



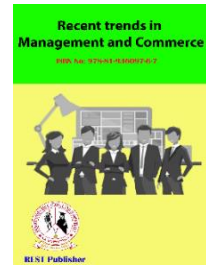
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RAISE-ing ESG in India's Real Estate Sector: A New Framework for Purposeful Profitability

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Abstract: This paper addresses the need for a clarified understanding of health administration in contemporary healthcare systems. Through a qualitative inquiry involving expert consensus, it proposes a novel construct that extends beyond traditional healthcare facility management. The resulting definition incorporates the influence of social determinants, intersectoral collaboration, and ecological perspectives, offering a foundation for advancing health system efficacy, resilience, and equitable service delivery.

1. INTRODUCTION

Across the globe, companies are increasingly recognizing the value of Environmental, Social, and Governance (ESG) practices as more than just regulatory requirements. ESG has become a strategic tool for differentiation, trust-building, and long-term profitability. In India, with its economy poised to reach USD 4 trillion (Ministry of Finance, 2023), ESG is at the center of corporate transformation. This is especially true for the real estate sector, which plays a significant role in both economic development and environmental impact.

Real estate development is responsible for nearly 39% of global carbon emissions (UNEP, 2021), and in India, it accounts for around 25% of energy consumption (BEE, 2022). Given this footprint, integrating ESG into real estate operations isn't just ethical; it's essential. As regulatory bodies like SEBI enforce more stringent ESG disclosure norms through frameworks like the Business Responsibility and Sustainability Reporting (BRSR), the momentum for change is undeniable.

At the 2023 G20 Summit in Delhi, four strategic ESG thrust areas were outlined: climate compliance, sustainable branding, digital infrastructure and AI, and green/digital skilling. Inspired by these, this paper introduces the RAISE framework – Responsible, Accelerated, Innovative, Sustainable, and Equitable – as a model to operationalize ESG in India's real estate sector profitably and meaningfully.

2. THE G20 CATALYST AND INDIAN REAL ESTATE

The G20 declaration marked a turning point in India's ESG journey. It not only elevated ESG to a policy imperative but also emphasized practical, industry-specific implementation. The Indian real estate sector, with its multifaceted influence on infrastructure, livelihoods, and urban sustainability, emerged as a key stakeholder.

According to a report by the World Economic Forum (2023), ESG-aligned infrastructure investment could generate over \$1.5 trillion in sustainable economic value globally by 2030. In India, where real estate contributes approximately 7% to GDP and is projected to reach \$1 trillion by 2030 (IBEF, 2023), the integration of ESG can unlock massive value.

The four focus areas identified by the G20 offer a blueprint for reimagining real estate development:

1. Climate Compliance
2. Sustainable Branding
3. Digital Infrastructure and Artificial Intelligence
4. Green and Digital Skilling

These areas go beyond environmental concerns to include the social and technological dimensions of ESG. The RAISE framework builds on this foundation, transforming broad mandates into actionable business strategies.

2.1 Climate Compliance: Aligning Real Estate with a Low-Carbon Future

Climate compliance has emerged as a non-negotiable component of business strategy in the built environment. Given the sector's immense resource consumption and emissions profile, Indian developers are being nudged—through both regulation and reputation pressure—towards climate-aligned construction.

The Environment Protection Act, Energy Conservation Building Code (ECBC), and SEBI's BRSR disclosures are formalizing compliance. But beyond laws, real estate firms are proactively adopting measures such as carbon accounting, passive design strategies, energy modeling, and climate risk assessments.

Example: The Lodha Group has implemented extensive energy conservation measures across its projects, including central solar water heating systems and low-E glass for thermal efficiency. It also reports on Scope 1 and 2 emissions in its sustainability report.

Strategic Levers:

- Conducting lifecycle carbon audits
- Using climate-resilient construction materials
- Integrating renewable energy sources onsite

Business Impact: Climate compliance not only fulfills obligations but significantly de-risks long-term investments. Green projects attract concessional green loans and often face fewer environmental clearances.

2.2 Sustainable Branding: ESG as a Differentiator in the Market

In an increasingly competitive real estate market, branding based on ESG leadership creates tangible value. Indian buyers—especially millennials—are aligning with brands that embody sustainability, transparency, and inclusivity.

