

India ESG Outlook Report 2024

Unveiling Environmental Frontiers

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Introduction

"India ESG Outlook Report: Unveiling Environmental Frontiers" is an inaugural report that offers a comprehensive analysis of the environmental performance of India's leading companies. This report enhances the understanding of corporate sustainability efforts and transparency in tackling environmental challenges. It aims to promote accountability and improve environmental stewardship across various industries.

Analyses

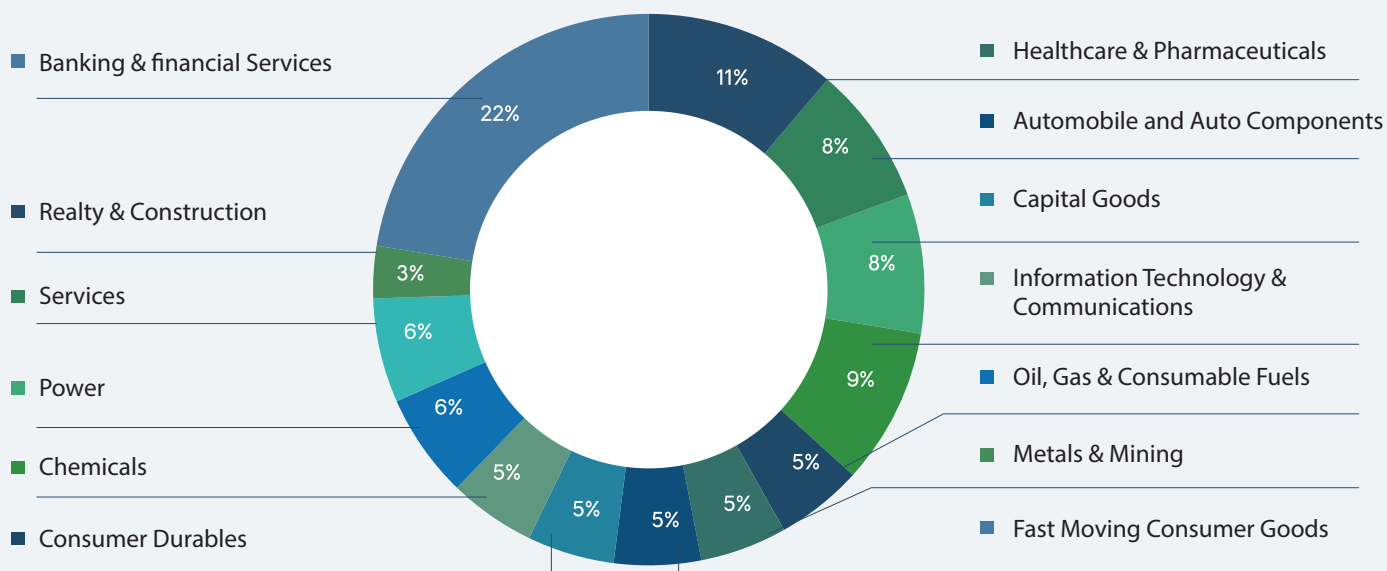
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industrial sectors

Covers

227

of the 250 companies listed on the BSE by market capitalization*



Evaluates 4 key environmental indicators:



Energy Consumption



Emission



Water usage

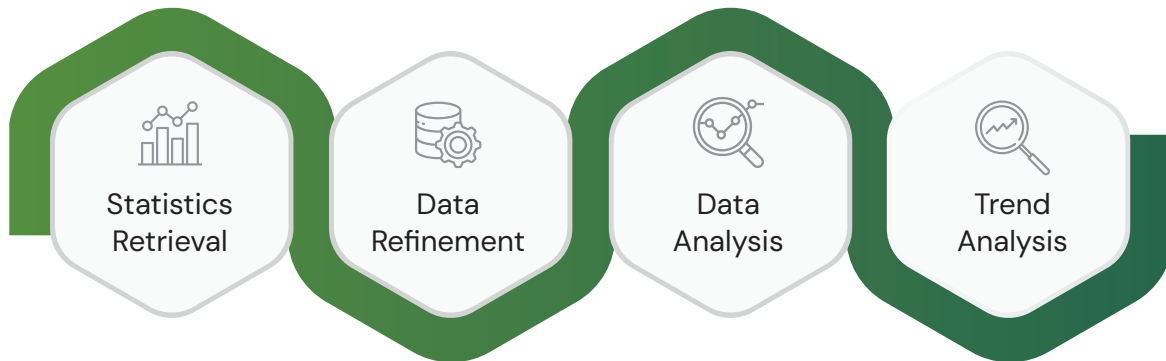


Waste management

*Data from the remaining 23 companies was either unavailable or not reported and has therefore not been included in the report

Methodology

The approach taken to develop the ESG Outlook report aims to offer a straightforward, data-driven analysis of environmental, trends. It employs thorough data evaluation to ensure that the insights are precise. The process encompasses four main stages:



Note: In the report, the percentage figures represent the proportion of companies in each sector for which the data is applicable.

Key Findings

54% of the analysed sectors reported their data on a standalone basis, while companies in the **Chemicals, Metals & Mining, and Power** sector prefer consolidated reporting.

23% of the reporting sectors achieve complete reasonable assurance for BRSR core indicators.

84% of companies focus on Energy & Emission reductions, while others prioritise Water and Waste Management based on operational needs.

Renewable energy use increased across multiple sectors, with a notable shift in the **Power and Automobile sectors**.

Energy efficiency improvements and cleaner energy transitions are top priorities for corporates.

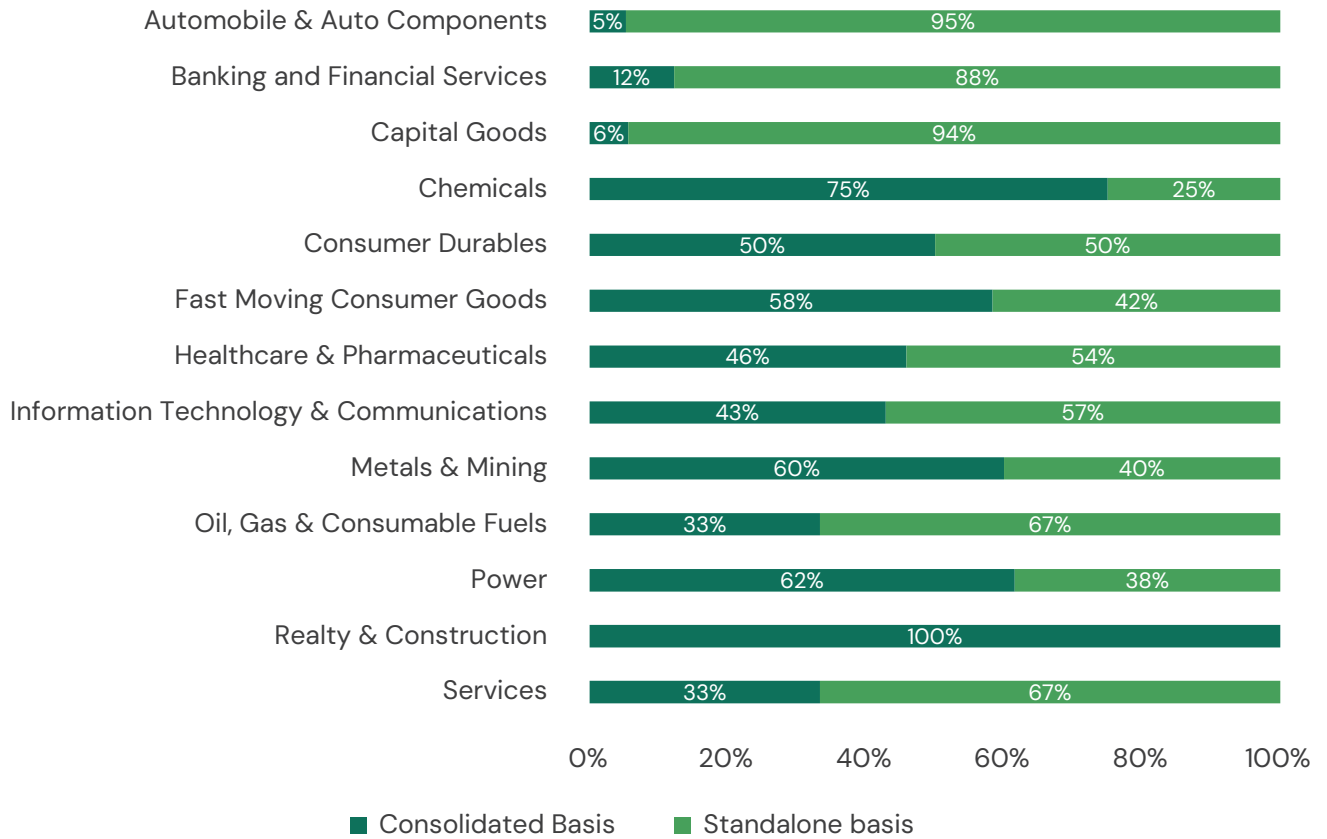
Scope 1 and Scope 3 emissions account for **98%** of emissions across sectors, while Scope 2 emissions contribute the least.

