

# ***Green Index: Grading Companies on Sustainability Initiatives***

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**Abstract:** *This article develops a comprehensive 'Green Index' to grade sustainability initiatives of a company. The index captures 30 performance parameters, categorized into six vertical heads, namely green leadership, resource intensity, externalities, green measures, business value chain, and compliance and reporting. As per the scoring methodology developed, a company can be rated into four grades: 'A': Environmentally Compliant; 'B': Environmentally Conscious; 'C': Environmentally Sensitive; and 'D': Environmentally Inert. The index can inform stakeholders about a company in terms of its green quotient and encourage sharing of good practices across the industries.*

**Keywords:** *Green Business, Green Index, Green Rating, Business Sustainability Reporting*

## **Introduction**

The Report of the World Commission on Environment and Development—'Our Common Future'—defined 'sustainable development' as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED 1987). The concept of sustainable development highlighted the idea of limitations imposed by current systems and processes. The growth of world population and production combined with unsustainable consumption patterns are increasingly impacting natural resources including the global commons such as the atmosphere and the oceans. The Living Planet Report 2014 shows that humanity currently needs the regenerative capacity of 1.5 Earths to provide the ecological goods and services each year (WWF 2014). Thus, humanity's demand on ecological resources is more than what can be replenished naturally.

The outcome document of the United Nations Conference on Sustainable Development—'The Future We Want'—highlighted the role of businesses in realizing green economy (UNCSD 2012). UNCSD also highlighted the importance of corporate social responsibility, responsible business practices, and corporate sustainability reporting.

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Governments and people across the globe have taken cognizance of the negative environmental externalities due to the resource intensive development which has led to environmental degradation. The international development discourse bears a testimony to the increasing importance of environmental sustainability and the role businesses and industry have been receiving. Agenda 21 of the United Nations with regard to sustainable development explicitly recognizes the role of business and industry as a major group.

It has been found that commercial establishments have been the major consumers of natural resources for pursuing their business operations, which when accompanied by waste generation, causes significant impact upon the environment. The concept of 'Business Sustainability' commonly referred to as the 'Triple Bottom Line' or the '3P' concept of 'People-Planet-Profit' has evolved in recent years (Elkington, J. 2004). Under the '3P' concept, a company can make its business sustainable by undertaking a holistic analysis of its business strategy and operations to ensure equitable returns to all stakeholders, i.e., society, environment, and the stockholders. Many large companies have established sustainability goals and targets, and it is becoming increasingly common for these goals to address significant environmental challenges like climate change.

In the book, *The Sustainability Advantage*, Bob Willard has highlighted seven business case benefits for adopting 'Triple Bottom Line', including increase in employee productivity, reduction in risks and expenses, and increased revenue and market share (Tschopp 2003).

A survey carried out by MIT Sloan highlights similar benefits for a company to undertake sustainability measures such as improved company image, cost savings, competitive advantage, employee satisfaction, risk management, and innovation (Berns *et al.* 2009). In response to consumer preferences, some companies are also taking steps to reduce the environmental impact of their products and services as well as their supply chains (Perera *et al.* 2013).

One of the important objectives of following the 'Sustainability Mantra' is reaching out to the stakeholders (including consumers, social organizations, and regulators) by showcasing the sustainability measures undertaken by an organization in the form of 'business sustainability reporting'. The United Nations Environment Programme defines 'Sustainability Reporting' as "the practice of measuring and disclosing sustainability information alongside, or integrated with, companies' existing reporting practices" (UNEP undated). These reports generally cover measurement, reporting, and evaluation of corporate sustainability practices and performance of a company. These are either submitted on a voluntary basis (on public forums), or on account of legal/ statutory requirements (reporting to the regulators).

The Carbon Disclosure Project and Global Reporting Initiative (GRI) Guidelines are the two main institutions involved in collecting and analysing sustainability reports submitted voluntarily by the companies. These initiatives collect data on

a large number of parameters from companies across the world and share them across public platforms.

In India, there are national voluntary guidelines on social, environmental, and economic responsibilities of business towards mainstreaming the concept of sustainability in business operations (Ministry of Corporate Affairs 2011). In line with the above, the Securities and Exchange Board of India (SEBI) has come out with the business responsibility reporting, which has been made mandatory for the top 100 publicly listed companies. The Bombay Stock Exchange has initiated BSE GREENEX, wherein the top 25 performer companies are tracked and highlighted in terms of carbon emissions reductions for the investor community. The reports submitted on these platforms pertain to several non-financial parameters including work ethics, business transparency, employees' well-being, stakeholder engagement, environmental impact, greenhouse gas emissions, and inclusive growth.

