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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INDIA'S PANCHAMRIT GOALS

As a rapidly growing economy, India aims to adopt a balancing approach towards the growth and sustainability by mitigating its overall carbon footprint. In this backdrop, Hon'ble Prime Minister Shri Narendra Modi introduced the concept of "Panchamrit" at the 26th session of the Conference of the Parties (COP26) to the United Nations Framework Convention on Climate Change (UNFCCC) held in Glasgow, United Kingdom, representing a blend of five essential elements.

Basically, "Panchamrit" is India's five-point pledge towards climate change, briefed as under:

1. By 2030 - Achieving non-fossil energy capacity of 500 GW
2. By 2030 - Fulfilling 50% of energy requirements from renewable energy
3. By 2030 - Reduction of the total projected carbon emissions by one billion tonnes
4. By 2030 – Reduction of the carbon intensity of the economy by 45%
5. By 2070 - India to achieve target of net-zero emissions

"Panchamrit" underscores India's commitment to addressing climate change and fostering sustainable growth on a global scale. India's climate action has the potential to bring investment and new technologies to support country's transition to a clean and climate resilient economy. Many nations in the World have applauded the five nectar elements (Panchamrit) of India's climate action.

Good Practices in ESG

ENVIRONMENTAL

Organisations should adopt a cyclical model of reducing, reusing, recycling and removing carbon emissions from the environment.

SOCIAL

Organisations may conduct awareness programmes on ways of reducing carbon footprints.

GOVERNANCE

Organisations should adopt a Carbon Governance Policy for all its plants and offices.

Tips for Environment Friendly Initiatives

Buy Indigenous Products | Go Digital and Paperless | Be Eco-friendly

News in ESG

(i) Parliament Panel calls for dedicated ESG oversight body

A Parliamentary panel urges the Ministry of Corporate Affairs (MCA) to establish an ESG oversight body to combat greenwashing and penalize fraudulent ESG claims. The Committee is of the view that while Section 166(2) provides a broad stroke, a direct and unambiguous legislative mandate will elevate ESG considerations to a non-negotiable strategic imperative for Boards, providing a clear legal bedrock for accountability in integrating sustainability into core business strategies, thereby transitioning from mere disclosure to fundamental corporate responsibility. The panel recommends sector-specific guidelines, support for MSMEs, and statutory amendments to the Companies Act, 2013, to integrate ESG objectives into Directors' duties. Additionally, the Ministry is asked to combat financial crimes and bolster the SFIO's efficacy.

The recommendations are part of the action taken by the government on the observations/recommendations contained in the 10th report of the Standing Committee on Finance on 'Demands for Grants (2025-26) of the Ministry of Corporate Affairs'.

Source: https://tinyurl.com/ETPSC

(ii) Germany approves Bill to Fast-Track Carbon Storage Infrastructure

Germany's cabinet has approved a reform Bill aimed at rapidly advancing carbon capture and storage (CCS) infrastructure, a critical step in the country's plan to reach carbon neutrality by 2045 while supporting its hardest-to-decarbonise industries. CCS technology captures carbon dioxide either directly from the atmosphere or at the point of emission, storing it underground to prevent release into the atmosphere. The Bill will allow sectors such as cement and lime production, as well as gas power plants, to store CO_2 offshore, under the seabed, or inland where federal states grant permission.

To streamline progress, the legislation classifies the construction and operation of CO_2 storage facilities and pipelines as being in the "overriding public interest," enabling simplified planning and approval procedures. It also authorizes authorities to take over private land for CO_2 pipeline construction, with compensation provided.

The new framework is more ambitious as it includes provisions for adapting or converting existing natural gas pipelines to transport carbon dioxide, significantly reducing the need for entirely new infrastructure. Germany's geological potential for storage is substantial, with an estimated capacity of 1.5 billion to 8.3 billion tons of CO_2 beneath its portion of the North Sea. The country could store up to 20 million tons annually under the plan.

Source: https://tinyurl.com/germanycarbonbill

(iii) China overhauls Green Taxonomy to increase energy transition finance

China has updated its green taxonomy to accelerate its net-zero transition, reduce market fragmentation and lower compliance costs for financial institutions. China's updated green taxonomy consolidates bond and loan market standards into a single catalogue, applicable from October 2025, aiming to cut reporting costs and increase funding for decarbonisation. The new framework expands eligible green activities to include climate resilience, methane abatement, passenger rail, green trade, and consumer-focused green finance. Trade provisions support the import and export of energy-efficient equipment and green technologies, while green consumption focuses on shifting consumer demand toward sustainable goods. This could lead to products such as green consumer loans and mortgages.

While seen as a milestone for market efficiency, experts say further policy incentives and clarity are needed to avoid overlaps and strengthen adoption.

Source: https://tinyurl.com/ESGChina

(iv) Saudi Arabia's First DAC Unit in Riyadh to accelerate carbon removal

Saudi Arabia has taken a significant step in its climate strategy by inaugurating the country's first Direct Air Capture (DAC) demonstration unit, located at the King Abdullah Petroleum Studies and Research Center (KAPSARC) in Riyadh. The project, a collaboration between the Ministry of Energy, KAPSARC, and Climeworks, was unveiled during a special event on July 27, attended by His Royal Highness Prince Abdulaziz bin Salman Al Saud, Minister of Energy.

The mobile DAC unit deployed in Riyadh is designed to assess the performance of the technology under hot and arid conditions, different from cold climate installations in places such as Iceland. The data gathered will pay the way for future deployments of DAC across similar environments globally.

Beyond technology validation, the project emphasizes the economic potential of building a DAC industry in Saudi Arabia. By localizing key materials and components, the country could unlock new industrial supply chains and drive economic diversification in line with Vision 2030. This demonstration complements Saudi Arabia's broader carbon management goals. The Kingdom aims to capture and utilize up to 44 million tonnes of CO_2 annually by 2035 through the establishment of large-scale Carbon Capture, Utilization, and Storage (CCUS) hubs in its Eastern and Western regions. These hubs will consolidate industrial emissions and enable both permanent storage and the conversion of CO_2 into value-added products.

Source: https://tinyurl.com/saudiDAC

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.**