



Humans at the  
Centre of Sustainability  
Transformation

**December 2023**



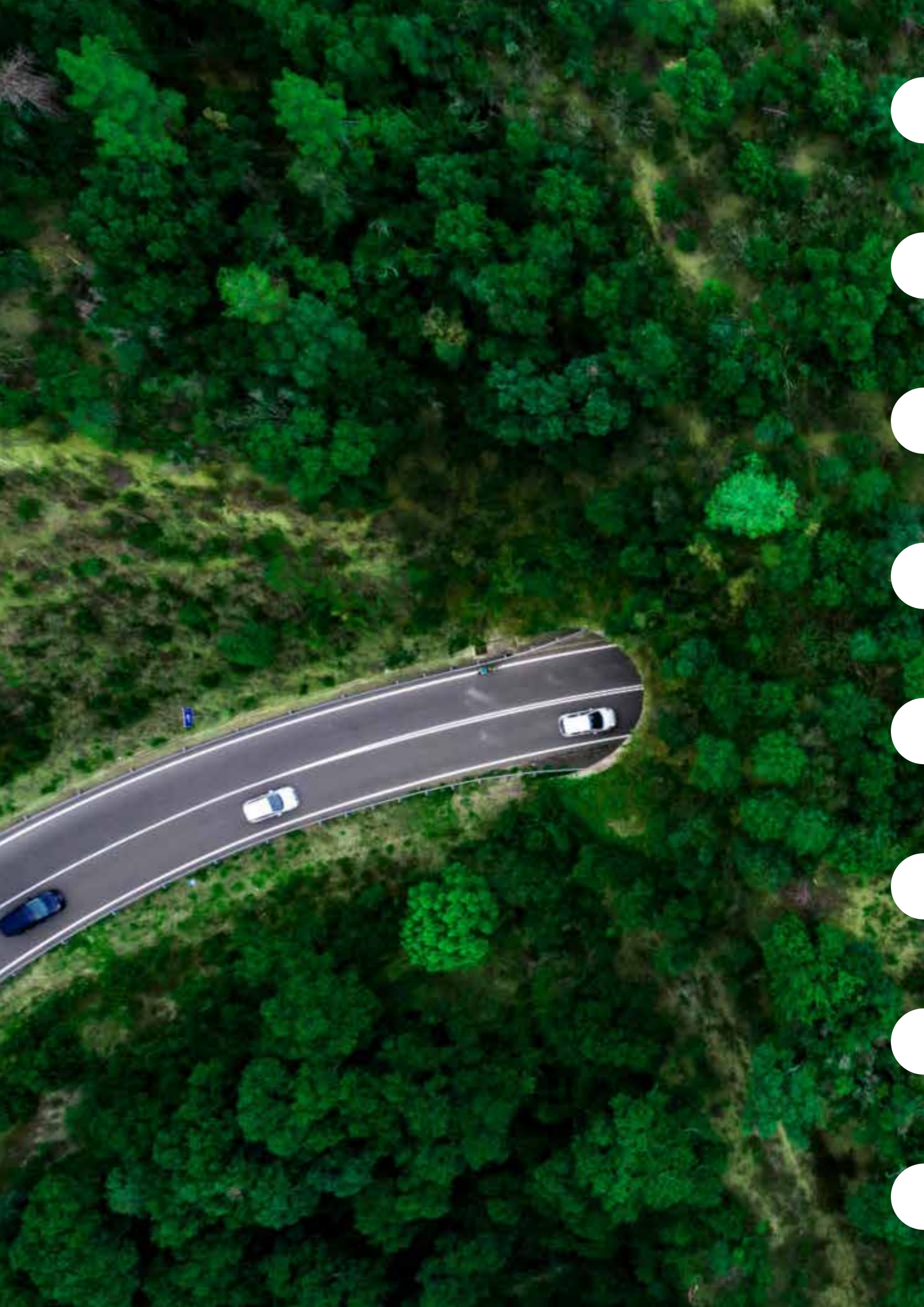
**EY**

Building a better  
working world

# Agenda >

1. Executive Summary ..... 05
2. Understanding Sustainability and the fundamentals of ESG ..... 06
3. Critical role of human capital in driving sustainable growth ..... 18
4. How can data be the microscope and telescope in our Sustainability led transformation journey ..... 26
5. Insights from India Inc: Emerging ESG data model ..... 36
6. Certain ESG Leading Practices ..... 42
7. Select Knowledge Resources ..... 50





# Executive summary

Sustainability is everybody's business.

The push toward a clean tech and just and fair transition will shape a new era of economic growth and a new jobs landscape.

- ▶ Green climate action will have a long-term positive impact on global growth, as leading enterprises deliver on their commitments.
- ▶ Total employment will increase.
- ▶ Enterprises need to make investments, prepare for a new employment ecosystem and provide training through capacity building and greater collaboration.

We call this Value-Led Sustainability - a way of protecting and creating new sources of value - for business, people, society and the world as a whole, which makes it everybody's business.

Upskilling and re-skilling will become key drivers for organizations as they transform their business models, ensuring they keep and attract the right people with green skills to deliver.

None of this transition will be simple - there will be few like-for-like job opportunities and many of the new jobs created will be in different locations and require different skillsets.

Some of the key considerations as we navigate complex and interdependent Sustainability challenges:

- ▶ How can we turn climate crisis and social inequity to create opportunities for sustainable growth in new India?
- ▶ Can we create competitive advantage from energy and nature transformation- one of the biggest global transformation of our generation?
- ▶ How do we navigate complex Geo-political environment for India's just transition? Is geopolitics the new G in Environment, Social and Governance ('ESG')?
- ▶ If Sustainability is a team sport, how do we play with both head and heart? How can our values create value?

Our recent EY global survey and analysis shows that CSO collaboration with both CEOs and CFOs is key, but closer coordination with other C-suite leaders is required.

The greatest need for better collaboration is with **Chief Human Resources Officers** (45% feel moderate or significant improvements are needed), Chief Risk Officers (38%), and Chief Technology or Information Officers (36%).

Results from the EY 2023 Sustainable Value Study show that progress on sustainability is falling short of what is needed to keep pace with global targets. Turmoil may well be the new normal for business.

However, our research also identifies important levers that can be used to help accelerate change and adopt an organization-wide, value-led sustainability agenda:

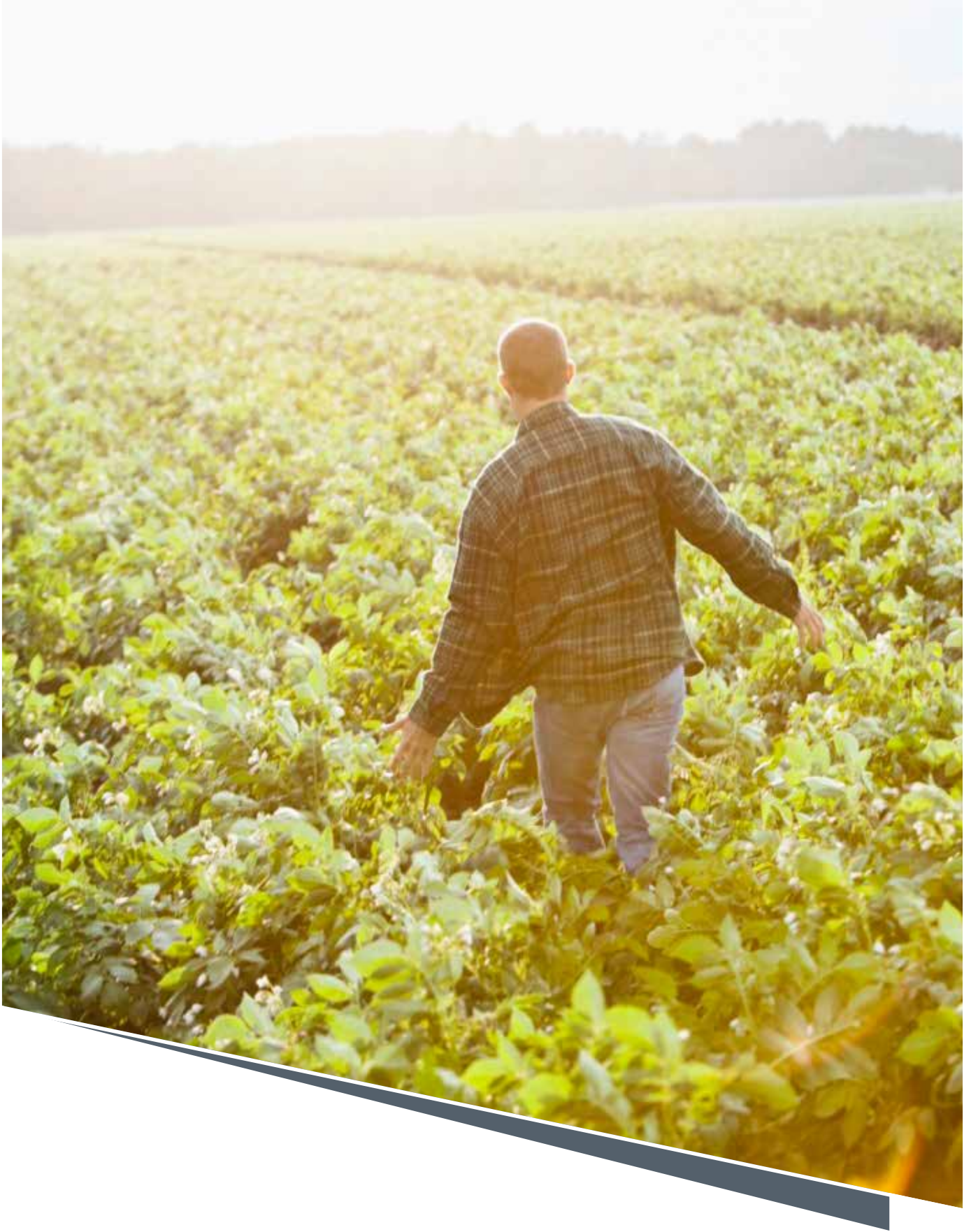
- 1. Focus on value creation.** External factors may create pressures to pull back on long-term priorities to meet short-term goals. A focus on the broad range of value that sustainability investments provide, beyond pure financials (e.g., employee, customer, societal, planetary value), can help companies stay the course during turbulent times.
- 2. Sustainability needs transformation approach** and People with strong skill sets in leadership, organizational change, and stakeholder engagement, to have access to top leadership. Collaboration with C-suite and business unit peers, who will own implementation of this agenda is key.
- 3. Leverage regulatory and reporting requirements as tools for improvement.** Use new reporting obligations as a catalyst for internal review and change. Strive for the same rigor in sustainability data and disclosures as for financial disclosures. Beyond meeting obligations, this can enhance decision-making and strategy development.
- 4. Commit to collaboration.** Constructively engage value chain partners, peers within your sector and across other sectors. Daunting sustainability challenges, such as scope 3, cannot be solved by one company or one sector working in isolation.
- 5. Use data and technology to accelerate progress.** Deploy technology to improve value chain efficiency, visibility, and traceability, and to increase confidence in corporate reporting. Leverage the data gathered for enhanced sustainability reporting to inform leaders' decision-making and strategy development, and to support innovation.

We @ EY are committed to helping business create value for sustainability as well as helping sustainability create value for business - reframing how a business approaches sustainability and putting it at the center of how value is created.



**Nitesh Mehrotra**

EY Partner  
Sustainability and ESG



02

**Understanding  
Sustainability and the  
fundamentals of ESG**

## What is Sustainability?

Brundtland Commission defined sustainability in 1987

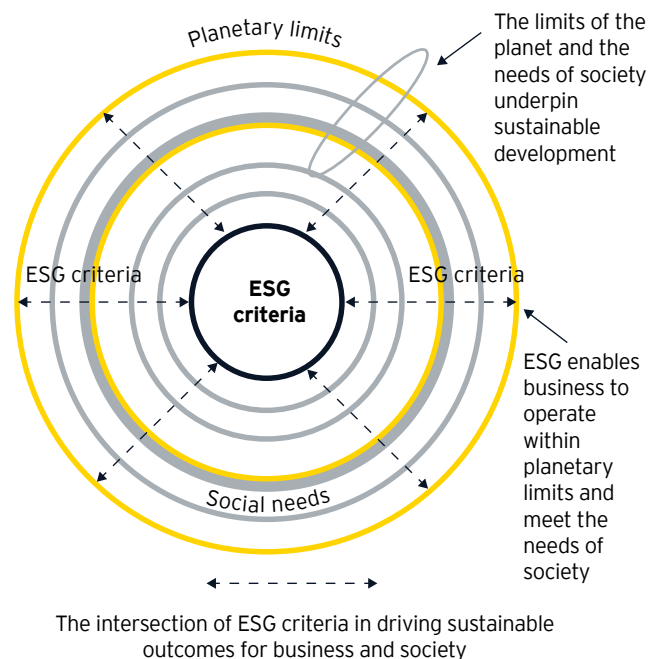
Meeting the needs of the present without compromising the ability of future generations to meet their own needs.

**Gro Harlem Brundtland**  
former PM of Norway,  
chairperson of the commission

## Sustainable development as a global imperative

Transforming business to meet the needs of the sustainable development agenda should only be met through the integration of Environment, Social and Governance ('ESG') factors into **business models, decision-making and capital allocation.**

### ESG integration enables sustainable development



## We are at +1.1°C global warming and need to dramatically change the way we perform our economic activities

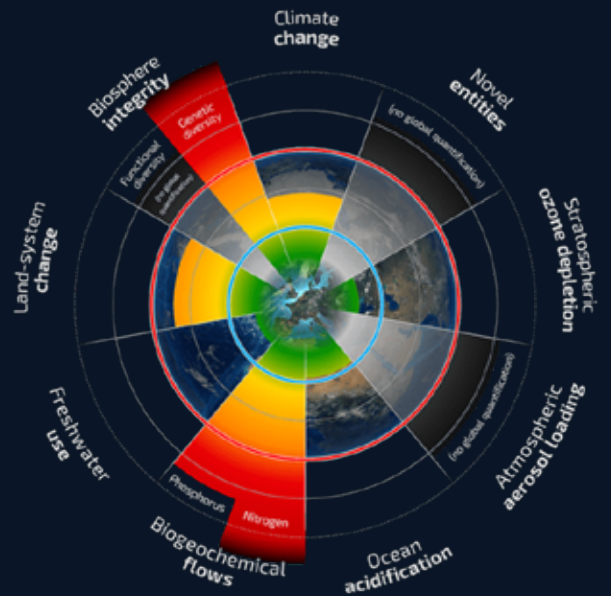


## What is the Climate action urgency?

2023 recorded the three hottest days on average in 100,000 years!