### **Issues and Challenges with Sustainability Reporting**

Business sustainability reports provide information about sustainable measures adopted by an organization. However, they do not provide complete information on sustainability initiatives of a company so as to make an informed opinion about its operations. Though the assessment exercise under the available programmes takes into account the credibility and authenticity of the data and the completeness of reports, the overall socio-environmental impact of the business operations of a company is not captured. For example, the 'India 200 Climate Change Report 2014' highlighted the disclosure score for 22 large companies (CDP 2014). However, the impact of these companies on the environment cannot be ascertained from this report.

There have been several challenges with regard to coverage of parameters and ease of understanding of these reports. As observed by Hohnen (2012), sustainability reporting faces a number of challenges, including questions about the accuracy and completeness of data reported, and its relevance to financial performance. The study by Soyka (2014) has bemoaned that people are still grappling to understand what makes a company 'sustainable'. There are also differences in sustainability reporting with significant variance on the variables reported (Jose and Saraf 2013). While efforts have been made for an objective accounting of environmental costs to account for environmental externalities, there remains inadequate clarity on the variables (Minimol and Makesh 2014).

There have also been issues related to accounting of external environmental costs of a company and the same has been cited as a challenge which companies need to address in order to create business value while reducing environmental impact (Perera *et al.* 2013). Further, most of the reporting requirements are voluntary in nature and the onus of preparing the report lies with the company. According to a research report, less than 20 per cent of the companies in India



surveyed disclosed information on sustainability issues related to their supply chain (Jose and Saraf 2013).

### **Designing Green Index**

With the above background, a ‘green index’ has been developed to grade a company using 30 sustainability indicators with different weightages assigned and categorized under six verticals/ heads. The index intends to facilitate collection of relevant data, its analysis and presentation to enable the stakeholders make an informed opinion about a company in terms of its business sustainability and encourage sharing of best ‘green’ practices. The index is inspired from the Global Reporting Initiative (GRI) Sustainability Reporting Framework.

There is a need to conceptualize, design, simplify, standardize, and regulate the sustainability reporting formats covering the sector variables holistically. Due to the difference in the type of industry, for example manufacturing or services and scale of operations, for example production levels, the index may require improvisation both in terms of identification of parameters and assigning weightage.

In this regard, a comprehensive ‘Green Index’ has been developed to grade the sustainability activities undertaken by a company in a holistic manner. Under the proposed index, companies would be required to submit verifiable data on 30 sustainable parameters, categorized under six vertical heads: green leadership and management support, resource intensity, externalities, mitigation measures, green business value chain, and compliance and reporting; each parameter being assigned a certain weightage based on its significance, arbitrarily.

The results can be put up on a public platform to enable the key stakeholders, including investors, regulators, consumers, citizens, and shareholders to make an informed opinion about the ‘green quotient’ of a company. A company shall be required to submit data annually, based on which its grade can be compared. This ‘green branding’ of a company could encourage the industry to incorporate sustainability ethos in its business operations. This can potentially inculcate a spirit of healthy competition among the companies to improve upon their rankings in their peer group.

### **Scoring Methodology**

To accommodate a heterogeneous mix of variables and data-types, three types of scoring options have been provided.

- ▶ Under the first option, binary values (Yes or No) will be accorded to variables to accommodate qualitative parameters which are difficult to quantify like sustainable policy, reporting, compliance and accreditation, etc.
- ▶ In the second option, there will be a provision of interval scores for the parameters which need to be progressively measured (like share of clean energy and percentage land area used for rain water harvesting).

- ▶ In the third option, actual values will be used to facilitate percentile scoring, based upon sectoral industrial benchmarks (as in the case of energy and water consumption).

Different types of companies, such as manufacturing, finance, retail, information technology, hospitality, and utilities, would invariably have different levels of impact upon the environment and society. To ensure consistency in grading, rationalization can be carried out by benchmarking a particular type of industry against the average sectoral values. This shall enable ease of comparison and marking. For the above, country-specific industrial standards are proposed to be used.

