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VANTAGE 2026

Navigating the ESG Reset

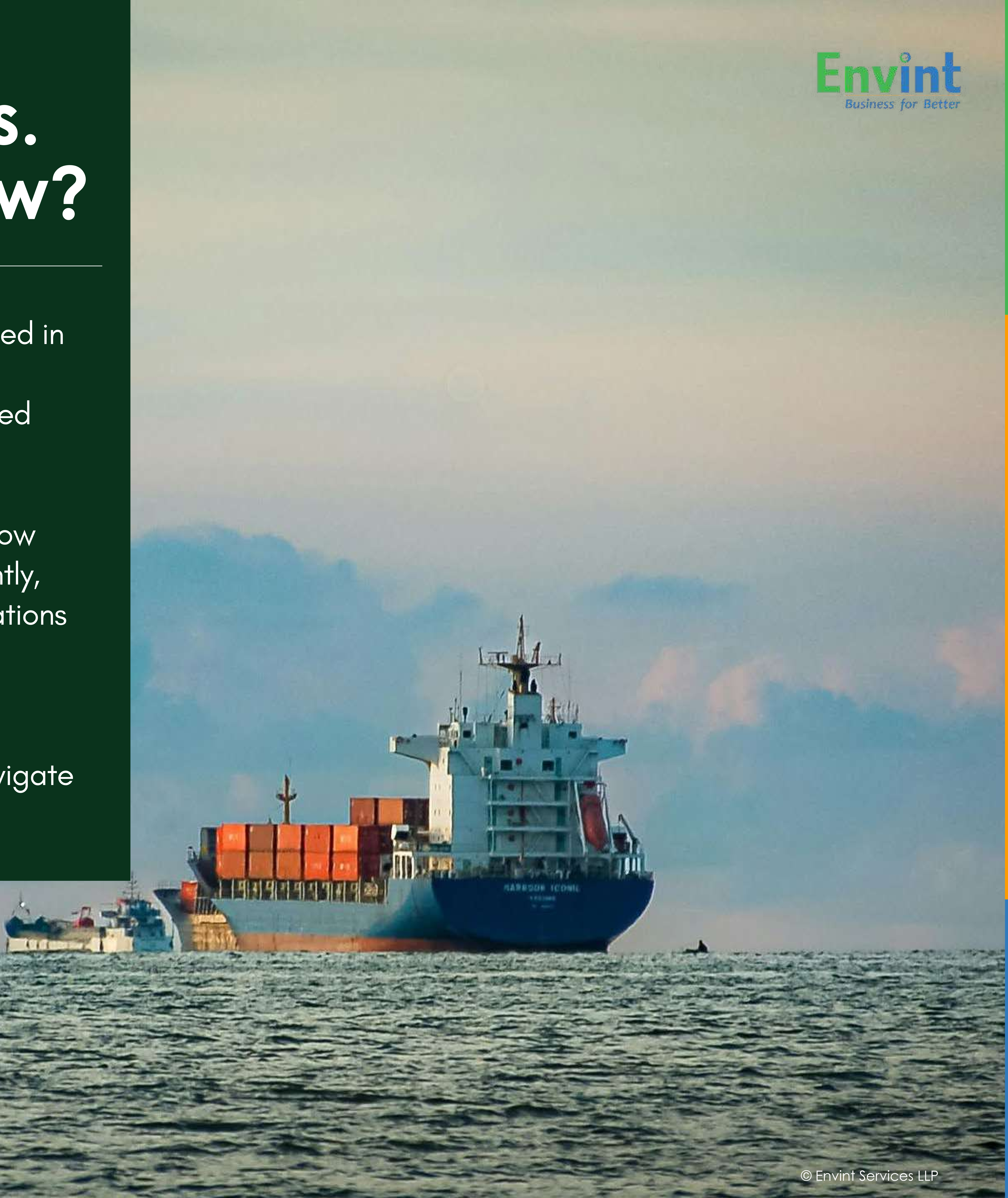
June 2026

The ESG Reset Continues. What Should You Do Now?

The first edition of Vantage, published in June 2025, was launched in the midst of a global ESG reset. Since then, trade tensions, geopolitical conflicts, and supply chain disruptions have continued to reshape business priorities and operating environments.

