

ESG Informational Leaflets

Series 1



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TeamTech EHS
Your partner for sustainable brand value



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FOREWORD

Dear Readers,

We are pleased to present these informational leaflets on Environmental, Social, and Governance (ESG) principles, a framework that has rapidly gained prominence in the world of finance and business. ESG represents a paradigm shift in how we evaluate the impact of businesses and investments. Traditionally, financial performance and profit margins were the sole criteria by which companies and investments were assessed. However, in a world facing issues such as climate change, social inequality, and corporate governance scandals, it is no longer enough to focus solely on financial gains.

Our ESG informational leaflets aim to interpret ESG, breaking it down into its simpler components. As you navigate this leaflet, you will discover the many ways in which ESG considerations can add value to your investments and guide your business practices. In addition to this, this leaflet series functions as a comprehensive reference guide for business leaders and ESG professionals, catering to individuals at various levels of expertise, from beginners pioneering on their ESG journey to seasoned professionals.

We believe that by integrating ESG into our decision-making processes, businesses can collectively drive positive change, foster innovation, and create a more prosperous and equitable world for future generations.

Sincerely,



Dipil Kumar Vasu



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What is ESG

Environmental, Social, and Governance (ESG) comprise three distinct non-financial aspects that contribute to business growth. The term ESG was coined by financial analysts and investors in the socially responsible field in order to include environmental and social aspects as well as corporate governance alongside economic indicators in business valuations.



The primary focus of ESG is to identify potential risks (material issues) in these three domains, mitigate the same and further create new opportunities for business development.

Components of ESG



Environmental material topics for both organisation and their supply chain

ENVIRONMENT

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Water Neutrality
- Circular Economy

13 CLIMATE ACTION

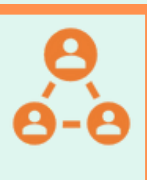
- Energy Efficiency
- GHG Emission Management

15 LIFE ON LAND

- Hazardous & Non-Hazardous Waste

OTHER

- Waste Water Management
- Resource use and Biodiversity



The social aspect comprises the relationship an organization establishes with its stakeholders

SOCIAL

1 NO POVERTY

- Employee Management
- Supply Chain Management
- Communities
- Customers


2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION



Organizational governance is the system by which an organization makes and implements decisions in pursuit of its objectives

GOVERNANCE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- Antibribery Policy




ANTI COMPETITION

- Risk Management

COMPLIANCE MANAGEMENT

- Data Privacy & Cyber Security

Objectives of ESG Reporting

-  To provide transparency on how an organization contributes or aims to contribute to sustainable development.
-  To disclose the ESG performance against the identified material topics.
-  To enhance the corporate image in the business market.

Material topics are topics that represent an organization's most significant impacts on the economy, environment, and people, including impacts on their human rights.

ESG Risk & Opportunities

ESG Risk

Risk is the effect of uncertainty on objectives. Risk is usually expressed in terms of risk sources, potential events, their consequences, and their likelihood. **Example: Community Relation**

Local Community Grievances: Failure to address local community grievances by companies may encounter issues related to negative branding, protests, and the closure of the facility.

Opportunity is circumstances or sets of circumstances that can lead to improvement of ESG performance. **Example: Community Engagement**

Investment in the local community: CSR projects linked to the local community help to build a positive brand image. Local community support also ensures smooth and sustainable operations.

ESG Opportunity





WHAT IS IMPACT?

As per GRI Standards, impact refers to the effect an organization has or could have on the economy, environment, and people, including effects on their human rights, as a result of the organization’s activities or business relationships.

Organization Impact can be:

1. Actual or Potential
2. Negative or Positive
3. Short Term or Long Term
4. Intended or Unintended
5. Reversible or Irreversible



Impact on the economy refers to
Impacts on economic systems at local, national, and global levels.



Impact on environment refers to
Impacts on living organisms and non-living elements, including air, land, water, and ecosystems



Impact on people refers to
Impacts on individuals and groups (Communities, vulnerable groups or society)

Economy

Through its

- Competition practice
- Procurement practice
- Taxes and payments to the government.

Environment

Through its

- Use of energy,
- Use of land,
- Use of water, and
- Use of other natural resources

People (including Human Rights)

Through its

- Employment practices,
- Supply chain practices,
- Products and services
- Stakeholder engagement

**Organization
can
Impact**

WHAT IS MATERIAL TOPIC?

An organisation will have numerous impacts to report. However, the organisation is required to prioritize reporting on those topics on the basis that represents the most significant impacts on the economy, environment, and people, including impacts on their human rights. Such topics are called material topics.