30% of sectors, including **Power, Metals & Mining, Chemicals, Oil, Gas & Consumable Fuels**, exhibit high water intensity, exceeding a ratio of 1, due to their water-intensive operations.

The rise in **Construction & Demolition waste** is primarily attributed to organisational expansion and increased infrastructure development.

Reporting Boundary

Reporting Boundaries adopted by Sectors



Note: This figure represent the proportion of companies in each sector for which the data is applicable.

Consolidated basis



- Reporting data represents the entire corporate group, including subsidiaries and joint ventures
- Favored by the Realty & Construction, Chemicals, Fast moving consumer goods, Metals & Mining

Standalone basis



- Reporting focuses solely on the parent company's performance
- More common in the Automobile & Auto Components, Banking & Financial Services and Capital goods

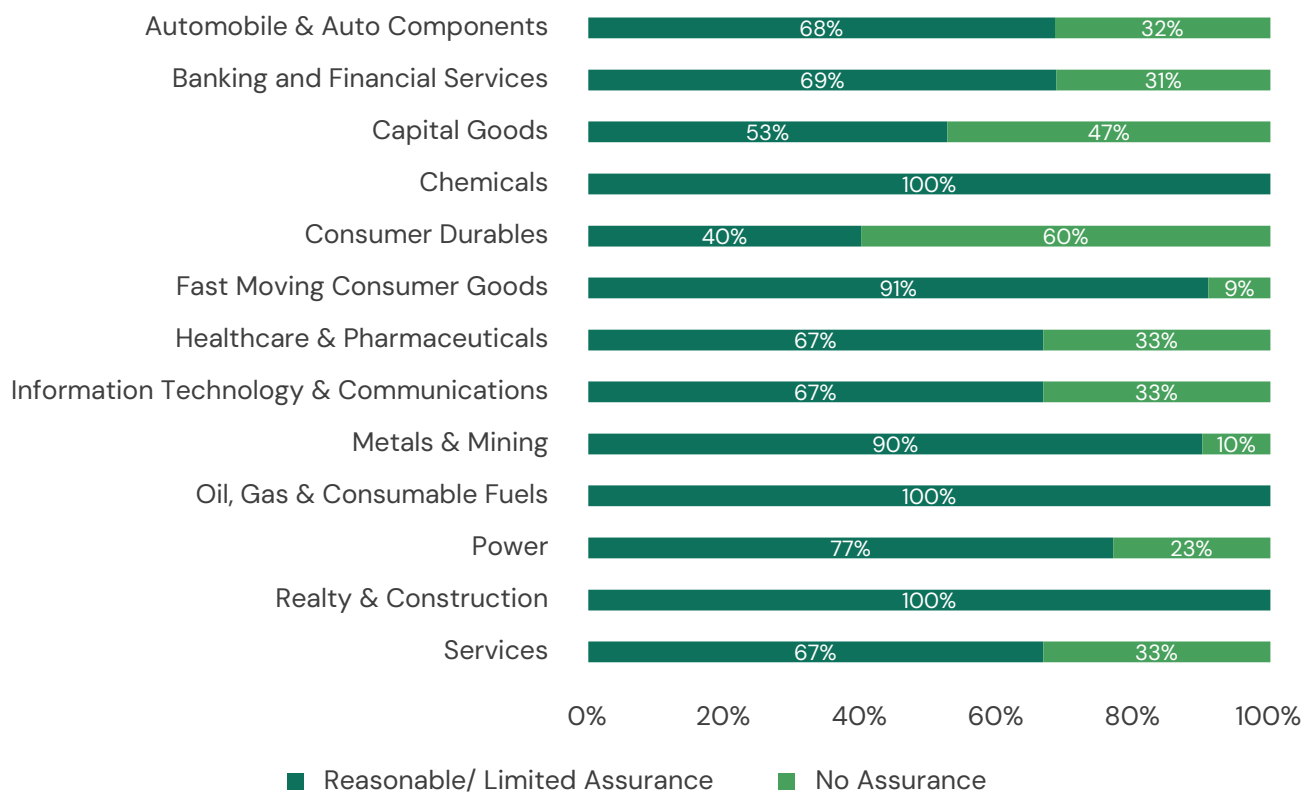
Assurance

Assurance refers to the independent verification of the accuracy and reliability of disclosed ESG data, providing stakeholders with confidence in the company's sustainability claims.

Limited assurance offers a lower level of confidence through basic reviews and analytical procedures.

Reasonable assurance involves third-party verification through a comprehensive audit, providing a higher level of certainty in BRSR disclosures.

Sectoral Comparison of Assurance on BRSR reporting



Note: This figure represent the proportion of companies in each sector for which the data is applicable.

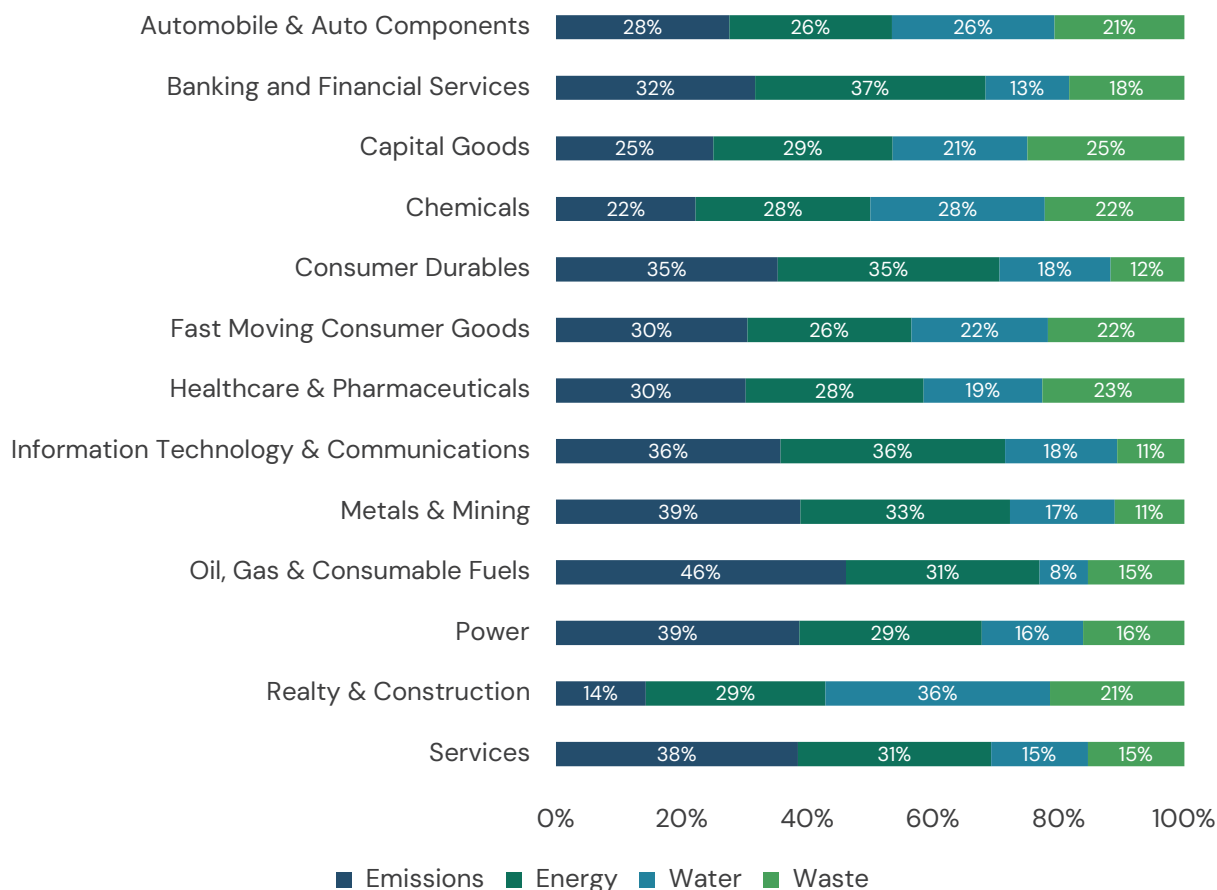
The Oil, Gas & Consumable Fuels, Chemicals, and FMCG sectors place a strong emphasis on providing assurance for their sustainability indicators.

