

TERI launches new initiative on SRI in India

With growing global interest in the linkages between investment, corporate responsibility and sustainable development, The Energy and Resources Institute (TERI) is launching the first assessment of the potential for sustainable and responsible investment (SRI) in India.

Led by TERI's London office (TERI Europe), the initiative builds on the growing awareness of the investment relevance of issues such as good governance, business ethics, human resources, environmental management and energy use, as well as community impacts. In India, the business community acknowledges the need to involve financial markets in their efforts to integrate responsible business practices into corporate strategy. In addition, foreign portfolio investors are introducing environmental, social and governance (ESG) factors into their investment decisions.

This project seeks to assess how sustainability and responsibility factors can be integrated into investment decision-making in the Indian context. It will identify ways in which the investment community can be mobilised to support the progress of enhanced practices that are aligned to India's wider development needs.

The project will study the current state of ESG in the investment chain in India and review the relevance of international experience in SRI for India. The project will carry out:

- An opinion poll of Indian investor expectations of governance, social and environmental issues
- A survey of major domestic and foreign funds to understand how they incorporate corporate governance, ethical, social and environmental factors into investment and voting.
- Interviews with leading Indian investment banks to evaluate how they integrate ESG issues into their financial analysis
- A review of how key Indian listed companies communicate ESG performance to the financial community.
- A review of ESG standards addressed by global investors
- An analysis of the main global trends in SRI investment and relevance for India

A steering group of members from the Indian and European investment communities will guide and evaluate the content of the project.

The project is supported by the Global Opportunities Fund of the UK Foreign and Commonwealth Office.