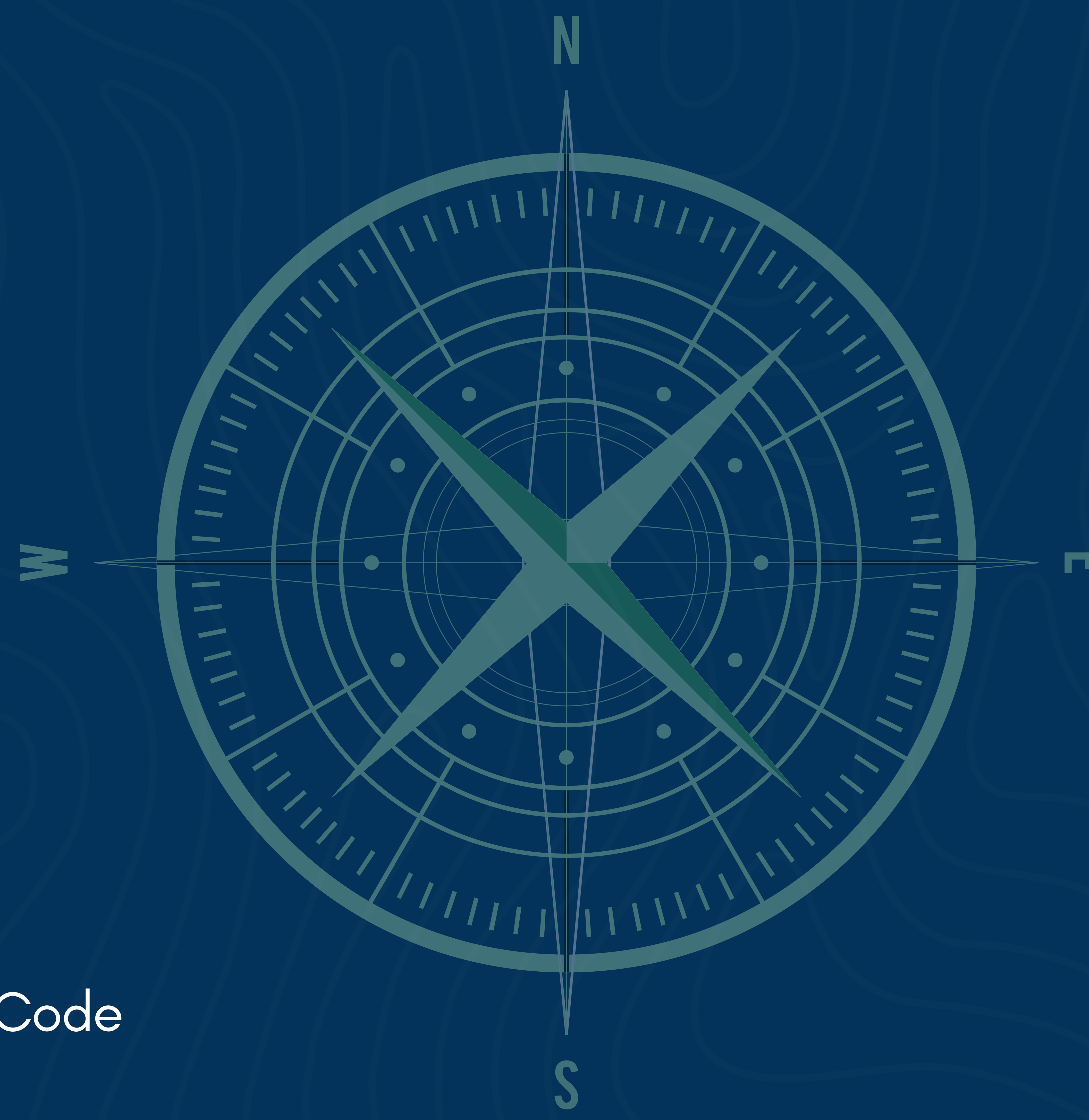
Against this backdrop, sustainability in India has continued to show traction, creating a structural tension for businesses. Consequently, ESG is increasingly being viewed through a value lens. Organizations are now seeking to meet ESG expectations while building competitiveness and resilience.

Vantage 2026 makes the case for a pragmatic approach to navigate the reset, with a rethink of your ESG strategy and execution.