The difference between 1.5 and 2 is massive, 3 degrees is existential

|  | 1.5C     | 2C        | >3C   |
|--|----------|-----------|---|
| World population at risk from extreme heat | 14%      | 37%       | 2.6x worse  |
| Tropical coral reef destroyed              | 70-90%   | >99%      | ~100%   |
| Species losing >50% range                  | 8%       | 18%       | 3x worse  |
| Climate feedbacks                          | Low risk | High risk | Amazon collapse, permafrost loss, methane hydrate destabilization |

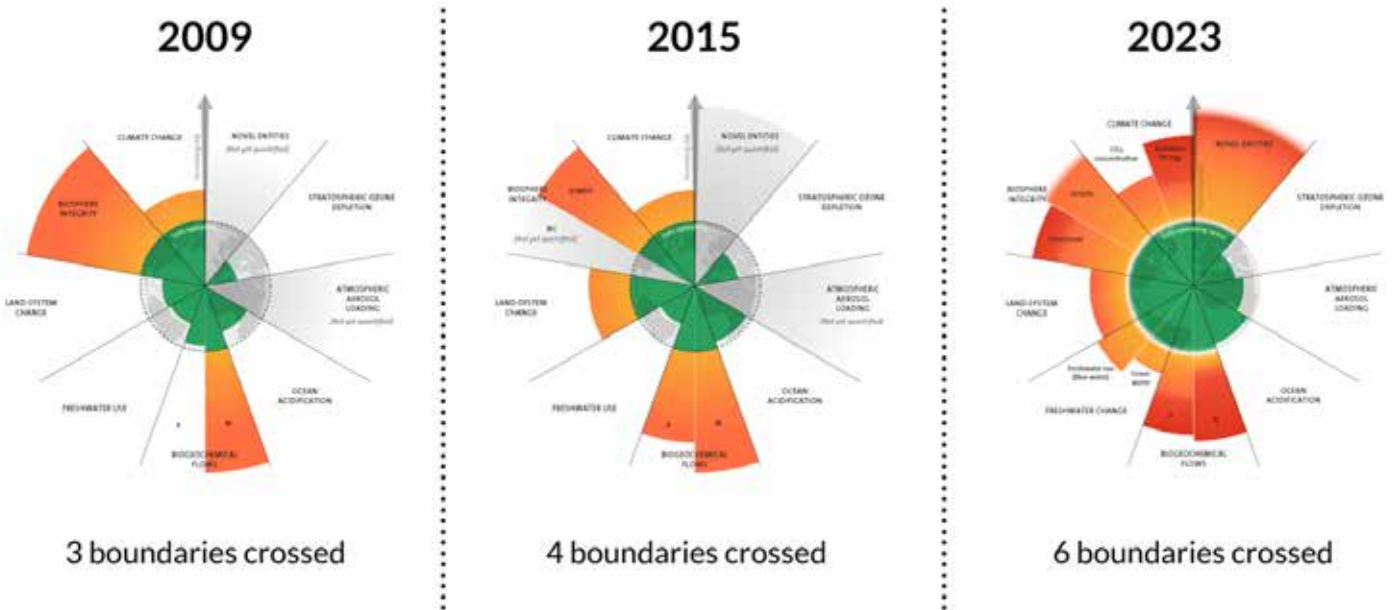


**How do we get back within the planetary boundaries?**



# Our planetary environment is on the verge of collapsing - and not just because of climate change

From global warming to the biosphere and deforestation, from pollutants and plastic to nitrogen cycles and freshwater: Six of nine planetary boundaries are being crossed, while simultaneously pressure in all boundary processes is increasing



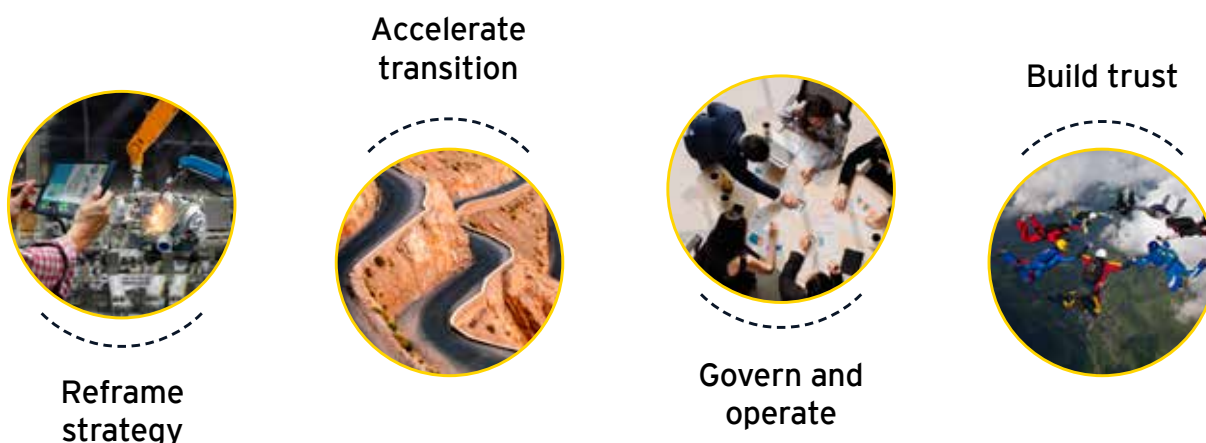
Source: Stockholm resilience centre, new report Sep 13th 2023

# How can we achieve sustainable business growth and realize value for all stakeholders?



## What are the key phases in Sustainability led business transformation?

Organizations are on a sustainability journey that is purpose-led and realizes value across stakeholders - financial, customer, people and societal value.



**Top priority sustainability issues facing the C-suite on their sustainability journeys from setting an ambition, executing across the value chain, embedding in the business, through to building trust with key stakeholders**

|                |   | Reframe strategy | Accelerate transition | Govern and operate | Build trust |
|----------------|---|------------------|-----------------------|--------------------|-------------|
| <b>CEO</b>     | 1. What are the ESG/sustainability trends that will impact my business  | ●                |                       |                    |             |
|                | 2. How do I understand all stakeholders needs so that I can deliver on their expectation?   | ●                |                       | ●                  | ●           |
|                | 3. How do I create on ESG/Sustainability Governance framework and ambition that delivers competitive advantage and creates and products value for stakeholders? | ●                |                       |                    |             |
|                | 4. What are the governance/Board Matters best practices in ESG/sustainability?  |                  | ●                     | ●                  |             |
| <b>CFO</b>     | 5. How do I build business case and transformation program that delivers our ESG/sustainability ambition?   | ●                | ●                     | ●                  |             |
|                | 6. How do I finance my corporation for the long term and effectively manage capital allocation?   | ●                | ●                     |                    |             |
|                | 7. What are the implications for my M&A (incl. divestments) strategy and execution?   |                  | ●                     | ●                  |             |
|                | 8. How do I manage ESG/sustainability risks, embed ESG within Digitization, taxes, and data reporting?  | ●                |                       | ●                  | ●           |
| <b>C-Suite</b> | 9. How do I build an integrated and efficient approach to non-financial reporting for both today's and tomorrow's needs?  |                  |                       | ●                  | ●           |
|                | 10. What is my journey to net zero (scope 1,2&3)?   | ●                | ●                     |                    | ●           |
|                | 11. How do I embed ESG within our digitization roadmap?   | ●                | ●                     |                    | ●           |
|                | 12. How do I protect and crate value of people?   | ●                | ●                     | ●                  | ●           |
|                | 13. How do I become a change agent and Communicate effectively?   | ●                | ●                     |                    |             |

## How can Sustainability create competitive differentiation?

### Sustainability Ambition

Where are you today - and where do you want to be in the future?

#### Complying with frameworks and standards



Remaining alert to current sustainability rules and regulations, adapting to them as they are introduced

#### Prioritizing climate and social goals and reporting



Setting decarbonization targets and focusing on sustainability corporate reporting to meet stakeholder expectations

#### Embedding across the enterprise



Placing sustainability at the core of company's purpose, culture operations and business decision making to create value across stakeholders

#### Creating new markets



Driving and promoting an industry-wide focus on sustainability, forging new markets and incentivizing change

## What are the key actions as we transition?



#### Energy Transformation

from fossil to renewable to enable net-zero emissions by 2050



#### Nature Restoration

in reestablish biodiversity (ex. wetlands, forests, grasslands, river and lakes, species)



#### Circular Economy

From linear to circular economy (reusage of material, waste handling, rental instead of owning)



#### Data led intelligence

Increased regulation & transparency to favorize sustainable investments

“

We won't solve the sustainability challenges if we work in silos. We need people with different skillsets to work together.

- Nitesh Mehrotra

## How do we chart out India's energy transition pathway?

Energy has been at the heart of India's developmental journey. For decades, India worked to provide its growing population with access to electricity, fuel for transport, and clean cooking fuels such as liquefied petroleum gas (LPG). These efforts involved scaling up power generation, coal mining and oil refining capacity, and strengthening energy infrastructure and distribution networks. This helped lift millions of people out of poverty and fuelled the nation's industrialisation.

This development contributed to increasing prosperity but also led to increases in greenhouse gas emissions, air pollution and imports of fossil fuels. The Indian government has therefore chosen an ambitious energy transition pathway to reach net zero emissions by 2070. India also has the third largest installed capacity of renewables in the world, with around 110 GW of wind and solar at the end of 2022. The country's total renewable energy capacity, including hydro and bioenergy, stood at 175 GW. Even adjusting for India's large population, India saw one of the largest increases of installed capacity of wind and solar of any emerging economy over the last decade.

Reaching the very ambitious target of 500 GW of non-fossil fuel capacity (including large hydro) by 2030 would require accelerating annual renewable capacity additions by several times compared with the average of recent years.

In November 2021 at COP26, Prime Minister Narendra Modi of India announced the launch of the Lifestyles for Environment (LiFE) initiative, which aims to promote more environmentally responsible consumption and behaviour worldwide. In today's context of the global energy crisis and the continued challenge of climate change, LiFE is an important opportunity to accelerate clean energy transitions.

The IEA estimates that India will need **USD 145 billion** per year until 2030 in clean energy investment to put it on a path towards net zero emissions by 2070. This is triple the current level of annual clean energy investment in India.

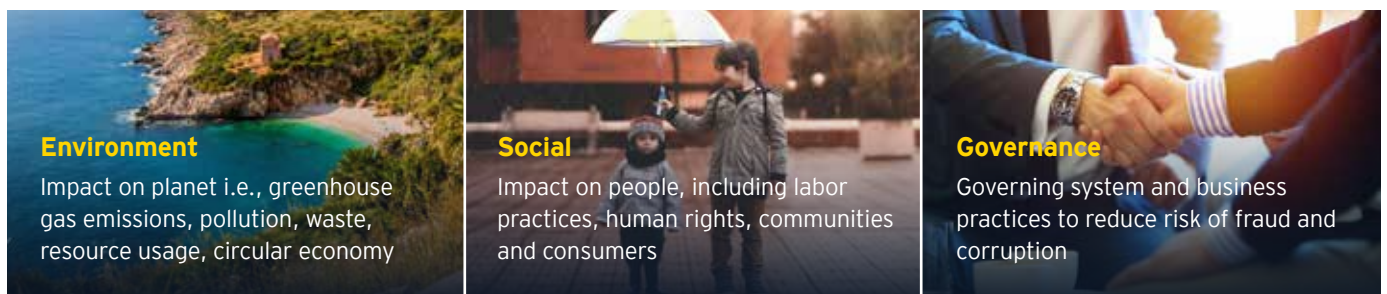
## What is ESG and why is it important?

ESG is the approach that includes environmental (E), social (S) and governance (G) factors – like climate change, health and safety and board diversity – in financial and business decisions. ESG considerations are of paramount importance in today's business landscape. Firstly, ESG factors are crucial for risk management and long-term sustainability. Companies that prioritize ESG practices are better equipped to mitigate environmental and social risks, adapt to changing regulatory landscapes, and build a resilient, responsible brand, thereby safeguarding their financial performance.

Secondly, ESG is vital for aligning businesses with the expectations of various stakeholders. Investors increasingly factor in ESG criteria when making decisions, and customers, employees, and communities favour companies that demonstrate a commitment to ethical and sustainable practices. Embracing ESG allows businesses to not only achieve better financial outcomes but also to positively impact society and the environment, contributing to a more responsible and equitable future.

## What is ESG really?

### Material impact of companies' economic activities



## ESG - "the alphabet soup"



## Environmental, Social and Governance landscape: the scope of topics covered by ESG includes, but is not limited to

**Environmental aspects** consider contribution of a company to sustainability and climate change through greenhouse gas emissions, along with waste management and energy efficiency.



### Environment Material Issues

- ▶ GHG and Other Emissions
- ▶ Energy Management
- ▶ Water & Wastewater Management
- ▶ Biodiversity
- ▶ Climate Risk and Mitigation
- ▶ Climate Strategy
- ▶ Pollution
- ▶ Resource Consumption

**Social aspects** consider how a company manages its relationship with internal social factors (such as human capital development, human rights and living wage) and external social factors



### Social Material Issues

- ▶ Human Capital Development
- ▶ Talent Attraction and Retention
- ▶ Labour Practices
- ▶ Product Quality and Safety
- ▶ Employee Engagement, Diversity and Inclusion
- ▶ Corporate Social Responsibility
- ▶ Privacy and Data Security
- ▶ Human Rights

**Governance aspects** consider how an organization governs itself keeping in mind the interest of all stakeholders and communicates transparently



### Governance Material Issues

- ▶ Board Governance
- ▶ Tax Transparency
- ▶ Business Ethics
- ▶ Risk and Crisis Management
- ▶ Remuneration
- ▶ Systematic Risk Management
- ▶ Supply Chain Management
- ▶ ESG Data Governance

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## Key business benefits of ESG integration



At the macro level we have long passed the point where the cost of action is far lower than the cost of inaction - i.e., huge swaths of the planet becoming uninhabitable, which, again, is kind of bad for business. It definitely pays to invest in our shared future.

Source: "Yes, Investing in ESG Pays Off", Paul Polman and Andrew Winston, Harvard Business Review, April 2022

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### Risk reduction

By addressing ESG risks early and integrating ESG into decision-making, companies can effectively create, preserve and realize value by reducing risk and focusing on opportunity.

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### Debt and equity benefits

ESG factors can have a direct impact on future cash flows and sound due diligence is core to investment decisions. The rise in responsible investing and debt instruments linked to strong ESG performance can provide many financial benefits to businesses.

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### Talent and productivity

A business that is set to meet planetary and societal needs is more likely to attract and retain purpose-led talent.

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### Efficiency and optimization

A business that integrates ESG into its decision-making and capital allocation, often builds efficiency into its operating model, optimizing financial and productivity outcomes.

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### Customer preference

As customers and consumers demand more information on sustainability from businesses and brands, better ESG performance can mean meeting customer or supplier preferences and needs.

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### Competitive advantage

A business or brand that meets or exceeds the scrutiny and expectations of society is well-placed to out-compete the market on cost, value, reputation, preference and strategic position.

