# CREDIBLE REPORTING


FutureStation
Going Beyond

# Our Solutions

## SUSTAINABLE BUSINESS GROWTH

- Sustainability Strategy
- Sustainable Supply Chain
- Future Proofing
- UN SDG Alignment
- ESG Investment

## RISK MANAGEMENT

- Climate Risk - TCFD
- Low Carbon Transformation
- Environmental & Social Risk
- Financial Impacts - SASB

## CREDIBLE REPORTING

- Integrated Reporting
- Sustainability Reporting
- ESG Reporting

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# Integrated Reporting

We support our clients in developing Integrated Reports

**An increasing need from investors for more information**

Over the past four decades, reporting has evolved in response to organizations' focus on addressing investors' demand for more information. However, despite this evolution, research indicates that investors believe disclosure shortfalls remain, especially in the reporting of strategy, risks and future performance. Also, non-financial information, which is often disclosed in different ways, is not easily comparable between organizations. The need for more information related to Environmental and Social Governance (ESG) was never in such demand earlier.

Investors agree that ESG aspects present risks and opportunities that have been neglected for too long and also assert that sustainable returns require a sharper focus on corporate governance, environmental and social considerations. The importance of disclosure and scrutiny of non-financial information is set to grow in the years ahead. There is a growing belief among investors about recent environmental and social scandals driving a need to re-evaluate non-financial disclosures and the information already available. Investors believe the biggest motivator for companies to report ESG information is its potential to impact companies' reputation among their customers and regulators.

# Integrated Reporting *contd.*

**A new concept of value**

Over time, the market value of organizations has slowly and gradually shifted from one that was based largely on tangible assets to one that puts a greater emphasis on intangible assets. This reflects a fundamental change in how value is being defined and perceived. Many progressive companies today have a market capitalization that is in multiples of the actual value that is reflected on their balance sheet. Having said that, investors and analysts continue to struggle to find a sustainable correlation between past performance, value reflected on the balance sheet, risks and opportunities, future prospects and the market capitalization of companies.

**The genesis of IR**

The global economic crisis that began in early 2008 severely impacted investor confidence, creating a need that saw the eventual setting up of the International Integrated Reporting Council (IIRC) in 2010, with a focus on improving the confidence of investors. The reporting framework that the IIRC created seeks to provide investors with information that is material to their decision making process. Ultimately, an integrated report should explain the reporting entity's interrelated financial, environmental, social and corporate governance information. It should be presented in a clear, concise, consistent and comparable manner. And disclosure should be retrospective and prospective to better match investors' needs. By doing so, organizations could improve their ability to access capital.

# Sustainability Reporting

Corporate reporting is evolving and integrating traditional financial information with environmental, social and governance related knowledge. We help our clients meet the new reporting expectations of executives, shareholders, investors, employees, consumers and other stakeholders. Global Reporting Initiative (www.globalreporting.org) provides the framework and guidelines for Sustainability Reports.

**Advisory services**

We provide assistance to organizations across geographies and sectors in developing their sustainability reports as per the GRI standards. Our advisory services cover:

Capacity building among internal stakeholders on GRI standards
Carrying out stakeholder engagement and materiality analysis
Reviewing sustainability data collection and collation as per GRI requirements
Report development based on GRI standards

**Assurance Services**

Separately, when we are not providing advisory services, we provide assurance services to sustainability reports. We are certified to provide sustainability assurance under AA1000 standards

