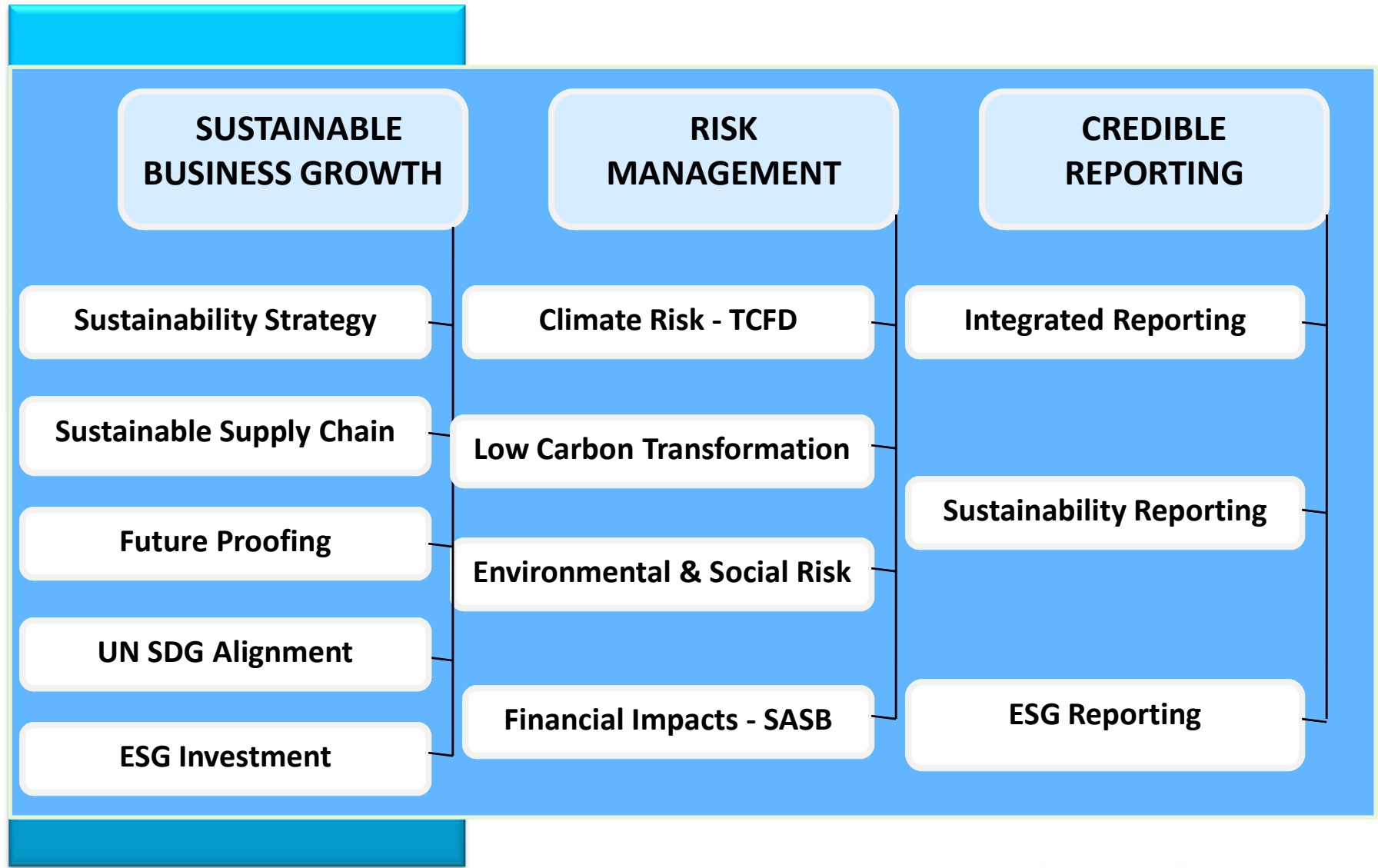


SUSTAINABLE BUSINESS GROWTH



Our Solutions



Sustainability Strategy

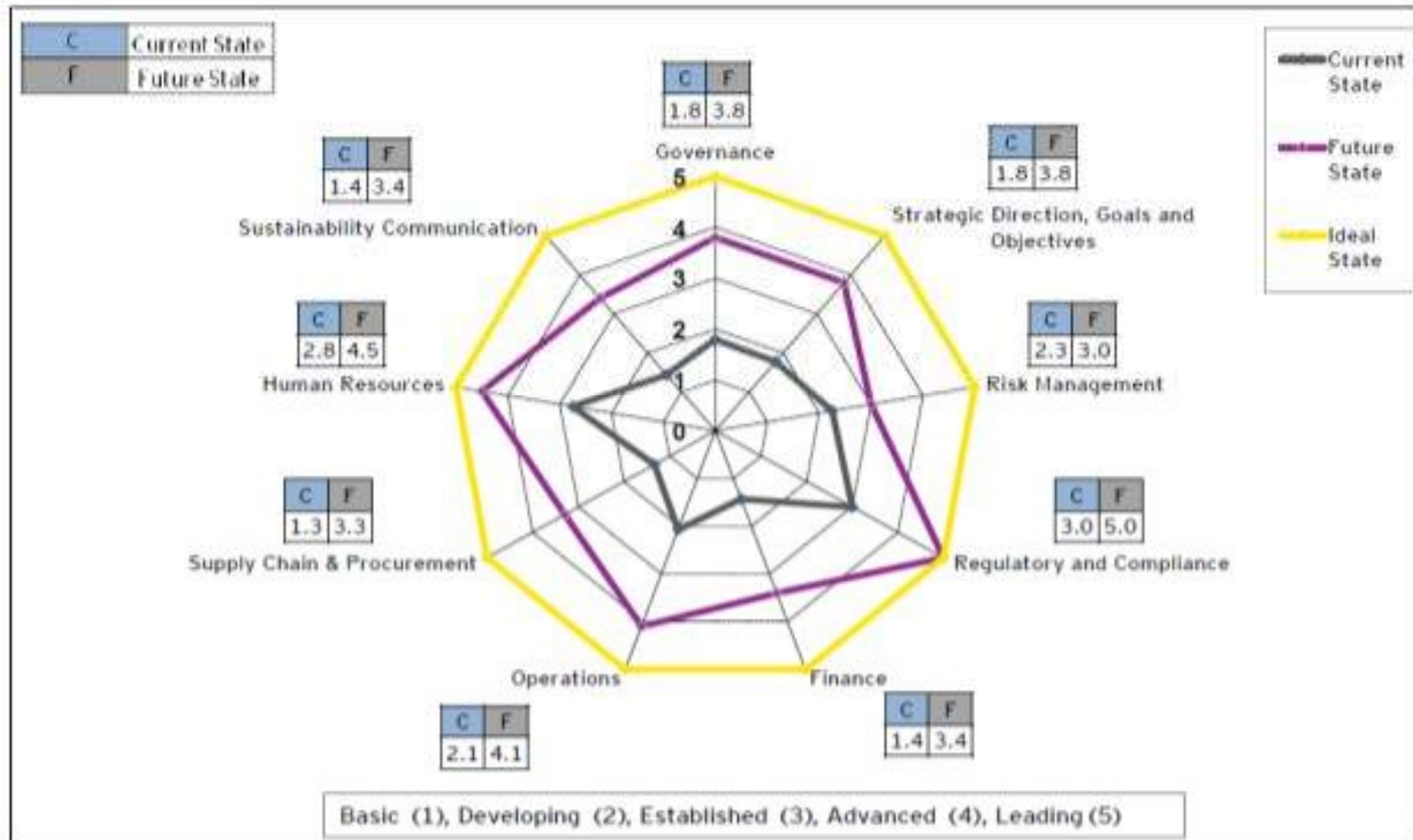
Integration of sustainability into long-term business strategy and growth plans is becoming increasingly important. A well defined sustainability strategy enables an organization to devise a road map that considers its stakeholders' views, is realistic and provides measurable sustainability metrics to track its performance against its stated goals. This creates sustainable value for the company's stakeholders while improving its bottom line.

We understand the sustainability drivers of our clients' businesses and leverage these while putting in place well-designed strategies that incorporate a well-accepted methodology. The process of developing a sustainable strategy is founded on an understanding of an organization's internal "as is" situation by assessing its baseline systems and compliance record.