For some of the parameters, it is proposed to consider values calculated on both revenue and per capita basis to normalize the overall marking across a particular industrial segment, to account for large disparities in resource usage and employee strength across organizations numbers.

### **Grading and Categories**

Under the proposed ‘Green Index’, the participating industry would be categorized into one of the four grades on the basis of its aggregate score, these include:

- ▶ Grade A: Environmentally Compliant
- ▶ Grade B: Environmentally Conscious
- ▶ Grade C: Environmentally Sensitive
- ▶ Grade D: Environmentally Inert

To enable easy recognition, a set of colour coding shall be assigned to these four grades, which can enable quick discerning about the ‘green quotient’ of a company (products or services) among its customers and stakeholders.

<b>Score</b>	<b>Category</b>	<b>Grade</b>
> 80	Environmentally Sustainable	A
65–80	Environmentally Conscious	B
50–64	Environmentally Sensitive	C
< 50	Environmentally Inert	D

### **Data Sources**

The source(s) of information can include audited annual reports submitted to statutory bodies (like SEBI in India) and business sustainability reports submitted on public platforms (like GRI & CDP). These reports provide information on sustainability activities undertaken by a company, making the rating exercise

more transparent, authentic, and dependable. For energy intensive industries, benchmarks set by statutory bodies (like the Bureau of Energy Efficiency in India) can also be utilized.

### Index Parameters

The six parameters for the index are now discussed.

**(I) Green Leadership:** *The management is the most important element in a company to initiate its journey towards sustainability as their buy-in is a pre-requisite for initiating green measures (reflected in policy, personnel, and expenditure). As such, this vertical, with 7 parameters, has been assigned an overall weightage of 20 per cent.*

The first set of information pertains to measures taken at the top management of a company reflecting its 'Green Vision & Mission' and 'Green Business Strategy'. This primarily includes framing of 'Sustainable Business Policy', highlighting its commitment to operate in an environmentally sustainable manner. The policy should explicitly specify upon the 'Green' goals, plans, and activities of a company in detail.

The importance accorded to environmental sustainability can also be gauged from the leadership provided within a company to chaperon its sustainable activities; many companies have appointed chief sustainability officers to steer their green strategy and operations. Both these measures (policy & leadership) have been assigned a weightage of 2.5 per cent each.

The next most important aspect in terms of management support is the amount of financial commitment towards sustainable development as part of the overall budget of a company. For a commercial entity, capital is an important asset and accordingly, has been allocated a higher weightage of 5 per cent.

The need for involving employees in green initiatives (including their awareness and training) is of paramount importance as they shall be spearheading its activities. As such, this parameter has been covered under the 'green leadership' vertical, with a weightage of 2.5 per cent.

Under the recently amended Companies' Act of India, the companies are required to earmark a certain percentage of their profits for activities classified as 'Corporate Social Responsibility (CSR)'. The areas of work under CSR includes, eradicating hunger, poverty, malnutrition and promoting preventive healthcare, promoting sanitation and availability of safe drinking water, promoting education, promoting gender equality, ensuring environmental sustainability, and protection of national heritage. Further, the company cannot make any profits out of the expenditure made in CSR activities. As the same is required as per the law, it shall be easy to capture the work undertaken by a company vis-à-vis framing of a CSR Policy and the expenditure on CSR notified activities in a particular financial year.

It may be noted that the expenditure on sustainable development (enunciated above) captures the overall expenditure on sustainable activities (like a rooftop solar plant which generates revenue for a company), and as such, cannot be taken as a part of the CSR budget. Therefore, it has been considered as a separate activity. Both 'CSR Policy' & 'CSR Expenditure' have been accorded a weightage of 2.5 per cent each.

The undercurrent towards environmentalism is still naive and many companies have recently initiated plans to undertake green measures. As such, the last sub-head, with a weightage of 2.5 per cent, captures the proposed measures on planned sustainable activities to increase the green quotient of an organization.

**(II) Resource Intensity:** *The sourcing and utilization of scarce resources, such as fuel, water, energy, electricity, minerals and land have a significant bearing both upon the environment and on the cost competitiveness of a company. This vertical, with four parameters, has been assigned an overall weightage of 20 per cent.*

This category comprises natural resource intensity of an organization, covering use of energy, electricity, and water. This has been covered as a separate head due to the fact that prudent use of exhaustible natural resources is the first step towards sustainable development. Further, the irresponsible use of energy resources (based upon fossil fuels) has been identified as a major source of greenhouse gas emissions globally, which needs to be controlled.