# What are the key drivers that can enable value creation?

Setting out to clarify, measure, and communicate the drivers enabling long-term value creation is now a strategic priority for all leading enterprises. Understanding the drivers helps us pinpoint our client's focus areas as highlighted below:



## Customer value

- Satisfaction
- Customer lifetime value
- Product stewardship
- Innovation/IP/R&D
- Relationship strength
- Brand trust and perception
- Product pipeline
- Purpose/values



## People value

- Loyalty and satisfaction
- Learning and development
- Diversity and inclusion
- Health, safety and wellbeing
- Leadership
- Ethical and respectful labour practices
- Engagement and productivity
- Attraction and retention



## Societal value

- Environmental/carbon footprint
- Energy and resource usage
- Biodiversity and land use
- Waste management and pollution
- Human rights impact
- Community investment
- Health outcomes
- Economic impact and job creation
- Local sourcing
- Supply chain responsibility
- Regulatory compliance
- External relations



## Financial value

- Revenue/growth
- Margin/costs
- Cash flow
- Capital allocation
- Capital structure
- Tax
- Supply chain reliability
- Competitive remuneration

### Legend

- Environmental
- Social
- Governance
- Economic

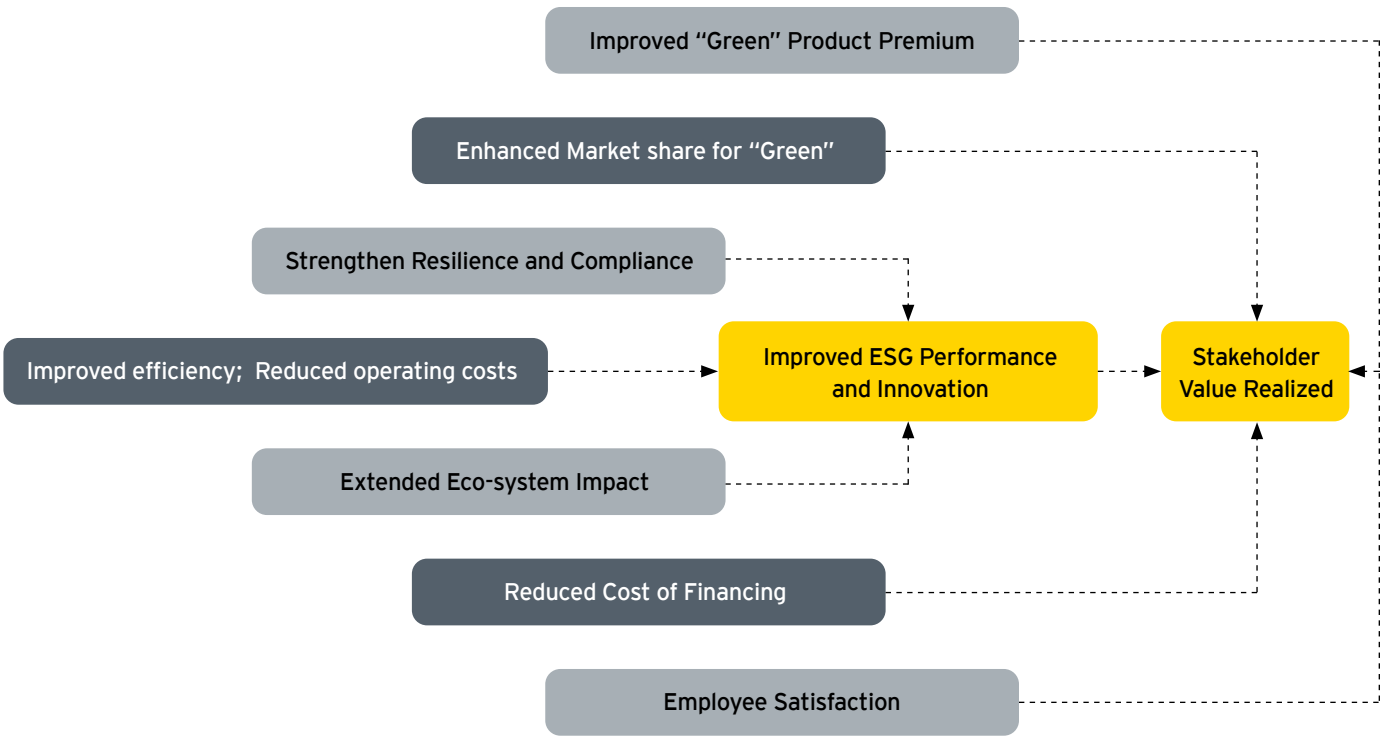


# What can be the modular pathway to complex ESG led transformation?





## How can we measure the impact?





03

**Critical role of human capital in driving sustainable growth**

# Importance of People to Achieve Sustainable Growth

Sustainability is an area of focus for an ecosystem of stakeholders, from customers, to regulators, to businesses. Some business leaders have approached sustainability as mainly a compliance exercise, instead of a fuel for competitive advantage. To become a sustainability leader, executives must see it as a strategic business priority that contributes to long-term value and embark on a sustainability transformation.

Part of the daunting challenge is that sustainability transformations are complex and far-reaching. From an environmental perspective, technological innovation, process efficiency, greening the energy supply, product transformation, greener procurement choices, and engaging in the circular economy are all steps in the right direction. But these decarbonization drivers and others are insufficient to reach net zero. The International Panel for Climate Change (IPCC) in its 2021 report predicts that 40% to 70% of a sustainability transformation will need to focus on sustainable behaviors and business models<sup>1</sup>. Beyond environmental factors, companies need to consider social issues, such as health and wellbeing, diversity, equity and inclusion (DEI), training and development, and supply chain transparency, which can help to safeguard human rights.

## Put humans at the center of the sustainability transformation journey

According to a recent whitepaper from Play Consulting Ltd. (PLAY), 77% of employees and business leaders agree that major behavioral changes are necessary to achieve sustainability goals. So how can organizations engage their employees in the sustainability transformation journey and harness their behavior to accelerate and positively contribute to sustainability goals? Put them at the center of the transformation. Here are four ideas on how to do that:

### 1. Position sustainability as a key lever of innovation and growth

Organizations sit somewhere on the sustainability maturity scale, from a policy-based value protection approach at the low end to driving sustainable value creation and promoting broad industry focus on sustainability at the fully mature end.

They need to help establish sustainability as a value driver by creating a vision that embeds sustainability into both the inorganic and organic growth strategies and positioning it to drive both innovation and opportunities. Further, organizations need to quantify value levers with an accompanying roadmap for execution and accountability throughout the transformation. Examples include:

- ▶ Linking sustainability strategy to executive reward and metrics (including annual and long-term incentive plans).
- ▶ Incorporating sustainability into remuneration frameworks.

This can be effective in engaging and attracting people, clients and investors.

### 2. Raise the sustainability IQ of employees

According to EY research, 71% of employees think that their leaders still always or often make critical decisions solely based on financial considerations, such as profit, costs and growth, while 35% observe a difference of opinion between their organization's stated purpose and its day-to-day activities. Through sustainability transformation, organizations can raise the sustainability IQ of employees and its leaders through robust awareness campaigns and by designing rewards programs that drive accountability and incentivize sustainability-friendly behaviors. This should include creating a culture of co-creation, community, and shared purpose to build a sustainable world.

There is also an opportunity for technology to play a role. At EY, we've introduced the EY Green Routine application prototype that connects EY's sustainability initiatives with individual employee actions. The application drives positive sustainable behaviors in employees using behavioral science techniques, which, true to the application's name, encourages the creation of "green routines". These are daily habits with small adjustments, which, if individuals can maintain and follow, result in a reduced carbon footprint.

EY Green Routine encourages employees to participate in challenges and compete and collaborate with fellow employees to drive engagement. It also gives organizations the ability to set strategic sustainable challenges that align with their net-zero targets, and report on the carbon reduction impact of all employee activities.

### 3. Invest in sustainability skills-building

According to the 2022 Global Green Skills Report<sup>3</sup>, between 2015 and 2022, there has been a 38.5% year-over-year growth rate for green knowledge and skills in the workforce to support environmental sustainability, now and in the future.

Organizations will want to assess their sustainability (environment, social and governance) skills gaps and define learning pathways and upskilling or reskilling strategies that will improve employees' ability to adapt to market forces, such as the green economy or workforce digitalization.

#### 4. Strengthen sustainable working life and advance the DEI agenda

According to a March & McLennan report<sup>4</sup>, sustainability performance will become increasingly important to attracting and retaining talent as Millennials and Gen Z come to make up most of the global workforce, especially given the importance they place on environmental and social issues. The same report suggests that top employers (as measured by employee satisfaction and perceptions of young talent) typically have lower carbon emissions, demonstrate greater empathy, and are more diverse.

Human resources (HR) will want to design talent and mobility programs, and a hybrid work strategy that aligns with the organization's sustainability transformation strategy. By addressing social, financial, physical and emotional wellbeing, organizations can improve employee productivity, health, adaptability, connection and happiness.

### Shaping the future of the jobs market to deliver a just transition.

Green jobs

46 millions

Green jobs will be generated globally under LCE and LCE+ scenarios

Low-carbon economy plus (LCE+), provides a feasible pathway to minimize carbon emissions beyond political pledges. It is based on reducing emissions by adopting the optimum, least-emissions pathway within key industry sectors and available technologies.

Millions of new jobs will be created along the entire value chains tied to these core green economy sectors. We call them "other green jobs." These include manufacturing, transport, construction and other services. The net effect on employment is, however, positive; counting the "other green jobs," net job generation will be 151 million more jobs created under LCE and 120 million jobs under LCE+.

Over the next few years and decades, needed new roles will involve engineering, digital, problem-solving, monitoring, management and critical thinking skills. To respond to this demand, we believe that governments and policymakers need to focus on four areas:

a) Public sector capacity building and internal training policies to support the execution of the green transition  
Governments must anticipate increased demand for new types of skills and know-how to deliver on green initiatives. Targeted funding and a national green skills plan can help map out the quantity and type of skills needed, where new green jobs should be located (to ensure that no regions are left behind), and how to invest in education and retraining.

- b) Coherent policies within sectors that create and support efficient social and financial mechanisms for life long learning (including social protection allowing for an opportunity to undertake training for a green job when leaving the previous occupation) and re-skilling people into new occupations.
- c) Education programs for young people that introduce green skills (e.g., sustainability and circular economy knowledge) and digital competencies (e.g., programming, data analytics and information security)– Digital also impacts how green jobs will be delivered in an emerging hybrid environment where teams are working remotely, online, in person and offshore. Openness to these types of working dynamics will also impact an organization's diversity and inclusion agenda and the wellbeing of employees – all critical factors in driving a better ESG strategy for an organization.
- d) Collaboration with policymakers to bridge the green skill gap - Business and governments should closely collaborate to make sure existing employees are best equipped to transition into green jobs and that new employees enter a working environment that can make the best use of their skills.

**To effect change, boards themselves need to change and ask the right questions**

Boards can clearly influence the speed and urgency with which organizations refresh their social contracts with employees. However, to have the biggest possible impact, they will need to challenge and encourage management, and themselves, to apply diversity of thought. In doing so, they will be able to evolve and affect change.

**Questions for boards to consider**

1. How is the board supporting and reflecting the strategic importance of the CHRO role and talent issues through improved talent governance? Has the board considered expanding the remit of existing board committees, or implementing new ones to address shifting employee expectations?
2. As a board member, how do you test whether your view of what new entrants want and need aligns with theirs, or simply reflects your own perspective and bias?
3. How is the organization measuring and making progress on building trust with employees across all generations (for example, through listening posts)? Has the organization adapted how it reflects changing sentiment about loyalty, employee experience and other traditional measures in employment practices?
4. Are there any technology investments and initiatives that your organization would accelerate as it considers the needs and expectations of Gen Z? How is management prioritizing capital allocation for digital transformation in light of demographic trends?
5. What assumptions about future employees are management making as part of their longer-term growth strategy?



## Key social metrics under various frameworks

|   |  |   |  |
|---|--|---|--|
| <p><b>1</b> <b>Diversity and inclusion</b></p> <ul style="list-style-type: none"> <li>▶ Gender and age diversity</li> <li>▶ Differently abled employees (incl. access to facilities)</li> <li>▶ Diversity at the Board</li> <li>▶ Other indicators (such as minority or vulnerable groups)</li> </ul> | <p><b>2</b> <b>Employee engagement</b></p> <ul style="list-style-type: none"> <li>▶ Employee survey (Y/N)</li> <li>▶ Employee satisfaction score</li> <li>▶ Voluntary and involuntary turnover rate</li> </ul> | <p><b>3</b> <b>Work-related injuries</b></p> <ul style="list-style-type: none"> <li>▶ Work-related injuries</li> <li>▶ Work-related fatalities</li> <li>▶ Days lost due to injury</li> </ul>  | <p><b>4</b> <b>Employee benefits</b></p> <ul style="list-style-type: none"> <li>▶ Maternity and paternity leave (no. of weeks)</li> <li>▶ % of employees that returned to work in the last FY after maternity leave ended</li> </ul> |
| <p><b>5</b> <b>Pay equality</b></p> <ul style="list-style-type: none"> <li>▶ Ratio of the basic salary or median salary of women to men (level wise)</li> </ul>   | <p><b>6</b> <b>Learning and development</b></p> <ul style="list-style-type: none"> <li>▶ Average training hours (gender and employee category wise)</li> <li>▶ Average training spent</li> </ul>               | <p><b>7</b> <b>Wage level</b></p> <ul style="list-style-type: none"> <li>▶ Ratio of the entry level wage (by gender) compared to the minimum wage</li> <li>▶ CEO to median employee remuneration (all employees, except the CEO)</li> </ul> | <p><b>8</b> <b>Human rights</b></p> <ul style="list-style-type: none"> <li>▶ Maternity and paternity leave (no. of weeks)</li> <li>▶ % of employees that returned to work in the last FY after maternity leave ended</li> </ul>      |
| <p><b>9</b> <b>Workers</b></p> <ul style="list-style-type: none"> <li>▶ % of operations and critical suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour</li> </ul>  | <p><b>10</b> <b>Community</b></p> <ul style="list-style-type: none"> <li>▶ CSR Spent as a % of Net profit</li> <li>▶ Community engagement and grievance mechanism (based on stakeholder mapping)</li> </ul>    |   |  |

\*Points 1-8 are with reference to the employees of a Company. Point 8 covers permanent and contract workers and suppliers/ service providers.

