

# Financial Services: An ESG Performance Framework

— Impact Future Project —

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## Impact Future Project

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The Impact Future Project (IFP) is a thought-leadership platform and an "appreciative enquiry" about the imminent Impact Economy or Capitalism 2.0. The initiative is for the public good, to (a) generate transformative investment ideas, (b) develop standards-based ESG, Sustainability & Impact measurement frameworks, and (c) advocate for an Impact Economy with market sizing, climate innovations, policy recommendations and advocacy for Chief Impact Officers. By 2023, IFP had completed 14 publications, with 350+ CXOs as co-authors and generating >1 million impressions.



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# Financial Services: An ESG Performance Framework

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## Founder's Note



Dear Friends,

History is witness to the fact that humanity has been able to convert every crisis into an opportunity,

every need into an invention. The Industrial Revolution that made goods affordable, the Tech revolution that connected us in unprecedented ways; the formation of the European Union that ended the cycle of wars till the recent Ukraine-Russia conflict, were all leaps of mankind- paradigm shifts. Once again, we find ourselves on an epic quest- to turn capitalism on its head- making it more conscientious, more socially, environmentally and economically just, reinventing money from being a malady to a remedy. We are innovating to build a new global Impact Economy, which will be nothing less than a Renaissance. This Impact Renaissance is about the pursuit of purpose. It puts forward a simple and bold idea: Capital has a higher purpose. The Impact Economy will embed ESG, Sustainability or Impact as a deliberate driver, alongside risk and return in every business, investment, policy and consumption decision. This will ensure that the entire economic system works both for the people and the planet.

This is a noble cause and a revolutionary idea. This requires building the field and science of ESG, Sustainability and Impact. Aspire Impact and Aspire Circle's initiative- The Impact Future Project- seeks to accomplish just that. We have, since 2020, engaged ~350 leaders from India Inc. and India's civil society to publish fourteen books, in as many Working Groups, on different aspects of the ESG, Sustainability and Impact. In Phase II, we are kicking off research on analyzing and sharpening

global ESG frameworks- and proposing one born from consensus amongst Experts, Practitioners, Investors and Regulators.

This publication is the second in a series of twelve, focusing specifically on financial services. In this series, we propose and advocate for the need to separate ESG Risk and ESG Opportunity into distinct frameworks. The first publication introduced industry-agnostic KPIs, while this edition builds on that foundation by incorporating financial services-specific KPIs for greater comparability. We will demonstrate how applying this framework—juxtaposing both core industry-agnostic and industry-specific KPIs—enables markets to better assess ESG performance. Using a 2X2 matrix, we will illustrate how ESG Impact and ESG Risk can be mapped side by side for clearer insights.

We hope you will receive this framework as definitive progress in Impact Science. I am deeply grateful to the Working Group which met many times to share its wisdom, deliberate and finalize this framework. Without their contributions, this publication would not be credible. I am also grateful to Aspire's Knowledge & Product teams for analytical rigor and gravitas to facilitate the Working Group's discussions. Finally, I am indebted to Capgemini, for their support in making this public-good research possible. We hope you will enjoy reading this as much as we enjoyed putting this publication together.

Sincerely,

**Amit Bhatia**  
Founder & CEO- Aspire Impact

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## Message

### Sponsor



Dear Readers,

Capgemini is delighted to support the Impact Future Project (IFP). We believe the time has come when the idea of an “Impact Economy” must be mainstreamed. The pandemic has reminded us of the sustainable balance we must maintain with the planet and amongst the people. We believe the IFP is a significant thought leadership initiative in helping build this awareness and a greater imperative to act. IFP not just resonates with our values and pursuits of a purposeful existence, but takes us a step forward towards this envisioned impact future. With the vision and efforts of IFP, we look forward to having the sustainable future that we want.

**Anurag Pratap**  
VP & CSR Leader,  
Capgemini

## Quotes from Leaders and Co-Authors



Aspire’s ESG framework is an effort to bring out key ESG indicators customised to the specific industry – Financial Services. This will help stakeholders to measure and monitor ESG indicators relevant to their organisational ecosystem and encourage benchmarking. Utilisation of this framework will support informed decision making for all stakeholders associated with the Financial Services industry.



**Ashish Chicksena**  
Erstwhile – Head | ESG & Climate Action,  
TATA Capital



Standardization and comparability have always been an identified challenge when it comes to ESG. While headway has been made from a reporting perspective, this publication will enable articulation, prioritization and measurement of ESG factors that aid business decision making and long term viability of organizations.



**Garima Dutt**  
President, CSR, YES Bank & CEO,  
YES Foundation



The inconsistent use of ESG frameworks across financial services creates a need for standardization. The Aspire Impact ESG framework offers a solution by establishing a minimum standard for managing ESG risks, ensuring all providers address key areas.



**Hema Bansal**  
Senior Consultant, SPTF - Cerise & IFC  
(ESG, SPM, Outcomes, & Consumer Protection)



India’s sustainability and ESG compliance imperatives is reshaping capital raising for microfinance institutions (MFIs). Realizing the unimaginable leveraging power of MFIs to churn the ESG and sustainability process sure-footedly with bottom up approach across the lending portfolios would need creating an ESG assessment framework of MFIs with a reporting mechanism that can be effective for MFIs. Need to start working innately with MFIs for this.



**Jyotsna Sitling**  
Member of Advisory Committee,  
Social Stock Exchange, SEBI



Aspire has developed a powerful tool for FS ESG measurement and management from both a risks and opportunities perspective, bringing in a wealth of knowledge and experience from industry leaders.



**Jamuna Verghese**  
Managing Partner, Dancing Rain Capital



The use of public information to bring about transparency in performance of different companies is a worthwhile exercise. Debating the metrics to be used clarifies the priorities that companies have. The process that Aspire Impact uses brings together people from diverse backgrounds, each with their unique perspectives. I was happy to bring in the insurance point of view in this exercise.



**Kapil Mehta**  
Co-Founder,  
SecureNow Insurance Brokers



The initiative by Impact Future Project to design a unique framework for separately assessing ESG-related risks and opportunities will enable a company to determine its position in its journey to achieve UN SDGs. This will also facilitate stakeholders to guide the company on specific parameters and impact areas through benchmarking.



**Manish Kumar**  
Head, ESG & CSR,  
ICICI Bank



Any effort to standardize and help measure ESG performance of companies is valuable. Especially in the financial services space which has the potential to impact the entire corporate and retail world. We cannot improve what we cannot measure, so look forward to continuous improvement and refinement of this process.



**Priyadarshini KS**  
Sustainable Finance Lead,  
Commercial Banking, HSBC Bank India



A clear approach to assessing ESG risks and opportunities customized for specific sectors is important to cut out all the noise we are seeing on ESG and sustainable investing. Aspire's approach to benchmarking ESG related metrics is refreshingly different and extremely relevant to the way we measure performance of an institution. I'm excited to be part of this process.



**Nethra Bhat**  
Partner, Asia,  
Accion Transformational Capital



Let's choose conservation over consumerism to leave a safe planet for our future generations. For corporations, unchecked consumerism amplifies ESG risks such as resource depletion and environmental harm. By adopting robust ESG measurement frameworks that distinguish risks from opportunities, businesses can shift towards sustainable practices and drive innovation.



**Praveena Kala**  
Independent Director, Paramount  
Communications, Sr. Advisor, BFSI, Salesforce,  
Ex CGM, State Bank of India



The time has arrived for developing an effective ESG framework which features clear verifiable metrics that are easily understood by all stakeholders - incorporating the capability to not only be a barometer of the ESG risks, but also provide important insights on the ESG opportunities. While at the same time promoting transparency, adaptability and allowing customisation across industries and regions. Such a framework will help businesses understand and mitigate risks while identifying opportunities for positive environmental impact, driving progress towards a sustainable future.



**Saneesh Singh**  
Independent Chair of Rating Committee, ESG.AI,  
Former MD & CEO (Dia Vikas Capital), Co-founder (NE-SFB)



Impact Future Project is doing an important job in creating a common framework based on publicly available information. It is unique both in its approach as well as in design and offers a framework for like to like comparison and informed decision making.



**Shashaank Awasthi**  
Co-Founder, Anyssa Venture Capital & v-shesh



Creating an ESG framework with clear, verifiable metrics for the Financial services is crucial for driving responsible growth. By simplifying the complexity of sustainability, the Impact Future Project team is empowering businesses to act with transparency & accountability, fostering long-term value for stakeholders and the planet.



**Umit Bhatia**  
Senior Director, Sustainability Strategy, Asia Pacific, JLL



The Impact Future Project is a much needed effort to bring in uniformity to the ESG rating process and make the ESG ratings comparable within the industry. This will aid all stakeholders in their decision making process. Thanks to the Aspire team for spearheading this task and hope this project brings structure to ESG Ratings.



**Swati Mittal**  
Senior Advisor, ESG & Social Sector, Aeka Advisors

# Overview

## Introduction: Financial Services Overview

The Financial Services sector is a vital pillar in the economy of any country, serving as the backbone that drives both economic development and stability. In India, world's fifth largest economy, the sector acts as the engine powering its growth. Spanning industries such as Finance, Banking, Capital Markets, Insurance, and Financial Technology, the Financial Services sector<sup>1</sup> holds the highest share of the market, accounting for approximately 23% of the total market capitalization of the top 1,000 companies listed on the National Stock Exchange (NSE)<sup>2</sup>. Around one-fifth of Fortune 500 companies also belong to this sector.

The sector is dominated by Banks, which provide essential services such as loans, deposits, and payment solutions, helping both businesses and individuals manage

their finances, grow businesses, and support personal spending—all of which stimulate economic activity. In 2024, India's banking system demonstrated significant growth and robustness, with total assets across public and private sector banks reaching USD 3.1 trillion and interest income totalling USD 223.8 billion. Additionally, deposits across all scheduled banks surged by an impressive USD 2,544 billion.<sup>3</sup>

Financial institutions, including Non-Banking Financial Companies (NBFCs), provide critical funding for infrastructure, industries, and startups, enabling development and innovation across the economy by serving as an alternative source of financing, particularly for sectors that may lack direct access to traditional banking services. As of 2023, the NBFC sector had grown to an impressive USD 326 billion, primarily from demands from the Micro, Small, and Medium Enterprises (MSMEs)<sup>4</sup>.

Insurance companies offer risk management products, safeguarding individuals and businesses against uncertainties, thereby ensuring financial stability and security. India's insurance market is projected to reach USD 222 billion by 2026. As the fifth largest life insurance market among emerging economies, it is experiencing annual growth of 32-34%<sup>5</sup>.

Financial Technology or Fintech is another rapidly growing and attractive industry within the sector, offering digital solutions for payments, lending, and investment,

<sup>1</sup> Refer to the Table 1 on the next page  
<sup>2</sup> Aspire Research, NSE Top 1000 companies market cap  
<sup>3</sup> <https://www.ibef.org/industry/banking-india>  
<sup>4</sup> <https://assets.kpmg.com/content/dam/kpmg/in/pdf/2024/02/nbfc-in-india-growth-and-stability.pdf>  
<sup>5</sup> <https://www.ibef.org/industry/insurance-sector-india>

making Financial Services more accessible, inclusive, and efficient for the broader population, especially the underserved. India's Fintech industry is projected to reach -USD 1.5 trillion by 2025 and is the third-largest globally and one of the fastest-growing markets.<sup>6</sup>

Capital markets fuel the economy by helping companies raise money through stocks and bonds. India is now the fifth country in the world, behind the US, China, Japan, and Hong Kong, to achieve an equity market capitalization of USD 4 trillion and contributes 3.61% of the world's market cap<sup>7</sup>.

While the sector's participating organizations, as outlined in the paras above, are according to Securities and Exchange Board of India's (SEBI) industry

classification, the constituents of the sector can also be organized using other systems. For example, the Industry Classification Benchmark (ICB) provides a global framework, organizing companies across markets based on their primary business activities, which allows for international benchmarking and comparisons. On the other hand, SEBI's classification is more India-specific, tailored to the unique regulatory and market needs of the country, ensuring compliance and transparency within the Indian financial landscape. Tables below represent both ways in which the nomenclature, classification, and hierarchy works.

<sup>6</sup> <https://www.ibef.org/industry/banking-india>  
<sup>7</sup> <https://economictimes.indiatimes.com/markets/stocks/news/at-4-trillion-indias-m-cap-is-now-5th-biggest-in-the-world-check-details/elite-club/slideshow/105645609.cms>

### SEBI Industry Classification Overview - 4-Tier Hierarchy - Financial Services



**SEBI Industry Classification Overview – 4-Tier Hierarchy - Financial Services**



**ICB Industry Classification Overview – 4-Tier Hierarchy - Financials**

Industry	Supersector	Sector	Subsector
Financials	Banks	Banks	Banks
	Financial Services	Finance and Credit Services	Consumer Lending
			Mortgage Finance
			Financial Data Providers
		Investment Banking and Brokerage Services	Diversified Financial Services
			Asset Managers and Custodians
			Investment Services
	Mortgage Real Estate Investment Trusts	Diversified Mortgage REITs	
		Commercial Mortgage REITs	
		Residential Mortgage REITs	
	Closed End Investments	Closed End Investments	
	Open End and Miscellaneous Investment Vehicles	Open End and Miscellaneous Investment Vehicles	
	Insurance	Insurance	Life Insurance
Full Line Insurance			
Non-life Insurance		Insurance Brokers	
		Reinsurance	
		Property and Casualty Insurance	

**ESG RISKS AND OPPORTUNITIES**

As a key driver of economic health, consumption, and investment, the Financial Services sector carries a significant accountability for ESG. Its activities have lasting impacts on nations and communities, making it essential for the sector to act responsibly, with ESG principles at its core.

Over the years, poor governance has been at the center of several financial crises, such as the Asian Financial Crisis (1997), the Global Financial Crisis (2008), and the Eurozone Debt Crisis (2010–2014). These crises exposed critical failures in risk management, transparency, and ethical business conduct—key components of the Governance pillar of ESG. Governance failures often spill into the social domain, leading to social unrest, deepened poverty, unemployment, and social inequity.

In today’s digital era, the sector faces emerging risks tied to data privacy and cybersecurity. Data breaches, cyberattacks, and inadequate data protection can lead to significant financial losses, reputational damage, and regulatory violations. Additionally, the environmental impact of increasing digitization—such as energy consumption from data centers and the management of e-waste—poses further ESG challenges.

Another pressing issue is greenwashing—the misrepresentation of ESG credentials to appeal to environmentally conscious investors. Notable examples include the SEC’s investigation of Goldman Sachs’

asset management division and the raid by German financial regulator BaFin on Deutsche Bank and its asset management business, DWS Group, for alleged exaggeration of ESG claims, in the last couple of years.

While the challenges of failing to prioritize ESG are evident, the opportunities presented by integrating ESG principles are equally significant. Instruments like green bonds, sustainable loans, ESG-linked financial products, and ESG-focused fintech innovations can support sustainable projects and initiatives. These tools empower the financial sector to advance broader goals such as financial inclusion, poverty reduction, and sustainable economic growth.

To fully harness these opportunities while mitigating risks, a more nuanced approach to ESG analysis is essential. The traditional reliance on a single embedded ESG score often fails to capture the complexity of these factors. Instead, this publication proposes an innovative framework that emphasizes separately identifying, understanding, and measuring risks and opportunities. Such an approach enables sharper analysis and improved comparability, equipping stakeholders to make informed decisions. Achieving this requires a deep understanding of the sector’s evolution, structure, industry dynamics, and key developments to uncover the most relevant ESG risks and opportunities.

# Theory of Change

## INPUT

### Financial Capital

- Capital and Funding.

### Manufactured Capital

- Offices and branches (national, international & rural).
- ATMs and data warehouses
- Capital investment in property, infrastructure, equipment, and new branches, including disability-accessible premises.
- Partnerships with ecosystem players, reinsurance partners, agents, and business correspondents.

### Intellectual Capital

- IT transformation, software, and network upgrades.
- Cybersecurity, data privacy, and digital channels (24x7, KYC, underwriting).
- Credit policy, enterprise risk, and sustainability risk management.
- Fintech collaborations, research, and ideation centers.

### Social & Relationship Capital

- Rural and semi-urban offices.
- CSR initiatives, partners, and societal impact spend.
- Training for outsourced providers and PSL focus.
- SME loan portfolio and government partnerships (PMJJBY, PMSBY, APY, PMJDY).

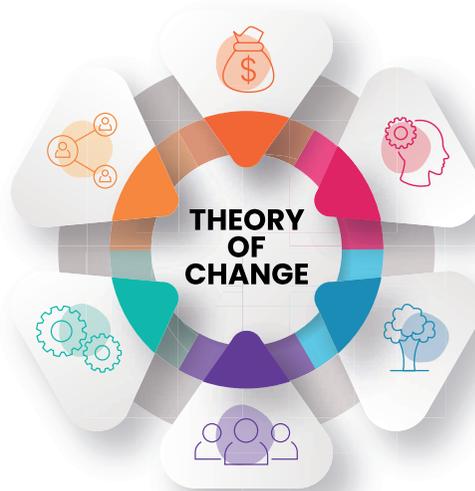
### Human Capital

- Workforce strength, functional and gender diversity.
- Training hours, L&D investment, and succession planning.
- Employee well-being, including support for women.
- Engagement, culture-building, and performance management.

### Natural Capital

- Robust sustainability governance and finance framework.
- Climate risk management and carbon neutrality.
- Energy efficiency, renewable adoption, and resource reduction (water, waste).
- Sustainable sourcing and Climate Action 100+ signatory.

Understanding the impact that the financial services sector is intended to make on the broader economic system, society, and environment requires examining the following Theory of Change. Achieving goals such as financial inclusion, economic growth, equity, poverty reduction, and financial resilience requires financial services firms to embed these priorities at the core of their organizational purpose, integrating them into their vision, mission, and operation.



## ACTIVITIES

- Product Development & Innovation
- Calibrated Risk Management
- Prudent Investment Management Process
- Distribution Efficiency
- Customer Service Excellence
- Relationship Management
- Leveraging Digital Adoption
- Human Capital Engagement
- Governance
- Strategic Partnerships for Growth

## IMPACT



## OUTPUT

### Financial Capital

- Revenue from operations and profit after tax.
- Return on equity, earnings per share, and dividends paid.
- Gross direct premium income and solvency ratio.
- Total deposits, digital purchase transactions, and digital sales.

### Manufactured Capital

- Policies issued, lives covered, and persistency ratio.
- Organic website traffic and banking outlets.
- Green-certified branches (IGBC) and ATMs/cash recyclers.
- Geographic reach across cities and towns.

### Intellectual Capital

- Renewal premium collection (digital and physical).
- Digital policy sourcing and digital sales.
- Self-help platform usage and active mobile app merchants.
- Average claim settlement time.

### Social & Relationship Capital

- Customer satisfaction, grievances, and claim settlement ratio.
- ESG ratings (S&P DJSI, MSCI) and CSR impact (lives benefited).
- Rural coverage, jobs created, SME loans, and agri/allied lending (PMJJBY, PMJDY).
- Investor engagement (folios, correspondence, shareholder meetings).

### Human Capital

- Revenue and productivity per employee
- Average training hours and employee tenure.
- Satisfaction, retention, and internal job movement.
- Workforce diversity (women and differently abled).

### Natural Capital

- ESG due diligence on investees (carbon, water, waste, biodiversity, clean tech).
- Green power consumption & sustainably sourced capex.
- Certified recycling of e-waste, paper & plastic.
- Sustainable Equity Fund value and cumulative renewable energy capacity financed.
- GHG emissions monitoring & reporting.
- Lending to sectors with positive E&S outcomes.

## OUTCOME

### Financial Capital

- Financial stability & growth.
- Strong cash flow & profitability.
- Superior shareholder value.
- New business expansion.

### Manufactured Capital

- Expanding distribution network.
- Enhanced customer value and experience.
- Trusted and partnerable brand.

### Intellectual Capital

- Brand valuation and new product success.
- RPA implementation and e-training for employees.
- Strong digital traction with tech-driven simplification.
- Analytics and digital marketing for cross-sell and upsell.

### Social & Relationship Capital

- Trusted relationships with communities, customers, and stakeholders.
- Customer data security and proactive communication.
- Strong risk management and partner collaboration.
- Community engagement and financial inclusion.

### Human Capital

- Strong employer brand and advocacy.
- High engagement, satisfaction, and retention with comprehensive benefits.
- Stable leadership team and robust fund management.
- Great Place to Work recognition.

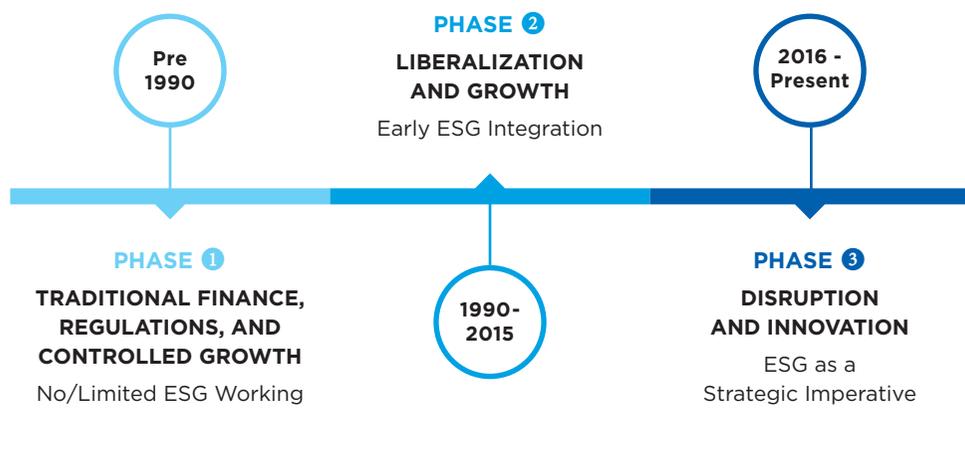
### Natural Capital

- Reducing environmental footprint and promoting conservation.
- Efficient resource utilization to lower carbon footprint.
- Waste reduction initiatives Emissions avoided through Renewable energy.

## ESG Era Analysis

To understand the current state of the financial services sector and its relationship with ESG, it is important to study how the sector has evolved

over time and how ESG principles have developed alongside it. The sector has undergone significant transformations which can be arranged into three main phases.



### PHASE 1 TRADITIONAL FINANCE, REGULATIONS, AND CONTROLLED GROWTH

Before the 1990s, India's financial services sector was dominated by public sector banks and institutions under Central Government control, driven by the bank nationalizations of 1969 and then in 1980 to promote economic growth and social objectives. Foreign banks' presence was minimal, reflecting a closed, domestically focused financial system. In Insurance, Life Insurance Corporation of India (LIC) was also nationalized, and traditional life and non-life insurance products existed. Retail participation remained limited in capital markets, with government-backed institutions and public companies leading the Bombay Stock Exchange (BSE). NBFCs were also restricted in scale and scope. Asset managers were primarily driven by

only maximizing shareholder returns. The sector relied on labour-intensive, manual processes. There was minimal digitization.

