

## Navigating Sustainability Reporting in Bhutan

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### ABSTRACT

There is increasing awareness among stakeholders concerning sustainable operations and ethical conduct of businesses. Sustainability (ESG) Reporting by companies is a rapidly evolving field with a variety of reporting frameworks. The range of ESG metrics and disclosure frameworks used is vast and varies by sector, size and complexity, as well as location. The Kingdom of Bhutan has been following the development paradigm based on the philosophy of 'Gross National Happiness' (GNH) since the early 1970s. The country has incorporated sustainable development into its development plans, focusing on energy, transportation, and agriculture. Bhutan's unique approach to sustainable development emphasizes ecological and cultural preservation, aiming to minimize its ecological footprint. Bhutan remains highly vulnerable to climate change hazards associated with its fragile mountain ecosystem. Climate change can have an adverse impact on hydropower generation which is the largest contributor to the economy. In addition, the terrain and livelihoods can be sensitive to climate change phenomena like flash floods, glacial lake outbursts and variations in rainfall. GHG emissions are on the rise due to the inefficient use of energy. Sustainability reporting in Bhutan is still in its developing stages but is steadily gaining momentum. The initiative to introduce a framework for sustainability reporting in Bhutan is being driven by the Royal Securities Exchange of Bhutan (RSEB). Currently the RSEB does not have requirements for an annual sustainability report from the listed companies. It also does not offer written guidelines or training for ESG reporting. This study analyses the ESG metrics in the latest annual reports of the companies listed on RSEB and benchmarks them against the BRSR reports filed by Indian companies in the same industry sector. The analysis highlights the risks of ESG impacts for the industry sector, and how companies have taken steps to mitigate them. The study finds the ESG reporting in Bhutan is in a nascent stage and does not have a framework for reporting ESG metrics. As Bhutan becomes more industrialized and more urbanized, it faces increased risk of harmful environmental impact. An early initiative to ensure that the companies manage the ESG risks and share information transparently through reporting conforming to accepted international frameworks would allow Bhutan to reduce the negative impacts. Bhutan has to develop an ESG reporting framework which is consistent with its GNH philosophy and unique socio-cultural ecosystem.

**Keywords:** ESG Reporting, Sustainability, Bhutan, Gross National Happiness.

### Introduction

#### Sustainability Reporting

There is increasing awareness among stakeholders concerning sustainable operations and ethical conduct of businesses. A similar understanding has been growing among international organizations, governments, businesses and market regulators as far as corporate governance decision making and investor relations is concerned. A sustainable company has a positive impact on the global and local environment and community while integrating sustainability issues into the core of its business and strategy. This would allow the company to reduce operating costs and limit reputational, legal and regulatory risks.

Sustainability reporting refers to the process by which organizations disclose their environmental, social, and governance (ESG) impacts in a transparent and accountable way. This type of reporting provides insights into how businesses manage non-financial risks and opportunities, to track progress toward achieving sustainability targets, enhance corporate accountability, and support decision-making for stakeholders, including investors, governments, and the public. It covers areas such as carbon emissions, resource use, labour practices, community impact, and governance structures.

Sustainability reporting is a rapidly evolving field with a variety of reporting frameworks, with some overlapping requirements but no global consistency (Sinha, 2024). The range of ESG metrics and disclosure frameworks used is vast and varies by sector, size and complexity, as well as location. ESG frameworks offer a structured and measurable approach, focusing on how companies manage environmental risks, social impacts, and governance standards. Now, the terms ESG reporting and sustainability reporting are used interchangeably.

