegal mining and ranching expanded. Since then, the government has restored funding for environmental agencies, reinstated fines for illegal clearing, and reopened command centers targeting deforestation hotspots. The results position Brazil as a leading case study for combining enforcement with political will.

With COP30 set to be hosted in Belém, a gateway to the Amazon, Brazil aims to arrive at the summit as a credible climate leader. Lula has positioned forest protection at the core of his foreign policy, using it to re-engage international partners and attract climate finance. The country's progress could strengthen calls for increased payments under the Amazon Fund, a mechanism backed by Norway and Germany to reward deforestation reductions. It may also enhance Brazil's role in shaping global carbon-market governance, where forest credits remain politically sensitive but economically pivotal for climate financing in the Global South.

Source: https://esgnews.com/brazil-cuts-amazon-deforestation-to-11-year-low-ahead-of-cop30/

EU Pushes for Stronger Global Climate Action at COP30 in Brazil

As global leaders convene for the UN Climate Change Conference (COP30) from 10–21 November, the European Union enters negotiations intent on reinforcing international cooperation to keep the Paris Agreement's 1.5°C goal within reach. The EU's agenda for COP30 is framed by an insistence that multilateral action remains vital, particularly for small states and least developed nations facing acute climate threats. Central to the EU's position is the call for all COP Parties to strengthen their Nationally Determined Contributions.

Climate finance remains the most contentious and pivotal theme at COP30. The "Baku to Belém Roadmap," to be jointly presented by Azerbaijan and Brazil, calls for scaling funding for developing economies to at least $1.3 trillion annually by 2035. The EU, already the world's largest public climate financier, provided €31.7 billion in public funds and mobilised an additional €11 billion in private finance in 2024. Brussels is expected to use these figures to urge comparable ambition from other major economies and private investors. On carbon markets, the EU supports the COP30 Presidency's proposal to launch the Open Coalition for Compliance Carbon Markets — a forum for countries advancing carbon pricing schemes.

Source: https://esgnews.com/eu-pushes-for-stronger-global-climate-action-at-cop30-in-brazil/

EU Secures Airline Pledges to End Misleading Environmental Claims

Twenty-one European airlines have agreed to overhaul their environmental marketing practices after EU consumer authorities found that many claims could mislead passengers about the climate impact of air travel. The action follows a 2023 complaint from the European Consumer Organisation, which alleged that several airlines made misleading environmental claims in violation of EU consumer law. The agreement is grounded in the Directive on Unfair Business-to-Consumer Commercial Practices, which prohibits misleading actions and omissions in marketing. The move responds to mounting concern over how aviation companies present their sustainability efforts to consumers, especially in relation to offsets and carbon neutrality.

The airlines will now stop promoting the idea that a specific flight's carbon emissions can be neutralized or offset through consumer payments to climate projects or the purchase of alternative fuels. They will also ensure that any use of the term "sustainable aviation fuel" is supported by clear evidence and context. Any carbon calculations offered to consumers must now be based on transparent methodologies and supported by scientific data. National consumer authorities will monitor implementation and may take enforcement action against airlines that fail to comply.

Source: https://esgnews.com/eu-secures-airline-pledges-to-end-misleading-environmental-claims/

Executive Committee of the Principles, backed by ICMA, issues Climate Transition Bond Guidelines

The Executive Committee of the Green, Social, Sustainability, and Sustainability-Linked Bond Principles (the Principles), supported by the International Capital Market Association (ICMA), has introduced new guidance for Climate Transition Bonds. Announced during its Annual Conference in Tokyo, the initiative represents the latest step in advancing global capital market standards for financing decarbonization.

The newly released Climate Transition Bond Guidelines (CTBG) introduce Climate Transition Bonds (CTBs) as a distinct label for use of proceeds instruments. The guidelines set out a clear definition and safeguards for "Climate Transition Projects" as activities that drive measurable emissions reductions or support systemic decarbonization, often extending beyond the scope of the Green Bond Principles (GBP). Climate Transition Projects include investments in industrial decarbonization, renewable energy integration, and infrastructure adaptation. These projects target high-emission sectors such as steel, cement, and transport, addressing areas traditionally underserved by green finance. The guidelines also recommend enhanced disclosure for issuers of climate transition-themed Sustainability-Linked Bonds (SLBs), ensuring credibility and alignment with the goals of the Paris Agreement.

Source: https://tinyurl.com/ICMACTBGuidelines

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.**