## Key Policies and Playbooks to Strengthen Governance

| Policies and charters                            |
|--|
| Board Charter/ Governance Manual                 |
| Audit Committee Charter                          |
| Nomination & Remuneration Committee Charter      |
| Risk Management Committee Charter                |
| CSR Committee Charter                            |
| ESG committee Charter                            |
| Stakeholder Grievance Committee Charter          |
| Code of conduct - BoD & Senior Management        |
| Code of conduct & ethics policy - employees      |
| Independence declaration - Independent director  |
| Diversity & Inclusion policy                     |
| Board Evaluation policy                          |
| Policy on determination of material subsidiaries |
| Policy on determination of materiality of events |
| Nomination and remuneration policy               |

| Policies and charters                           |
|---|
| ESG Policy                                      |
| Supplier code of conduct                        |
| Related Party Transaction Policy                |
| Enterprise Risk Management policy               |
| Corporate Social Responsibility ('CSR') policy  |
| Whistle blower policy                           |
| Anti-bribery and Anti-corruption policy         |
| Anti-trust and fair competition policy          |
| Prevention of Sexual Harassment ('POSH') policy |
| Human Rights Policy                             |
| Investor grievance policy                       |
| Stakeholder grievance policy                    |
| IT and Data privacy policy                      |
| Corporate communication policy                  |
| Marketing Code of Conduct                       |
| Equal Opportunity policy                        |
| Preferential procurement policy                 |
| ESG Organisation Structure                      |
| Sustainable Supply Chain Framework              |
| Sustainable Finance Policy                      |

## Key ESG Learning Programs for Employees



## Sustainability Academy - Learn-Apply-Impact - An Example

### Pillar 1: Learning Pathways

| #  | Learning Badges                                   |
|----|---|
| 1  | Building Blocks of Sustainability                 |
| 2  | Climate Change: From Learning to Action           |
| 3  | Green (Sustainable) Finance                       |
| 4  | Sustainable Supply Chain                          |
| 5  | Sustainability Value Creation and ESG Performance |
| 6  | Times of New Economies: Circular versus Doughnut  |
| 7  | Carbon Pricing and Taxation - India and Global    |
| 8  | Sustainability in India: Policies and Frameworks  |
| 9  | Sustainability Excellence and Frameworks          |
| 10 | Sustainability in the Digital World               |

### Apply

#### Pillar 2: Climate Action Lab

Industry global sustainability experts led workshop (virtual/hybrid with practical business scenarios)

### Impact

#### Pillar 3: Design Green Portfolio

On the job real-world assignment of green portfolio will be in 2 parts after completion of action lab:

- ▶ 3 months assignment
- ▶ 6 months assignment

Each cycle followed by EY experts' assessment

### Learning Enablers

#### Pillar 4: Communities of Practice (CoP)

CoP of peer learners and sustainability experts

#### Pillar 5: Fire-side Chat

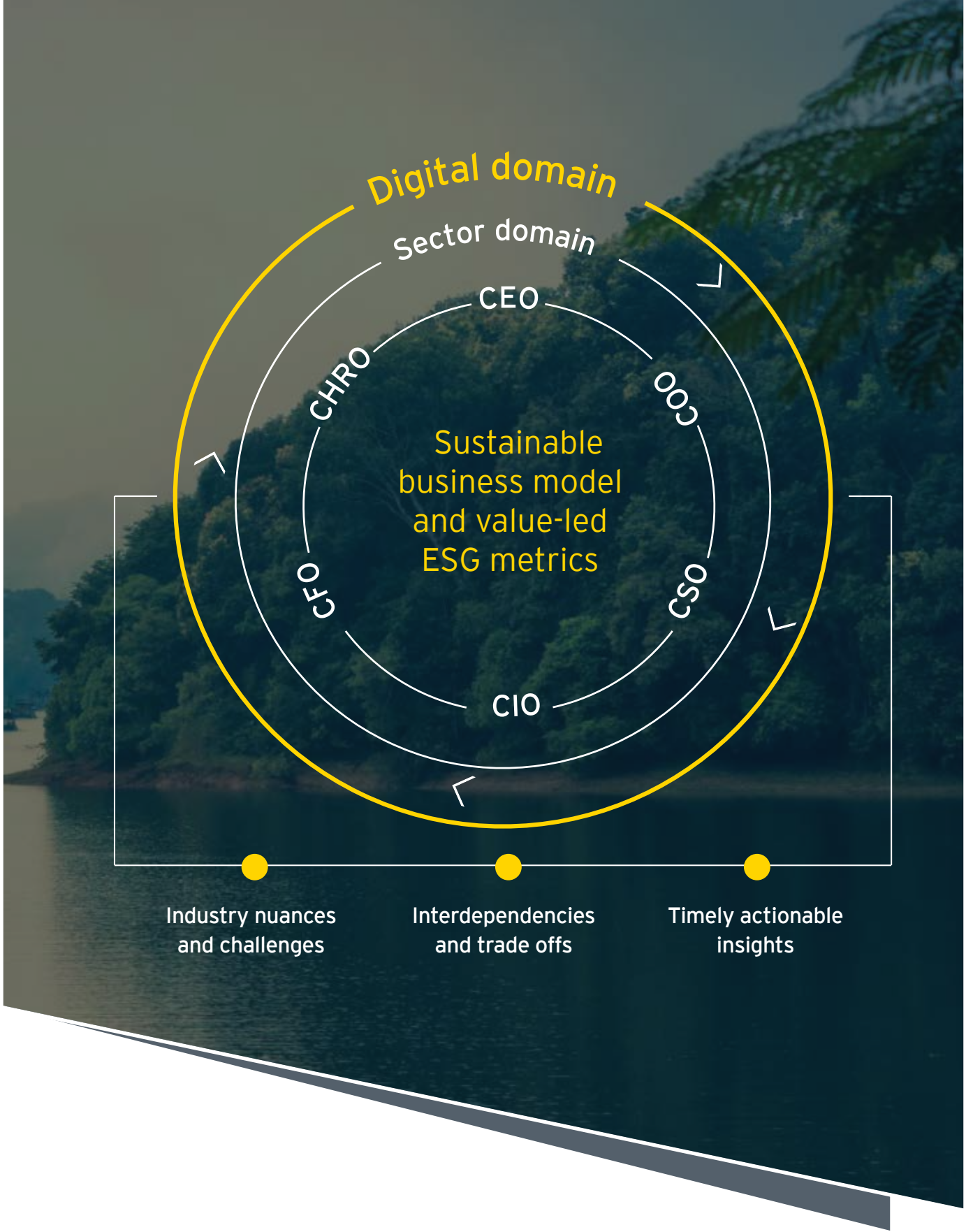
Fireside-chat deconstructing complex current topics with practical business application







Source: EY Sustainability Academy



04

**How can ESG data be the microscope and telescope in our transformation journey?**

As ESG concerns become increasingly relevant, businesses are undergoing a shift from awareness to competitive differentiation in enterprise value creation.

The ESG and sustainability data landscape is rapidly evolving as data requirements become more complex and stakeholder pressure mounts. Investor-grade ESG data will be vital for ensuring ESG regulatory compliance, enhancing investor confidence and maintaining the integrity of financial markets.

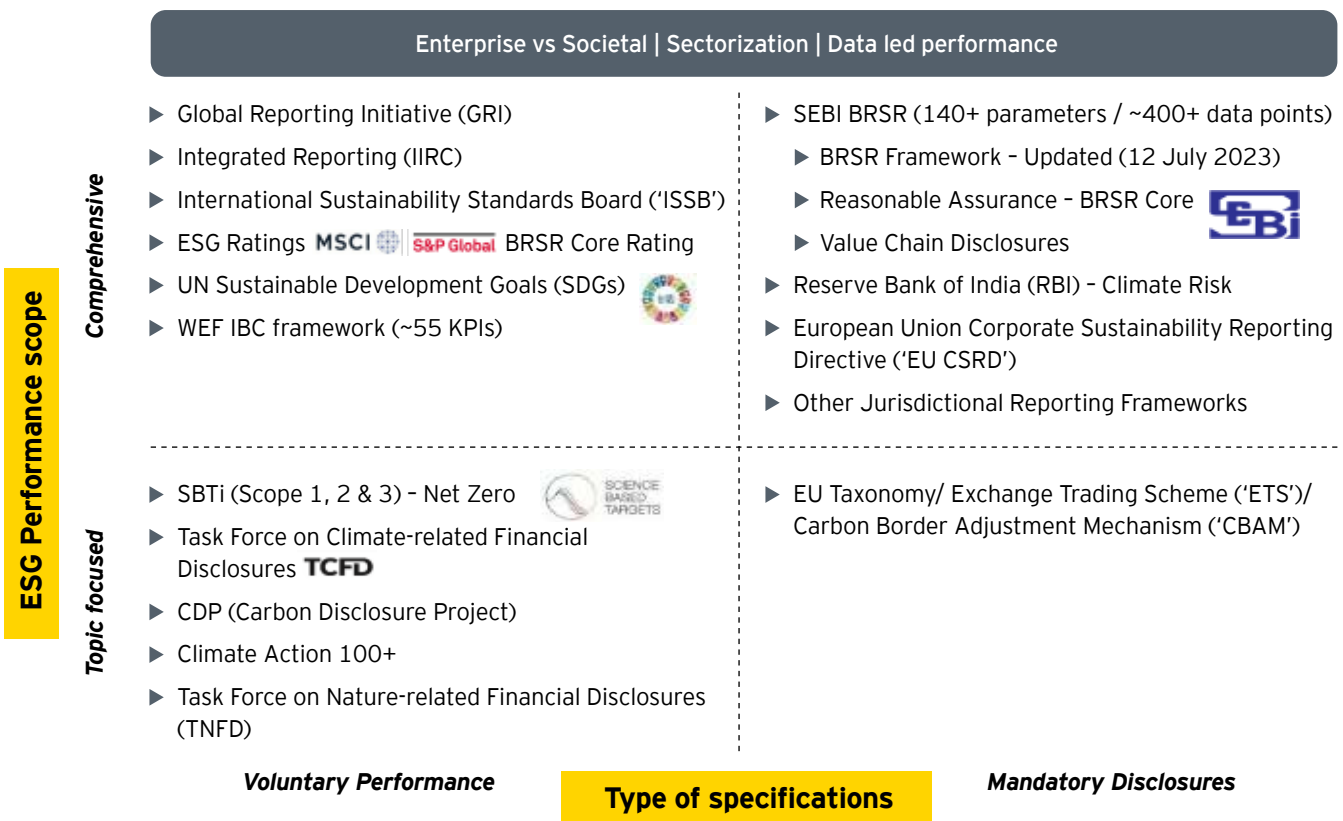
Organizations must analyze data on ESG with the same rigor as business data to leverage it in their sustainability journey. As ESG becomes part of business as usual, organizations will have to build data traceability for building trust & real time alerts.

Emerging data models are complex as they need to include internal as well as external data, in addition to external intelligence. However, the sustainability journey to net zero will involve trade-offs, investments and building underlying business cases. Therefore, there is a need to present data-led performance.

While the overall progress is slow, organizations are at different maturity levels, mostly due to quality data being the differentiator between mature and less mature systems. Therefore, one must have high quality, decision-centric data available that can withstand scrutiny.

## Emerging and Evolving Global and India ESG Data Model

### ESG performance standards and frameworks for forward looking insights



#### Key Challenge:

- ▶ Multiple standards and frameworks no single language yet
- ▶ Continuously evolving landscape (BRSR Core, ISSB, Ratings)

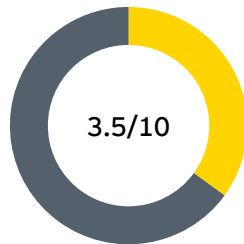


Establishing a comprehensive sustainability data model with inter-operability among multiple frameworks is key to transform the sustainability journey.

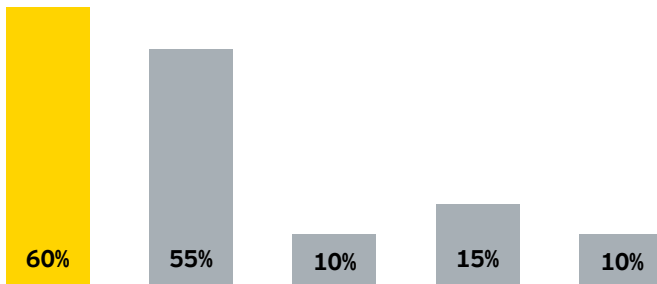
## ESG data collection and reporting has emerged as the key challenge in the rapidly evolving ESG Landscape and leading companies are prioritizing digitalization and automation

EY Study shows strong level of involvement by finance professionals in ESG reporting efforts and focus on establishing an integrated digital platform for measurement, monitoring and reporting of ESG Indicators

How automated is your ESG reporting? A 1 indicates fully manual and a 10 indicates fully automated



Where is your ESG information currently residing? (select all that apply)



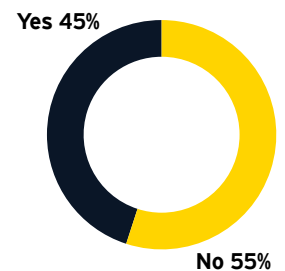
|  |     |
|--|-----|
| Variety of software applications addressing individual of several ESG topics | 60% |
| Excel  | 55% |
| ESG specific software solution   | 10% |
| Software solution currently used for financial reporting (e.g. ERP)          | 15% |
| Other  | 10% |

To what extent has your group dedicated time and resources to address ESG data collection, aggregation and disclosure within the finance function during the past 12 months?

|   |     |
|---|-----|
| We have dedicated substantial time and effort to address the topic - much more than in prior years  | 51% |
| We have dedicated substantial time and effort - consistent with previous years (i.e. no meaningful change)  | 14% |
| Although these areas are addressed by our company, we are still exploring and have not dedicated substantial time to or do not have large involvement with ESG data | 32% |
| Other   | 3%  |

### The intersection of technology, governance and controls

Does your organization have tools are enablers (i.e. software) in place to help facilitate a review process around ESG information?



Are the tools referred in the prior question integrated with financial reporting?

