



ElectroTech ESG Strategy

Team 2



Kassie Yang



Tushar Raju



Frederick Ehichioya



Contents of the Report

Part 1:

Page 3-6
Introduction

Part 2:

Page 7-17
Industry & Competitor
Analysis

Part 3:

Page 18-23
Problem Analysis,
Recommendations

Part 4:

Page 24-30
Implementation Roadmap, Net-Zero
Strategy, Implications & Suggestions



INTRODUCTION

About ElectroTech:

Global Reach:

Multi-billion-dollar EMS provider headquartered in Vancouver, British Columbia.

Diverse Solutions:

Renowned for expertise in manufacturing, supply chain, and technology across renewable energy, healthcare, and computer hardware sectors.

Innovative Collaborations:

Trusted partner in creating electronic products like solar panels, satellites, robotics, and hardware.

Strategic Operations:

Asia (India, Thailand, China): 60% manufacturing base.

South America: 30% operations spanning manufacturing, design, and sales.

Canada: 10% diversified operations.



ESG Is A Global Key Issue

According to the Global Risks Report by World Economic Forum,

**Top 3 short term global risks
by severity:**

Cost-Of-Living Crisis

**Natural Disasters And
Extreme Weather Events**

Geoeconomic Confrontation

**Top 3 long term global risks
by severity:**

**Failure To Mitigate Climate
Change**

**Failure Of Climate-Change
Adaptation**

**Natural Disasters And
Extreme Weather Events**

Environmental
Societal
Geopolitical





ESG Is Also An Important Role in Achieving United Nations Global Sustainable Development Goals





Regulators & Consumers Across The Globe Are Increasingly On A Lookout Of ESG-Related Obligations, With A Special Focus On “E”



The number of governments and large companies setting goals to reach net zero emissions by 2050 grew rapidly

At COP26, more than 30 countries signed pledges to support workers and communities hurt by the transition to a green economy

New and evolving global ESG-related standards such as the ISSB (International Sustainability Standards Board) founded by IFRS which is responsible for setting global accounting standards



Consumers, investors, employees and regulators are becoming ever more alert to false or exaggerated ESG claims.

More than 60% of people are basing their purchasing behaviours on sustainability and ethical criteria, and this is growing by 10% each year



What Are The Key Issues In Electronic Manufacturing Industry?

MSCI and S&G are global prominent rating agencies that offer ESG ratings and data for investors and companies making better ESG decisions.

	<u>Environment</u>	<u>Social</u>	<u>Governance</u>
<u>MSCI</u>	<div>Opportunities in clean tech</div> <div>Water stress</div> <div>Toxic Emissions & Waste</div>	<div>Labor management</div> <div>Chemical safety</div> <div>Controversial sourcing</div> <div>Supply chain labor standards</div>	<div>Governance</div>
<u>S&G</u>	<div>Operational eco-efficiency</div> <div>Product stewardship</div> <div>Climate strategy</div>	<div>Occupational health and safety</div> <div>Privacy protection</div>	<div>Corporate governance</div> <div>Supply chain management</div> <div>Business ethics</div> <div>Innovation management</div>



Looking At The Competitors, Most Are Awarded With EcoVadis

EcoVadis Sustainability Assessment

Celestica



Plexus



Flex



Jabil



EcoVadis Criteria Medal Awards



Environment



Ethics



Labor & Human Rights



Sustainable Procurement

Note: EcoVadis assessment of Sanmina is n/a.



Most Competitors Also Show Low ESG Risk and Strong Management

Sustainalytics Assessment - Technology Hardware Industry Ranking

Celestica

Plexus

Flex

Jabil

Sanmina

<p>ESG RISK RATING</p> <p>10.4 Low</p> <p>Negl Low Med High Severe</p>	<p>ESG RISK RATING</p> <p>7.2 Negligible</p> <p>Negl Low Med High Severe</p>	<p>ESG RISK RATING</p> <p>6.4 Negligible</p> <p>Negl Low Med High Severe</p>	<p>ESG RISK RATING</p> <p>11.1 Low</p> <p>Negl Low Med High Severe</p>	<p>ESG RISK RATING</p> <p>8.6 Negligible</p> <p>Negl Low Med High Severe</p>
<p>EXPOSURE</p> <p>Low</p> <p>Low Med High</p>	<p>EXPOSURE</p> <p>Low</p> <p>Low Med High</p>	<p>EXPOSURE</p> <p>Low</p> <p>Low Med High</p>	<p>EXPOSURE</p> <p>Low</p> <p>Low Med High</p>	<p>EXPOSURE</p> <p>Low</p> <p>Low Med High</p>
<p>MANAGEMENT</p> <p>Strong</p> <p>Weak Avg. Strong</p>	<p>MANAGEMENT</p> <p>Strong</p> <p>Weak Avg. Strong</p>	<p>MANAGEMENT</p> <p>Strong</p> <p>Weak Avg. Strong</p>	<p>MANAGEMENT</p> <p>Strong</p> <p>Weak Avg. Strong</p>	<p>MANAGEMENT</p> <p>Strong</p> <p>Weak Avg. Strong</p>

