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| **C:\Users\ADMIN\Desktop\j.png** | **JAIPURIA INSTITUE OF MANAGEMENT, INDORE**Post Graduate Diploma in Management (Batch 2023-25) |
| **Course Title: ESG Reporting and Risk Analysis, (Course Code: 40422)****End-Term Examination, Term - IV (Oct, 2024)**  |
|  **Time Duration: 2 Hours Total Marks: 40** |

***General Instructions*:**

1. *Answer the questions as directed.*
2. *Marks against each question is indicated to its right.*
3. *Answer all the questions of a ‘Section/Question’ at one place in continuation.*
4. *Answers should be brief and to the point.*
5. *Do not write on the question paper except your roll number.*

**Case/Situation-Based Questions**

**Case/Situation**

EcoWear, a clothing manufacturer, plans to move its production to a new facility that emphasizes renewable energy and sustainability. However, this transition involves higher upfront costs and potential disruptions to existing supply chains. The company is concerned about the financial impact of these initial costs, and the risk of operational disruptions during the transition. They also need to comply with new environmental regulations that require detailed reporting of their carbon footprint and sustainability efforts.

**Q1.**What potential consequences might EcoWear face due to the higher upfront costs, and operational disruptions associated with moving to an eco-friendlier facility? How can the company mitigate these challenges while ensuring compliance with environmental regulations and effectively reducing its carbon footprint?

**[10 Marks]**

**Case/Situation**

JaiIndore Solutions is revising its ESG (Environmental, Social, and Governance) reporting strategy to stay current with evolving standards as it expands its operations in India, and internationally. The company is evaluating the evolution of ESG reporting standards in India compared to global frameworks. The local standards have been developing rapidly, while the global standards have also undergone significant changes to address emerging sustainability issues.

**Q2.** How have ESG reporting standards evolved in India compared to global frameworks over recent years? What steps should JaiIndore Solutions take to align its reporting practices with these evolving standards to ensure compliance and effectiveness both locally and globally?

**[10 Marks]**

**Q:3 SuryaTech Energies - Navigating ESG Reporting in India's Renewable Energy Sector**

**Company Background**

SuryaTech Energies is a mid-sized renewable energy company headquartered in Bengaluru, India. Founded in 2010, the company specializes in developing and manufacturing solar panels and small-scale wind turbines. With a workforce of 800 employees and an annual revenue of ₹1,200 crore (approximately $150 million), SuryaTech has been experiencing steady growth over the past five years, capitalizing on India's push for clean energy.

**Current Situation**

As India commits to ambitious renewable energy targets and sustainable development goals, SuryaTech's Board of Directors has decided to enhance the company's ESG reporting to attract more domestic and international investors and improve its market position. The CEO, Priya Sharma, has tasked you, the newly appointed ESG Manager, with developing a comprehensive ESG report that aligns with global standards, addresses the concerns of various stakeholders, and complies with Indian regulatory requirements.

**Key Challenges**

1. Stakeholder Identification: SuryaTech has never conducted a formal stakeholder analysis, making it difficult to understand its stakeholders' diverse needs and expectations in the Indian context.

2. Materiality Assessment: The company lacks a structured approach to determining which ESG factors are most material to its business and stakeholders, considering global and India-specific issues.

3. Data Collection: SuryaTech's current data collection processes are inconsistent across departments, making it challenging to gather accurate and comprehensive ESG data, particularly in remote installation sites.

4. Strategic Integration: There is a disconnect between the company's sustainability initiatives and overall business strategy, including alignment with national policies like the National Solar Mission.

5. Risk Analysis: SuryaTech has not thoroughly assessed the ESG-related risks and opportunities that could impact its long-term success in the Indian market and potential international expansion.

**Your Task**

As the ESG Manager, you need to:

**1.** Identify and prioritize SuryaTech's key stakeholders. It is also important for you to record the systematic process of how you identified your stakeholders. You are also expected to categorize the stakeholders into stakeholders with high, medium, and low importance. Comment on a few activities that could be important for the identified stakeholders’ engagement.

**2.** Conduct a materiality assessment to determine the most significant ESG factors for the stakeholders as well as company in the Indian and global context. Chart these material factors on the Materiality Matrix specifically highlighting the issues of high importance for the company and the stakeholders. Declare the methods that you would adopt to identify these material factors.

**3.** Develop a strategy to integrate ESG considerations into SuryaTech's overall business strategy and investment decisions, aligning with India's renewable energy goals. Ensure, to assess the potential risks and opportunities while developing the strategic plan.

**4.** Propose a framework for ESG reporting that addresses the identified material issues and stakeholders’ concerns and has the potential to seek attention from global investors. Share the basic structure of the proposed reporting standard.

**Additional Information**

**Market Context**

- India has set ambitious renewable energy targets, aiming for 450-500 GW of renewable energy capacity by 2030.

- The Indian government is promoting domestic manufacturing in the renewable energy sector through initiatives like "Make in India" and Production Linked Incentive (PLI) schemes.

- International investors are showing increased interest in India's renewable energy sector, but with heightened ESG expectations.

**Company Operations**

- SuryaTech's supply chain includes components from both domestic and international suppliers, including some from regions with geopolitical tensions.

- The company's manufacturing processes involve the use of raw materials that have potential environmental impacts if not managed properly.

- SuryaTech has set a goal to become carbon neutral by 2040 but has not yet developed a detailed plan to achieve this target.

**Stakeholder Concerns**

- Employees have expressed interest in more comprehensive skill development programs and better work-life balance.

- Rural communities near solar and wind farm installations have raised concerns about land use and potential impacts on local agriculture.

- Investors are seeking more transparent reporting on climate-related risks, water management, and alignment with India's Nationally Determined Contributions (NDCs) under the Paris Agreement.

- Government stakeholders are interested in SuryaTech's contribution to local employment and technology transfer.

**[4 \* 5 = 20 Marks]**