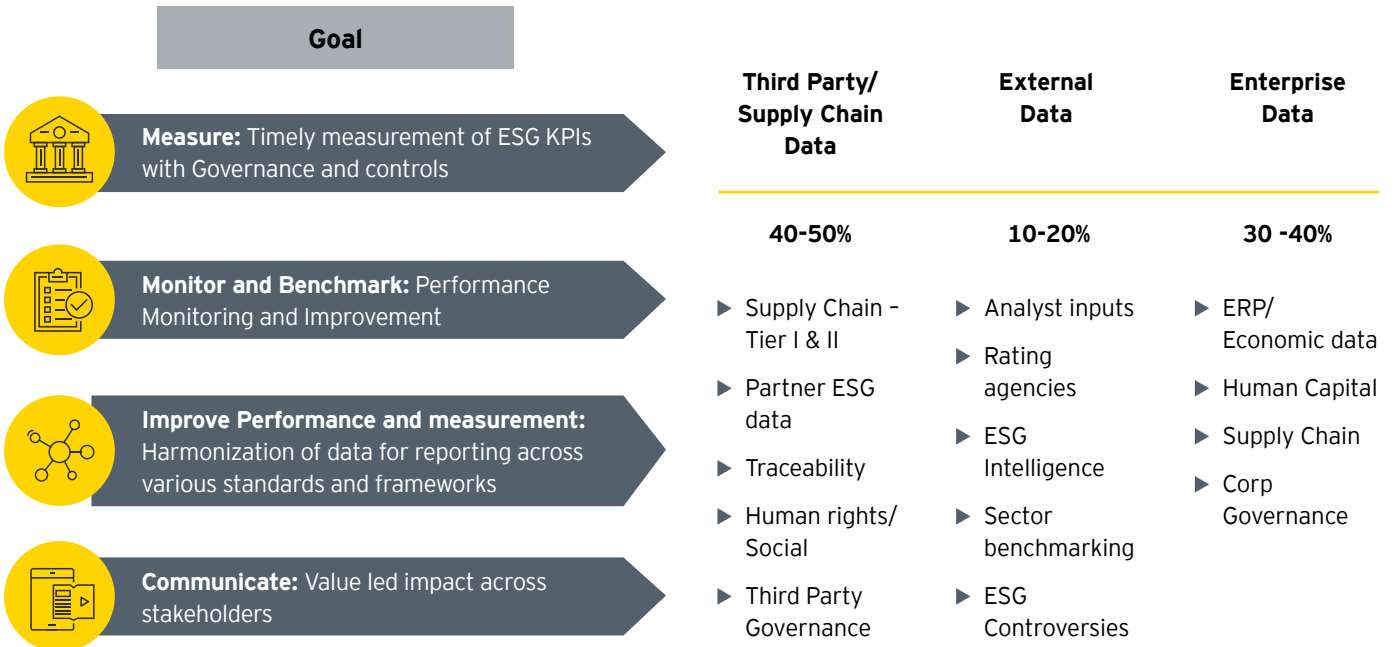
|  |     |
|--|-----|
| No, but would like it to be                          | 33% |
| No, intend to keep separate from financial reporting | 41% |
| Yes  | 15% |
| Other  | 11% |



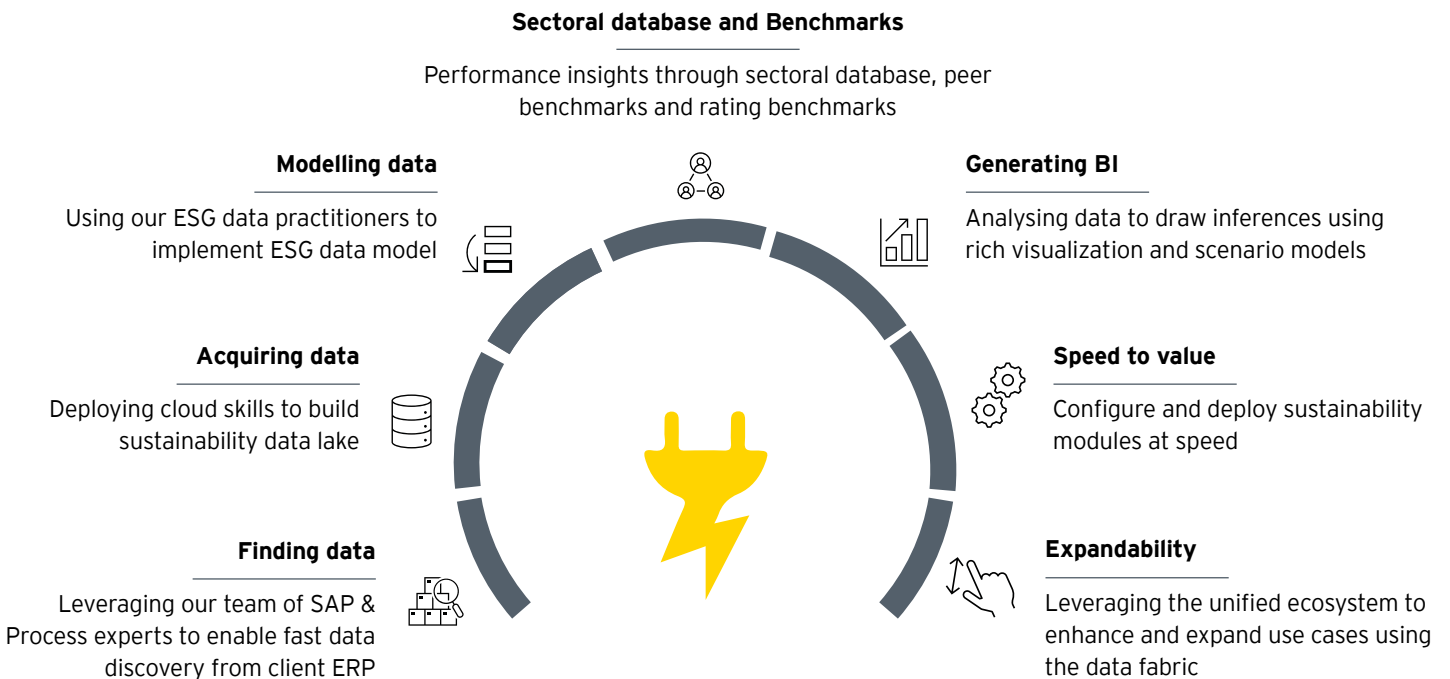
ESG reporting is most successful when different functions come together to establish and execute a robust process, guided by appropriate controls, and enabled with technology. While the greatest focus and great challenges are around carbon data, organizations well preparing for the future are implementing scalable technology architectures to support ESG requirements that will like evolve over the next several years

- **Ryan Bogner** | Principal, Climate Change and Sustainability Services at Ernst & Young LLP

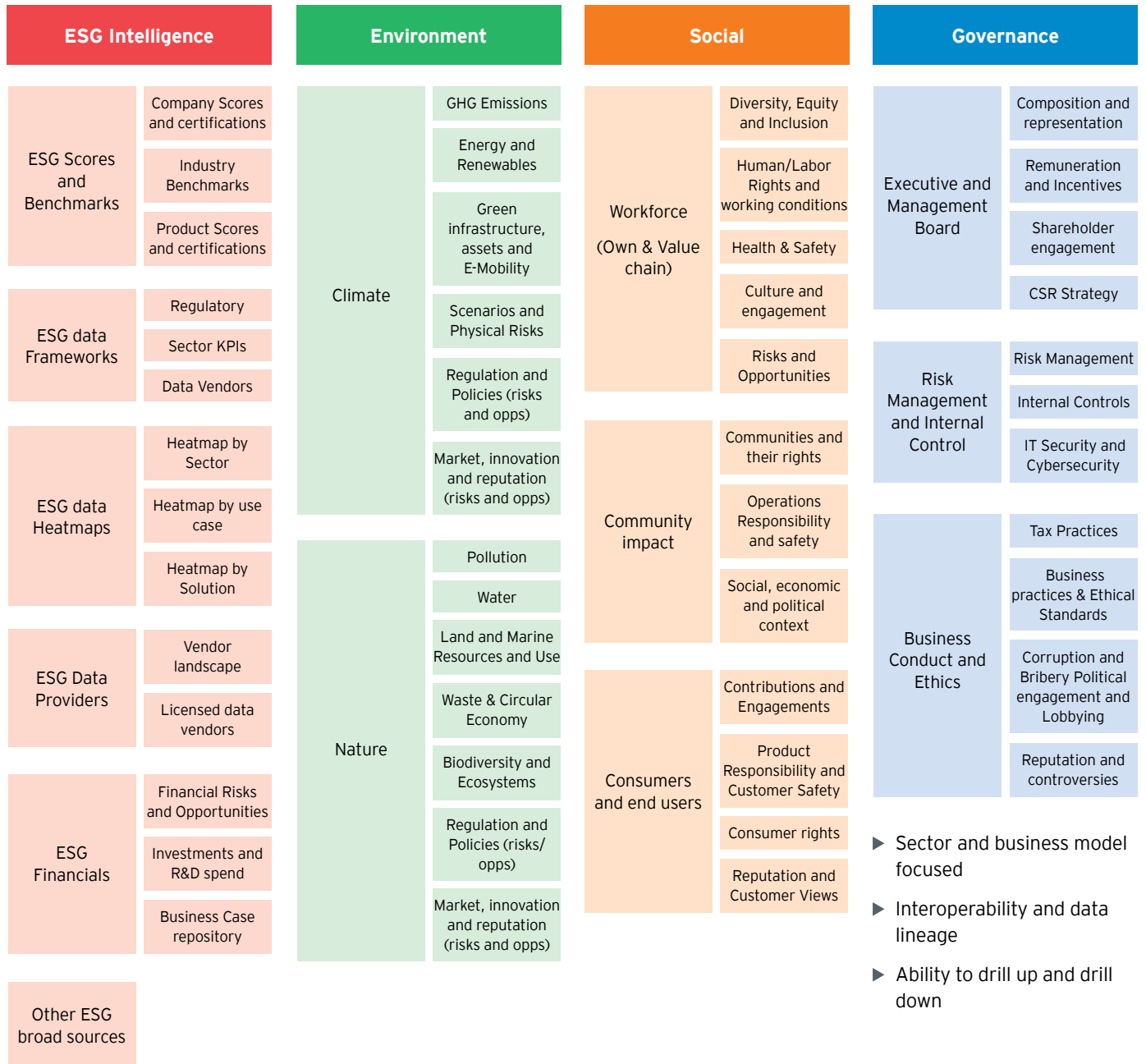
# How do we leverage ESG data as our superpower?



## Need a plug and play data model at its foundation



# What is ESG Data model & critical success factors?



# How can emerging technologies and AI accelerate sustainability?

## AI enabled ESG Data Discovery



## Predicting Climate Scenarios



## ESG Analytics and Benchmarking



## ESG Sector Intelligence



## Supply Chain Intelligence



## ESG Chat Bot and Upskilling

### A generative AI based sustainability search assistant.

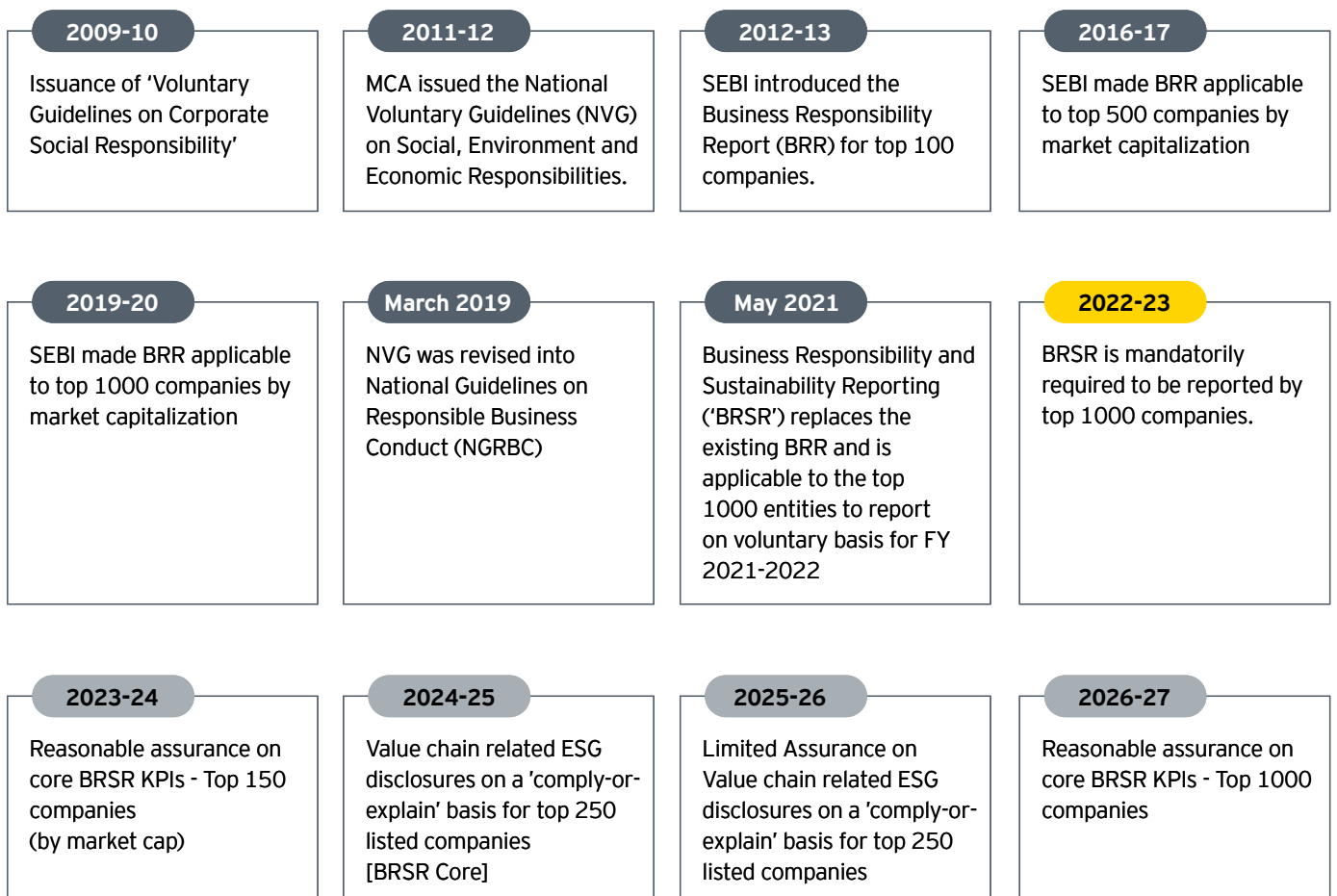
Use the assistant to get answers to sustainability questions. The assistant is backed by powerful models like GPT3 and robusts them which allow the user to perform complex search operations.

- GPT3 Based** - Use the power of GPT3 to get answers to your questions
- Powerful Search Model** - Generative question answering model (QA) trained on custom data to answer questions more accurately.
- Dedicated Use Cases** - Quickly perform contextual search on specific data and reports like BRSR and SAGB using the fine-tuned robusts base model.

An illustration of two people sitting at a desk with a laptop. One person is standing and pointing at a screen, while the other is sitting and looking at the laptop. There are also some books and a plant on the desk.