In India, ESG was not a formally recognized concept, but some elements were present in an indirect way.

- Priority sector lending (PSL) requirements established by the Reserve Bank of India (RBI) in the 1960s aimed to direct funds toward agriculture, small-scale industries, affordable housing, etc.
- The Environmental Protection Act (1986) prompted banks to assess environmental risks in project financing, encouraging initial due diligence for large-scale industrial and mining projects. Some early

corporate governance guidelines were also implemented by the RBI.

- Globally, in the 1980s and 1990s, Socially Responsible Investment (SRI) gained traction in the leading to the early consideration of ethical investing.

### PHASE 2 LIBERALIZATION AND GROWTH

The financial sector in India transformed post-1990 with liberalization and the entry of private and foreign players. Key developments like the Insurance Regulatory and Development Authority (IRDA) Act (1999), NSE's electronic trading in 1992, and the SEBI Act (1992) strengthened market regulation and governance. Initially, corporate governance was minimal but increased foreign investment and competition post-1991 drove improvements, initiating early ESG integration, mainly due to investor and regulatory pressures. The period was also marked by gradual entry of fintech for operational improvements and digital access. Launch of NSE electronic trading in 1992, signalled the start of digitisation and fintech development and access. By 2015, ESG in Indian financial services was still in a formative stage, but significant progress had been made.

Significant global events were happening around the world, also paving way for changes in India.

- In 1992, small group of commercial banks, including Deutsche Bank, HSBC Holdings, NatWest, Royal Bank of Canada, and Westpac, joined forces with United Nations Environment Program (UNEP) to catalyse the banking industry's awareness of the environmental agenda.

- Launched by the UN in 2006, Principles for Responsible Investment (PRI) urged financial institutions to incorporate ESG into their decision-making.
- Paris Agreement, 2015 was a turning point, driving financial institutions globally to adopt climate finance strategies. Banks, insurers, and asset managers were under growing pressure to reduce the carbon footprint of their portfolios.
- In early 2000s in India, pioneering asset managers began limited ESG integration, influenced by international investors. This period saw major corporate scandals, including the 2009 Satyam scandal, which exposed governance gaps and led regulators to tighten frameworks, accelerating responsible business practices in the financial sector.
- In 2012, SEBI introduced the Business Responsibility Reporting (BRR) requirement for the top 500 listed companies, encouraging businesses to disclose ESG-related practices. This move, though aimed primarily at corporations, heightened awareness among Indian AMCs of the importance of ESG in their investment analysis.
- While ESG policies were not yet formal, insurance companies in India began introducing microinsurance products and offerings to expand coverage to low-income individuals, advancing social goals.
- SEBI released draft guidelines for green bonds, setting a framework for bond issuances that fund environmentally sustainable projects, further promoting ESG-focused investments in capital markets. In 2015, YES Bank issued India's first green bond, raising around ₹ 500 crore rupees (USD 80 mn)<sup>1</sup> to fund renewable energy projects.

<sup>1</sup> <https://www.climatechangenews.com/2015/02/19/yes-bank-issues-indias-first-green-bond/>

**PHASE 3**  
**DISRUPTION AND INNOVATION**

ESG evolved rapidly from a “nice-to-have” to an essential component in financial services as sustainability became critical to financial stability and resilience. The COVID-19 pandemic accelerated this shift, solidifying ESG as a foundational pillar in operations, investment, and risk management. Digitization and fintech advancements, such as mobile banking, robo-advisors, and AI- and blockchain-powered ESG data for informed decision-making, gained momentum. Launched in 2016, UPI transformed digital payments, setting the stage for newer innovations. Recently, alternative credit models, neobanks, and explorations into Central Bank Digital Currencies (CBDCs) are shaping the future of finance.

- In 2017, Task Force on Climate-related Financial Disclosures (TCFD) urged financial institutions to assess and disclose climate-related risks.
- In the U.S. in 2019, Moody’s began including ESG factors in corporate debt credit ratings, marking a significant step toward ESG-driven credit analysis.
- In 2019, the Principles for Responsible Banking (PRB), were also established by the UNEPFI, serving as a framework to guide banks in aligning their strategies with the goals of the Paris Agreement and the UN Sustainable Development Goals (SDGs).
- In 2021, Net-Zero Banking Alliance (NZBA) was formed to unite banks in

committing to net-zero emissions by 2050 across lending and investment portfolios.

- The same year, RBI also encouraged Indian banks to adopt ESG frameworks, promoting green bonds and sustainability-linked loans to foster responsible finance in India.
- In 2022, SEBI mandated ESG disclosures for India’s top 1,000 listed companies, requiring them to report on sustainability performance, while the EU’s Sustainable Finance Disclosure Regulation (SFDR) required asset managers to incorporate and disclose sustainability risks in investment decisions.
- The World Bank committed to aligning all new operations with the Paris Agreement from July 1, 2023, aiming for 100% alignment with climate goals.
- The Basel Committee launched consultations on a disclosure framework (Pillar 3) for climate-related financial risks, aimed at strengthening climate resilience in banking systems globally.
- By 2024, Green, social, sustainability, and sustainability-linked (GSSS) bond issuances reached a cumulative \$5.7 trillion<sup>2</sup>.

<sup>2</sup> <https://thedocs.worldbank.org/en/doc/dacb969cc71f53abde2d2758f1cc13ed-0340012024/original/GSSS-Quarterly-Newsletter-Issue-No-8.pdf>

**Structure-Conduct-Performance (SCP)**

Below is an SCP framework for analysing how industry structure affects the performance of the financial sector constituents and drives performance in the sector.

SCP	Analysis Element	Description
Structure	Number and Size of Firms	Financial services is primarily composed of large, well-established public and private players (e.g., large banks, insurance companies, pension funds, and asset management firms) but a growing number of fintechs and smaller institutions such as neo banks or niche asset management firms are also emerging. However, India’s financial system is bank dominated. Industry concentration varies where banking and insurance sectors are often dominated by a few large firms, while fintechs have increased fragmentation in services.  Larger firms may lead in ESG integration due to higher availability of resources and regulatory pressure, smaller firms/fintechs are innovating on ESG such as peer-to-peer lending platforms, reporting, sustainability solutions, etc.
	Degree of Product Differentiation	Financial products are moderately differentiated based on features, fees, accessibility, and customer risk profiles. Banks offer varying loan and credit products, while insurance companies provide tailored plans, and asset managers design diverse investment portfolios. These days innovation is also being driven by digital transformations (AI and automation), demand for personalized services, and financial inclusion goals.  ESG considerations drive the development of specialized products such as green bonds, sustainability-linked loans, and impact funds.
	Barriers to Entry and Exit	High regulatory and capital requirements barriers exist, especially for traditional banks and insurers, requiring significant capital, compliance, and licensing. Fintech firms have lower entry barriers but face high competition and evolving regulations. Exit can be challenging due to regulatory frameworks, potential liabilities, etc.  ESG regulatory compliance can raise barriers due to required investments in reporting and sustainability metrics, yet high demand for ESG-compliant investments has lowered entry barriers for impact-focused startups and fintechs in underserved markets.

SCP	Analysis Element	Description
<b>Conduct</b>	Pricing	Pricing is influenced by interest rates, risk assessments, market conditions, and regulation. Banks set loan rates, fees, and credit terms competitively, insurers price based on risk models, and asset managers charge management fees and performance-based fees. Fintechs often adopt competitive pricing strategies to attract customers. But firms often compete on product innovation and customer service.  ESG-focused products such as green loans often come with lower interest rates to incentivize environment-friendly projects, while ESG funds may have higher management fees due to specialized screening and stewardship efforts.
	Advertising	High levels of advertising and brand-building, especially in competitive markets. Digital channels, partnerships, and social media are heavily utilized. Fintechs often leverage digital marketing to reach tech-savvy customers, while traditional firms rely on brand trust and visibility. A lot of advertising is also focused on creating awareness on financial literacy, fraud prevention, cyber security, data privacy, etc.  Firms are also increasingly marketing their commitment to ESG values
	Innovation	Significant focus on digital transformation, with innovations in mobile banking, robo-advisory, automated wealth management, blockchain, and artificial intelligence. Much of the innovations are driven by the goals of financial inclusion and access. Fintechs drive rapid innovation, while traditional institutions adopt or partner with tech firms for customer-centric solutions.  Product innovations also target ESG integration and sustainable finance options.
<b>Performance</b>	Profitability	Profitability varies across the sector. Banks and insurers face pressure on profit margins due to regulatory and competitive factors. Fintechs typically prioritize growth and valuations over immediate profitability, and asset managers focus on performance to attract investors. Overall profitability is influenced by economic conditions, interest rates, and operational efficiencies.  ESG-compliant firms may see enhanced profitability due to stronger investor interest, reduced regulatory fines, and lower risks.
	Efficiency	Increased focus on operational efficiency through automation, digitization, and data-driven decision-making. Many institutions have streamlined processes and reduced costs via fintech partnerships and AI-driven solutions. Efficiency levels impact competitiveness, especially in response to regulatory requirements and consumer expectations. While large firms may achieve economies of scale, inefficiencies can arise from bureaucratic structures and risk management complexities.  ESG strategies often promote operational efficiency, such as energy conservation, waste reduction, and optimized supply chains.

The financial services sector is a great example of a dynamic industry poised for significant growth. It's a sector that's constantly evolving, driven by technological advancements and changing client preferences. However, this growth is

carefully balanced by a robust regulatory framework that ensures the safety and security of client's funds. This delicate equilibrium allows for innovation and expansion while maintaining the desired standards of financial integrity.

## Materiality Mapping

Materiality mapping is a critical process that enables organizations to identify, assess, and prioritize ESG issues most relevant to their business and stakeholders. In the context of double materiality, this process evaluates both how ESG factors impact the company's financial performance (financial materiality) and how the company's operations affect society and the environment (impact materiality). It serves as a foundation for integrating sustainability considerations into strategy, risk management, and reporting.

Materiality assessments are visually represented in different ways depending on an organization's objectives, stakeholder expectations, and regulatory requirements. While the 2x2 materiality matrix remains the most widely used format - mapping issues based on financial impact versus stakeholder importance (single materiality) or internal risks versus external impacts (double materiality) - organizations may opt for other approaches for a more tailored representation. In single materiality, the X-axis typically represents business impact, while the Y-axis reflects stakeholder importance. In double materiality, the X-axis captures financial materiality (impact on the company), and the Y-axis represents

impact materiality (company's effect on the environment and society).

Some organizations use ranked lists or tables, categorizing material topics into high, medium, or low priority without relying on a visual matrix. Others adopt stakeholder-specific materiality maps, segmenting material issues based on the priorities of investors, employees, customers, regulators, and communities. This method acknowledges that different stakeholder groups may value certain ESG issues differently. Another approach is heatmaps, where organizations use color-coded grids to illustrate the intensity or significance of various ESG topics across different business areas or geographical regions. For organizations that prefer a structured yet flexible categorization, material topics may be grouped under broad ESG themes - Environmental, Social, and Governance - offering a thematic approach to prioritization.

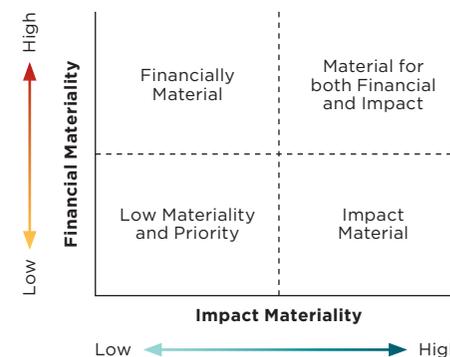
Companies with more advanced sustainability strategies may integrate materiality findings with risk management frameworks, ensuring that identified ESG issues are embedded into business decision-making processes.

The process of creating a materiality map generally involves the following steps:

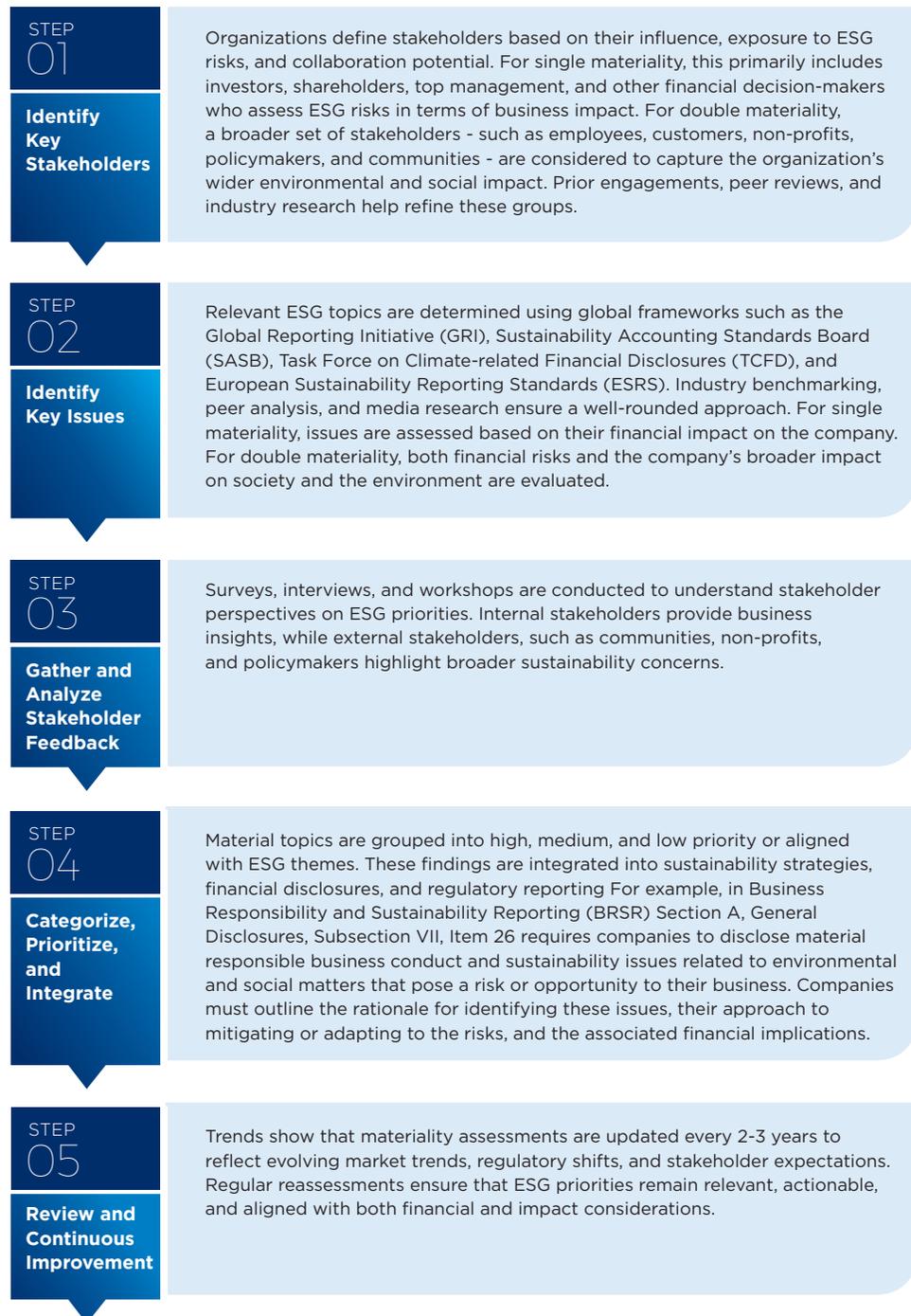
**Single Materiality Matrix**



**Double Materiality Matrix**



## MATERIALITY MAPPING PROCESS



## KEY MATERIALITY FACTORS

A closer review reveals some key topics that consistently emerge as key priorities for banks, insurance companies, and asset management firms.

While each entity may rank these issues slightly differently, they are essential considerations that must be addressed.



### Compliance

Compliance is a key ESG issue for financial services firms due to the dynamic regulatory environment they operate in, which poses constant challenges to staying updated and aligned with evolving laws. These firms must ensure adherence to both financial regulations and data protection laws, as they handle vast amounts of sensitive client data, making them particularly vulnerable to mishandling and data breaches. Noncompliance in either area can result in severe legal, financial, and reputational repercussions.



### Data protection and information security

Growing digitization in financial services and the increasing adoption of digital transactions make data protection and information security a critical ESG issue. Safeguarding customers' money and personal information is essential in an era of sophisticated cyberattacks, including ransomware, phishing, and third-party breaches. These can lead to data loss, IT system disruptions, reputational damage, and financial losses.



### Transparency & disclosures

Transparency and disclosures are fundamental to ethical governance and sustainable business practices, helping financial institutions achieve both financial and ESG objectives. Upholding transparency builds trust with clients, investors, and regulators, fostering long-term relationships and creating positive societal and environmental impacts. Failure to adhere to regulatory requirements, industry standards, or ethical practices can lead to penalties, lawsuits, reputational damage, and erosion of customer trust. Transparent reporting not only ensures compliance and reduces the risk of fines but also enhances operational efficiency by identifying inefficiencies and areas for improvement.



### Business ethics & corporate governance

Business ethics and corporate governance are critical for ensuring ethical practices, regulatory compliance, and responsible stakeholder management. Aligning with best practices in human, cultural, economic, political, and social rights fosters accountable and transparent operations, building trust and maintaining long-term stakeholder relationships. Strong governance helps assess and mitigate risks, maintain financial stability, and protect reputation. In the financial sector, priorities include ethical conduct, anti-bribery measures, and adapting to evolving regulatory landscapes.



### Customer protection & satisfaction

Customer protection and satisfaction are essential for financial services firms, as trust is the cornerstone of their business. Failure to offer appropriate products, value-added services, or inappropriate conduct can lead to loss of trust and risk the reputation. Building strong customer relationships is fundamental to business success, enabling innovation in products tailored to consumer and market needs, swift resolution of grievances, and the preservation of trust, continuity, and long-term connections.



### Risk management

Effective risk management is vital for financial services firms to identify and mitigate risks, including ESG-related ones, within their risk appetite. A robust Enterprise Risk Management (ERM) framework aligned with ISO 31000:2018 ensures operational continuity and resilience. Risk management committees (RMCs) oversee policies, ensuring alignment with regulations and industry trends. ISO 22301:2019-certified business continuity practices enhance preparedness with action plans to minimize disruptions.



### Digitalisation

The increasing demand for digital transactions, fuelled by initiatives like Digital India, affordable internet, smartphone penetration, and the AADHAR biometric identity system, underscores the need for ongoing digital innovation. With the growing volume of digital transactions, ensuring system availability, scalability, and alignment between business and IT strategies is essential to mitigate operational and reputational risks.



### Responsible investing

Responsible investing incorporates ESG considerations into investment decisions, addressing long-term financial risks and advancing sustainability. ESG policies, such as enhanced environmental and social due diligence for high-risk borrowers and exclusion lists for environmentally or socially harmful sectors, ensure responsible lending practices. ESG integration also enables firms to capitalize on opportunities for thematic product development in response to rising customer demand. Voluntary climate-related disclosures, including CDP Climate Change reporting, demonstrate transparency and proactive climate action.



### Financial inclusion

Banks adopt a multipronged approach to facilitate the efficient distribution of funding and promote deeper financial inclusion. By expanding their digital footprint into underserved geographies and partnering with the government on various finance schemes, they play a crucial role in fulfilling financial inclusion objectives. Housing is a critical social need, and many financial services firms, including banks, are working to increase mortgage penetration to address housing shortages. Similarly, affordable insurance products are being developed to provide financial protection to underserved populations, helping mitigate risks and provide a safety net against unforeseen events.



### Responsible lending

Responsible lending is essential for supporting customers in transitioning to greener pathways while addressing climate-related financial risks. These risks, including physical and transition risks, affect both the Bank's assets and lending portfolio. By making climate-informed financial decisions, the Bank mitigates reputational risks and aligns with evolving stakeholder expectations. Ensuring responsible lending practices helps the Bank manage these risks effectively.



### Financial literacy

In India, many individuals traditionally save money in fixed-income instruments or lockers, which may not provide positive inflation-adjusted returns, or in unregulated, high-risk instruments that jeopardize their capital. Financial literacy is crucial for empowering individuals to make informed decisions about their savings and investments. Financial services firms, including banks and insurance companies, have a responsibility to educate consumers about the importance of diversifying investments, understanding risks, and seeking regulated, inflation-beating options.



### Climate action

Climate change presents significant risks to financial institutions, impacting both operations and borrowers' business resilience. These risks include long-term changes in climate patterns and the increased frequency of extreme weather events. Assessing physical and transition risks is essential to understand how these changes affect business models and operations. There are also opportunities in supporting sustainable growth and transitioning to carbon neutrality or net-zero emissions. Banks can contribute by funding projects in renewable energy, electric vehicles, green buildings, and waste management, based on a careful risk-return assessment. Reducing their own environmental footprints—such as carbon emissions and waste—aligns with Net Zero targets and global sustainability goals. In the insurance sector, adapting underwriting practices to manage climate risks and promote resilience is key to long-term sustainability.



### Product pricing

Product pricing is a critical element of financial services firms' strategies, as it directly impacts affordability, accessibility, and customer satisfaction. Ensuring that pricing is fair, transparent, and aligned with customers' financial capacity helps build trust and fosters long-term relationships.



### Economic performance

Economic performance refers to the contribution a financial services firm makes to the local, regional, national, and global economy. It involves creating wealth for a wide range of stakeholders, including the community, employees, investors, and shareholders.



### Policy advocacy

Contributing to the development of regulations and policies offers financial services firms the opportunity to demonstrate their commitment to responsible governance. By actively participating in industry associations and engaging in policy discussions, firms can help shape regulations that promote sustainable practices within the industry.