The Capital Goods and Consumer Durables sectors show a lower emphasis on providing assurance for sustainability indicators.

Goals & Targets to Reduce Environmental Footprint

A sector-wise breakdown highlights the sectors that have established clear and measurable targets in the categories of **energy, emissions, water, and waste**.

Sector-wise Focus on Emissions, Energy, Water, and Waste Targets



Note: This figure represent the proportion of companies in each sector for which the data is applicable.

Oil, Gas & Consumable Fuels and Metals & Mining have the highest focus on emissions due to the carbon-intensive nature of these sectors.

Banking & Financial Services, Consumer Durables, and Information Technology & Communications emphasis energy targets.

Water is a key focus for the **Chemicals, Automobile & Auto components and Realty & Construction**.

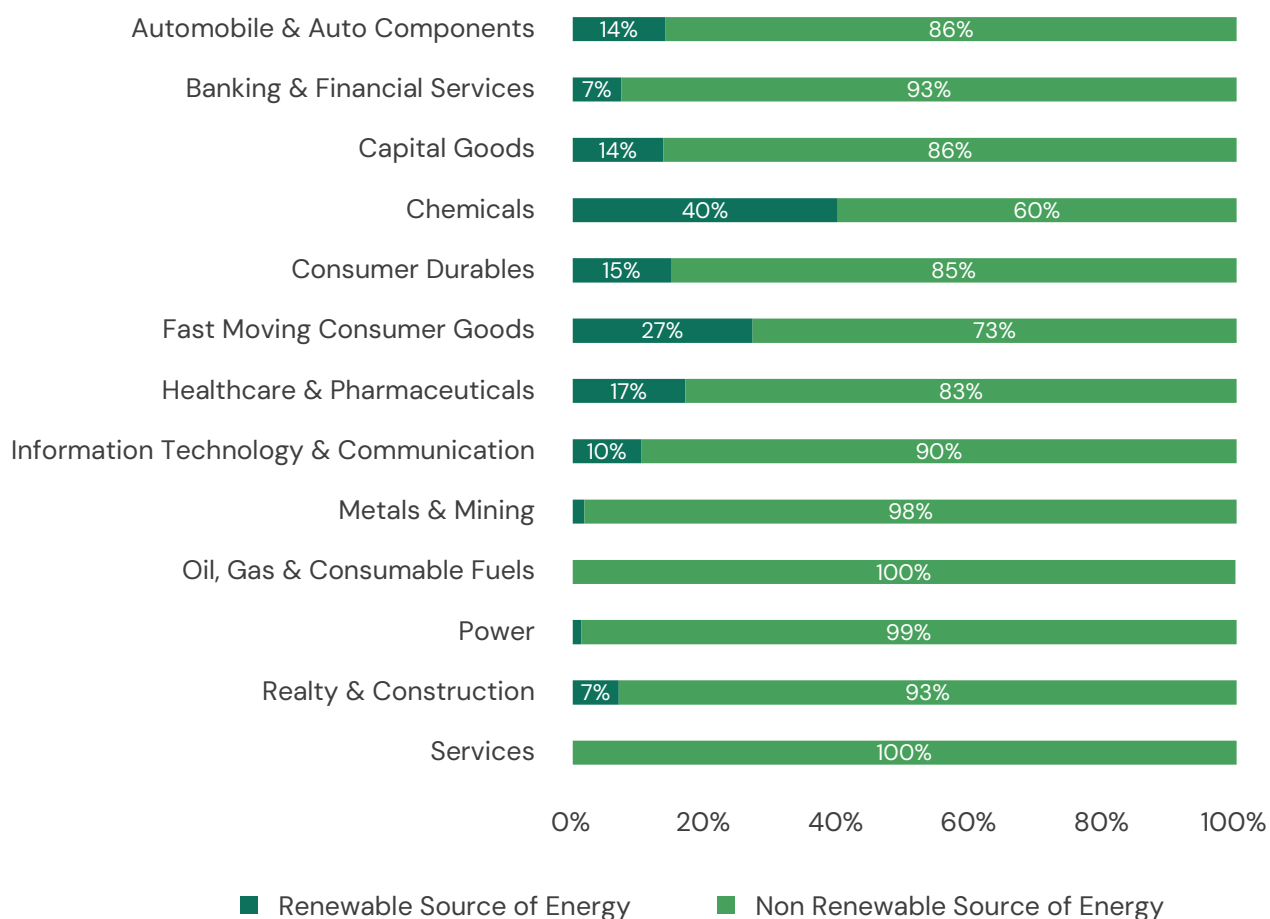
Waste receives prominent attention in **Capital Goods, Fast Moving Consumer Goods and Healthcare & Pharmaceuticals**.

Sector-specific environmental challenges drive industries to prioritise sustainability targets that address the most significant impacts of their operations, aligning their goals with relevant environmental pressures and regulatory demands.



This section examines corporate performance in relation to key energy and emission indicators. The first chart provides insights into the energy mix used by companies, distinguishing between renewable and non-renewable sources.

Dependency on Different Sources of Energy



Note: • Values below 5% are not represented for legibility.