GHG emissions

Air emissions

Biodiversity

Closure and rehabilitation

Employment practices

Local communities

Economic impacts

Anti-corruption

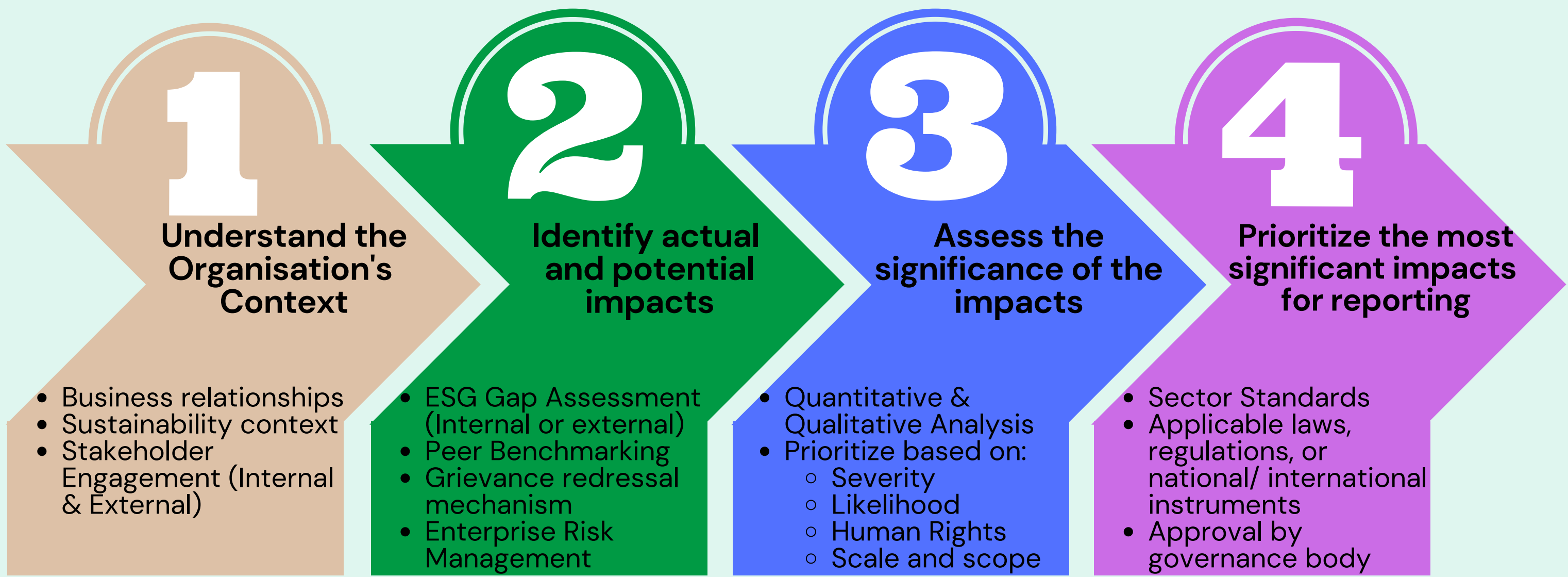
**Examples
of material
topics**

Why Materiality Assessment?

- The foundational step for any company starting its ESG journey is materiality assessment.
- It helps the organisation to identify the most material issues i.e., the most significant impacts on the economy, environment, and people, including impacts on their human rights

