

Let's talk

Sustainability

A dialogue on building a
better working world



EY

Building a better
working world

Let's talk

Investors demand it.
Customers expect it.
Shareholders rely on it.
Employees value it.

What's your
strategy?

Sustainability

As consistent economic growth is slowly restored across the world, the next great challenge is likely to be optimization of this growth in a resource-constrained world.

Maximizing opportunities in emerging markets such as India, while remaining within the energy threshold and environmental carrying capacity, will require unprecedented levels of determination, innovation and cooperation.

Sustainability is no longer just a fashionable word. It is a structured approach to achieving a holistic and triple bottom line growth. Apart from risk identification and mitigation, as well as a significant improvement in the efficiency of processes and systems for optimization of resources, the other proven tangible and intangible benefits of sustainability include its positive impact on employees' morale, an organization being

recognized as an employer of choice, supply chains being motivated to adopt leading practices and consumers being educated on the importance of responsible behavior. After years of it being perceived as cost-centric, we are now finally realizing the true value-addition made by implementation of sustainability-related measures!



Join the conversation

An effective sustainability strategy needs to look at all the components that can affect your business. Given below are some of the key elements.



Sustainability strategy

Integration of sustainability into long-term business strategy and growth plans is becoming increasingly important. A well-defined sustainability strategy enables an organization to devise a road map that considers its stakeholders' views, is realistic and provides measureable sustainability metrics to track its performance against its stated goals. This creates sustainable value for the company's stakeholders while improving its bottom line. EY understands the sustainability drivers of its clients' businesses and leverages these while putting in place well-designed strategies that incorporate a well-accepted methodology. The process of developing a sustainable strategy is founded on an understanding of an organization's internal "as is" situation by assessing its baseline systems and compliance record.

Low carbon growth

Finding the balance between growth and carbon emission is a challenge the world has been grappling with for the last two decades.

For countries, as well as organizations, profitable and sustainable growth in a resource-constrained world requires implementation of innovative measures that enable optimum utilization of energy and material, as well as of renewable and a wide range of related interventions.

EY supports governments and industry in their strategic initiatives to achieve low carbon growth for a more sustainable future.

Water strategy

In India, water is intricately intertwined with the cultural fabric of the country. It has economic and social connotations. Prominent research indicates that India will have exhausted its available water supplies by 2050. Keeping in view this need for consistent availability of water, some of our service offerings for the public and private sector include:

- ▶ Assessing source water vulnerability
- ▶ Service-level benchmarking of utilities
- ▶ Developing water strategies
- ▶ Supporting water-stewardship Initiatives

EHS and social review

In a scenario with wide disparities and uncertainty relating to environment-related issues and an increasing number of social regulations, EY guides its clients through the maze of Environment, Health and Safety (EHS) and Social regulations, keeping in mind increasing requirements pertaining to compliance and conservation of resources.

We also support implementation of EHS and Social management systems or integrated management systems.



Sustainability reporting and assurance

Corporate reporting is evolving and integrating traditional financial information with environmental-, social- and governance-related knowledge. We help our clients meet the new reporting expectations of executives, shareholders, investors, employees, consumers and other stakeholders. We assist organizations in putting in place and implementing policy development, strategy and institutional frameworks and gap analyses as well as in identifying sustainability or CSR programs and developing Sustainable Development (SD) and Corporate Social Responsibility (CSR) reports and SD metrics. Once they have built their internal capacity and can prepare reports independently, we provide them with sustainability assurance services in line with ISAE 3000, AA1000 or other recognized assurance standards.

Climate change – CDM and NAMAs

The objective of CDM and NAMAs is promoting collaboration between developing and developed countries to help them achieve sustainable development. It is also aimed at assisting developed countries with their GHG emission-reduction commitments and helping them comply with related regulations.

EY offers services in the complete CDM (Clean Development Mechanism) cycle, starting from identification of projects to issuance of CERs, and thereafter, assistance in monetising the carbon asset.

On NAMAs (Nationally Appropriate Mitigation Actions), we support on appropriate definition and implementation.

