



# Importance of ESG and Sustainable Supply Chain framework for Indian exporters

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# What is Sustainable Supply Chain Framework

01

Unlike other sectors, Food and Agriculture has unavoidable strong linkages on sourcing/ procurement/ backward linkages and at the consumer end, Food safety & Quality

02

Without Sustainable Sourcing + Quality, ESG alone will not help Food and Agriculture sector both domestically and in global markets

03

ESG stands for Environmental, Social and Governance framework of a particular business

04

Remember, power, steel, automotive, aviation, cement and agriculture contribute to more than 70% of emissions

05

Thus, Future proof F&A companies are made up of robust policy on **Sustainable Sourcing + ESG + Food safety and Quality** which is otherwise, **SSC, Sustainable Supply Chain Framework**

# Why it is needed & How it can help you

## Sustainable Sourcing

### Why is it needed?

Global trade will increase forever. Global buyers and Indian consumers and Govts will demand supplier's financial, sourcing, quality, environmental, social and ethical practices.

### Impact

Reliable supplier status  
Better bargaining power  
Premium pricing capability  
Govt support via FPOs, schemes



## ESG

### Why is it needed?

ESG is no longer a concept. SEBI has already made it mandatory for top 1000 companies in India. Will be made mandatory for others in future.

- Access to finance is increasingly being hinged
- ESG score will be like credit rating
- Growing evidence of link between financial performance and ESG
- Rise in stringent regulatory and disclosures

### Impact

Well prepared for Govt regulations and compliance  
Increased Confidence in dealing with B2B and B2C markets in domestic and global trade  
Better market reception fuels faster growth in topline

## Food Safety & Quality

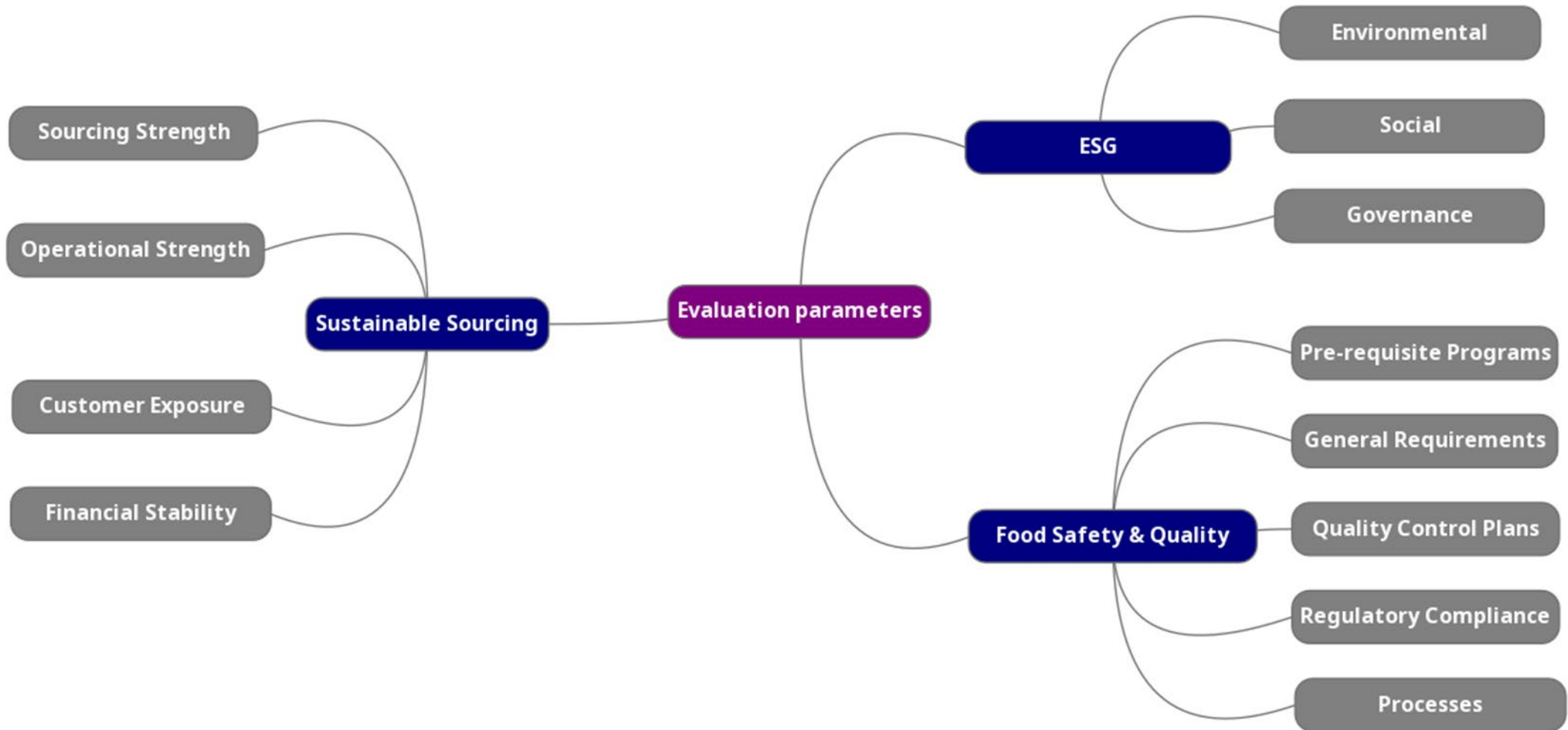
### Why is it needed?

