

Sustainability ... all it takes is **Commitment**



2013 Sustainability Action Report and UNGC Communication of Progress



ckinetics
Accelerating Sustainability

New Delhi • Palo Alto

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COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



Image courtesy, Shaire Productions Flickr Prostream

Accelerating Sustainability

Message from the Managing Directors

January 1, 2014

cKinetics remains true to its mission of *Accelerating Sustainability* in all the projects we take on. Four years into its operations, the firm continues to experience growth in our revenues, brand recognition, geographic scope and socio-environmental impact.

Our approach is to highlight the business case for Sustainability. We seek to generate industry-leading examples in the market, where sustainable business practices create competitive advantage: reduce operating costs, enhance brand value, open access to new markets, etc.

cKinetics continues to serve as a unique catalyst for innovation in the sustainability space through connecting cleantech solution providers and offerings with Indian industries interested in enhancing their resource efficiency.

At a firm level, we constantly search for modes of engaging industry and financial institutions in order to deliver cost savings, financial returns and yield the highest possible environmental *alpha*.

In 2013, cKinetics made tremendous progress in building out its flagship industrial engagement platform: the Sustainable Business Leadership Forum (SBLF). Through SBLF, the firm engaged partners from government think tanks (Indian Institute of Corporate Affairs), finance (Impact Investing Policy Collaborative), catalysts (GIZ), businesses and a variety of professional organizations and market makers.

cKinetics has continued to blaze new trails in Distributed Renewable Energy (DRE); providing advisory services, structuring fund deployment and crafting innovative techno-commercial solutions in the rural electrification space. Through the firm's active efforts under the SPEED program, 4 DRE mini-grids were launched during the year and an additional 11 projects are in the final phases of design/implementation.

As global organizations continue to work with manufacturers in South Asia to enhance Sustainability, our firm has distinguished itself as a 'go-to' advisory firm. Our work has expanded beyond India to the broader South Asian sub-continent.

Along with our California based subsidiary which is a Benefit Corporation under California law, we are proud to declare our continued support of, and adherence to, the Ten Principles of the UN Global Compact across our operations.

In our report this year, we have also included disclosure as per the as per the format of the ABRR (Annual Business Responsibility Report) that has been suggested by the Ministry of Corporate Affairs (and adopted by the Securities and Exchange Board of India for the top 100 listed companies). Our disclosure is voluntary and perhaps amongst the first by an unlisted services firm. This is a start for us and has served as a useful reflection for us on areas we hope to build the firm in 2014 and beyond.



Pawan Mehra
Managing Director



Upendra Bhatt
Managing Director

cKinetics: a Mission Driven Organization

Highlights of 2013

Sustainability Blueprint	Market Access and Insight	Sustainability Innovation and Finance
<ul style="list-style-type: none"> ✓ Introduced Renewable Energy (RE) Power Plant Economic modeling tools to help businesses size RE projects. ✓ 4 DRE mini-grid projects, servicing close to 1000 Households, over 20+ micro-enterprises and irrigation needs of over 50 farmers, have been commissioned by firm using cKinetics’ services and expertise during the year ✓ Contributed annual electricity savings of over 2100 Mega Watt Hours for SMEs (representing 4% of their consumption), annual pet coke savings of 256 tonnes, annual water savings of 156 million liters through our <i>Industrial Resource Management and Cleaner Production</i> practice. ✓ Expanded cKinetics’ geographic impact to Sri Lanka with other regional countries on the anvil. ✓ Implementing Program SWAR (Sustainable Water and Resource Management) which is being led by Stockholm International Water Institute (SIWI), SIDA and 3 leading brands: Indiska, Lindex and KappAhl. 	<ul style="list-style-type: none"> ✓ Hosted the third Annual Summit of the Sustainable Business Leadership Forum (SBLF)¹. The 2013 Annual Summit held on October 17, 2013 convened close to 250 corporates, catalyst organizations and other stakeholders ✓ Sustainability Outlook division of cKinetics, successfully held the third edition of the Parivartan Sustainability Leadership Awards: from an initial pool of 600 initiatives, 200 finalists were selected, from which 18 received awards. ✓ Created a market map on EHS (Environment Health and Safety) training academies in India including market assessment to project demand and opportunity areas. 	<ul style="list-style-type: none"> ✓ Structured project finance vehicle for enabling investment in Distributed Renewable Energy (DRE) ✓ Co-convened the Environmental Social Governance (ESG) Working Group focused on enhancing non-financial disclosure among Indian corporates along with GIZ, Impact Investing Policy Collaborative (IIPC) and Indian Institute of Corporate Affairs (IICA) ✓ Established a strategic collaboration with Center for Innovation, Incubation and Entrepreneurship (CIIE) for exploring new venture creation opportunities and incubating innovative business models in the cleantech/ sustainability startup space. ✓ Initiated work on developing a tool-kit to analyze and determine Economic Returns for rural utility scale infrastructure interventions to help catalyze financing for the segment