Rank **39** out of 652

Rank **7** out of 652

Rank **4** out of 652

Rank **54** out of 652

Rank **18** out of 652



Most Competitors Are Focusing On These 5 Environmental Key Issues:

Celestica

<u>Water Stress</u>	<u>Emissions</u>	<u>Energy Sources</u>	<u>Waste Management</u>	<u>Climate Change</u>
Sourced approximately 1,168 ML of water in 2021 from third-party municipal systems and local sources for certain controlled and measured sites.	On track to achieve a 30% reduction in scope 1 & 2 GHG emissions by 2025, using 2018 as the baseline year	57.8% of electricity consumption in 2021 came from renewable sources, preventing roughly 72,000 metric tonnes of CO2e emissions.	Celestica boasts an 85.6% waste diversion rate and employs third-party software for monthly site-level waste data reporting	Global Environmental Policy underscores commitment to environmental compliance in operational jurisdictions. Environmental Management System ensuring compliance
Initiatives have been taken to recycle and reuse water, including using wastewater to pre-heat fresh water for printed circuit board wash processes.	Concentrated effort on measuring and reducing both Scope 1 and Scope 2 GHG emissions, particularly those arising from electricity consumed by manufacturing units	By 2022's end, 61% of sites sourced at least some energy from renewable sources	Focus remains on recycling or repurposing waste and reducing landfill contributions by minimizing waste streams.	A dedicated global EHS team of over 50 professionals is in place to establish standard policies and procedures for ensuring the safety and sustainability of operations.
Aims to decrease water withdrawn by 5% by 2025, particularly at sites in water scarce regions. Achieved a 6% reduction from the 2019 baseline at these critical sites	Objective to slash absolute scope 1 and 2 GHG emissions by half by 2030, taking 2019 as the reference year. Achieved a 27% decrease from the baseline.	Enhancing the renewable energy share in the portfolio. Marked a 145% YoY increase with 98.51 MW renewable energy in 2022.	Goal to achieve zero waste in half of the manufacturing and logistics sites by 2025. Accomplished zero-waste certification for 9% of relevant sites in 2022.	Aligning the climate strategy with the worldwide shift towards a low-carbon economy by maintaining membership in the SBTi.
Achieved an 18% reduction in water acquisition in high-stress areas.	From a 2019 baseline, emissions decreased by 23%. The company is on track to attain a 50% reduction in GHG emissions by 2030.	Expanding the use of green energy, especially solar, across various locations.	From FY21 to FY22, global hazardous waste saw a reduction of 25%, while recycling saw an impressive increase of 45%.	Formalized commitment to a carbon-neutral future with the SBTi and promoted sustainable growth with science-based targets. Issued a \$500 million green bond in May 2022.
In 2022, the company sourced 2,467,654 MT of water, of which 435,971 MT was efficiently recycled or reused.	A goal has been set to cut carbon emissions by 40% by 2030, based on the 2019 baseline, with a further aspiration to achieve net-zero by 2050.	The corporate campus utilizes the GREENSOURCE program, ensuring that a minimum of 95% of electricity comes from carbon-free sources.	Out of the 32,118 MT waste produced in 2022, a commendable 25,988 MT was recycled.	The firm adopts the ISO 14001 standard for its Environmental Management System, aiming not just to meet but to surpass these requirements.