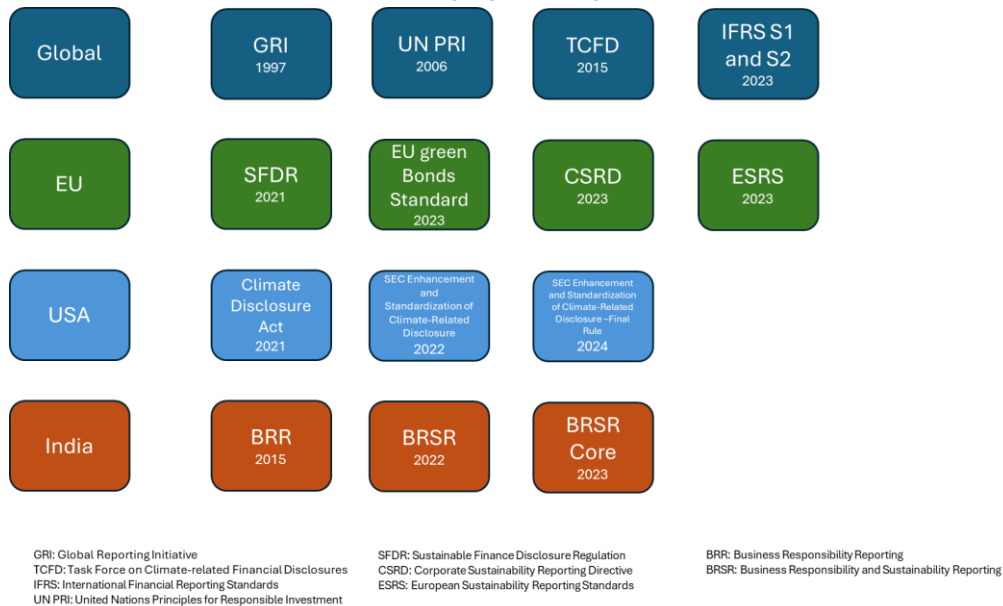
**Evolution of ESG Reporting**

ESG reporting has evolved over the years. In 2006, the United Nations Principles for Responsible Investment (PRI)<sup>i</sup> mentioned ESG issues for the first time. It started with 63 signatories and USD 6.5 trillion Assets under management (AUM) in 2006 which has grown to 5,345 signatories (4,827 investors and 518 service providers) and USD 128.4 trillion AUM on 31 March 2024.

The Paris Climate Agreement signed in 2015<sup>ii</sup>, helped put increased focus on sustainability and sustainability reporting. It is a legally binding international agreement signed by 196 parties who have agreed to limit the rise in global average temperature to 2 degree Celsius. This entails reduction in emission of greenhouse gasses and achieving Net Zero Carbon emissions. Hence companies are looking into strategies to cut their carbon emissions and investors are looking to invest in companies that are aligned to the goal of Paris agreement.

The major ESG reporting frameworks developed across the world are GRI<sup>iii</sup>: Global Reporting Initiative, TCFD<sup>iv</sup>: Task Force on Climate-related Financial Disclosures, IFRS<sup>v</sup>: International Financial Reporting Standards, SFDR<sup>vi</sup>: Sustainable Finance Disclosure Regulation, CSRD<sup>vii</sup>: Corporate Sustainability Reporting Directive, ESRS<sup>viii</sup>: European Sustainability Reporting Standards. In India, the BRR<sup>ix</sup> (Business Responsibility Reporting) and BRSR<sup>x</sup> (Business Responsibility and Sustainability Reporting) reporting standards have been introduced by the market regulator, Securities and Exchange Board of India, SEBI.

Timelines for various frameworks is highlighted in figure 1.



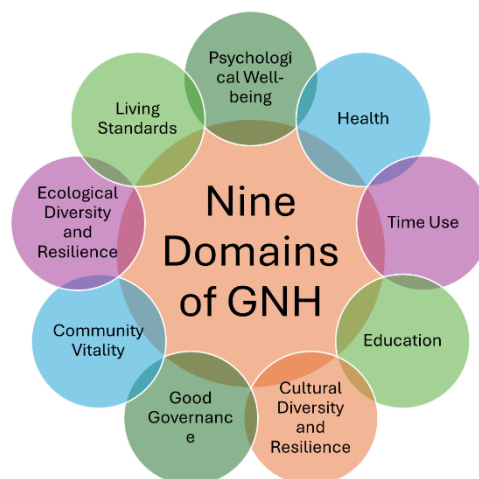
**Figure 1: Regulatory Drivers for ESG Reporting**

### Sustainability Scenario in Bhutan

The Kingdom of Bhutan is a small mountainous landlocked country in the Eastern Himalayas located between the countries of India and China. The country has been following the development paradigm based on the philosophy of 'Gross National Happiness' (GNH) since the early 1970s. Environmental conservation is central to Bhutan's GNH development philosophy and is well enshrined in its Constitution. The GNH Index score was used for the first time in the 12th Five Year Plan for allocation of resources.

The 13th five year plan (2024-2029)<sup>xi</sup> lays down a long term goal for Bhutan to become High-Income Gross National Happiness Economy by 2034. It focuses on transformation of the economy by emphasizing the three pillars of people, progress and prosperity, also called the "3Ps".

The country has incorporated sustainable development into its development plans, focusing on energy, transportation, and agriculture. Bhutan's unique approach to sustainable development emphasizes ecological and cultural preservation, aiming to minimize its ecological footprint. The government has established a green national infrastructure, promoting eco-friendly practices and renewable energy sources. The Royal Government of Bhutan has also introduced the "Green Tax" to discourage single-use plastics and promote sustainable consumption. This emphasis on sustainability sets a positive example for other nations.