Research and Thought Leadership Introduced in 2013

The following reports aimed at promoting Sustainability were released by cKinetics in 2013:

1. Financing Decentralized Renewable Energy Mini-grids In India: Working with investors, developers and technology providers to bring DRE into the mainstream. <http://www.ckinetics.com/DRE-Financing/>
2. Emerging Landscape of ESG Action in Indian Businesses and Their Supply Chain: This first of its kind report presents the landscape of preparedness of Indian businesses and their supply chain to adopt ESG. <http://sblf.sustainabilityoutlook.in/about-the-forum/sustainability-disclosure-and-reporting>

Philanthropy

As part of its CSR activities, cKinetics’ team aims to engage with causes that impact the community. In 2013, the team chose to support projects on: (a) improving the health of women and also save energy by sponsoring eco-friendly boiling water chulas; and (b) on helping bring brightness in the life of poor destitute women by reimbursing cost of solar lanterns.

¹ India’s only market development platform connecting stakeholders in the Corporate Sustainability space

cKinetics Vision

To accelerate the creation and maintenance of systems which shape a balance between current and future resource needs

Emerging market economies are currently undergoing much needed, extensive, socio-economic growth. This process of expansion has introduced a unique opportunity to leapfrog older methods of production and instead adopt newer industrial and community infrastructure that is more efficient, sustainable and profitable.

In this context, cKinetics was founded in 2009 by a team passionate about using market based solutions and industry dynamics to address sustainable economic growth and development.

As a specialized Sustainability Advisory firm providing end-to-end solutions to investors and businesses, cKinetics leverages a thought process for accelerating sustainable business and investing practices that include: (a) Closed loop systems, (b) Decentralized production and consumption, and (c) Resource conservation.

The mission of cKinetics is to develop market driven solutions to promote the rapid adoption of sustainable growth strategies in emerging market industries and communities.

cKinetics Inc. is a Registered Benefit Corporation

cKinetics Inc, based in Palo Alto, California is a 100% subsidiary registered as a Benefit Corporation.²

The rationale for being among the first companies to seek this status is to exhibit our firm's ongoing commitment to balance traditional financial metrics with environmental and social impact.

² in accordance with California Bill AB 361

cKinetics' Operating Philosophy

The cKinetics team imbibes the following code in its day-to-day operations:

Do: Action counts louder than words.

Be frugal: Natural resources are scarce and limited; we must explore more advanced conservation measures.

Set an example: Serving as an example through adopting a low-resource footprint is the best way to 'be the change' and understand conservation challenges first-hand. Through exploring new best practices, cKinetics will constantly seek to attain carbon neutrality.

Be alert to opportunities: Air, water and land are considered 'free' (or close to 'free'). We seek to identify cases where resources are undervalued and develop strategies to address this unique market failure.

Be wise on technology: Technology is our biggest ally in increasing efficiency and driving conservation; however, it is also our biggest enemy when enabling runaway consumption.

Leverage market driven solutions: cKinetics will design and promote products and services that help align positive environmental impact with tangible financial incentives.

