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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BIPV REVOLUTION: FROM ROOFTOPS TO BUILDING INTEGRATION

The Building-Integrated Photovoltaics (BIPV) are solar panels that replace traditional building materials, integrating electricity generation directly into the structure's envelope, such as facades, roofs, and windows. Unlike standard rooftop solar, BIPV serves a dual purpose of generating power while also fulfilling conventional building functions like weatherproofing, insulation, and aesthetics.

The need for BIPVs stem from space constraints and the pressing obligation to pursue sustainable urban development. In the high-rise buildings of India's populous cities, rooftop space is often insufficient to install solar systems. BIPV technology can enhance a building's sustainability, offset construction costs, and provide a more seamless and aesthetically pleasing solar solution. BIPV can turn entire buildings into power generators by integrating solar elements directly into architectural elements. While initial costs are high, by transforming conventional building components into energy-generating surfaces, BIPV can deliver long-term savings that help offset the capital costs.

Advantages of BIPV:

- **Dual function:** BIPV serves as both a power-generating element and a conventional building component, such as a roofing material or facade.
- **Aesthetic integration:** It can be designed as visually appealing aesthetic integration allowing for more solar energy as compared to traditional solar panels which would be visually disruptive.
- **Cost-effectiveness:** The initial cost can be partially offset by replacing the need for separate building materials, labour etc.
- **Energy and sustainability:** It help meet energy goals, promotes ecological sustainability, and is a key component in creating green energy buildings.

Good Practices in ESG

ENVIRONMENTAL

Organizations should adopt green building concept across all offices and business units.

SOCIAL

Organizations should create awareness campaign on use of renewable energy.

GOVERNANCE

Organizations should develop a monitoring framework to track progress on sustainability initiatives.

Tips for Environment Friendly Initiatives

Buy Green Products | Use Eco-Friendly Gifts | Go digital

News in ESG

(i) EU Proposes Major Amendments in SFDR to Simplify ESG Disclosures

The European Commission has introduced sweeping amendments to the Sustainable Finance Disclosure Regulation (SFDR), seeking to overhaul existing framework that has become cumbersome for firms and confusing for investors. The proposal aims to reduce complexity, lower compliance costs, and provide a clearer roadmap for financial products making environmental or social claims. Review demonstrates that the SDFR, adopted in 2019 and implemented in 2021, have grown into a de-facto labelling regime. Market participants warned that disclosures have become excessively long and difficult to interpret, limiting investors' ability to compare products and increasing the risk of mis-selling. The Commission argues that the regulation has therefore fallen short of its purpose: helping capital flow toward Europe's sustainable priorities.

A central element of the amendment proposal is a significant shift in the scope of disclosures. The intention is to eliminate duplication with the Corporate Sustainability Reporting Directive, which already obliges large companies to disclose sustainability impacts. The Commission is moving toward a simpler structure for classifying sustainable financial products with three categories, shaped by stakeholder feedback and grounded in established industry behaviour. Products contributing directly to environmental or social goals would fall under the sustainable category, covering investments in companies or projects that already meet high standards. A transition category would apply to investments supporting companies progressing toward credible transition paths or financing improvements in climate, environment, or social outcomes. An ESG basics category would include products integrating a range of ESG considerations but not meeting the criteria of the other two categories.

Importantly, the Commission plans to require that at least 70 percent of a product's portfolio aligns with its declared sustainability strategy. Products using ESG terms in names or marketing materials must also eliminate exposures to harmful activities, including companies violating human rights standards, and those involved in tobacco, prohibited weapons, or fossil fuels above specified limits. These revisions would reshape how asset managers, insurers, pension funds, and advisers frame sustainable products in the European market.

Source: https://tinyurl.com/EU-SFDR

(ii) China's Carbon Emissions Hold Steady for 18 Months Amid Energy Transition Shift

China's carbon dioxide emissions remained unchanged year-on-year, extending an 18-month period of flat or falling emissions, according to analysis by the Centre for Research on Energy and Clean Air (CREA) for Carbon Brief.

The data indicate that the world's largest emitter may be entering a new phase of structural decoupling between economic growth and carbon output. The trend, which began in March 2024, suggests overall CO_2 emissions could fall in 2025 provided there is no sharp year-end rebound in energy demand. The findings follow a 0.8% rise in emissions during 2024, largely attributed to post-pandemic economic recovery. With this year's stability, analysts are now questioning whether China's long-declared 2030 emissions cap could arrive sooner than expected.

With the U.S. scaling back climate diplomacy, China has sought to project itself as a stabilizing actor in global climate governance. Its position is expected to feature prominently at the U.N. COP30 climate summit in Brazil, where global negotiators are focusing on aligning national pathways with the Paris Agreement's 1.5°C target.

Source: https://tinyurl.com/China-emissions

(iii) SBTi Opens Second Consultation on Updated Corporate Net-Zero Standard

The Science Based Targets initiative (SBTi) has released the second draft of its Corporate Net-Zero Standard (Version 2), opening a new round of consultation to refine the global benchmark for corporate climate action. The updated draft reflects feedback from businesses, scientists, and civil society gathered during the first consultation earlier this year.

The proposed revisions aim to make the Standard more practical and inclusive, while maintaining its scientific integrity. As global climate policy tightens and investors scrutinize corporate decarbonization claims, the SBTi's Net-Zero Standard used as framework for validating corporate targets aligned with the Paris Agreement's 1.5°C trajectory.

The revised draft simplifies structure and language to help more companies, especially those in emerging markets, to understand and apply science-based targets effectively. Central to the revision is a "scope-specific" approach, distinguishing between Scope 1, 2, and 3 emissions, and recognizing the operational realities of different sectors. The framework preserves the scientific rigor of its predecessor but gives businesses greater flexibility in prioritizing emissions sources where they can drive the most significant reductions. The new draft also highlights the importance of transparency, requiring companies to publicly disclose progress against targets and maintain alignment with long-term net-zero ambitions.

The consultation process, open through December 8, invites feedback from corporations, financial institutions, policymakers, and sustainability experts. It expects to finalize and publish the updated Standard in 2025, following analysis of the consultation feedback.

Source: https://tinyurl.com/SBTinet-zerostandards

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.**