**Figure 2: Nine Domains of GNH**

Bhutan's economy has grown by an average of 7.2% between 2000 and 2019<sup>xii</sup>. The GDP growth rate in 2023 was 4.63%. The largest contributor to the economy is hydropower generation which accounted for 27% of the total exports in 2019. The hydropower generation will offset 22.4 million tons of CO<sub>2</sub> per year by 2025. Bhutan has over 70% of the land area covered by forests which sink more than 6.3 million tons of CO<sub>2</sub> annually. This is about three times the annual emissions making Bhutan a carbon negative country.

Bhutan is generally considered on track in implementing the SDGs, with strong performance in poverty reduction, health, education, and climate action, though gaps remain in employment, gender equality, inequality, and SDG financing<sup>xiii</sup>. This is part of the National Environmental Strategy (2020) and the Economic Development Policy (2016). The National Strategy and Action Plan for Low Carbon Development (2012) has guidelines to manage emissions from industries, agriculture, animal husbandry, municipal waste and transport. Bhutan's second Nationally Determined Contribution (2021)<sup>xiv</sup> maintains the commitment to remain carbon neutral. The National Adaptation Program (NAP, 2023)<sup>xv</sup> lays stress on planning that is country driven, gender sensitive, participatory, and fully transparent, taking into consideration vulnerable groups, communities, and ecosystems.

### ESG Risks -Bhutan

Bhutan remains highly vulnerable to climate change hazards associated with its fragile mountain ecosystem. Climate change can have an adverse impact on hydropower generation which is the largest contributor to the economy. In addition, the terrain and livelihoods can be sensitive to climate change

phenomenon like flash floods, glacial lake outbursts and variations in rainfall. GHG emissions are on the rise due to the inefficient use of energy. Emissions from the waste sector have increased by 126.7% and those from the forest sector have increased by over 100%, compared to 1994 levels<sup>xvi</sup>. The fast pace of urbanization, which at 5.7% is highest in South Asia<sup>xvii</sup>, leads to increased stress on waste management, air quality and water resources. Climate change can also have an adverse impact on tourism sector.

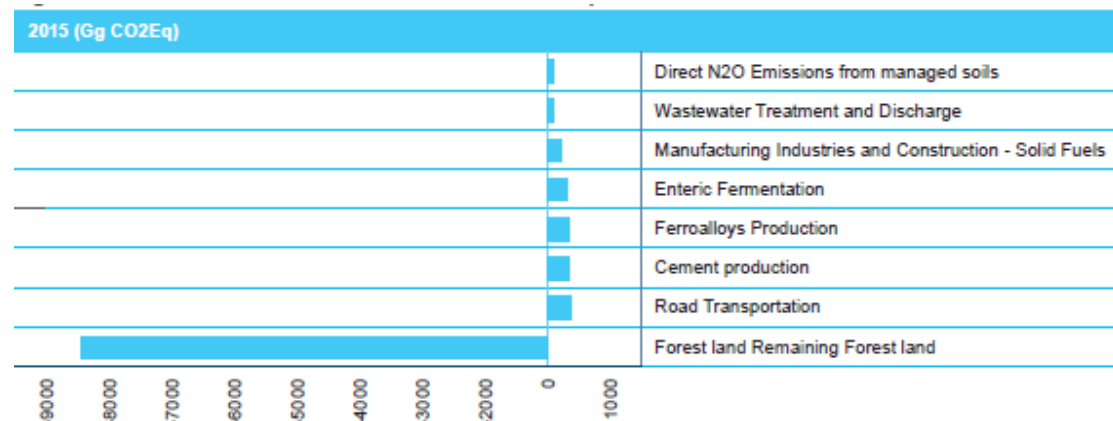
Although Bhutan's forest cover exceeds 70% of the land area, Bhutan is a net importer of wood-based products. Feuerbacher (Feuerbacher et al., 2016) studied possibilities for charcoal production in Bhutan and find that the country can increase utilization of the forests without affecting the forest cover targets.

The Environmental Performance Index (EPI)<sup>xviii</sup> of 2024, ranks Bhutan 103 out of 180 countries globally. Bhutan scores well on Biodiversity, forest and ecosystem vitality. The EPI scorecard highlights challenges faced by Bhutan especially for air pollution, environmental health and climate change.