## Sustainability reporting journey @ India Inc

Past  
 Present  
 Future





## BRSR Core - Environment

✓ Covered  
✗ Not Covered

| E/S/G Pillar | Factor          | KPIs   | Essential vs Leadership | No. of Data Points | BRSR | BRSR Core |
|--------------|-----------------|--|-------------------------|--------------------|------|-----------|
| Environment  | GHG footprint   | Total Scope 1 emissions (with breakup by type, if available)   | Essential               | 1                  | ✓    | ✓         |
|              |                 | Total Scope 2 emissions (with breakup by type, if available)   | Essential               | 1                  | ✓    | ✓         |
|              |                 | GHG Emission Intensity (Scope 1+2)                             | Essential               | 6                  | ✓    | ✓         |
|              | Water footprint | Water consumption details                                      | Essential               | 6                  | ✓    | ✓         |
|              |                 | Water consumption intensity                                    | Essential               | 3                  | ✓    | ✓         |
|              |                 | Water discharge details  | Leadership              | 1                  | ✓    | ✓         |
|              |                 | Water discharge intensity                                      | -                       | 2                  | ✗    | ✓         |
|              | Circularity     | Details of waste generated (by type)                           | Essential               | 8                  | ✓    | ✓         |
|              |                 | Details of waste recovered (through recycling or re-using etc) | Essential               | 3                  | ✓    | ✓         |
|              |                 | Details of waste disposed by disposal method                   | Essential               | 3                  | ✓    | ✓         |
|              |                 | Waste intensity (generated and recovered)                      | -                       | 2                  | ✗    | ✓         |
|              | Investment      | R&D and Capex investments                                      | Essential               | 2                  | ✓    | ✓         |

Source: SEBI

\*Note: Intensity calculation has been extended to disclose on the following parameters in BRSR Core:

- ▶ By Turnover (Adjusted for Purchasing Power Parity)
- ▶ By Total output of product or services (sector-wise unit of measurement to be finalized)
- ▶ By Revenue from Operations (Adjusted for Price Volume Parity)



## BRSR Core - Social and Governance

✓ Covered  
 ✗ Not Covered

| E/S/G Pillar | Factor  | KPIs   | Essential vs Leadership | No. of Data Points | BRSR | BRSR Core |
|--------------|---|--|-------------------------|--------------------|------|-----------|
| Social       | Employee Wellbeing and Safety                     | Spending on measures towards well-being of employees and workers   | -                       | 1                  | ✗    | ✓         |
|              |   | Details of safety related incidents for employees and workers  | Essential               | 3                  | ✓    | ✓         |
|              | Gender Diversity                                  | Gross wages paid to females as % of wages paid   | -                       | 1                  | ✗    | ✓         |
|              | Human Rights                                      | Complaints on POSH   | Essential               | 2                  | ✓    | ✓         |
|              | Inclusive Development                             | Inputs sourced from MSMEs and/ neighbouring districts  | Essential               | 1                  | ✓    | ✓         |
|              |   | Job creation in smaller towns - Wages paid to people employed in smaller towns as % of total wage cost   | -                       | 1                  | ✗    | ✓         |
| Governance   | Fairness in Engaging with Customers and Suppliers | % of negative media sentiment  | -                       | 1                  | ✗    | ✓         |
|              | Stakeholders - Timely Payment                     | Number of days of accounts payable   | -                       | 1                  | ✗    | ✓         |
|              | Open-ness of business                             | Concentration of purchases & sales done with trading houses, dealers, and related parties, Loans and advances & investments with related parties | -                       | 3                  | ✗    | ✓         |

\*Notes:

The details around POSH complaints as a % of female employees/ workers and complaints upheld are additional details required by BRSR Core





05

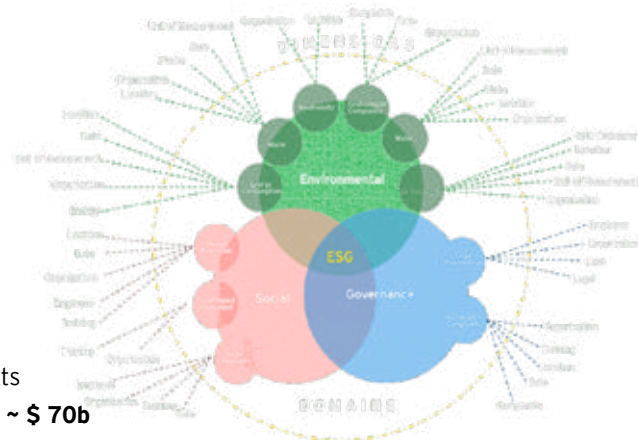
**Insights from India Inc:  
emerging ESG data model**

# ESG Dashboard @ India Inc FY 22-23

## ESG Performance Analysis







### ESG Data model - India Inc

|   |  |  |
|---|--|--|
| <br><b>ESG Data Model</b>  | <br><b>Completeness</b> | <br><b>Modelling data</b> |
| <br><b>Sector Insights</b> | <br><b>Performance</b>  | <br><b>Analytics</b>      |








- ▶ FY 22-23: **1000+** Companies
- ▶ **1200+** KPIs analyzed
- ▶ **Climate, Social and Governance**
- ▶ **20+** Sector wise analysis
- ▶ **19 %** Revenues from Exports
- ▶ Potential Carbon Exposure: ~ \$ 70b





### Environmental - Climate action

|  |  |  |  |  |   |
|--|--|--|--|--|---|
|  <b>11%</b> |  <b>56%</b> |  <b>60%</b> |  <b>72%</b> |  <b>1.4</b> |  <b>14.4</b> |
| % Energy Consumption From Renewable Sources  | % of Inputs Sourced Sustainably  | % Companies that have implemented Zero Liquid Discharge (ZLD)                                  | % Companies that have procedures For Sustainable Sourcing                                      | Total Scope 1 & Scope 2 Emissions (Billion tonne of CO2e)  | Total Volume of Water Withdrawal (Trillion litres)  |

### Social

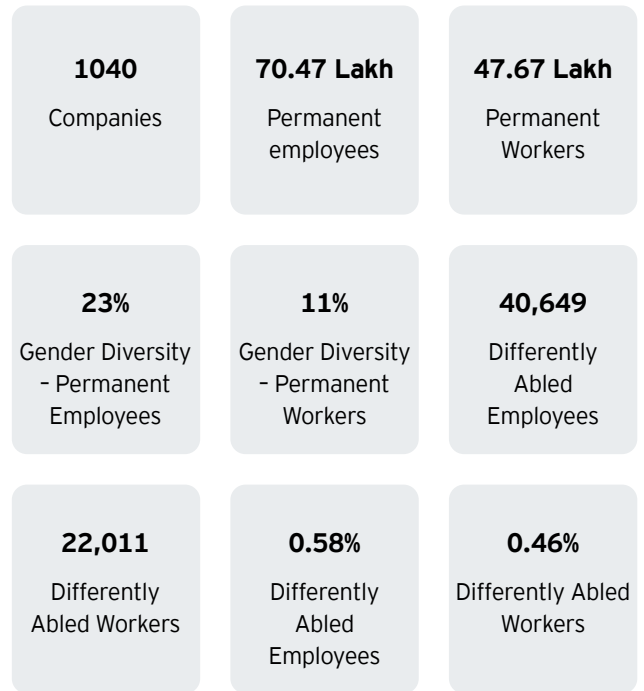
|   |  |  |   |  |
|---|--|--|---|--|
|  <b>11.8 million</b> |  <b>18%</b> |  <b>19%</b> |  <b>40,649</b> |  <b>21%</b> |
| Total Workforce (Employees & Workers)   | % Female Workforce (Employees & Workers)   | % Female Board of Directors  | # Of Differently abled Employees (<0.58%)   | Turnover/ Attrition Rate Of Permanent Employees  |

### Governance/ Economics

|  |  |  |  |
|--|--|--|--|
|  <b>85%</b> |  <b>84%</b> |  <b>16%</b> |  <b>14%</b> |
| % Companies Reporting on a standalone basis  | % Companies having Committee Of Board on ESG   | % Of Environmental & Social spend in Research & Development 'R&D'                              | % Of Environmental & Social spend within Capex   |

## Sector representation for our analysis

| Sector                            | Number of companies |
|-----------------------------------|---------------------|
| Capital Goods                     | 154                 |
| Financial Services                | 136                 |
| Chemicals                         | 96                  |
| Healthcare                        | 85                  |
| Fast Moving Consumer Goods        | 67                  |
| Automobile and Auto Components    | 62                  |
| Consumer Durables                 | 57                  |
| Information Technology            | 46                  |
| Consumer Services                 | 43                  |
| Textiles                          | 41                  |
| Services                          | 38                  |
| Construction                      | 32                  |
| Construction Materials            | 27                  |
| Metals & Mining                   | 26                  |
| Realty                            | 26                  |
| Oil Gas & Consumable Fuels        | 25                  |
| Power                             | 22                  |
| Media Entertainment & Publication | 21                  |
| Telecommunication                 | 16                  |
| Forest Materials                  | 10                  |
| Diversified                       | 7                   |
| Utilities                         | 3                   |
| <b>Total</b>                      | <b>1,040</b>        |



Source:

Business Responsibility & Sustainability Reporting -

enabled by EY ESG Compass

## Social Insights from India Inc's reporting via Business Responsibility and Sustainability Reporting ('BRSR')

In an era marked by rapid global transformations and heightened social awareness, the crucial role of Human Resources (HR) departments in championing Diversity, Equity, and Inclusion (DEI) is more evident than ever. As we delve into the insights drawn from EY's analysis of the latest FY 2022-23 Business Responsibility and Sustainability Reporting (BRSR) reports of 1,040 listed companies, it becomes abundantly clear that a strategic focus on DEI, robust training initiatives, and comprehensive employee development and support programs are not merely desirable, but essential for organizational growth and sustainability.

The analysis brought to light several critical data points that underscore the current landscape. With a substantial workforce of 70.47 lakh permanent employees and 47.67 lakh permanent workers spread across these 1,040 listed companies, the imperative for inclusive policies and practices has never been more pressing. The report revealed a 23% gender diversity among permanent employees, although this number drops to 19% at the Board of Directors level and a mere 11% among permanent workers. Additionally, it highlighted the stark reality of minimal representation of differently-abled employees, standing at just 0.58%, and 0.46% for permanent employees & workers, respectively.

## Insights from BRSR

These figures not only underscore the progress made but also emphasize the considerable room for growth. HR departments are presented with an unprecedented opportunity to foster collaboration among all stakeholders and drive comprehensive, sustainable change. This involves a multi-faceted approach, integrating targeted training initiatives to educate and sensitize employees, thus cultivating an inclusive work environment.

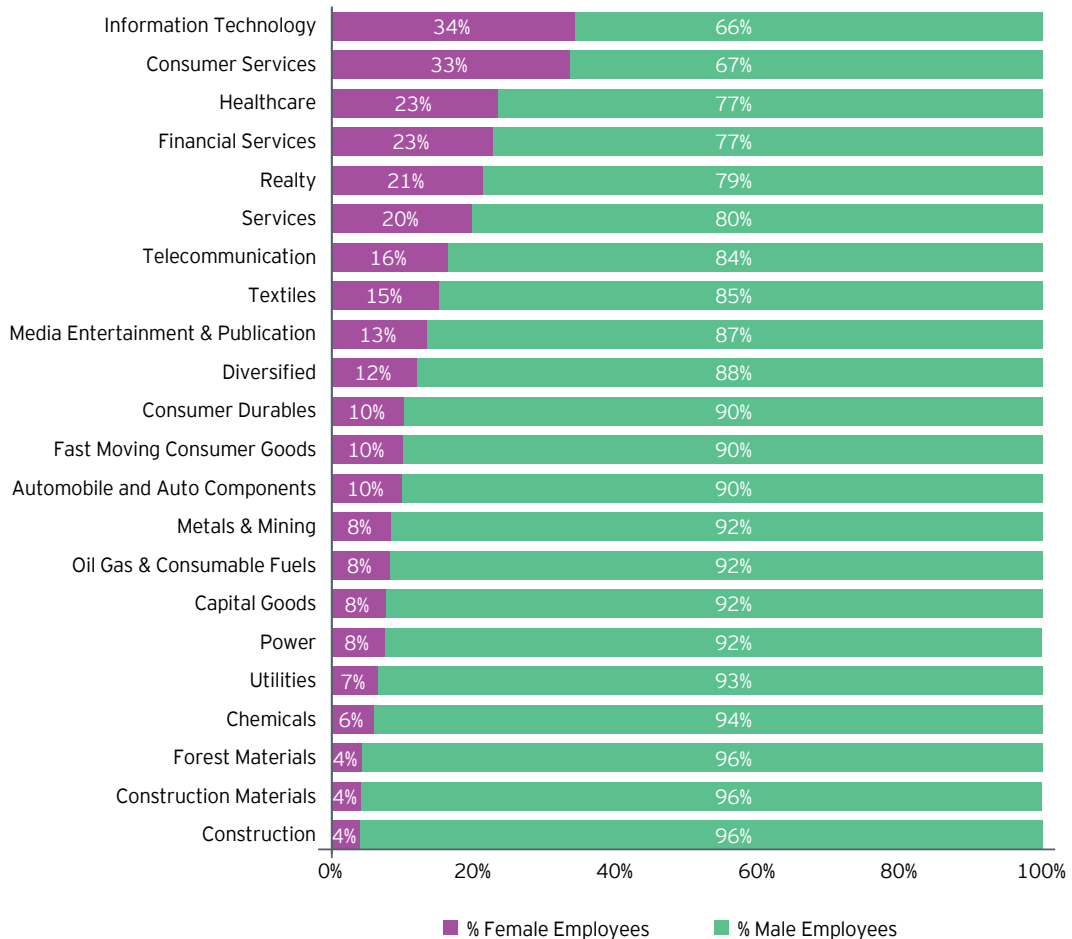
Furthermore, enhancing job retention (with a 21% attrition rate among permanent employees) and facilitating a seamless transition for employees returning from maternity or paternity leave by providing essential facilities such as creches and child-feeding spaces are pivotal. Recognizing the evolving dynamics of work-life balance, an increase in flexible and part-time working options is vital to accommodate the diverse needs of employees. Moreover, prioritizing the enhancement of office and manufacturing infrastructure to cater to the specific requirements of persons with disabilities is paramount for creating an accessible and supportive workspace for all.

As we collectively embrace these imperative measures, we can foster an environment where every employee feels valued, respected, and empowered to contribute to the organization's success. This not only nurtures a culture of innovation and creativity but also positions companies at the forefront of the global business landscape, driving sustainable growth and cementing their position as beacons of progress and inclusivity.

