

# ESG - CS Professional

## Chapter 11

**Business Ethics, Code of  
Conduct & Anti-Bribery**

## Chapter 12

**Board's Accountability on  
ESG**

**Expected: 15-17 Marks**

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Notes...*

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(CS Professional Aspirant)**

# Chapter 11



## STEPS TO RESOLVE ETHICAL DILEMMA

### Step-1 Consider the options available

List the alternative course of action available.

### Step-2 Consider the Consequences

Think carefully about positive & negative consequences associated with different options.

### Step-3 Analysing the Action

It should be analysed from different perspectives regardless of the consequences.

### Step-4 Make Decision & act with Commitment.

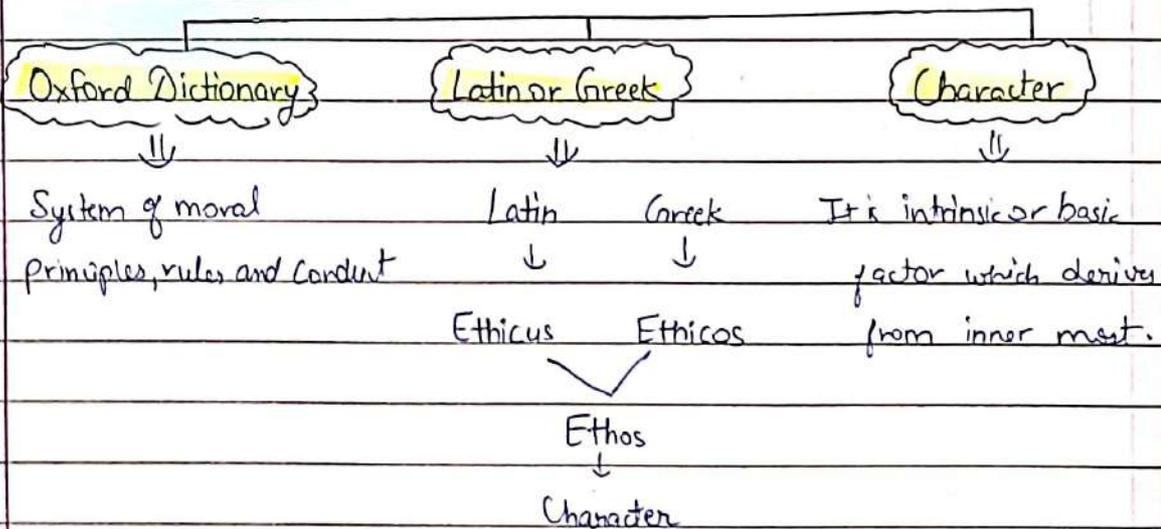
Once the decision is made, act on the decision assuming responsibility of it.

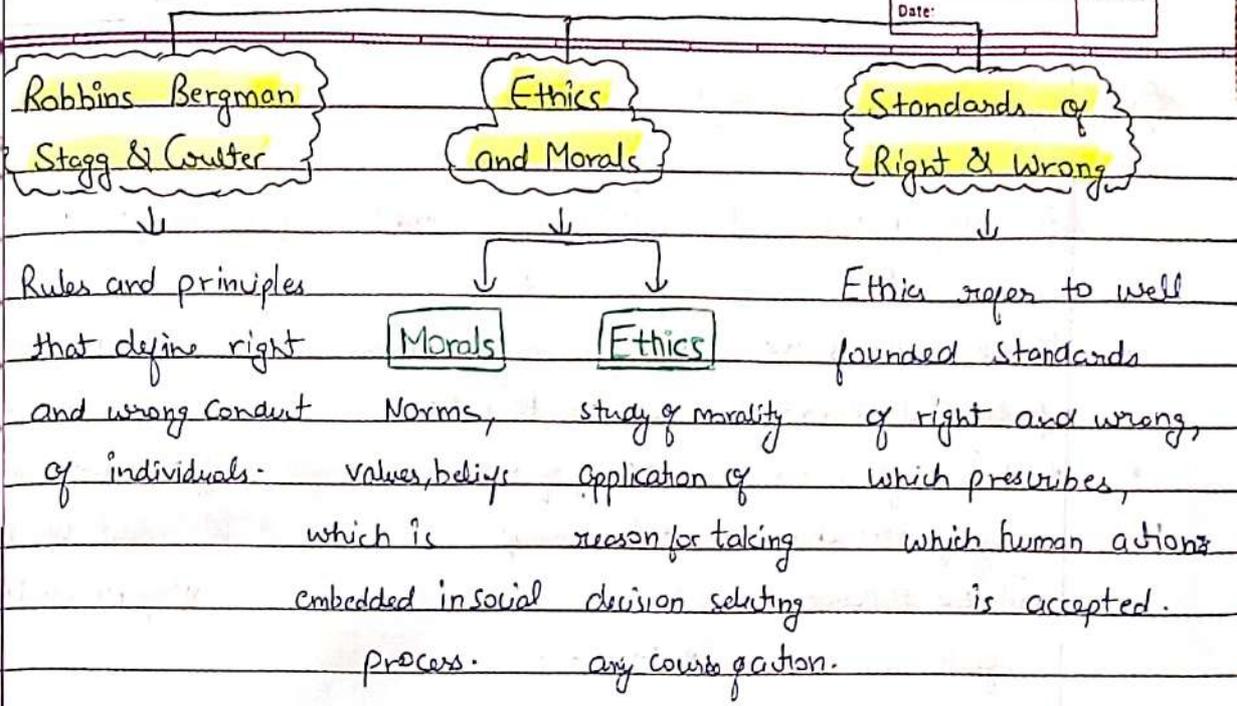
### Step-5 Evaluate the System

Think about any changes suggestion of changes in the system.

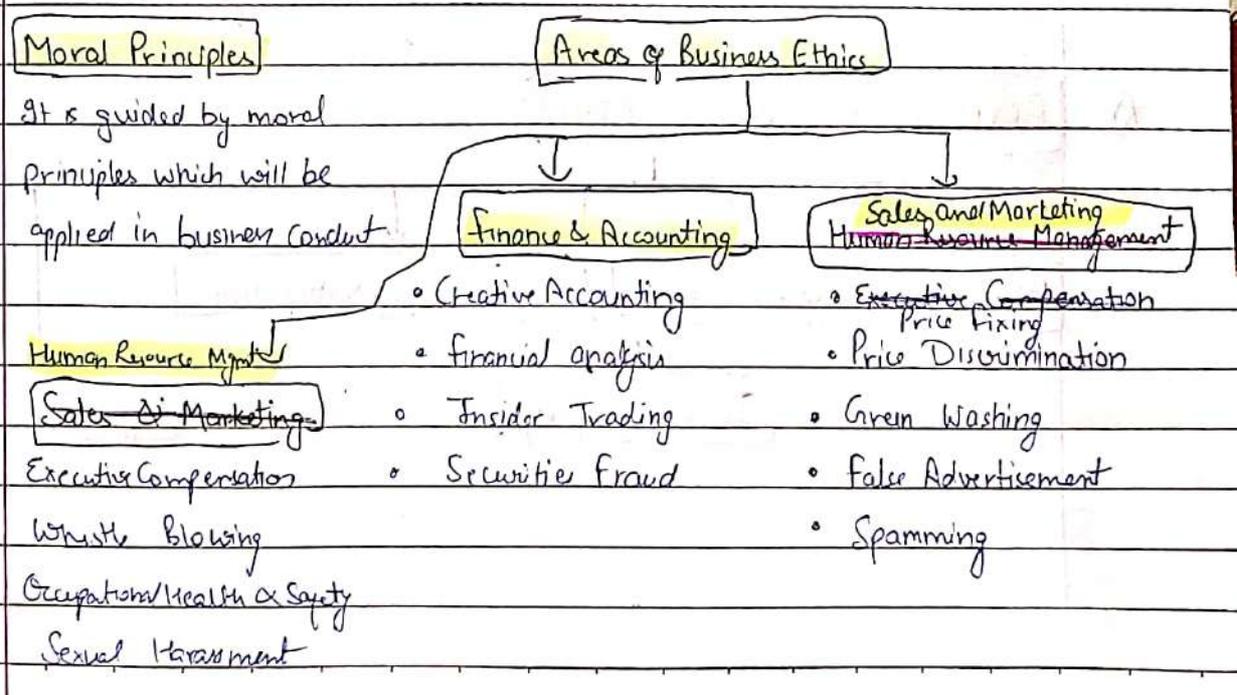
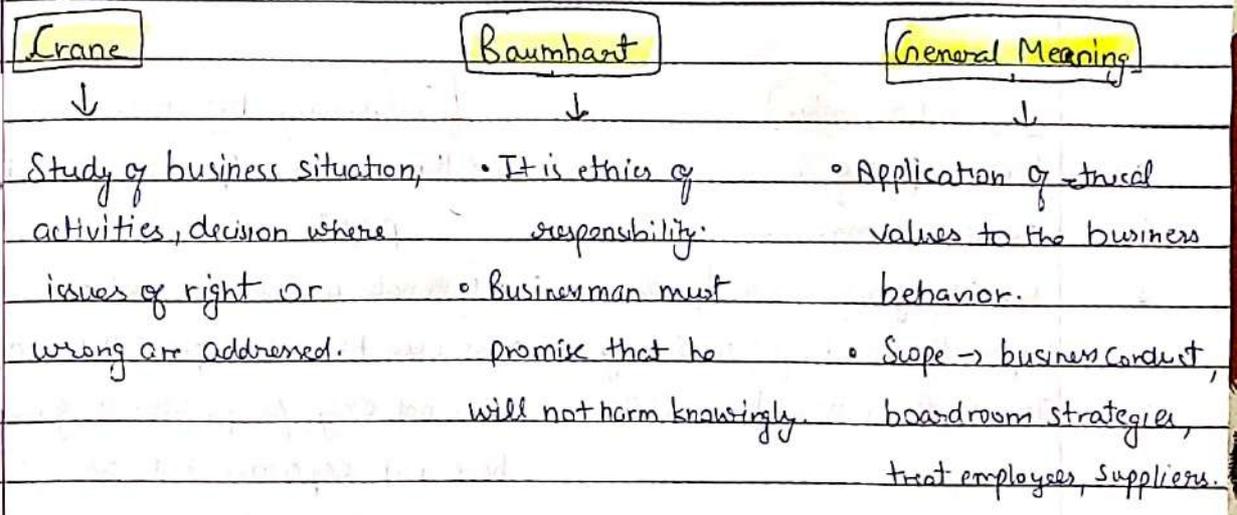


## MEANING OF ETHICS





**BUSINESS ETHICS**





## 5 Bottom Lines of Future

### Economic Bottomline



- Wealth creation is the fundamental dharma
- We have to focus on many factors which will lead to economic goals.