Navigating the Ocean of ESG Acronyms

BHR	Business and Human Rights
BRSR	Business Responsibility and Sustainability Reporting
BTA	Bilateral Trade Agreement
C&D	Construction and Demolition
CCTS	Carbon Credit Trading Scheme
CCUS	Carbon Capture, Utilization and Storage
CPI	Consumer Price Index
DEI	Diversity, Equity, and Inclusion
EPR	Extended Producer Responsibility
GHG	Greenhouse Gas
NDC	Nationally Determined Contribution
OSH	Occupational Safety, Health and Working Conditions Code
SEC	Securities and Exchange Commission
SR	Sustainability Report



The Global ESG Retreat: Rollbacks and Shifting Priorities

The reset that started in 2025 has intensified since then.

US SEC

proposes rescinding climate-disclosure requirements for public companies.[1]

EU Omnibus

proposals significantly dilute the scope of mandatory sustainability reporting.[2]

UK's Green Taxonomy

plan dropped, removing a key green investment framework.[3]

US Sustainability Report

filings by Russell 3000 companies dropped 48% in H1 2025 vs. 2024.[4]

Net-Zero Banking Alliance

ceased operations following widespread member withdrawals.[5]

India's ESG Agenda, However, Has Shown Traction

Policy and regulatory momentum across select sustainability goals.

Disclosures and Ratings

Mandatory assurance of BRSR Core metrics. ESG ratings now influencing investor decisions.

New Labour Codes

29 laws unified under 4 codes – Wages, Industrial Relations, Social Security, & OSH Code.[6]

Carbon Markets

GHG emission intensity targets extended under the CCTS, covering ~500 entities across 7 sectors.[7]

Waste Management

EPR in plastics, electronics, batteries in place. C&D waste entering EPR scope.[8]

Decarbonization

~$4.5 bn USD Union Budget 2026 push for rooftop solar and CCUS.[9,10]

Government's Directional Signal

Staying the course on climate agenda with the updated NDCs.

...But Headwinds Have Started to Bite

Recent macroeconomic shocks are impacting growth and hurting margins.

US Tariff Escalation — Export Uncertainty

- Tariff on Indian exports changed 4 times in 12 months.[11]
- 10% baseline rate expires ˜July 2026 — BTA still unresolved.[12]

Iran War — Energy & Supply Chain Shock

- ˜70% of India's LNG imports and ˜40% of crude oil imports face disruptions.[13, 14]
- Chemical shortages ripple through downstream domestic manufacturing.[14]

Rupee Depreciation and Inflation Risk

- INR weakened by ˜6% against USD in last 4 months.[15]
- RBI projects CPI inflation to rise, with upside risks.[16]

ESG in India Is Shifting Toward Value Creation

With compliance as base, ESG is likely to address a broader set of business objectives.

Headwinds
Growth, Energy, Supply Chain

Regulation
Disclosure, Labour, Emissions, Waste

Value Creation Levers

- Renewables Acceleration
- Export Market Reach
- Access to Capital
- Supply Chain Efficiency
- Waste to Value

Competitiveness

Resilience

An Approach to Navigate This Reset

Indian companies need to rethink their ESG roadmap & execution.

Define ESG Goals

How do we decide focus areas?

- Maturity
- Context
- Relevance

Assess Readiness

How are we prepared to deliver?

- Baseline
- Gaps
- Capacity

Build Action Plan

How do we stay on course?

- Tasks
- Timelines
- Ownership

Following pages detail approach on

sample goals

summary diagnostics

high-level action plan

to guide your path forward.

Define Your ESG Goals in the New Context

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Evaluate your ESG maturity stage and decide on relevant objectives.

L1 Foundation Stage
Compliance Ready

Meeting regulatory requirements and baseline standards

L2 Growth Stage
Credibility Centric

Building trust through transparency and verification

L3 Leadership Stage
Stewardship Driven

Leveraging ESG as a strategic differentiator

	L1 Foundation Stage	L2 Growth Stage	L3 Leadership Stage
Context	**Regulatory bar has risen**	**Data veracity gaining importance**	**ESG to drive value**
Goals	• Measure and disclose emissions • Adhere to pollution control norms • Meet new Labour Code compliances	• Build an ESG data culture • ESG governance system & process • Publish an externally assured SR	• Increase renewable energy • Embed ESG in Board KPIs • Integrate value chain ESG data

Assess Readiness for Delivery

Diagnose where you stand on your ESG baseline, gaps, and capabilities.