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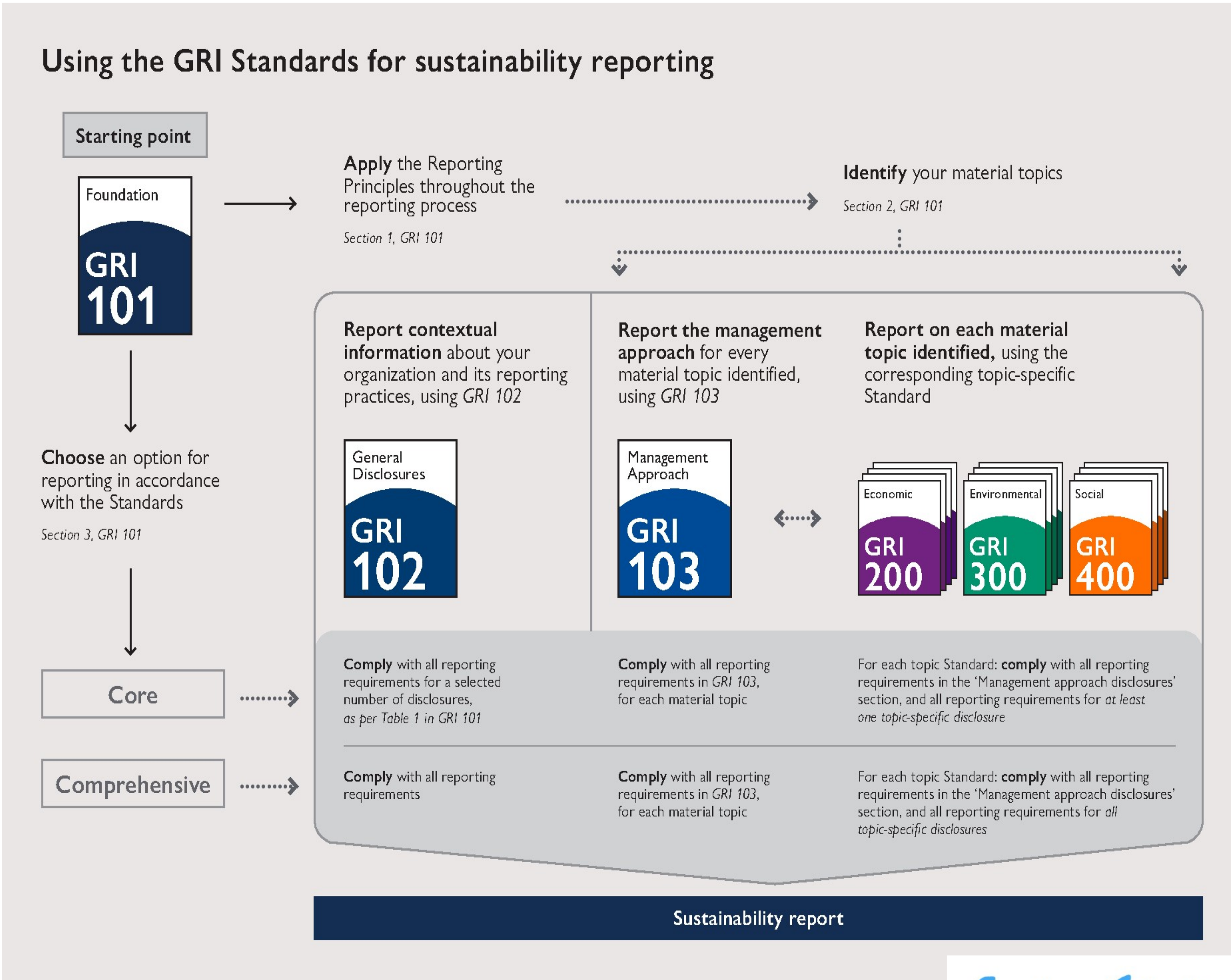


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# ESG Reporting

**Sustainable finance** refers to any form of financial service integrating environmental, social and governance (ESG) criteria into the business or investment decisions for the lasting benefits. Till recently, investors were interested in only profits and return on investment. Things are changing, albeit gradually, with investors becoming concerned about environmental and ethical investing. At the same time, civil society has campaigned actively on the urgency to act on climate change. Policymakers, too, have started guiding sustainable finance. For instance, the Reserve Bank of India has said that a policy action is needed to set up an enabling framework to promote green financing in India. Governments are pushing the agenda on delivering net-zero carbon. India has been at the forefront and delivered on its solar power targets four years ahead of schedule. Despite being one of the worst years in terms of the pandemic, 2020 started in a great note with the world business leaders endorsing '**stakeholder capitalism**' as against just 'shareholder capitalism' as the new mantra for business at the World Economic Forum in January. Sustainable Finance contributes to sustainable development and value creation in economic, environmental and social terms. In other words, one that ensures and improves economic efficiency, prosperity, and economic competitiveness both today and in the long-term, while contributing to protecting and restoring ecological systems, and enhancing cultural diversity and social well-being. Activities that fall under the heading of sustainable finance, to name just a few, include ESG investments, sustainable funds, green bonds, impact investing, microfinance, active ownership, credits for sustainable projects and development of the whole financial system in a more sustainable way. The pressure is not just coming from consumers. More and more investors are incorporating ESG factors into their investment processes.

# ESG Reporting *contd.*

The investors look for credible ESG disclosures of the target company where they would like to invest. The traditional disclosures like Annual Financial Reports or GRI based Sustainability Reports do not sufficiently carry these material disclosures. So typically, the investors look for information from CDP, SASB, TCFD and such disclosures in addition to financial reports and sustainability reports.

There are several sustainability rating agencies like S&P's DJSI, MSCI, FTSE Russell and others who rate and rank the companies based on ESG. The investors, on many occasions, source their information from these rating agencies.

ESG Reports typically include, in addition to GRI disclosures, the CDP, SASB, TCFD disclosures and UN SDG alignments.

**Our Services :**

- ESG Strategy
- Advisory Services for ESG Reporting
- Assurance Services for ESG Reporting


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