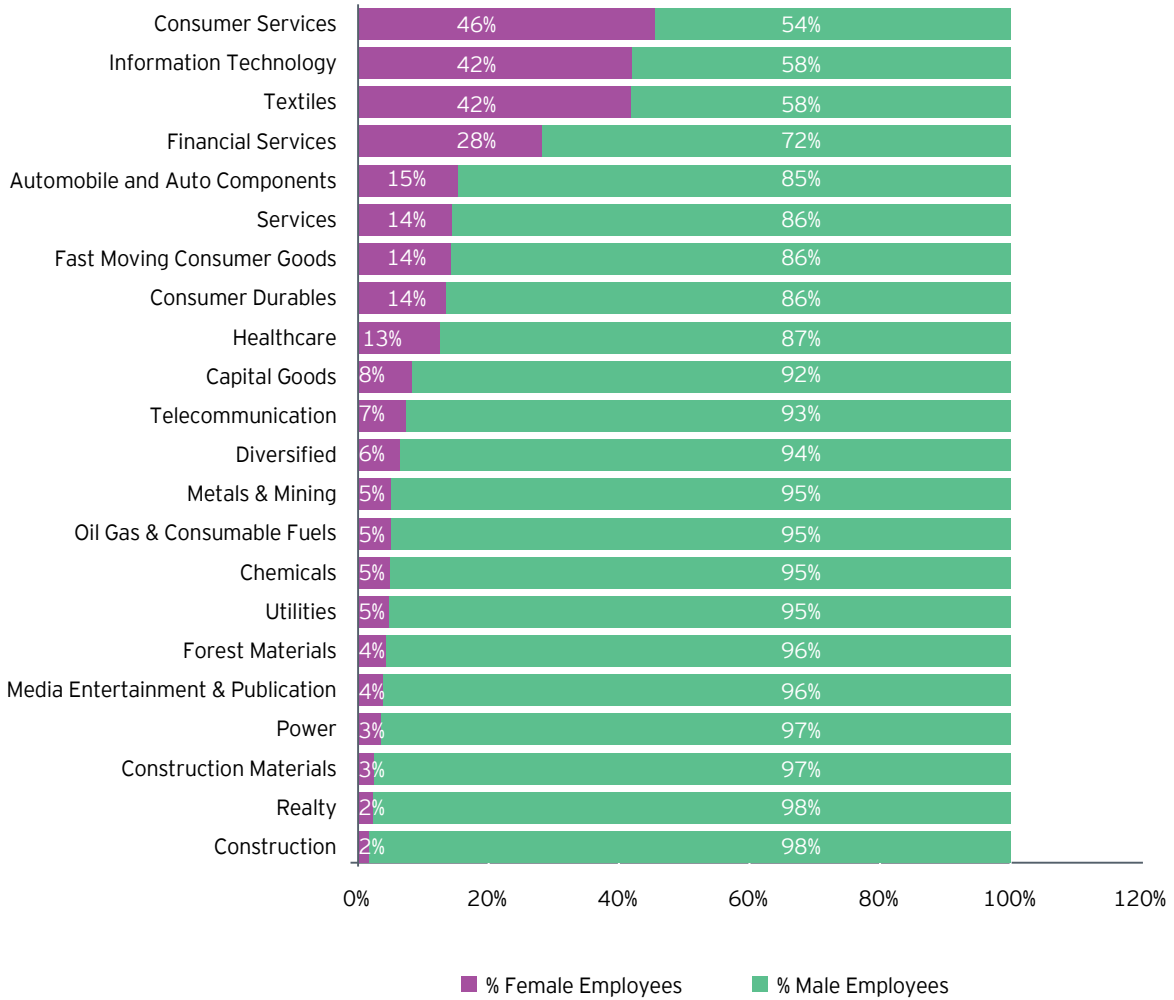
The journey towards creating a truly diverse, equitable, and inclusive workplace is not without challenges, but it is one that HR departments must ardently pursue with unwavering dedication and commitment. Let us unite in our shared vision of a workplace that celebrates individuality, empowers all, and serves as a testament to the transformative power of diversity, equity, and inclusion.

## Insights from BRSR

**% Gender Diversity - Permanent Employees: 23%**



**Gender Diversity % - Permanent Workers: 11%**









06

**Certain ESG Leading Practices**

# ESG Governance Framework

The Task Force for Climate Related Financial Disclosures (TCFD) was constituted by Financial Stability Board after 2008 financial crisis to identify climate related risks and develop recommendations for more effective climate-related disclosures.

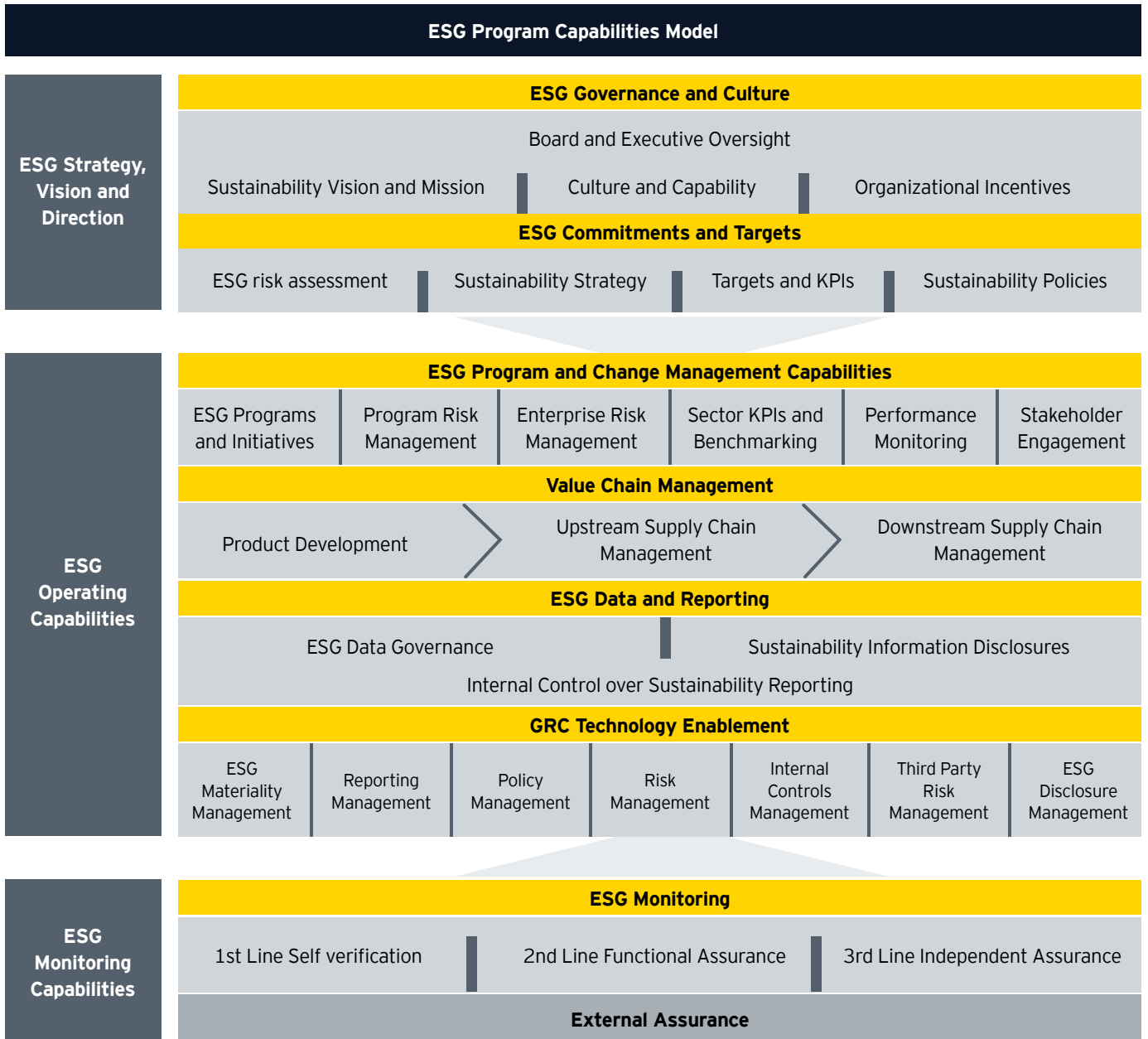


TCFD is a framework to assess and disclose business impact of ESG/ climate risks and opportunities

| TCFD elements     | TCFD recommended disclosures   |
|-------------------|--|
| Governance        | a. Board oversight   |
|                   | b. Management's role   |
| Strategy          | a. Climate-related risks and opportunities                                   |
|                   | b. Impact on the organization's businesses, strategy, and financial planning |
|                   | c. Resilience of the organization's strategy                                 |
| Risk Management   | a. Risk identification and assessment processes                              |
|                   | b. Risk management process   |
|                   | c. Integration into overall risk management                                  |
| Metrics & Targets | a. ESG metrics in line with strategy and risk management process             |
|                   | b. Functional ESG KPIs metrics and the related risks                         |
|                   | c. ESG targets and performance against targets                               |



# Integrating ESG Program Capabilities across the enterprise is key



## Sector insights, KPIs and benchmarking are critical for an effective ESG program

### Consumer Goods

- ▶ Apparel, Accessories & Footwear
- ▶ Appliance Manufacturing
- ▶ Building Products & Furnishings
- ▶ E-Commerce
- ▶ Household & Personal Products
- ▶ Multiline and Specialty Retailers & Distributors
- ▶ Toys & Sporting Goods

### Extractives & Minerals Processing

- ▶ Coal Operations
- ▶ Construction Materials
- ▶ Iron & Steel Producers
- ▶ Metals & Mining
- ▶ Oil & Gas - Exploration & Production
- ▶ Oil & Gas - Midstream
- ▶ Oil & Gas - Refining & Marketing
- ▶ Oil & Gas - Services

### Financials

- ▶ Asset Management & Custody Activities
- ▶ Commercial Banks
- ▶ Consumer Finance
- ▶ Insurance
- ▶ Investment Banking & Brokerage
- ▶ Mortgage Finance
- ▶ Security & Commodity Exchanges

### Food & Beverage

- ▶ Agricultural Products
- ▶ Alcoholic Beverages
- ▶ Food Retailers & Distributors
- ▶ Meat, Poultry & Dairy
- ▶ Non-Alcoholic Beverages
- ▶ Processed Foods
- ▶ Restaurants
- ▶ Tobacco

### Health Care

- ▶ Biotechnology & Pharmaceuticals
- ▶ Drug Retailers
- ▶ Health Care Delivery
- ▶ Health Care Distributors
- ▶ Managed Care
- ▶ Medical Equipment & Supplies

### Infrastructure

- ▶ Electric Utilities & Power Generators
- ▶ Engineering & Construction Services
- ▶ Gas Utilities & Distributors
- ▶ Home Builders
- ▶ Real Estate
- ▶ Real Estate Services
- ▶ Waste Management
- ▶ Water Utilities & Services

### Renewable Resources & Alternative Energy

- ▶ Biofuels
- ▶ Forestry Management
- ▶ Fuel Cells & Industrial Batteries
- ▶ Pulp & Paper Products
- ▶ Solar Technology & Project Developers
- ▶ Wind Technology & Project Developers

### Resource Transformation

- ▶ Aerospace & Defense
- ▶ Chemicals
- ▶ Containers & Packaging
- ▶ Electrical & Electronic Equipment
- ▶ Industrial Machinery & Goods

### Services

- ▶ Advertising & Marketing
- ▶ Casinos & Gaming
- ▶ Education
- ▶ Hotels & Lodging
- ▶ Leisure Facilities
- ▶ Media & Entertainment
- ▶ Professional & Commercial Services

### Technology & Communications

- ▶ Electronic Manufacturing Services & Original Design Manufacturing
- ▶ Hardware
- ▶ Internet Media & Services
- ▶ Semiconductors
- ▶ Software & IT Services
- ▶ Telecommunication Services

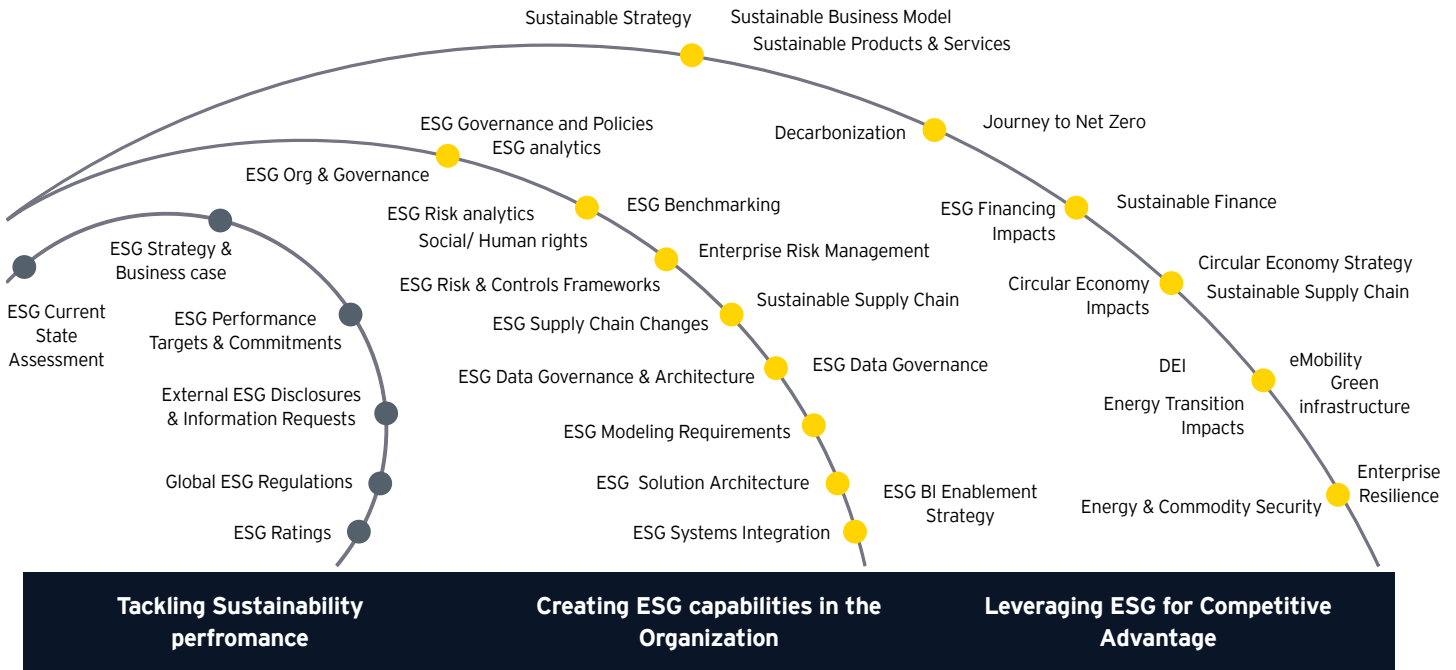
### Transportation

- ▶ Air Freight & Logistics
- ▶ Airlines
- ▶ Auto Parts
- ▶ Automobiles
- ▶ Car Rental & Leasing
- ▶ Cruise Lines
- ▶ Marine Transportation
- ▶ Rail Transportation
- ▶ Road Transportation

Financially material | Decision-useful

Cost-effective | Industry-specific | Evidence-based | Market-informed

# Integrating ESG into a Sustainable Business Model for Long Term Value



| Tackling Sustainability performance    | Creating ESG capabilities in the Organization | Leveraging ESG for Competitive Advantage    |
|--|---|---|
| Understand the Emerging Standards      | Assess the wider Operating Model impacts      | Integrate ESG as part of Long Term Strategy |
| Address ESG benchmarking & performance | Integrating ESG Into Business as Usual        | Operating in a more Sustainable Reality     |

**Key Questions:**

- ▶ Do we understand all the relevant ESG requirements for my organization?
- ▶ How should we define my ESG strategy?
- ▶ What do we need to report on ESG for my company?
- ▶ What is my company's ESG rating?
- ▶ How do we get confidence on the reliability & fairness of ESG disclosures being made?

**Key Questions:**

- ▶ What is my current level of ESG maturity?
- ▶ How do we embed ESG requirements into my business model and my critical supply chains?
- ▶ How do we technology enable ESG management?
- ▶ How do we implement proper ESG data Governance?
- ▶ How do we stay up to date with changing ESG requirements?

**Key Questions:**

- ▶ How do we integrate Sustainability into my long-term Strategy?
- ▶ How do we leverage ESG to benefit from Sustainable Finance?
- ▶ How do we integrate ESG into my product and services strategy?
- ▶ How do we align my external ecosystem with my organizations ESG strategy ?