### Human Bottomline



- Working on factors which will lead to better quality of workforce.
- Leadership
- Teamwork
- Motivation
- Creativity
- Ethics
- Values etc

### Environmental Bottomline

- We withdraw energy and resources from nature.
- We must use it very prudently.

### Social Bottomline

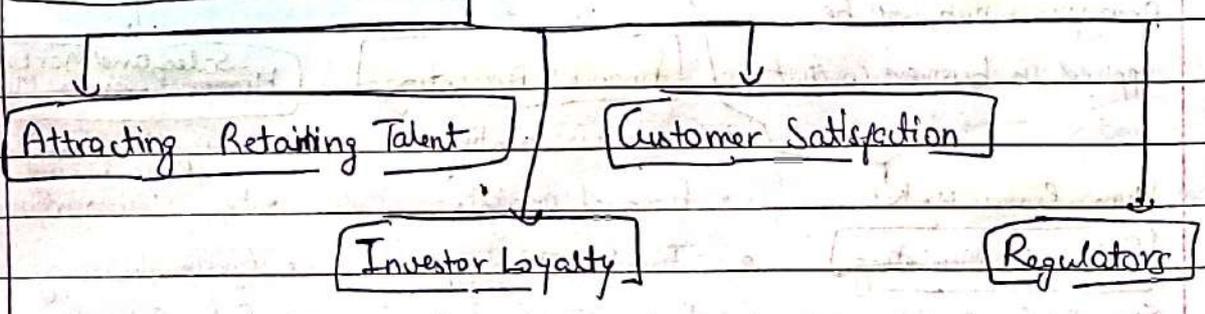
- We the part of larger social environment.
- Well being organisation depends upon the well being of the society.
- This is the rationale behind CSR.

### Evolutionary Bottomline

- Humans as a species are unfinished projects
- Potentials are not yet realized
- We need to reach highest potential.
- We not only for professional growth have rich experience but also for evolution of individuals.



## ADVANTAGES OF BUSINESS ETHICS



①

(b)

(c)

(d)

②

(b)

③

(b)

(c)

(d)

④



Attracting & Retaining Talent: (a) Ethical climate matters a lot to the employees.

Co's policy should develop teamwork, promote productivity and support employees growth.

There must be win win situation in which loyalty should not be taken for granted.

Employee will invest their energy & talent.

∴ a) They are becoming more and more aware about ethics.

Relationship with any stakeholder depends upon trust and sustained loyalty.

Repeated orders or purchases is essential for the success of the Company.

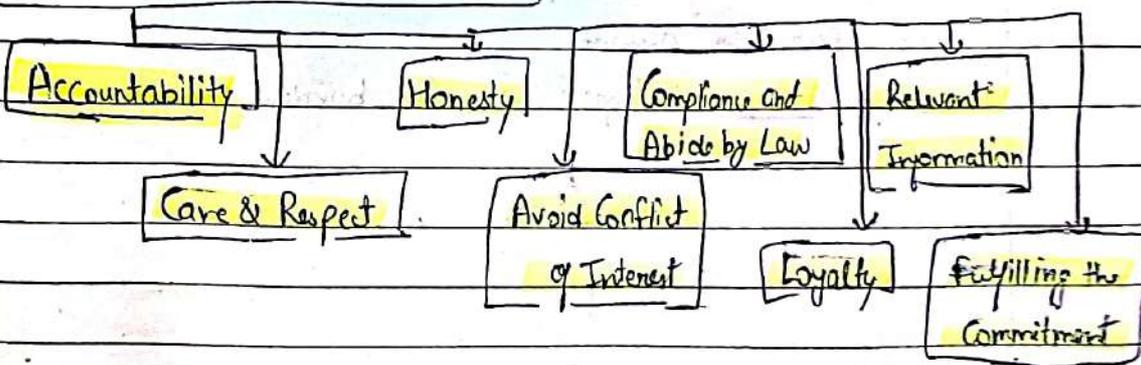
The name of the Company should link to trust and respect.

Ethics help to build strong competitive position.

It promotes a strong public image also.

∴ The regulators need not always monitor the functioning of the ethically sound companies.

PRINCIPLES OF BUSINESS ETHICS





**FOUR FUNDAMENTAL ETHICAL PRINCIPLES**

① The Principle of respect for autonomy

- Autonomy is Latin <sup>word</sup> for self ~~to~~ rule.
- Respect the decision made by other people concerning their own lives.
- This is called the human dignity.
- Collary principles: Honesty in our dealings with others and obligation to keep promises.

☆  
①  
②  
③  
④  
⑤

② The Principle of Beneficence

- Obligation to bring about good in all our actions.
- Collary principle: Take positive steps to prevent harm.



③ The Principle of non-maleficence

- means that one did not intend to harm.
- we have an obligation not to harm others.
- Collary principle: where harm cannot be avoided, we are obliged to minimize the harm we do.
- Don't increase the risk of harm to others.
- Wrong to waste resources that could be used for good.

☆  
①

④ The Principle of Justice

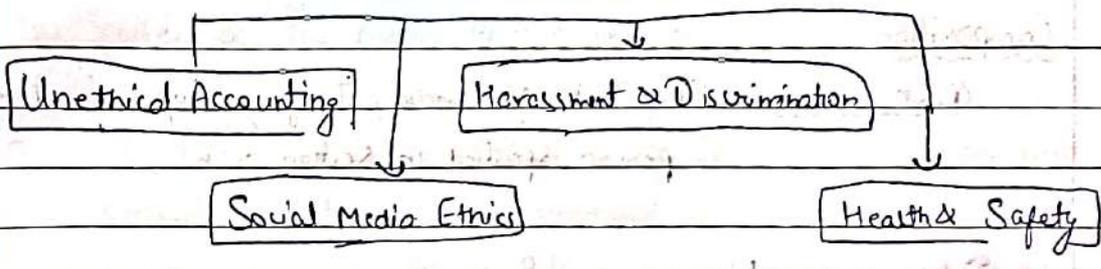
- We have an obligation to provide others with whatever they are owed or deserve.
- Collary principle: Impose no unfair burdens.

②  
③  
④  
⑤  
⑥

**SIGNIFICANCE OF BUSINESS ETHICS**

- Leads to Profit
- Smooth flow in business.
- Retain talented employee.
- Safer environment for employee
- Positive image of company.
- ⑥ Safeguards consumer rights
- ⑦ No unfair practices.

**COMMON ETHICAL ISSUES IN BUSINESS**



Refer Pg - 11-10 & 11-11 of Book

**ANTI BRIBERY LAWS IN INDIA**

Companies Act, 2013 → NFRA (Sec 132), Vigil Mechanism [Sec 177(10)],  
 Audit Committee [Sec 177]

ICSI Anti-Bribery Code

fugitive Economic Offender Act

Lokpal and Lokayuktas Act, 2013

Prevention of Corruption Act

Whistle Blowers Protection Act

☆

LOKPAL AND LOKAYUKTAS ACT, 2013

Legal framework

Total Sections: 63

Total Chapters: 15

Section: 3 Establishment of Lokpal

(A) Composition

① Chairperson: Chief Justice of India, Judge of Supreme Court or person specified in Section 3(b)

② Members: Maximum → 8  
 50% shall be judicial members

Not less than 50% of members of Lokpal shall be amongst the person belonging to ST, SC, backward class, minority women.

B. Qualification:

① Judicial Member: Judge of Supreme Court or Chief Justice of High Court

② Non Judicial Member: Person of ability, integrity, standing with not less than 25 years experience and special knowledge.

C. Disqualification

① MP, MLA's

② Person convicted offence involving moral turpitude.

Person of less than 45 years of age

Member of Panchayat or Municipality.

Person removed or dismissed from Union or State Services.

### Section: 4 Appointment of Chairperson & Members of Selection Committee

The chairperson and members shall be appointed by the President after obtaining recommendations of Selection Committee consisting of:-

The PM → Chairperson

The Speaker of the house of the People - Member

Leader of Opposition

The Chief Justice of India (or) Judge of SC nominated by him.

One eminent jurist as recommended by chairperson and members referred to in clauses (a) to (d) to be nominated by the President.

### Section: 11 Inquiry Wing

Headed By → Director of inquiry

Functions → Preliminary inquiry in offence committed by Public Servant.