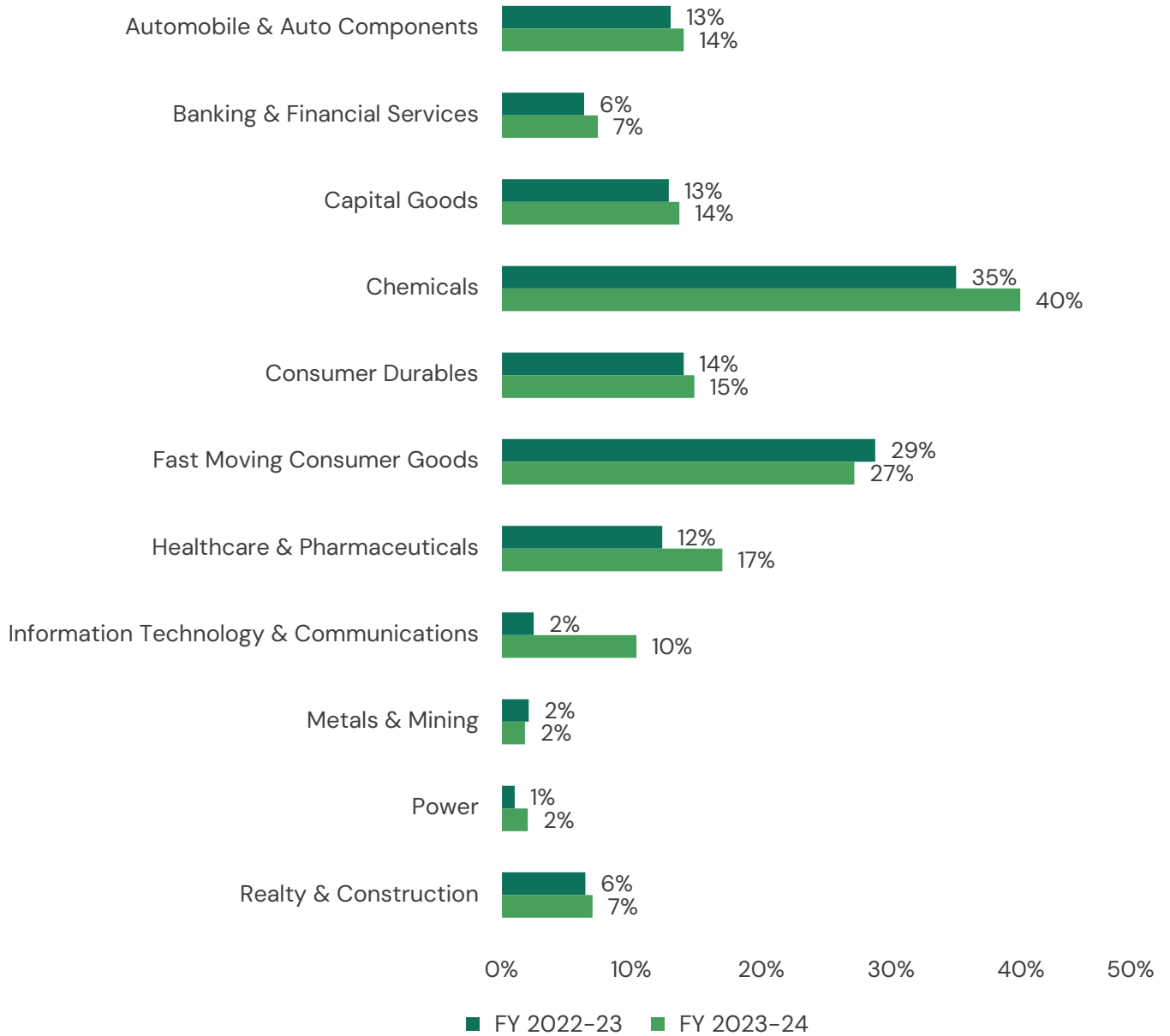
• This figure represent the proportion of companies in each sector for which the data is applicable.

The Chemicals sector has the highest proportion of renewable energy usage compared to others, standing out as a leader in the transition to cleaner energy sources.

The majority of sectors, such as Oil & Gas, Metals & Mining, Power, and Services, are heavily reliant on non-renewable energy, highlighting the urgent need for diversifying energy sources and reducing carbon footprints.

The Fast Moving Consumer Goods (FMCG) sector demonstrates a relatively higher renewable energy usage compared to other sectors like Automobile, Capital Goods, and Healthcare, indicating a shift toward sustainability.

Change in Dependency on Renewable Energy Sources



Note: This figure represent the proportion of companies in each sector for which the data is applicable.

Across many sectors, there is minimal change in renewable energy usage between FY23 and FY24. Sectors like Automobile, Capital Goods, and Consumer Durables show only slight increases, indicating consistent but slow progress in adopting renewable energy.

The Chemicals sector continues to lead in renewable energy usage, with a slight increase from FY23 to FY24. Similarly, the FMCG sector shows steady usage, maintaining a strong commitment to renewable energy, though growth is gradual.

Emissions



Scope 1:

Direct emissions from company-owned or controlled sources.

Scope 2:

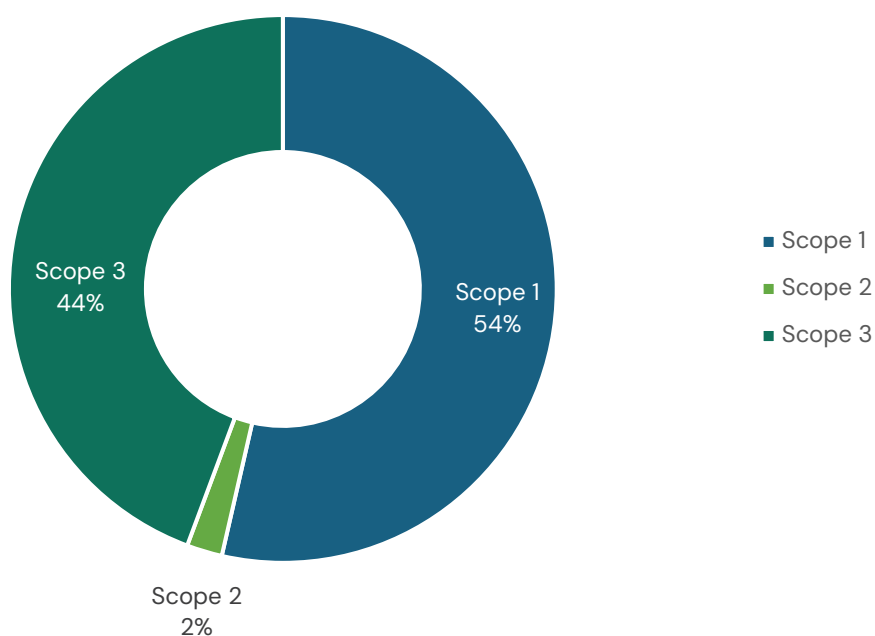
Indirect emissions from purchased energy like electricity, steam, or heat.

Scope 3:

Indirect emissions across the value chain, including transportation and supply chain.

Distribution of Emissions Across All Sectors by Scope

(Scope 1, Scope 2, and Scope 3)

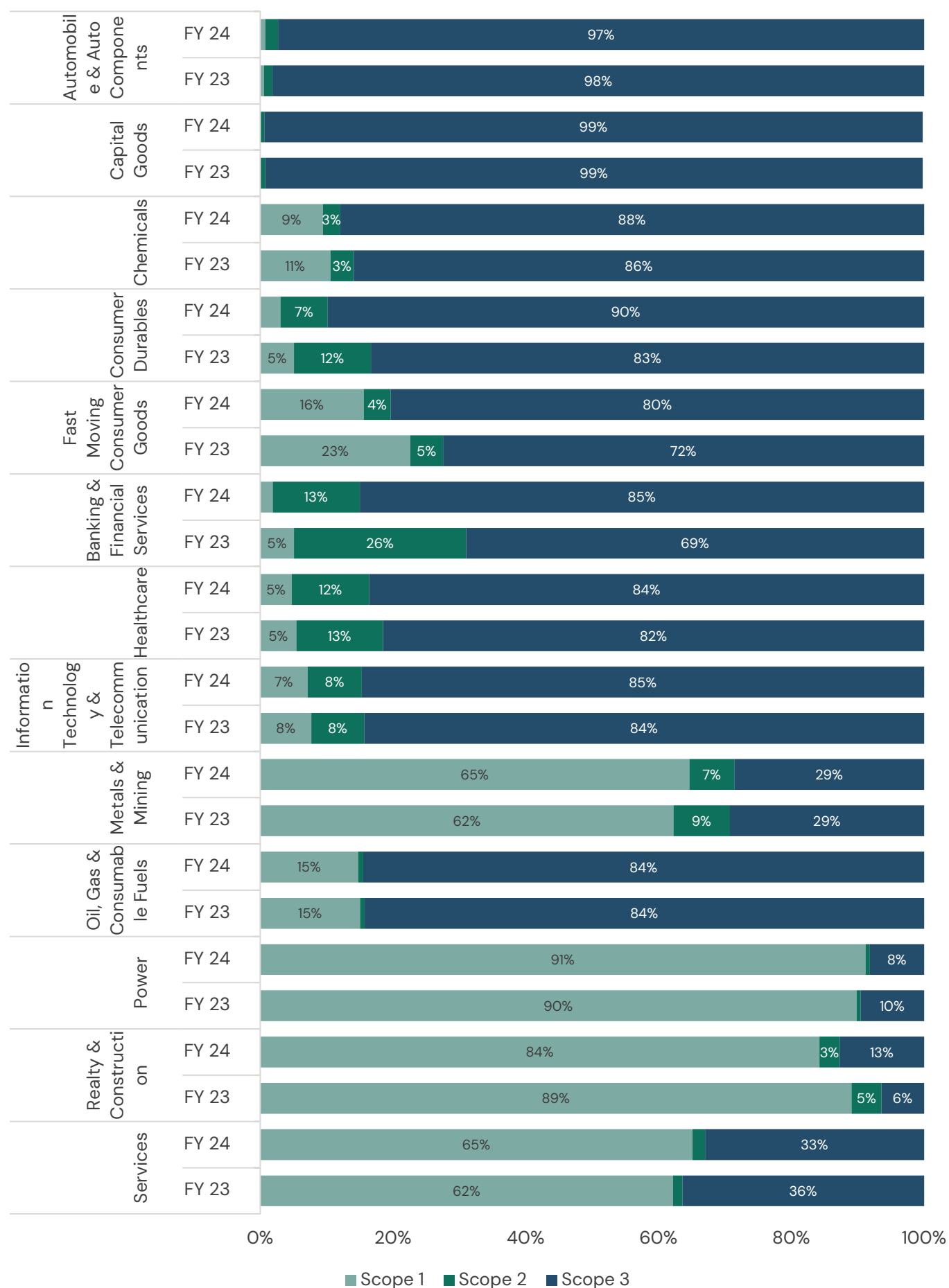


Note: This figure represent the proportion of companies in each sector for which the data is applicable.

