

CO₂

LODHA & CO

EMISSION

**MANAGING
GHG RISK &
UNDERSTANDING
EMISSION
INVENTORY
2022**



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INTRODUCTION

According to NGRBC, firms should make an effort to make sure that resource-efficient and low-carbon processes and technologies are used when creating, producing, and making goods and services available in order to minimise negative environmental and social impacts. Businesses can also work to increase their environmental performance by using cutting-edge, resource-saving, and low-carbon technologies and solutions that will have a good influence on the environment, the economy, and society while consuming less resources.

The six greenhouse gases that are also included by the Kyoto Protocol should be included in GHG accounting, including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆).

NGOs, investors, and other stakeholders are urging increased corporate disclosure of GHG data as concerns about climate change intensify. They are curious about the steps businesses are taking and where they stand in relation to their rivals in light of new rules. As a result, an increasing number of businesses are creating stakeholder reports that include data on GHG emissions. These could be stand-alone GHG emissions reports or more comprehensive environmental or sustainability reports. Incorporate information on GHG emissions in accordance with the GHG Protocol Corporate Standard, for instance, when businesses prepare sustainability reports in compliance with the Global Reporting Initiative criteria (GRI, 2002). Additionally, transparency in reporting helps improve ties with other stakeholders. For instance, by being acknowledged for taking part in voluntary GHG programmes, businesses can enhance their reputation with clients and the general public.



STEPS IN DESIGNING INVENTORY MANAGEMENT



**Establish Inventory
Quality Team**



**Develop Quality
Management Plan**



**Perform Generic
Quality Checks**



**Perform Source-Specific
Quality Checks**



**Review Final Inventory
Estimates and Reports**



**Institutionalize
Formal Feedback Loops**



**Report, Document,
and Archive**

BUSINESSES SHOULD DESIGN THEIR INVENTORY MODELS KEEPING BUSINESS GOALS IN MIND

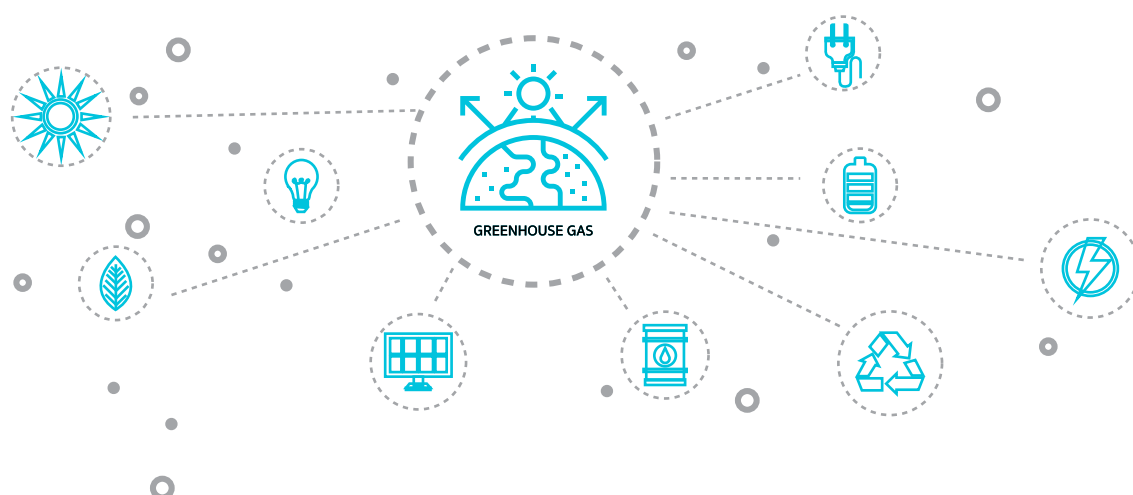
A greenhouse gas (GHG) inventory is a list of emission sources and the associated emissions quantified using standardized methods.