**Table 1: EPI Scorecard, Bhutan, 2024**

Indicator	Rank	Score	10y Δ
Environmental Performance Index	103	43.3	6.8
Ecosystem Vitality	47	59.9	3.4
Environmental Health	158	22.5	4.2
Biodiversity & Habitat	29	65.7	-0.9
Forests	1	86.7	5.3
Air Pollution	139	50.9	21.2
Water Resources	116	24.9	0
Agriculture	133	44.7	-4.8
Sanitation & Drinking Water	124	35	5.3
Heavy Metals	134	33.9	2.8
Waste Management	69	35.8	2.1
Climate Change	131	35.3	14.6

While Bhutan CO<sub>2</sub> emission is net negative, the largest emissions come from Cement, Alloys and road transport (figure 4). As the economy grows, Bhutan has a risk to reduce the net gap between emissions and sinking of CO<sub>2</sub>.



**Figure 3: CO<sub>2</sub> Equivalent Emissions, Bhutan. Source: Bhutan Country Environmental Analysis, 2024, World bank**

### Sustainability Reporting in Bhutan

Sustainability reporting in Bhutan is still in its developing stages but is steadily gaining momentum, aligning with the country's broader commitment to sustainability, most notably through its Gross National Happiness (GNH) philosophy. Bhutan's focus on holistic well-being rather than just economic growth influences its approach to sustainability, making environmental and social considerations an integral part of development.

The initiative to introduce a framework for sustainability reporting in Bhutan is being driven by the Royal Securities Exchange of Bhutan (RSEB) as has been in the practice in many countries including the USA and India. RSEB has been working towards a framework that encourages listed companies to adhere to sustainable practices, making it easier for socially conscious investors to locate investments that align with their values.

### Royal Securities Exchange of Bhutan (RSEB)

The Royal Securities Exchange of Bhutan (RSEB) was established in August 1993 and officially opened for trading on 11th October 1993. It was established as a non-profit making and quasi-public organization under the aegis of the Royal Monetary Authority (RMA). Developed under the Technical Assistance of the Asian Development Bank, RSEB was incorporated under the Companies Act of the Kingdom of Bhutan, 2016 and is regulated by the Financial Services Act 2011.

The stock exchange currently has 18 companies which are listed. The details of the listed companies are given below<sup>xix</sup>

**Table 2: Listed Companies on RSEB (source RSEB)**

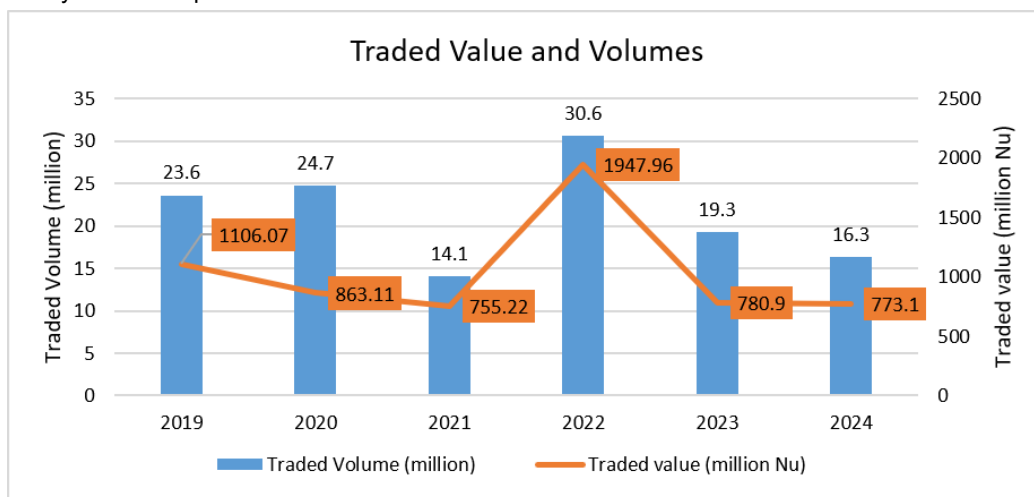
SI	Company	Established	Listed	Paid Up Shares (number)	Sector	Sub-Sector
1	BHUTAN BOARD PRODUCTS LTD.	1983	1993	1,40,00,140	MANUFACTURING	Wood products
2	BHUTAN CARBIDE & CHEMICALS LTD.	1986	1993	1,00,00,000	MANUFACTURING	Chemicals
3	BHUTAN FERRO ALLOYS LTD.	1990	1995	1,50,00,000	MANUFACTURING	Alloys
4	BHUTAN INSURANCE LTD.	2009	2009	3,00,00,000	INSURANCE	Insurance
5	BHUTAN NATIONAL BANK LTD.	1980	1996	39,50,32,311	BANKING	Bank
6	BHUTAN POLYMERS COMPANY LTD.	1997	1997	24,93,340	MANUFACTURING	Chemicals
7	BHUTAN TOURISM CORPORATION LTD.	1990	1994	20,94,000	TOURISM	Tourism
8	DRUK FERRO ALLOYS LTD.	2009	2009	2,89,77,620	MANUFACTURING	Alloys
9	DUNGSAM POLYMERS LIMITED	2010	2013	1,52,72,350	MANUFACTURING	Chemicals
10	DRUK PNB BANK LTD.	2008	2010	8,40,02,022	BANKING	Bank
11	DRUK WANG ALLOYS LTD.	2005	2008	1,56,26,245	MANUFACTURING	Alloys
12	GIC BHUTAN REINSURANCE CO. LTD.	2013	2014	11,00,00,000	INSURANCE	Insurance
13	KUENSEL CORPORATION LTD.	1967	2007	50,00,000	PUBLISHING	Publishing
14	PENDEN CEMENT AUTHORITY LTD.	1974	1993	3,40,00,070	MANUFACTURING	Cement
15	ROYAL INSURANCE CORPORATION OF BHUTAN LTD.	1975	1993	14,00,00,180	INSURANCE	Insurance
16	STATE TRADING CORPORATION OF BHUTAN LTD.	1968	1997	1,80,00,160	DISTRIBUTION	Trading
17	SHERZA VENTURES LIMITED	2019	2019	1,89,96,120	TRADING	Trading
18	T BANK LTD.	2010	2011	6,00,25,223	BANKING	Bank