Companies are not only earning green certifications but incorporating sustainability into their public relations, investor relations, and customer engagement strategies. Sustainable branding has evolved from an internal compliance metric to an external trust signal.

Example: DLF, a major real estate player, has embedded sustainability into its marketing campaigns, prominently highlighting its LEED Platinum-rated commercial projects and water-neutral campuses.

Strategic Levers:

- Publishing annual ESG/sustainability reports
- Certification-based marketing (LEED, GRIHA, IGBC)
- Social media narratives around community impact

Business Impact: Sustainable branding enhances valuation multiples, enables premium pricing, and facilitates deeper investor trust, particularly from global ESG-focused funds. According to a JLL report (2023), properties with visible ESG branding strategies command up to 7-10% higher valuations.

2.3 Digital Infrastructure and Artificial Intelligence: ESG's Technological Backbone

Digital transformation is foundational to ESG execution. Real-time monitoring, data analytics, and automation allow developers to operationalize and verify ESG metrics efficiently. AI and digital infrastructure enable:

- Predictive modeling of energy and water use
- Automation of HVAC and lighting systems
- AI-driven ESG data platforms for regulatory reporting

Example: Mindspace REIT utilizes a digital twin model to simulate energy use across its properties, enabling proactive maintenance and reduced energy costs. It also employs AI for tenant feedback loops and space utilization optimization.

Emerging Tools:

- Digital twins for environmental impact modeling
- Smart meters and IoT sensors for real-time utility tracking
- Blockchain for material sourcing and labor transparency

Business Impact: Digital ESG infrastructure reduces O&M costs, ensures regulatory readiness, and helps secure technology-linked green financing. A 2022 PwC India report notes that developers using advanced ESG tech platforms see up to 20% savings in operational expenditure.

2.4 Green and Digital Skilling: Empowering a Future-Ready Workforce

The transition to ESG-compliant real estate requires a fundamental shift not only in technology and regulation, but also in human capital. Green and digital skilling is critical to ensure that the workforce is equipped to deliver sustainable projects at scale.

Green jobs in construction and property management require new capabilities—ranging from energy-efficient design and renewable energy integration to digital building management systems and ESG reporting. This creates a massive opportunity to reskill existing workers and upskill new entrants.

Example: Mahindra Lifespaces, through its collaboration with NGO partners, launched skilling centers that train workers in green construction practices. Trainees receive certifications in water-saving masonry, eco-friendly insulation, and safety compliance, increasing both their employability and productivity.

Strategic Levers:

- Partnerships with vocational institutions and skill councils
- Digital literacy programs for site and office staff
- Integrating ESG modules into training curricula

Business Impact: Investing in green and digital skills leads to higher-quality construction, fewer workplace incidents, and lower employee turnover. According to a 2023 report by the Skill Council for Green Jobs, companies with integrated ESG skilling programs experienced a 15% boost in operational efficiency and 20% reduction in labor attrition.

3. THE RAISE FRAMEWORK: OPERATIONALIZING ESG PROFITABLY

To translate these priorities into actionable business strategies, this article proposes the RAISE Framework—a structured model designed to integrate ESG practices with profitability in real estate and architecture:

Pillar	Definition	Business Implication	Real-World Example
Responsible	Ethical governance, stakeholder engagement, and ESG-linked board oversight	Boosts brand trust, reduces reputational risk	Godrej Properties ensures board-level ESG oversight and community consultation in projects.
Accelerated	Fast-tracked implementation of climate and digital transitions	First-mover advantage, regulatory alignment	Brigade Enterprises launched sustainability-linked goals in 2022 and published its ESG strategy to attract green investors.
Innovative	Use of AI, smart building technologies, ESG analytics	Operational efficiency, improved reporting, reduced costs	Prestige Group uses IoT-enabled building systems to monitor energy, water, and air quality in commercial projects.
Sustainable	Long-term ecological balance, green certifications, resource optimization	Energy savings, green financing access	Tata Housing’s Serein project in Thane achieved IGBC Platinum rating through solar panels and rainwater harvesting.
Equitable	Inclusive growth, fair labor, community engagement	Enhanced social license, employee retention, lower attrition	Mahindra Lifespaces runs skilling programs for construction workers and promotes women in project management roles.

Each element of RAISE corresponds to one of the G20 priorities, enhanced with business relevance and execution potential.