## STAKEHOLDERS FOR MATERIALITY ASSESSMENT



Investors / Shareholders



Regulator



Value chain partners



NGOs



Community



Customers



Workers and Employees



Senior Leadership



Government



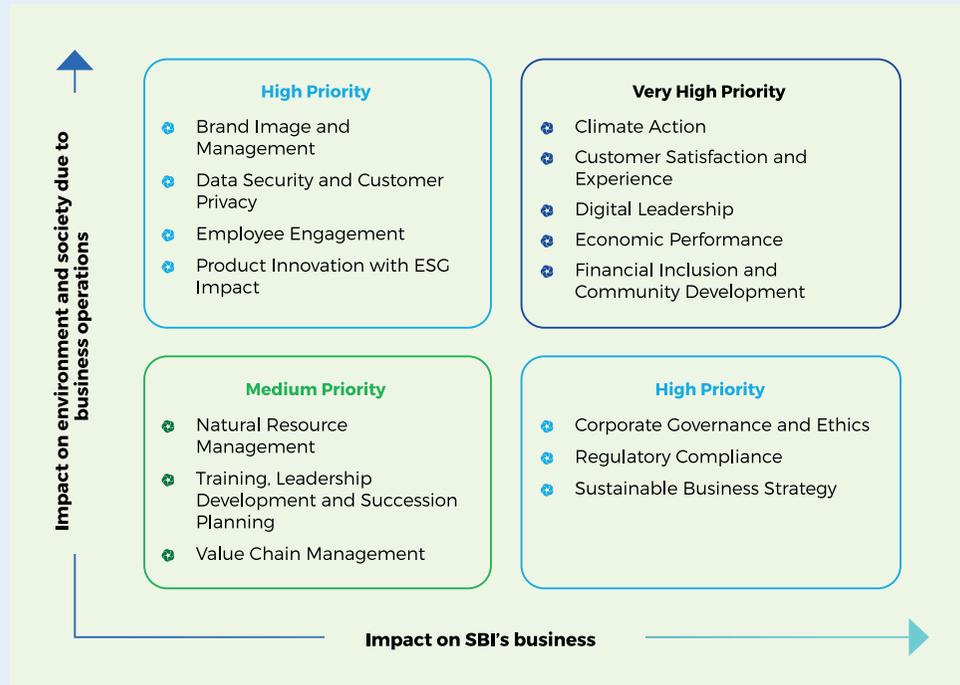
Research Analysts



Industry Association

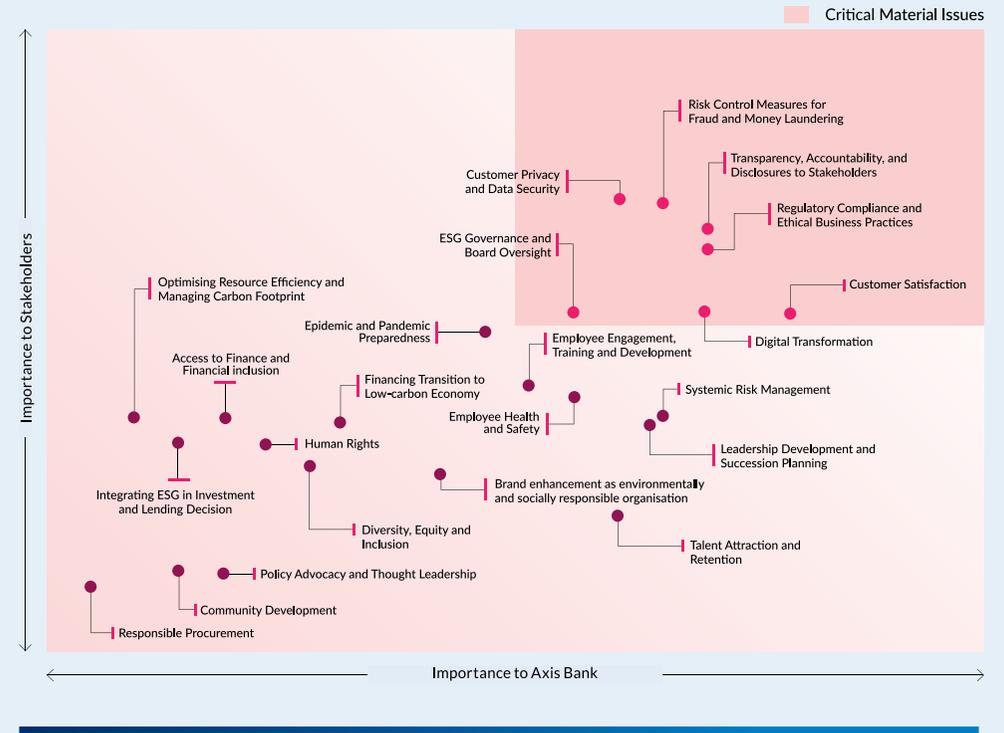
**EXAMPLES FROM THE INDUSTRY**

**1 State Bank of India (2x2 Prioritization Matrix)**



Source: <https://bank.sbi/documents/17826/17948/270524-SBI+Sustainability+Report+2024.pdf/3b719c86-f925-c7db-6ba1-9f5a94e2d5ec?t=1716832780188> (Page 53)

**2 Axis Bank Limited (High-Medium-Low Materiality Index)**



Source: [www.axisbank.com/annual-reports/2023-2024/pdf/annual-report-for-the-year-2023-2024.pdf](http://www.axisbank.com/annual-reports/2023-2024/pdf/annual-report-for-the-year-2023-2024.pdf) (Page 79)

3 SBI Life Insurance Company Limited (Material topics arranged under E, S, and G)

Pillar	Material topic	Sub-topics	Stakeholders impacted	
 <p>Environment</p>	Climate Change	Climate Change Impact Green House Gas (GHG) Energy Management GHG Emission Management	All stakeholders	
	Environmental Impact	Water Conservation Biodiversity Waste Management		
	CSR and Community	CSR and Community Development		
	Customer Service and Satisfaction	Customer Service and Satisfaction		
 <p>Social</p>	Employee Centricity	Training, Capacity Building & Performance Management Inclusion, Diversity and Equality Safe Working Environment	Communities NGO Partners Customers Business Partners Employees	
	Financial Inclusion	Inclusive Insurance Access to finance	Communities Customers	
	Human Rights	Human Rights	Employees Business Partners Suppliers	
	Purposeful Products and Services	Products with Positive Environmental and Social Impact (Purposeful products and services (sustainability integration into products) (social/product liability))	Communities Customers	
	Sustainable Supply Chain and Partnerships	Sustainable Supply Chain and Partnerships	Business partners Suppliers	
	 <p>Governance</p>	Brand and Reputation Management	Brand and Reputation Management	Customers Employees Shareholders Business Partners Suppliers
		Cyber Security and Customer Privacy	Cyber Security Responsible Data Use & Customer Privacy	Customers Employees Business Partners
Governance and Ethical Business Practices		Corporate Governance Ethics and Business Conduct Responsible Sales and Marketing Tax Policy	All stakeholders	
Responsible Investment		Responsible Investment	Customers Business Partners	
Risk Management		Enterprise Risk Management Business Continuity Plan (incl. Business impact due to pandemic, man-made events, natural cause or natural disaster)	All stakeholders	
Regulatory and Legal Compliance		Regulatory and Legal Compliance	Regulators Shareholders Employees Business Partners	
Stakeholder Engagement		Stakeholder Engagement	All stakeholders	

Source: <https://www.sbilife.co.in/sites/SBILife/Annual-Report/FY2022-23/materiality-assessment.html>

4 ICICI Prudential Life Insurance Company Limited (Material issues arranged under different stakeholder groups)



**CUSTOMERS**

- Customer and product safety
- Customer engagement and satisfaction
- Providing cost-effective, innovative insurance products
- Helping customers make informed decisions
- Providing financial solutions to meet customer needs
- Quick and easy processing of claims and faster response to customer queries
- Protecting customer data and privacy
- Uncertainties in personal tax policy



**SHAREHOLDERS/INVESTORS**

- Adoption of strong Corporate Governance, Transparency and Ethics
- Adopting a robust, swift and efficient Risk Management mechanism
- ESG integration into Risk Management
- Uncertainties in Corporate Tax policy
- Brand and Reputation Management
- Business impact due to pandemic, man-made events or natural cause
- Climate Change in relation to investments
- Demographic change



**EMPLOYEES**

- Employee Health and Well-being
- Diversity, Equity and Inclusion
- Changing Nature of Work
- Recognition
- Regular Trainings and Career Development Activities
- Respecting Human Rights
- Talent Attraction and Retention



**BUSINESS PARTNERS**

- Ethical Supply Chain
- Supplier Diversity
- Timely Payments and Response to Business Partners
- Vendor Code of Conduct
- Well-being of Supplier Vendor Employees



**GOVERNMENT AND REGULATORY BODIES**

- Timely Compliance with Existing and New Regulatory, Legal Requirements
- Enhanced Disclosure and Investor Information
- Prompt Communication of Critical Developments
- Responsible Business Ethics



**COMMUNITIES**

- Addressing Social Issues
- Local Community Impact
- Making a Positive Social Impact
- Meeting the Needs of Local Communities
- Partnering in Community Development
- Access to Finance for Underserved Populations
- Environment Protection
- Developing Investment Products that Provide Environmental or Social Benefits

# Aspire's ESG Rating Framework

## About the Framework

Aspire's ESG rating framework aims to enhance the currently prevailing ESG Frameworks with two main innovations:

### ONE FRAMEWORK, TWO RATINGS

Enhancing analytical sharpness by segregating the currently blended ESG ratings into separate ESG Risk and ESG Opportunity ratings, while also providing a singular integrated score for both risk and opportunity.

Illustrative Opportunity KPIs

- Energy from renewable sources
- Percentage of water recycled and reused

Illustrative Risk KPIs

- Industry-agnostic - Scope 1,2,3 emissions intensity
- Banks - Portfolio emission intensity
- Pharmaceuticals - Biomedical waste generation intensity

### BALANCING INDUSTRY-AGNOSTIC (CORE) AND INDUSTRY-SPECIFIC KPIs

Enhancing sectoral and cross-sectoral comparability by embedding industry-agnostic Core and Industry-specific KPIs into each Rating.

E.g. Illustrative Standard - Waste Management

- Underlying illustrative Risk KPI - Percentage of solid waste disposed through landfill and incineration
- Underlying illustrative Opportunity KPI - Percentage of waste recycled, reused, or recovered

Apart from incorporating the above 2 changes, the framework has several other features as mentioned below:

### COMPREHENSIVE ANALYSIS

Drawing on established global reporting frameworks, the framework ensures comprehensive research coverage of all critical ESG topics.

### ACCESSIBLE, PUBLIC DATA

To ensure transparency, the framework is constructed exclusively from publicly available data sources such as BRSR, annual reports, ESG/Sustainability reports, industry reports, and regulatory databases.

### QUANTITATIVE KPIs

To ensure objectivity and consistency, the framework utilizes around 80% quantitative indicators and Yes/No questions, minimizing the need for analyst interpretation and potential biases. The focus is on intensity ratios and outcome-oriented KPIs, rather than solely action-oriented ones.

### CONCISE EVALUATION

To ensure a focused assessment of ESG performance, this framework adopts a lean approach, selecting only the most impactful and truth-revealing KPIs. Unlike frameworks containing hundreds of

metrics, this one prioritizes a concise set based on three key criteria:

- 1 Ties in with Business Goals - E.g. Revenue contribution from domestic and international market, Percentage of countries and states served
- 2 Stakeholders Focused - E.g. NPS or C-SAT Ratings, Percentage supplies from MSMEs, Non-CSR employee volunteering hours
- 3 Significantly Material - Scope 1,2,3 Emission intensity, Net-zero transition risk

### HIERARCHICAL DRILL-DOWN ANALYSIS

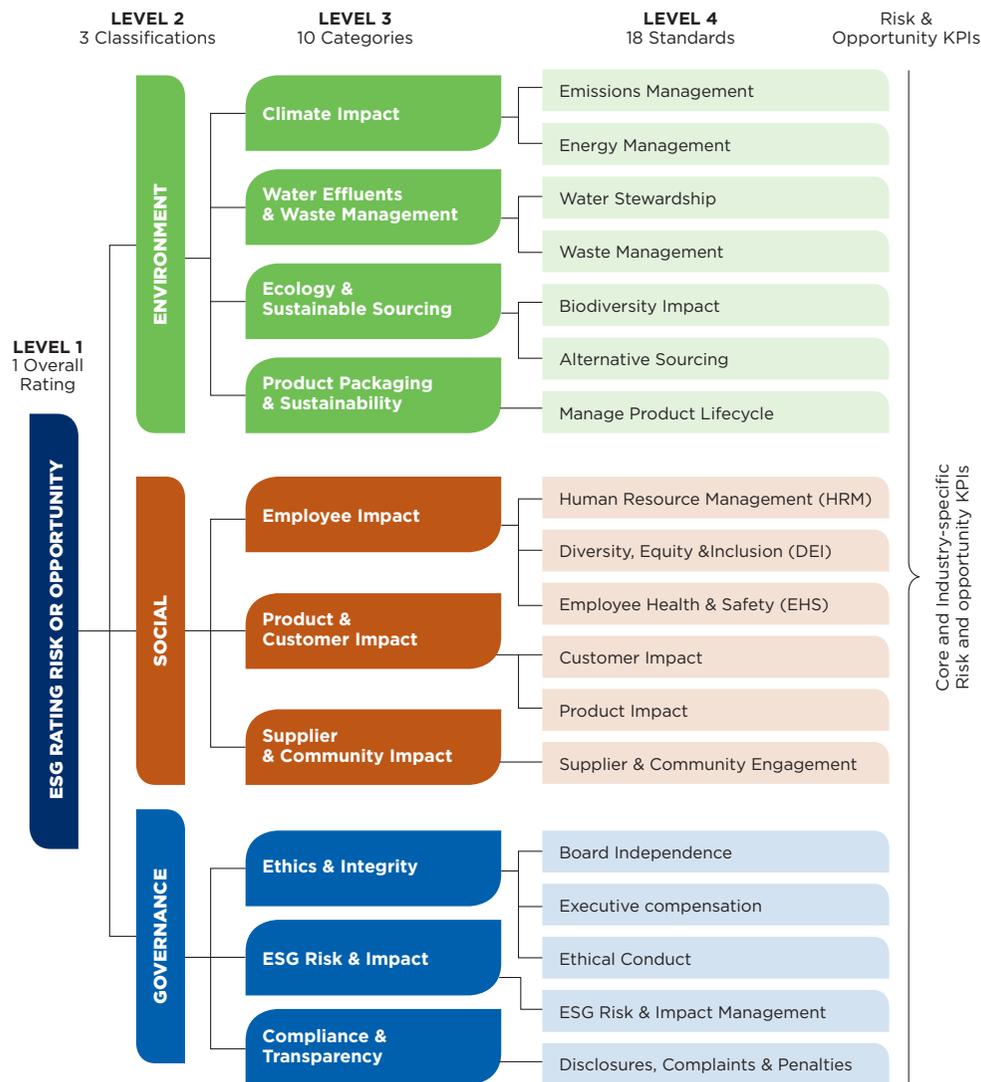
A five-tiered framework facilitates comprehensive analysis by organizing KPIs within a structured hierarchy. Classifications, Categories, Standards, and finally KPIs all contribute to a final ESG Risk or Opportunity rating. This multi-level approach enables enhanced comparability across industries

### COLLABORATIVE DEVELOPMENT

Underscoring its credibility, the framework was collaboratively developed by over 150 ESG, Sustainability, and Impact leaders from India Inc. Through a democratic voting process during working group meetings, each KPI was rigorously evaluated and included based on live poll results.

# ESG Risk and ESG Opportunity Rating Framework

## COMMON ESG STANDARDS & DRILL-DOWN STRUCTURE



# Aspire's Methodology

Aspire's ESG rating methodology employs a proprietary framework designed to meticulously evaluate both ESG Risks and ESG Opportunities through a multi-tiered approach. This structured framework is divided into five levels of analysis: Level 1 provides an overall ESG rating (Risk or Opportunity), which can be broken down into three primary Classifications—Environmental (E), Social (S), and Governance (G) at Level 2. Level 3 refines these Classifications into 10 specific Categories, while Level 4 outlines 18 Standards. Finally, Level 5 incorporates 82 core KPIs that address both risks and opportunities, complemented by 100+ sector-specific KPIs (across 11 different industries). The methodology is grounded entirely on data available in the public domain, ensuring that ratings are based on transparent and disclosed information.

### OUR RATING PROCEDURE

Aspire's ESG methodology follows a systematic rating procedure to ensure comprehensive and accurate assessments:

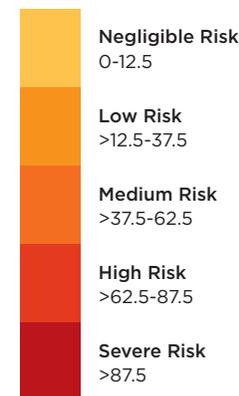
- Data Collection:** All data is sourced exclusively from public domains such as Business Responsibility and Sustainability Reports (BRSR), Annual Integrated Reports, Sustainability/ ESG Reports, and Regulatory Reports/ Databases.
- Framework Integration:** The collected data is fed into Aspire's Proprietary Framework, which processes the information to generate KPI values.

- Benchmarking:** These KPI values are then compared against industry peers using a standardized industry classification framework as mandated by SEBI. Some KPIs may be compared against global or universal targets or local averages (country level), rather than just peer benchmarks.
- Final Rating Calculation:** Separate ratings for ESG Risk and ESG Opportunity are calculated on a 0-100 scale, providing a clear and comprehensive picture of the organization's ESG performance.

### FINAL OUTCOME

The final outcome of Aspire's ESG methodology is a comprehensive score and rating system that categorizes companies based on their ESG risk and opportunity profiles. This system includes:

**ESG Risk Rating:** The 0-100 score for ESG risk is divided into five categories (Also Refer : Fig. 2, page 32):



**ESG Opportunity Rating:** Similarly, the 0-100 score for ESG opportunity is divided into five categories (Also Refer : Fig. 1, page 32):



Opportunity; High Risk, High Opportunity based on their ESG risk and opportunity scores. In this chart, ESG opportunity is plotted on the X-axis and ESG risk on the Y-axis, which offers a detailed risk-opportunity profile while facilitating strategic investment choices and comparative analysis.

**SCOPE AND LIMITATION**

Aspire's ESG methodology relies on publicly available data to ensure accountability. Therefore, its accuracy is dependent on the quality and availability of data, which can vary significantly across companies. Additionally, the methodology may face challenges due to the dynamic nature of ESG factors, sector-specific applicability, and potential subjectivity in KPI selection. Continuous updates and improvements are necessary to address these limitations and maintain the relevance and accuracy of the ratings.

Quadrant Chart Visualization: In addition to the individual ratings, the final result is represented in a 2x2 quadrant chart. This chart categorizes companies into four quadrants - Low Risk, Low Opportunity; Low Risk, High Opportunity; High Risk, Low

**FIG. 1: ESG Opportunity Rating**



**FIG. 2: ESG Risk Rating**



**Aspire ESG Integrated Rating**

In addition to separate ESG Risk and Opportunity ratings, Aspire provides a singular, integrated score for both risk and opportunity.

The singular, integrated ESG score aligns with the guidelines prescribed by SEBI to all ESG rating providers for providing and publishing a singular, integrated ESG rating, with transition elements. As per the said SEBI guidelines, the rating scale for ESG score is 0-100, where 100 represents maximum score.



## ESG Risk & Opportunity Rating KPIs: Sector-Agnostic

To finalize the core KPIs, Aspire convened a working group of 15 senior leaders from diverse industries. Over three months of structured

deliberations in 2024, this group finalized a set of 82 KPIs, 44 for ESG Risk and 38 for ESG Opportunity, that form the backbone of Aspire's ESG framework.

### ENVIRONMENT

Opportunity KPIs			Risk KPIs		
Net Zero roadmap (published)	Water recycled & reused	Harvested rain water	Emission Intensity (Scope 1, 2 & 3)	Net Zero transition timeline	Assurance of GHG emissions
Carbon offsets	Carbon credits	Renewable energy	Energy intensity	Assurance of water consumption	Assurance of waste generation
Waste recycled, reused and recovered			Water consumption vs water withdrawal	Water withdrawn from freshwater sources	Assurance of energy consumption
			Waste disposal	Waste intensity	

### SOCIAL

Opportunity KPIs			Risk KPIs		
Employees and workers trained on skills	Workforce under collective bargaining	ISO 45001 certified plants and offices	Permanent employees over 50 years	% Purchase from top 10 trading houses	% Revenue from top 10 dealers
Domestic suppliers	Women board members	Reduction in gender gap	Employee turnover	POSH complaints: Female workforce	POSH complaints unresolved
Wages paid to females	MSMEs in supply chain	Revenue from domestic market	Pay parity except BOD and KMPs	Pending employee complaints	Pending customer complaints
Employee volunteering hours	Non-CSR spends on community	Value chain trained			
% States served	Training on EHS	Women workforce			
PwD workforce	New jobs created	Women in KMP			
Spends on employee welfare	Plants and offices assessed for EHS	% Countries served			
Wages to employees in the rural & semi-urban areas	Plants and offices assessed for working conditions	Employees and workers with insurance & other benefits			
Net Promoter Score OR Customer Satisfaction	Value chain assessed for EHS, human rights & working conditions	Permanent female employees and workers who return to work conditions			

### GOVERNANCE

Opportunity KPIs			Risk KPIs		
Independent directors > mandated	Workforce trained for code of conduct	Average CSR spends over 3 years	RPT complaints against directors & KMPs	Bribery/corruption cases against the company	Ratio of Remuneration of CEO to Employee
CXOs' incentives linked to ESG	Risk governance framework	Appointed Head of ESG	CEO serves as the board chair	Average accounts payable days	Customer data breaches
Appointed ESG committee	Published ESG report		Whistleblower cases pending	Legal actions and complaints	Penalties, fines & Settlements
Materiality assessment conducted in the last 3 years	Affiliations with trade and industry associations		Promoter/group significant beneficial ownership	Business continuity and disaster management plan	Cases of Imprisonment & Punishment
			Shareholder complaints pending	Related Party Transactions (RPTs)	Product/service related controversies and Cybersecurity cases

## KPIs for ESG Risk and Opportunity Ratings in Financial Services

KPI name	Applicability (Industry » Basic Industry)
% of lending directed towards priority sectors (PSL)	• Banks – Public Sector Bank, Private Sector Bank, Other Bank
Rural Branches as a % of total banking outlet	• Finance – NBFC, Microfinance Institutions • Banks – Public Sector Bank, Private Sector Bank, Other Bank
Business correspondents as a % of total outlet	• Finance – NBFC • Banks – Public Sector Bank, Private Sector Bank, Other Bank
% Beneficiaries under Pradhan Mantri Jan Dhan Yojana (PMJDY)	• Banks – Public Sector Bank, Private Sector Bank, Other Bank
SME Lending as a % of total lending	• Finance – Investment company, NBFC, Holding Company, Microfinance Institutions • Banks – Public Sector Bank, Private Sector Bank, Other Bank
Incurred Claim Ratio	• Insurance – General Insurance, Life Insurance, Other Insurance Companies
Social sector lives covered as a % of total lives covered	• Insurance – Life Insurance, Other Insurance Companies
Rural sector policies issued as a % of total number of policies issued covered	• Insurance – General Insurance, Life Insurance, Other Insurance Companies
Overall Claim Settlement Ratio	• Insurance – General Insurance, Life Insurance, Other Insurance Companies
% of housing loans (in value terms) disbursed to Economically Weaker Section	• Finance - Housing Finance Company
% of branches and ATMs are accessible for customers with PWD	• Banks – Public Sector Bank, Private Sector Bank, Other Bank
% of sustainable lending by the company	• Finance – Financial Institution • Banks – Public Sector Bank, Private Sector Bank, Other Bank
Is the company a signatory/participant of the UN Principle for Responsible Investment (PRI)	• Finance – Financial Institution, Housing Finance Company, Investment company, NBFC, Holding Company, Microfinance Institutions • Capital Markets – Asset Management Company, Financial Products Distributor • Insurance – General Insurance, Life Insurance, Other Insurance Companies
Is the company a signatory/participant of the UNEP FI's Principles for Responsible Banking (PRB)	• Banks – Public Sector Bank, Private Sector Bank, Other Bank
% of AUM having external ESG ratings	• Finance - Investment company, NBFC, Holding Company • Banks – Public Sector Bank, Private Sector Bank, Other Bank • Capital Markets – Asset Management Company, Financial Products Distributor • Insurance – General Insurance, Life Insurance, Other Insurance Companies
Issuance of green debt securities (i.e. Green Bonds) by the company	• Banks – Public Sector Bank, Private Sector Bank, Other Bank