Across all the sectors, Scope 1 and Scope 3 account for the largest portions of emissions, while Scope 2 represents the smallest share.

Due to the nature of their operations, Scope 1 and Scope 3 emissions are the predominant sources of total emissions across various sectors, with Scope 1 representing direct emissions from owned facilities and Scope 3 encompassing indirect emissions throughout the supply chain. In contrast, Scope 2 emissions, which relate to the energy consumed from purchased electricity, contribute the least to overall emissions.

Sectoral Comparison of Scope 1, 2, and 3 Emissions for FY 2023 and FY 2024



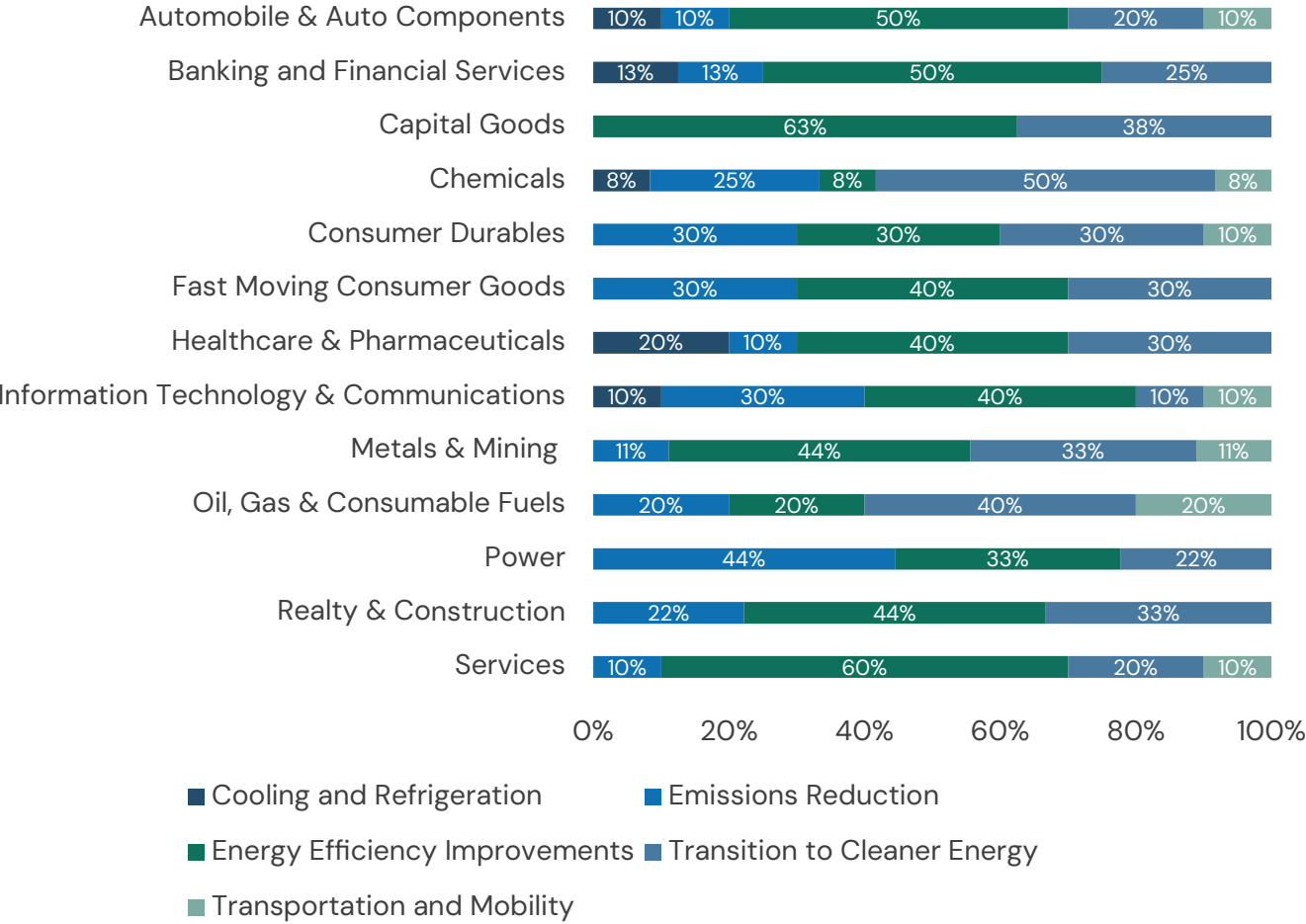
Note: This figure represent the proportion of companies in each sector for which the data is applicable.

The Power, Realty & Construction, and Services sectors have substantial Scope 1 emissions due to direct operational activities. These emissions primarily come from fuel combustion in power generation and energy use in construction and service facilities.

The Banking & Financial Services and Healthcare & Pharmaceuticals sectors exhibit significant Scope 2 emissions, driven by their high dependence on purchased electricity. This is largely due to energy-intensive operations in office buildings, data centers, and healthcare facilities.

Sectors like **Automobile & Auto Components, Capital Goods, and Consumer Durables** show a majority of emissions under Scope 3. These are mainly linked to extensive supply chains, product usage, and downstream emissions throughout the product life cycle.

Sector-Wise Distribution of Energy and Emission mitigation Initiatives



Note: This figure represent the proportion of companies in each sector for which the data is applicable.

Energy efficiency improvements emerge as the dominant strategy within the Services and Capital Goods sectors, as these sectors focus on optimising resource usage and reducing energy consumption to drive sustainability.

Emission reduction initiatives take precedence in the Power sector, reflecting the industry's critical role in addressing greenhouse gas emissions through technologies and processes aimed at lowering carbon footprints.

For the Chemicals and Oil, Gas & Consumable Fuels sectors, transitioning to cleaner energy sources is the leading priority, as these sectors explore alternative energy options and decarbonisation strategies to reduce dependency on fossil fuels and mitigate their environmental impact.

Corporate-driven energy and emission reduction initiatives are categorised into five key focus areas and the list of major initiatives undertaken under each category.