A well-designed and maintained corporate GHG inventory can serve several business goals, including:

- 01 ► Managing GHG risks and identifying reduction opportunities
- 02 ► Participating in voluntary or mandatory GHG programs
- 03 ► Participating in GHG markets
- 04 ► Achieving recognition for early voluntary action

Businesses must examine their processes over time in order to recognise trends and maintain completeness. Companies must be aware of emerging trends. For instance, Volkswagen is the biggest and most well-known automaker in the world. Volkswagen discovered that the composition of its emission sources had changed significantly over the previous 7 years while completing its GHG inventory. The corporation discovered that manufacturing process emissions, which were deemed insignificant at a corporate level in 1996, now account for over 20% of total GHG emissions at the relevant plant sites. Examples of expanding emissions sources include new locations for engine testing or the purchase of magnesium die-casting machinery at specific manufacturing facilities. This illustration demonstrates the necessity of routinely reviewing emissions sources in order to maintain an accurate inventory throughout time.

In order to effectively combat GHG, it is crucial to understand where they come from. Herein lies the contribution of renewable energy, which not only aids in the solution of this issue but also helps to keep the company's reputation intact. It's crucial to account for indirect emissions. The WRI's Green Power Market Development Group member IBM, a major provider of information technology, has methodically accounted for these indirect emissions and thereby found the substantial opportunity to cut them.



THE ALIGNMENT OF BRSR WITH THE EMISSION POLICY

For effective implementation, the BRSR seeks to seamlessly align with the ESG and the relevant legislation. All Indian citizens are required by Article 51A(g) (Part IV A) of the Indian Constitution to preserve and conserve the natural environment, including forests, lakes, rivers, and animals. Even though a corporation is not regarded as a citizen, it is nevertheless a collection of citizens. Consequently, they are equally required to take actions that contribute to preserving and reclaiming the environment.

The business must take steps to prevent greenhouse gas emissions that lower atmospheric carbon levels and ultimately impede global warming. Companies are encouraged to initiate efforts on their own since there is no legislation requiring India to reduce its carbon economy. On the other hand, India has a number of laws in place to control garbage emission. These include the Hazardous Waste Management Regulations, the National Green Tribunal Act (2010), the Air (Prevention and Control of Pollution) Act (1974), the Water (Prevention and Control of Pollution) Act (1981), and the Environment Protection Act (1986). The GRI 306, which are international standards for sustainability reporting, lays out the reporting criteria for the subject of trash. This extensive booklet contains guidelines and suggestions around trash. The management must give a general overview of the origins of garbage and how it affects the environment after that. The company's activities or future intentions to mitigate these effects should also be included in the report. The data should be organised and include specifics about the amount of trash created, its makeup, and its handling.

BUSINESSES SHOULD FOCUS TO REPLACE FOSSILFUELS WITH SUSTAINABLE ENERGY POWER

Businesses should take into account the effects of their industrial activities on the climate while setting climate goals and other environmental goals. They should work on reducing waste and emissions, use water more efficiently, and handle potentially dangerous products better. **In order to achieve net-zero value chain greenhouse gas (GHG) emissions from operations, switch from fossil fuels to renewable energy sources with low GHG intensity, such as wind, solar, and hydropower is needed.** This will in turn shorten the consumer lead time and the CO2 footprint will be actively reduced. Additionally, businesses should push their suppliers to routinely reduce, if not completely eliminate, their greenhouse gas emissions. In this way, they should look for business partners with whom they can collaborate in support of the Paris Agreement and other global climate goals.

CONCLUSION

There are several facets to the idea of GHG emission efficacy. As "leakage" of carbon or other GHG will not have any positive effects on the global environment, the policy must cut emissions rather than displace them in order to be effective at mitigating GHG. Policies might also need to focus less on enhancing the performance of specific subsystems and more on the big picture. For instance, altering the outputs of industrial processes or changing their inputs may be more effective at reducing GHG emissions than improving a process's energy efficiency.



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