Studies like Khan et al. (2016, Harvard Business Review) show that firms with strong ESG performance deliver higher long-term shareholder value. Similarly, MSCI (2022) found that real estate firms in emerging markets with ESG-aligned operations experienced lower cost of capital and higher investor confidence.

4. RESPONSIBLE: ETHICAL GOVERNANCE AND STAKEHOLDER ENGAGEMENT

The foundation of a successful ESG strategy in real estate lies in responsible governance. For Indian companies, this translates into setting up dedicated ESG committees, establishing whistleblower frameworks, and integrating ESG risks into boardroom discussions. A KPMG (2022) report on ESG maturity in India emphasized that real estate firms with clear ESG governance mechanisms saw improved investor trust and fewer regulatory penalties.

Godrej Properties serves as a case in point by embedding ESG within its leadership agenda. The company also engages with community stakeholders before project development, helping reduce legal disputes and enhancing local acceptance.

5. ACCELERATED: FROM VISION TO SCALABLE EXECUTION

Acceleration doesn't mean haste—it means strategic momentum. In India, this means aligning project pipelines with state and central sustainability policies (like PMAY-U or Smart Cities Mission), seeking early-stage green certifications, and using rapid ESG assessments for pre-approval processes.

Brigade Enterprises launched its public ESG roadmap in 2022. This included time-bound goals such as achieving carbon neutrality for operational assets by 2040 and increasing green building certifications across all future developments. This initiative improved investor sentiment, leading to higher subscription rates for its bond issues (Moody's, 2023).

6. INNOVATIVE: LEVERAGING PROPTECH AND ESG DATA SYSTEMS

Innovation is no longer optional. Real estate companies must integrate ESG with advanced technologies. Examples include:

- AI-powered environmental impact modeling
- Blockchain for transparent supply chains
- IoT for energy optimization
- Cloud-based ESG compliance dashboards

Prestige Group's use of smart building technology enabled 24/7 monitoring of energy use, HVAC efficiency, and indoor air quality. This tech-driven approach not only reduced operating costs but also attracted premium commercial tenants who prioritize wellness and ESG compliance.

According to CBRE (2023), 68% of institutional tenants in India consider ESG technology capabilities when selecting commercial space.

7. SUSTAINABLE: GREEN BUILDINGS AS FINANCIAL ASSETS

Sustainability efforts directly impact a company's financial profile. Green buildings enjoy operational savings, attract ESG-focused investors, and are often eligible for green finance incentives.

The Tata Housing "Serein" project in Thane incorporates rainwater harvesting, rooftop solar panels, and waste segregation units. This project achieved IGBC Platinum status and demonstrated higher sales velocity and buyer premiums despite higher upfront costs. A study by the Indian Green Building Council (2023) noted that IGBC-certified homes saw 12-15% faster sales than conventional units.

8. EQUITABLE: INCLUSIVE GROWTH FOR A SUSTAINABLE WORKFORCE

The social pillar of ESG is gaining ground in India. Equitable business practices not only improve brand image but also foster workforce loyalty and productivity. Mahindra Lifespaces' community outreach and training programs exemplify this. Women-led construction groups, literacy programs, and inclusive hiring have positioned Mahindra as a socially responsible builder.

A 2023 Deloitte India report found that companies investing in worker training and local community development saw 20% lower attrition rates and higher satisfaction among migrant laborers.

9. POLICY ALIGNMENT AND INSTITUTIONAL SUPPORT

The Indian government is actively supporting ESG adoption:

- SEBI's BRSR mandates are becoming more granular and industry-specific.
- The Reserve Bank of India has included ESG criteria in banking risk assessments.
- National Real Estate Development Council (NAREDCO) is working with state governments to standardize ESG benchmarks.

These regulatory developments complement the RAISE framework and provide companies with the infrastructure and motivation to embed ESG at scale.

10. CONCLUSION

RAISE is not merely a theoretical construct but a practical and scalable approach to ESG integration in Indian real estate. As global and domestic forces converge around sustainable development, Indian developers have a rare opportunity to lead.

By embracing Responsibility, Acceleration, Innovation, Sustainability, and Equity, the sector can deliver both financial and societal returns. With frameworks like RAISE, ESG evolves from a compliance requirement to a cornerstone of strategy, culture, and growth.

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