Our standard service methodology involves:

- 1. Identification of top sustainability KPIs for the sector/company*
- 2. Identification of global as well as local benchmark companies whose sustainability KPIs are available in their public reports*
- 3. Assessment of the maturity of our client on these KPIs with respect to the benchmark companies and draw up actionable plans*
- 4. Supporting our client in implementing the plans*

Sustainability Strategy *contd.*



Sustainable Supply Chain

Supply chain sustainability is increasingly being looked at as a key component of corporate sustainability. It is the management of environment, social and economic impacts, and the encouragement of good governance practices across the entire life-cycle of goods and services. The key objectives of supply chain sustainability are to create, protect and provide long-term growth of the environmental, social and economic value for all stakeholders involved in bringing products and services to market. There are several existing supply chain sustainability—related frameworks that companies can leverage in order to make their supply chains more sustainable; these include cross-sectoral frameworks such as the UN Global Compact, SEDEX and Ethical Trading initiative (ETI) as well as more industry-specific guidelines such as the Better Cotton Initiative and REACH.

Indian companies across all major sectors face a multitude of supply chain—related sustainability risks, including energy and water consumption, hazardous waste disposal, child labour and corruption. Managing these risks is critical from both a reputational and a legal perspective. Companies with export operations in Europe and North America can face severe commercial risks due to the perceived adverse environmental and social impacts of their supply chains. The major drivers and challenges for companies to implement sustainable supply chains are presented in the next slide.

Sustainable Supply Chain *contd.*

Drivers	Increase growth	Meet stakeholder expectation	Control Costs / Sustainable Sourcing
Challenges	<ul style="list-style-type: none"> ▶ Increased need for brand differentiation ▶ Business model innovation through optimal supply chain risk management ▶ Capacity building of local supply chains in emerging markets 	<ul style="list-style-type: none"> ▶ Compliance on EHS&S ▶ Disclosure and standardised reporting on supply chain risks ▶ Investor scrutiny of specific risks such as carbon and water becoming more sophisticated. 	<ul style="list-style-type: none"> ▶ Increasing input costs due to commodity including commodities, labour, energy, water, etc. ▶ Vulnerability to EHS&S or sustainability risks of suppliers' business operations
<p><i>Recent revelations:</i></p> <ul style="list-style-type: none"> ✓ ISO 14000 certification, a common requirement on Indian suppliers, does not translate into the adoption of sustainable practices in supply chains ✓ Voluntary adoption of sustainable supply chain management has a <u>significantly positive effect on economic performance</u> but is not pursued in absence of legal mandate 			

Sustainable Supply Chain *contd.*

We provide industry-specific sustainable supply chain—related solutions. Our solutions are designed to assess the current level of sustainability-related risks faced by clients across their supply chains, identify measures to manage these risks, carry out internal capacity building of sustainable supply chains and work back with suppliers and vendors to improve their sustainability performance. Our solutions are transformative in nature and aid our clients' progress toward a resilient and responsible supply chain,

Sustainable Future Proofing

Businesses today face increasing pressures brought about by a slew of non-traditional factors such as climate change, environmental sustainability and social concerns that can significantly impact value chains. These pressures are often formalized through national and international policy by bringing in stringent compliance requirements. Businesses are also facing pressure from more “intelligent and sustainability conscious” consumers and rapid digitization, which is changing the demand for traditional products and services.

Businesses have to find ways to future-proof their operations in order to anticipate and prepare for new challenges facing them through the integration of new solutions within existing business models. This is critical to both the business’ short-term profitability and long-term survival.