The market capitalisation of the listed companies has shown an overall growth of approximately 20% between 2019-2024<sup>xx</sup>



**Figure 4: Market Capitalization of Companies: RSEB**

The trading volume and trading value in the stock exchange has shown a varied performance over the years with dips observed in 2021 and 2023.



**Figure 5: Traded volumes and value: RSEB**

RSEB has been working towards a framework that encourages listed companies to adhere to sustainable practices, However, currently the RSEB does not have requirements for an annual sustainability report from the listed companies. It also does not offer written guidelines or training for ESG reporting. Aligning with Bhutan’s commitment to sustainability, the RSEB had taken steps to promote the issuance of green bonds while recognising that traditional methods to develop sustainable finance would not be suitable for Bhutan.

**Sustainability Reporting Practices of Companies in Bhutan: A Few Case Studies**

An analysis of the filed reports for years 2023 and 2022 for the listed companies reveals that no specific reporting is made for the ESG parameters in the annual reports. However generally companies have reported about details on Corporate Governance, CSR Initiatives and risk and risk management. Few excerpts from the annual reports have been highlighted below.

**Reporting on Corporate Governance**

Companies have reported on Corporate Governance with the details of Board of Directors, meetings held and sitting fees, e.g., Bhutan Board Products Limited

(2) **Board Composition**  
 The Board is composed of seven directors, one of whom is the Managing Director. DHI appoints three members, while two members are nominated by minority shareholders, and there is one independent director. All director appointments are approved during the general meetings.

(3) **Board Meetings**  
 Five Board Meetings were held in the year 2023, adhering to the quorum requirements and the minimum gaps between meetings as specified by the Companies Act of Bhutan 2016. The following are the dates of the meetings and the attendance records of the Directors:

(a) Dates of Board Meetings held in 2023

S/N	Board Meeting Dates	Board Meeting Nos
1	28 <sup>th</sup> March, 2023	161 <sup>st</sup> Board Meeting
2	27 <sup>th</sup> May, 2023	162 <sup>nd</sup> Board Meeting
3	04 <sup>th</sup> August, 2023	163 <sup>rd</sup> Board Meeting
4	20 <sup>th</sup> October, 2023	164 <sup>th</sup> Board Meeting
5	15 <sup>th</sup> December, 2023	165 <sup>th</sup> Board Meeting

**Figure 6: Extract from Annual Report of Bhutan Board Products Limited 2023**

**Reporting on CSR Initiatives**

A few companies have reported on CSR initiatives, for example, Bhutan Board Products Limited.