Employees & Staff → appointed by CG from its ministries and departments.

Qualification → Not below the rank of Secretary of Govt. of India.

### Section: 12 Prosecution Wing

Headed By → Director of prosecution.

Prosecution will be initiated once report is submitted by inquiry wing.

The report filled is like a complaint made against the public servant.

Section 14 Jurisdiction of Lokpal

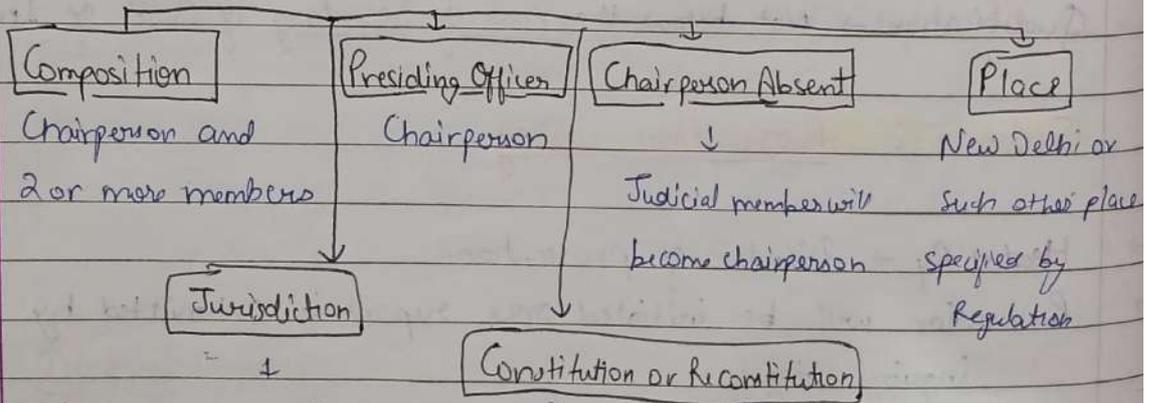
2/3rd Majority approval to move against PM.

- ① Any person who is or has been PM.
- ② Any person who is or has been Minister of Union.
- ③ Any person who is or has been member of either house of Parliament.
- ④ Group A & B officers or equivalent and above who are public servants.
- ⑤ Chairperson or Member as Officer of any body established under Act of Parliament or wholly or partly funded by Central Govt.
- ⑥ Any person who receive donation from foreign source in excess of ₹10 Lacs in a year or such higher amount.
- ⑦ Group C or D officers or equivalent and above which is public servant.

Section 15 : Matters pending before any Court for inquiry not to be affected

Any matters or proceedings relating to allegation of corruption under Prevention of Corruption Act, 1988 will not be affected after the commencement of this act and such matter or proceedings shall continue with respective code.

Section 16 : Constitution of Bench of Lokpal



The Lokpal shall notify the area in relation to bench who will have the jurisdiction.

### Section 17 Distribution of Benches amongst benches

Chairperson may provide this

### Section 18 Powers of Chairperson to Transfer Cases ~~(Section)~~

Chairperson may transfer the case on an application made to it by complainant or public servant after providing O.B.H.

### Section 19 Decision by Majority

When a bench of even numbers of Lokpal Members disagrees on any point, they must refer the matter to Chairperson. The Chairperson may either decide the matter himself or assign it to other Members.

The final decision will be based on majority opinion of all Members who heard the case including both original and additional members.

## Section 20 Provision relating to Complaints and preliminary enquiry OR investigation (imp)

On receipt of Complaint  
↓

Lokpal decides whether to proceed or not  
If he decides to proceed further, it may order a preliminary enquiry by its Enquiry Wing.

↓  
In matters of Allegations against group A/B/C/D employees. The Lokpal transfer the same to CVC (Central Vigilance Commission)

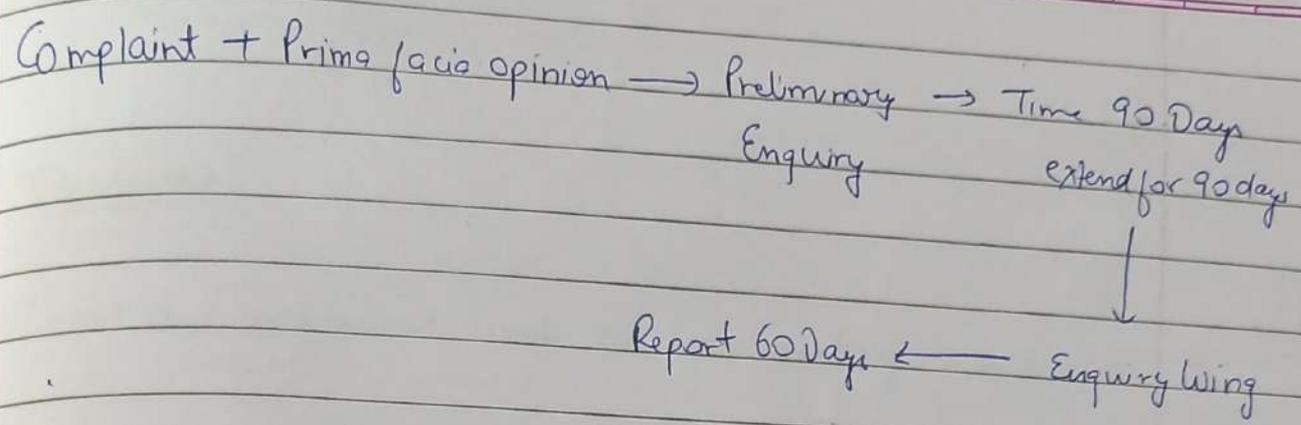
↓  
CVC report back to Lokpal in case of A/B Employees & proceed further for C/D.

↓  
Enquiry wing shall submit its report within 60 days & entire preliminary inquiry within 90 days, further can be extended for 90 days.

↓  
If Lokpal further decides for investigation, the same should be completed within 6 Months

↓  
finally after considering the above report, Lokpal may consider following actions:-

- (i) Grant sanction to prosecution wing to file Chargesheet in front of special court or,
- (ii) Order to close the case or
- (iii) Direct the Authority to initiate any other action against the public servant.



Investigation → Decision  
 6 Months (extend 6 Months)

Section 29 Provisional Attachment

Where Lokpal is in opinion that any person is in possession of proceeds of Corruption which may be dealt by him in a way that frustrates the property, then he may order this for period not exceeding 90 days

After that Lokpal forward the copy of order to Special Court

Section 30 Confirmation of Attachment

Lokpal should direct his prosecution within 30 days to apply in front of Special Court for this until completion of proceeding.

- If Special Court is satisfied - may confirm it
- If at conclusion, public servant is convicted, special Court orders Confiscation.
- If released Special Court Order Restoration of Property  
 It has to be restored, Higher Court has cancelled the judgement an interest of 5% is added as Compensation.

## Section 37 Removal & Suspension of Chairperson and Members of Lokpal

### Process to Remove

- App. by at least 100 MPs
- Petition filed by President with SC.
- SC passed order of misbehavior
- President passed the order of removal.

### Suspension

- Reference has been made to SC
- Recommendation of suspension by SC
- President has the order.

### Other grounds for removal by President

- is adjudged insolvent
- Engages during his term of office, in paid employment outside his office
- is unfit to continue in the office by reason of infirmity of mind or body.

## Section 38 Complaints against officials of Lokpal

Application of the provision - There is allegation or wrong doing against any officer or employee associated with Lokpal.

Inquiry - Done with Lokpal within 30 Days

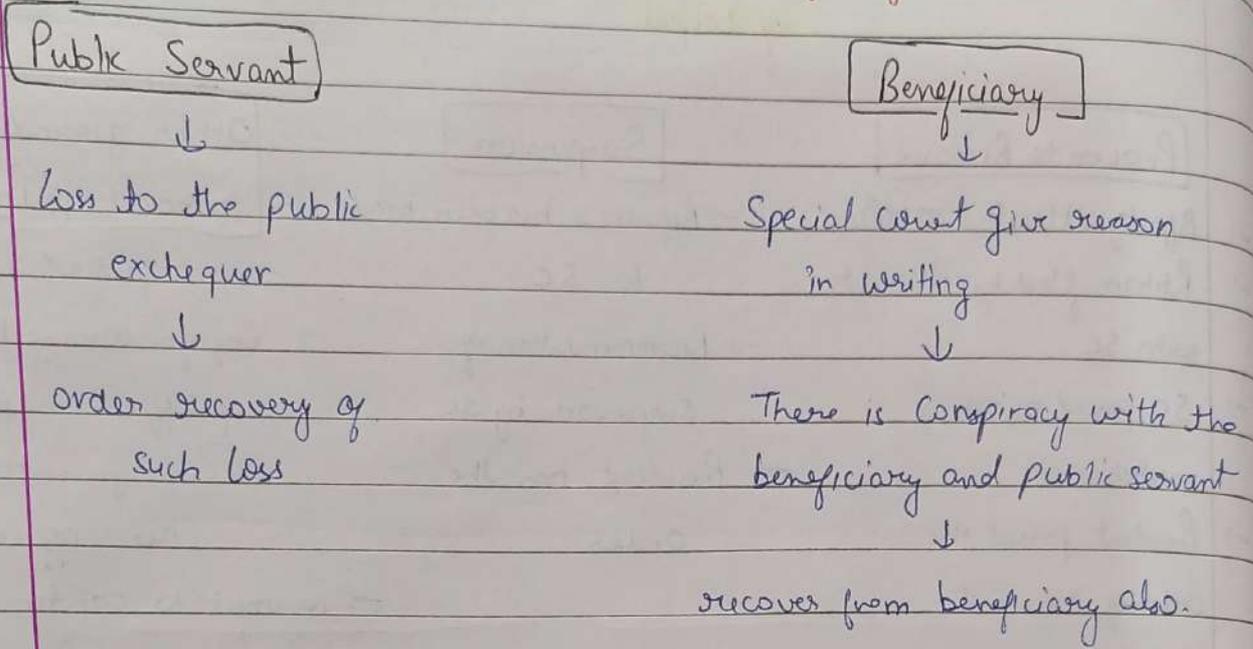
Suspension - If during inquiry there is evidence that -

- a) His Continuation will affect the enquiry
- b) He may destroy or tamper the evidence or influence the witness.