The first sub-head deals with the level of energy consumption (non-electricity formats) within an organization. Due to different type of fossil fuels being used across industries, the performance indicator has been kept as kilograms of oil equivalent (KgOE), which can be determined by normalizing the specific caloric values of different fuels.

The next important item under this head covers electricity consumption and the same is measured in terms of kilowatt hours (kWh). Both these parameters are accorded a higher weightage of 5 per cent each.

It may be noted that in accordance with the Indian Energy Conservation Act, 2001, around 478 energy-intensive industries across eight industrial categories are required to file energy returns with the Bureau of Energy Efficiency (BEE) on an annual basis.

Similarly, due to the water stress felt across major cities and towns in the world, there has been a persistent demand from the ecologists for reducing the wasteful consumption of water and the same is captured in this item in terms of kilo litres (accorded a weightage of 5 per cent).

Metals and Minerals are the major input sources in any industry and their prudent use is an important sustainability measure. As such, the last sub-item under this vertical covers the use of minerals and the scoring is done on percentile basis (per unit material consumption). This has also been assigned a similar weightage of 5 per cent. In case of service industry (like banking & IT), without any major use of metals and minerals, the marks against this item would be evenly distributed

in the above mentioned three sub-heads. The Index is designed to capture values in the form of both resource consumption per revenue and per capita basis. This shall ensure parity among natural resource intensive industries (like iron & steel industries, power generation utilities) and human resource intensive service industries (like ITES, banks, hospitality, etc.).

**(III) Externalities/Impact:** *The disposal of utilized natural resources by a company has significant bearing on the local and global environment (land, water, and air pollution and greenhouse gas emissions). This vertical, with four parameters, has been assigned an overall weightage of 12.5 per cent.*

This head features the externalities and impact of the operation of any organization on the environment. It covers air, water, and land pollution as well as waste generation on account of operations of a company. These are very critical areas and impact both the local as well as the global environment in multiple ways.

Each type of a company has a unique operational process and generates varied quantities of pollution (many times difficult to quantify). As such, the input values for these two items, assigned with a weightage of 2.5 per cent each, are required to be marked on interval type of scoring mechanism (significant, or, moderate, or, minimal).

Land pollution relates to the waste generation on account of operation of an organization, covering both dry and wet formats of waste and the same is measured in terms of either tonnes per revenue or, tonnes per capita. This has also been accorded a weightage of 2.5 per cent and scoring is to be done on a percentile basis (based on sectoral industrial benchmark).

The last sub-head checks for the carbon footprint of the organization and has been accorded a weightage of 5 per cent. The carbon footprint is calculated in terms of tonnes of greenhouse gas emissions (carbon dioxide equivalent) on a per capita basis.

In recent times, carbon footprint for an organization is being estimated by certain standardized methodologies and they prominently showcase reduction in the carbon intensity as part of outreach exercise.

**(IV) Green Measures:** *There are several measures which can be adopted by a company to make its operations socio-environmentally sustainable. This can include minimizing and optimizing use of resources (3Rs—reduce, recycle, and reuse) and using cleaner forms of energy. This being an extremely important vertical, with 9 parameters, has been assigned a higher weightage of 27.5 per cent.*

This head covers the seminal topic of sustainability measures to curb the emissions and undertake resource efficiency activities within an organization. The first sub-head covers the recycling of water (to be measured in terms of percentage water recycled of the total water consumption) with an assigned weightage of 2.5 per cent, marked on interval scoring technique.



The next activity is also related to water and takes into account the efforts made towards rainwater harvesting within the precincts of a company. It is scored based on the percentage of land area (technically available) used for this purpose and is assigned a similar weightage of 2.5 per cent.

Use of cleaner formats of energy (including renewable energy technologies like solar, wind, biomass, and hydel-based power) forms the next parameter. A substantial component of production cost for a company comprises of energy and as such, it has been given a higher weightage of 5 per cent. The interval based marking takes into account the share of clean energy in the overall power consumption of a company. It may be noted that in recent times, a number of companies have been sourcing power from cleaner forms of energy (like solar and wind power plants) and some of them have made ambitious targets to source a substantial portion of their power needs from RE-based sources.