# Sustainable Supply Chains are not only fundamental in achieving sustainability ambitions, they are also ripe in creating opportunities and competitive advantage

Our research highlights certain key emerging trends in Sustainable Supply Chains:

- 1 Leading companies are establishing a shared commitment with their tier 1 suppliers and beyond
- 2 Multiplier effects of sustainability throughout an interconnected and transparent supply chain
- 3 More than a “green” movement - companies reap significant benefits for increased supplier diversity and sustainability outcomes
- 4 Leading companies are paying more attention to procurement strategies as investors require more accountability for ESG metric reporting
- 5 Emerging technologies have enabled businesses to gain value chain visibility and increase efficiency
- 6 Enterprise led commitments - through business goals and international pledges - requiring supply chain to adapt to changing expectations

## THERE ARE NUMEROUS SHORT TERM AND LONG TERM BENEFITS TO INVESTING IN SUSTAINABLE SUPPLY CHAINS

**55%** of EY’s Supply Chain Reinvention research respondents said that sustainable supply chains were a competitive advantage

Investments in sustainable supply chains add about **12% - 23%** to the value chain

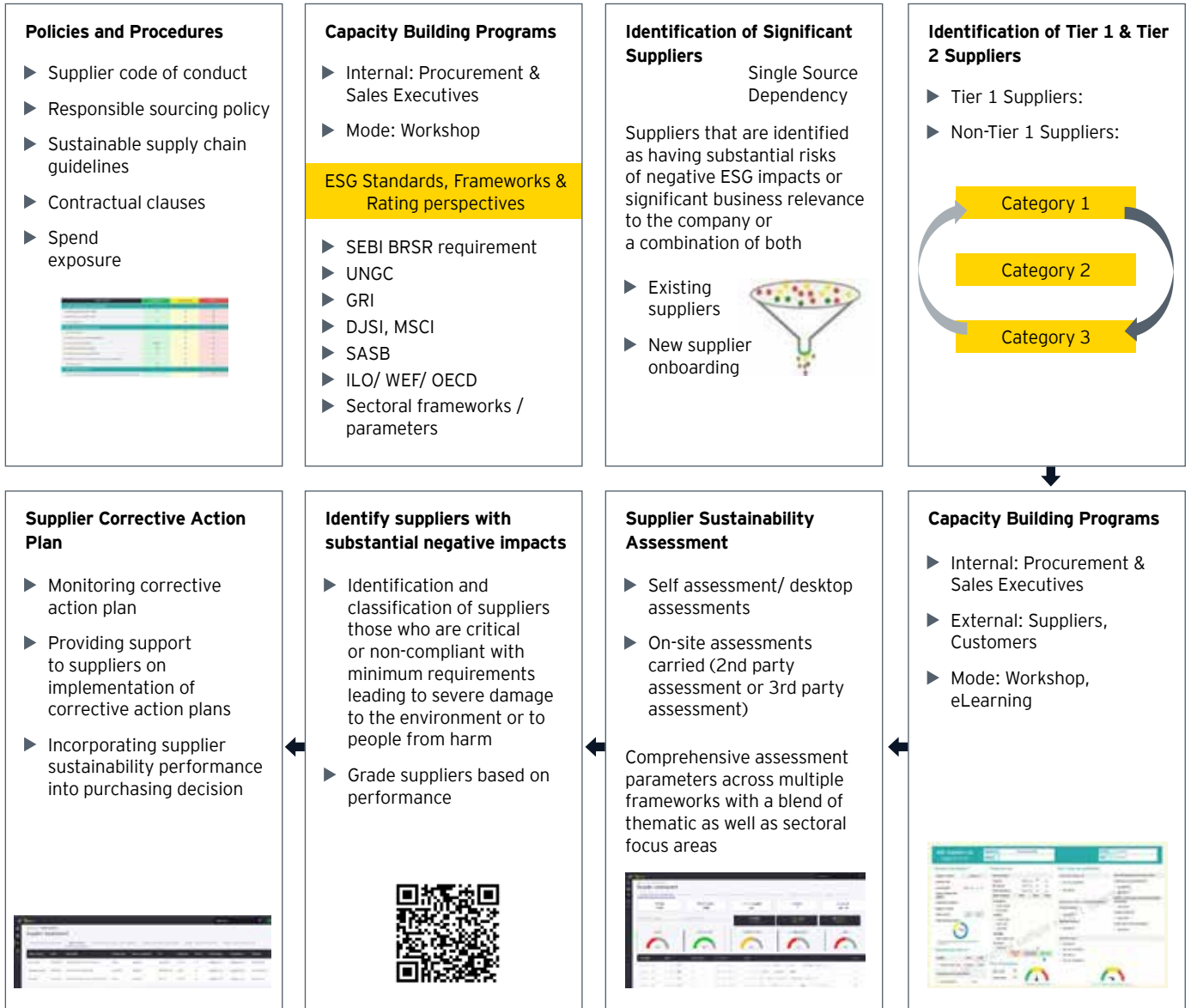
**133%** Greater return on procurement investments than a typical business who doesn’t focus on having a diverse & sustainable supply chain

## THE RISKS OF NOT IMPLEMENTING SUSTAINABILITY INTO SUPPLY CHAIN IS HIGHER

**88%** of institutional investors revisit their investments if companies do not address supply chain risks



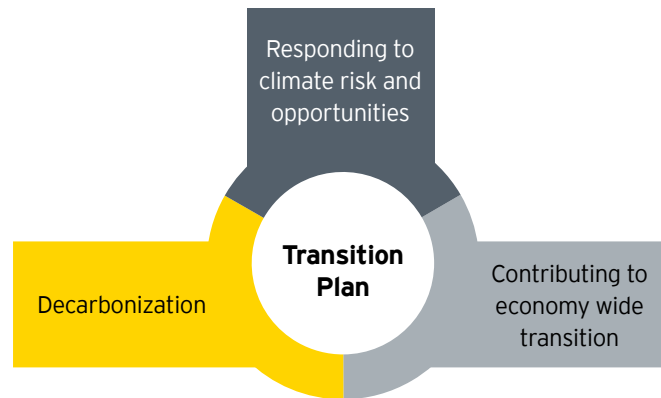
# What are the key Sustainable Supply Chain Actions?





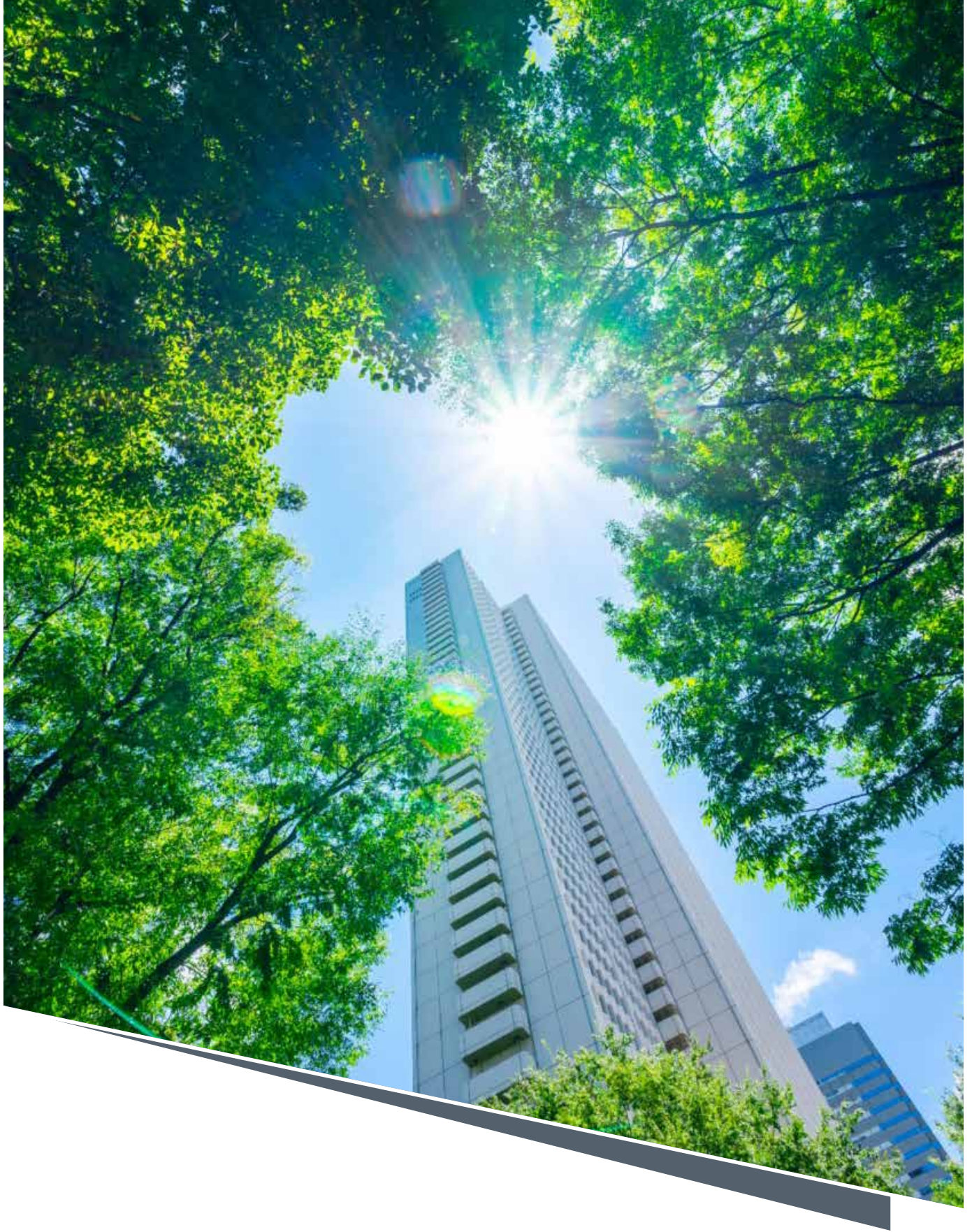
# How can we assess the maturity of Net Zero transition plan?

A transition plan is integral to an entity's overall strategy, setting out its plan to contribute to and prepare for a rapid global transition towards a low GHG-emissions economy



|                         |  |  |  |  |  |
|-------------------------|--|--|--|--|--|
| PRINCIPLES              | Ambition   | Action   | Accountability   | Accountability   |  |
| PLANNING PROCESS        | Key stages of transition planning  |  |  |  |  |
| DISCLOSURE ELEMENTS     | 1. Foundation  | 2. Implementation Strategy   | 3. Engagement Strategy   | 4. Metrics and Targets   | 5. Governance  |
| DISCLOSURE SUB-ELEMENTS | 1.1 Objectives and priorities<br>1.2 Business model implications   | 2.1 Business planning and operations<br>2.2 Products and services<br>2.3 Policies and conditions<br>2.4 Financial planning<br>2.5 Sensitivity analysis | 3.1 Engagement with value chain<br>3.2 Engagement with industry<br>3.3 Engagement with government, public sector and civil society | 4.1 Governance, business and operational metrics and targets<br>4.2 Financial metrics and targets<br>4.3 GHG emissions metrics and targets<br>4.4 Carbon credits | 5.1 Board oversight and reporting<br>5.2 Roles, responsibility and accountability<br>5.3 Culture<br>5.4 Incentives and remuneration<br>5.5 Skills, competencies and training |
|                         | A transition plan should translate ambitious strategic objectives into concrete steps to be taken in the short and medium-term |  |  |  |  |

|  |   |  |
|--|---|--|
| <p><b>Ambition</b></p> <p>Contribute to and plan for a rapid and orderly transition to net zero.</p> | <p><b>Action</b></p> <p>Concentrate on concrete actions that prioritise the short term and strive for adaptability.</p> | <p><b>Accountability</b></p> <p>Provide clear governance mechanisms and consistent reporting and verification to ensure successful delivery of the plan.</p> |
|--|---|--|



07

**Knowledge resources**

## Key ESG Learning Resources

| Themes  | Titles  |
|---|---|
| <b>Climate Change Risk, Measurement &amp; Management</b>            | <ul style="list-style-type: none"> <li>▶ Implementing the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)</li> <li>▶ Handbook for Nature-Related Financial Risks</li> <li>▶ TCFD Knowledge Hub</li> <li>▶ Network for Greening the Financial System (NGFS) - First comprehensive report - Climate change as a source of financial risk</li> </ul> |
| <b>Greenhouse Gas (GHG) Emissions - Quantifying &amp; Reporting</b> | <ul style="list-style-type: none"> <li>▶ The GHG Protocol (wbcsd.org)</li> <li>▶ Official GHG Protocol Courses</li> </ul>   |
| <b>Sustainability in Business</b>                                   | <ul style="list-style-type: none"> <li>▶ UN Principles For Responsible Investment</li> <li>▶ Principles for Responsible Banking</li> </ul>  |

| Themes  | Course name  |
|---|--|
| <b>Sustainability</b>   | <ul style="list-style-type: none"> <li>▶ "UNEP-FI Principles For Responsible Banking," United Nations Environment Programme Finance Initiative</li> <li>▶ "UN Principles For Responsible Investment," Principles for Responsible Investment, 2021.</li> </ul>  |
| <b>Climate Change Risk</b>  | <ul style="list-style-type: none"> <li>▶ "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures," Task Force on Climate-related Financial Disclosures, October 2021.</li> <li>▶ "Risk Management Fundamentals," Global Association of Risk Professionals (GARP), December 2022.</li> </ul>   |
| <b>Sustainability and Climate Policy, Culture, and Governance</b> | <ul style="list-style-type: none"> <li>▶ "A call for action: Climate change as a source of financial risk," Network for Greening the Financial System (NGFS), April 2019.</li> <li>▶ "The GHG Protocol: A corporate reporting and accounting standard (revised edition)," The Greenhouse Gas Protocol and World Business Council for Sustainable Development (WBCSD), March 2004.</li> </ul> |
| <b>Climate Risk Measurement and Management</b>                    | <ul style="list-style-type: none"> <li>▶ "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures," Task Force on Climate-related Financial Disclosures, October 2021.</li> </ul>  |

## Useful links

- ▶ EY ESG Compass - Innovation to transform sustainability journey
- ▶ Sustainability in business | Insights & trends (ey.com)
- ▶ EY Sustainability Reporting Maturity Assessment
- ▶ Taskforce on Climate - Related Financial Disclosures Report (ey.com)
- ▶ Corporate Sustainability Reporting Directive (CSRD) maturity assessment | EY India
- ▶ What right questions CFOs need to answer for ESG-driven transformation (ey.com)
- ▶ How can data build the roadmap for a sustainability revolution (ey.com)
- ▶ EY annual report 2023 | Value Realized | EY - Global
- ▶ Transformation Realized: How can sustainability and ESG metrics create competitive differentiation? (ey.com)
- ▶ Green finance is gaining traction for net zero transition in India (ey.com)
- ▶ Why HR leaders need to put people at the center of the sustainability agenda (ey.com)
- ▶ How to accelerate transition finance for net zero | EY - Global
- ▶ Sustainability in business | Insights & trends | EY - Global
- ▶ 2023 EY Climate Risk Disclosure Barometer | EY - Global
- ▶ How can we accelerate climate action? | EY - Global



**ESG Compass**



**CSRD Maturity Assessment**



**ESG Maturity Assessment**



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