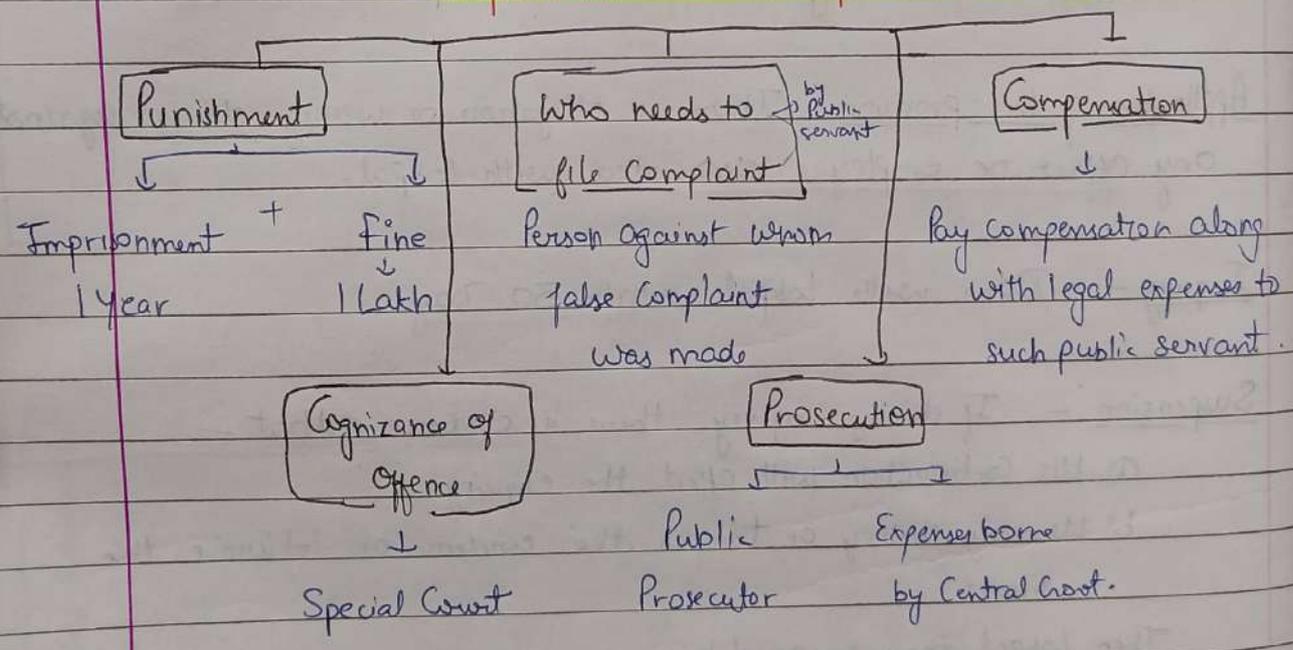
Then Lokpal may suspend him.

Completion of Inquiry - There is offence under PCA, 1988 then Lokpal may prosecute such officers within 15 days of completion of inquiry.

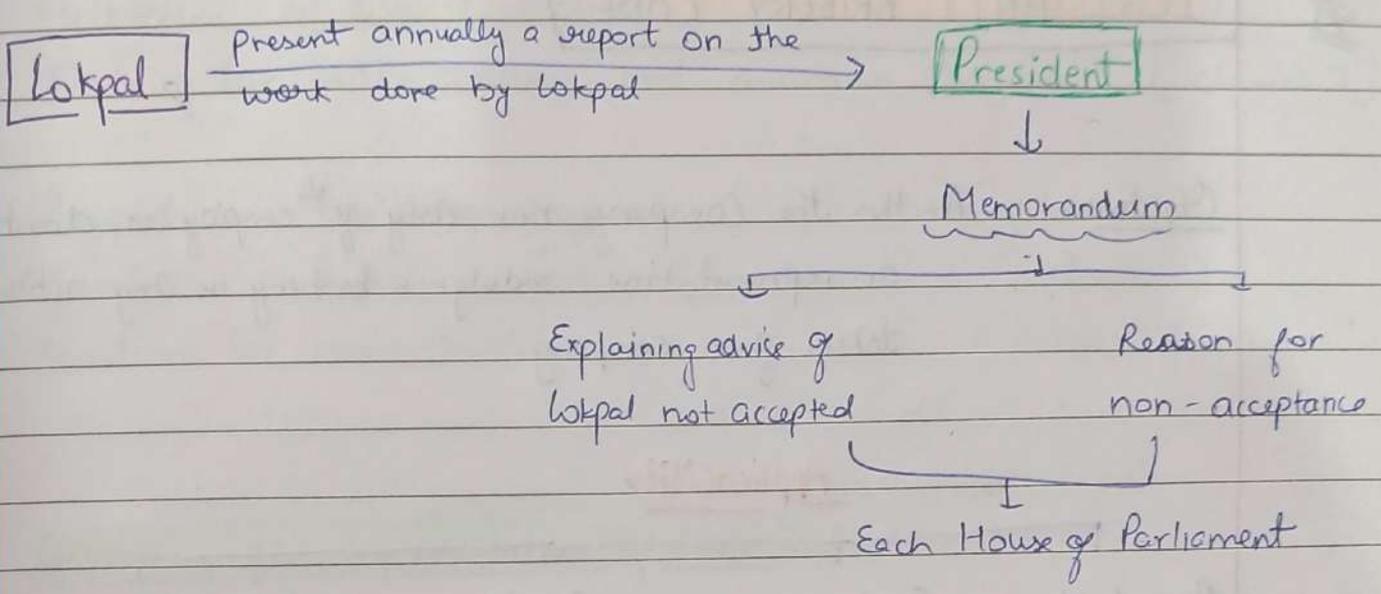
## Section 39 Assessment of loss and Recovery by Special Court



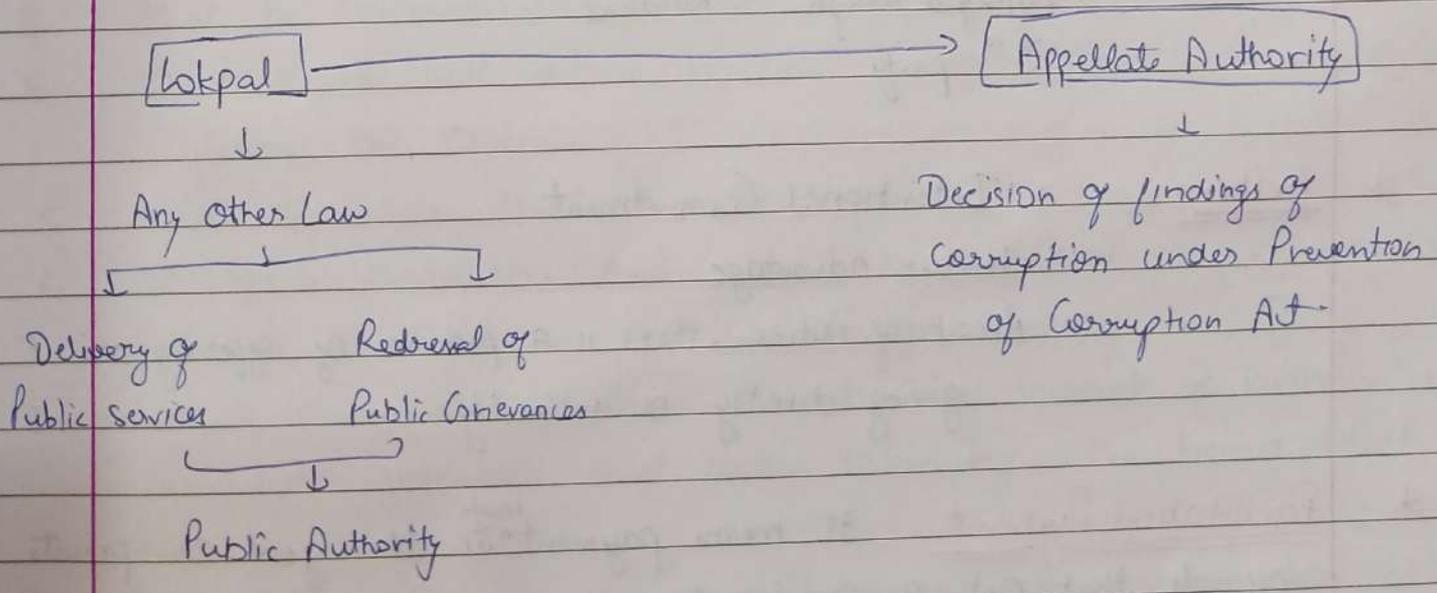
## Section 46 Prosecution for false Complaint and payment of Compensation etc to public servant