Akin to renewable energy, energy management and conservation is equally important as it leads to reduction in the energy intensity of a company. As such, this activity, under the sub-head 'Energy Conservation', has also been accorded a weightage of 5 per cent. The scoring will be based upon reduction in energy intensity in terms of actual savings accrued over a year. In case of an industry, the scoring can take into consideration the improvement in the Specific Energy Consumption (SEC) levels over the previous year.

It is estimated that buildings consume over a third of total energy. As such, many companies are making their office buildings environmentally responsible by incorporating 'Green Building' features like passive solar architecture and use of energy efficient systems. Based on the level of 'greenness', a building is rated under different green building rating systems. This sub-item has been accorded a weightage of 2.5 per cent and is marked on interval scoring with a 4 or 5 star-rated building getting the maximum marks.

One of the recent advances has been in terms of utilization of spare office space (land area) within an establishment for putting up rooftop solar photovoltaic and solar thermal based systems to partially meet the energy requirements of a company (referred to as captive energy plants). As the availability of space may vary across companies, the scoring for this activity, with a weightage of 2.5 per cent, is proposed to be done depending upon the utilization of technically available space (like rooftop).

The subsequent item focuses on setting up of biomass compost plants by utilizing the compostable waste generated within a company. This shall serve the twin purpose of reduction in waste flows from a company and possible generation of bio-energy. The scoring for this activity, with a weightage of 2.5 per cent, is proposed to be carried out based upon the percentage utilization of compostable waste generated within a facility.

The last item in this head covers the aspect of effective waste management in terms of recycling and reusing. The weightage assigned to this activity of 2.5 per cent is based on the technically possible limits for a particular institution.

**(V) Business Value Chain:** *A company can exert a positive influence upon the stakeholders across its business value chain to adopt sustainable green measures/lifestyle. This vertical, with three parameters, has been assigned an overall weightage of 10 per cent.*

This category emphasizes on green quotient of the supply chain as well as business outreach of a company. Many of the responsible companies are working tirelessly towards greening their value chain, both upstream (suppliers/ service providers) and downstream (customers). For example, the electronic retailers and fast food delivery chains have been conscious in promoting electric vehicles for the last mile delivery to cut down on the fossil fuel usage and reduce the GHG emissions. Similarly, many banks encourage their customers to use electronic (net) banking, thus, cutting down the use of paper.

On the upstream side, the Green Index captures the efforts towards assessing the sustainability measures on the part of its suppliers, vendors as well as contractors. On the downstream side, the index takes note of the efforts to reduce the negative impact of its operations (lifecycle assessment). Both the parameters have been assigned a weightage of 2.5 per cent each.

The role of information technology cannot be understated in this era of Internet and electronic commerce as its adoption leads to improvement in overall efficiency. This includes use of interactive web portals for B2B (Business to Business) and B2C (Business to Customer) transactions, installing ERP (Enterprise Resource Planning) and CRM (Customer Relationship Management) systems, etc. As such, this item is covered under this vertical with a weightage of 5 per cent.

As it is difficult to quantify the efforts made towards greening the business value chain, the scoring has been made on the basis of overall efforts made by a company, proposed to be marked with the internal scoring mechanism (as significant, moderate, and minimal effort basis).

**(VI) Compliance & Reporting:** *Many companies are required to meet environment compliance as part of their business operations. Some others are voluntarily undertaking green measures, including ISO certifications and filing of business sustainability & carbon footprint reports. This vertical, with three parameters, has been assigned an overall weightage of 10 per cent.*

The last vertical encompasses compliance and reporting with respect to overall impact and sustainability measures. Land acquisition for setting up projects has emerged as a contentious issue and needs to be prominently figured in any Green Index. This item would include compliance with the local environmental laws (regulations) for the operations of a company and following industrial best practices (even on a voluntary basis, if required). The marking is proposed to be undertaken on the perusal of Environmental and Social Impact Assessment (ESIA) reports and Environmental Management Plan (EMP) for projects undertaken by a company. This shall include availability of these reports in the public domain. This item is given a weightage of 5 per cent with interval scoring system.

The second item under this section is obtaining ISO certification with regard to environmental management systems (ISO 14000 series) and energy management systems (ISO 50000 series). These certifications highlight the commitment of a company towards standardizing its operations and systems on these two critical aspects. The weightage is 2.5 per cent with a binary scoring methodology.