**Corporate Social Responsibility**  
 Corporate Social Responsibility (CSR) in a particleboard manufacturing plant entails maintaining a good balance between economic, environmental, and social responsibilities. The company strongly prioritizes CSR, embedding it into its business operations to promote sustainable development. In 2024, the company implemented several key CSR initiatives, including:

a. To minimize deforestation and prevent pest infestation, the company utilized wood waste from thinning operations at Kawang and Chanachen, along with off-cuts from sawmills and billets from sanitization. Additionally, plantations were carried out on 40 acres of leased land in Chukha Dzongkhag, contributing to a reduction in the company's carbon footprint.

5 BHUTAN BOARD PRODUCTS LIMITED

**Figure 7: CSR Statement - Bhutan Board products Limited, Annual Report 2024**

**Reporting on Risks**

The Bhutan National Bank Limited has reported on risks and risk management. However, environmental, social and governance risks have not been recognised

**NOTE 38: RISK MANAGEMENT**

The Bank has an integrated risk management policy in place which provides a robust framework for risk identification, measurement, controlling, monitoring, mitigating and reporting through proper tools and methodologies. The major categories of risks that the policy emphasizes are credit risk, market risk, operational risk and the liquidity risk. These risks are addressed through board approved policies and tolerance limits which are monitored and reported regularly.

**Figure 8: Risk Management -Bhutan National bank Limited, Annual Report 2024**

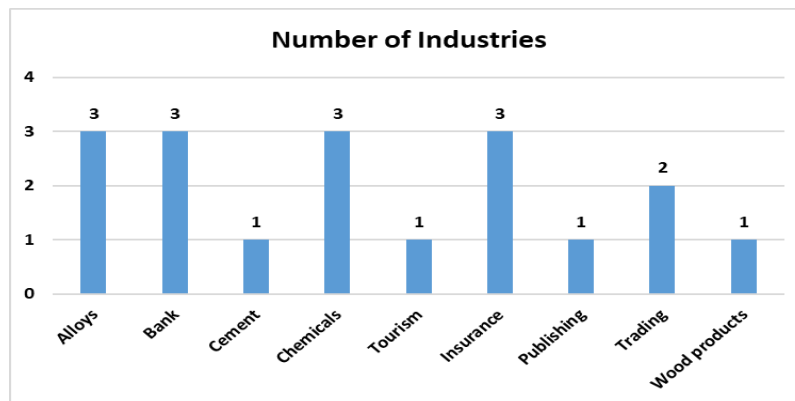
### Benchmarking Sustainability Reporting in Bhutan with Indian Companies

While Bhutan has performed exceedingly well in managing its natural resources to generate a sustainable living for its people, there is much to be done to ensure that the corporates report and manage the ESG indicators for their operations, in line with global practices. For benchmarking, ESG metrics reported by Bhutan and Indian Companies operating in the same industry sectors have been compared. The comparison has been done with Indian companies since India is largest trading partner of Bhutan and has implemented sustainable reporting through the BRSR reports.

The filing of Business Responsibility and Sustainability Report (BRSR) by listed companies, has been mandated in India by Securities and Exchange Board of India (SEBI) from financial year 2022-23. The BRSR Report has nine principles<sup>xxi</sup> for reporting on different ESG indicators.

The BRSR reports for the Indian Companies have been downloaded from Bombay Stock Exchange. The Annual reports for Bhutan companies have been downloaded from company portal or RSEB portal.

The 18 listed companies on the RSEB can be grouped into industry sub-sectors as in the figure below.



**Figure 9: Industry Sectors of Listed Companies on RSEB**

The majority (66.67%) of companies are in Banking, Insurance, Chemicals and Alloys sectors. Taking examples from the ESG reports filed by the companies in India for similar industry sectors, sustainability risks for the companies listed on RSEB have been identified in the section below.

#### Industry Sector: Alloys

Bhutan Ferro Alloys Ltd., Druk Ferro Alloys Ltd. and Druk Wang Alloys Ltd. are the companies working in Alloys sector in Bhutan. Annual report from JSW Steel filed in India<sup>xxii</sup> has been taken up to highlight the ESG reporting best practices in this sector.