Section 48 Reports of Lokpal

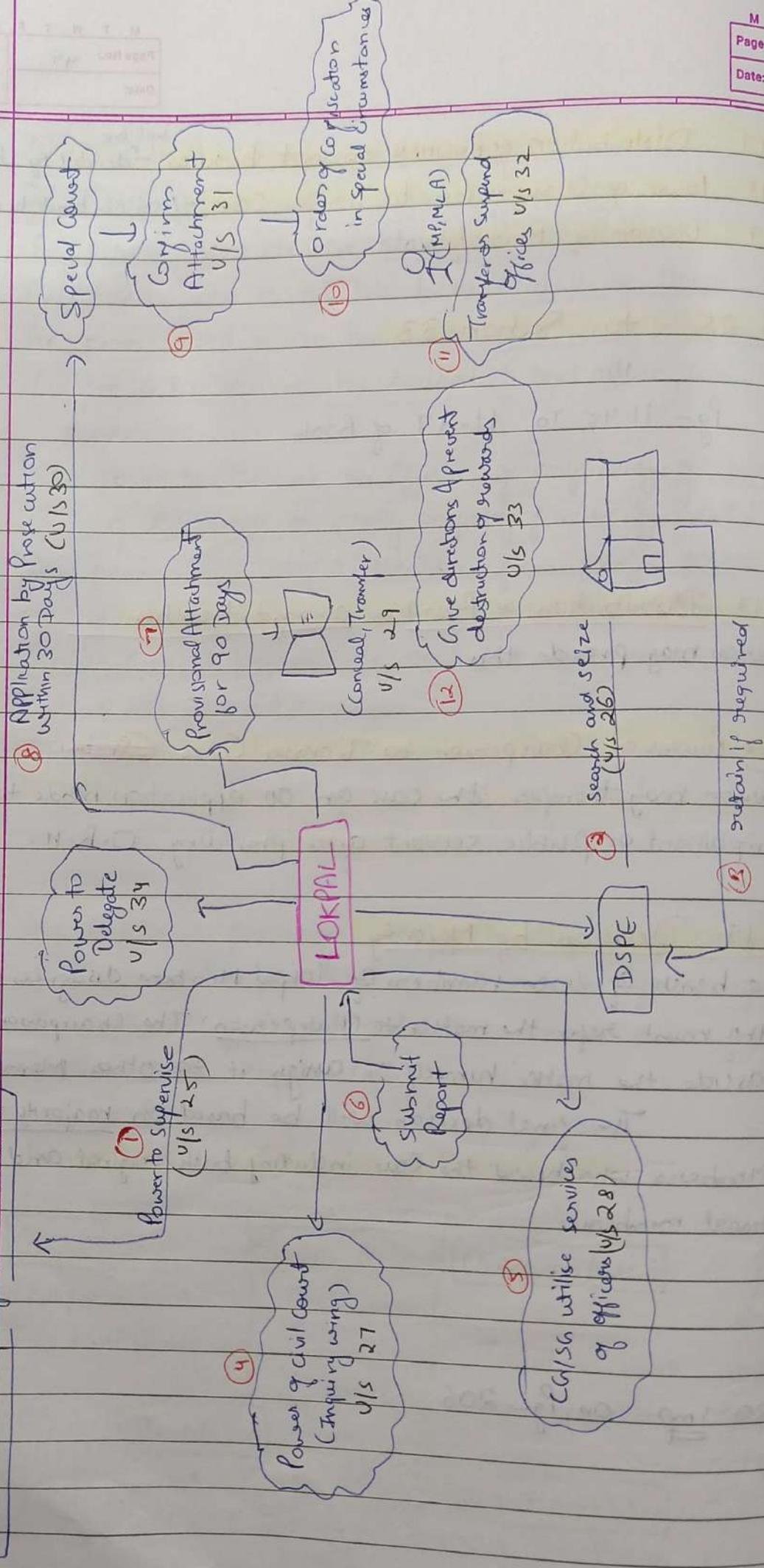


Section 49 Lokpal to function as Appellate Authority for appeals arising out of any other law for time being in force



**POWER OF LOKPAL**

DSPE → Delhi Special Police Establishment  
CVC → Central Vigilance Commission



Application by Prosecution within 30 Days (v/s 30)

9  
Giving Attachment v/s 31

10  
Orders of Cooperation in Special Circumstances

11  
Transfer/suspend Officers v/s 32

7  
Provisional Attachment for 90 Days

29  
(Conceal, Transfer) v/s 29

12  
Give directions to prevent destruction of documents v/s 33

26  
Search and seize v/s 26

26  
Sustain if required

34  
Power to Delegate v/s 34

4  
Power of Civil Court (Inquiring wing) v/s 27

6  
Submit Report

5  
CG/SG utilise services of officers v/s 28

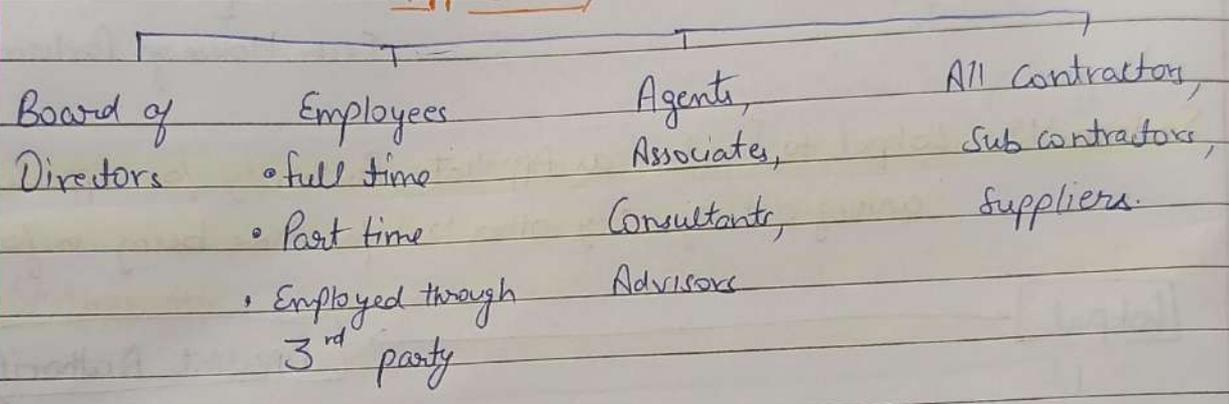
DSPE



# ICSI ANTI BRIBERY CODE

Objective - Neither the Company nor any of its employees, directors or representative indulge in bribery in any action taken from company.

## Applicability



\* Bribery

- Intentional Commitment
- Undue advantage
- Breach of Duties, there is a promise of offering or giving directly or indirectly.

\* Facilitation Payment It means payment<sup>made</sup> to the govt or priv officials that act as an incentive for official to complete some action or process faster for the party making payment.

## Following Clauses of ICSI Code

- A Adherence to anti-corruption Laws [clause 1]
- B Bribery in private sector [clause 2]
- C Code → Monitoring mechanism [clause 8]

- G Gift, Hospitality & Expenses policy [Clause 5]
- M Mechanism of Whistle Blower [Clause-6]
- T Training for anti-bribery and awareness program [Clause 7]
- P Payments - facilitation payment [Clause 3]
- O Officials - Bribery to foreign Public Officials [Clause 4]
- S Sanctions for non-compliance [Clause 9]

### Guidelines for implementation of Code

1. Companies shall voluntarily adopt the Code.
2. BOD should approve the Code.
3. Must be communicated to all employees.
4. All employees will confirm in writing that they will unconditionally follow the Code.
5. New appointees shall also be requested to confirm in writing.
6. All agents, contractors and others are requested to follow the Code.
7. Code is available on the website of company.
8. Code is also added in annual report, any incident of bribery noticed or reported and action taken by the board shall also be reported.
9. There should be policy on gift, hospitality, whistle blowing etc.
10. Disclaimer - Done Due care and diligence is taken care while developing the Code.



## PREVENTION OF CORRUPTION ACT, 1988

### Legal Framework

↓  
Chapters 5

↓  
Sections 30

Objective - An act to consolidate and amend the law relating to the Prevention of Corruption Act and for matters connected therewith.

## Section 2(c) of Prevention of Corruption Act, 1988 [Public Servant]

Any person

- in service of govt pay or public duty
- performing public duty where public has interest in large
- under service of local authority
- judge or authorised Court of justice including a liquidator.
- Arbitrator
  - Performing any function relating to election & working as professor in any university or under any public authority,

## Section 7 Offence relating to public servant being bribed

Any public servant who,

- a) Obtains or accepts or attempts to obtain from any person any undue advantage with the intention to perform public duty improperly or dishonestly or to forbear performance.
- b) Obtains or accepts or attempts to obtain, undue advantage from any person as reward for improper or dishonest performance of a public duty or for forbearing to perform such duty either by himself or another public servant.
- c) performs or induces another public servant to perform improperly or dishonestly or forbear the performance.

↓  
Imprisonment  
3-7 Years

AND

↓  
fine

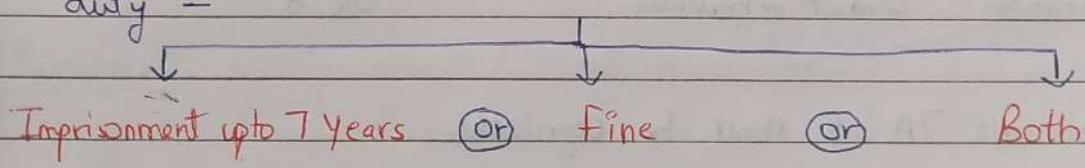
Section 7A Taking undue advantage to influence public servant by corrupt or illegal means or exercise of personal influence

Whoever accepts or obtains or attempts to obtain from another person any undue advantage for himself or any other person any undue advantage to induce public servant for improper or dishonest performance or to forbear the performance, shall be punishable with 3 years to 7 years imprisonment **AND** fine.