ESG Maturity	UNPREPARED →	COMPLIANCE READY →	CREDIBILITY CENTRIC
Environment	No emissions baseline or environmental data tracked	Scope 1 & 2 emissions tracked consistently	Verified emissions data. Scope 3 assessments underway
Social	No Labour Code compliance mapping or worker welfare tracking	Labour Code obligations met; OSH system active	DEI and worker welfare metrics verified and disclosed
Governance	No ESG policy or governance framework in place	Basic ESG governance established; data ownership assigned	Active Board oversight on ESG, with periodic reviews
Supply Chain	Procurement decisions not influenced by ESG	Basic ESG screening integrated into supplier onboarding	Supplier ESG data assessed for improvements
Disclosure	No ESG materiality assessment; gaps in BRSR essential indicators	BRSR essential indicators complete	Assurance-ready BRSR indicators; leadership indicators progressing

Build a Pragmatic ESG Action Plan

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From goals and assessment to tangible tasks and timelines.

FOCUS AREAS	KEY ACTIONS	Q1	Q2	Q3	Q4
Environment	Build Scope 1 & 2 emissions baseline by facility and product	L0 → L1 / L0 → L1 / L0 → L1	L0 → L1 / L0 → L1 / Planned	Planned / Planned / Planned	Planned / Planned / Planned
	Third-party GHG verification process. Identify relevant Scope 3 categories	Planned / Planned / Planned	Planned / Planned / Planned	Planned / Planned / Planned	L1 → L2 / L1 → L2 / L1 → L2
Social	Map Labour Code compliance gaps; activate health and safety systems	L0 → L1 / L0 → L1 / L0 → L1	L0 → L1 / L0 → L1 / Planned	Planned / Planned / Planned	Planned / Planned / Planned
	Verify and disclose social metrics; track DEI and worker welfare outcomes	Planned / Planned / Planned	Planned / Planned / Planned	L1 → L2 / L1 → L2 / L1 → L2	L1 → L2 / L1 → L2 / L1 → L2
Governance	Establish ESG governance framework; assign data ownership across functions	L0 → L1 / L0 → L1 / Planned	Planned / Planned / Planned	Planned / Planned / Planned	Planned / Planned / Planned
	Activate board ESG oversight; implement periodic governance review cycle	Planned / Planned / Planned	Planned / Planned / Planned	L1 → L2 / L1 → L2 / L1 → L2	L1 → L2 / L1 → L2 / L1 → L2
Supply Chain	Integrate ESG into supplier onboarding questionnaires	L0 → L1 / L0 → L1 / L0 → L1	Planned / Planned / Planned	Planned / Planned / Planned	Planned / Planned / Planned
	Engage with critical suppliers to collect ESG metrics	Planned / Planned / Planned	Planned / Planned / Planned	L1 → L2 / L1 → L2 / L1 → L2	L1 → L2 / L1 → L2 / L1 → L2
Disclosure	Complete BRSR essential indicators; Select relevant leadership indicators	L0 → L1 / L0 → L1 / L0 → L1	L0 → L1 / L0 → L1 / L0 → L1	Planned / Planned / Planned	Planned / Planned / Planned
	Achieve assurance-ready BRSR Core; progress on leadership indicators	Planned / Planned / Planned	Planned / Planned / Planned	Planned / Planned / Planned	L1 → L2 / L1 → L2 / L1 → L2

L0 → L1   L1 → L2   Planned

Why This Is Not the Time to Pause...

India Inc's ESG obligations are not pausing. Three realities to plan for now.

01

India's regulatory floor will keep rising

- Active ESG regulatory obligations on multiple fronts.
- Companies that slow down now may face compounding catch-up costs.

02

Credibility now determines market access

- Stakeholders prefer third-party assured ESG data.
- Verified data leads to differentiation and better ratings.

03

Future-proofing depends on staying the course

- Tariffs, war, and rupee pressure have reduced business headroom.
- Companies continuing to invest in ESG for value creation will progress.

...And Focus on What Really Matters

Deliberate choices for navigating the ESG reset.

REEVALUATE AND RATIONALIZE	STREAMLINE AND STRENGTHEN
Expanding ESG commitments Making new pledges and targets before you have the capability or data to back them up.	**Compliance Readiness** Know exactly what ESG regulations require of you in the next 12 months — and close those gaps first.
Reporting beyond material requirements Publishing frameworks and disclosures that go beyond what key stakeholders need.	**Data Credibility** Auditable, verified ESG data is an asset. Prioritize quality over coverage.
Large-scale ESG transformation programs Multi-year overhauls without a clear link to business value, compliance, or near-term risk.	**Business Value** Embed ESG into operational decisions where it can build competitiveness and resilience.