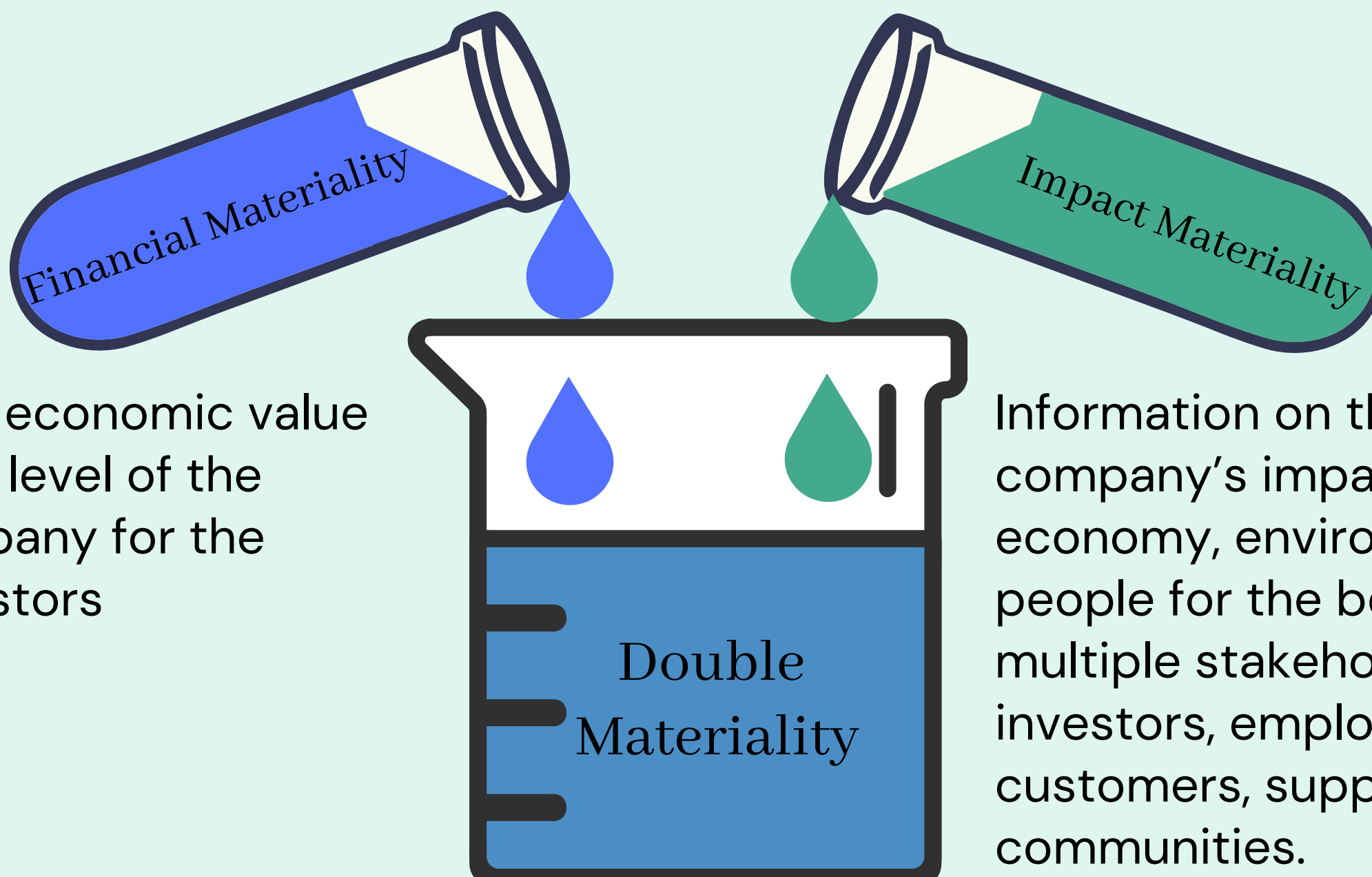


Process of Materiality Assessment



What is Double Materiality?

Some sustainability issues have no direct monetary impact on the company's financial value creation (in the here and now, but may do so in the medium and long term) and some issues have. Therefore, GRI covers financial and sustainability issues under one umbrella called double materiality, which is the only relevant form of "materiality" for financial and sustainability reporting.



Information on economic value creation at the level of the reporting company for the benefit of investors (shareholders)

Information on the reporting company's impact on the economy, environment and people for the benefit of multiple stakeholders, such as investors, employees, customers, suppliers and local communities.



WHAT ARE HUMAN RIGHTS?

Human rights are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status as defined by United Nations. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more. Everyone is entitled to these rights, without discrimination.

The Universal Declaration of Human Rights (UDHR) as adopted by the United Nations in 1948 contains 30 articles. Examples are:

ARTICLE 01

I AM BORN FREE AND EQUAL AND ALL HUMAN BEINGS SHOULD BE TREATED IN THE SAME WAY.

ARTICLE 02

I CAN CLAIM MY RIGHTS REGARDLESS OF SEX, RACE, LANGUAGE, RELIGION, SOCIAL, STANDING, ETC.

ARTICLE 03

I HAVE THE RIGHT TO LIFE AND TO LIVE IN FREEDOM AND SAFETY.

ARTICLE 04

NO ONE HAS THE RIGHT TO TREAT ME AS A SLAVE NOR SHOULD I ENSLAVE ANYONE.

ARTICLE 05

NO ONE HAS THE RIGHT TO TORTURE ME.

ARTICLE 06

I SHOULD BE LEGALLY PROTECTED IN THE SAME WAY EVERYWHERE LIKE ANYONE ELSE.

Examples of Human Rights related policies an organization should have:

- Business & Human Rights Policy
- Community Development Policy
- Child Labor Policy
- Non-discrimination Policy
- Affirmative Action Policy
- SHE Policy
- Diversity & Inclusion Policy
- CSR Policy
- Collective Bargaining Policy

HUMAN RIGHTS

Universal rights that are inherent to all human beings, regardless of nationality, ethnicity, religion, or any other status.

These rights are recognized and protected by international law.

- 1.Freedom from discrimination
- 2.Right to life
- 3.Equality before the law
- 4.Liberty and personal security
- 5.Right to education
- 6.Freedom of thought
- 7.Right to free movement, etc.

VS

FUNDAMENTAL RIGHTS

Fundamental rights are a set of basic rights guaranteed to all citizens by the constitution of a country.

In India, fundamental rights are guaranteed by the Constitution of India.

- 1.Right to Equality
- 2.Right to Freedom
- 3.Right against Exploitation
- 4.Right to Freedom of Religion
- 5.Cultural and Educational Rights
- 6.Right to Constitutional Remedies.

