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Enrolment No:			
<div>UPES</div> <div>End Semester Examination, May 2025</div>			
Course: MBA (All)		Semester: IV	
Program: Environmental, Social and Governance		Time: 03 hrs.	
Course Code: STGM8034_3		Max. Marks: 100	
<div>SECTION A</div> <div>5Qx6M=30Marks</div>			
S. No.		Marks	CO
Q 1	Define materiality in the context of ESG reporting. Why is it important for companies to conduct a materiality assessment before preparing their ESG disclosures? Explain the process of conducting a materiality assessment.	6	CO1
Q2	A popular hotel chain is considering building a new resort in a coastal region known for its fragile ecosystem and local fishing communities. The project promises high returns but may disrupt the local environment and livelihoods. Apply the Triple Bottom Line (TBL) approach to critically assess whether the hotel should move forward with this project.	6	CO2
Q3	How can companies integrate sustainability into their supply chain operations? Provide a framework for assessing suppliers on ESG metrics.	6	CO3
Q4	Boards with greater diversity are seen as better aligned with ESG principles. Explain the reasoning behind this and support your answer with an example.	6	CO4
Q5	A fast-growing food delivery company is facing a backlash from delivery workers demanding better wages and benefits, while investors are pushing for faster scaling and profitability. As part of the company’s strategic team, you are tasked with resolving the tension among stakeholders. Apply any two stakeholder mapping techniques to identify and prioritize key stakeholders in this situation. Explain how your analysis will influence the company’s stakeholder engagement strategy.	6	CO4

Section B 5Q =70Marks			
Please read the case carefully and answer the given questions.			
<div><p>GreenShift Technologies: ESG Under Scrutiny Ahead of IPO</p><p>GreenShift Technologies Pvt. Ltd., a mid-sized Indian clean-tech firm based in Bengaluru, has emerged as a promising player in the field of industrial automation for sustainable infrastructure. Established in 2013, the company rapidly scaled its operations, driven by its flagship energy-efficient automation systems used in smart buildings and manufacturing units. By 2024, GreenShift was preparing to file for an IPO, with plans to enter global markets and attract ESG-conscious institutional investors.</p><p>In this context, ESG became central to GreenShift’s corporate strategy. However, like many mid-sized enterprises attempting ESG integration post-growth, its practices were largely fragmented and underdeveloped. While marketing and investor communication emphasized sustainability, the internal mechanisms required for a robust ESG framework were still evolving. The leadership viewed ESG primarily as a tool for financial signalling, whereas operational teams lacked both direction and training in ESG execution.</p><p>To lead this transformation, the board appointed Ananya Deshmukh as Chief Sustainability Officer (CSO). With a background in environmental economics and prior experience at an ESG consulting firm, Ananya was entrusted with aligning GreenShift’s operations, culture, and reporting practices with recognized ESG frameworks. Her immediate mandate was to secure an ESG rating that could boost the company’s IPO valuation and help unlock green capital.</p><p>Ananya’s first few months were challenging. While she discovered positive initiatives, such as the company’s partial reliance on solar energy and a gender-diverse board, she also identified significant gaps. GreenShift had only achieved partial alignment with GRI (Global Reporting Initiative) guidelines and had not filed BRSR (Business Responsibility and Sustainability Report) disclosures with SEBI, despite regulatory nudges. Supply chain ESG compliance stood at just 72%, and no traceable documentation existed for several Tier-2 vendors, especially in electronics sourcing. Many of these vendors lacked clarity on labor norms, carbon reporting, and even basic human rights policies.</p><p>Internal stakeholder conversations were equally revealing. The HR department had launched a skilling program for women engineers but admitted that inclusivity training and retention policies were poorly implemented. Factory workers spoke of inconsistent safety practices. The data management team still relied on Excel-based manual reports due to the absence of an ESG dashboard or centralized digital monitoring tools.</p><p>While Ananya began structuring an ESG roadmap, the board's impatience was growing. At the quarterly review meeting, senior leadership urged her to fast-track the ESG certification process. “We’re in a race,” said the CFO. “If we’re not certified by the next quarter, it’ll impact valuation. Let’s close the gaps later. What matters is perception, not perfection.”</p></div>			

For Ananya, the dilemma wasn’t just operational, it was ethical. Pursuing a certification without fully resolving internal concerns meant potentially misleading investors, partners, and the public. The company could face accusations of **greenwashing**, a reputational risk she wasn’t willing to take lightly.

In private conversations with other CSOs in the industry, Ananya heard similar stories. Many mid-cap companies had secured ESG ratings with only surface-level disclosures. Ratings agencies, inundated with demand, often relied on self-reported checklists rather than deep audits. While this might have worked temporarily, she also read about companies that faced severe backlash once the truth surfaced, leading to share price drops, lawsuits, and loss of investor trust.