Section 8 Offence relating to bribing of a Public Servant

I Any person who gives or promises to give an undue advantage to another person with the intention -

- a) Induce a public servant to perform improperly.
- b) Reward such public servant for improper performance of public duty -



Exception The person is not liable if -

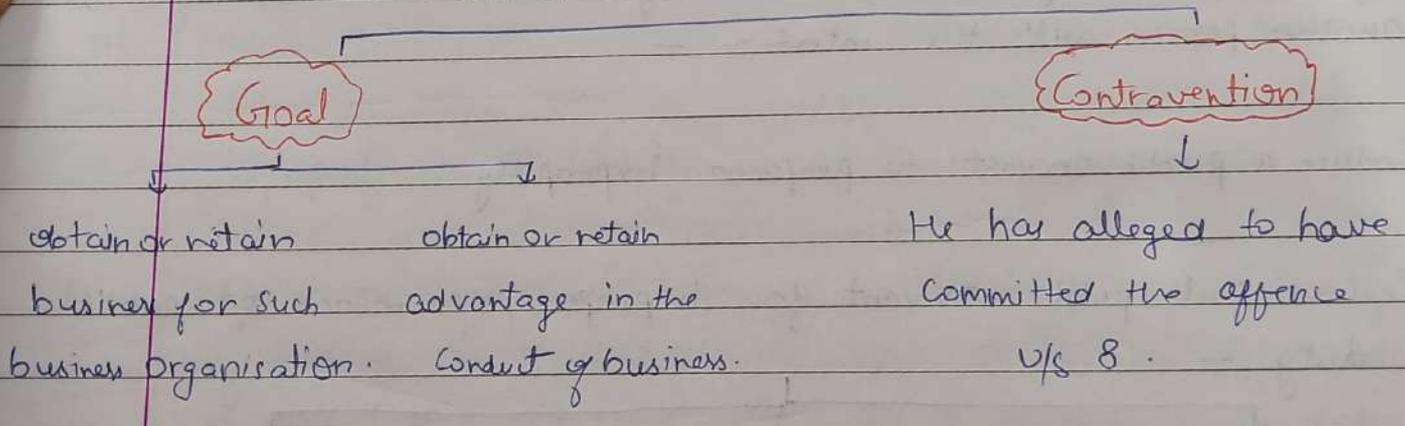
- ① He was compelled to give such undue advantage.
- ② He reported the matter to law enforcement agency within 7 days.

→ Commercial organisation has committed offence shall be punishable with fine.

II If the person after informing law enforcement authority or investigating agency gives or promises to give undue advantage to another person in order to assist such agency then such person is not liable.

Section 9 Offence relating to bribing a public servant by commercial organisation

- Offence has been committed by commercial organisation
- Punishable with fine.
- Condition - Person associated with such organisation gives or promises to give any undue advantage to public servant

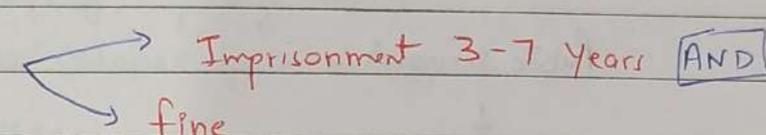


→ Offence u/s 7A, 8 shall be cognizable

→ Exception Defence for commercial organisation

- Place adequate procedures in compliance of such guidelines as may be prescribed
- To prevent person associated with it from undertaking such conduct.

## Section 10 Person in charge of Commercial organisation to be guilty of offence

- Offence is committed by Commercial organisation (Sec 9)
- Offence has been committed with consent of director, manager, Secretary or other officers.
- Such D, M, S, other officers shall be guilty of offence.
- Punishment  Imprisonment 3-7 Years **AND** fine
- Director → also means partner in case of firm.

## Section 14 Punishment for Habitual Offender

Whoever commits an offence, subsequently commits offence under the Act.

- Punishment - imprisonment 5-10 Years **AND** fine

## Section 15 Punishment for attempt

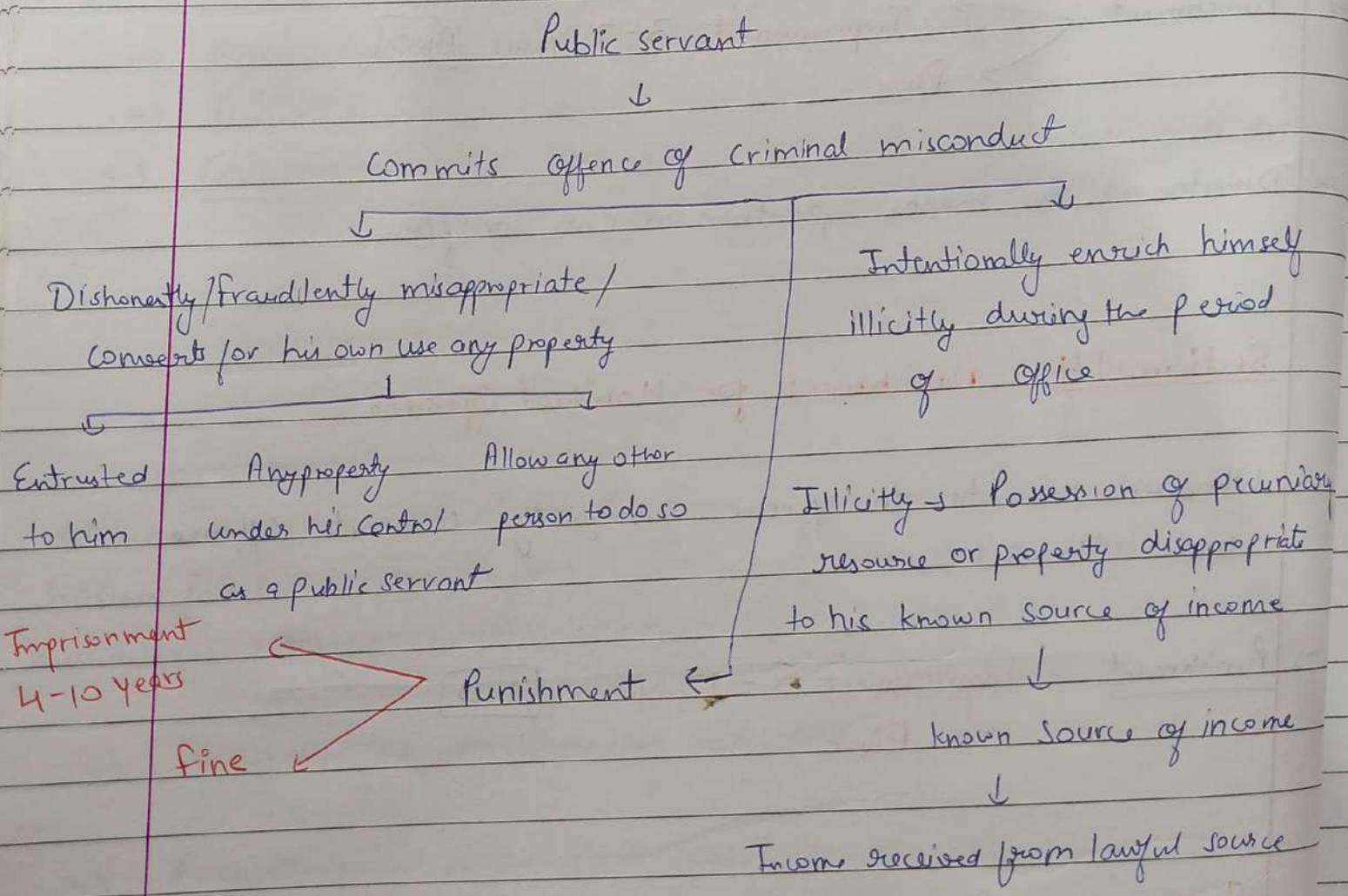
- Commits an offence u/s 13 (1) (a) (misappropriation property)
- Punishment - Imprisonment 2-5 Years **AND** fine

AKSHIT

Section 12 Punishment for abatement of offence

- Whoever abets
- whether or not the offence is committed
- Punishment - Imprisonment 3-7 years **AND** fine

Section 13 Criminal Misconduct of Public Servant



Section 16 Matters to be taken into consideration for fixing fine

Where sentence of fine is imposed

↓  
 Section 7, 8, 9, 10, 11,  
 13(2), 14, 15

↓  
 Taken into consideration the amount of value of property, if any which accused has obtained by committing an offence.

↓  
 Section 13(1)

↓  
 Pecuniary resource or property.

Section 11 Public servant obtaining undue advantage without consideration from person concerned in proceedings or business transacted by such public servant

→ Public servant accepts or obtains or attempts for himself or any other person any undue advantage without consideration.