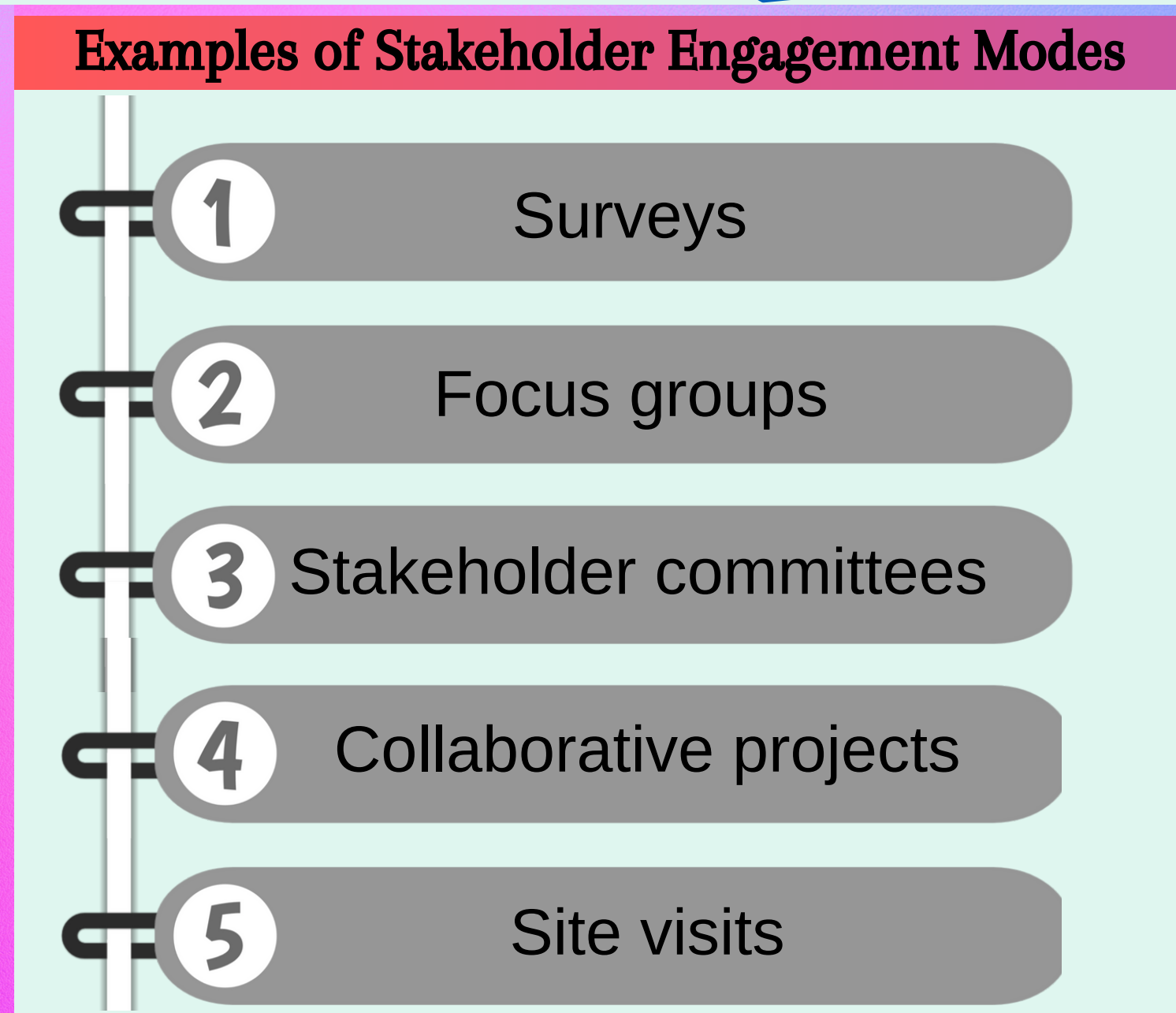
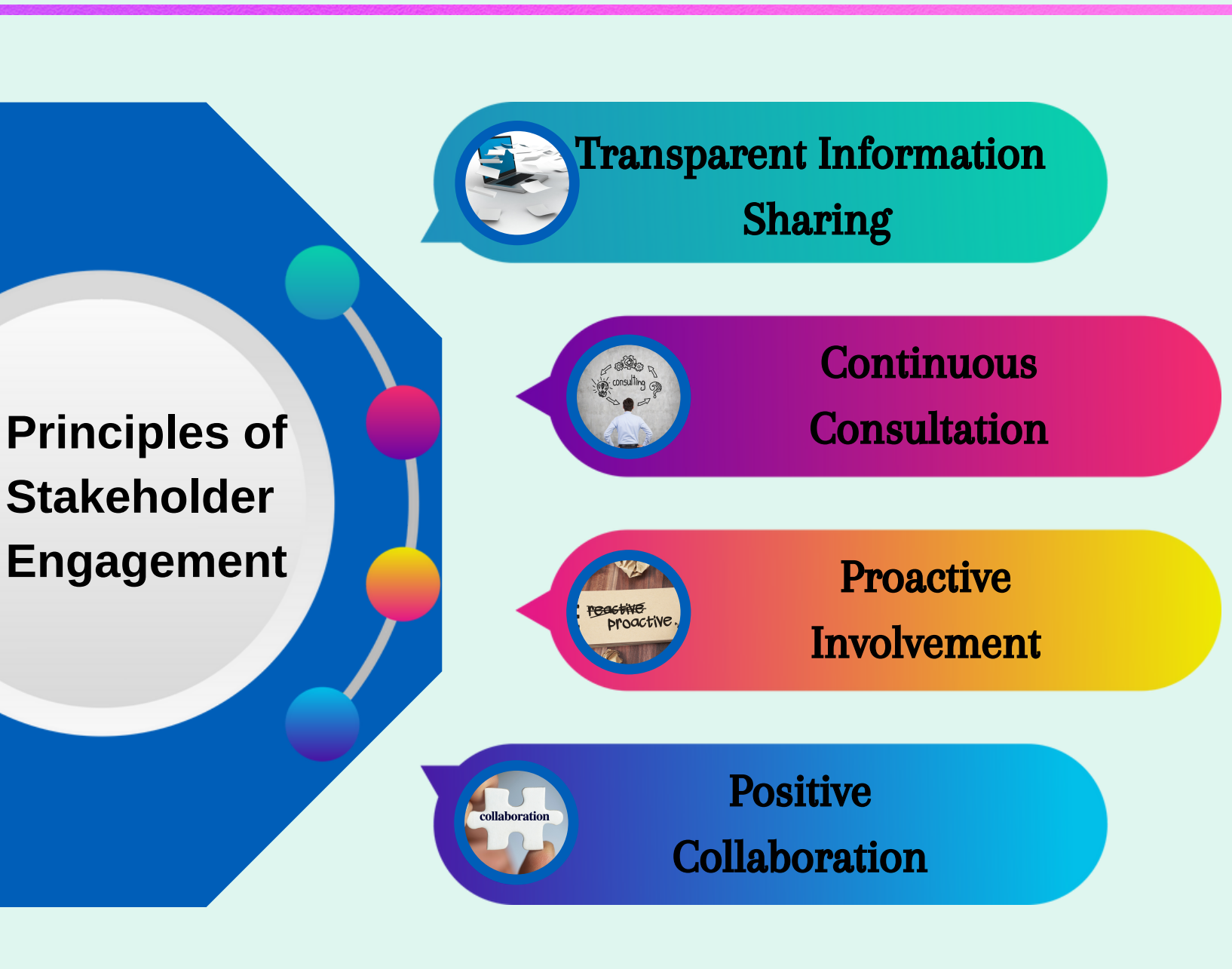
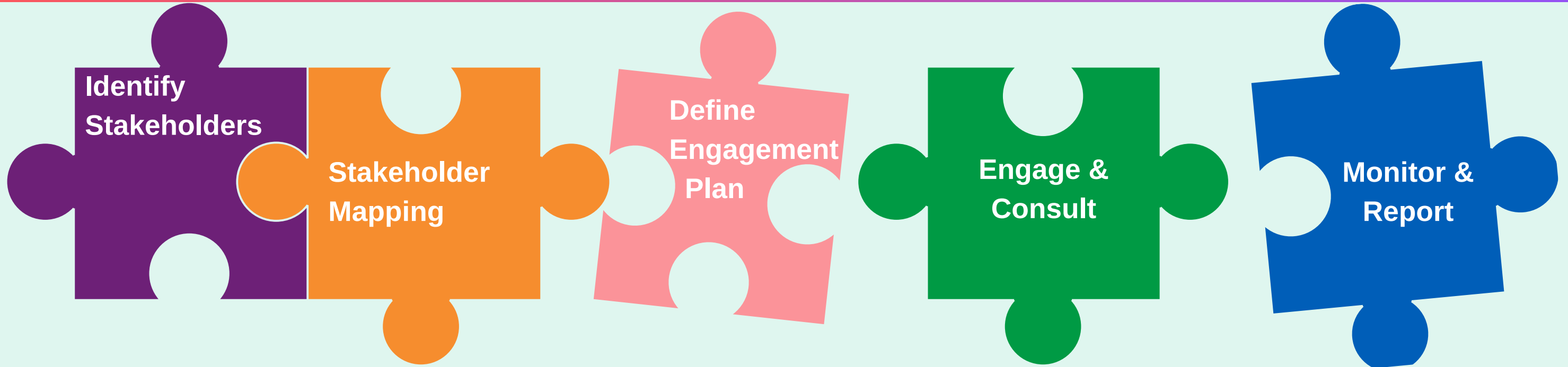
STAKEHOLDERS