Be factual: If it cannot be measured, it is not worth doing. Data forms a central pillar for cKinetics. All internal initiatives should be quantifiable and decisions made based on data.

Set imagination free: We are limited only by the possibilities we imagine. Dare to think beyond the conventional and make it happen.

Applying Sustainability Reporting Frameworks

Materiality Assessment, Commitment and Ongoing Engagement

Principles of the UNGC

As a part of its ongoing commitment to mainstreaming sustainability, cKinetics is proud to support the UN Global Compact Principles. These principles have been a strong component of the firm's core growth strategy and expansion process.

Materiality of UNGC Principles

Given its role as a specialized Sustainability Advisory firm, cKinetics has limited exposure to Sustainability Risks and ESG impact through its *own* operations. Thus, materiality issues surrounding the UNGC Principles, their implementation and subsequent outcomes have been evaluated through the following lens:

1. How, and to what extent, do the principles apply to cKinetics in its operations?
2. How, and to what extent, can these principles become central to the *service offerings* of cKinetics and, thus, attain the desired impact created through its business operations?

Engagement with UNGC initiatives

The cKinetics team was a participant in the Rio+20 Corporate Sustainability Forum convened by the UNGC in Rio de Janeiro. The team engages in monthly meetings and conferences organized by the Global Compact Network in India. cKinetics has met in consultation with UNGC staff regarding our work (undertaken in collaboration with the IICA and GIZ) documenting the emerging landscape of non-financial disclosure norms in India.

Disclosure as per annual Business Responsibility Report (BRR)

In addition to disclosing activities as per the UNGC's framework for the Communication of Progress, this document also carries a disclosure as per annual Business Responsibility Report (BRR). This is detailed in Annexure 1.

The framework presents indicators developed from the 9 core principles of the **National Voluntary Guidelines on Social, Economic & Environmental Responsibilities of Business** that were announced by the Indian Ministry of Corporate Affairs in 2011.

Importance of the BRR Framework

The BRR represents a significant step forward in promoting the widespread adoption of non-financial (ESG) disclosure among Indian firms. While cKinetics does not face a mandate in disclosing on the BRR framework, we are eager to engage with, and promote, this initiative both within our own operations and those of our clients.

Engagement with the BRR and non-financial disclosure conversation

cKinetics has played an active role in the conversation surrounding non-financial disclosure in the Indian market through our work in policy advisory. Our organization has been the convening body for a Working Group on Disclosure and Reporting (outlined further in this report) in partnership with the Indian Institute of Corporate Affairs (Ministry of Corporate Affairs), GIZ, and Impact Investing Policy Collaborative.

Communicating Progress: Ongoing Commitment to UNGC Principles

Actions and Tools for Implementation

In 2013, cKinetics has incorporated several UNGC strategies for integrating the Ten Principles, these include:

Code of Conduct

The Code of Conduct outlines the expectations and aspirations of cKinetics management and staff in key areas of Human Rights, Corruption and Work Force Environment, etc.

Operating Principles

As explained in the previous section, the Ten Principles guide the strategic planning and day-to-day operations of the firm.

Training and Development Opportunities

The talented and passionate team at cKinetics are encouraged and accorded opportunities to engage intellectually and professionally in industry conferences, field building activities and training/certification programs both within India and abroad.

Policies for dealing with incidents of Human Right Violations and Corruption

We are committed to diligently managing our business operations, both internally as well as in external stakeholders, in a manner which reflects our high ethical standards.

cKinetics has a zero tolerance policy with respect to incidents of corruption, both in the public and the corporate sphere.