Plexus

Flex

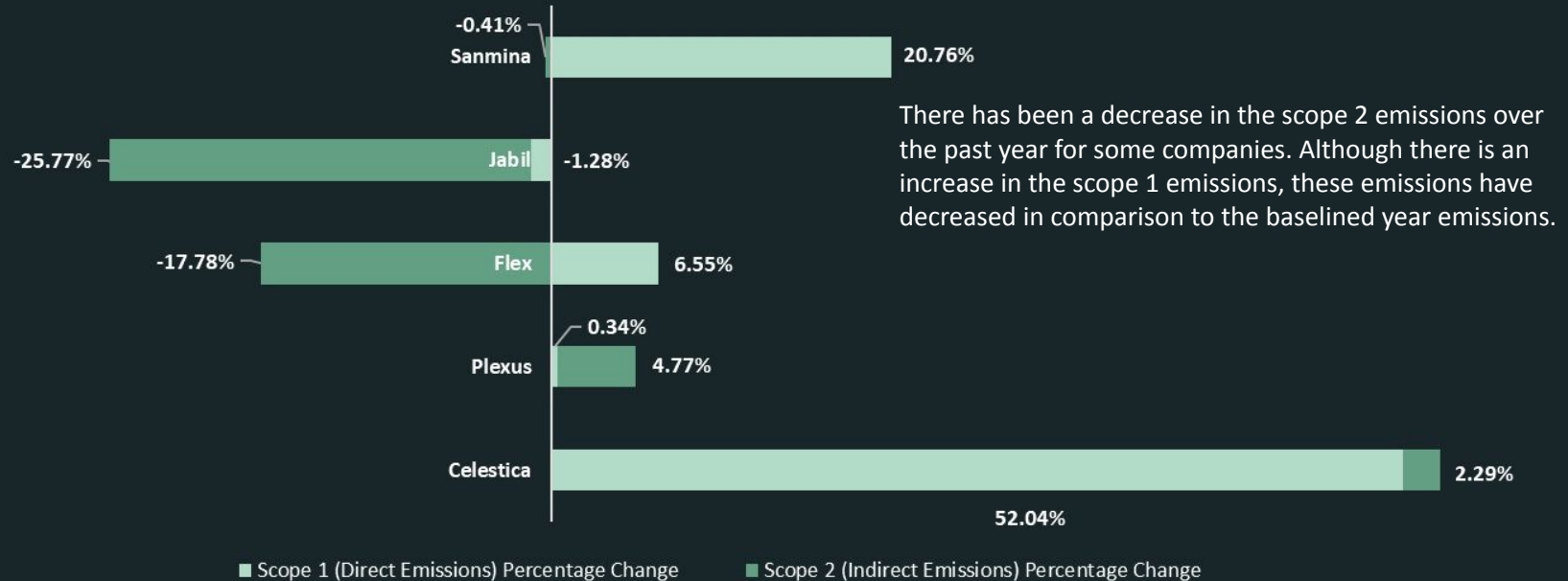
Jabil

Sanmina



Competitors Reduced 25% Scope 2 Emissions At Most and Have Decreased Scope 1 Emission Comparing With The Baselined Year Emissions

Percentage Change in Emissions Output Over the Past Year



Note: Comparison of 2022 vs. 2021. Celestica is 2020 vs. 2021



Competitors Achieved 94% Waste Diversion Rate At The Highest

Waste Diversion Rates



Note: Data unavailable for Plexus

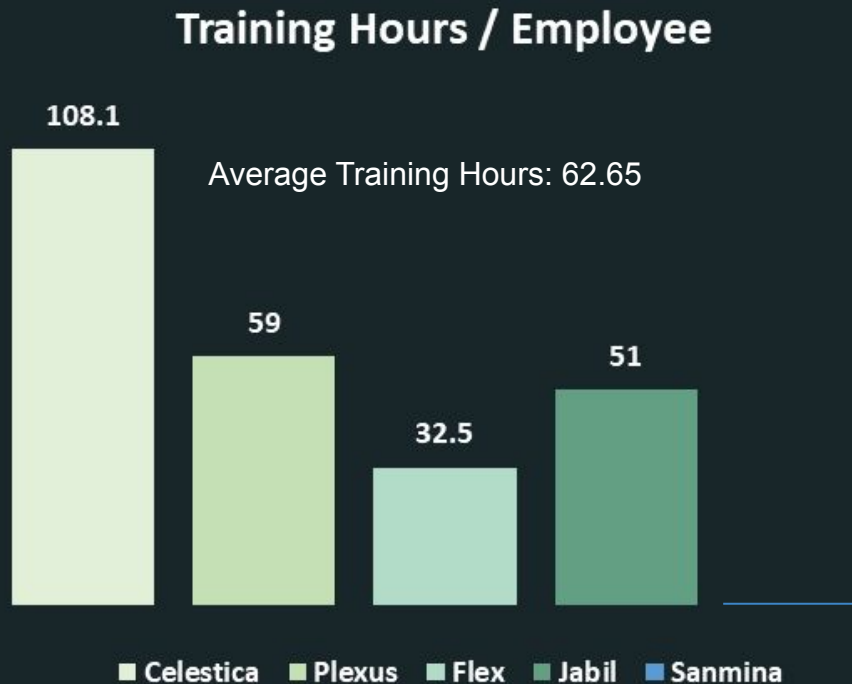


Most Competitors Are Focusing On These 5 Social Key Issues:

	<u>Occupational Health & Safety</u>	<u>Training & Development</u>	<u>Employee Wellness</u>	<u>DEI</u>	<u>Community Contribution</u>
<u>Celectica</u>	The company reported zero work-related fatalities. They conducted 1,500 EHS-focused inspections and held over 250 health and safety committee meetings.	Employees underwent over 4 hours of EHS training, resulting in 2.2 million total training hours. Over 300 internship positions were offered.	A Global Employee Wellness program is in place. Remarkably, 99.3% of employees adhered to the set maximum working hour guidelines, and 96.8% complied with continuous working day requirements.	They held a Global Day for D&I Awareness, attended by over 2,400 employees.	Celectica encourages giving back, with employees logging 19K paid hours in the Time Off to Volunteer program. Their lifetime giving has reached \$12.3 million CAD.
<u>Plexus</u>	The company maintains a low Total Recordable Incident Rate (TRIR) at 0.36 and proudly reports zero employee fatalities for fiscal 2022	In FY 2022, each employee underwent an average of 59 hours of training, resulting in a whopping total of 1,428,119 training hours globally.	They also offer an Employee Assistance Program (EAP) for mental health support, providing resources ranging from counselors to legal aids for both employees and their families.	Plexus Young Professionals (PYP), Women in Network (WiN), Unus Plexus, Plexus PRIDE. PYP: raised over \$40,000 for charitable	The Plexus Charitable Foundation (PCF) has significantly increased its donations from \$751,284 in FY 2021 to \$1,022,578 in FY 2022. A portion of this, \$164,000 in FY 2022, was directed towards STEM-related donations.
<u>Flex</u>	The company is driven by a "zero-injury" mindset and has successfully reduced its health and safety incident rate by 17% in 2021.	A massive number of employees, over 36,000, have undergone 1 million hours of training in 2021. The company emphasizes regular training, with quarterly sessions on 'Ways of Working'.	Employees' well-being is prioritized through a range of benefits, including innovative and flexible healthcare plans.	The company demonstrates a balanced gender ratio with 43% of its global employees being women. Also, 25% of its Board of Directors consists of female members.	Through the Flex Foundation, the company made a generous contribution of \$1.5 million in grants during 2021.
<u>Jabil</u>	The company maintains a commendable standard in safety, achieving an Annual Average RBA Score of over 160 for sites audited, which corresponds to a Silver Status Rating.	NIL	For the welfare of their employees, the company has launched 5 well-being programs at every manufacturing site. A notable 90% of managers have undergone training on mental health resilience.	The company emphasizes diversity in leadership, with women occupying 25% of leadership positions (Director level and above).	The company is deeply invested in community services, with a goal of clocking in 1 million volunteer hours annually.
<u>Sanmina</u>	The company is a founding member of RBA, showcasing its commitment to responsible business practices. It boasts a notably low lost workday case rate of 0.019%, indicating a strong focus on minimizing work-related injuries and illnesses.	For skill development and knowledge enhancement, the company offers the Sanmina Online Education and Sanmina University programs.	Employee well-being is a priority, as evidenced by the SanminaWell program and various wellness events organized for the staff.	Diversity is given prominence, with women making up 49% of the global workforce. Additionally, 29% of supervisory roles are held by women	NIL



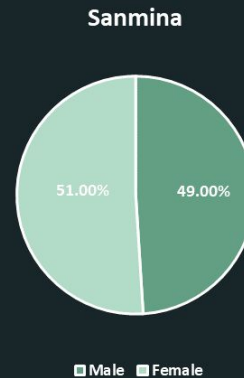
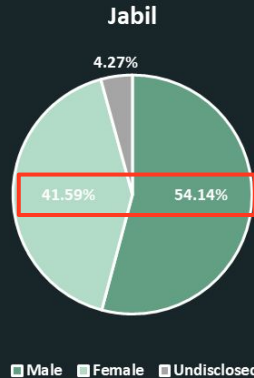
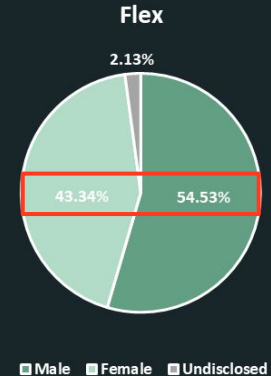
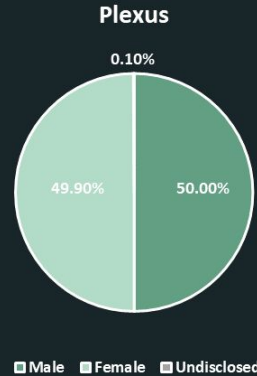
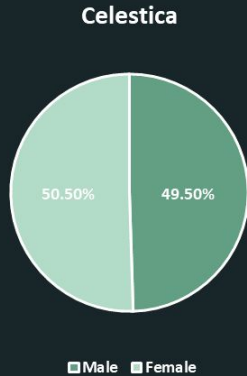
Competitors Offered On Average 62.65 Training Hours



Note: Data is from 2022. Celestica is from 2021. Data unavailable for Sanmina.



Most Competitors Are Close to Gender Equality In Numbers



Competitors that have the least effective in Gender Equality in number demonstrate approximately 4% gender discrepancy.

Note: Data is from 2022. Celestica is from 2021.



Most Competitors Are Focusing On These 4 Governance Key Issues:

Celestica

Plexus

Flex

Jabil

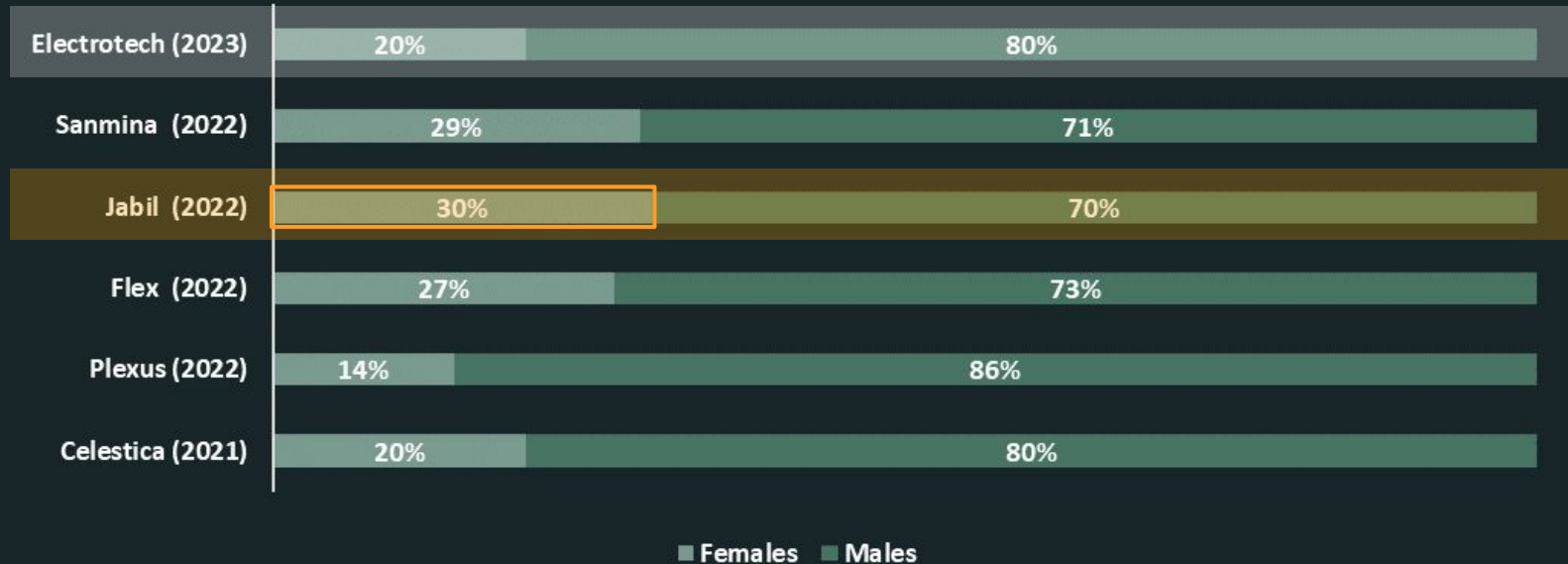
Sanmina

	Corporate Governance	Supply Chain Management	Business Ethics	Innovative Management
Celestica	The CLO delivers annual ESG reports to the Board, with performance tied to CEO objectives and compensation. Regular stakeholder engagements refine the company's ESG direction through the SparkChange Initiative.	With a network of 4,800 direct suppliers, Celestica prioritizes those near operations and annually assesses MSL suppliers on ethical and environmental standards, guiding them towards improvement	In 2021, employees completed 7,340 hours of compliance training, and the company ensures adherence to laws and guidelines, including the BCG Policy and RBA Code of Conduct.	Celestica's HPS division is dedicated to advancing product innovations while emphasizing environmental compliance throughout product life cycles.
Plexus	The Board actively reviews the ESG program annually, while the Governance & Sustainability Committee ensures the ESG strategy aligns with business goals, factoring in policies, sustainability reporting, and emerging trends.	Plexus is optimizing inventory management, resulting in cost savings and a reduced environmental impact from inventory storage and transit.	Plexus emphasizes ethical practices, with ongoing education about regulatory and ethical standards. The FY22 code of conduct training saw a 99.9% completion rate.	The company's manufacturing approach centers on innovation and customization, emphasizing continuous improvement and catering to specific customer needs.
Flex	Flex achieved ISS's top governance quality score, emphasizing its commitment to sustainability. In 2022, Board reviews of the sustainability program doubled to twice yearly. Additionally, the Board annually educates itself on ESG, DEI.	In 2022, 35% of Flex's preferred suppliers initiated GHG reduction targets, progressing the company to 69% of its 2025 goal and 35% of its 2030 goal.	98% of Flex employees underwent refresher training on the Code of Business Conduct and Ethics. Out of 1,489 hotline reports in 2022, none involved corruption or bribery related to government officials.	Flex's ECO2, a circular economy impact calculator, was honored by Environment+Energy Leader in 2022 as an innovative tool assisting customers in achieving their environmental objectives.
Jabil	Jabil's senior leadership, with Board oversight, shapes the company's purpose, values, and strategy. The Board also oversees the ESG program, with the Nominating and Corporate Governance taking primary responsibility for ESG matters, including climate change.	Jabil transforms waste into value with its innovative supply chain packaging solutions. By analyzing supply chains, material waste, and space utilization, Jabil benchmarks enhanced shipping solutions.	Jabil's Code of Conduct is applicable across the organization. Over 70% of its active suppliers have committed to Jabil's Supplier Code of Conduct and the RBA Code of Conduct.	Jabil focuses on diminishing energy consumption at its sites by investing in energy-efficient innovations and encouraging peer audits and the sharing of best practices.
Sanmina	The Nominating and Corporate Governance Committee oversees ESG matters and regularly receives updates on the company's ESG initiatives.	Sanmina requires its suppliers to uphold the standards set by the Responsible Business Alliance. The company also adheres to the due diligence and reporting requirements of Dodd-Frank, specifically around Conflict Minerals.	Sanmina emphasizes ethical and responsible business practices. They have a strict policy against slavery and human trafficking, and they've adopted the RBA Code of Conduct to further emphasize their commitment.	Sanmina consistently invests in advanced manufacturing technologies. They utilize fully automated production lines for certain products and are at the forefront of digital transformation, implementing Industry 4.0 and IIoT technologies.