What is Stakeholder Engagement?

Stakeholder engagement is essential for organizations to identify and prioritize their stakeholders and engage with them transparently. The goal of stakeholder engagement is to ensure that the organization's performance and impacts accurately reflect the perspectives and priorities of all relevant stakeholders. Stakeholder engagement can help organizations to build trust and credibility with their stakeholders.

Stakeholder Engagement Process



ESG/Sustainability Reporting Frameworks & Standards

STANDARDS

- Agreed level of quality requirements that reporting entities must meet
- Contains specific and detailed criteria or metrics of ‘what’ should be reported on each topic
- Provides a defined reporting obligation, ensuring reliability, consistency, and comparability
- Typically applied when there is a need for well-defined reporting requirements






- GRI & SASB are some of the standards
- Has a public interest focus, independence, due process, and public consultation
- Ensure that reporting entities provide information that is useful and relevant to stakeholders

FRAMEWORKS

- Set of principles providing guidance and shaping people’s thoughts on how to think about a certain topic
- Provides a ‘frame’ to contextualize information
- Allows for flexibility in defining the direction, but not the method itself
- Typically applied when there are no well-defined reporting requirements or when there is a need for flexibility in reporting

- IR, CDP & TCFD are some of the frameworks
- May or may not have a public interest focus; may or may not be developed through an independent, due process with public consultation
- Provide guidance and direction on how to think about a certain topic



| | GRI | SASB | IR | CDP | TCFD |
|------------|---|--|--|--|--|
| |  |  |  |  |  |
| Founded | 1997 | 2012 | 2010 | 2000 | 2017 |
| Type | Standard | Standard | Framework | Framework | Framework |
| Purpose | The objective of sustainability reporting using the GRI Sustainability Reporting Standards (GRI Standards) is to provide transparency on how an organization contributes or aims to contribute to sustainable development | To provide industry-based sustainability disclosures about risks and opportunities that affect enterprise value. | To provide insights to financial stakeholders about how an organization generates, sustains, or diminishes its economic value over a period of time. | To make environmental reporting and risk management a business norm, driving disclosure, insight, and action towards a sustainable economy | To develop recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing a specific set of risks—risks related to climate change |
| Focus Area | ESG | ESG | ESG | EG | EG |

INTRODUCING THE WORLD'S MOST WIDELY USED SUSTAINABILITY REPORTING STANDARD



Global Reporting Initiative™

GRI, the Global Reporting Initiative, is an organization that has been instrumental in developing and delivering global best practices for organizational reporting on environmental, economic, and social impacts. With over 25 years of experience, GRI provides the world's most widely used sustainability reporting standards. These standards cover a wide range of topics, including biodiversity, tax, waste, emissions, diversity and equality, and health and safety.

GRI 1

Foundation 2021 introduces the purpose and system of the GRI Sustainability Reporting Standards (GRI Standards) and explains key concepts for sustainability re-orting

GRI 2

General Disclosures 2021 contains disclosures for organizations to provide information about their reporting practices; activities and workers; governance; strategy, policies, and practices; and stake-holder engagement.