Areas	Principles	Outlook and Undertaking	Tools for Implementation	Outcomes
Human Rights	<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>Principle 2: make sure that they are not complicit in human rights abuses.</p>	<p>cKinetics is committed to upholding Human Rights, in its capacity as a responsible business, in letter and in spirit, as it is material to the company.</p> <p>Operating in India poses a number of unique human rights challenges. cKinetics is committed to the reporting of any human rights violations observed in the course of conducting its business operations.</p>	<p>The <i>Code of Conduct</i> defines our commitment to human rights; it outlines our stance and strategy for preventing the abuse of human rights. All employees and extended stakeholders are expected to abide by it</p> <p>Any violation can be reported confidentially (through an anonymous email ID) and the individual will be protected from repercussions</p>	<p>There have been reported incidents of Human rights violations in the company</p>
Labour	<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p> <p>Principle 4: the elimination of all forms of forced and compulsory labour</p> <p>Principle 5: the effective abolition of child labour</p> <p>Principle 6: the elimination of discrimination in respect of employment and occupation</p>	<p>As a firm with a presence in both the US and India, cKinetics is in compliance with all relevant local labor regulations in its respective operations</p> <p>The prevalence of the informal, unorganized, sector in India poses a number of distinct challenges in adequately assessing some of our small suppliers' adherence to Principles 3-5. However, we make a concerted effort to maintain constant vigilance when working with local small businesses.</p>	<p>The <i>Company Labour Practices</i> is an internal document which defines our expectations and commitments regarding employment both in our own operations and in those of our partners</p> <p>Any violation can be reported confidentially and the individual will be protected from repercussions</p> <p>We conduct weekly, monthly and half yearly meetings with the staff wherein feedback from employees is actively incorporated by management into the company's policies and strategies</p> <p>We continually provide opportunities, through training and access to industry conferences, for our workforce to grow intellectually and professionally</p>	<p>There were no reported violations of Labour Principles</p> <p>Each employee met with the manager twice to discuss the performance, concerns and goals</p> <p><i>Training and Development</i> Employees are allowed 1 day per month to attend conferences, seminars and programs for knowledge advancement</p> <p>All internally reported complaints and concerns were dealt with on a priority basis</p> <p>12 internal sessions conducted on different topics as a part of the Friday Learning Discussions</p>
Environment	<p>Principle 7: Businesses should support a precautionary approach to environmental challenges.</p> <p>Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility</p> <p>Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies</p>	<p>As a small operational consulting firm, cKinetics has a limited socio-ecological footprint. However, we are actively engaged in managing our resource consumption and maintain constant efforts to engage with our employees and the community in a responsible fashion.</p> <p>Our commitment to sustainability is at the very core of our business mission, vision, and operations. cKinetics has made strong contributions to sustainability in India (see: <i>Thought Leadership in the Sustainability Space</i>). We seek to create real impact through our various business ventures (see: <i>Creating Impact in Accelerating Sustainability</i>).</p>	<p><i>Thought Leadership in the Sustainability Space</i> details field-building research and action undertaken by cKinetics, leading corporates and solution providers</p> <p><i>Creating Impact in Accelerating Sustainability</i> focuses on our core business operations and the environmental/social impact they generate</p> <p>Our offices are currently engaged in actively monitoring and tracking our electricity consumption using a suite of metering and analytics software</p>	<p>Smart use of resources is an Operating Principle of cKinetics and focus is on reducing consumption</p> <p>Collected fines from employees for failing to leave the computer monitor down/lights turned off</p> <p>Energy measurement system installed to actively track energy consumption</p> <p>Reuse of paper made mandatory and recycling is encouraged</p> <p>In the recent renovation of a new office, interior components (chairs, desks, glass walls, doors, sinks, etc.) were taken from our old offices and reused and repurposed within the new office space. This both reduced our material impact and highlighted our commitment to "Be Frugal."</p>
Anti-Corruption	<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery</p>	<p>cKinetics supports all 71 articles of the UN Convention against Corruption (UNCAC).</p> <p>We take an active, zero-tolerance, stance against bribery and corrupt business practices through diligent monitoring and enforcement.</p>	<p>The <i>Code of Conduct</i> defines our expectations and commitments regarding anti-bribery practices both in our own operations and in those of our partners.</p> <p>Any violation can be reported confidentially (through an anonymous email ID) and the individual will be ensured protection from reprisal.</p>	<p>There have been no reported incidents of Human rights violations in the company or its vendors</p>