On Average 24% Of Competitors' Board of Directors Are Female

Board of Directors Diversity





ElectroTech's Current Initiatives Lag Behind The Key Issues Most Competitors' Addressed

ElectroTech's current initiatives appear to be unstructured and less formalized. It misses some key issues that the most the competitors addressed on. On the key issues that are covered by both ElectroTech and competitors, ElectroTech also needs to keep up with the competitors' efforts.

Competitors' Key Issues

ElectroTech's Current Initiatives

Water Stress	→	No Initiative
Emissions	→	No Initiative
Energy Sources	→	40% of Asian sites are powered 100% by solar power.
Waste Management	→	Head-office has tri-sorters implemented. Tri-sorters are implemented at all office buildings in Canada. Strong waste management program in place during production
Climate Change	→	No Initiative
Occupational health and safety	→	No Initiative
Training & Development	→	Employee training budget
Employee Wellness	→	Provides an annual wellness budget of \$500
Community Contribution	→	Annually donates \$500,000 to charitable causes in Canada
DEI	→	A diversity hiring program is in place to encourage representation at all levels of the business
	→	Sensitivity training is mandatory for all employees
Business Ethics	→	Code of Conduct
	→	Anti-Child Labour policies
Governance	→	Board diversity: 20% female, 10% visible minority, no target in place for additional growth
	→	Engages in stakeholder engagement with investors, suppliers and customers at least twice per year
Supply chain management	→	No Initiative
Innovation management	→	No Initiative



ElectroTech's Current Initiatives Also Need To Keep Up With The Industry Key Issues

Besides the key issues that the competitors covered, there are still many industry key issues that the public (including investors, partners, media and regulators, etc.) pays close attention to yet both the competitors and ElectroTech are not able to keep up with at the moment.

Industry Key Issues*

Opportunities in clean tech
Product stewardship
Operational eco-efficiency

Controversial sourcing
Supply chain labor standards
Privacy protection

Corporate governance

ElectroTech's Current Initiatives



**Excluding those issues that are already covered by competitors*



Our Approach

ElectroTech's current ESG initiatives appear to be unstructured and less formalized. To build a structured ESG plan, we suggest to:

Improve on the key issues that lag behind the competitors

Energy Sources | Waste Management | Training & Development | Employee Wellness | Community Contribution | DEI | Industry Compliance System | Business Ethics | Diversity Board Composition | Stakeholder Engagement

Initiate new goals on the overlooked key issues that the competitors has already addressed

Water Stress | Emissions | Climate Change | Occupational Health and Safety | Supply Chain Management | Innovation Management

Outlook for goal-setting on the industry key issues that are overlooked by both ElectroTech & the competitors

Opportunities in Clean Tech | Product Stewardship | Operational Eco-Efficiency | Controversial Sourcing | Supply Chain Labor Standards | Privacy Protection | Corporate Governance



Our Approach

Environment

Water Stress

NEW!

Initiative

Reduce water withdrawn from sites, focusing mainly on water scarce areas.

KPI

10% Reduction in water withdrawn.
20% Reduction in water withdrawn from water scarce areas.

Emissions

NEW!

Initiative

Reduce scope 1 & 2 GHG emissions.

KPI

30% Reduction in scope 1 & 2 GHG emissions.

Waste Management

IMPROVED

Initiative

Reduce amount of waste contribution to landfills. Promote recycling.

KPI

Waste Diversion Rate
>= 94%
30% Increase in waste recycled.

Energy Sources

IMPROVED

Initiative

Reduce amount of energy consumed.
Replace existing non-renewable sources with renewable sources of energy.

KPI

15% Reduction in energy intensity.
30% Increase in contribution of renewable sources of energy.

Climate Change

IMPROVED

Initiative

Awareness Programs.
Adherence to standards & policies.
Oversight bodies.

KPI

Formalized commitment to a carbon-neutral future with the SBTi.
Environmental awareness trainings.



Our Approach

Social

Occupational Health & Safety
NEW!

Training & Development
IMPROVED

DEI
IMPROVED

Employee Wellness
IMPROVED

Community Contribution
IMPROVED

Initiative

Align with international standards and provide health & safety training

KPI

Compliant with RBA,
0 work related fatalities

Initiative

Establish global long term regular training program

KPI

108 annual training hours per employee

Initiative

Provide upskilling learning opportunities to facilitate DEI group

KPI

Target 50% of the workforce and 30% of the board to be female

Initiative

Establish global long term regular wellness program

KPI

Wellness program covering at least 3 wellness aspects

Initiative

Establish an ElectroTech Foundation and donate to specific causes that align with the company's ESG strategy

KPI

Donate to 5 ESG specific causes



Our Approach

Governance

Corporate Governance IMPROVED

Initiative

Responsible body for oversight of ESG matters & strategy.
Regular connects to review ESG programs and key trends.