KPI name	Applicability (Industry » Basic Industry)
Does your organization adhere to RBI's Green Deposit Framework when raising green deposits?	<ul style="list-style-type: none"> <li>Banks – Public Sector Bank, Private Sector Bank, Other Bank</li> </ul>
Portfolio emission Intensity	<ul style="list-style-type: none"> <li>Finance – Financial Institution, Investment company, Holding Company, Microfinance Institutions</li> <li>Banks – Public Sector Bank, Private Sector Bank, Other Bank</li> <li>Capital Markets – Asset Management Company, Financial Products Distributor;</li> </ul>
% lending provided to companies which are part of environmental sensitive industries (energy, mining, metals, construction, chemical, and paper sectors)	<ul style="list-style-type: none"> <li>Finance – Financial Institution</li> <li>Banks – Public Sector Bank, Private Sector Bank, Other Bank</li> </ul>
E-Waste generation Intensity	<ul style="list-style-type: none"> <li>Finance – Financial Institution, Housing Finance Company, Investment company, NBFC, Other Financial Services, Holding Company, Microfinance Institutions, Securitization</li> <li>Banks – Public Sector Bank, Private Sector Bank, Other Bank</li> <li>Capital Markets – Asset Management Company, Depositories, Clearing Houses and Other Intermediaries, Financial Products Distributor, Ratings, Exchange and Data Platform, Stockbroking &amp; Allied, Other Capital Market Related Services</li> <li>Insurance – General Insurance, Life Insurance, Other Insurance Companies</li> <li>Financial Technology (Fintech)</li> </ul>
% lending provided to companies which operated in IFC exclusion list	<ul style="list-style-type: none"> <li>Banks – Public Sector Bank, Private Sector Bank, Other Bank</li> </ul>
Mandated safety certifications obtained	<ul style="list-style-type: none"> <li>Finance – Financial Institution, Housing Finance Company, Investment company, NBFC, Other Financial Services, Holding Company, Microfinance Institutions, Securitization</li> <li>Banks – Public Sector Bank, Private Sector Bank, Other Bank</li> <li>Capital Markets – Asset Management Company, Depositories, Clearing Houses and Other Intermediaries, Financial Products Distributor, Ratings, Exchange and Data Platform, Stockbroking &amp; Allied, Other Capital Market Related Services</li> <li>Insurance – General Insurance, Life Insurance, Other Insurance Companies</li> <li>Financial Technology (Fintech)</li> </ul>
% Non-Performing Assets	<ul style="list-style-type: none"> <li>Finance – Financial Institution, Housing Finance Company, Investment company, NBFC, Holding Company, Microfinance Institutions</li> <li>Banks – Public Sector Bank, Private Sector Bank, Other Bank</li> </ul>

## Environment

### EMISSION MANAGEMENT

Emission management is crucial for combating global warming and safeguarding health. It helps limit temperature rise to 1.5°C, as per the Paris Agreement. Managing emissions, including greenhouse gases (GHGs) and ozone-depleting substances (ODS), reduces their harmful impact on climate and air quality. Intensity metrics, net-zero goals, and carbon offset/credit strategies are vital for tracking progress and achieving sustainability commitments. Regulations like the UNFCCC, Kyoto Protocol, and Montreal Protocol guide these efforts to ensure effective climate action.

We requested our expert committee to vote on:

- 1 The relevance of the Risk KPIs for inclusion in Aspire's ESG rating framework (Results in Fig.1)
- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's Impact assessment framework (Results in Fig.2)

Based on the expert committee's poll, we included 2 Risk and 2 Opportunity KPIs in our framework. As a result, we compare with established frameworks as follows:

Global Coverage of ESG KPIs									
	Aspire	NASDAQ	WEF	IFRS	GRI	SEC	ESRS	IFC	BRSR
Coverage	●	○	○	○	○	○	○	○	○
Count	2	0	0	0	0	0	0	0	0

FIG. 1: Relevance of Risk KPIs

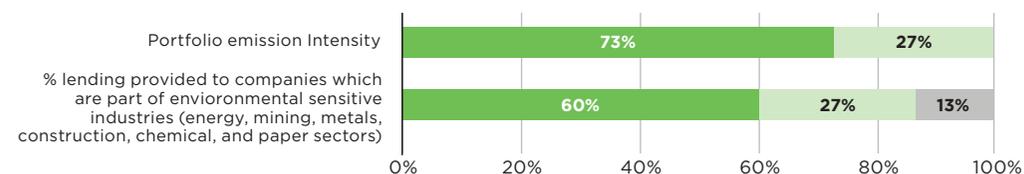
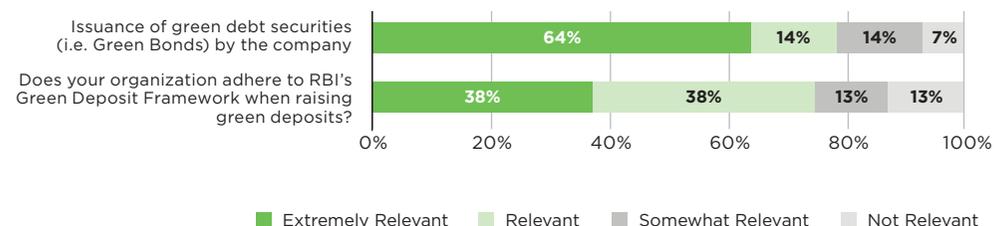


FIG. 2: Relevance of Opportunity KPIs



## ENERGY MANAGEMENT

Energy management is crucial for reducing energy intensity and improving efficiency while mitigating climate change. Efficient energy use supports economic development and helps transition from fossil fuels—major contributors to greenhouse gas emissions—to renewable energy sources such as solar, wind, and hydro. Effective energy management reduces reliance on non-renewable sources and supports commitments like India's pledge to use 50% renewable energy by 2030.

Energy Management KPIs (Risk and/or Opportunity) are not included in this

publication, as the financial services sector does not have any industry-specific KPIs in this standard. As a result, there are no voting results in this section. Relevant KPIs and voting results will be provided in industry-specific publications where applicable.

We requested our expert committee to vote on:

- 1 The relevance of the Risk KPIs for inclusion in Aspire's ESG rating framework (Results in Fig.1)
- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's Impact assessment framework (Results in Fig.2)

### FIG. 1: Relevance of Risk KPIs

No Energy Management Risk KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

### FIG. 2: Relevance of Opportunity KPIs

No Energy Management Opportunity KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

## WATER STEWARDSHIP

Water stewardship is essential for managing both the availability and quality of water. Monitoring and measuring water consumption, especially in stressed areas, ensures efficient use. Emphasizing circular water management—through reducing, reusing, and recycling water—benefits both organizations and broader communities by preserving this shared resource.

Water Stewardship KPIs (Risk and/or Opportunity) are not included in this publication, as the financial services sector

does not have any industry-specific KPIs in this standard. As a result, there are no voting results in this section. Relevant KPIs and voting results will be provided in industry-specific publications where applicable..

- 1 The relevance of the Risk KPIs for inclusion in Aspire's ESG rating framework (Results in Fig.1)
- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's Impact assessment framework (Results in Fig.2)

### FIG. 1: Relevance of Risk KPIs

No Water Stewardship Risk KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

### FIG. 2: Relevance of Opportunity KPIs

No Water Stewardship Opportunity KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

## WASTE MANAGEMENT

Effective waste management is crucial for minimizing environmental impact and handling growing waste volumes. By tracking waste generation, organizations can find ways to reduce, reuse, and recycle more efficiently, thus reducing landfill use. Proper waste segregation and material recovery are key to promoting sustainability and ensuring that disposal is the final step in the waste management process.

The financial services sector does not have any Waste Management Opportunity KPIs; therefore, no voting results are available. Relevant KPIs and voting results will be

provided in industry-specific publications where applicable.

We requested our expert committee to vote on:

- 1 The relevance of the Risk KPIs for inclusion in Aspire's ESG rating framework (Results in Fig.1)
- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's Impact assessment framework (Results in Fig.2)

Based on the expert committee's poll, we included 1 Risk KPI in our framework. As a result, we compare with established frameworks as follows:

Global Coverage of ESG KPIs									
	Aspire	NASDAQ	WEF	IFRS	GRI	SEC	ESRS	IFC	BRSR
Coverage	●	○	○	○	●	○	○	○	●
Count	1	0	0	0	1	0	0	0	1

FIG. 1: Relevance of Risk KPIs

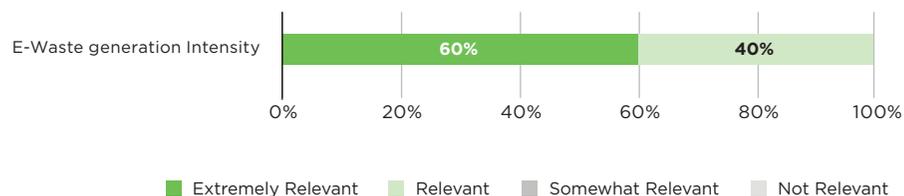


FIG. 2: Relevance of Opportunity KPIs

No Waste Management Opportunity KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

## BIODIVERSITY IMPACT

Biodiversity is a critical component of ESG performance. Companies reliant on natural resources or operating in biodiverse areas face operational, regulatory, and reputational risks from habitat loss and ecosystem degradation. Conversely, biodiversity conservation can drive innovation, mitigate risks, and enhance a company's ESG profile. By protecting and restoring ecosystems, companies can contribute to a sustainable future while safeguarding their long-term success.

Biodiversity Impact KPIs (Risk and/or Opportunity) are not included in this

publication, as the financial services sector does not have any industry-specific KPIs in this standard. As a result, this section does not contain any voting results. The specific KPIs and their corresponding voting results will be included in the respective industry publications wherever these KPIs are applicable as Risk and/or Opportunity.

- 1 The relevance of the Risk KPIs for inclusion in Aspire's ESG rating framework (Results in Fig. 1).
- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's impact assessment framework (Results in Fig. 2).

FIG. 1: Relevance of Risk KPIs

No Biodiversity Impact Risk KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

FIG. 2: Relevance of Opportunity KPIs

No Biodiversity Impact Opportunity KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

## ALTERNATIVE SOURCING

Sustainable sourcing means choosing suppliers based on ethical, social, and environmental criteria, leading to products with lower environmental risks. While expanding supply chains can introduce risks like disruptions, environmental damage, and cost volatility, sustainable sourcing helps manage these risks, reduce costs, and boost turnover. Long-term goals include fostering strong supplier relationships and embedding environmental and social objectives into corporate strategies.

Alternative Sourcing KPIs (Risk and/or Opportunity) are not included in this

publication, as the financial services sector does not have any industry-specific KPIs in this standard. As a result, this section does not contain any voting results. The specific KPIs and their corresponding voting results will be included in the respective industry publications wherever these KPIs are applicable as Risk and/or Opportunity.

- 1 The relevance of the Risk KPIs for inclusion in Aspire's ESG rating framework (Results in Fig. 1).
- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's impact assessment framework (Results in Fig. 2).

### FIG. 1: Relevance of Risk KPIs

No Alternative Sourcing Risk KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

### FIG. 2: Relevance of Opportunity KPIs

No Alternative Sourcing Opportunity KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

## MANAGE PRODUCT LIFECYCLE

Consumers and investors are increasingly pushing corporations to prioritize product sustainability. Effective product lifecycle management—considering environmental and social impacts from design to disposal—can prevent regulatory issues, reduce waste costs, and avoid reputational damage. Proactively managing this lifecycle drives innovation, improves resource efficiency, and enhances customer loyalty.

Manage Product Lifecycle KPIs (Risk and/or Opportunity) are not included in this publication, as the financial services sector

does not have any industry-specific KPIs in this standard. As a result, this section does not contain any voting results. The specific KPIs and their corresponding voting results will be included in the respective industry publications wherever these KPIs are applicable as Risk and/or Opportunity.

- 1 The relevance of the Risk KPIs for inclusion in Aspire's ESG rating framework (Results in Fig. 1).
- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's impact assessment framework (Results in Fig. 2).

### FIG. 1: Relevance of Risk KPIs

No Manage Product Lifecycle Risk KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

### FIG. 2: Relevance of Opportunity KPIs

No Manage Product Lifecycle Opportunity KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

## Social

### HUMAN RESOURCE MANAGEMENT

Human Resource Management (HRM) strategy prioritizes equitable wages for rural and semi-urban employees, job creation, skill development through training programs, and ensuring workplace safety. Additionally, it helps track staff turnover rates and address complaints, particularly regarding Prevention of Sexual Harassment, to foster an inclusive and secure work environment.

Human Resource Management KPIs (Risk and/or Opportunity) are not included in this publication, as the financial services

sector does not have any industry-specific KPIs in this standard. As a result, there are no voting results in this section. Relevant KPIs and voting results will be provided in industry-specific publications where applicable.

- 1 The relevance of the Risk KPIs for inclusion in Aspire's ESG rating framework (Results in Fig.1)
- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's Impact assessment framework (Results in Fig.2)

#### FIG. 1: Relevance of Risk KPIs

No Human Resource Management Risk KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

#### FIG. 2: Relevance of Opportunity KPIs

No Human Resource Management Opportunity KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

## DIVERSITY, EQUITY, AND INCLUSION

Diversity, Equity, and Inclusion (DEI) standard emphasizes fair treatment and inclusivity. These include adherence to legal employee benefits, investment in well-being, gender balance in leadership, representation of individuals with disabilities, fair pay practices, and prompt resolution of employee concerns.

Diversity, Equity and Inclusion KPIs (Risk and/or Opportunity) are not included in this publication, as the financial services sector does not have any industry-specific

KPIs in this standard. As a result, there are no voting results in this section. Relevant KPIs and voting results will be provided in industry-specific publications where applicable.

- 1 The relevance of the Risk KPIs for inclusion in Aspire's ESG rating framework (Results in Fig.1)
- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's Impact assessment framework (Results in Fig.2)

#### FIG. 1: Relevance of Risk KPIs

No Diversity, Equity and Inclusion Risk KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

#### FIG. 2: Relevance of Opportunity KPIs

No Diversity, Equity and Inclusion Opportunity KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

### EMPLOYEE HEALTH AND SAFETY

Employee Health and Safety standard focuses on key metrics to safeguard the workforce. By monitoring safety compliance rates, assessing facilities for safety, and tracking incident rates such as Lost Time Injury Frequency and fatalities, It ensures a secure environment and continuous improvement in health and safety practices for all employees and workers.

Employee Health and Safety KPIs (Risk and/or Opportunity) are not included in this publication, as the financial services

sector does not have any industry-specific KPIs in this standard. As a result, there are no voting results in this section. Relevant KPIs and voting results will be provided in industry-specific publications where applicable.

- 1 The relevance of the Risk KPIs for inclusion in Aspire's ESG rating framework (Results in Fig.1)
- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's Impact assessment framework (Results in Fig.2)

**FIG. 1: Relevance of Risk KPIs**

No Employee Health and Safety Risk KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

**FIG. 2: Relevance of Opportunity KPIs**

No Employee Health and Safety Opportunity KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

### CUSTOMER IMPACT

Customer Impact demonstrates a commitment to fair treatment, transparency, and accountability, fostering trust and credibility among stakeholders. Positive customer experiences and perceptions contribute to brand loyalty, repeat business, and market differentiation, driving sustainable growth and competitive advantage.

The financial services sector does not have any Customer Impact Risk KPIs; therefore, no voting results are available. Relevant KPIs and voting results will be provided in industry-specific publications where applicable.

We requested our expert committee to vote on:

- 1 The relevance of the Risk KPIs for inclusion in Aspire's ESG rating framework (Results in Fig.1)
- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's Impact assessment framework (Results in Fig.2)

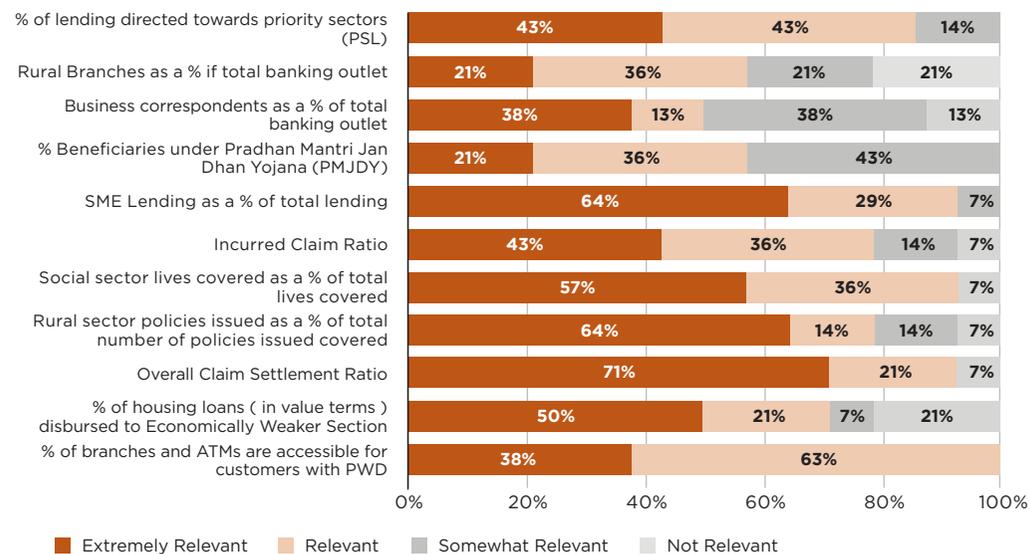
Based on the expert committee's poll, we included 11 Opportunity KPI in our framework. As a result, we compare with established frameworks as follows:

Global Coverage of ESG KPIs									
	Aspire	NASDAQ	WEF	IFRS	GRI	SEC	ESRS	IFC	BRSR
Coverage	●	○	○	○	○	○	○	○	○
Count	11	0	0	0	0	0	0	0	0

**FIG. 1: Relevance of Risk KPIs**

No Customer Impact Risk KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

**FIG. 2: Relevance of Opportunity KPIs**



### PRODUCT IMPACT

Product Impact directly influences product reach by ensuring inclusivity and accessibility, thereby enhancing the availability of goods and services to a broader audience. Additionally, it extends to safety measures, safeguarding consumer well-being and building trust in the brand.

We requested our expert committee to vote on:

- 1 The relevance of the Risk KPIs for inclusion in Aspire's ESG rating framework (Results in Fig.1)
- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's Impact assessment framework (Results in Fig.2)

Based on the expert committee's poll, we included 2 Risk and 1 Opportunity KPIs in our framework. As a result, we compare with established frameworks as follows:

Global Coverage of ESG KPIs									
	Aspire	NASDAQ	WEF	IFRS	GRI	SEC	ESRS	IFC	BRSR
Coverage	●	○	○	○	○	○	○	○	○
Count	1	0	0	0	0	0	0	0	0

FIG. 1: Relevance of Risk KPIs

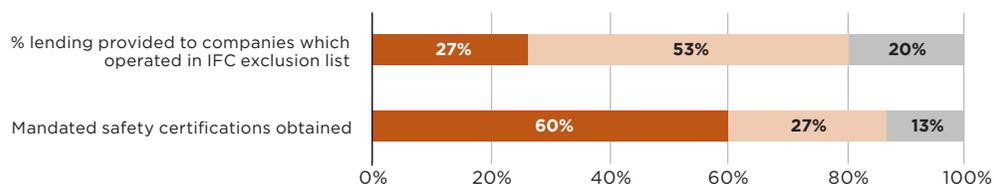
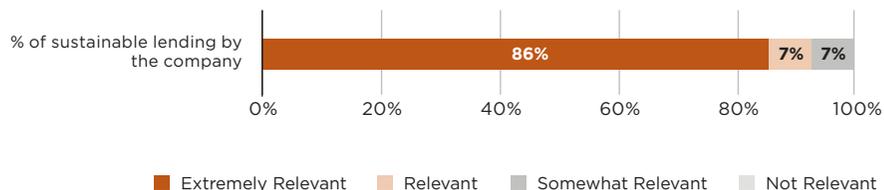


FIG. 2: Relevance of Opportunity KPIs



### SUPPLIER AND COMMUNITY ENGAGEMENT

Supplier & Community Engagement ensures ethical sourcing and supply chain transparency, also it reflects corporate responsibility and fosters mutually beneficial relationships, addressing local needs and promoting social cohesion.

Supplier and Community Engagement KPIs (Risk and/or Opportunity) are not included in this publication, as the financial services sector does not have any industry-specific

KPIs in this standard. As a result, there are no voting results in this section. Relevant KPIs and voting results will be provided in industry-specific publications where applicable.

- 1 The relevance of the Risk KPIs for inclusion in Aspire's ESG rating framework (Results in Fig.1)
- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's Impact assessment framework (Results in Fig.2)

FIG. 1: Relevance of Risk KPIs

No Supplier and Community Engagement Risk KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

FIG. 2: Relevance of Opportunity KPIs

No Supplier and Community Engagement Opportunity KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

## Governance

### OWNERSHIP AND BOARD INDEPENDENCE

Ownership structure and Board independence ensure that decisions are made objectively and in the best interests of the company and its stakeholders, rather than being influenced by personal interests or agenda. This helps mitigate risks such as fraud, conflict of interest, corruption, and unethical behavior, safeguarding shareholder value and stakeholder trust.

Ownership and Board Independence KPIs (Risk and/or Opportunity) are not included in this publication, as the financial services

sector does not have any industry-specific KPIs in this standard. As a result, there are no voting results in this section. Relevant KPIs and voting results will be provided in industry-specific publications where applicable.

- 1 The relevance of the Risk KPIs for inclusion in Aspire's ESG rating framework (Results in Fig.1)
- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's Impact assessment framework (Results in Fig.2)

**FIG. 1: Relevance of Risk KPIs**

No Ownership and Board Independence Risk KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

**FIG. 2: Relevance of Opportunity KPIs**

No Ownership and Board Independence Opportunity KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

## ETHICAL CONDUCT

Ethical conduct builds trust and reputation with stakeholders, including investors, customers, and employees. Companies with strong ethical standards better manage risks, avoiding fraud, legal issues, and financial penalties.