Waste management

Corporate India is seeking opportunities to capitalize on the concept of “reduce, reuse and recycle.” Our service offerings in the field of waste management include:

- ▶ Service-level benchmarking
- ▶ Solid waste management strategies and development of roadmaps
- ▶ Policy formulation
- ▶ Development of PPP projects
- ▶ Evaluation of solid waste program
- ▶ Plastic and animal waste, and e-waste management projects
- ▶ Waste-to-energy projects
- ▶ Extended producer responsibility
- ▶ Management of e-Waste

Sustainability of supply chains

Supply chains are complex and their environmental and social footprints are extensive. While companies may have an insight into their own social and environmental issues, they often need help in assessing their suppliers' impact. EY helps in mapping and assessing their risks, analyzing and developing strategies, for clients to understand and manage environmental, social and governance (ESG) risks in their supply chains.

Life cycle analysis

Life cycle analysis (LCA) is a cradle to grave approach to assess the environmental effect of products/ services. LCA provides a comprehensive view of the environmental aspects of products/ processes, since this includes their impact throughout their product life cycles. Conducting LCA for a product is essential for understanding the environmental, social and economic indirect cost implications of different parameters in determining the final cycle cost of products.

Our LCA services include:

- ▶ Inventorization
- ▶ Assessment
- ▶ Interpretation

Corporate Social Responsibility (CSR)

Defining, measuring and reporting social impact, both negative and positive, will continue to require analysis as attitudes change. We continue to support our clients in assessing their compliance with human rights regulations in their supply base, need-assessment studies, the impact of major projects on their communities and designing programs to improve their social license to conduct their operations. Furthermore, we are well-equipped to assist our clients in their journey and enable them to comply with regulations mandated by the new CSR Clause 135 (a part of the Company's Act, 2013).

Energy agenda

EY keeps an eye on energy consumption and efficiency when it helps its clients reach their energy-use targets in a financially responsible manner, which reduces carbon footprint as well as the exposure to price fluctuations in the segment.

While addressing the issue of energy-related crises faced by organizations, our service offerings for the public and private sector include:

Analyzing energy systems and cost optimization at the industry or sector level

- ▶ Helping organizations mitigate their energy supply risks in the context of volatile fuel prices, uncertainty pertaining to investment in new technologies, concerns about regulations, etc.
- ▶ Helping companies to assess their strategic risks and the financial implication of sourcing, and implementing energy management systems, including providing relevant advice on ISO 50001 certification
- ▶ Assessing feasibility of their adopting renewable energy portfolios
- ▶ Supporting their participation in innovative mechanisms

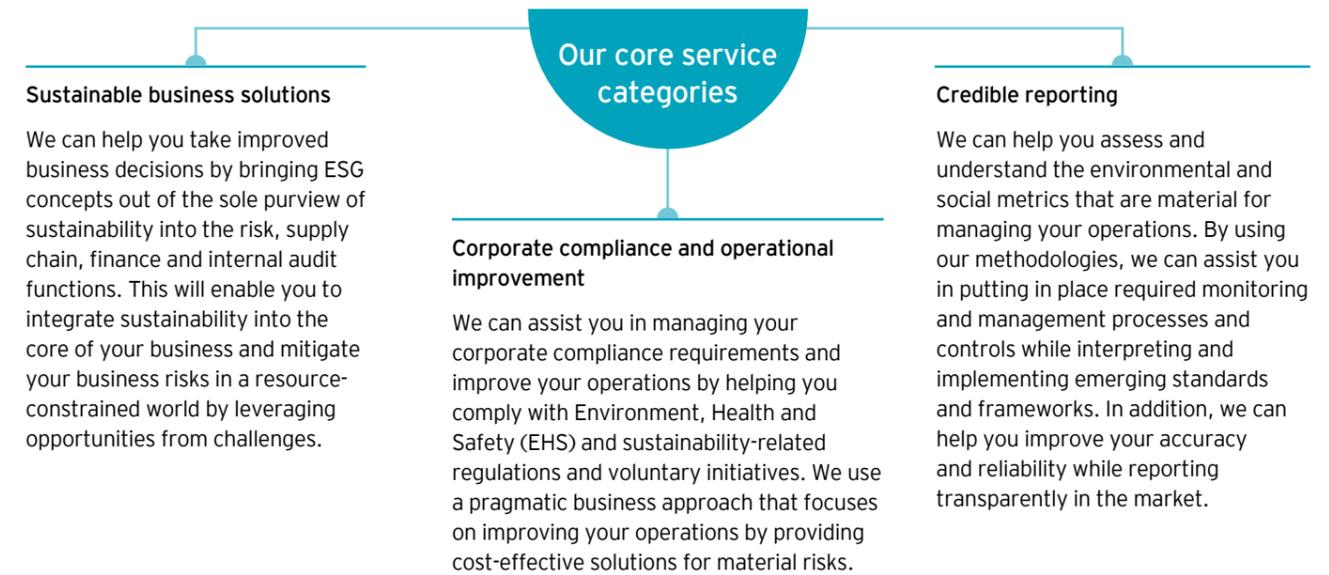
Questions to ask yourself

If you cannot answer “yes” to all these questions, your organizations’ sustainability strategies may need to be upgraded.