JSW steel identifies ESG risks and opportunities to their operations as given in the table below. They also list down mitigation measures to address the risks and measures to tap the opportunities

**Table 3: Risks and Opportunities (BRSR Report JSW Steel, 2024-25)**

Risks	Opportunities
Air emissions and air quality management	Economic Performance
Biodiversity	Occupational health and safety
Business Ethics including Anticorruption	Diversified product portfolio
Energy use and management	Technology, product and process innovation
Human Rights management	Water resource use and management
Climate change and emissions management	Training and education
Resource use and management	Investment in clean technology and Environmentally friendly products along with Digitalisation and automation
Vendor management and development	
Wastewater	
Waste management and Circular economy	

Some of the mitigation measures are captured in the extract from the BRSR report, copied below.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Air emissions and air quality management	Risk	A key parameter for measurement of our environmental performance. Our systems must be in place to maintain our emissions under statutory limits, which if exceeded may lead to negative impact on local consideration and regulatory authority	We are committed to preventing, abating and mitigating our emissions to air and have dedicated policies addressing point and non-point source emissions. Annual targets are created and assessment is done monthly. Best available technologies are adopted to mitigate this.	Negative

**Figure 10: Risks and Mitigation, extract from BRSR JSW steel**

Since manufacturing operations lead to consumption of resources like electricity and water, JSW steel tracks their consumption of these resources and list measures to change to a source that has lower environmental impact. Another aspect of sustainable operations is reduction in emissions of harmful effluents and greenhouse gasses (GHG). JSW steel reports emissions of GHGs (and also non GH gasses) and lists down steps being taken to reduce the emissions.

Parameter	Unit	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Ton CO <sub>2</sub>	5,31,00,751.63	5,21,06,566.00
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Ton CO <sub>2</sub>	16,53,056.65	10,61,079.00
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	Ton CO <sub>2</sub> /₹	0.00004356	0.00003979
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	Ton CO <sub>2</sub> /USD	0.00090008	0.000891
Total Scope 1 and Scope 2 emissions intensity in terms of physical output	Ton CO <sub>2</sub> /tcs	2.436	2.44
Total Scope 1 and Scope 2 emissions intensity (optional) - the relevant metric may be selected by the entity			

**Figure 11: GHG Emissions -extract from BRSR JSW steel**

<p><b>2. Our roadmap to 2030 includes –</b></p> <ul style="list-style-type: none"> <li>▶ Focus on Energy and Process Efficiency</li> <li>▶ Energy Transition for De-carbonisation</li> <li>▶ Improving the raw material quality</li> <li>▶ Material circularity through increase usage of scrap</li> <li>▶ Alternative fuel sources</li> </ul>
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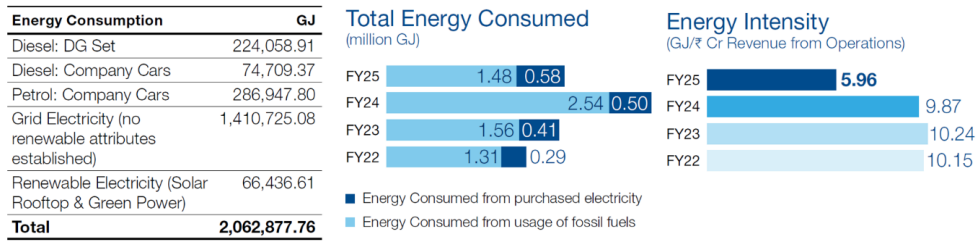
**Figure 12: Steps to reduce GHG Emissions- extract from BRSR JSW steel**

Waste management and circularity practices have been reported in detail by JSW steel.

### Industry Sector: Banks

Bhutan National Bank Ltd., Druk PNB Bank Ltd. and T Bank Ltd. are the listed Banks on the RSEB. HDFC bank is the largest bank by market capitalization in India. To represent the best sustainability reporting practices in this sector, sustainability report by HDFC bank<sup>xxiii</sup> has been analysed.

Banks are a large consumer of electricity mainly due to their datacentres. This also leads to GHG emissions during the electricity generation process. HDFC bank lists the energy consumption from electric supply and from fossil fuels.



**Figure 13: Energy Consumption- extract from BRSR HDFC Bank, 2024-25**

Total Scope 1, Scope 2 and Scope 3 emissions are reported. Measure to reduce GHG emissions across value chain are also reported. HDFC also reports waste generated from its operations and how much of it has been recycled. Details of these reports can be accessed in the sustainability report of HDFC bank and are not being shown in this study.

S.No	Category of Waste	Total Collected Quantity (tonnes)	Total Waste recovered through recycling, re-using or other recovery operations (tonnes)	Total Waste Diverted to Disposal (tonnes)
1	Plastic waste	105.91	11.77	94.14
2	E-waste	165.39	133.77	31.62
3	Battery waste	34.13	34.13	0.00
4	Other Hazardous waste (DG Oil)	69.06	1.90	67.16
5	Other Non-hazardous waste generated	297.02	48.36	248.66
6	Paper waste (Other Non-hazardous waste)	3,401.59	191.89	3,209.70
<b>Total</b>		<b>4,073.11</b>	<b>421.82</b>	<b>3,651.29</b>

**Figure 14: Waste management- extract from BRSR HDFC bank**

**Industry Sector: Insurance**

Bhutan Insurance Ltd., GIC Bhutan Reinsurance Co. Ltd. and Royal Insurance Corporation of Bhutan Ltd. are the insurance companies listed on the RSEB. Sustainability report from Life insurance Corporation of India (LIC)<sup>xiv</sup> has been analysed to identify best practices in this sector.