We requested our expert committee to vote on:

- 1 The relevance of the Risk KPIs for

inclusion in Aspire's ESG rating framework (Results in Fig.1)

- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's Impact assessment framework (Results in Fig.2)

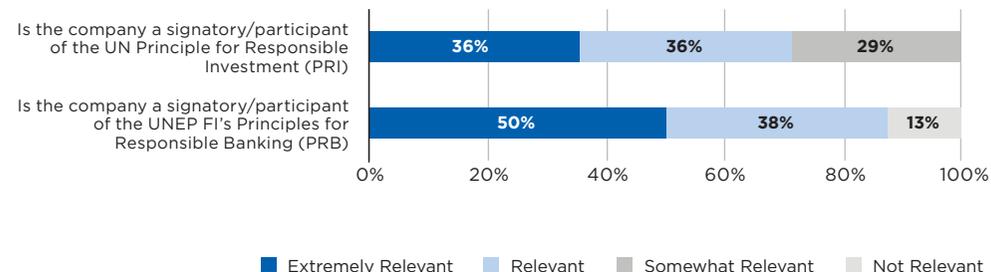
Based on the expert committee's poll, we included 2 Opportunity KPIs in our framework. As a result, we compare with established frameworks as follows:

Global Coverage of ESG KPIs									
	Aspire	NASDAQ	WEF	IFRS	GRI	SEC	ESRS	IFC	BRSR
Coverage	●	○	○	○	○	○	○	○	○
Count	2	0	0	0	0	0	0	0	0

**FIG. 1: Relevance of Risk KPIs**

No Ethical Conduct Risk KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable.

**FIG. 2: Relevance of Opportunity KPIs**



## EXECUTIVE COMPENSATION

Executive compensation reflects a company's commitment to fair and responsible management. Properly structured compensation aligns executives' incentives with long-term company and stakeholder interests. Transparent and equitable practices attract top talent, reduce excessive risk-taking, and ensure executives are rewarded for achieving ESG goals.

Executive Compensation KPIs (Risk and/or Opportunity) are not included in this publication, as the financial services sector

does not have any industry-specific KPIs in this standard. As a result, there are no voting results in this section. Relevant KPIs and voting results will be provided in industry-specific publications where applicable.

- 1 The relevance of the Risk KPIs for inclusion in Aspire's ESG rating framework (Results in Fig.1)
- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's Impact assessment framework (Results in Fig.2)

**FIG. 1: Relevance of Risk KPIs**

No Executive Compensation Risk KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable

**FIG. 2: Relevance of Opportunity KPIs**

No Executive Compensation Opportunity KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable

## ESG RISK AND IMPACT MANAGEMENT

ESG Risk & Impact Management enables companies to identify, assess, and mitigate risks related to environmental degradation, social issues, and governance failures, safeguarding long-term value creation and protecting stakeholder interests. Effective risk management enhances resilience to ESG shocks, regulatory changes, and reputational crises, mitigating financial, operational, and strategic risks.

The financial services sector does not have any ESG Risk and Impact Management Risk KPIs; therefore, no voting results are available. Relevant KPIs and voting

results will be provided in industry-specific publications where applicable.

We requested our expert committee to vote on:

- 1 The relevance of the Risk KPIs for inclusion in Aspire's ESG rating framework (Results in Fig.1)
- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's Impact assessment framework (Results in Fig.2)

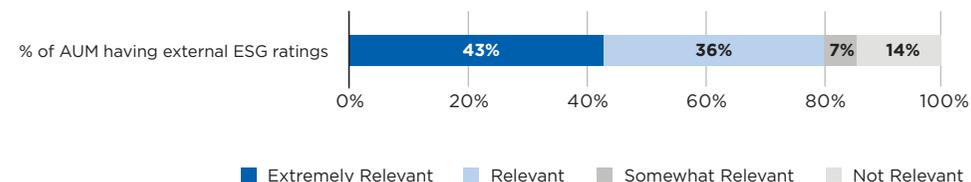
Based on the expert committee's poll, we included Opportunity KPI in our framework. As a result, we compare with established frameworks as follows:

Global Coverage of ESG KPIs									
	Aspire	NASDAQ	WEF	IFRS	GRI	SEC	ESRS	IFC	BRSR
Coverage	●	○	○	○	○	○	○	○	○
Count	1	0	0	0	0	0	0	0	0

**FIG. 1: Relevance of Risk KPIs**

No ESG Risk and Impact Management Risk KPIs are included as an industry-specific KPIs in this standard. These KPIs will be presented in the relevant industry-specific publications where applicable

**FIG. 2: Relevance of Opportunity KPIs**



### DISCLOSURES, COMPLAINTS, AND PENALTIES

Disclosures, Complaints, And Penalties reflect an organization's transparency, accountability, and adherence to regulations. Comprehensive disclosures show commitment to openness, complaint handling indicates responsiveness, and penalties highlight compliance issues.

The financial services sector does not have any Disclosures, Complaints, and Penalties Opportunity KPIs; therefore, no voting results are available. Relevant KPIs and voting results will be provided in industry-specific publications where applicable.

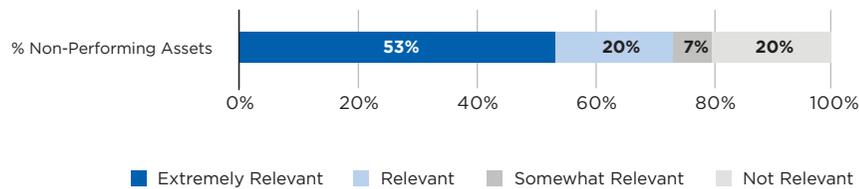
We requested our expert committee to vote on:

- 1 The relevance of the Risk KPIs for inclusion in Aspire's ESG rating framework (Results in Fig.1)
- 2 The relevance of the Opportunity KPIs for inclusion in Aspire's Impact assessment framework (Results in Fig.2)

Based on the expert committee's poll, we included 1 Risk KPI in our framework. As a result, we compare with established frameworks as follows:

Global Coverage of ESG KPIs									
	Aspire	NASDAQ	WEF	IFRS	GRI	SEC	ESRS	IFC	BRSR
Coverage	●	○	○	○	○	○	○	○	○
Count	2	0	0	0	0	0	0	0	0

FIG. 1: Relevance of Risk KPIs

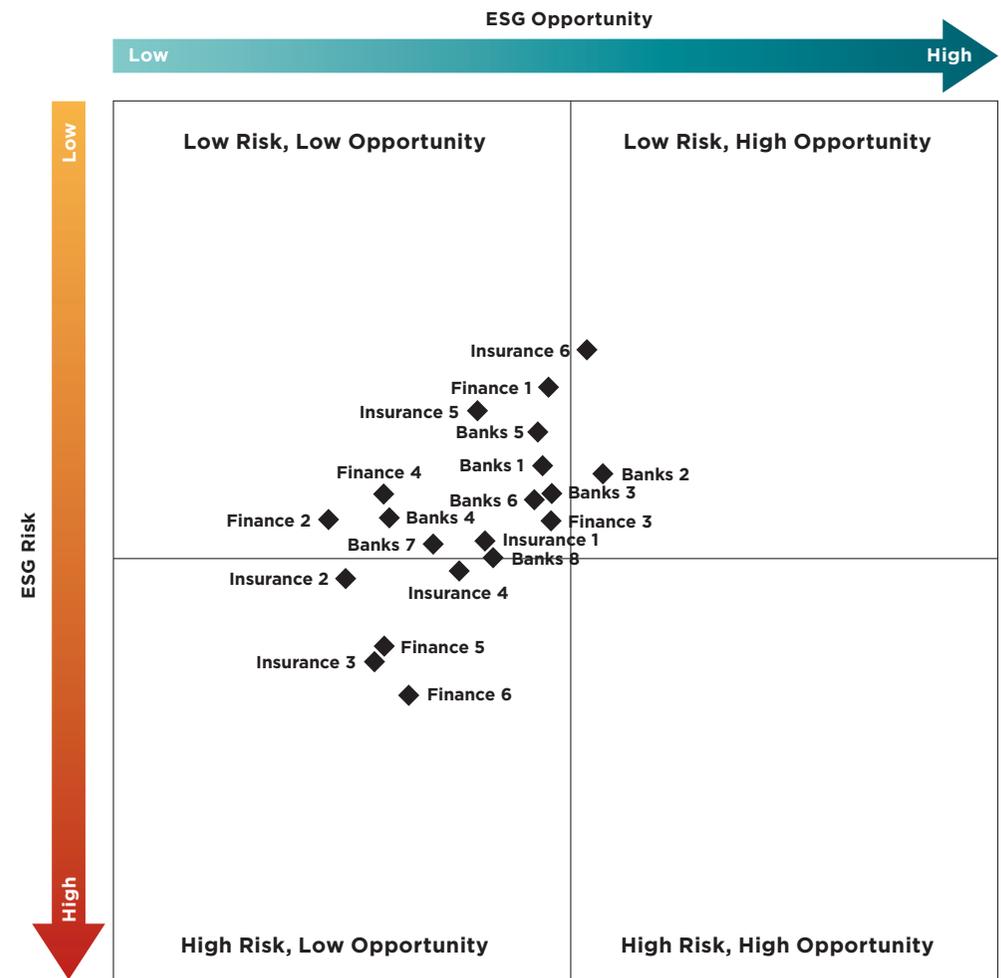


## Aspire's ESG Ratings and Analysis

Aspire's segregated ESG opportunity and risk ratings bring in much needed clarity

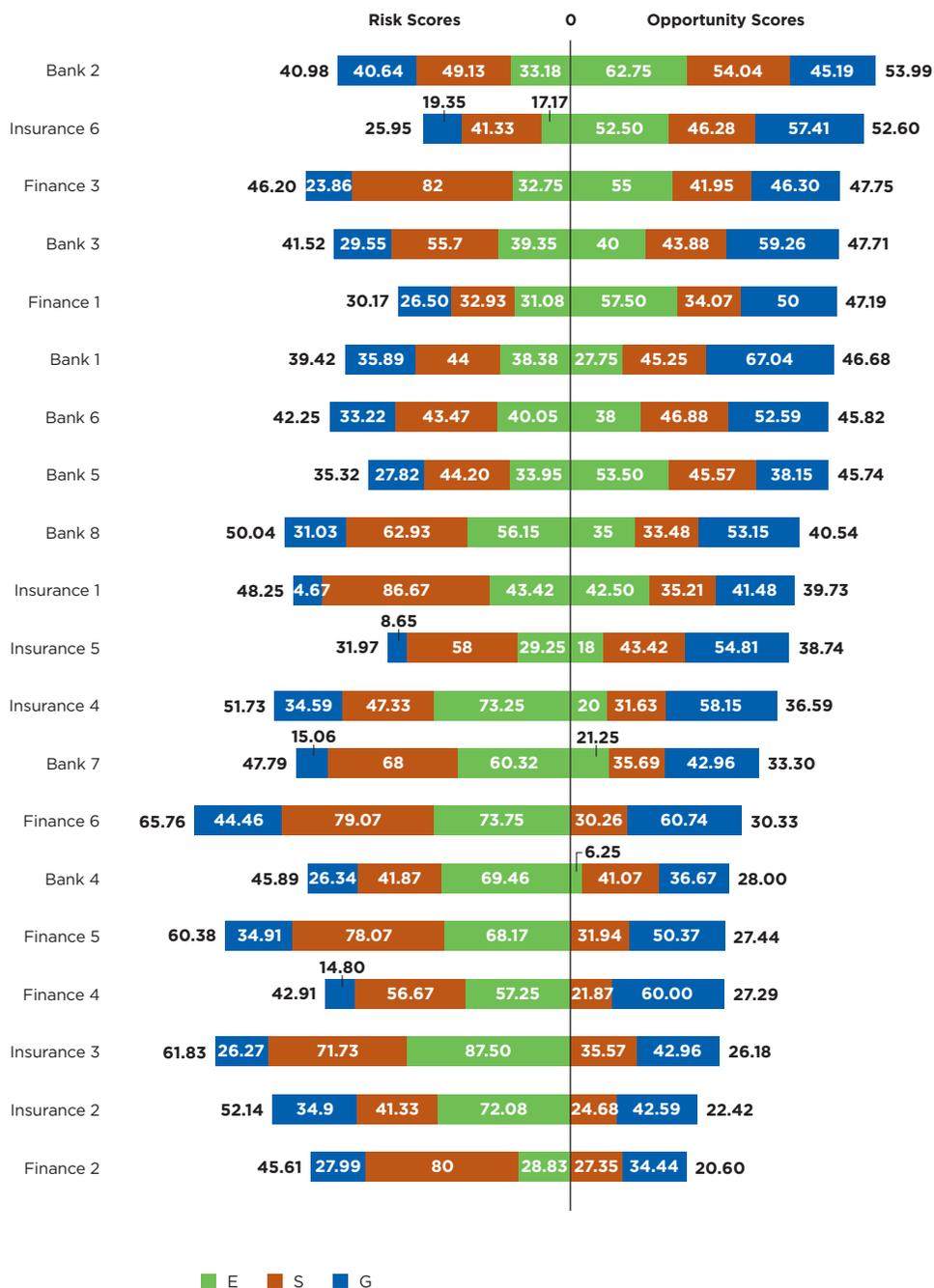
and transparency in ESG assessments for the Financial Services industry

2X 2 chart of ESG Risk & ESG Opportunity ratings (Sample companies from the Financial Services industry)



Note that these calculations are based on 44 industry-agnostic opportunity KPIs and 38 industry-agnostic risk KPIs along with financial services' industry-specific KPIs: 11 opportunity and 7 risk KPIs for Banks, 3 opportunity and 5 risk KPIs for Finance companies (Financial institutions, NBFCS Investment companies, etc.), and 5 opportunity and 3 risk KPIs for Insurance companies.

**ESG Risk and Opportunity Ratings – Overall score and individual E, S, and G scores**



**Comparison of ESG Ratings with Other Industry Ratings**

Company	Aspire Rating- Risk	Aspire Rating - Opportunity	Placement in Aspire Quadrant	MSCI Score	S&P Score
Bank 2	40.98	53.99	Low Risk, High Opportunity	A - Average	39
Insurance 6	25.95	52.06		A - Average	48
Bank 3	41.52	47.71	Low Risk, Low Opportunity	A - Average	48
Finance 3	46.20	47.75		BBB - Average	30
Finance 1	30.17	47.19		A - Average	33
Bank 1	39.42	46.68		AA - Leader	57
Bank 5	35.32	45.74		BBB - Average	37
Bank 6	42.25	45.82		BBB - Average	33
Insurance 1	48.25	39.73		A - Average	35
Insurance 5	31.97	38.74		B - Laggard	29
Bank 4	45.89	28.00		A - Average	22
Bank 7	47.79	33.30		AA - Leader	42
Finance 4	42.91	27.29	Not Available	52	
Finance 2	45.61	20.60	BB - Average	29	
Bank 8	50.04	40.54	High Risk, Low Opportunity	Not Available	Not Available
Insurance 4	51.73	36.59		Not Available	14
Insurance 2	52.14	22.42		Not Available	14
Finance 5	60.38	27.44		Not Available	Not Available
Insurance 3	61.83	26.18		Not Available	Not Available
Finance 6	65.76	30.33		Not Available	Not Available

**ASPIRE QUADRANT SUMMARY**

- **Low Risk, High Opportunity (Top Right):** Most desirable; entities excel in managing risks and creating opportunities.
- **Low Risk, Low Opportunity (Top Left):** Stable but lacking ESG-driven growth potential.
- **High Risk, High Opportunity (Bottom Right):** High-risk, high-reward entities requiring careful evaluation.
- **High Risk, Low Opportunity (Bottom Left):** Least desirable; entities face significant risks with limited opportunities.

## Descriptive Analysis of ESG Risk & Opportunity Quadrant Chart

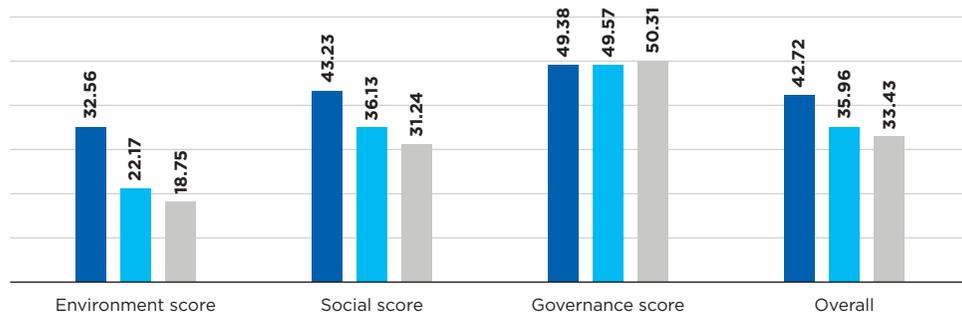
This 2x2 quadrant chart visualizes the relationship between ESG Risk (y-axis, averaged from 38 KPIs and 5 industry-specific KPIs) and ESG Opportunity (x-axis, averaged from 44 core and 6 industry-specific KPIs) across financial services entities. The quadrants provide a snapshot of their ESG performance:

### 1 KEY OBSERVATIONS

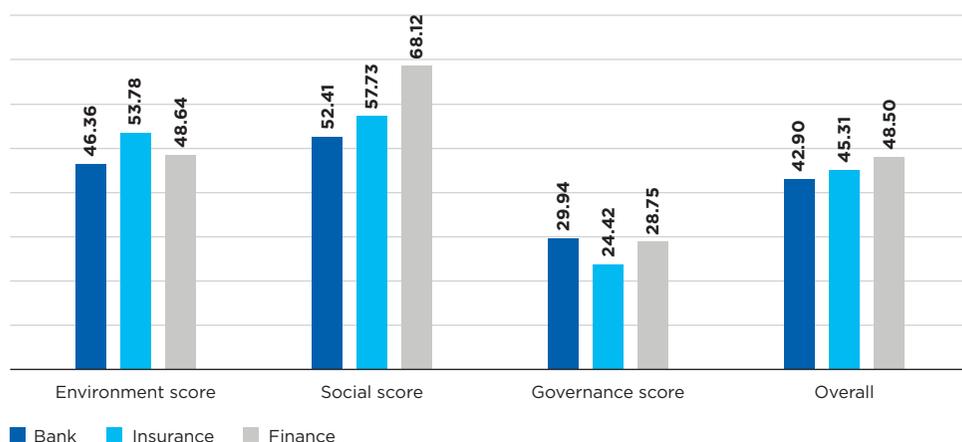
#### Sector Variability<sup>1</sup>

- **Clustering:** a) A significant concentration is observed in the Low Risk, Low Opportunity quadrant moving towards Low Risk, High Opportunity, particularly among Banks and Insurance entities, indicating sector-wide maturity in ESG practices; b) The High Risk, Low Opportunity quadrant features fewer entities, signifying that riskier profiles often correlate with lower ESG opportunities in financial services.

Opportunity score comparison across sample companies



Risk score comparison across sample companies



<sup>1</sup> The above graph is based on average pillar (E, S and G) and overall score.

Banks outperform other sectors in ESG performance due to their strong commitments to sustainability and social responsibility. They demonstrate leadership in renewable energy usage, have established net-zero roadmaps, and provide significant green finance. Additionally, banks excel in promoting gender diversity, with substantial representation of women in leadership roles and consistent efforts to reduce the gender gap.

#### Key Contributions by Banks

- Creation of jobs in rural areas.
- Investment in employee skill development.
- Emphasis on health and safety training across operations.
- Establishment of dedicated ESG committees and comprehensive risk governance frameworks.
- Regular materiality assessments and sourcing from small-scale suppliers.

Insurance companies exhibit strong performance in renewable energy adoption and extending their product reach to rural areas. They are also inclusive of persons with disabilities (PwD) in their workforce and prioritize health and safety through regular assessments.

However, insurance companies lag behind banks in environmental areas, particularly:

- Emission management.
- Waste management practices.

Finance companies, despite achieving the highest governance scores, rank lowest

in overall ESG performance. Their limited focus on improving water use efficiency and waste management negatively impacts their environmental scores. Additionally, unresolved complaints related to employee health, safety, and working conditions further hinder their social performance.

#### In conclusion

- Banks led the ESG space with a comprehensive focus on environmental sustainability, social responsibility, and strong governance practices.
- Insurance companies show robust social performance but need to address gaps in environmental management.
- Finance companies face significant environmental and social risks, which overshadow their strong governance performance.
- Top Performer: Specific entities, such as Banks 2, Insurance 6 and Finance 3, highlight best ESG strategies within the sector.

### 2 INSIGHTS AND IMPLICATIONS FOR:

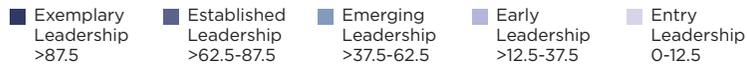
- **Investors:** Focus on entities in the Low Risk, High Opportunity quadrant for strong ESG performance and growth potential.
- **Corporates:** Entities in Low Risk, Low Opportunity must innovate to enhance their ESG commitments.
- **Policymakers:** Should penalise low disclosure to encourage transparency and drive improvements in ESG performance.