- ▶ Do we have an overall climate change and sustainability strategy?
- ▶ Does the strategy consider all relevant opportunities to generate revenue and reduce costs?
- ▶ Do we know about all the regulations that affect our business? Do we know about compliance-related costs?
- ▶ Do we know how to access energy and material for the next few decades? At what cost?
- ▶ Have we recently assessed the effectiveness of our social compliance program and human rights status in our supply chain?
- ▶ Have we assessed where natural resource shortages are likely to prove most critical in our supply chain?
- ▶ Is sustainability risk included in our internal audit plan and overall enterprise risk management program?
- ▶ Does our company use a third-party auditor for its external sustainability reporting?

How EY can help

Our Climate Change and Sustainability Services can help you demystify the highly complex world of sustainability and take effective action to identify competitive advantages, increase operational efficiency, mitigate risk and be innovative.



Why EY?

EY has helped its clients around the world to develop, execute and measure broad sustainability strategies.



The EY India advantage: our Climate Change and Sustainability Services (CCaSS)

EY has been rated the No.1 global brand for sustainability services by Verdantix.

EY India has dedicated Partners in its Climate Change and Sustainability practice. Our Partners have spent more than a decade in the firm and are involved in national and regional climate change and sustainability dialogues.

Dedicated Partners in CCaSS practice

Vast experience with organizations engaged in various sectors in different industries

EY has extensive and very significant experience working with organizations in different sectors including Oil & Gas, Power, Metals & Mining, Renewable Energy, Fertilizer, Chemical, Cement, Automobiles, IT/ITES, and Telecommunications, among others.

The EY India team has reviewed sustainability and social data, and helped innumerable clients in their reporting and/or assurance engagements. The firm was among the pioneers to offer clean development (CDM) services in India as part of its climate change solution. It is credited with registering more than 300 CDM projects in India with the UNFCCC.

Large client base in the sustainability, social and CDM domain

Large CCaSS team in India

EY India CCaSS has a large team of more than 60 professionals, who are based in seven offices across the country. Our people bring with them wide and relevant experience in areas including sustainability, carbon and energy management, water and waste management, social audit and need assessment, and environmental due diligence, to name a few.

Experience in working with reputed Indian and international organizations, and public sector clients

EY India has wide experience in working closely with large Indian and global conglomerates from the private and public sectors, including with international agencies and finance institutions on projects spanning aspects including climate change, transformation to low-carbon operations, energy agendas, etc.

Let's continue the conversation

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Visit <http://www.ey.com/IN/en/Services/Specialty-Services/Climate-Change-and-Sustainability-Services> to find out more.

Our recent thought leadership reports



Seven questions CEOs and boards should ask about "triple bottom line" reporting

Sustainability reporting and a company connecting its environmental, social and economic performance

(sometimes referred to as its triple bottom line) is a growing trend among our clients. We have substantial experience in helping them with their reporting needs. Our new white paper, Seven questions CEOs and boards should ask about "triple bottom line" reporting, outlines the key initiatives companies should implement.



India's energy security: key issues affecting India's Oil & Gas sector

EY has developed this report in association with FICCI to understand the impending energy crisis facing India and the security-

related issues organizations are expected to face due to this. The report elaborates on the exponentially rising demand for oil in the energy sector.



Energy policy in an uncertain political future

EY questions various government policies that have an enormous impact on the domestic energy industry. These include issues relating to the long term consequences of regulations.



Riding the wave

This report throws light on the present scenario in the country's water sector by identifying the key challenges inhibiting its growth. It also suggests various means whereby the challenges facing the sector can be mitigated and India

can kick-start a "water revolution".



Preparing for water scarcity

This report aims to understand and gauge the global demand for water by 2030, and the major supply and demand gaps witnessed in the world. It also looks at effective and efficient water management strategies for

organizations and provides pertinent information on how they can achieve water sustainability.

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About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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