

Firms see greater impact on infra

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Organizations have become increasingly aware that environmental, social, and governance (ESG) norms have become a value driver, thereby holding the key to sustainability. The pandemic served as a catalyst for greater ESG adoption as covid-19 forced firms to face new kinds of social and governance challenges, bringing in a shift in their overall approach.

The challenges to ESG adoption were brought to the fore at a panel discussion titled 'Minimize risk, Maximize returns, Mobilize sustainable development' at Mint 'ESG's Next Frontier—India's real estate leading the way to a sustainable future' event, that was organized by Nucleus Office Parks.

Pranav Sharma, partner, Trilegal; Mehul Pandya, interim CEO, CARE EDGE; N. Sridhar, CEO, Greenbase Industrial and Logistics Parks and chief investment and strategy officer at Hiranandani Communities; Alok Vijayvergiya, AVP, sustainability and CSR, Tata Realty and Infrastructure Ltd; and Siddharth Malik, business head, energy transition, Azure Power, spoke on a comprehensive ESG approach to strategy, survival, and success in the age of climate change.

The talks delved deep into how corporates and real estate firms are trying to adopt a more holistic approach to embracing ESG, which will pave the path to long-term sustainability.



Mehul Pandya, interim CEO, CareEdge; N. Sridhar, CEO, Greenbase Industrial and Logistics Parks and chief investment and strategy officer, Hiranandani Communities; Alok Vijayvergiya, AVP Sustainability and CSR, Tata Realty and Infrastructure Ltd; Siddharth Malik, business head-energy transition, Azure Power; and Pranav Sharma, partner, Trilegal.

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Sridhar said every action has a direct impact on the environment and urged for a need to create a framework around ESG and define ESG metrics, while at the same time focusing on usage of tech and innovation. "We try and go for renewable energy implementation, waste management, as well as building a huge infrastructure ahead of time. We are also implementing certifications for individual buildings, and that's not all — there are also efforts to track carbon emissions footprint in our buildings."

TRIL's Vijayvergiya pointed out the need to break silos and integrate ESG, as part of the business proposition. "It is also essential to create a framework that is understandable in the common language by all the key stakeholders. We believe in the HELP framework (H stands for Health, E for environment, L for Livelihood, and P for Public Welfare). This framework has to be supported by governance," Vijayvergiya added.

Malik of Azure Power shared

that 37% of the total energy consumption is from the building sector alone. He pointed out a positive—that there has been 18 GW of dedicated renewable energy capacity earmarked only for the commercial and industrial sectors. Even then, there is much more to do in terms of driving energy transmission. "Sustainability is becoming a key decision-making cornerstone; it has gone beyond economics and become a core value proposition, as part of the moral compass."

Speaking about the potential risks, Pandya highlighted that any entity that is operating in an industry that is sensitive with regard to environmental aspects does get translated into a certain kind of cap. Since there are several inherent risks in the industry, it can't go beyond a certain level, even if the financials are very robust. "The sheer volatility of those aspects manifests in some way or the other, in terms of the overall functioning. When it comes to social parameters, any

kind of disruptions that could be potentially there also get manifested, but the good news is that ESG parameters are getting more embedded into reading outcomes in a more explicit manner."

Trilegal's Sharma spoke of how there is a happy dual-sided consensual approach that exists between the developer and investor. At the national level, there have been several policy statements, but when it comes to actual law, the conversation is maturing. "Sebi has set up a committee on ESG ratings on how to measure objectively and assess the liabilities. One of the requirements from investors has been high-quality standardization data, so that they know who to give the capital. The laws are still developing; we are still following global certification norms, but discussions are picking up. The developer community is also trying to differentiate themselves."

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