Communicating Progress: Driving Sustainability in Emerging Markets

cKinetics provides specialized operational consulting and strategic advisory services with a focus on emerging markets; the firms operations cover:

- Industrial Resource Efficiency and Conservation Measures: Energy, Water, Carbon, Waste
- Distributed Renewable Energy and Smart Infrastructure
- Sustainability Finance
- Market Insight and Analysis

Our track record as specialists in leveraging cross-functional management resources in emerging market geographies uniquely positions us in the market. We are a 'partner of choice' to design and execute profitable business models which enhance and promote Sustainability. A deep understanding of sector dynamics across industries has allowed us to design and implement a wide variety of growth-oriented sustainable solutions.

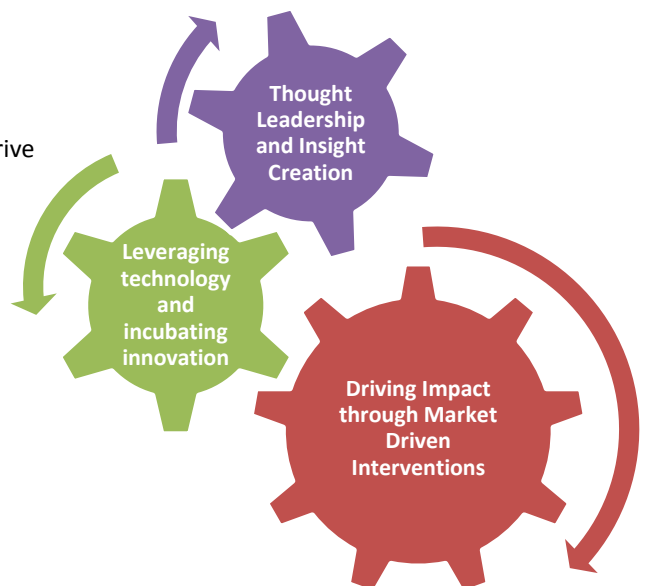
We work with:

- Indian organizations targeting global markets
- International businesses that have operations and supply chains in India
- Development Financial Institutions and catalysts for sustainability actions
- Investors
- Cleantech and sustainability firms

Products and Services Offered

cKinetics' engagements are characterized by a commitment to drive sustainability innovation through:

- Thought Leadership and Insight Creation
- Leveraging technology and incubating innovation
- Driving Impact through Market Driven Interventions



ESG Working Group at Sustainable Business Leadership Forum

Convening Action for Advancing Corporate Sustainability in India

The Sustainable Business Leadership Forum (SBLF) is an invitation-only Indian industry focused market development platform which equips organizations, managers and industry stakeholders on the ‘how’ of sustainability through a unique programmatic approach comprising of round the year programs and ‘on-ground’ industry oriented work. Instituted by Sustainability Outlook, the leading information marketplace on sustainability action, SBLF enables a unique exchange of thought leadership, business know-how and catalytic tools for enabling corporate transition towards sustainable business practices.



SUSTAINABLE BUSINESS LEADERSHIP FORUM
INSTITUTED BY SUSTAINABILITY OUTLOOK

ESG Disclosure Working Group

cKinetics has been working with investors, which are looking at impact in addition to financial returns, to understand their nature of interest in impact/ sustainability disclosure. These investors have expressed the need for advancing deployment of the disclosure-measurement systems by leveraging existing institutional frameworks such as the Ministry of Corporate Affairs, Global Reporting Initiative, Carbon Disclosure Project, Institute of Chartered Accountants of India, amongst others. In this context, a Working Group was established to answer the following questions through applying an investor lens:

ESG Measurement, Management and Disclosure Reports

- ✓ *The Emerging Landscape of ESG Action in Indian Businesses and Their Supply Chains: Perspectives of Investors, Businesses and Institutions (2013)*
- ✓ *Cracking the Conundrum: An investor and policy view to leverage standardization of environmental and social disclosure and reporting (2013)*
- ✓ *Landscape Paper on Environmental and Social Performance Disclosure and Reporting (2012)*
- ✓ *Preparedness of Indian Public Equities for Business Sustainability (ESG) Disclosure and Reporting (2011)*

- What steps are needed to coordinate actions between existing institutions to increase the prevalence of impact disclosure from businesses in India?
- When, where, and how should these steps be undertaken to promote deployment of investment capital looking beyond a pure financial return?