The last item covers the sustainability reporting by companies either on a voluntary basis to credible institutions like GRI, CDP, or as part of regulatory compliance to relevant government agencies (like Business Responsibility Reporting to SEBI). This has been assigned a higher rating of 5 per cent as the companies who are already submitting these reports would have undertaken certain sustainability measures to improve their 'Green Quotient'. Further, agencies like GRI solicit performance data on more than 100 parameters and provide assurance in terms of the credibility of the report.

### **Index Impact**

The Green Index shall facilitate easy computation of 'Green Quotient' for a company, covering a broad range of sustainable indicators. It shall support setting up of 'green benchmarks' for a particular set of industry for others to practice and follow.

The colour codes shall help the stakeholders make an informed opinion about a company in terms of its sustainability initiatives, which in turn shall encourage a company to incorporate sustainable ethos as part of its business strategy.

For a multiplier effect, high impact measures as undertaken by a company can be highlighted as best practices (for each industrial vertical), for adoption by its peers and competitors to enhance their green quotient.

### **The Ways Forward**

The Green Index can be rolled out in phases for compliance by companies, initially on a voluntary basis, which can be subsequently mandated upon attaining a certain critical mass. The index as well the parameters (along with their weightage) can be standardized, streamlined, and improvised (for a particular industrial genre) after consultation with a wide spectrum of stakeholders, including investors, chief executives, shareholders, sustainability officers, project managers, civil society, regulators, and policy-makers. Web-enabled system can be utilized to capture data and undertake assessment thereupon. This shall enable updates in grading of a company due to corrective actions taken in subsequent years.

To ensure wider dissemination and transparency, it is proposed that the results (grading) are put up in the public domain. For effective outreach and branding, it is proposed to highlight the colour codes on the products/services of a company, thereby, highlighting its green quotient.

## GREEN INDEX

Parameters	Units	Value	Data options	Weightage	Score
		C	I	W	C / I * W
<b>(I) Green Leadership</b>				20	
Sustainability Policy	Level (Board/ Branch)		Binary ▶ Yes-100% ▶ No-0%	2.5	
Designated CSO & Sustainability Group	Level (Director & Above)		Binary ▶ Director-100% ▶ Mid-Management-50% ▶ Others/ No-0%	2.5	
Expenditure on Sustainable Development	% of turnover		Interval Score ▶ >5%-100% ▶ 2-5%-50% ▶ Upto 2%-25% ▶ Nil-0%	5	
Employee Sensitization and Training	% of employees		Interval Score ▶ >50%-100% ▶ 20-50%-50% ▶ Upto 20%-25% ▶ Nil-0%	2.5	
CSR Policy	Comprehensiveness & Effectiveness		Binary ▶ Yes-100% ▶ No-0%	2.5	
CSR Expenditure	% utilization of CSR funds/ budget		Interval Score ▶ >70%-100% ▶ 30-70%-50% ▶ Upto 30%-25% ▶ Nil-0%	2.5	
New and Proposed Measures	Significant/ moderate/ minimal		Interval Score ▶ Significant -100% ▶ Moderate -50% ▶ Minimal -0%	2.5	
<b>(II) Resource Intensity</b>				20	

Energy Consumption (Non-electricity)	KgOE/ revenue KgOE/ capita		Percentile on sectoral industrial benchmark	5	
Electricity Consumption	kWh/ revenue kWh/ capita		Percentile on sectoral industrial benchmark	5	
Water Consumption	KL/ revenue KL/ capita		Percentile on sectoral industrial benchmark	5	
Mineral Consumption	SEC		Percentile on sectoral industrial benchmark	5	
<b>(III) Externalities / Impact</b>				12.5	
Pollution – Air	Significant/ moderate/ minimal		Interval Score ▶ Minimal-100% ▶ Moderate-50% ▶ Significant-0%	2.5	
Pollution – Water	Significant/ moderate/ minimal		Interval Score ▶ Minimal-100% ▶ Moderate-50% ▶ Significant-0%	2.5	
Pollution – Land (Waste Generation)	Tons/ revenue Tons/ capita		Percentile on sectoral industrial benchmark	2.5	
Carbon Footprint	TCO <sub>2</sub> eq/revenue TCO <sub>2</sub> eq/ capita		Percentile on sectoral industrial benchmark	5	
<b>(IV) Green Measures</b>				27.5	
Water Recycling	% of total water consumption		Interval Score ▶ >50%-100% ▶ 20-50%-50% ▶ Upto 20%-25% ▶ Nil-0%	2.5	
Rainwater Harvesting	% of technically available land area		Interval Score ▶ >30%-100% ▶ 10-30%-50% ▶ Upto 10%-25% ▶ Nil-0%	2.5	