Energy Efficiency Improvements

- Carbon Offsets and IRECs
- Carbon Emissions Inventory
- Net-Zero Commitment
- Carbon Sequestration Projects
- Low-Carbon Product Development
- Community Engagement
- Advanced Emission Control

Emissions Reduction

- Equipment Upgrades
- Process Optimisation
- Lighting Efficiency
- Waste Heat Recovery
- Energy Management Systems
- Green Building Initiatives

Transition to Cleaner Energy

- Transition to Renewable Energy
- Clean & Low-Carbon Fuel Adoption
- Solar Energy Initiatives
- Biogas
- Fuel Switching & Dual-Fuel Systems

Transportation and Mobility

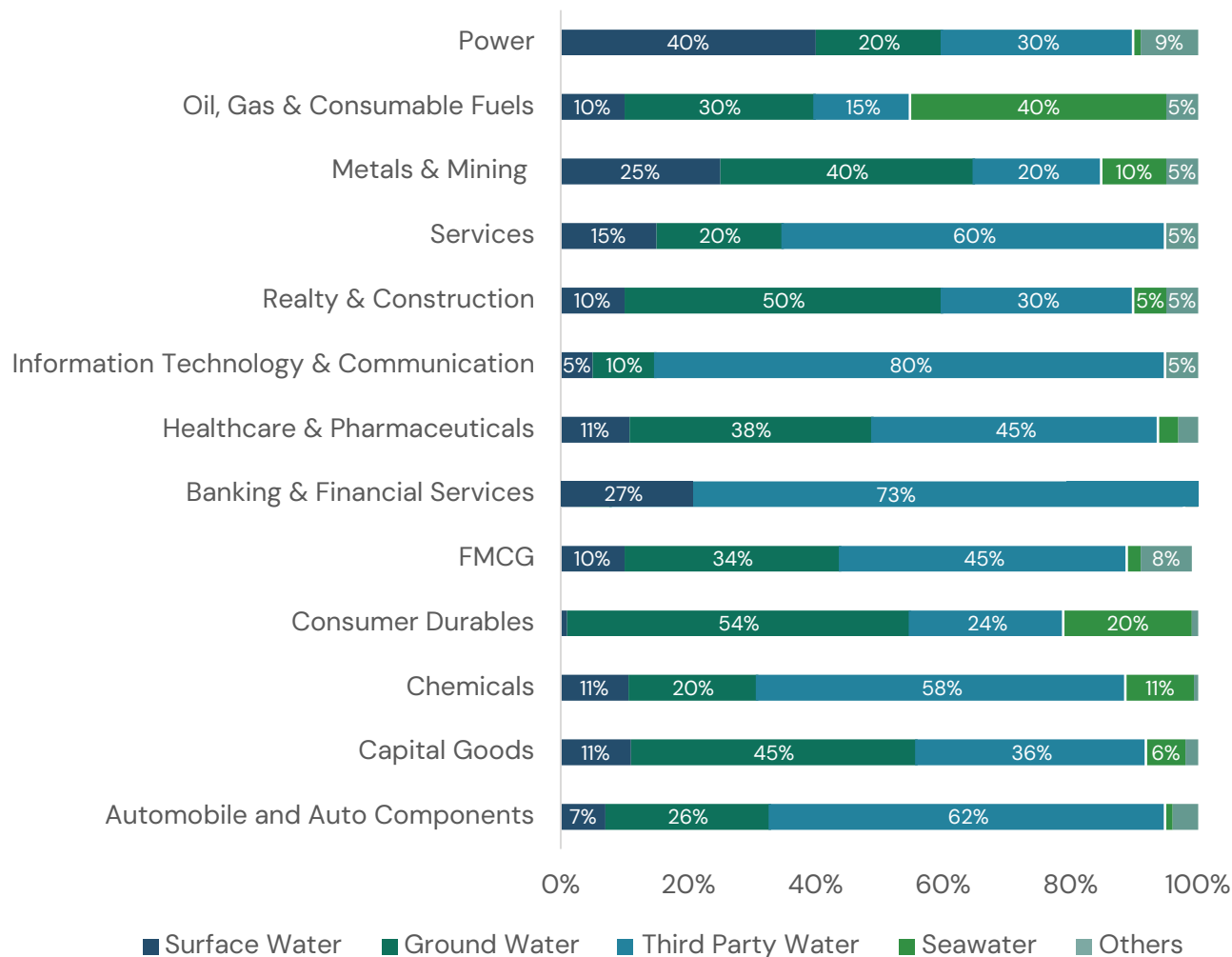
- Electric & Hybrid Vehicle Transition
- Fleet Decarbonisation
- Diesel Elimination & Reduction
- Local Sourcing to Reduce Emissions
- Employee Incentives for Electric Vehicles

Cooling and Refrigeration

- Cooling System Enhancements
- Sustainable Refrigerant Conversion
- Transition to Modern Heat Pumps
- HVAC and Air Handling Optimisation
- Energy-Efficient HVAC System Upgrades and Replacements



Dependency of Sectors on Different Water Sources



Note: • Values below 5% are not represented for legibility.

• This figure represent the proportion of companies in each sector for which the data is applicable.

Surface water refers to water sourced from rivers, lakes, reservoirs, and reflects reliance on natural, renewable sources.

Groundwater drawn from aquifers, highlights the use of subsurface resources, particularly important in areas where surface water is limited.

Third Party Water, purchased from external suppliers indicates dependence on external sources such as municipal pipeline distribution systems.

The high dependence of sectors like **consumer durables, realty & construction, capital goods, metals & mining** sectors on groundwater emphasises the need for sustainable water management practices to mitigate depletion & environmental impacts.

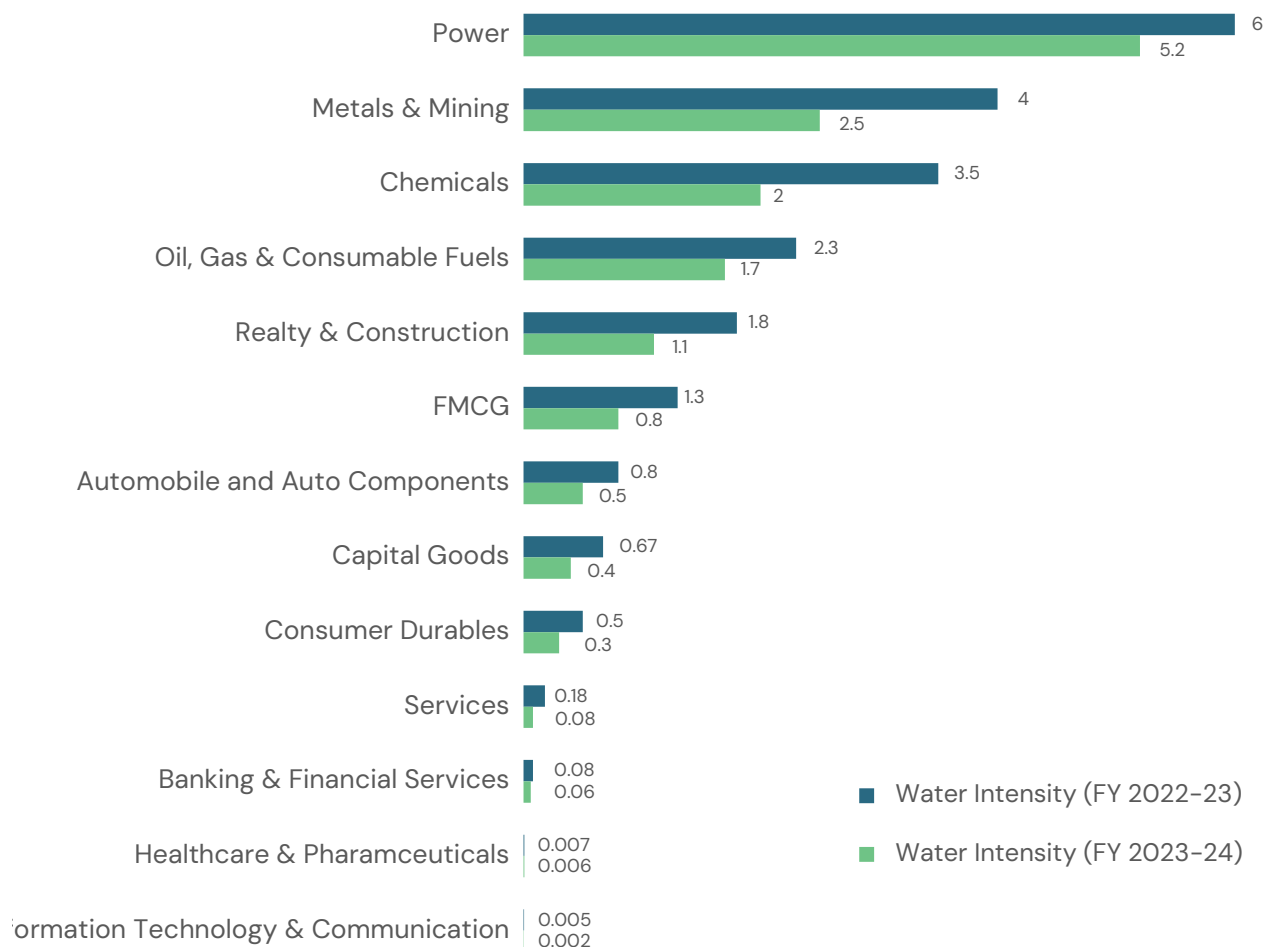
Sectors such as **IT, Banking, and Services**, while having a relatively low water footprint for operational purposes, rely on third-party water sources to meet the daily needs of their employees, such as drinking, sanitation, and office facilities.