We Help Businesses Progress on Sustainability

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Challenges and opportunities in sustainability are unique, emerging and complex. Our tiered capability model brings together service lines, sector and thematic expertise, and proprietary tools for effective delivery.

525+ Engagements

175+ Clients

10+ Countries

Our Capability Model

Services	Sustainability Integration	Climate Action	Responsible Investment	
Sectors	Infra & Real Estate	BFSI	Manufacturing	Energy
	Healthcare	Technology	Agriculture	Metals & Mining
Themes	Disclosures	Decarbonization	Supply Chain	BHR & DEI
	Circular Economy	Water	Biodiversity	Impact
Tools	CapitaLens/EnvSaGe (ESG Data)	EmCal (GHG Assessment)	ADD (Automated DD)	MapSense (Ecosystem Scan)

Better Is Possible, and Worth Building

Our purpose is to shape a more liveable planet for the coming generations

Our mission is to drive sustainability into mainstream thought and action, with the belief that

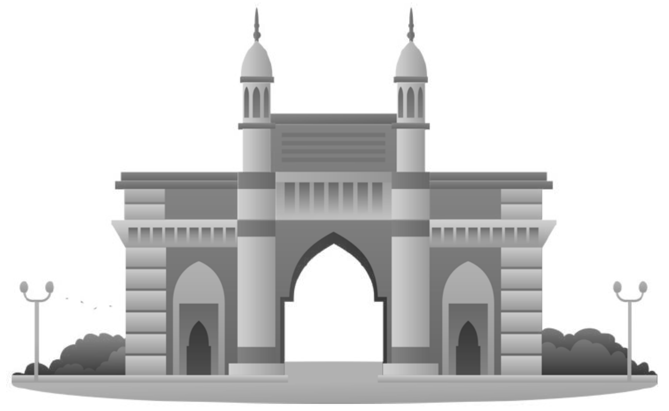
"Green makes sense beyond conscience"

45 professionals, *and growing*!

6 *Locations in India*

Shared Vision

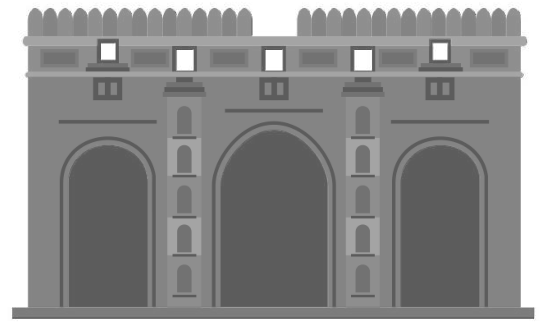
Let's Stay Connected



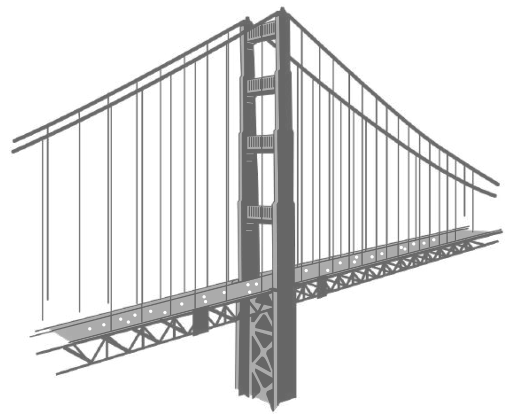
Mumbai

Delhi NCR

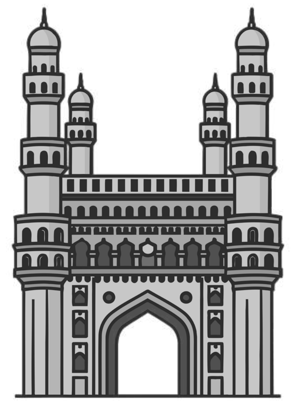
Bengaluru



Pune



Kolkata



Hyderabad

www.envintglobal.com

connect@envintglobal.com

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The continuing ESG Reset raises difficult questions for Indian businesses operating in this environment.

Which ESG issues deserve attention? Where do we stand with respect to peers? How do we track progress?

These questions, and more, are shaping management discussions and business decisions today.

If you'd like to explore them further, let's connect.

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