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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Waste Heat Recovery (WHR)

Waste heat is heat, which is generated in a process by way of fuel combustion or chemical reaction, and then "dumped" into the environment even though it could still be reused for some useful and economic purpose. The strategy of how to recover this heat depends on the temperature of the waste heat gases and the economics involved. Large quantity of hot flue gases is generated from Boilers, Kilns, Ovens and Furnaces. If some of this waste heat is recovered, a considerable amount of primary fuel can be saved. Sources of waste heat mostly include heat loss transferred through conduction, convection and radiation from industrial products, equipment and processes and heat discharged from combustion processes. Heat loss can be classified into high temperature, medium temperature and low temperature grades. Waste Heat Recovery (WHR) systems are introduced for each range of waste heat to allow the most optimum efficiency of waste heat recovery to be obtained.

Benefits of waste heat recovery includes reduction in utility consumptions and costs, reduction in pollution, reduction in energy consumption, increased operational efficiency, reduced maintenance costs of the equipment etc. Some of the examples of use of waste heat are preheating of combustion air, space heating, or pre-heating boiler feed water or process water.

Good Practices in ESG

ENVIRONMENTAL

Organizations should implement waste management system across all business units

SOCIAL

Organizations should conduct sustainability awareness campaign for society

GOVERNANCE

Organizations should conduct ESG Risk Assessment and frame risk mitigation strategies accordingly

Tips for Environment Friendly Initiatives

Print only when absolutely necessary	Promote indoor farming	Go plogging instead of jogging

News in ESG

(i) SEBI issues Framework for Environment, Social and Governance (ESG) Debt Securities (other than green debt securities)

The Securities and Exchange Board of India (SEBI) has issued a framework via circular dated 05th June, 2025, for the issuance and listing of ESG debt securities, specifically targeting social bonds, sustainability bonds, and sustainability-linked bonds which together with green debt securities, will be termed Environment, Social and Governance (ESG) Debt Securities.

"ESG Debt Securities" means green debt securities, social bonds, sustainability bonds, sustainability-linked bonds, or any other type of bonds, by whatever name called, that are issued in accordance with such international frameworks as adapted or adjusted to suit Indian requirements that are specified by the SEBI from time to time, and any other securities as specified by the SEBI.

"Green debt security" means a debt security issued for raising funds subject to the conditions as may be specified by the SEBI from time to time, to be utilised for project(s) and/ or asset(s) falling under certain categories.

The debt securities shall be labelled as **'social bonds'** or **'sustainability bonds'** or **'sustainability-linked bonds'** only if the funds raised through the issuance of such debt securities are proposed to be utilised for financing or refinancing projects and/or assets aligned with any of the following recognized standards or fall under the definitions given in the framework:

(a) International Capital Market Association (ICMA) Principles / Guidelines;

(b) Climate Bonds Standard;

(c) ASEAN Standards;

(d) European Union Standards; and

(e) Any framework or methodology specified by any financial sector regulator in India.

The issuers desirous of issuing any of the above bonds shall provide initial disclosures, continuous disclosures and appoint an independent third-party reviewer/ certifier as per the details as mentioned in the framework. The issuer shall also ensure certain requirements to be complied with to avoid purpose-washing i.e., making false, misleading, unsubstantiated, or otherwise incomplete claims about the purpose for which bonds are issued.

Also, an Issuer who is eligible to list specified securities on SME exchange and intends to issue ESG debt securities shall have to comply with the post listing obligations as mentioned in the framework.

Source: https://www.sebi.gov.in/legal/circulars/jun-2025/framework-for-environment-social-and-governance-esg-debt-securities-other-than-green-debt-securities-_94424.html

(ii) Competition Bureau of Canada issues final guidelines regarding environmental claims to Enforce Greenwashing Rules

The Competition Bureau of Canada is an independent law enforcement agency that ensures that Canadian consumers and businesses prosper in a competitive and innovative marketplace.

The Bureau has released guidelines on environmental claims to help businesses ensure compliance with the Competition Act when making environmental claims. The guidelines do not prescribe when or how businesses can make environmental claims. Companies are free to make any environmental claims they wish, as long as they are not false or misleading, and have been adequately and properly tested or substantiated where required. Environmental claims are often used by businesses to promote a positive environmental quality or attribute, or to downplay a negative one. The Bureau has developed six high-level principles that together can help businesses stay on side of the law when it comes to environmental claims. They are:

- Environmental claims should be truthful, and not false or misleading
- Environmental benefits of a product and performance claims should be adequately and properly tested
- Comparative environmental claims should be specific about what is being compared
- Environmental claims should avoid exaggeration
- Environmental claims should be clear and specific – not vague
- Environmental claims about the future should be supported by substantiation and a clear plan

Source: https://www.canada.ca/en/competition-bureau/news/2025/06/competition-bureau-issues-final-guidelines-regarding-environmental-claims.html

(iii) Vietnam Launches Emissions Trading Scheme

Vietnam has formally launched the first phase of its emissions trading scheme (ETS), targeting three carbon-heavy industries - steel, cement, and thermal power to bring down its rising carbon footprint. These industries must purchase emissions allowances based on carbon intensity i.e., CO_2 emitted per unit of output. The scheme's pilot phase, running through 2029, will cover around 50% of the nation's total emissions, with plans to expand into transport and commercial buildings.

Companies will receive their first batch of permits for 2025–2026 by the end of this year. If emissions exceed allocations, firms must buy credits on the carbon market. They'll also be able to offset up to 30% of emissions via credits from low-carbon projects, domestically or internationally.

Source: https://esgnews.com/vietnam-launches-emissions-trading-scheme-covering-half-of-national-co2-output/

(iv) Basel Committee publishes framework for voluntary disclosure of climate-related financial risks

The Basel Committee on Banking Supervision (BCBS) is a committee of banking supervisory authorities that was established by the central bank governors of the Group of Ten (G10) countries in 1974. The BCBS has published a voluntary framework for disclosing climate-related financial risks. The framework provides both qualitative and quantitative guidance on how banks can report their exposure to climate-related risks. It intentionally includes flexibility to reflect the nascent and rapidly evolving nature of climate-related data. The framework has 2 tables and 4 templates on climate-related financial risk which are enumerated below:

- **Table CRFRA:** Qualitative information on climate-related financial risks (governance, strategy and risk management).
- **Table CRFRB:** Qualitative information on climate-related financial risks (transition risk, physical risk and concentration risk).
- **Template CRFR1:** Transition risk – exposures and financed emissions by sector.
- **Template CRFR2:** Physical risk – exposures subject to physical risks.
- **Template CRFR3:** Transition risk – real estate exposures in the mortgage portfolio by energy efficiency level.
- **Template CRFR4:** Transition risk – emission intensity per physical output and by sector.

Source: https://esgnews.com/basel-committee-releases-voluntary-climate-risk-disclosure-framework-for-global-banks/

https://www.bis.org/bcbs/publ/d597.pdf

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.**