Clean energy use (including Renewables)	% of total power consumption		Interval Score <ul style="list-style-type: none"> <li>▶ &gt;50%-100%</li> <li>▶ 20-50%-50%</li> <li>▶ Upto 20%-25%</li> <li>▶ Nil-0%</li> </ul>	5	
Energy Conservation	% of energy savings		Interval Score (on SEC basis over previous year) <ul style="list-style-type: none"> <li>▶ &gt;10%-100%</li> <li>▶ 5-10%-50%</li> <li>▶ Upto 5%-25%</li> <li>▶ Nil-0%</li> </ul>	5	
Green Building Features	Green Rating (GRIHA, LEED)		Interval Score <ul style="list-style-type: none"> <li>▶ Rating 4&amp;5-100%</li> <li>▶ Rating 2&amp;3-50%</li> <li>▶ Rating 1-25%</li> <li>▶ No Rating-0%</li> </ul>	2.5	
Rooftop Solar Systems (both PV & Thermal)	% of technically available rooftop space covered		Interval Score <ul style="list-style-type: none"> <li>▶ &gt;10%-100%</li> <li>▶ 5-10%-50%</li> <li>▶ Upto 5%-25%</li> <li>▶ Nil-0%</li> </ul>	2.5	
Biomass Compost Plants	% of compostable waste utilized		Interval Score <ul style="list-style-type: none"> <li>▶ &gt;30%-100%</li> <li>▶ 10-30%-50%</li> <li>▶ Upto 10%-25%</li> <li>▶ Nil-0%</li> </ul>	2.5	
Waste Management	% waste recycled/reused		Interval Score <ul style="list-style-type: none"> <li>▶ &gt;30%-100%</li> <li>▶ 10-30%-50%</li> <li>▶ Upto 10%-25%</li> <li>▶ Nil-0%</li> </ul>	2.5	
Reuse & Recycle	% of consumables (technically possible)		Interval Score <ul style="list-style-type: none"> <li>▶ &gt;10%-100%</li> <li>▶ 5-10%-50%</li> <li>▶ Upto 5%-25%</li> <li>▶ Nil-0%</li> </ul>	2.5	

<b>(V) Business Value Chain</b>				10	
Supply Chain-Sustainability Measures	Significant/ moderate/ minimal		Interval Score ▶ Significant -100% ▶ Moderate -50% ▶ Minimal -0%	2.5	
Deliverables/ Outreach-Sustainability Measures	Significant/ moderate/ minimal		Interval Score ▶ Significant -100% ▶ Moderate -50% ▶ Minimal -0%	2.5	
Use of Information Technology	Significant/ moderate/ minimal		Interval Score ▶ Significant -100% ▶ Moderate -50% ▶ Minimal -0%	5	
<b>(VI) Compliance &amp; Reporting</b>				10	
Environmental Compliance (ESIA/ EMP)	% of projects undertaken		Interval Score ▶ >10%-100% ▶ 5-10%-50% ▶ Upto 5%-25% ▶ Nil-0%	2.5	
ISO 14001/ ISO 50001/ Related Standards	Yes/ No		Binary ▶ Yes-100% ▶ No-0%	2.5	
Sustainability Reporting- (GRI/ CDP/ BSE Greenex/ Others)	Yes/ No		Binary ▶ Yes-100% ▶ No-0%	5	
<b>TOTAL</b>				<b>100</b>	

**Notes:**

- ▶ Data should be preferably sourced from public domain
- ▶ Secondary data sourced from credible agencies (environmental regulatory institutions) shall be factored in
- ▶ Self-reported data from companies needs to be corroborated with secondary data for establishing accuracy
- ▶ Country specific benchmark data for a particular industrial category shall be deemed appropriate for marking purposes
- ▶ If data for a particular industrial category is not available, data from a related business segment can be used
- ▶ If data for a corresponding field is not available, lowest possible marks would be assigned
- ▶ For an establishment spread across different locations/ geographies, aggregate values would be used



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