Continuous adoption of food safety and quality from sourcing to branding are vital for building sustainable business for domestic markets and exports

### Impact

Strong Brand building, Less financial shocks, Better margins

# Framework for Future Proofing Indian Companies



# Key Questions to ask about SS, ESG, FSQ



## SS

- Do you have traceability
- If yes, at what level, Mandi, farmer, bulk supplier?
- Can you grow your sourcing as per demand without compromise?
- Do you have automation?
- Do you have business visibility for next 5-10-15 years of growth?
- What is your green field capex strategy?



## ESG

- Do you know about ESG?
- Are you aware of the benefits of ESG?
- Do you have an ESG policy?
- How do you govern ESG at your firm?
- Who is responsible for ESG at your firm?
- How often do you meet and review ESG policy and implementation?



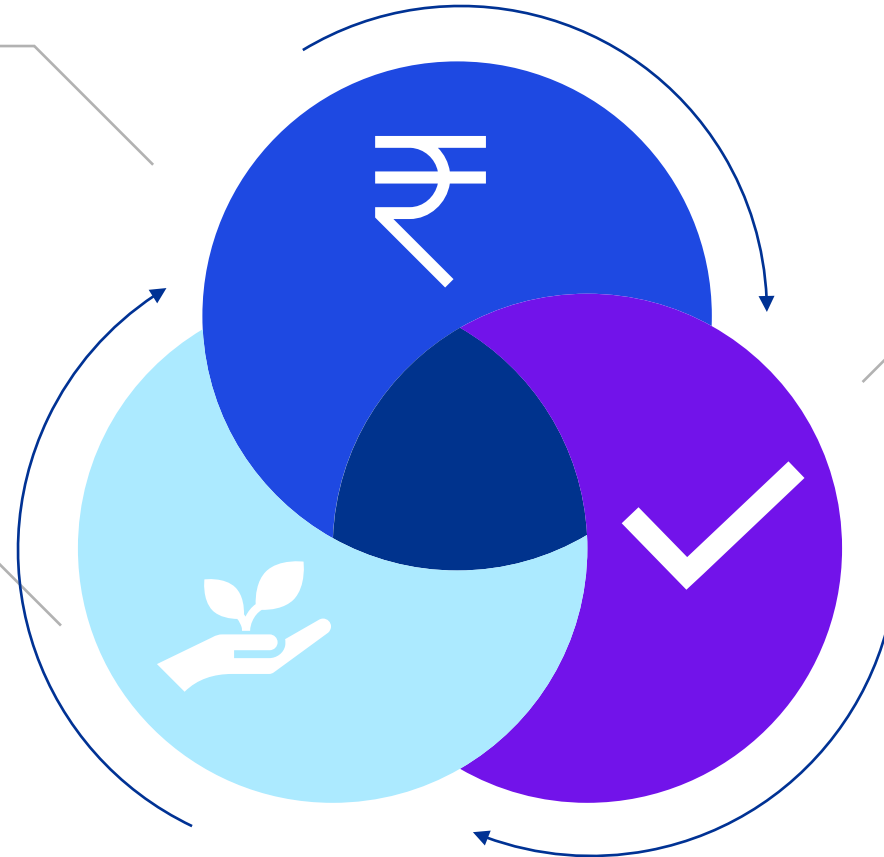
## FSQ

- Do you follow GMPs?
- Are you complying with local and regional building code?
- Do you have quality control manual?
- How do you manage inward and outward communication?
- Do you have regulatory compliance register?
- Are you comfortable with your subcontractors, vendors, job workers?

# Good News!

Majority of these compliances do not cost necessarily. Attitude shift is the major investment required

Other benefits- Investor friendliness, PE, Impact funds, IPO preparation, Better bargaining in B2B, Premium pricing in B2C



- Top-5 Immediate Results
1. Better top line growth
  2. Cost control via better SOPs
  3. Less headaches from Govt
  4. Employee Productivity, Happiness and Retention
  5. Better Capex strategy.



# Thank You

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