

GLOBAL Summit 2023

ESG , Collaboration and Business Responsibilities –
The CEO's Dilemma and CMA's Role

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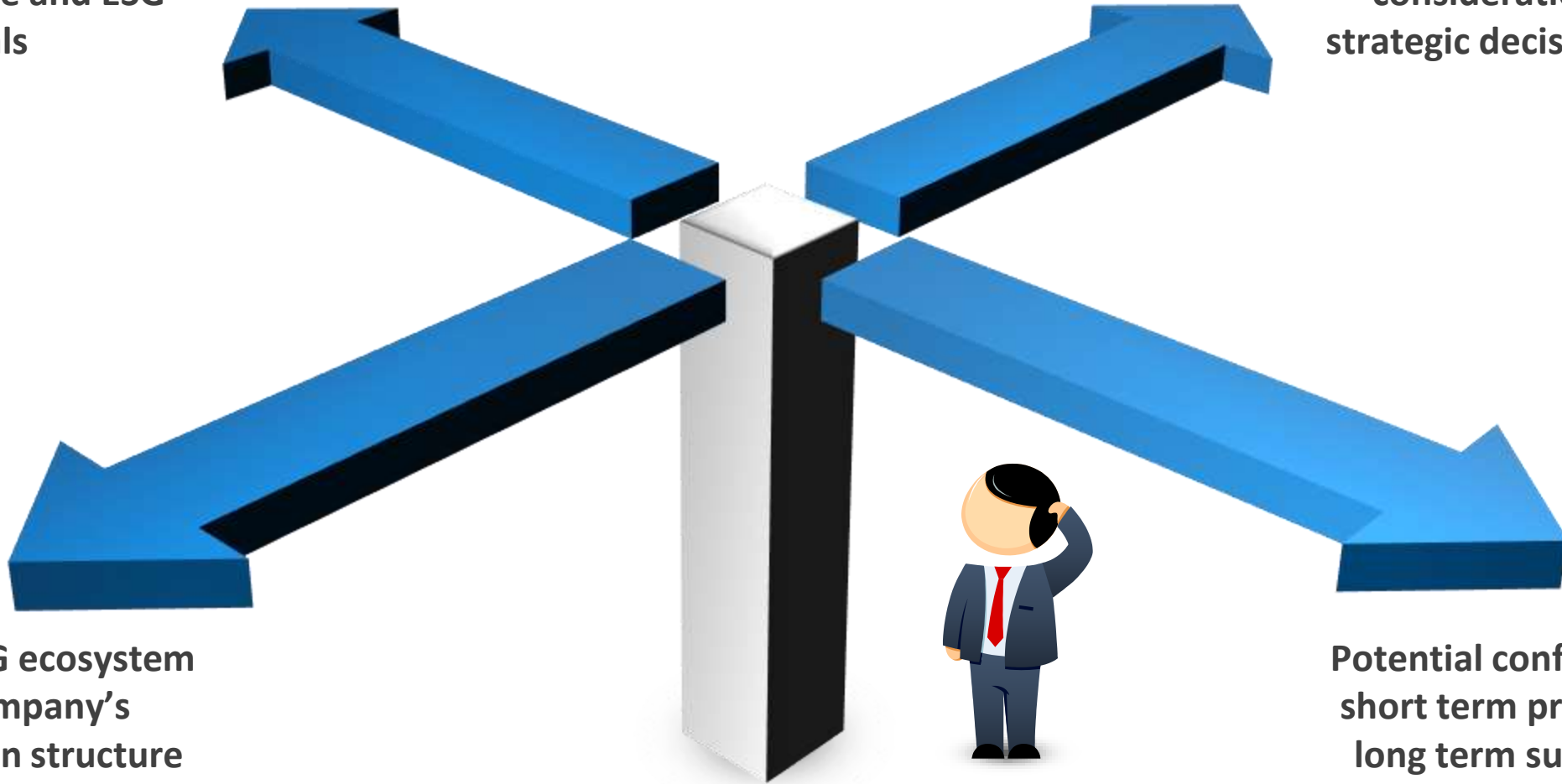
Call for Sustainability

- Nations across the Globe are taking efforts to combat the common cause of climate change
- 70+ countries including the biggest polluters – China, USA and the European Union – have set a net-zero targets
- India is the 3rd largest emitter of CO2 in the world after China and the US
- **India is focusing on:**
 - Achieving net zero by 2070
 - Achieve about 50% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030
 - Reduce the country's carbon intensity to less than 45% by 2023 from 2005 level

CEOs are in a dilemma and are unsure about when to implement ESG

Balancing financial performance and ESG goals

Integration of ESG considerations with strategic decision making



Aligning ESG ecosystem with company's organization structure

Potential conflict between short term profitability & long term sustainability

Companies face reputational damage & financial loss with inadequate ESG management... Volkswagen emission scandal

ESG should be viewed as an opportunity rather than a burden

Strong ESG proposition

Weak ESG proposition

	Top- Line Growth	Better acceptability by customer	Risk of losing customer due to poor sustainability practice
	Cost Reduction	Lower energy consumption Efficient water usage & recycling	Higher cost of energy under conventional method
	Regulatory & legal interventions	Support from Govt. agencies & subsidies	Risk of penalties and stringent actions
	Productivity Uplift	Boosts motivation Talent attraction with improved credibility	Generates wastes during process
	Investment & Asset Optimization	Low cost of debt and better investment returns	Risk of pre-mature asset write offs High cost of debt

Studies have indicated positive correlation between ESG performance & financial performance

Focusing on business led ESG collaboration

Why collaboration & why now?



