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# संपदा

## SAMPADA



## ESG for Business Sustainability



# Environmental, Social, and Governance – The Praj Way!

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In the unprecedented times of increasing global challenges such as climate change, social inequality, and concerns over unethical corporate practices, there is a growing importance of Environmental Social Governance (ESG) in shaping a sustainable and equitable future.

ESG encompasses a framework that evaluates a company's performance on environmental, social, and governance factors. It provides valuable insights into the sustainability and ethical practices of organizations.

The "E" in ESG refers to environmental stewardship, focusing on a company's impact on the planet. The "S" emphasizes the social dimension of business operations that entails assessing an organization's impact on employees, communities, and society at large. The "G" highlights the importance of good corporate governance that ensures transparency, accountability, and ethical decision-making within an organization.

## **Growing Demand for ESG:**

The way in which investors, stakeholders, and society see businesses today and evaluate them has significantly changed. ESG factors are closely linked to risk management and

financial performance. Companies that proactively manage ESG risks are better positioned to adapt to changing market dynamics, regulatory shifts, and emerging sustainability trends. In an era of heightened transparency and social consciousness, ESG has become instrumental in establishing and maintaining stakeholder trust.

Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) are two well-known international standards that have produced frameworks for disclosures of Environmental, Social, and Governance aspects. By embracing ESG principles, organizations can enhance their reputation, attract top talent, foster customer loyalty, and maintain a competitive advantage in a socially conscious marketplace.

## **Ensuring Positive Social Impact with Environment-Friendly Technologies:**

Founded in 1983, Praj Industries, paved the way for environmentally friendly technologies while advocating options for Indian farmers to generate a living and additional revenue stream. While in the 1980s, heavily polluting industries that led to worker exploitation, human rights violations, and other problems caused the E & S of ESG to be disturbed. Praj

set an example by focusing on both the E and S of ESG through investments in R&D and bioenergy applications. This has established a milestone in the history of bio-based solutions as an internationally accepted replacement for the use of fossil fuels.

Praj has demonstrated 'SustainAgility' through its business practices and proved that it is possible to accomplish both company growth and environmental sustainability simultaneously. All of Praj's commercial ventures and technological innovations meet the fundamental requirements of customers for environmental sustainability, including process improvement, energy efficiency, product use, and the use of biofuels like ethanol and compressed biogas.

#### **Monitoring ESG performance:**

More than 100 KPIs pertaining to the ESG performance of the company are monitored by Praj's internal Sustainability Management System. These are based on ISO 20400 (Sustainable Procurement) and ISO 26000 (Social Responsibility). These KPIs are within the company's "sphere of influence," as described in ISO 26000. These have major effects on the environment or society owing to the company's decisions or activities.

At Praj, the Sustainability Management System gives top management internal quarterly updates on the organization's performance on KPIs, which are all published collectively at the end of the year as part of the Annual Report. According to the new SEBI standards, Praj has linked its reporting structure going forward with the Business Responsibility and Sustainability Report (BRSR).

#### **External Evaluation:**

EcoVadis and Open-ES, two external organizations that have provided open feedback by third-party evaluators and recognized Praj's ESG performance with higher scores. This has provided a further boost to the corporate-level ESG performance. The CII-ITC's Centre of Excellence for Sustainable Development has recognized Praj's environmental achievements within the company by bestowing the 'Climate Action Programme (CAP2.0) Award' in 2022. This is a testament to the Praj's commitment to Sustainable Development.

#### **Here are some of Praj's ESG's major highlights:**

##### **Environment:**

- Strategic efforts to reduce scope emissions in Praj operations, including tracking of these efforts through an internal reliable monitoring system and industry benchmarks.
- The incorporation of technology into all of Praj's business services reduces the negative environmental effects for both customers and consumers. This is accomplished by using commercial products that provide clean fuel, renewable chemicals, zero liquid discharge, and waste reduction.
- Embracing green procurement initiatives to improve supply chain sustainability and reduce overall carbon footprints.

##### **Social:**

- Praj has accomplished 7.4 million safe man-hours without any Loss Time Accident (LTA) at our sites and is currently going strong. Praj supports diversity and inclusion across all levels of the organization.
- Strategic and targeted community welfare



programs carried out by the company's CSR division; Praj Foundation's work on water conservation, preventive healthcare for women, and entrepreneurship training for young people.

- More than 1600 hours of volunteer contributions by Praj employees in various social initiatives.

#### **Governance:**

- Strong corporate policies, such as Prevention of Sexual Harassment (POSH), Corporate Social Responsibility (CSR), Risk management, Whistleblower Programme, and others, govern and guarantee Praj's ethical business practices.
- Strict adherence to all legal obligations and robust monitoring of its performance on all statutory key metrics.

#### **Conclusion:**

Environmental Social Governance is crucial for both corporations and society, and its significance goes well beyond ethical issues.

ESG offers a framework for assessing and improving a company's performance on issues of governance, social responsibility, and the environment. As individuals, investors, and consumers, we all have a role to play in supporting and demanding strong ESG practices to create a better world for ourselves and future generations. By embracing sustainable practices, companies can drive positive change, enhance their resilience, and contribute to a more equitable and sustainable future.



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