## Aspire ESG Integrated Rating

### Aspire ESG Integrated Rating of 20 Companies

Company Name	Aspire ESG Integrated Score	Aspire ESG Integrated Rating Classification	MSCI Score	S&P Score (out of 100)
Bank 2	56.50	Emerging Leadership	A - Average	39
Insurance 6	63.06	Established Leadership	A - Average	48
Bank 3	53.10	Emerging Leadership	A - Average	48
Finance 3	50.77	Emerging Leadership	BBB - Average	30
Finance 1	58.51	Emerging Leadership	A - Average	33
Bank 1	53.63	Emerging Leadership	AA - Leader	57
Bank 5	55.21	Emerging Leadership	BBB - Average	37
Bank 6	51.79	Emerging Leadership	BBB - Average	33
Insurance 1	45.74	Emerging Leadership	A - Average	35
Insurance 5	53.39	Emerging Leadership	B - Laggard	29
Bank 4	41.05	Emerging Leadership	A - Average	22
Bank 7	42.75	Emerging Leadership	AA - Leader	42
Finance 4	42.19	Emerging Leadership	Not Available	52
Finance 2	37.50	Early Leadership	BB - Average	29
Bank 8	45.25	Emerging Leadership	Not Available	Not Available
Insurance 4	42.43	Emerging Leadership	Not Available	14
Insurance 2	35.14	Early Leadership	Not Available	14
Finance 5	33.53	Early Leadership	Not Available	Not Available
Insurance 3	32.17	Early Leadership	Not Available	Not Available
Finance 6	32.29	Early Leadership	Not Available	Not Available

#### Aspire ESG Integrated Rating Classification

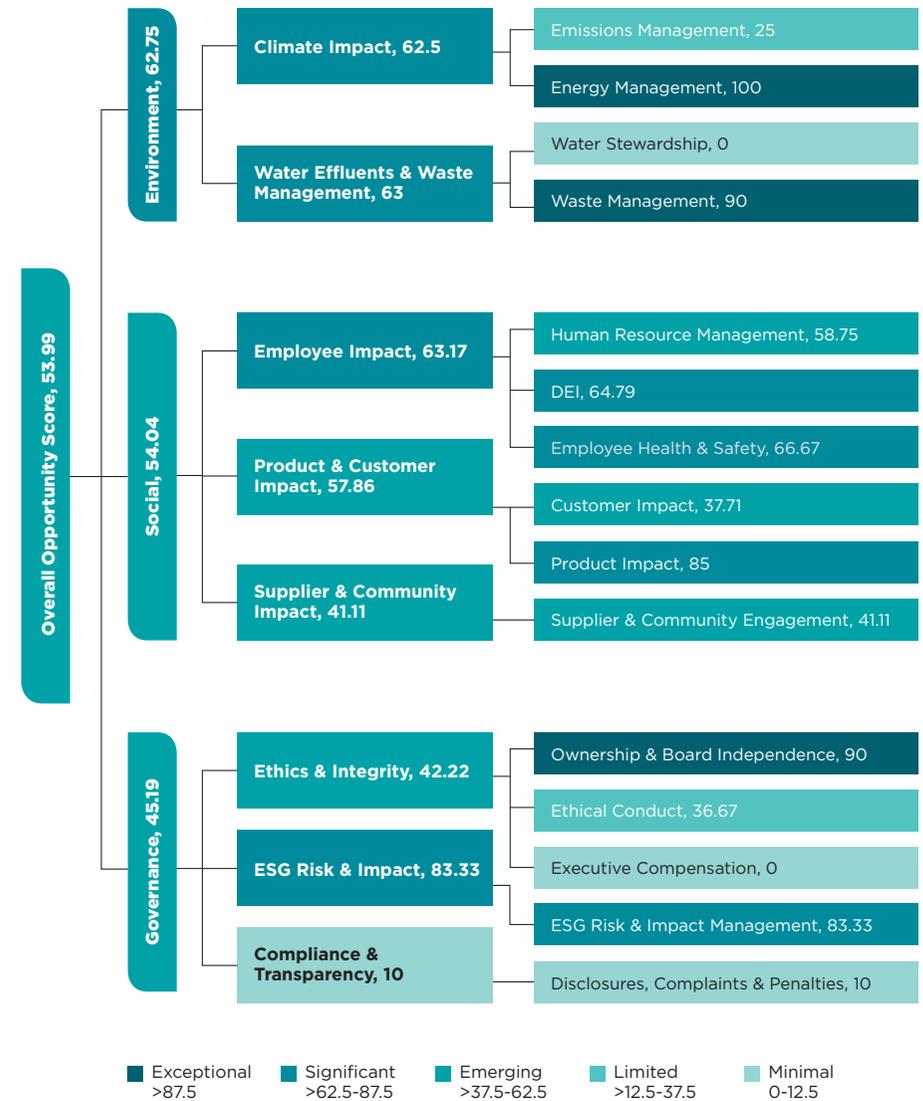


## Case Studies

### Bank

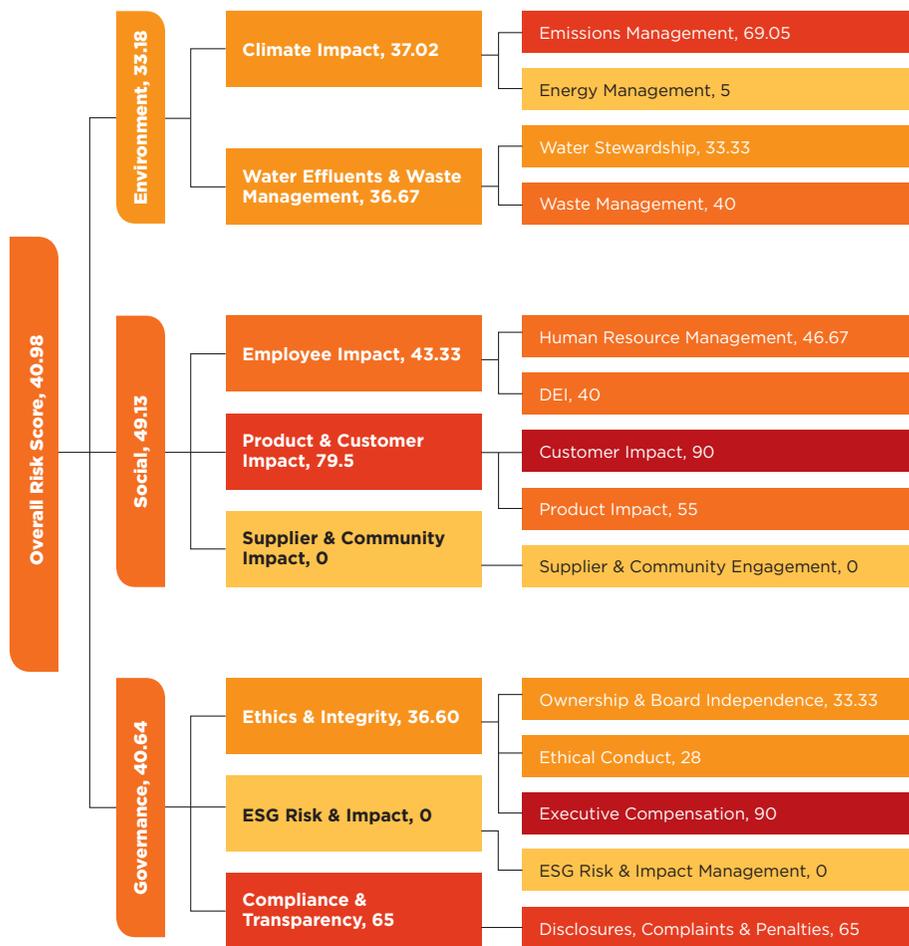
#### ILLUSTRATIVE OPPORTUNITY RATING FOR "BANK 2" RATED "EMERGING"

OVERALL OPPORTUNITY RATING



### ILLUSTRATIVE RISK RATING FOR "BANK 2" RATED "MEDIUM RISK"

OVERALL RISK RATING



■ Negligible Risk 0-12.5  
 ■ Low Risk >12.5-37.5  
 ■ Medium Risk >37.5-62.5  
 ■ High Risk >62.5-87.5  
 ■ Severe Risk >87.5

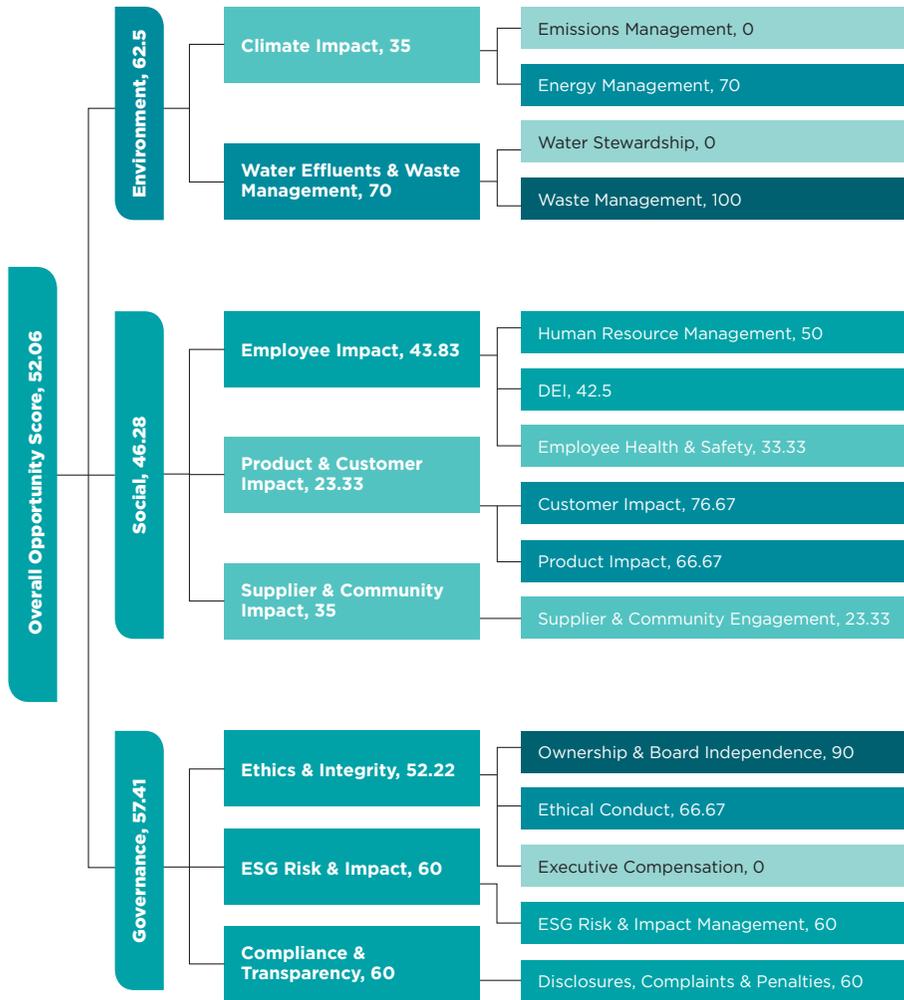
### ESG OPPORTUNITY & RISK ANALYSIS FOR "BANK 2"

Pillar	Strength	Opportunity
<b>ESG Opportunities</b>		
Environment (Score: 62.75)	<ul style="list-style-type: none"> <li><b>Energy Management (Score: 100):</b> ~31% energy consumption from renewable sources.</li> <li><b>Waste Management (Score: 90):</b> ~97% waste recycled and reused.</li> </ul>	<ul style="list-style-type: none"> <li><b>Emissions Management (Score: 25):</b> Limited focus on reducing carbon emissions, highlighting a need for urgent improvement.</li> <li><b>Water Stewardship (Score: 0):</b> Absence of any notable measures to manage or conserve water resources.</li> </ul>
Social (Score: 54.04)	<ul style="list-style-type: none"> <li><b>Employee Health &amp; Safety (Score: 66.67):</b> ~100% employees and value chain partners trained on H&amp;S.</li> <li><b>Diversity, Equity, and Inclusion (DEI) (Score: 64.79):</b> Women comprise ~47% in the workforce; ~16% on the board.</li> </ul>	<ul style="list-style-type: none"> <li><b>Customer Impact (Score: 37.71):</b> Limited data available for social parameters like number of rural branches, business correspondents and Net Promoter Score.</li> </ul>
Governance (Score: 45.19)	<ul style="list-style-type: none"> <li><b>Ownership &amp; Board Independence (Score: 90):</b> Outstanding governance with independent oversight.</li> <li><b>ESG Risk &amp; Impact Management (Score: 83.33):</b> Maternity assessment conducted and disclosed publicly, ESG committee headed by a CSO to manage company's ESG performance.</li> </ul>	<ul style="list-style-type: none"> <li><b>Executive Compensation (Score: 0):</b> ESG/sustainability performance linked incentives for CXOs are not disclosed.</li> <li><b>Compliance &amp; Transparency (Score: 10):</b> Affiliation with trade and industry chambers is only 3, very low compared to peers.</li> </ul>
<b>ESG Risks</b>		
Environment (Score: 33.18)	<ul style="list-style-type: none"> <li><b>Energy Management (Score: 5):</b> Lowest energy consumption/INR revenue in the peer group.</li> <li><b>Water Stewardship (Score: 33.33):</b> 100% utilisation of water withdrawn.</li> </ul>	<ul style="list-style-type: none"> <li><b>Emissions Management (Score: 69.05):</b> High risk due to insufficient measures to curb carbon emissions, Roadmap to achieving net-zero not disclosed.</li> </ul>
Social (Score: 49.13)	<ul style="list-style-type: none"> <li><b>Human Resource Management (Score: 46.67):</b> Zero POSH cases reported, Staff turnover rate @ 25%, aligns with the peer group average.</li> <li><b>Diversity, Equity, and Inclusion (DEI) (Score: 40):</b> Pay disparity of 4%, is amongst the lowest in the peer group. Some of the employee profile parameters like age is not disclosed.</li> </ul>	<ul style="list-style-type: none"> <li><b>Customer Impact (Score: 90):</b> 7% of customer complaints remain unresolved, the highest rate in the peer group.</li> <li><b>Product Impact (Score: 55):</b> Disclosure on lending to the IFC exclusion list is absent, only 29% of the mandated product safety certifications are in place.</li> </ul>
Governance (Score: 40.64)	<ul style="list-style-type: none"> <li><b>Ethical Conduct (Score: 28):</b> Zero cases of cybersecurity breaches and bribery/corruption, extremely highest AP days.</li> <li><b>Ownership &amp; Board Independence (Score: 33.33):</b> No reported cases of conflict of interest, The promoter holds less than 50% of equity shares or significant beneficial ownership.</li> </ul>	<ul style="list-style-type: none"> <li><b>Executive Compensation (Score: 90):</b> The CEO-to- employee median pay ratio is among the highest.</li> <li><b>Disclosures, Complaints &amp; Penalties (Score: 65):</b> Highest Non-Performing Assets (NPA) and related party transactions.</li> </ul>

# Insurance Company

## ILLUSTRATIVE OPPORTUNITY RATING FOR "INSURANCE 6", RATED "EMERGING"

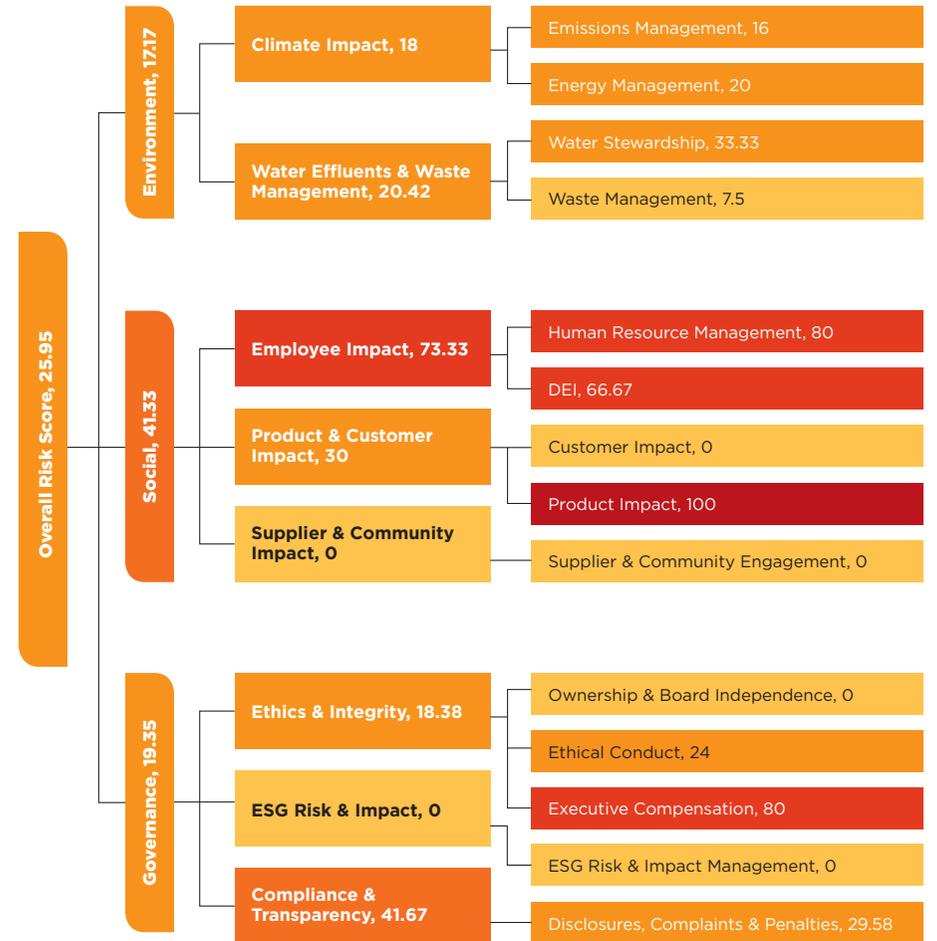
OVERALL OPPORTUNITY RATING



■ Exceptional >87.5   
 ■ Significant >62.5-87.5   
 ■ Emerging >37.5-62.5   
 ■ Limited >12.5-37.5   
 ■ Minimal 0-12.5

## ILLUSTRATIVE RISK RATING FOR "INSURANCE 6", RATED "MEDIUM RISK"

OVERALL RISK RATING



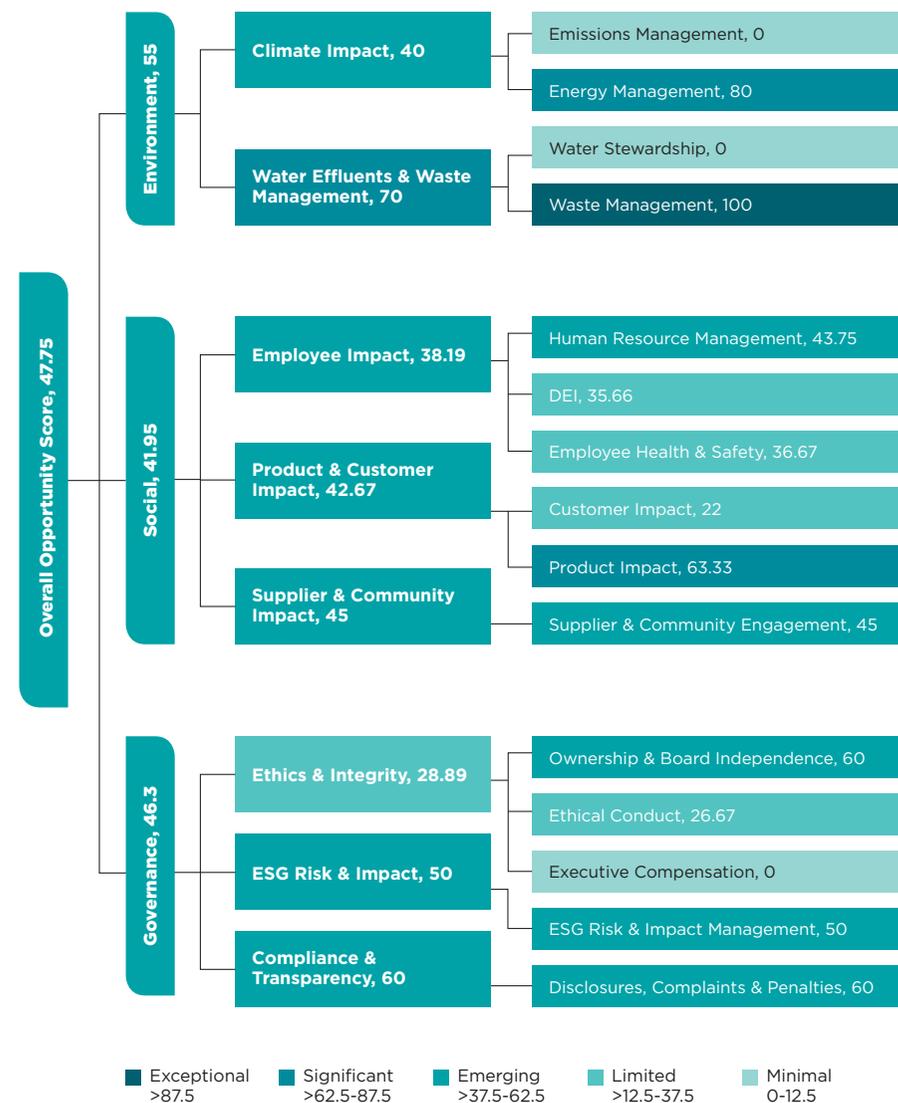
■ Negligible Risk 0-12.5   
 ■ Low Risk >12.5-37.5   
 ■ Medium Risk >37.5-62.5   
 ■ High Risk >62.5-87.5   
 ■ Severe Risk >87.5

### ESG OPPORTUNITY & RISK ANALYSIS FOR “INSURANCE 6”

Pillar	Strength	Opportunity
<b>ESG Opportunities</b>		
Environment <b>(Score: 52.5)</b>	<ul style="list-style-type: none"> <li><b>Energy Management (Score: 70):</b> Significant opportunity exists to adopt energy-efficient practices.</li> <li><b>Waste Management (Score: 100):</b> 100% waste recycled and reused.</li> </ul>	<ul style="list-style-type: none"> <li><b>Emissions Management (Score: 0):</b> Roadmap to achieving net-zero roadmap is not disclosed, and no carbon offsetting measures have been undertaken.</li> <li><b>Water Stewardship (Score: 0):</b> Data related to water consumption practices not disclosed.</li> </ul>
Social <b>(Score: 46.28)</b>	<ul style="list-style-type: none"> <li><b>Customer Impact (Score: 76.67):</b> High NPS score, overall claim settlement ratio is around <b>99%</b>, however below average policy coverage of the rural sector (24%).</li> <li><b>Product Impact (Score: 66.67):</b> Product reach is very high covering <b>86%</b> of the Indian states.</li> </ul>	<ul style="list-style-type: none"> <li><b>DEI (Diversity, Equity, and Inclusion) (Score: 42.5):</b> Employee participation in collective bargaining is zero, company's expenditure on wellbeing measures is negligible, <b>0.06%</b> of the revenue.</li> </ul>
Governance <b>(Score: 57.41)</b>	<ul style="list-style-type: none"> <li><b>Ownership &amp; Board Independence (Score: 90):</b> Board meets the independent director requirement.</li> <li><b>Ethical Conduct (Score: 66.67):</b> Signatory to UN PRI, CSR expenditure surpasses the prescribed CSR budget.</li> </ul>	<ul style="list-style-type: none"> <li><b>Executive Compensation (Score: 0):</b> ESG/sustainability performance linked incentives for CXOs not disclosed.</li> </ul>
<b>ESG Risks</b>		
Environment <b>(Score: 17.17)</b>	<ul style="list-style-type: none"> <li><b>Emissions Management (Score: 16):</b> Scope 1 and 2 emission intensity is lower in peer comparison, while Scope 3 is in line with the peer average.</li> <li><b>Energy Management (Score: 20):</b> Energy consumption/INR revenue is lower than the peer average.</li> <li><b>Waste Management (Score: 7.5):</b> Waste generation intensity is significantly low however some waste are still sent to landfill or incinerated.</li> </ul>	
Social <b>(Score: 41.33)</b>	<ul style="list-style-type: none"> <li><b>Customer Impact (Score: 0):</b> <b>100%</b> of the customer complaints resolved during the year.</li> <li><b>Supplier &amp; Community Engagement (Score: 0):</b> Concentration of purchases and sales is well-diversified, not confined to the top 10 dealers, making it the best among peers.</li> </ul>	<ul style="list-style-type: none"> <li><b>Product Impact (Score: 100):</b> The compliance with the mandated certification is not disclosed.</li> <li><b>Human Resource Management (Score: 80):</b> POSH cases received during the year (61) of which 25% remain unresolved by the end of the FY.</li> </ul>
Governance <b>(Score: 19.35)</b>	<ul style="list-style-type: none"> <li><b>Ownership &amp; Board Independence (Score: 0):</b> Zero conflict-of-interest cases reported. Board independence is maintained as per the regulations.</li> <li><b>ESG Risk &amp; Impact Management (Score 0):</b> Business continuity and disaster management plan in place.</li> </ul>	<ul style="list-style-type: none"> <li><b>Executive Compensation (Score: 80):</b> High CEO to median pay ratio.</li> </ul>

