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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Climate Transition Plan (CTP)

CTP is an action plan where an organization describes its strategy to transition all its processes, operations, and business models to meet its public commitments within a specified timeframe. It articulates the organization's pathway toward achieving net-zero greenhouse gas (GHG) emissions, consistent with the latest climate norms and the objectives of the Paris Agreement. Such a plan goes beyond aspirational commitments by detailing specific, time-bound actions, interim and long-term targets, and the financial, human, and technological resources required to realize the transition. A robust CTP includes:

i. A clear statement of ambition, such as a net-zero or science-based emissions reduction target.

ii. Interim milestones and key performance indicators (KPIs) to track progress.

iii. Planned changes in core business practices, products, supply chains, and investments to align with climate goals.

Steps to develop and implement a CTP:

- Prepare a complete inventory of GHG emissions
- Set targets for reduction (short-term & long-term)
- Engage with key stakeholders and identify actions required to meet targets.
- Assess climate risks and opportunities to develop CTP
- Obtain necessary approvals to implement the plan and achieve the targets
- Regular Monitoring and Reporting on the CTP

Good Practices in ESG

ENVIRONMENTAL

Organisations should adopt a Climate Transition Plan.

SOCIAL

Organisations should effectively engage with social stakeholders on climate impact.

GOVERNANCE

Organisations should constitute a Board level Committee to oversee the implementation and monitoring of CTP.

Tips for Environment Friendly Initiatives

Use staircase | Avoid burning of waste | Install dual flush/vacuum toilets

(i) Environment Audit Rules, 2025 - A Major Reform in Environmental Compliance

In line with the Government's Ease of Doing Business and trust-based governance approach, the Union Ministry of Environment, Forest and Climate Change (MoEFCC) notified the Environment Audit Rules, 2025 on 29th August, 2025. Aligned with international best practices, these rules aim to address existing gaps in environmental compliance monitoring.

Compliance with key environmental laws such as the Environment (Protection) Act, 1986, the Forest (Conservation) Act, 1980, the Wildlife (Protection) Act, 1972, and the Green Credit Rules, 2023 is essential to safeguard the environment from degradation while promoting sustainable development. Currently, the framework for monitoring and compliance is supported by Central Pollution Control Board (CPCB), Regional Offices of the Ministry and State PCBs/Pollution Control, which are facing significant constraints in terms of manpower, resources, capacity, and infrastructure.

The scheme under new rules aims to bridge the manpower and infrastructure deficits faced by regulatory authorities, thereby strengthening the effective implementation of environmental compliance mechanisms. Few features of Environment Audit Rules, 2025 are as under:

- Environment Auditors (EAs) to be Certified and Registered by MoEFCC notified Environment Audit Designated Agency (EADA).
- EADA to be responsible for certification and registration of EAs, monitoring their performance, facilitating capacity building and take disciplinary action etc.
- Certification of EAs to be based on either scrutiny of their qualification and experience or by conducting an exam.
- Environment Audit to be undertaken only by Registered EAs (REAs) who are entrusted to perform compliance evaluation and sampling, analysis, verification under Green Credit Rules, Audit under waste management rules etc.

Source: https://www.pib.gov.in/PressReleseDetail.aspx?PRID=2163488

(ii) Spain Makes Carbon Reporting Mandatory in New Climate Emergency Plan

Spain has launched a sweeping climate emergency plan that tightens corporate disclosure rules and ramps up its clean energy transition, following wildfires that burned more than 300,000 hectares. The strategy accelerates Spain's decarbonization timeline while aiming to shield the economy from escalating climate risks.

A central change is the immediate introduction of mandatory carbon reporting. Companies will need to report in 2026 on 2025 data, covering Scope 1 and Scope 2 emissions. Large entities must include Scope 3 reporting from 2028. From 2026, businesses will also be required to submit greenhouse gas reduction plans with at least five-year horizons.

The plan also establishes a new State Agency for Civil Protection and Emergencies with permanent staff, a national climate refuges network, and stricter forest management regulations. Climate-related disasters have cost the country €32 billion over the past five years. At the same time, Spain is betting on its climate agenda to fuel growth, with nearly $32 billion in clean technology investments already unlocked under its recovery plan.

Source:https://esgnews.com/spain-makes-carbon-reporting-mandatory-in-new-climate-emergency-plan/

(iii) Vietnam Approves $5 Million CO_2 Credit Deal With World Bank

Vietnam has approved the transfer of one million tons of CO_2 emission reductions generated from plantation forests in the north-central region to the International Bank for Reconstruction and Development (IBRD), part of the World Bank Group. The move builds on Vietnam's existing Emission Reductions Payment Agreement (ERPA) with the IBRD. According to the agreement, roughly 95% of the credits transferred will be reassigned to Vietnam by the IBRD for use toward its Nationally Determined Contributions (NDCs), the country's binding commitments under the Paris Climate Agreement.

The ERPA, first signed in 2020, originally covered 10.3 million tons of reductions. Actual performance exceeded expectations, leaving a surplus that is now partially monetized. Estimated $5 million proceeds will support forest protection, livelihoods, and local communities across five provinces of Vietnam.

Source: https://esgnews.com/vietnam-approves-5-million-co%e2%82%82-credit-deal-with-world-bank/

(iv) SBTi Opens Consultation on Net-Zero Standard for Power Sector

The Science Based Targets initiative (SBTi) has launched the first draft of its Power Sector Net-Zero Standard for public consultation, outlining new criteria for utilities and energy companies to align with global climate goals. The consultation is open till November 3, 2025.

According to the draft Standard, the power sector accounts for nearly 40 percent of global energy-related greenhouse gas emissions and faces mounting risks from climate change that threaten infrastructure and supply. At the same time, the sector is expected to play a pivotal role in decarbonizing other industries as demand for clean electricity grows. The draft standard provides a framework for companies across the value chain, including generation, transmission and distribution, storage, trade and retail, to set near and long-term targets consistent with limiting global warming to 1.5 degrees Celsius and reaching net-zero by 2050 at the latest.

Source: https://www.esgtimes.in/climate/sbti-opens-consultation-on-net-zero-standard-for-power-sector/

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.**