Collaboration of business group across industry's value chain to co-create sustainable pathways



Meaningful discussions and conclusions regarding complex ESG standards



Collaboration accelerates the development & adoption while building resilience



Advanced technological innovations with shared access to data and research



Change in stakeholders expectation about the role of business in Society



Improved Corporate reputation with increased capacity and access to resources like time & capital



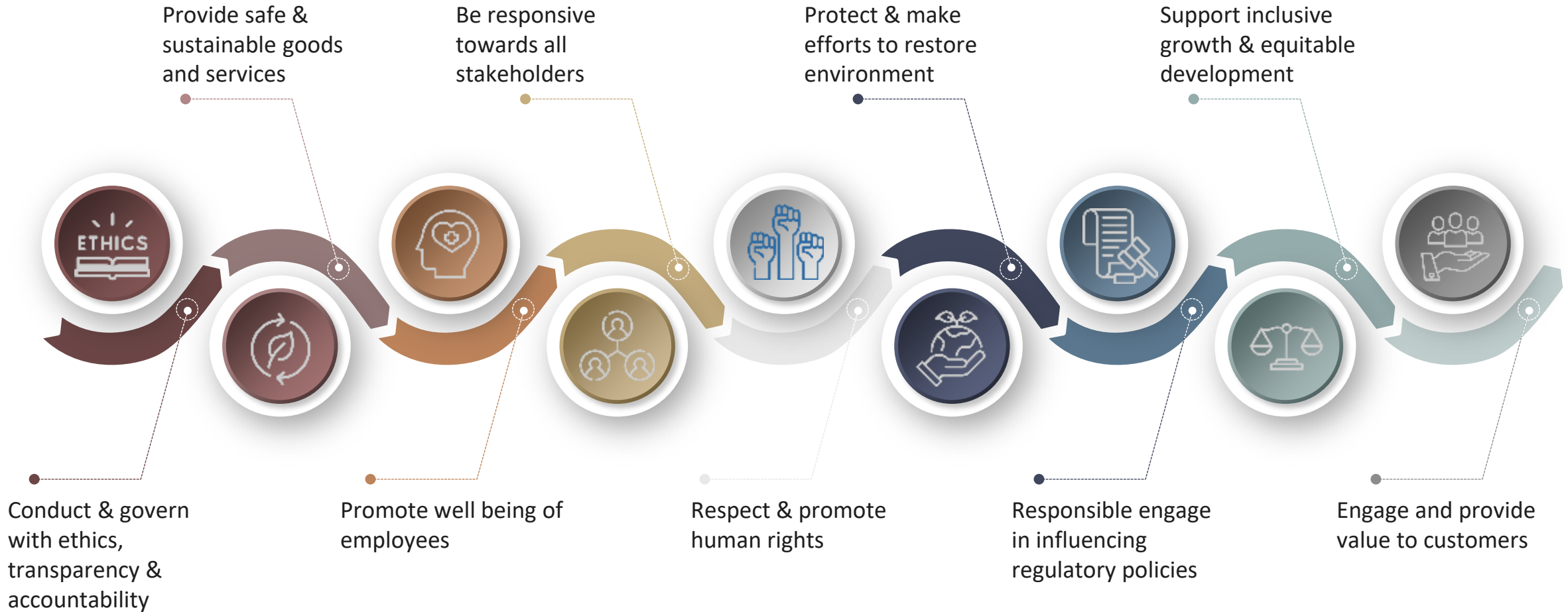
Risk of reduced profits & lower market share will be experienced by the industry & not a single company



Upskill of employees with achievement of ESG goals and partnerships

A collaboration is not a one-on-one partnership, joint venture or a public-private partnership. Instead, it is a multi-organization undertaking to collaborate on shared goals

Business responsibilities in a new avatar in ESG



Business responsibilities will assist organizations in generating long-term value by fostering sustainable business practices

At Tata Motors, sustainability is being brought into the center of business strategy for all horizons to meet net zero targets



- **Sustainability forms core** of everything we develop at Tata Motors
- **Pioneering Circular Economy through products, services and new business models**
- Tata Motors, as a signatory to the RE100, is committed to use 100% renewable energy in its operations by 2030
- Tata UniEVerse - a Tata Group consortium committed to address the e-mobility ecosystem
- **Incorporated TML Smart City Mobility Solutions Ltd focusing on end to end passenger mobility solution thru deployment of e-buses**
- Leveraging One Tata synergy to drive the shift towards sustainable mobility solutions

Tata Motors aims to drive Net Zero across the value chain and achieving it earlier than 2045

Role of CMA calls for taking actionable approach and become effective business partners

Step 1 – Prepare

Evaluate opportunity

Explore collaborations

Step 3 – Purpose

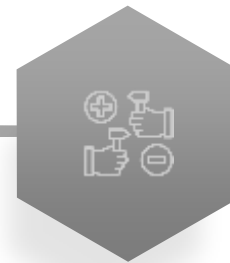
Establish Strategic approach

Partner to prioritize ESG practices

Step 5 – Continuous assessment

Assess life cycle impact of ESG

Develop exit strategies incase of new technologies



Step 2 - Design

Identify and engage with partners

Engage with relevant stakeholders

Develop governance model

Step 4 – Management guidance

Get Senior management buy-in

Measure financial impact

Partner in operationalizing ESG practice

Management accountants are critical in helping business to integrate the ESG goal into governance, management & reporting as well as in facilitating greater connectivity between social, environmental & economic benefit

*Sustainability is no longer about doing less harm.
It's about doing more good*