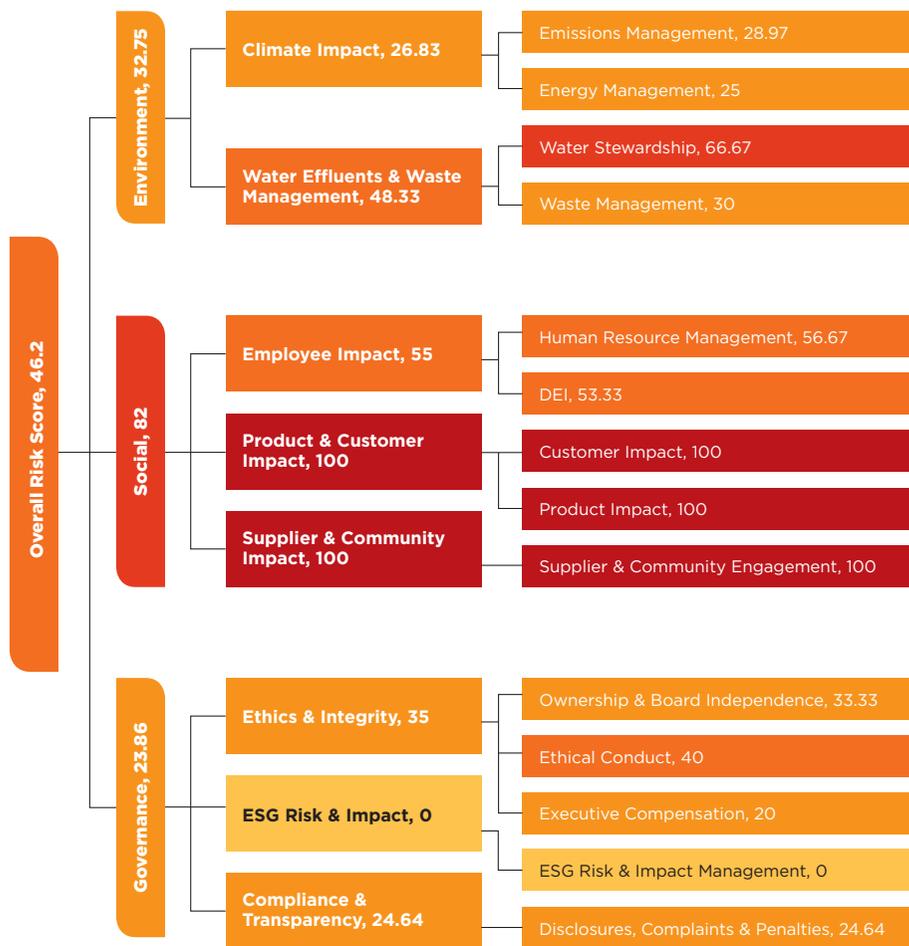
### Finance Company ILLUSTRATIVE OPPORTUNITY RATING FOR “FINANCE 3”, RATED “EMERGING”

OVERALL  
OPPORTUNITY  
RATING



**ILLUSTRATIVE RISK RATING FOR "FINANCE 3", RATED "MEDIUM RISK"**

OVERALL RISK RATING



■ Negligible Risk 0-12.5  
 ■ Low Risk >12.5-37.5  
 ■ Medium Risk >37.5-62.5  
 ■ High Risk >62.5-87.5  
 ■ Severe Risk >87.5

**ESG OPPORTUNITY & RISK ANALYSIS FOR "FINANCE 3"**

Pillar	Strength	Opportunity
<b>ESG Opportunities</b>		
Environment (Score: 55)	<ul style="list-style-type: none"> <li><b>Energy Management (Score: 80):</b> Relatively high energy consumption from renewable sources, with potential for improvement.</li> <li><b>Waste Management (Score: 100):</b> Almost 100% waste recycled, recovered and reused.</li> </ul>	<ul style="list-style-type: none"> <li><b>Water Stewardship (Score: 0):</b> Data related to water management is not disclosed.</li> <li><b>Emissions Management (Score: 0):</b> Roadmap to achieving Net-Zero is absent.</li> </ul>
Social (Score: 41.95)	<ul style="list-style-type: none"> <li><b>Product Impact (Score: 63.33):</b> Product reach is high with coverage of 94% of Indian states.</li> </ul>	<ul style="list-style-type: none"> <li><b>Customer Impact (Score: 22):</b> Data related to social parameters like presence of business correspondents, priority sector lending is absent. SME lending is around 3% only.</li> </ul>
Governance (Score: 46.3)	<ul style="list-style-type: none"> <li><b>ESG Risk &amp; Impact Management (Score 50):</b> Dedicated ESG/ Sustainability committee and a risk governance framework in place. Yet to conduct a materiality assessment and hire a dedicated ESG or Chief Sustainability Officer.</li> </ul>	<ul style="list-style-type: none"> <li><b>Executive Compensation (Score: 0):</b> ESG/sustainability performance linked incentives for CXOs not disclosed.</li> <li><b>Ethical Conduct (Score: 26.67):</b> Employees not trained in companies code of conduct policies.</li> </ul>
<b>ESG Risks</b>		
Environment (Score: 32.75)	<ul style="list-style-type: none"> <li><b>Energy Management (Score: 25):</b> Energy intensity is in line with the peer average, and the data has been assured by an independent assessor.</li> <li><b>Emissions Management (Score: 28.97):</b> Scope 1 and 2 emissions are below the peer average, while Scope 3 emissions is considerably higher.</li> </ul>	<ul style="list-style-type: none"> <li><b>Water Stewardship (Score: 66.67):</b> Data related to water management is not disclosed.</li> </ul>
Social (Score: 82)		<ul style="list-style-type: none"> <li><b>Product Impact (Score: 100):</b> Mandated safety certifications have not been disclosed.</li> <li><b>Customer Impact (Score: 100):</b> 4% of customer complaints remain unresolved, which is the highest among peers.</li> <li><b>Supplier &amp; Community Engagement (Score: 100):</b> Lack of data related to purchases and sales from top 10 dealers.</li> </ul>
Governance (Score: 23.86)	<ul style="list-style-type: none"> <li><b>ESG Risk &amp; Impact Management (Score 0):</b> Business continuity and disaster management plan in place.</li> <li><b>Disclosure, Complaints &amp; Penalties (Score: 24.64):</b> No pending shareholder cases, penalties, fines, or settlements. No legal suits filed against the company.</li> <li><b>Executive Compensation (Score 20):</b> The ratio of the CEO's remuneration to the median employee salary is lowest among peers.</li> </ul>	<ul style="list-style-type: none"> <li><b>Ethical Conduct (Score 40):</b> Whistleblowing cases and AP days are not disclosed.</li> </ul>

## Takeaways and Recommendations

### Key Takeaways

#### FINANCIAL SERVICES CONTRIBUTION TO INDIA NET ZERO

India's ambitious journey toward achieving net-zero emissions by 2070 presents a transformative opportunity for the financial services sector to lead the charge in addressing climate change. As a cornerstone of the economy, this sector is not only tasked with reducing its own emissions but is uniquely positioned to drive sustainable practices among its clients and stakeholders. Financial institutions hold a significant responsibility and potential to shape a low-carbon future, extending their influence beyond their own operations and positioning them as critical drivers of a greener and more resilient economy.

Banks are increasingly influencing borrowers and businesses to measure, manage, and reduce their carbon footprints. Environmental and social risk assessments are now integral to lending and credit decisions, guiding industries toward sustainable practices while addressing climate risks. In hard-to-abate sectors like cement, steel, and energy, banks are partnering with businesses to help them adopt ESG best practices and facilitate a just transition. By financing renewable energy projects, green technologies, and low-carbon innovations, financial institutions are reducing their Scope 3 emissions while reinforcing their roles as catalysts for systemic change. These efforts enable industries to align with India's national climate goals and contribute to global decarbonization efforts.

Similarly, insurance companies are supporting by embedding ESG principles

into their underwriting and investment strategies. Initiatives such as ESG-focused funds, adherence to the and active engagement with investee firms underscore the insurance sector's commitment to driving systemic change. Through these actions, insurers are shaping a sustainable investment landscape that aligns with long-term environmental and societal goals.

Asset management firms are equally pivotal in driving the transition to a low-carbon economy. By channelling investments into renewable energy, green infrastructure, and other climate-aligned sectors, asset managers are promoting sustainable financial returns while accelerating decarbonization. Robust frameworks focusing on transition finance, stakeholder engagement, and climate-risk analytics illustrate how these firms are enabling industries to align with national climate objectives. Their strategic investment choices are setting benchmarks for responsible finance and amplifying the impact of sustainable development.

The financial services sector is also demonstrating leadership by addressing its own operational carbon footprint. They are adopting renewable energy, energy-efficient technologies, and resource optimization measures to minimize their environmental impact. Examples include transitioning to LED lighting, energy-efficient cooling systems, and digital processes to reduce paper consumption. Many have incorporated green tariffs and renewable energy procurement to achieve Scope 1 and Scope 2 emission reductions, showcasing operational excellence that

aligns with environmental stewardship. Furthermore, they are actively reducing Scope 3 emissions, which often represent the largest portion of their emissions, by focusing on green lending and sustainable investments—key drivers in addressing the indirect emissions associated with their financed activities.

Corporate Social Responsibility (CSR) serves as another powerful avenue for the sector to make a tangible impact. Targeted CSR programs addressing biodiversity conservation, water resource management, and climate-resilient agriculture amplify the sector's influence on societal and environmental well-being. Tree plantation drives, water body rejuvenation projects, and community-based climate action initiatives reflect how financial institutions are fostering ecological balance and supporting local communities in adopting sustainable practices. Through CSR, financial institutions are bridging the gap between business imperatives and their responsibility to the planet.

Financial inclusion through digitalization is another area where the sector is contributing to broader sustainability goals. By leveraging digital technologies,

financial institutions are expanding access to financial services for underserved populations, enabling them to participate in the economy and access credit for sustainable ventures. This democratization of financial services supports inclusive growth and enhances the ability of communities to contribute to the country's low-carbon transition.

Regulatory frameworks from RBI, such as the Disclosure Framework on Climate-Related Financial Risks, 2024, and BRSR from SEBI are providing robust support for these initiatives. Policies promoting transparency, accountability, and the alignment of financial activities with environmental priorities are unlocking new opportunities for green investments and ensuring the sector remains at the forefront of India's sustainability journey.

The financial sector's journey toward net-zero is not merely a commitment but a profound responsibility. By embedding sustainability across lending, investment, operations, and CSR initiatives, financial institutions are positioning themselves as architects of a low-carbon future. Their efforts today are shaping an inclusive, resilient, and sustainable economy for tomorrow.

**ESG and Sustainability Commitments in Financial Services:  
Certifications, Frameworks & Standards**



SBTi Goals



Climate risk assessment under Task Force on Climate-Related Financial Disclosures (TCFD)\*



Biodiversity risk assessment in line with Task Force on Nature-related Financial Disclosures (TNFD)



CDP Reporting (Carbon Disclosure Project)



Green Building Certifications



3R Principles (Reduce, Reuse, Recycle)



Principles for Sustainable Insurance (PSI)



Principles for Responsible Investment (PRI)



Principles for Responsible Banking (PRB)



NIST Cybersecurity Framework



GDPR Compliance (for EU clients)



Responsible waste disposal through authorized State Pollution Control Board dealers



ISO 14001 (Environmental Management System)



ISO 50001 (Energy Management System)



RE100 (100% renewable electricity commitment)



ISO 14064-1 (Greenhouse Gas Emissions Verification)



SA 8000:2014 (Social Accountability)



Great Places to Work



Safe working places



Climate Bonds Initiative (CBI)



Partnership for Carbon Accounting Financials (PCAF)



International Capital Market Association - Green Bond Principles



International Capital Market Association - Social Bond Principles



Reserve Bank of India (RBI) Framework for acceptance of Green Deposits



International Financial Reporting Standards



Glasgow Financial Alliance for Net Zero -GFANZ

## ASPIRE ESG RATINGS IN CONTEXT OF SEBI REGULATIONS

Aspire Impact proposes to provide ESG ratings that are designed to offer a true evaluation of a company's ESG performance. These ratings will be aligned with the guidelines established by SEBI through its Master Circular dated May 16, 2024. SEBI defines ESG ratings as products that evaluate an issuer's or security's exposure to various ESG risks, governance risks, social risks, and its impact on society and the environment. Aspire's ESG ratings propose evaluating both ESG risks and opportunities for companies, as two separate ratings.

Aspire's approach distinguishes itself from existing ESG ratings by categorizing embedded ESG ratings into two components: ESG Risk and ESG Opportunity. The ESG Risk Rating assesses the company's exposure to various ESG risks such as GHG emission intensity, staff turnover rates, gender pay differential, disaster management plans, legal cases, etc. while the ESG Opportunity Rating evaluates the company's ability to leverage ESG opportunities, such as renewable energy use, employee benefits, affiliation with industry associations, ESG-linked incentives, etc. This clear distinction between risk and opportunity helps provide a deeper insight into a company's ESG profile, enabling investors to make more informed decisions, improved transparency, industry comparability, and holistic reporting.

Aspire's ratings are designed to capture the progress companies are making toward long-term sustainability goals, such as achieving net-zero emissions. In line with India's commitment to achieving net-zero emissions by 2070, Aspire's ratings assess a company's current ESG performance while considering its transition efforts. For instance, Aspire's KPIs evaluate whether a company has a net-zero roadmap, whether it has made this roadmap public, and the year in which it aims to achieve net-zero emissions.

Importantly, Aspire's ESG ratings are tailored to the Indian context, ensuring that the ratings framework is relevant to the unique challenges and opportunities in the Indian corporate landscape. Some indicators such as POSH complaints, compliance with EPR guidelines, beneficiaries under PMJDY, etc. are specific to companies operating in India.

By working closely with industry leaders across various sectors, Aspire ensures that the ratings reflect sector-specific ESG performance indicators while maintaining comparability across industries through industry-agnostic indicators. Some industry specific indicators used in the framework are number of products on the WHO list of prequalified medicinal products (for the pharmaceutical industry), percentage of sustainable lending (for the financial services industry), products with an EPEAT (Electronic Product Environmental Assessment Tool) rating (for the information technology industry). This sector-specific approach ensures that the ratings are aligned with India's sustainable development goals and consider the country's specific needs and aspirations in terms of environmental, social, and governance performance.

These ratings are further aligned with SEBI's guidelines, which stipulate that ESG ratings should incorporate standardized industry classifications for effective benchmarking. Aspire follows the industry classifications provided by NSE and BSE, ensuring consistency and relevance in the ratings process.

Finally, in accordance with SEBI's guidelines, Aspire's ESG ratings are provided on a standardized scale of 0 to 100, where 100 represents the maximum score. This scale helps provide clarity to market participants and ensures that the ratings are easily interpretable and numerically comparable across companies and sectors.

## Evolving ESG Ratings

### SINGLE -VARIATE VS DOUBLE-VARIATE RATINGS

ESG ratings have become a critical tool for investors seeking to evaluate companies on their sustainability performance and long-term value potential. As we know, typically many ESG rating providers combine risks and opportunities into a single composite ESG score, providing a broad-stroke view of a company's ESG standing. While convenient, this single-variate approach can mask crucial distinctions between risks and opportunities. A double-variate rating system—segregating risks and opportunities—offers a clearer, actionable, and comparable framework for decision-making.

The same material ESG topic can simultaneously pose a risk and present an opportunity. For example, in assessing Product Impact, the percentage of sustainable lending (e.g., clean energy, green buildings) is an opportunity, while the percentage of lending to companies on the International Finance Corporation (IFC) exclusion list is a risk for a bank. A single score fails to differentiate whether a company's performance is more weighted toward mitigating risks or capitalizing on opportunities. By segregating these dimensions, investors can better understand how a company manages these dual aspects.

Single-composite scores also may risk being skewed by outliers. For example, a company excelling in opportunities but underperforming in risk management might receive a misleadingly strong score and vice-versa. Segregating the two dimensions ensures that neither aspect

disproportionately influences the overall evaluation, offering a truer reflection of a company's ESG performance.

Risks and opportunities also require distinct management approaches. Risks need mitigation strategies to minimize harm and maintain resilience and Opportunities call for investments to unlock value and drive growth. Combining these into a single metric dilutes the clarity needed for strategic planning, alignment and resource allocation. Double-variate ratings ensure that companies and stakeholders address these dimensions independently, leading to targeted action.

This segregation also allows for better benchmarking. Investors can compare how effectively companies within the same sector mitigate risks while simultaneously capitalizing on opportunities. This comparability helps in better investment decisions and enables peer-to-peer learning within industries.

When designing and implementing such a framework, the overarching structure—encompassing Standards, Categories, and Classifications—can remain consistent, but differentiation should be introduced at the KPI level. For example, within the Product and Customer Impact Category, the Customer Impact Standard could include customer complaints as a risk KPI, while customer satisfaction ratings represent an opportunity KPI.

Double-variate ratings provide these distinct lenses, aligning with diverse stakeholder priorities.

## Recommendations

To enhance the transparency, comparability, and impact of organisations in India, the following recommendations should be considered for incorporation into the BRSR framework, aligning with global best practices and investor needs.

### CLARIFY THE CHARACTER OF ESG RATINGS

ESG ratings should clearly define whether they assess opportunity, risk, or a blended approach. This clarity will help stakeholders better understand the focus of the rating and allow for more accurate decision-making in terms of investment strategies and sustainability initiatives.

### SPECIFY INDUSTRY-AGNOSTIC AND INDUSTRY-SPECIFIC KPIS

ESG ratings should disclose both industry-agnostic and industry-specific KPIs to evaluate companies against universal standards and sector-specific challenges, enabling precise benchmarking.

For financial institutions, industry specific KPIs could include:

- 1 Loan Portfolios with Decarbonization Targets: Tracking and reporting the percentage of loans aligned with climate goals.
- 2 Transition Finance lending: Supporting NRE companies in adopting low-carbon technologies.
- 3 Government Partnerships and Support: Disclosures on participation in schemes

like PMJJBY, PMSBY, APY, and PMJDY, reflecting contributions to nation-building.

- 4 Data Privacy and Risk Management: Ensuring robust systems to safeguard customer data and manage operational risks.
- 5 Financial Inclusion Initiatives: Highlighting efforts to empower women, rural populations, and economically weaker sections with targeted financial products and services.

### ANNUAL STUDY OF ESG RATINGS' CORRELATION WITH MARKET PERFORMANCE

SEBI should conduct an annual study to correlate ESG ratings with market cap and financial performance. Publishing these findings will provide insights into the effectiveness of ESG ratings in identifying long-term value and sustainability, guiding investors and companies alike.

### SECTOR-SPECIFIC ESG REPORTING GUIDELINES

Currently, the BRSR framework requires all companies to disclose a standard set of data points. SEBI could enhance this by developing sector-specific ESG disclosure guidelines, ensuring companies also report on the most relevant and material KPIs for their industry. This would enable more accurate sectoral benchmarking and improve the quality of data available for ESG assessments.

### INCENTIVIZE ACCURATE ESG REPORTING AND PERFORMANCE IMPROVEMENTS

SEBI, in collaboration with stock exchanges, could introduce a dual approach of incentives and penalties to promote responsible ESG practices. Companies demonstrating measurable improvements in ESG performance could benefit from reduced listing fees or inclusion in sustainability indices. Conversely, penalties

could be imposed for non-disclosure, misreporting, or incomplete ESG data submissions, deterring greenwashing and encouraging full transparency.

By adopting these recommendations, SEBI and the BRSR framework will be better positioned to lead the way in ensuring that ESG ratings provide a meaningful, accurate, and forward-looking assessment of corporate sustainability, benefiting investors, companies, and society at large.

## Annexures

Industry classification is a system used to categorize businesses into groups based on similar production processes, products, revenues, or market behavior. It involves organizing companies into hierarchical structures, with broad economic sectors at the top and specific industry groups at lower levels. These classifications are essential for understanding market dynamics, comparing company performance, and making informed investment decisions.

Globally recognized systems like Global Industry Classification Standard (GICS), the Industry Classification Benchmark (ICB) and The Refinitiv Business Classification (TRBC) are widely used in finance and market research. While, we

will simultaneously align our company classifications with the ICB framework to provide a global perspective, however, given the specific requirements of ESG ratings and compliance with SEBI regulations, we will adopt the industry classification framework mandated by SEBI.

SEBI, through its Market Data Advisory Committee (MDAC), has developed a standardized four-level industry classification system for use across the Indian securities market. This harmonized approach ensures consistency in classification practices, facilitating accurate peer comparisons, research, and regulatory oversight. By adhering to this framework, we contribute to the overall efficiency and transparency of the Indian capital markets.