GRI 3

Material topics are topics that represent an organization's most significant impacts on the economy, environment, and people, including impacts on their hu-man rights.

GRI Standards

Universal Standards

GRI 1

Requirements and principles for using the GRI Standards

GRI 2

Disclosures about the reporting organization

GRI 3

Disclosures and guidance about the organization's material topics

Apply all three Universal Standards to your reporting

Sector Standards

GRI 11

GRI 12

GRI 13

GRI 14

GRI 15

GRI 16

GRI 17

GRI 18

...

Use the Sector Standards that apply to your sectors

Topic Standards

GRI 201

GRI 403

GRI 305

GRI 415

GRI 303

GRI 202

GRI 304

GRI 205

...

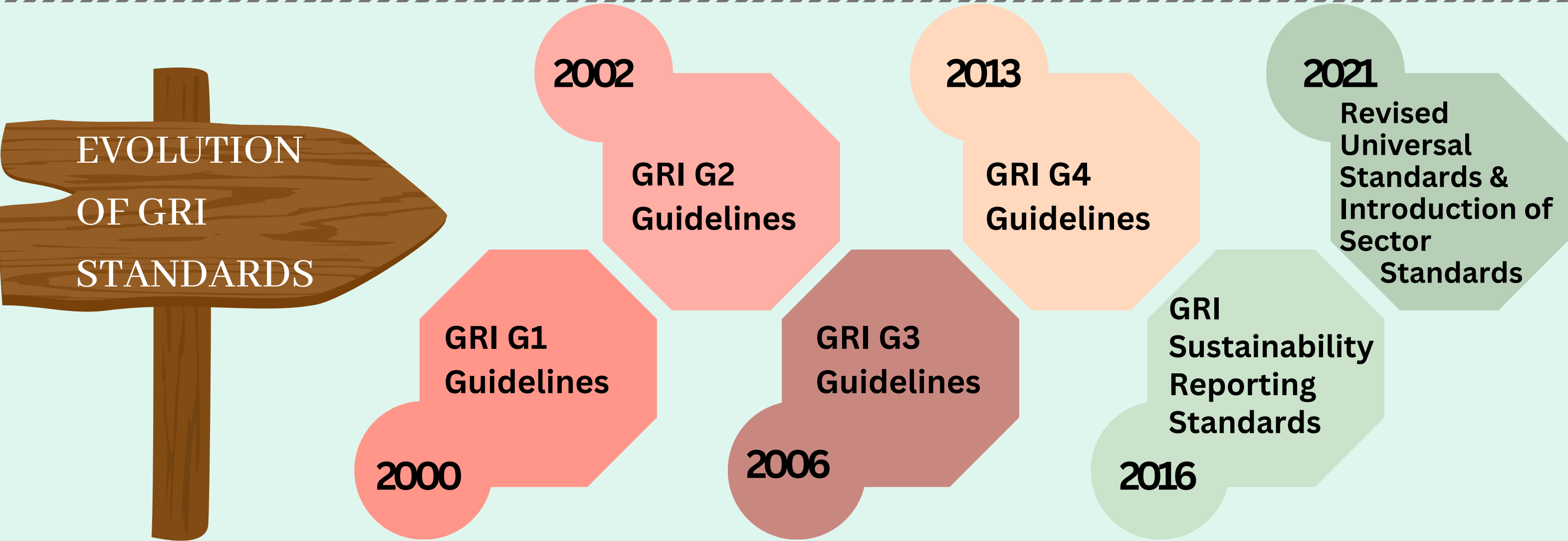
Select Topic Standards to report specific information on your material topics

Sector Standards

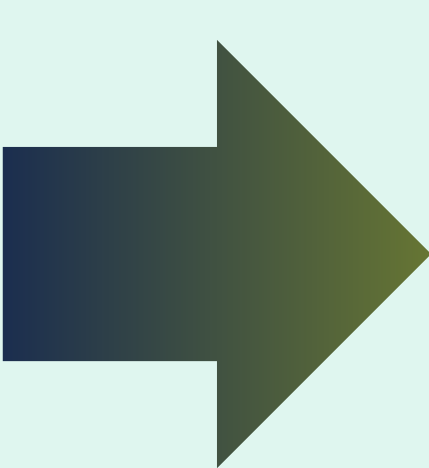
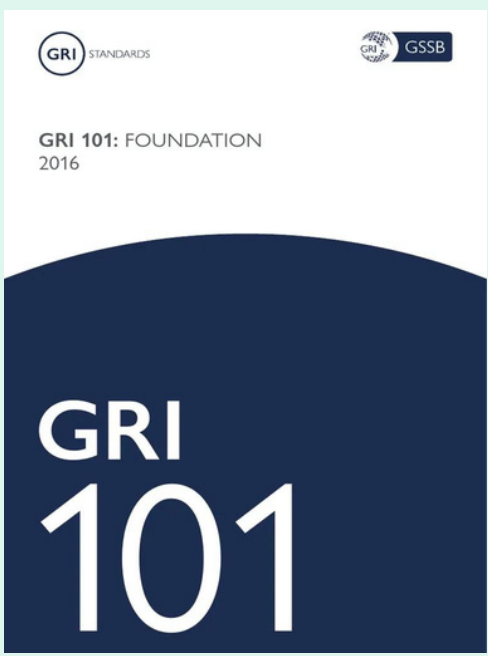
The GRI Sector Program will develop standards for 40 sectors, starting with those that have the highest impact. As a new addition to the family of GRI Standards, the Sector Standards are designed to help identify a sector's most significant impacts and reflect stakeholder expectations for sustainability reporting. They describe the sustainability context for a sector, outline organizations' likely material topics based on the sector's most significant impacts, and list disclosures that are relevant for the sector to report on.