LIC identifies Human capital as both a risk and an opportunity for their business. Since it employs more than 1 lakh employees, this is critical factor for their operations. It reports the training imparted to its employees in its sustainability report

The number of participants trained in various sessions conducted in-house by MDC and other training institutions number 1,15,911. The participants trained in external training institutes including NIA numbered 6,406. Thus 1,22,317 participants were trained with some having attended multiple training sessions on different subjects and on change of roles during the same period. Also during the financial year 2024-25, for fire drill the number of employees covered were 65,794 and 10,921 employees were trained on other modules. A total of 76,715 employees were thus covered out of 91,606 employees.

**Figure 15: Employee training- extract from BRSR LIC**

LIC reports 100% coverage for Accident Insurance, health insurance, maternity and paternity benefits for its employees

Category	% employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	69740	69740	100	69740	100	69740	100	69740	100	NIL	NIL
Female	21866	21866	100	21866	100	21866	100	21866	100	NIL	NIL
Total	91606	91606	100	91606	100	21866	100	69740	100	NIL	NIL
Other than Permanent Employees											
Male	13	3	23.08	0	0	0	0	0	0	0	0
Female	1	0	0	0	0	1	100	0	0	0	0
Total	14	3	21.43	0	0	1	100	0	0	0	0

**Figure 16: Employee Benefits extract from BRSR -LIC**

**Industry Sector: Chemicals**

An industry operating in chemicals sector generates hazardous waste through its operations and it is important to limit the impact on environment and life due to the waste. Tata Chemicals reports the total generation of waste in its BRSR report.

Parameter	FY 2024-25	FY 2023-24
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	1,399	2,566
E-waste (B)	40	20
Bio-medical Waste (C)	13	11
Construction and demolition waste (D)	15	216
Battery Waste (E)	13	12
Radioactive Waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	43,011	41,731
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	465,746	4,56,535
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>5,10,229</b>	<b>5,01,091</b>

**Figure 17: Waste generated, extract from BRSR Tata Chemicals**

The Company also highlights the practices to reduce and manage waste

The Company ensures responsible waste management practices involving recycling of plastic waste as per applicable EPR PWM, recycling and reuse of waste oil in the CRS dryer, fly ash utilisation, the waste generated in Mithapur Soda Ash plant gets consumed within the premises in our Cement plant as input material and hence the Company producing the value-added product out of waste.

**Figure 18: Waste Management, extract from BRSR Tata Chemicals**

**Conclusion and Suggestions**

Bhutan promoted the idea of development with the GNH concept in the early 1970s long before the concept of sustainable development became a global priority. The latter notion rests on the proposition that real development cannot be sought on the basis of economic progress only but has to take place in harmony with social, spiritual and environmental wellbeing of the people. Bhutan's unique approach to well-being and development, through GNH, provides a foundation for integrating sustainability into national reporting. However, there's still a need for further institutionalization and standardization of sustainability reporting practices in the country

Bhutan encourages green growth by industrial and private sector development. However, the economic development policy<sup>xv</sup> (2016) recognises that there is more to be done to address the constraints to business growth. Bhutan envisages that Private sector investment is to be allowed in all areas except those listed in the Prohibited List. To encourage growth the private sectors and skill development, Bhutan is setting up an autonomous Entrepreneurship Development Institute. A Public Private Partnership (PPP) Policy is being implemented to facilitate private partnership in infrastructure projects. The government is in the process of identifying skill gaps to address the requirements of the industry.

As Bhutan's economy grows through expansion of hydropower, manufacturing and services sector, it needs to take steps that economic growth does not come at the cost of environmental impacts that has been the case in rest of the world. Having a robust mechanism to monitor and control the environmental impact through regular reports by the companies is essential towards this goal.

While this study compares the ESG reporting practices of India with Bhutan for benchmarking, Bhutan has a unique socio-cultural and economic ecosystem with a GNH being the driving national philosophy. Hence, Bhutan must develop a ESG reporting framework that is in line with Global frameworks but is customised to the local scenario.

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