Water Intensity

To assess the water efficiency of various sectors, water intensity of companies across different industries were analysed.

The data shows the average litres of water companies in different sectors consume to earn 1 rupee in revenue.

Change in Water Intensity Across Different Sectors (in Liters)



Note: This figure represent the proportion of companies in each sector for which the data is applicable.

The Power sector's high water intensity is primarily due to colling systems, and water-intensive processes, but advancements in technology and renewable energy have helped reduced water consumption.

Metals & Mining sectors have high water intensity due to their water-intensive dust suppression and infrastructure.

Service sectors like IT, Banking, and sectors like **Health & Pharamceutical** generally have lower water intensity due to their operational nature and limited water-intensive processes.

Water stewardship Initiatives and Measures

In recent years, a growing awareness of the importance of water conservation has spurred industries across the globe to adopt sustainable practices. From manufacturing plants to towering skyscrapers, businesses are actively seeking ways to reduce their water footprint and contribute to a healthier planet.

01

In manufacturing, companies are optimising production processes, recycling wastewater, and investing in water-efficient technologies to minimise consumption, with the automobile sector focusing on water-based coatings and the chemicals industry implementing closed-loop systems.

The banking and finance sectors are integrating water sustainability by constructing green buildings, promoting water conservation among employees, and supporting community initiatives.

02

03

The information technology and Telecommunications sectors are enhancing water efficiency by optimising data center cooling systems and shifting toward renewable energy sources.

The healthcare and pharmaceutical industries are adopting water-efficient medical equipment, recycling wastewater, and reducing waste, thereby contributing to a sustainable healthcare environment.

04

05

In consumer goods, companies are emphasising sustainable packaging and efficient manufacturing while promoting water conservation among consumers, particularly in the fast-moving consumer goods sector.

The energy sector is making significant strides in water efficiency by optimising cooling systems, recycling wastewater, and exploring renewable energy alternatives.

06

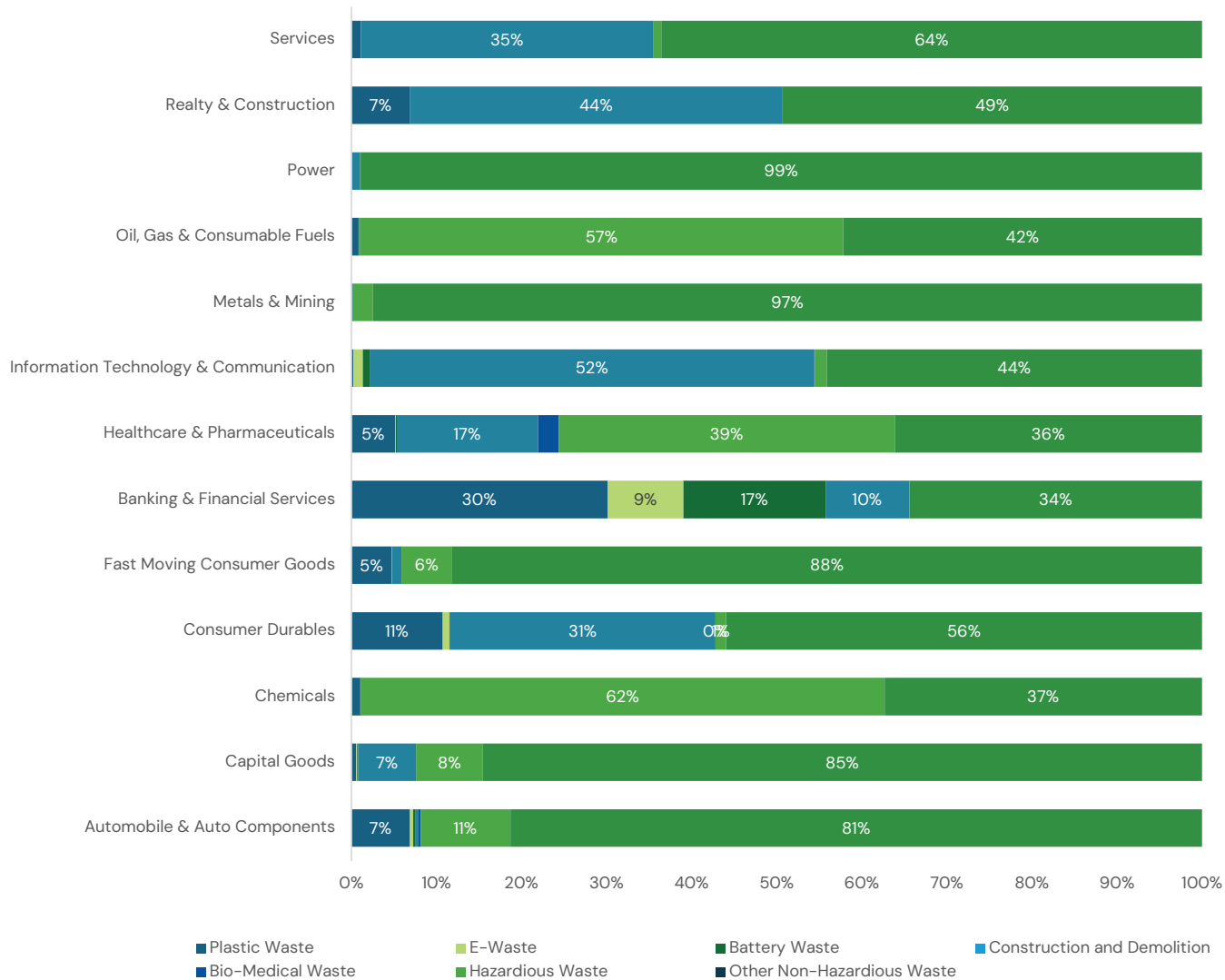
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Real estate and construction companies are adopting sustainable practices, including green building features and efficient landscaping, to minimise water consumption and protect resources.

Waste

Sector-wise waste generated

Types of Waste Generated (2023-24)



Note: • Values below 5% are not represented for legibility.
 • This figure represent the proportion of companies in each sector for which the data is applicable.

IT & Communication, Consumer Durables, and Realty & Construction sectors report high construction and demolition waste, reflecting significant physical expansion.

Hazardous waste is a key issue in Healthcare & Pharmaceuticals, Oil & Gas, and Chemicals, while the Automobile & Auto Components sector has reported a decrease linked to changes in operations.