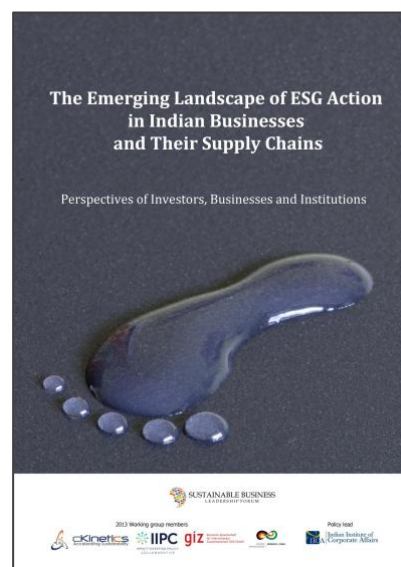
The working group, convened under the Sustainable Businesses Leadership Forum includes cKinetics, GIZ (German Development Authority) and Impact Investing Policy Collaborative (IIPC). The Indian Institute of Corporate Affairs, under the Ministry of Corporate Affairs is the Policy Lead for the projects.

Report: The Emerging Landscape of ESG Action in Indian Businesses and Their Supply Chains: Perspectives of Investors, Businesses and Institutions

This landscape report is the first of its kind in India and was undertaken by the Sustainable Business Leadership Forum and profiles the preparedness of Indian businesses and their supply chains to adopt ESG measurement, management and disclosure systems.

The study focused on three sectors: Pharmaceuticals/Chemicals, Food/Agro/Consumer Products and Auto/Auto Ancillary with the objective of analyzing business operations (including supply chain) to understand how prepared Indian firms were to adopt enhanced ESG disclosure frameworks.

More at <http://sblf.sustainabilityoutlook.in/about-the-forum/sustainability-disclosure-and-reporting>



Working Group Partners



Sustainability Outlook

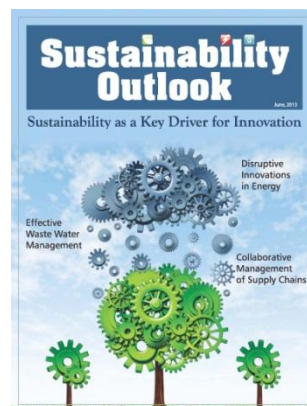
Sustainability Outlook (division of cKinetics) is a market access, insight and collaboration platform tracking actions related towards sustainability in the Indian economy. It proactively promotes dialogue and collates data to enable action by local, regional as well as global practitioners. Sustainability Outlook aims to be the bridge for shaping change in this thought process and spur innovation. The online and print editions of Sustainability Outlook attempt to provide comprehensive in-depth coverage on market participants and latest trends on sustainability initiatives as also expert perspectives on business and policy analyses as they pertain to measures impacting sustainability in the business operations. Its website currently attracts approximately 10,000 unique views per month.



The following themes have been covered in some of latest issues:



Shaping New Age Corporate Brands (October 2013)



Sustainability as a Key Driver for Innovation (June 2013)

SBLF: Annual Summit

A gathering held every October, *this year close to 250 participants representing* industry, government, finance and professional services, media and academia actively engaged in the deliberations. The program is designed to identify sustainability challenges and potential solutions from within the Indian industry by enabling corporates to share their experiences and providing a connect to innovative solutions in the cleantech and industrial energy/resource efficiency space.



