



## Investing in a Sustainable Future

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### Editor's Nest

*“The true worth of a nation is measured by the way it treats its weakest members” – Ratan Tata, Businessman*

Companies and local communities have a complex and interconnected relationship. On one hand, corporations create jobs and inject revenue into local economy, whereas, on the other hand, large scale projects often given tough competition to small scale local enterprises, strain infrastructure and resources, and often displace marginal and vulnerable communities without cushioning them with adequate compensation. There is, thus, an increasing need for businesses to “*promote inclusive growth and equitable development*”, and this forms the foundation of Principle 8 of the SEBI mandated Business Responsibility and Sustainability Reporting (BRSR).

How can companies implement their social responsibility in practice?

- **Economic Empowerment** – Partnerships with local businesses owned by various minorities like tribals and women wherein raw materials are sourced from them, or financial literacy training is provided to them. Example – ITC's *eChoupal* initiative connects rural farmers directly to national and international markets thereby eliminating middlemen.
- **Social Development** – Boosting education, health facilities, and local cultural initiatives to improve standard of living. Example – *Infosys Foundation's Akshaya Patra Program* provides nutritious mid-day meals to underprivileged school children thereby promoting school attendance and improving overall health.
- **Environmental Sustainability** – Investments in renewable energy initiatives, community reforestation projects, etc. Example – *Tata Group* supports community-based water management systems thereby tackling threat of water scarcity in rural areas.

### Editor's Nest

#### Strengthening change with CSR ESG – Doel Jaikishan, Youth for Unity and Voluntary Action (YUVA)

It is heartening to note the emphasis on Environmental Social & Governance (ESG) by businesses today, especially through their corporate social responsibility (CSR) initiatives. As a 40-year-old organisation committed to social transformation and access to basic human rights, YUVA, an NGO located in Mumbai, has always integrated environmental initiatives and governance with the focus on social justice. With corporates formalising their ESG commitment and actively working to implement it in spirit, they can meaningfully join hands and work together.

For example, YUVA has collaboratively worked to implement nature based “place-making” initiatives in urban poor communities, transforming abandoned and/or misused spaces into thriving green areas, thereby supporting play and socialization needs of the residents in the communities. Such micro-transformations can often have compounded impact. Especially in densely populated and concretised cities, they function as “safe nature” havens, and contribute towards reducing the burden of climate impacts on the poor.

The commitment to ESG therefore goes a long way in helping corporates, non-profits and community members align on needed grassroots and developmental interventions that address both environmental and social risks. The ESG focus helps build in people the needed environmental resilience.

Grass roots organisations welcome this emphasis in CSR projects today and look forward to partnering ahead in meaningful ways to empower marginalized people and reduce systemic imbalances.



## Knowing Your Rights: A Guide to Community Welfare Laws in India

1. *Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013* – It mandates conducting an SIA and preparing a rehabilitation and resettlement plan for displaced persons providing alternative land, financial assistance, infrastructure developments in new settlements, and skilling programs.
2. *The Forest Conservation Act, 1980 and the Forest Rights Act, 2006* – These two laws, respectively, prohibit a.) conservation of forest land into any developmental purpose without government's permission and b.) displacement of tribals from their forest land without their free, prior, and informed consent.
3. *The Mines and Minerals (Development and Regulation) Act, 2015* – The District Mineral Foundation established under the law acts as a financial fund to work for welfare and benefit of people and areas impacted by mining activities.

Principle 8 aligns with the following United Nation's Sustainable Development Goals:



Principle 8 also aligns with the following Integrated Reporting Capitals:






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## Best Practices on Principle 8

 Component	 Company	 Best Practice
Corporate Social Responsibility	Infosys BPM	Project Genesis in partnership with NGOs set up digital classrooms touching lives of close to 7000 students in rural districts of Odisha, Karnataka, Maharashtra, and Andhra Pradesh
Input materials directly sourced from local suppliers	Hindustan Unilever Limited	The input materials (%) sourced from Medium, Small, and Micro Enterprises (MSMEs) is 22.7% in FY 2023-24, a significant improvement than 16.8% in FY 2022-23
Grievance Redressal for Local Communities	Vedanta Limited	Social Performance Steering Committee is established at all sites wherein all complaints, incidents, and grievances raised by local communities are documented and reports are filed which undergo thorough investigation and actions taken are promptly communicated.

### Did you know?

While a company's **CSR policy** refers to its internal qualitative initiative, **Principle 8** stands for quantitative parameters that would guide investors and companies to identify and overcome any hurdles in the CSR policy. For example, a company investing in renewable energy is both promoting environmental sustainability (permissible activity u/ Schedule 7 of Companies Act 2013) and committing to BRSR (through disclosures relating to reducing carbon footprint, etc.).