### SEBI Industry Classification Overview: All Macro Economic Sectors

Macroeconomic Sector	Sector	Industry	Basic Industry
12	22	59	197

Macroeconomic Sector	Sector	Industry	Basic Industry
Commodities	Chemicals	Chemicals & Petrochemicals	Commodity Chemicals
Commodities	Chemicals	Chemicals & Petrochemicals	Specialty Chemicals
Commodities	Chemicals	Chemicals & Petrochemicals	Carbon Black
Commodities	Chemicals	Chemicals & Petrochemicals	Dyes And Pigments
Commodities	Chemicals	Chemicals & Petrochemicals	Explosives
Commodities	Chemicals	Chemicals & Petrochemicals	Petrochemicals
Commodities	Chemicals	Chemicals & Petrochemicals	Printing Inks
Commodities	Chemicals	Chemicals & Petrochemicals	Trading - Chemicals
Commodities	Chemicals	Chemicals & Petrochemicals	Industrial Gases

Macroeconomic Sector	Sector	Industry	Basic Industry
Commodities	Chemicals	Fertilizers & Agrochemicals	Fertilizers
Commodities	Chemicals	Fertilizers & Agrochemicals	Pesticides & Agrochemicals
Commodities	Construction Materials	Cement & Cement Products	Cement & Cement Products
Commodities	Construction Materials	Other Construction Materials	Other Construction Materials
Commodities	Metals & Mining	Ferrous Metals	Ferro & Silica Manganese
Commodities	Metals & Mining	Ferrous Metals	Pig Iron
Commodities	Metals & Mining	Ferrous Metals	Sponge Iron
Commodities	Metals & Mining	Ferrous Metals	Iron & Steel
Commodities	Metals & Mining	Non - Ferrous Metals	Aluminium
Commodities	Metals & Mining	Non - Ferrous Metals	Copper
Commodities	Metals & Mining	Non - Ferrous Metals	Zinc
Commodities	Metals & Mining	Non - Ferrous Metals	Precious Metals
Commodities	Metals & Mining	Diversified Metals	Diversified Metals
Commodities	Metals & Mining	Minerals & Mining	Industrial Minerals
Commodities	Metals & Mining	Metals & Minerals Trading	Trading - Metals
Commodities	Metals & Mining	Metals & Minerals Trading	Trading - Minerals
Commodities	Forest Materials	Paper, Forest & Jute Products	Paper & Paper Products
Commodities	Forest Materials	Paper, Forest & Jute Products	Forest Products
Commodities	Forest Materials	Paper, Forest & Jute Products	Jute & Jute Products
Consumer Discretionary	Automobile and Auto Components	Automobiles	Passenger Cars & Utility Vehicles
Consumer Discretionary	Automobile and Auto Components	Automobiles	2/3 Wheelers
Consumer Discretionary	Automobile and Auto Components	Automobiles	Auto Dealer
Consumer Discretionary	Automobile and Auto Components	Auto Components	Auto Components & Equipments
Consumer Discretionary	Automobile and Auto Components	Auto Components	Tyres & Rubber Products
Consumer Discretionary	Automobile and Auto Components	Auto Components	Trading - Auto Components
Consumer Discretionary	Consumer Durables	Consumer Durables	Cycles
Consumer Discretionary	Consumer Durables	Consumer Durables	Consumer Electronics
Consumer Discretionary	Consumer Durables	Consumer Durables	Furniture, Home Furnishing
Consumer Discretionary	Consumer Durables	Consumer Durables	Ceramics

Macroeconomic Sector	Sector	Industry	Basic Industry
Consumer Discretionary	Consumer Durables	Consumer Durables	Granites & Marbles
Consumer Discretionary	Consumer Durables	Consumer Durables	Gems, Jewellery And Watches
Consumer Discretionary	Consumer Durables	Consumer Durables	Glass - Consumer
Consumer Discretionary	Consumer Durables	Consumer Durables	Household Appliances
Consumer Discretionary	Consumer Durables	Consumer Durables	Houseware
Consumer Discretionary	Consumer Durables	Consumer Durables	Leather And Leather Products
Consumer Discretionary	Consumer Durables	Consumer Durables	Leisure Products
Consumer Discretionary	Consumer Durables	Consumer Durables	Plastic Products - Consumer
Consumer Discretionary	Consumer Durables	Consumer Durables	Plywood Boards/ Laminates
Consumer Discretionary	Consumer Durables	Consumer Durables	Sanitary Ware
Consumer Discretionary	Consumer Durables	Consumer Durables	Paints
Consumer Discretionary	Consumer Durables	Consumer Durables	Diversified consumer products
Consumer Discretionary	Consumer Durables	Consumer Durables	Footwear
Consumer Discretionary	Textiles	Textiles & Apparels	Garments & Apparels
Consumer Discretionary	Textiles	Textiles & Apparels	Other Textile Products
Consumer Discretionary	Textiles	Textiles & Apparels	Trading - Textile Products
Consumer Discretionary	Media, Entertainment & Publication	Media	Advertising & Media Agencies
Consumer Discretionary	Media, Entertainment & Publication	Media	Electronic Media
Consumer Discretionary	Media, Entertainment & Publication	Media	Web based media and service
Consumer Discretionary	Media, Entertainment & Publication	Media	Print Media
Consumer Discretionary	Media, Entertainment & Publication	Entertainment	Film Production, Distribution & Exhibition
Consumer Discretionary	Media, Entertainment & Publication	Entertainment	Digital Entertainment
Consumer Discretionary	Media, Entertainment & Publication	Entertainment	Media & Entertainment
Consumer Discretionary	Media, Entertainment & Publication	Entertainment	TV Broadcasting & Software Production
Consumer Discretionary	Media, Entertainment & Publication	Printing & Publication	Printing & Publication
Consumer Discretionary	Realty	Realty	Residential, Commercial Projects
Consumer Discretionary	Realty	Realty	Real Estate related services

Macroeconomic Sector	Sector	Industry	Basic Industry
Consumer Discretionary	Realty	Realty	Real Estate Investment Trusts (REITs)
Consumer Discretionary	Consumer Services	Leisure Services	Hotels & Resorts
Consumer Discretionary	Consumer Services	Leisure Services	Restaurants
Consumer Discretionary	Consumer Services	Leisure Services	Amusement Parks/ Other Recreation
Consumer Discretionary	Consumer Services	Leisure Services	Wellness
Consumer Discretionary	Consumer Services	Leisure Services	Tour, Travel Related Services
Consumer Discretionary	Consumer Services	Other Consumer Services	Education
Consumer Discretionary	Consumer Services	Other Consumer Services	E-Learning
Consumer Discretionary	Consumer Services	Other Consumer Services	Food Storage Facilities
Consumer Discretionary	Consumer Services	Other Consumer Services	Other Consumer Services
Consumer Discretionary	Consumer Services	Retailing	Speciality Retail
Consumer Discretionary	Consumer Services	Retailing	Pharmacy Retail
Consumer Discretionary	Consumer Services	Retailing	Diversified Retail
Consumer Discretionary	Consumer Services	Retailing	E-Retail/ E-Commerce
Consumer Discretionary	Consumer Services	Retailing	Internet & Catalogue Retail
Consumer Discretionary	Consumer Services	Retailing	Distributors
Energy	Oil, Gas & Consumable Fuels	Gas	Gas Transmission/ Marketing
Energy	Oil, Gas & Consumable Fuels	Gas	LPG/CNG/PNG/LNG Supplier
Energy	Oil, Gas & Consumable Fuels	Gas	Trading - Gas
Energy	Oil, Gas & Consumable Fuels	Oil	Oil Exploration & Production
Energy	Oil, Gas & Consumable Fuels	Oil	Offshore Support Solution Drilling
Energy	Oil, Gas & Consumable Fuels	Oil	Oil Storage & Transportation
Energy	Oil, Gas & Consumable Fuels	Oil	Oil Equipment & Services
Energy	Oil, Gas & Consumable Fuels	Petroleum Products	Refineries & Marketing
Energy	Oil, Gas & Consumable Fuels	Petroleum Products	Lubricants
Energy	Oil, Gas & Consumable Fuels	Consumable Fuels	Coal

Macroeconomic Sector	Sector	Industry	Basic Industry
Energy	Oil, Gas & Consumable Fuels	Consumable Fuels	Trading - Coal
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Agricultural Food & other Products	Edible Oil
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Agricultural Food & other Products	Sugar
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Agricultural Food & other Products	Tea & Coffee
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Agricultural Food & other Products	Other Agricultural Products
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Beverages	Breweries & Distilleries
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Beverages	Other Beverages
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Cigarettes & Tobacco Products	Cigarettes & Tobacco Products
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Animal Feed
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Dairy Products
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Other Food Products
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Packaged Foods
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Seafood
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Meat Products including Poultry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Personal Products	Personal Care
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Household Products	Household Products
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Household Products	Stationary
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Diversified FMCG	Diversified FMCG
Financial Services	Financial Services	Finance	Financial Institution
Financial Services	Financial Services	Finance	Housing Finance Company
Financial Services	Financial Services	Finance	Investment Company
Financial Services	Financial Services	Finance	Non Banking Financial Company (NBFC)
Financial Services	Financial Services	Finance	Other Financial Services
Financial Services	Financial Services	Finance	Holding Company
Financial Services	Financial Services	Finance	Microfinance Institutions

Macroeconomic Sector	Sector	Industry	Basic Industry
Financial Services	Financial Services	Finance	Securitisation
Financial Services	Financial Services	Banks	Public Sector Bank
Financial Services	Financial Services	Banks	Private Sector Bank
Financial Services	Financial Services	Banks	Other Bank
Financial Services	Financial Services	Capital Markets	Asset Management Company
Financial Services	Financial Services	Capital Markets	Depositories, Clearing Houses and Other Intermediaries
Financial Services	Financial Services	Capital Markets	Financial Products Distributor
Financial Services	Financial Services	Capital Markets	Ratings
Financial Services	Financial Services	Capital Markets	Exchange and Data Platform
Financial Services	Financial Services	Capital Markets	Stockbroking & Allied
Financial Services	Financial Services	Capital Markets	Other Capital Market related Services
Financial Services	Financial Services	Insurance	General Insurance
Financial Services	Financial Services	Insurance	Life Insurance
Financial Services	Financial Services	Insurance	Other Insurance Companies
Financial Services	Financial Services	Insurance	Insurance Distributors
Financial Services	Financial Services	Financial Technology (Fintech)	Financial Technology (Fintech)
Healthcare	Healthcare	Pharmaceuticals & Biotechnology	Pharmaceuticals
Healthcare	Healthcare	Pharmaceuticals & Biotechnology	Biotechnology
Healthcare	Healthcare	Healthcare Equipment & Supplies	Medical Equipment & Supplies
Healthcare	Healthcare	Healthcare Services	Hospital
Healthcare	Healthcare	Healthcare Services	Healthcare Service Provider
Healthcare	Healthcare	Healthcare Services	Healthcare Research, Analytics & Technology
Industrials	Construction	Construction	Civil Construction
Industrials	Capital Goods	Aerospace & Defense	Aerospace & Defense
Industrials	Capital Goods	Agricultural, Commercial & Construction Vehicles	Tractors
Industrials	Capital Goods	Agricultural, Commercial & Construction Vehicles	Commercial Vehicles

Macroeconomic Sector	Sector	Industry	Basic Industry
Industrials	Capital Goods	Agricultural, Commercial & Construction Vehicles	Construction Vehicles
Industrials	Capital Goods	Agricultural, Commercial & Construction Vehicles	Dealers-Commercial Vehicles, Tractors, Construction Vehicles
Industrials	Capital Goods	Electrical Equipment	Heavy Electrical Equipment
Industrials	Capital Goods	Electrical Equipment	Other Electrical Equipment
Industrials	Capital Goods	Industrial Manufacturing	Railway Wagons
Industrials	Capital Goods	Industrial Manufacturing	Ship Building & Allied Services
Industrials	Capital Goods	Industrial Manufacturing	Industrial Products
Industrials	Capital Goods	Industrial Products	Cables - Electricals
Industrials	Capital Goods	Industrial Products	Castings & Forgings
Industrials	Capital Goods	Industrial Products	Packaging
Industrials	Capital Goods	Industrial Products	Plastic Products - Industrial
Industrials	Capital Goods	Industrial Products	Rubber
Industrials	Capital Goods	Industrial Products	Other Industrial Products
Industrials	Capital Goods	Industrial Products	Glass - Industrial
Industrials	Capital Goods	Industrial Products	Aluminium, Copper & Zinc Products
Industrials	Capital Goods	Industrial Products	Iron & Steel Products
Industrials	Capital Goods	Industrial Products	Abrasives & Bearings
Industrials	Capital Goods	Industrial Products	Compressors, Pumps & Diesel Engines
Industrials	Capital Goods	Industrial Products	Electrodes & Refractories
Information Technology	Information Technology	IT - Software	Computers - Software & Consulting
Information Technology	Information Technology	IT - Software	Software Products
Information Technology	Information Technology	IT - Services	IT Enabled Services
Information Technology	Information Technology	IT - Hardware	Computers Hardware & Equipments
Services	Services	Engineering Services	Dredging
Services	Services	Transport Services	Airline
Services	Services	Transport Services	Logistics Solution Provider
Services	Services	Transport Services	Railways
Services	Services	Transport Services	Road Transport
Services	Services	Transport Services	Shipping

Macroeconomic Sector	Sector	Industry	Basic Industry
Services	Services	Transport Services	Transport Related Services
Services	Services	Transport Infrastructure	Airport & Airport services
Services	Services	Transport Infrastructure	Port & Port services
Services	Services	Transport Infrastructure	Road Assets-Toll, Annuity, Hybrid-Annuity
Services	Services	Commercial Services & Supplies	Trading & Distributors
Services	Services	Commercial Services & Supplies	Consulting Services
Services	Services	Commercial Services & Supplies	Data Processing Services
Services	Services	Commercial Services & Supplies	Diversified Commercial Services
Services	Services	Commercial Services & Supplies	Business Process Outsourcing (BPO)/ Knowledge Process Outsourcing (KPO)
Services	Services	Public Services	Urban Local Bodies
Services	Services	Public Services	Development Authority
Telecommunication	Telecommunication	Telecom - Services	Telecom - Cellular & Fixed line services
Telecommunication	Telecommunication	Telecom - Services	Telecom - Infrastructure
Telecommunication	Telecommunication	Telecom - Services	Other Telecom Services
Telecommunication	Telecommunication	Telecom - Equipment & Accessories	Telecom - Equipment & Accessories
Utilities	Power	Power	Power Generation
Utilities	Power	Power	Integrated Power Utilities
Utilities	Power	Power	Power Trading
Utilities	Power	Power	Power - Transmission
Utilities	Power	Power	Power Distribution
Utilities	Utilities	Other Utilities	Water Supply & Management
Utilities	Utilities	Other Utilities	Waste Management
Utilities	Utilities	Other Utilities	Emergency Services
Utilities	Utilities	Other Utilities	Multi Utilities
Utilities	Utilities	Other Utilities	Other Utilities
Diversified	Diversified	Diversified	Diversified

## Author Bios



### **Ashish Chicksena**, Erstwhile – Head | ESG & Climate Action, TATA Capital

Ashish Chicksena is an ESG and Climate Action professional with more than 15 years of experience in ESG & Climate research, consulting, and management of Infrastructure, Private Equity, and Real Estate funds as well as lending portfolio in India and across Southeast Asian countries. In his last role he led ESG & Climate Action vertical at Tata Capital Limited. Throughout his career he has worked with a range of multilateral organizations, have observed the evolution of global ESG/ Climate Action frameworks, and implemented that at various levels. He is a Graduate in Chemical Engineering from IIT Bombay and a Post Graduate in Environmental Management from Indian Institute of Forest Management, Bhopal.



### **Amit Bhatia**, Founder & CEO, Aspire Impact and Aspire Circle

Amit Bhatia ([www.amitb.in](http://www.amitb.in)), Founder of Aspire Impact & Aspire Circle, was formerly Inaugural CEO of G7's Global Steering Group for Impact Investment (2017-20); Founding CEO of India's Impact Investors Council (2014-2017); Founding CEO of WNS Knowledge Services; and, Founder of McKinsey Knowledge Centre.



### **Garima Dutt**, President, CSR, YES Bank & CEO, YES Foundation

Garima is a purpose-driven leader with nearly 20 years of experience across sectors, including Tata Motors, Reliance Foundation, and GSK. A post-graduate from Tata Institute of Social Sciences and a certified Sustainability leader from London Business School, she now leads CSR at YES BANK and is CEO of YES Foundation. Her expertise in aligning CSR with business strategy has made her a key driver of social impact and reputation management.



### **Hema Bansal**, Senior Consultant, SPTF - Cerise & IFC (ESG, SPM, Outcomes, & Consumer Protection)

Hema is a champion in the area of consumer protection and ESG frameworks. She is currently in the process of establishing her own consulting company in inclusive finance space and is working as senior consultant to IFC, SPTF-CERISE, European social investors across the world. She has headed the Smart Campaign at Accion International in South Asia and SouthEast Asia for almost a decade and has deep- knowledge and skills in setting standards. She has also been part of a working group for setting standards for Consumer Protection and Digital Financial Services Standards and has tested and standards and supported more than 50 FSPs, FSP networks and Regulators across the world in implementation of Responsible Finance Framework.



### **Jamuna Verghese**, Managing Partner, Dancing Rain Capital

An inspired and experienced financial services leader. Led the 'Impact Investment and Inclusive Markets practice' in financial services at PwC, India and worked earlier with Citibank, ANZ Bank and Soros Fund. Presently working with impactful early-stage ventures to support them with their business growth and funding needs. Recognized as one amongst 'Top 100 Powerful Women in Finance in India, 2019.



### **Jyotsna Sitling**, Member of Advisory Committee, Social Stock Exchange, SEBI

Ms. Jyotsna Sitling, a retired Indian Forest Service officer, has served in various key roles on conservation and development, including Joint Secretary in Skill Development Ministry. An IIM Bangalore alumna and recipient of the Indira Gandhi Paryavaran Puraskar and Prime Minister's Award for Excellence in Public Administration, she has championed social entrepreneurship and was on MUDRA's board. Currently, she advises SEBI on the Social Stock Exchange, focusing on the Market's role in equity and environment.



### **Kapil Mehta**, Co-Founder, SecureNow Insurance Brokers

Kapil Mehta is the co-founder of SecureNow ([www.securenow.in](http://www.securenow.in)), an insurance broker that provides commercial insurances to SMEs across the country. He has previously worked for Prudential Financial, Max Life, McKinsey and Unilever. Kapil is active in the Insurance Broking Association and other industry forums.



### **Manish Kumar**, Head, ESG & CSR, ICICI Bank

Manish is a Chartered Accountant with nearly 30 years of experience in manufacturing and banking. He has spent over two decades with ICICI Bank, leading roles in structured finance, loan syndication, and risk management in India and abroad. As Chief Risk Officer of ICICI Bank UK (2018-2022), he chaired the climate change working group, leading the bank's initiatives to manage climate-related financial risks. Now back in India, he heads ESG and CSR at ICICI Bank and represents the Bank on the IBA's Standing Committee of ESG and various other ESG forums.



### **Nethra Bhat**, Partner, Asia, Accion Transformational Capital

Nethra leads investments and portfolio management in Asia for Accion's Digital Transformation Fund. She has close to 10 years of experience in impact investing and financial inclusion, and previously worked in organizations like Elevar Equity and Northern Arc Capital. She also leads impact assessment and ESG risk evaluation for the global portfolio of the fund.



**Praveena Kala**, Independent Director, Paramount Communications, Sr. Advisor, BFSI, Salesforce, Ex CGM, State Bank of India

Praveena, an MSc in Physics, Career Banker, IICA-certified ESG professional, and a member of the National Association of Impact Leaders (NAIL), is an Independent Director at Jio Payments Bank, Angel One AMC, White Oak Capital AMC, and Paramount Communications. She has over three decades of leadership experience at SBI and has advised BFSI at Salesforce India. Passionate about education, she engages with academic institutions and forums. She has pursued courses at Berkeley, Oxford, and IIM Kolkata, and is also a keen sports enthusiast and mountaineer



**Priyadarshini KS**, Sustainable Finance Lead, Commercial Banking, HSBC Bank India

Priyadarshini leads Sustainable Finance for Commercial Banking at HSBC India and focuses on supporting Green, Social, Sustainability, Transition journeys of clients across sizes and sectors. She has been a banker for 17+ years in the Indian Infrastructure Finance, Structured Lending and Sustainable Finance space across HSBC, Yes Bank, ICICI Bank and Bajaj Finance and holds a PGDM from IIM Bangalore.



**Saneesh Singh**, Independent Chair of Rating Committee, ESG.AI, Former MD & CEO (Dia Vikas Capital), Co-founder (NE-SFB)

Saneesh has experience of > 30 years in impact investing, BFSI, financial inclusion, MSME financing and corporate governance. He has headed global impact investor - Opportunity International's investments in India and made it Opportunity's largest impact investment operation globally. He also worked at senior levels in SIDBI and spearheaded its MF operations. Saneesh is passionate about job creation, sustainability and good governance.



**Shashaank Awasthi**, Co-Founder, Anyssa Venture Capital & v-shesh

Shashaank is co-founder of Anyssa Venture Capital which is raising a unique fund focused on disability inclusion in Asia and Africa. Shashaank is also co-founder of v-shesh which is an impact enterprise working on disability inclusion. He is also a founding member of Barrier Free Finance Initiative which works on making financial services accessible to persons with disabilities. He has prior experience with ABN AMRO Bank NV, IDBI Bank and Tata group.



**Swati Mittal**, Senior Advisor, ESG & Social Sector, Aeka Advisors

Overall 20 years of global and diversified experience with 12+ years specialization in the social sector as the global head of Finance, Legal and HR at Wadhvani Foundation. She is currently heading the consulting and advisory practice for the Social Sector and ESG. She is a Chartered Accountant from ICAI, Certified Public Accountant from State of Colorado and has a Bachelors in Law.



**Umit Bhatia**, Senior Director, Sustainability Strategy, Asia Pacific, JLL

As a Senior Director Sustainability Strategy, Asia Pacific at JLL, Umit is responsible for conceptualizing and executing customized Environmental, Social and Governance (ESG) strategies in line with the vision and ambition of industry agnostic clients. With 26+ years of experience primarily in BFSI and IT/ITES, she previously pioneered the establishment of Environment and Occupational Health & Safety function at the NatWest Group in Asia. She has several articles and research work to her credit, and is authoring a chapter in a "Handbook on construction project management - organizing the unorganized sector" to be used as a reference book for future leaders across South East Asia. Umit holds multiple certifications in climate change, solutions, and adaptation from UK universities along with an award from NEBOSH UK in Occupational Health and Safety.

## ASPIRE'S FRAMEWORK, RESEARCH, AND EDITORIAL TEAM



**Amit Bhatia**, Founder & CEO, Aspire Impact and Aspire Circle

Amit Bhatia ([www.amitb.in](http://www.amitb.in)), Founder of Aspire Impact & Aspire Circle, was formerly Inaugural CEO of G7's Global Steering Group for Impact Investment (2017-20); Founding CEO of India's Impact Investors Council (2014-2017); Founding CEO of WNS Knowledge Services; and, Founder of McKinsey Knowledge Centre.



**Rohit Bhatia**, Chief Product Officer

Rohit Bhatia is a Chartered Accountant with over with 25+ years of experience; 14 years in consumer industries & 10 years in social and education companies working at Yum! Brands-PepsiCo, Audits with SBB-E&Y; at Macmillan Education to restructure and deliver on profitability.



**Bandana Subba**, Sr. Vice President, Product Development

Bandana is a finance professional and project specialist with extensive experience in business planning, analysis, forecasting, budgeting, and project management in startups and mid-sized organizations across industries. With over 25 years of experience in restaurant operations, publishing, and investor relations.



**Harpreet Ghai**, Vice President, Knowledge Development

Harpreet Kaur Ghai leads the Knowledge Development vertical at Aspire Impact. She is an MBA in Finance and a Lean Six Sigma Green Belt holder from KPMG. Harpreet has over 12 years of experience in the operations, research, and data verticals across Private Equity, Public Ownership, and ESG domains. She has previously worked with S&P Global and Alternative Path and also as a freelancer.



**Sayan Debnath**, Manager, Data and Products

Sayan Debnath is working as a Manager with Aspire Impact. He has worked on projects related to ESG ratings and impact assessments. Sayan also contributed to a research publication centered around the market size of ESG, Sustainability, and Impact measurement and management. He holds an M.Sc. in Water Science & Governance from TERI SAS.

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# ASPIRE™

Aspire, founded by Amit Bhatia, focuses on impact leadership and ecosystem development through three initiatives: Aspire Education ([www.aspireeducation.in](http://www.aspireeducation.in)) for education, Aspire Impact ([www.aspireimpact.in](http://www.aspireimpact.in)) for ecosystems, and Aspire Circle ([www.aspirecircle.org](http://www.aspirecircle.org)) for social leadership. Aspire, established in 2007, based in Gurgaon (India) is committed to making Impact a way of life.

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