Parivartan Awards

The Parivartan Sustainability Leadership Awards (www.ParivartanAwards.in), instituted by Sustainability Outlook, are a platform to uncover and recognize progressive corporates, service providers, and individuals whose efforts serve as catalyst for advancing sustainability in India. The 2013 winners include:



Corporate Sustainability Stewardship Awards



Sustainable Brands of the Year Awards



Sustainability Entrepreneur of the Year: Dr. B.C. Jain

Sustainability Youth Icon of the Year: Preethy Iyer and Ashwin Subramanian

Distinguished Finalists for Sustainability Professional of the Year:

- R G Dhalwani
- Rohan Parikh
- Dr Satish Kumar
- M Selvarasu
- Ivo Mulder
- Caroline Jones Carrick

Sustainability Disclosure Leadership Awards



Sustainability Innovation Challenge Awards



Industry Sustainability Compass of the Year Award



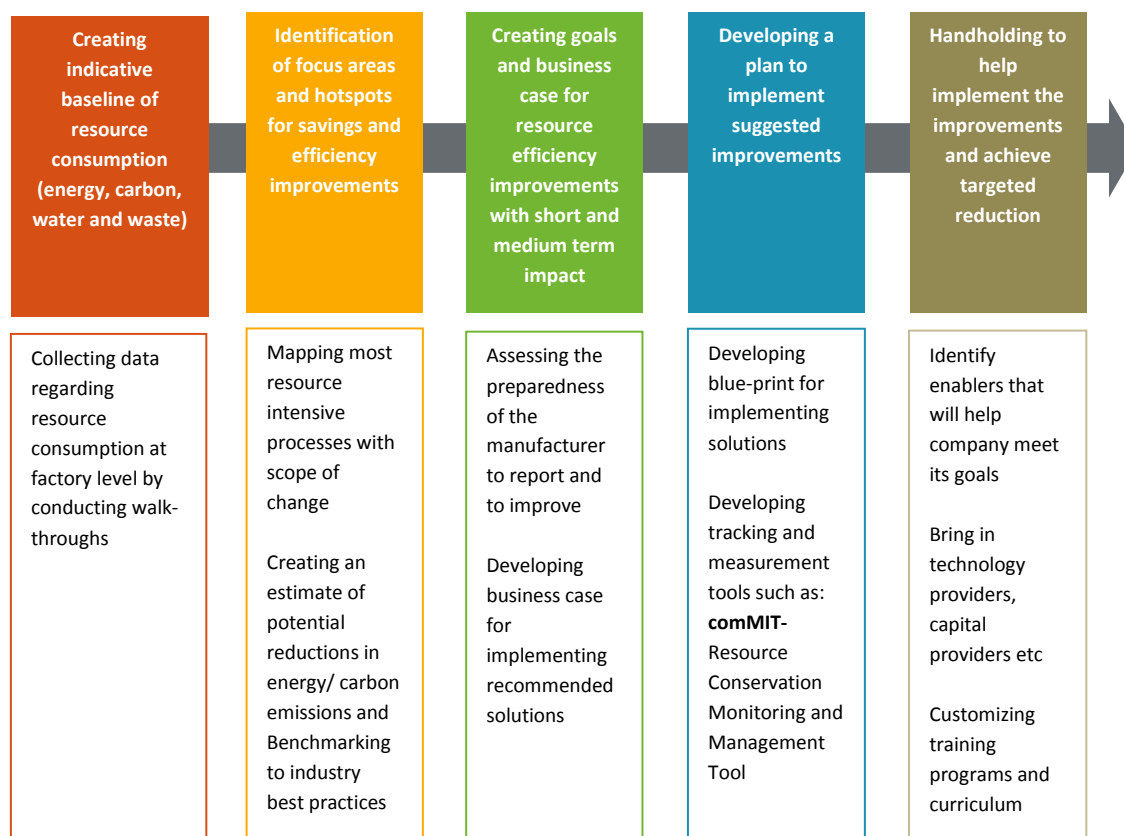
Resource Management and Cleaner Production

Driving Sustainable Business Practices in Indian Industries

Resource Management and Efficiency Practice: Energy, Water and Carbon Management:

Our resource management practice has been built on engagement with manufacturing units through developing mechanisms for understanding and managing their energy and water consumption. A data-driven approach and standardized processes directed at impact creation have allowed cKinetics to lay the groundwork for greater savings and shorter pay-back periods.