→ for a consideration which he knows to be inadequate

↓  
 Imprisonment  
 6 Months - 5 years

AND

↓  
 Fine

### Section 17 Person authorized to investigate

- In case of Delhi Special Police Establishment (DSPE) → Inspector of Police
- Metropolitan areas → Assistant Commissioner of Police (ACP)  
Bombay, Calcutta,  
Madras, Ahmedabad &  
other notified areas
- Elsewhere → Deputy Superintendent of Police (DSP) or Police officer of equivalent rank
- Can investigate the offence without the order of metropolitan magistrate or magistrate of 1<sup>st</sup> class

### Section 18 Power to investigate Banker's Book

- Information is received by Police Officer.
- Police officer has reason to suspect the Commission of offence.
- It is necessary to inspect banker's book.
- He may inspect banker's book in so far as they relate to accounts of person suspected to have committed offence.
- He may take or cause to take certified copies of relevant entries.
- Bank concerned is bound to assist the police officer.
- This power will be exercised by police officer not below the rank of superintendent of Police.

## Attachment, administration of property

Criminal Law Amendment  
 Ordinance, 1944 (generally)

PMLA

↓

If specific provision  
 follows PMLA

→ District judge will be referred as special judge

Section 19: Previous sanction <sup>→ permission</sup> necessary for Prosecution

↓

Cognizable

↓

Previous sanction

↓

If person is connected  
 with affairs of Union

↓

Central Government

↓

If a person is connected  
 with affairs of state

↓

State Govt.

↓

Any other person

↓

Competent authority

## Section 20

In any trial it is proved that public servant has accepted any  
 undue advantage unless the contrary is proved, it will be  
 assumed that he has accepted for a motive or reward.

Section 21 Accused person to be a competent witness

↓

He shall be a competent witness for the defence and may give evidence.

He will request on his own

failure to give evidence shall not give <sup>presumption</sup> against him

He is not required to answer any question showing that he has committed any other offence

Section 23

- ① Accused is charged with an offence u/s 13(1)(a)
- ② It is sufficient to describe the property and dates between which offence is alleged to be committed
- ③ The range of dates shall not exceed one year

Section 25 Military, Naval, Air force or other law not to be affected

Nothing in this Act shall effect the jurisdiction exercisable by Act Court under

- 1) Army Act, 1950
- 2) Air force Act, 1950
- 3) Navy Act, 1957
- 4) Border Security force Act, 1968
- 5) Coast Guard Act, 1978
- 6) National Security Guard Act, 1986

for removal of doubts, Court of special judge deemed to be Court of ordinary criminal justice.

## ★ ANTI CORRUPTION LAWS - US

Legislation - Foreign Corrupt Practices Act, 1977

Enforcement - US department of justice securities and exchange commission

Objective - Prohibit Co's and its individual officers from influencing foreign officials with any personal payments and rewards.

Applicability - a) Any person have any connection in US and engages in corrupt practices abroad.

- b) US Business
- c) Foreign Corporation Trading Securities in US
- d) American nationals, citizens and residents whether or not they are physically present in US.

Punishment to Individual - Prison Time

## ★ ANTI CORRUPTION LAWS IN UK

Legislation - Bribery Act, 2010

Assent - 8/4/20

Commence - April 2010 but later to 1/7/11.

- Punishment
- a) Imprisonment max 10 years
  - b) Unlimited fine
  - c) Corporation of property
  - d) Proceeds of Crime Act 2002
  - e) Disqualification of Director Act, 1986

Described as - Toughest anti corruption legislation in the world.



DIFFERENCE B/W CODE OF ETHICS AND CODE OF CONDUCT

Code of Ethics

- 1) Helps and governs in decision making
- 2) Violation does not lead to disciplinary action
- 3) More judgemental
- 4) General

Code of Conduct

- 1) Governs action
- 2) Violation leads to disciplinary action
- 3) Less judgement
- 4) Specific

Chapter 11 Ends 😊

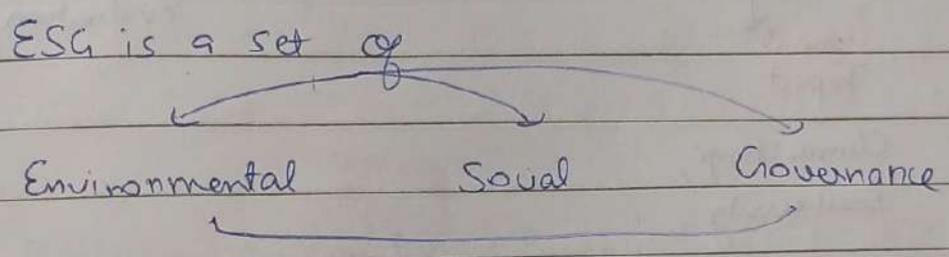
Board's Accountability on ESG

Chapter 12

Introduction

1. Board and management work are complementary to each other
2. Board plays a major role in advising and mgmt is implementation of strategies

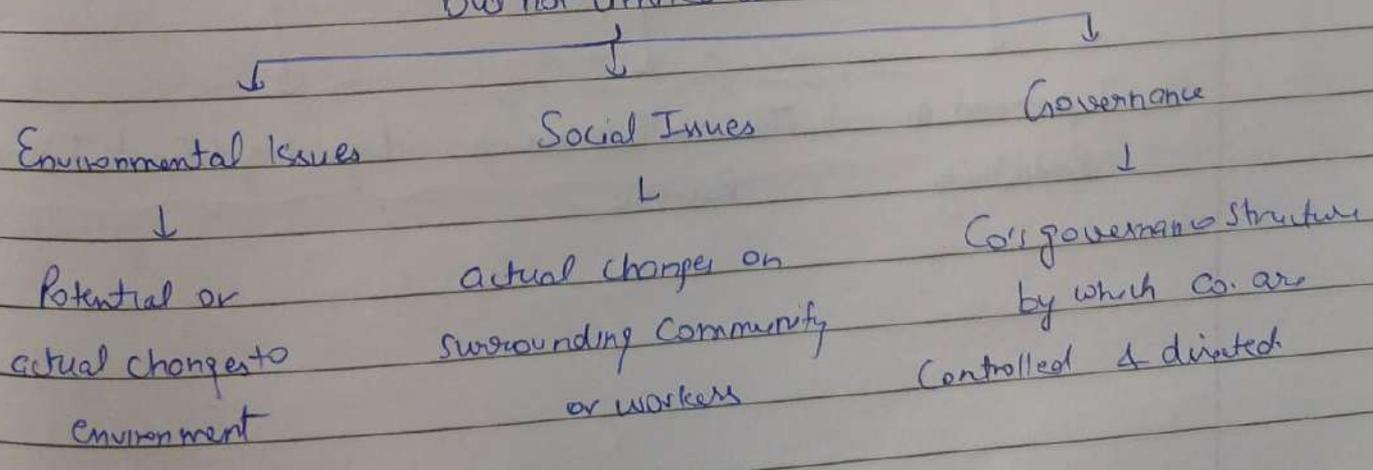
ESG



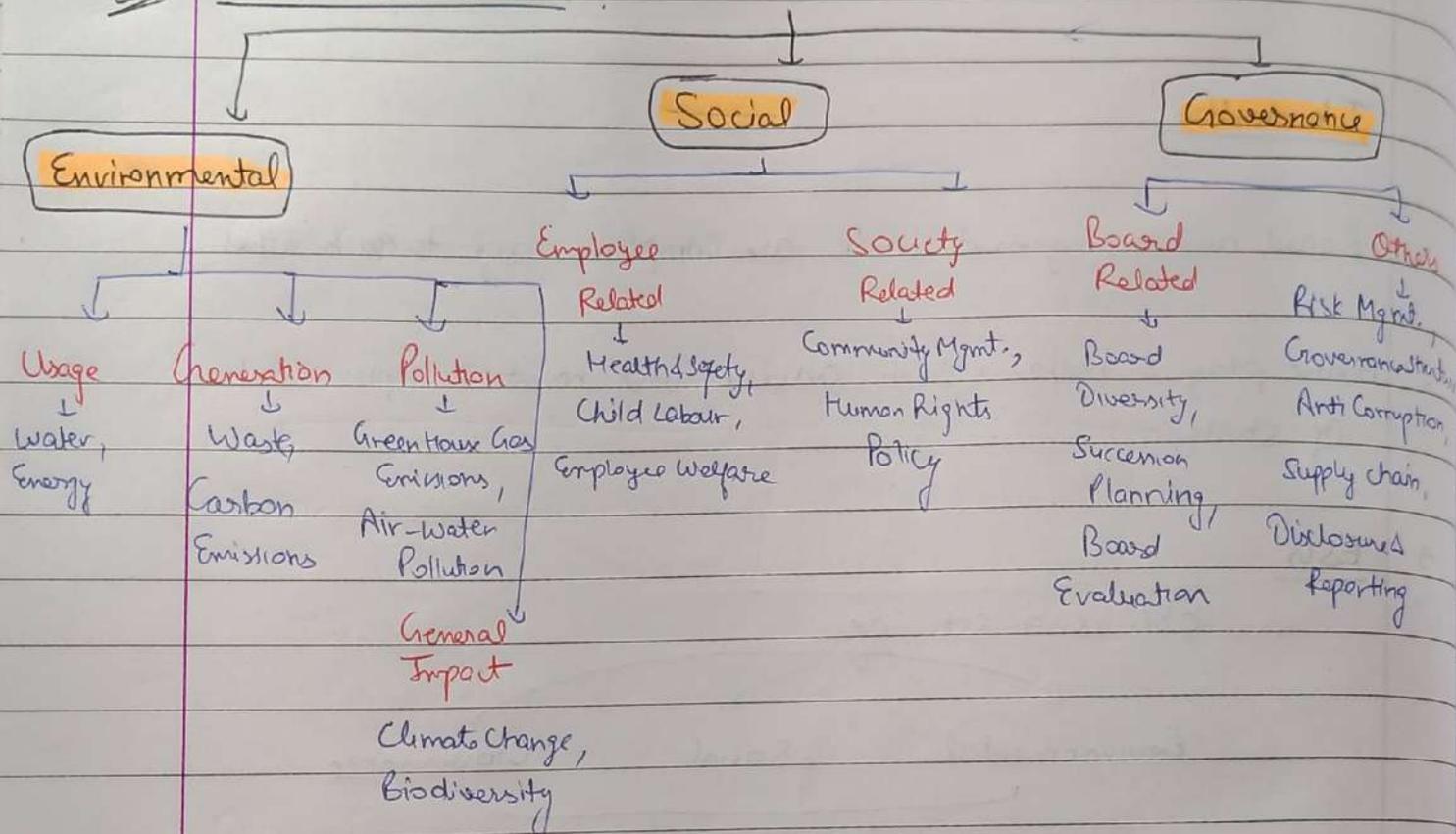
factors considered by company when managing their operations and investors when making investments