KPI

Introduction of Nominating and Corporate Governance Committee has primary responsibility for oversight of ESG matters and receives updates on our ESG program.
Increase of frequency of view of sustainability program at the Board level.
Participation of Board members in an annual ESG director education session, an annual review of DEI, and discusses governance topics and key trends and regulatory updates at each quarterly meeting.

Business Ethics IMPROVED

Initiative

Create awareness regarding business ethics.
Oversight of ethical matters.

KPI

Code of Conduct / Compliance Training Completion $\geq 99\%$
Strict policies against slavery and human trafficking, and adoption of the RBA Code of Conduct to further emphasize commitment.
Introduction of regulatory body to oversight and address ethical matters.

Supply Chain Management NEW!

Initiative

Ensure suppliers adhere to standards of behavior, social responsibility and environmental stewardship as defined by the Responsible Business Alliance.
Reduce inventory holding.

KPI

Review suppliers strategy and ensure they are in adherence to required standards
Analysis of supply chains, material waste, and space utilization and benchmark enhanced shipping solutions.
Optimized inventory management, resulting in cost savings and a reduced environmental impact from inventory storage and transit.

Innovation Management NEW!

Initiative

Develop innovative solutions to improve operations and decrease environmental effects.

KPI

Innovative solutions at specific sites to test functionality improvements and apply at scale post successful testing.



Transitioning Towards Net Zero:

ElectroTech should prioritize a **clear categorization of emissions across Scopes 1, 2, and 3**, and **embrace a blend of current and emerging technologies for optimal emission reduction**. **Financial foresight, coupled with proactive regulatory alignment and consistent stakeholder engagement**, will be pivotal in securing a smooth and effective transition to net-zero.

Define Emissions Scope

Prioritize classifying emissions across Scopes 1, 2, and 3.

A comprehensive view of the entire emissions spectrum is vital to ensure no source is overlooked, and holistic carbon neutrality is achieved.

Optimize the Supply Chain

Collaborate with suppliers to synchronize sustainability efforts and possibly re-evaluate relationships based on green commitments.

A unified sustainability effort along the supply chain amplifies results and reduces hidden indirect emissions.

Plan Financial Commitments

Outline a detailed financial forecast for the transition, encompassing all potential expenses.

A clear financial blueprint avoids budgetary surprises and ensures the sustainability journey remains economically viable.

Craft a Grounded Transition Plan

Design a roadmap that respects ElectroTech's current energy practices, technological capacities, and financial strength.

A well-paced and realistic transition ensures sustained progress without overwhelming disruptions or financial strains



Implementation Roadmap - Short Term



**January
2024**

Energy Audit: Conduct a comprehensive energy audit of all facilities and operations to determine current energy consumption patterns and associated carbon emissions.



**May
2024**

Renewable Energy Research: Study the feasibility and benefits of different renewable energy sources such as wind, hydro, bioenergy, and more.

Hire Expertise: Engage with energy auditors or consultants specializing in energy efficiency and renewable transitions.

**March
2024**



Set Baseline: Analyze energy audit results and set the baseline year, documenting all relevant metrics

**July
2024**





Implementation Roadmap - Short Term



**September
2024**

Equipment Review: Identify outdated equipment that can be replaced with energy-efficient models.



**January
2025**

Initiate Carbon Offsetting: Begin investments in the researched carbon offset projects.

Carbon Offsetting Research: Identify potential carbon offset projects suitable for ElectroTech's operations and their associated costs.

**November
2024**



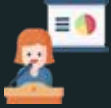
Begin Energy Source Diversification: Start the process of integrating a renewable energy source into the mix. For the first step, a smaller scale renewable source, like rooftop solar panels, might be apt.

**March
2025**





Implementation Roadmap - Short Term



**May
2025**

Implement Energy Management Systems: Depending on the size and complexity of operations, start installing energy management systems that help monitor and optimize energy use in real-time.



**September
2025**

Strategy Planning for Year 2: Begin drafting a strategy for the next year, focusing on the continuation of efforts started in Year 1 and new initiatives for the short-term energy mix transition phase.

Expand Renewable Portfolio: Based on the research from Month 3-4, start incorporating more diversified renewable sources. This might involve contract negotiations or investments.