Climate change can have a severe impact on the ability of businesses to source raw materials. Its impact can be felt across sectors that rely on agriculture or raw materials, as well as in sectors dealing with energy, as the world moves away from fossil fuels to cleaner sources. Social unrest has already impacted several companies in India — a trend that is likely to increase in the future

Sustainable Future Proofing *contd.*

Some of the pressing imperatives are summarized in this diagram. Future-proofing becomes a necessity in this context



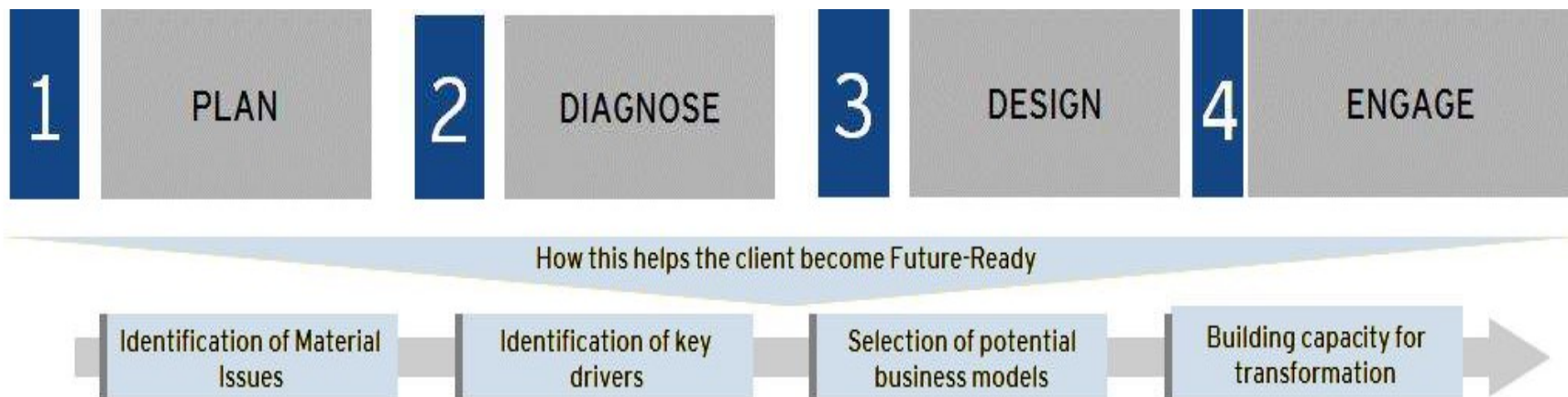
Sustainable Future Proofing *contd.*

The Government's policies regulating the environmental and social performance are also critical as the rigour of these policies will increase with time, thereby also increasing the costs of non-compliance for businesses. Finally, changes in consumer behaviour and demand patterns along with digitization can render entire companies obsolete. Therefore, businesses must ensure that their products and services evolve with consumer demand, while integrating sustainability concerns within business models to future-proof their operations.



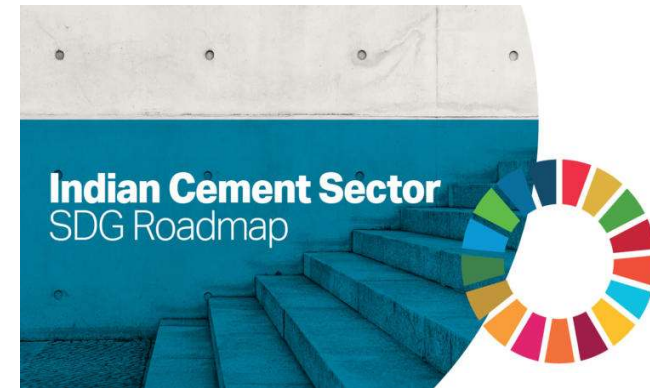
Sustainable Future Proofing *contd.*

We have developed a unique methodology in helping companies across all major sectors future-proof their operations. The plan evolves around the basic concept of dovetailing sustainability parameters (existing and expected aspects of sustainability) on to the business plan.



UN SDG Alignment

WBCSD has come out with several sectoral roadmaps for UN SDGs. Similar roadmaps for the remaining important sectors are under development.



Our Services : After studying the business case and growth plan, we support our clients in developing their strategies to align with the sectoral roadmaps or goals of the material SDGs. All such alignments have business cases for long term sustainable benefits to business and stakeholders



ESG Investment

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 Investment *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.

Our Services :

- ESG Strategy
- Advisory Services for Sustainability / ESG Reporting
- Assurance Services for Sustainability / ESG Reporting
- CDP Disclosures – Advisory / Assurance
- TCFD and SASB Disclosures
- UN SDG Alignment
- Improvement of ESG Ratings