↓ in respect to

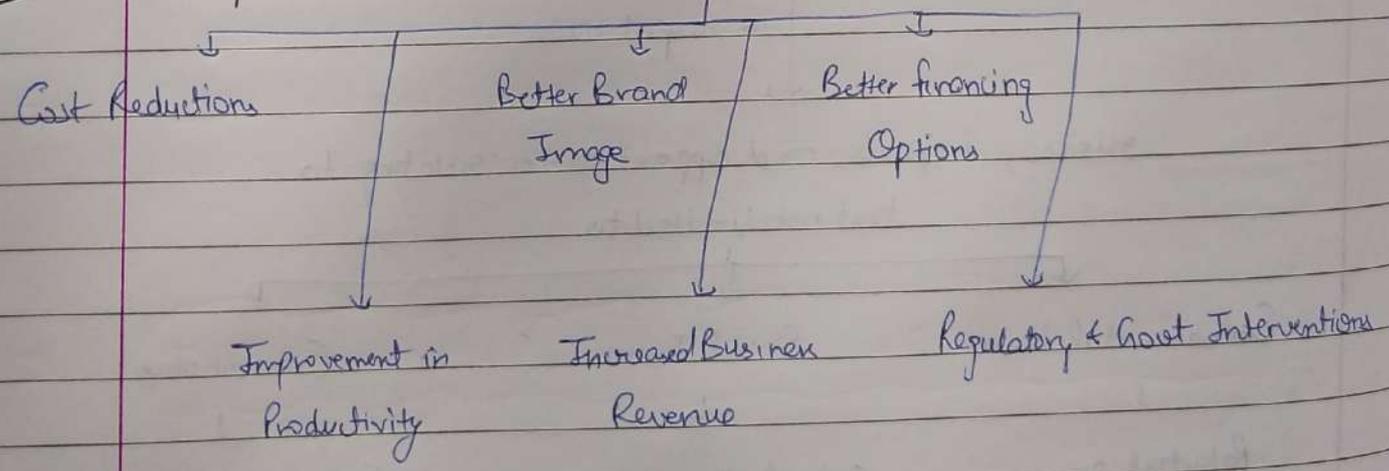
issues, impacts and opportunities relating to but not limited to



What Constitute ESG ?



Why is ESG Relevant to Today's Organisations?



## International Regulatory Perspective on Accountability of Board

### Malaysia

- Malaysian Code of Corporate Governance
- Focuses that Board must integrate sustainability in strategy and decision making.

### Principles

- Board leadership must embed ESG into corporate governance
- Emphasis Stakeholder Confidence and long term value creation
- Holistic view of ESG and risks and opportunities.

### United States

- Based on Delaware Act or Model Business Corporation Act
- Securities Exchange Commission rule :-
  - Enforce major mandatory <sup>ESG</sup> disclosures for listed companies.
  - Primary focus on Governance & Transparency
  - State Laws emphasize board duties and corporate integrity.

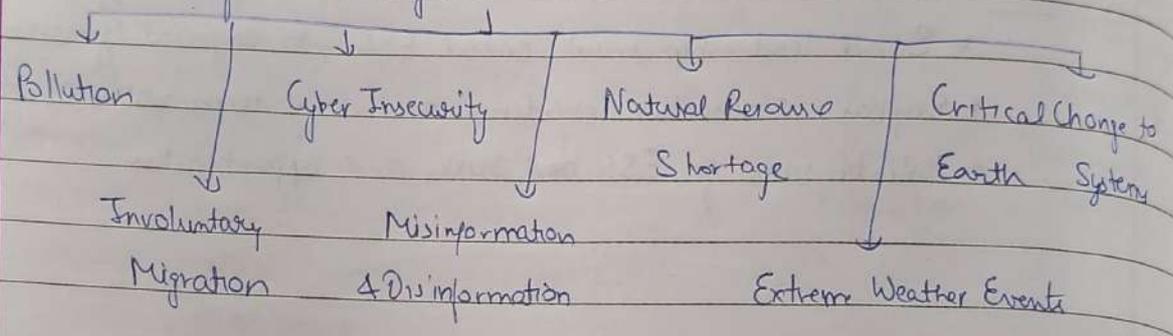
### Singapore

- Practice guidance by Monetary Authority of Singapore.
- Board should provide entrepreneurial leadership
- Set Strategic Objectives focusing on Value Creation, Innovation & Sustainability.

## \* Board's Accountability for ESG :-

### I Identification of ESG Risks and Opportunities

- Global Risks Report 2024
- Given top ten severe risks relating to environment & Social
- for period of next ten years



- CRISIL Risk Assessment of ESG
  - of 586 companies
  - found 73 Companies as "below average" and "weak" categories
- India has most vulnerable climate, ESG is Top Risk and Board shall consider the same in business risk

### II Integration of ESG Risk/Opportunities into Strategy/Policy/Oversight

Board shall have a clear oversight on sustainability and long term value creation.

Integration of ESG involves:-

- Align ESG Goals with operational functions
- Separate Oversight for ESG standards and Goals.
- Establish org. policies on ESG like anti corruption policy, human rights, policy etc.

IFC's ESMS Implementation Handbook provides step by step instructions on how to develop and implement mgmt. systems.

### Nine Principles of ESMS

1. Policy
2. Organisational Capacity & Competency
3. Ongoing Reporting & Affected Communities
4. Emergency Preparedness & Response
5. External Communication & grievance mechanism
6. Monitoring & Review
7. Management Programs
8. Identification of Risks & Impacts
9. Stakeholders Engagement

### III

### ESG Reporting

#### Types of ESG Reporting

##### a) Mandatory

- Sec 134(4) of Co. Act, 2013

→ One of the first ESG disclosure requirement

→ Mandates inclusion of Board Report on Energy Conservation in annual financial statements

- SEBI - BRSR framework

- BRSR aligned with 9 Principles of NGRBC

- Applicable to Top 1000 Listed Co. by market Cap.

- Aims at standardizing ESG Reporting

### (b) Voluntary Reporting

Many Indian Co. opt for Voluntary ESG disclosures through:-

- Integrated Reporting
- Sustainability Reporting Using global Standards

The following questions may be raised on accountability of Board on ESG?

#### (a) With Respect to Board Composition / Committees

- Whether Co. has diversified BOD including an ESG expert as BOD member?
- Whether BOD had constituted a Conclusive Committee for dealing with strategies relating to industry's ESG risk and opportunities?

#### b) With Respect to Policies and Strategies

- Whether :-
  - Company has ESG Goals and Targets?
  - Co's mission / vision / values are aligned with ESG Goals?
  - ESG is integrated into Business Models?
  - Environmental & Social Mgmt System is Established?

#### (c) With Respect to Reporting

- Whether Co discloses ESG related matters as per regulatory prescriptions?
- Does Co follow Global Standards for ESG Reporting?

★ Case Study of Sterile Industries (India) Ltd }  
& }  
Case study of HCL Technologies

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☆

## Identification of ESG Risks & Opportunities

Tata Steel (Annual Report 21-22)

Bharti Airtel (Annual Report 21-22)

①

Supply chain Policy →

a) Identify 450 critical suppliers

b) Supplier belongs to all the categories

like procurement, process consumable, maintenance, repairs & transportations.

c) Factors like while deciding critical suppliers are as follows:-

- spend value, critical to the business & potential and actual ESG Risk.

d) Company initiated sustainability assessment for supply chain partners through an independent 3<sup>rd</sup> Party

②

Strategic Objective:-

Co has identified 4 strategic objectives

to create sustainable and

profitable growth.

• One specific long term goal is on carbon emission

• Decarbonisation strategy to be achieved in 3 Time horizon

(i.e short term → 2025, medium

term → 2030, long term → 2050)

③

TCFD → Co. is signatory to TCFD for climatic change and has identified transition risk and opportunity

① Board Level → ESG Committee

② Critical ESG Risks → Climate Change

③ Target initiative → Net zero emission by 2050.

④ Annual evaluation by BOD → An annual evaluation of Co's risk mgmt. framework is conducted by BOD

⑤ function of RMC →

formulation of detailed risk mgmt. policy and monitor its implementation.

⑥ Role of CRO → work closely with RMC on an independent basis and conduct complete reviews.

⑦ Materiality assessment by independent 3<sup>rd</sup> party.

★ Key Terms

1) 4 P's of Board's Accountability

- 1) People
- 2) Purpose
- 3) Performance
- 4) Progression

2) 3 ESG Pillars

- 1) People
- 2) Process
- 3) Product

Chapter 12 Ends 😊