**July
2025**



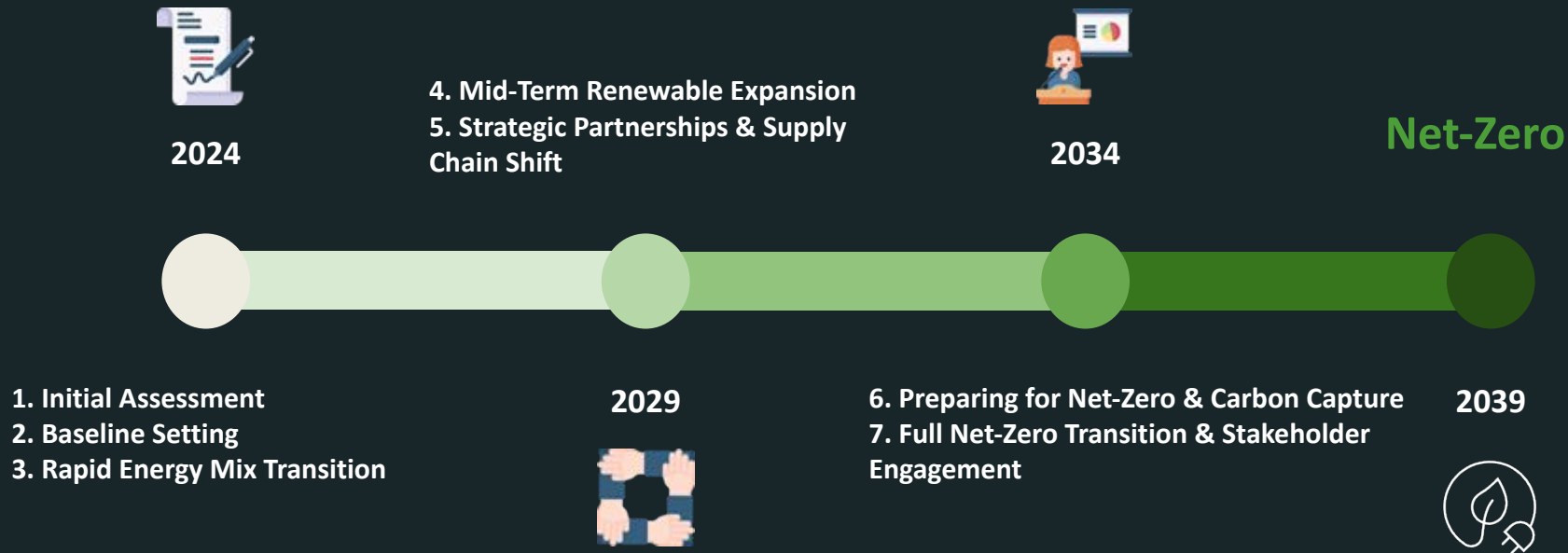
Feedback Loop: Seek feedback from teams and stakeholders on the implemented changes. This will help in identifying challenges faced and potential areas of improvement.

**December
2025**





Implementation Roadmap - Long Term



Progressive transition from a sustainable energy mix to **Net Zero** in 15 years



Net-Zero Strategy

Initial Assessment & Baseline Setting (Years 1-2):

- Perform a comprehensive energy audit.
- Establish a baseline for measuring improvements.



Rapid Energy Mix Transition (Years 3-4):

- Achieve 40% renewable energy sources by the end of Year 4.
- Engage with wind and hydro energy suppliers.
- Start with upgrading top energy-consuming equipment.



Mid-Term Renewable Expansion (Years 5-6):

- Enhance utilization of solar energy, using ElectroTech's expertise.
- Focus on making products energy-efficient.
- Explore renewable energy innovations that can be integrated.



Full Net-Zero Transition & Stakeholder Engagement (Years 13-15):

- Aim for all operations to rely on green energy.
- Regularly monitor and adjust strategies to maintain the net-zero target.
- Engage with stakeholders, sharing progress and addressing concerns.



Preparing for Net-Zero & Carbon Capture (Years 10-12):

- Target 80% reliance on renewable sources.
- Experiment with emerging green energy solutions.
- Begin investments in technologies to capture and store carbon emissions.



Strategic Partnerships & Supply Chain Shift (Years 7-9):

- Collaborate with green energy providers for better rates and consistent supply.
- Work with suppliers committed to sustainability.



Implications & Suggestions

Benchmark Setting

The current benchmark setting is based on competitors' benchmark and industry benchmark. It may overlook the uniqueness of the company's own business interest and impact.



Materiality Matrix

Involve internal stakeholders, external stakeholders (local government, suppliers, partners, media) and ESG experts to map out EletroTech's materiality matrix.

ESG Is A Cost

Apart from legal obligations, it can be hard to convince the board to spend extra budget on ESG.



ESG Is An Investment

According to Infosys, a 10% increase in ESG spending correlates with a 1% increase in profit growth. A company that currently spends 5% of its budget on ESG can expect a 1% profit increase if it aligns operating or capital budget to increase ESG spending portion to 15%.

Displacement

Implementing ESG strategies can involve certain workers whose skills are rooted in older technologies facing job displacement when adapting to an ESG-driven economy



Reskill & Upskills

Invest in reskilling and upskilling programs for affected employees to adapt and contribute to a more resilient and inclusive workforce, ensuring that no one is left behind in the pursuit of a greener and more ethical future.



THANK YOU!

Team 2



Kassie Yang



Tushar Raju



Frederick Ehichioya