



# Navigating ESG Challenges in Indian Manufacturing

## Background:

In India, the prevailing focus on sustainability centers primarily around the environmental aspect. Against a backdrop of escalating input costs and dwindling profit margins, companies are turning to Environmental, Social, and Governance (ESG) strategies to enhance profitability. The Indian government's introduction of reporting requirements, known as BRSR, simplified from the GRI index, reinforces the need for companies to comply. Post-COVID-19, India has emerged as a strategic destination for companies seeking to diversify supply chains and manufacturing. Simultaneously, Indian businesses are exploring international funds, such as PIF, QIA, and European Pension funds, with ESG audits becoming a prerequisite for due diligence processes.

## Challenges



The client, a listed Tier-I Auto Ancillary manufacturer, faces challenges in adapting to new ESG compliance requirements, crucial for sustained growth.



Stakeholders like Volkswagen and Tata Motors press for ESG reporting, emphasizing the need to meet evolving customer demands for growth.



High power costs, constituting 18% of expenses, underscore the importance of effective cost management for industry competitiveness.

## The Solution:

### 1 ESG Implementation

Our experts implemented ESG strategies to address compliance challenges, involving thorough due diligence, organizational preparedness, and sustainability processes.

### 2 Compliance Reporting

Evaluated readiness, integrated data, and created detailed reports for regulatory adherence and sustainability.

### 3 ESG Benchmarking Readiness

Conducted ratings, benchmarked against peers, and established internal processes for future global ESG ratings in fundraising.

## Benefits:

Our intervention revealed critical compliance violations, energy reduction opportunities, and safety and performance issues, prompting corrective measures. The entity now boasts a defined ESG strategy aligned with the national 2030 vision, featuring materiality assessments and sustainability targets. The inaugural ESG report, following GRI guidelines, aids investor due diligence, reflecting a positive shift towards compliance. Ongoing efforts focus on refining the ESG strategy, setting KPIs, and enhancing sustainability through energy reduction and improved safety.

This strategic approach not only ensures compliance but positions the entity for sustainable growth in India's evolving manufacturing landscape.



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We help you stay updated with all the changes in the accounting policies, rules and regulations and ensure compliance with regulatory requirements. Our highly qualified team of professionals can improve the efficiency and effectiveness of your business processes thereby letting you focus on maximizing your core business operations.