Topic Standards

The GRI Topic Standards contain disclosures for providing information on topics. Examples include Standards on waste, occupational health and safety, and tax. Each Standard incorporates an overview of the topic and disclosures specific to the topic and how an organization manages its associated impacts. An organization selects those Topic Standards that correspond to the material topics it has determined and uses them for reporting



MAJOR CHANGES IN GRI STANDARDS 2021



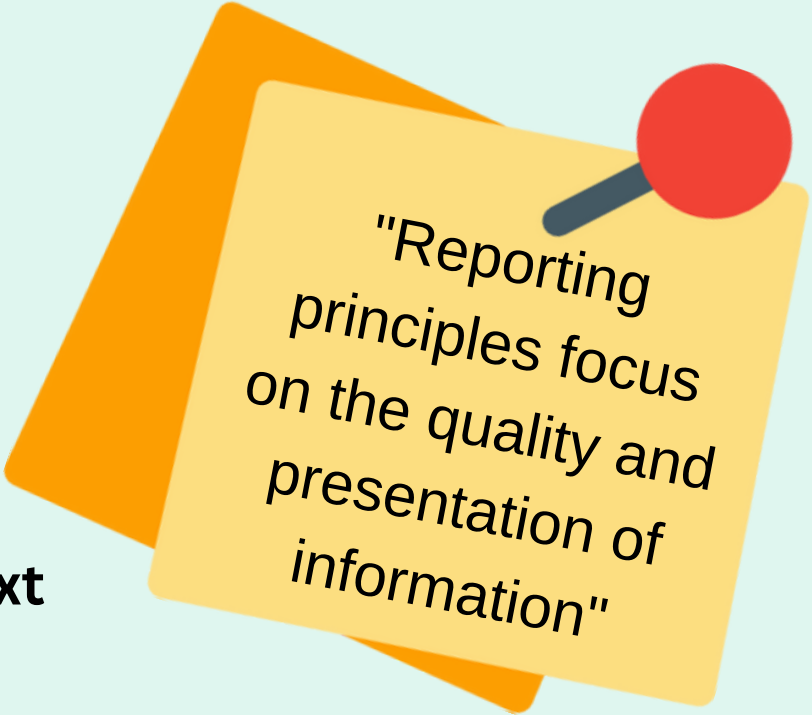
Reporting Principles for defining report content

- 1.Stakeholder Inclusiveness
- 2.Sustainability Context
- 3.Materiality
- 4.Completeness

Reporting Principles for defining report quality

- 5.Accuracy
- 6.Balance
- 7.Clarity
- 8.Comparability
- 9.Reliability
- 10.Timeliness

- 1.Accuracy
- 2.Balance
- 3.Clarity
- 4.Comparability
- 5.Completeness
- 6.Sustainability context
- 7.Timeliness
- 8.Verifiability



MAJOR CHANGES IN GRI STANDARDS 2021

GRI 1: KEY CONCEPTS



Key concepts
(Stakeholder, Impact, Material Topics & Due Diligence) are introduced to lay out the foundation of sustainability reporting.



Stakeholder*



Impact**



Material Topics***



Due Diligence****

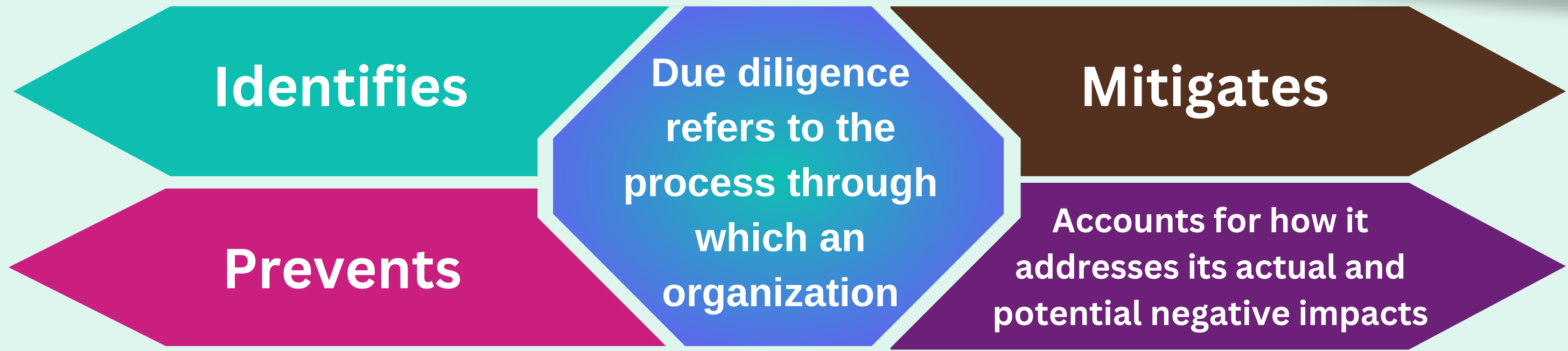
*Stakeholder - Refer to our ESG Informational [Leaflet 06](#)