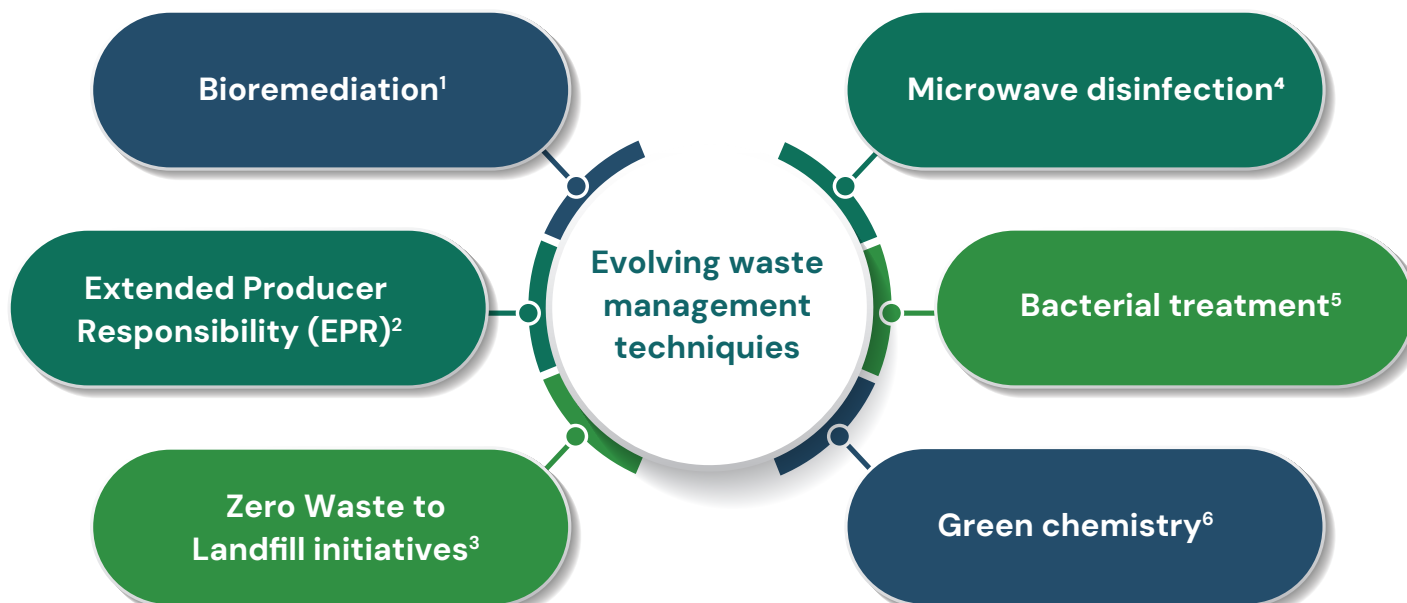
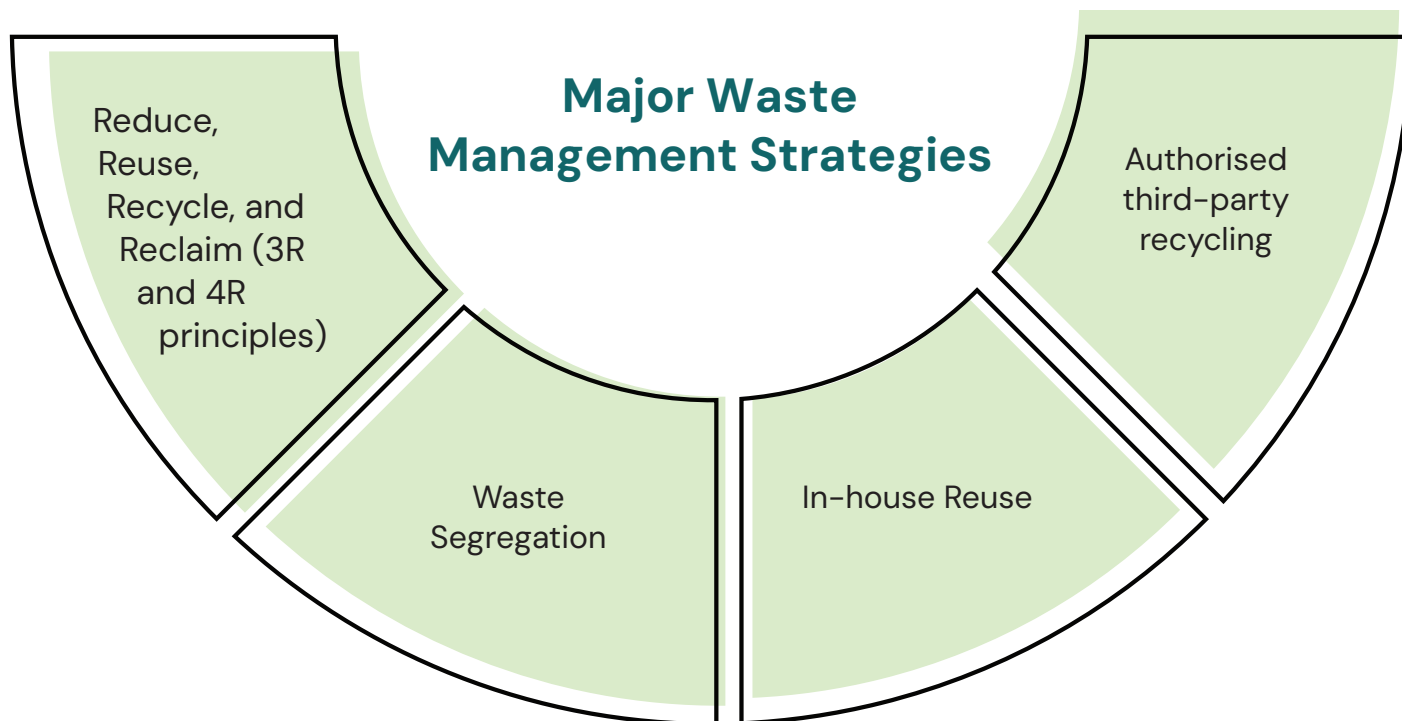
Non-hazardous waste remains high in Power, Metals & Mining, and Oil & Gas sectors, while Realty & Construction shows a significant increase in waste generation, and Banking & Financial Services reports a decrease, reflecting changes in operational activities.

Overall, sectors predominantly report high levels of other non-hazardous waste, including e-waste, battery waste, and other types, indicating inconsistencies and unclear reporting practices.

Waste Management Strategies & Initiatives



Effective waste management is crucial for sustainable business practices and addressing environmental challenges. Companies must minimise their impact to meet regulatory and stakeholder expectations. Efficient waste management reduces pollution, conserves resources, and cuts costs. By focusing on waste reduction and sustainability, businesses can align with global goals and enhance their reputation while benefiting society and the planet.



¹ Using organisms to clean up contaminants from soil, water, or air.

² Holding producers accountable for product disposal, including recycling and waste management.

³ Diverting all waste from landfills through recycling, reuse, and composting.

⁴ Sterilising waste using microwave energy to eliminate pathogens.

⁵ Using bacteria to break down waste and pollutants.

⁶ Designing chemical processes that minimise hazardous waste and environmental impact.

About CSRBOX

CSRBOX is India's leading CSR knowledge and impact intelligence-driven platform for the development sector, enabling collaboration and partnerships among CSR stakeholders. Serving over three million professionals, the platform offers a range of CSR-centric services to corporate organisations, NGOs and social enterprises. CSRBOX bridges the information deficit by enhancing organisational capacities, conducting research, planning interventions and publishing knowledge resources for greater impact amplification.

About Impact Practice by CSRBOX

Impact Practice, the consulting arm of CSRBOX, specialises in designing programmes that create measurable, sustainable, and scalable social impact. From strategic planning to on-ground implementation, we enable organisations to tackle complex challenges while delivering lasting value to both communities and businesses. Guided by innovation, collaboration, and a strong focus on Corporate Social Responsibility (CSR), we craft solutions that drive meaningful, long-term change.

Our consulting services ensure that your CSR and environmental initiatives deliver tangible outcomes, fostering positive, wide-reaching impact that aligns with both social goals and business objectives.

For more info, Visit: www.csrboximpact.in

About the 11th India CSR and ESG Summit 2024

The 11th India CSR and ESG Summit, hosted by CSRBOX, continues to be a platform for learning, networking, and driving innovation in the social sector. Conceptualised by the Impact Practice team, this year's summit focuses on shaping the future of CSR and sustainability. Key themes include climate resilience, nature-based solutions, and impact investing. As it celebrates a decade of CSR milestones, the summit invites participants to collaborate on strategies for impactful and sustainable growth in the years to come.

Research Credits

- Moinak Goswami
- Remigius J
- Ritika Verma



Design Credits

- Aniket More



Doing Good in a **Better** Way



Reach out to us at


Manasi Diwan  manasi@csrbox.org

Adesh Sah  adesh.s@csrbox.org  +91 8961037943

Corporate Office:

 A 404-405, Swati Trinity, Applewoods Township, SP Ring Road,
Near Shantipura, Ahmedabad - 380058.

NCR Office:

 AltF Empire Square 3rd Floor, JMD Empire Square, Near Sikanderpur Metro,
MG Rd, Gurugram, Haryana - 122002.

Our Presence:

Ahmedabad | Bharuch | Mumbai | Delhi NCR | Pune | Hyderabad | Bengaluru

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