GreenShift’s situation was further complicated by the evolving ESG regulatory environment in India. SEBI’s BRSR framework was becoming mandatory for top-listed firms, and institutional investors were increasingly using third-party ESG scores as benchmarks for portfolio inclusion. A misstep now could mean exclusion from ESG-focused investment funds and damage future fundraising potential.

Her team internally was divided. The investor relations head argued in favor of immediate certification, stating that “everyone does it” and that investors care more about intent than execution. In contrast, the legal and compliance officer warned against hasty moves, citing lack of due diligence and possible non-compliance with upcoming audit requirements.

Ananya faced a difficult decision. If she delayed the ESG certification, the company might miss the IPO window and face pushback from impatient board members. On the other hand, if she went ahead with the certification prematurely, she risked compromising her integrity, the company's values, and exposing GreenShift to long-term consequences.

The Dilemma

Should Ananya comply with the board’s directive and pursue a fast-tracked ESG certification to meet IPO timelines, knowing that many disclosures and internal processes lacked maturity?

Or should she delay certification to build a credible ESG foundation, even if it means risking a postponement of the IPO and attracting criticism for not moving fast enough?

At stake was not just the company’s reputation, but Ananya’s own credibility as a sustainability leader.

Exhibits

Exhibit A: GreenShift’s Current ESG Policy Highlights

Focus Area	Key Initiatives	Status
Environment	Solar energy for 60% of factory operations	Implemented
Social	Skilling program for women engineers	Ongoing
Governance	Diversity in board (3 out of 9 are women)	Achieved
Supply Chain	72% of vendor ESG compliance	In progress
Data Transparency	Partial GRI compliance, no BRSR disclosures yet	Initiated

Exhibit B: Internal Stakeholder Feedback (Survey Highlights)

- **Factory Worker (anonymous):** “We’re asked to reduce water usage, but the facilities lack alternatives.”
- **Middle Manager:** “There’s no ESG data dashboard. We’re still reporting manually on Excel.”
- **HR Executive:** “Diversity numbers look good on paper, but inclusivity workshops are yet to happen.”

Exhibit C: Investor Memo Highlights

“Investors prefer companies with measurable ESG performance. Certification before IPO would signal preparedness, provided it's backed by credible documentation.”
– ESG Fund Manager, Institutional Investor Forum 2024

Exhibit D: Timeline of ESG Initiatives (2018–2024)

Year	Key Milestones
2018	Initiated solar energy integration
2020	First sustainability officer hired
2022	Gender-diverse board constituted
2023	Began aligning with GRI standards
2024	Aimed to apply for ESG rating (currently pending)

Exhibit E: Peer ESG Ratings Comparison

Company	ESG Certification	GRI Aligned	BRSR Filed	ESG Score (Out of 100)
EcoSpark Solutions	Yes	Yes	Yes	88
GreenShift Technologies	No	Partial	No	59
CleanGrid Pvt. Ltd.	No	No	Yes	67

Q6	Critically evaluate GreenShift's alignment with global ESG frameworks such as GRI and BRSR. How does the company reflect the transition from voluntary to mandatory ESG disclosure in emerging markets? In your answer, refer to Exhibit A (policy highlights) and Exhibit E (peer comparison) to contextualize GreenShift's position relative to industry expectations.	10	CO1
Q7	Analyze how GreenShift's initiatives reflect its responsibility toward internal and external stakeholders under the Triple Bottom Line (TBL) framework. Use Exhibit B (internal feedback) and Exhibit D (timeline) to assess whether social and environmental concerns are being meaningfully addressed or superficially managed.	10	CO2
Q8	Evaluate Ananya Deshmukh's ESG certification dilemma through two ethical theories i.e deontology and utilitarianism. Would proceeding with certification at this stage represent responsible leadership or ethical compromise?	10	CO2
Q9	Design a sustainability strategy that meaningfully aligns GreenShift's actions with the UN Sustainable Development Goals (SDGs). Which of their current efforts align with SDGs, and which areas (from Exhibit A and Exhibit D) require significant improvement to move from intent to impact?	20	CO3
Q10	<p>GreenShift is currently partially compliant with GRI and has not yet filed BRSR disclosures. As an advisor, suggest practical steps the company should take over the next six months to strengthen its ESG reporting practices. Your response should include:</p> <ul style="list-style-type: none"> ○ Priority reporting areas GreenShift must focus on ○ What digital tools (like ESG dashboards or internal audits) can improve transparency ○ How the company can prepare for investor scrutiny ahead of the IPO <p>Use insights from Exhibit A, Exhibit C, and Exhibit E to support your answer.</p>	20	CO4