**Impact - Refer to our ESG Informational [Leaflet 03](#)

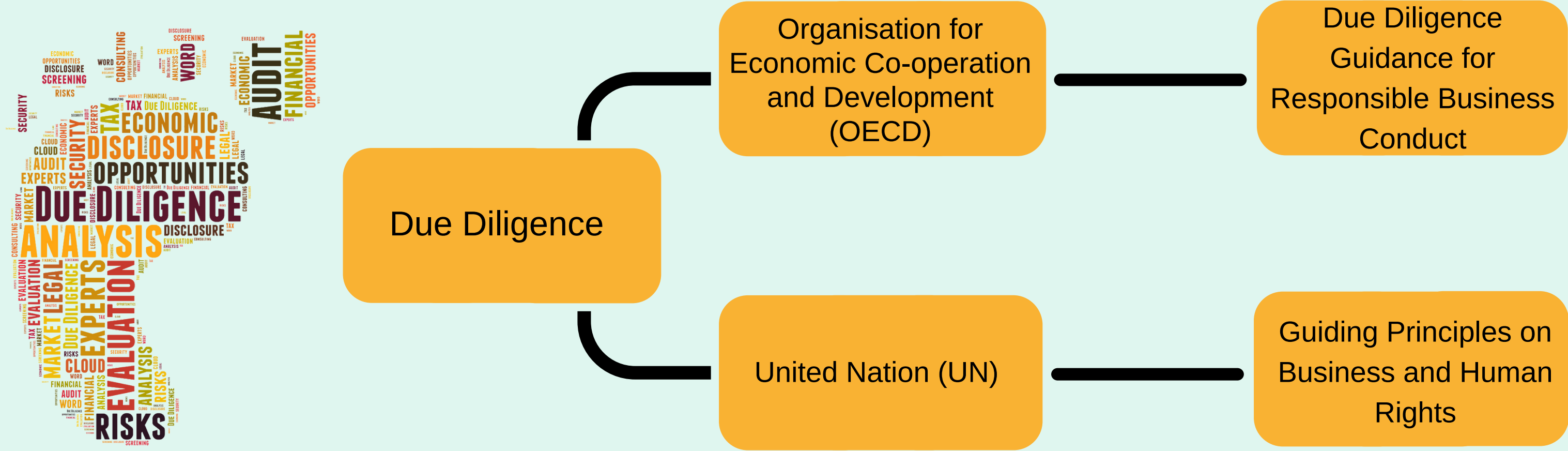
***Material Topics - Refer to our ESG Informational [Leaflet 03](#)

The revised Universal Standards introduce minimum reporting requirements for all organizations using the GRI Standards, including, but not limited to, information on the due diligence processes for identifying actual and potential negative impacts on the economy, environment, and people, including impacts on their human rights, across the organization’s activities and business relationships.

Due Diligence****



GUIDELINES TO CARRYOUT THE DUE DILIGENCE



TeamTech EHS is a premier EHSS&S (Environment Health Safety Sustainability and Social) consulting firm located in Bangalore, the renowned Silicon Valley of India. We specialize in delivering tailored solutions to meet your specific needs, encompassing EHSS&S training, audit services, compliance management, system design, and implementation support. It is worth mentioning that we have successfully collaborated with over 250 clients across seven countries in the past three years.

Furthermore, we have provided extensive ESG consulting support to more than 40 leading organizations in India, which includes 17 of India's top 1000 listed companies based on their market capitalization. We are a licensed assurance provider of AA1000AS (The AA1000 Assurance Standard), and we possess the necessary tools to offer comprehensive and reliable ESG assurance services to our Clients.

TeamTech EHS aspires to be the preferred one-stop Environment, Health and Safety, Social and Sustainability consulting service provider in India. We do this by operating with the highest ethical standards and delivering high-end expertise in the sustainability domain.

SERVICES WE OFFER

- Sustainable consulting
- Audits
- Trainings
- System development & Implementation support
- Reporting & Assurance
- Digital transformation

JOIN OUR MASTERCLASS ON BRSR, ESG & SUSTAINABILITY REPORTING

Business Responsibility and Sustainability Reporting (BRSR), Environmental, Social, and Governance (ESG), and Sustainability reporting are tools that organizations employ to showcase their dedication to environmental stewardship, social responsibility, and good governance, either as a leading practice or a legal mandate. In our master class, we endeavour to demystify the practical implications of BRSR/ESG/Sustainability, emphasizing its global significance and relevance within the Indian context. This encompasses a comprehensive coverage of the Business Responsibility and Sustainability Report (BRSR), mandated by SEBI for India's top 1000 listed companies by market capitalization. We will illustrate how this report aligns with ESG principles and underscore its role in facilitating effective stakeholder communication. Join us in this engaging event, designed to equip participants with the necessary skills to develop any of these reports. Together, let's explore and learn!

KEY CONTENTS

- Global & Indian Sustainability reporting landscape including legal mandates.
- ESG/ Sustainability report development based on Global Reporting Initiative (GRI) Standards.
- In-depth coverage of Business Responsibility and Sustainability Reporting (BRSR) by the Securities and Exchange Board of India (SEBI).
- NGBRCs Principles 01 to 09 & SEBI mandate for FY 22-23++
- Live demonstration of 1) how to carry out stakeholder engagement, 2) materiality assessment & 3) draft BRSR/ESG/Sustainability Reports
- Coverage of sustainability reporting standards such as PRI, Integrated Reporting (IR), SASB, and IFRS.
- Discussion on global ESG frameworks/ initiatives such as UN SDGs, TCFD, & CDP



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OUR SPEAKERS

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