It helps firms achieve resource efficiency improvements for energy, carbon and water across the entire resource life cycle, to include: a) sourcing, b) process, c) recycling, and d) discharge and across their supply chain.



cKinetics was selected as the strategic partner for Program SWAR: **Sustainable WATER Resource (SWAR) Management** for textile industries in Delhi and Jaipur. This has been driven by a consortium of Global Swedish Brands: Indiska, KappAhl, and Lindex; and led by Stockholm International Water Institute (SIWI).

With co-financing from SIDA, this programme introduces cleaner production actions with a focus on water. The aim was to create an implementation model workable across different companies and their different suppliers.

cKinetics has been engaged in:

- **Programmatic design:** designing of a multi-brand, multi-supplier, multi-year program which outlines i) activities and roles, ii) cluster specific targets and iii) model of engagement
- **Operational execution and technical support:**
 - Act as the program management unit
 - Process execution which include conducting baselining assessment, monitoring resource consumption of participating units, identifying recommendations for cleaner production and providing operational support to implement the same.
 - Providing linkage to capital
- **Planning for scale:** driving capacity enhancement and behavioral change to ensure sustenance

Smart Power for Environmentally and Economically-sound Development (SPEED)

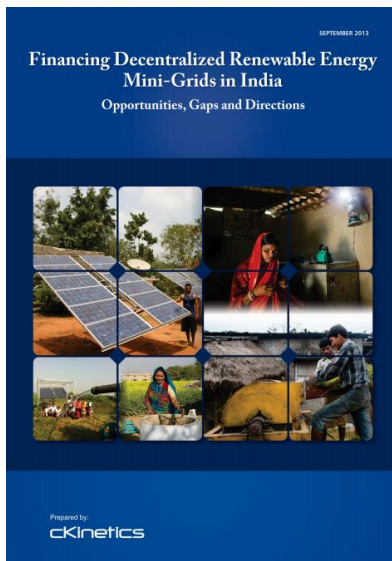
cKinetics has been supporting the SPEED Program to design and test the potential of business models, and implementation plans, that deliver electricity from renewable fuel sources in energy deficient regions of the developing world.

The Programme aims to leverage the power of needs of cell-towers in electricity-starved regions as an anchor load to create a cleaner power infrastructure that would serve the larger needs of poor and vulnerable people in these regions, thus catalyzing economic and social development.

So far, cKinetics efforts have resulted in detailed assessments of over 35 decentralized renewable energy based sites leading to the launch of projects at 4 sites with another 11 sites in the final phases of design/implementation.

In addition, cKinetics has been collaborating with CIIE –IIM, Ahmedabad in the design and rollout of a Catalytic Facility designed to deploy innovative financial instruments in the DRE mini-grid space. 2 initial investments have been committed under this facility till date.

This work is also geared at fostering a framework for enabling multiple bottom line assessment and financing for these projects.



Financing Decentralized Renewable Energy Mini-Grids in India

Decentralized Renewable Energy (DRE) based rural electrification is a rapidly emerging sector in India. Investors are just beginning to understand the business model, commercial viability, risks and opportunities that this sector presents. This report provides a perspective on opportunities, gaps and directions for financing in this emerging sector. It is not only meant to be a primer but also serve as a resource guide.

cKinetics has been working in partnership with The Rockefeller Foundation to conduct feasibility analysis, create an empirical evidence base and demand modeling among villages in Bihar and Uttar Pradesh. The commercial market for rural DRE is still very much in its phase; however, cKinetics is working alongside Indian financial institutions to design business models and structure funds for facilitating the commercialization of this rural electrification market.

More on the report at: <http://www.ckinetics.com/DRE-Financing/>

Leveraging Technology and Incubating Innovation

Catalyzing an Cleantech Innovation Ecosystem

Resource Conservation Tool

comMIT is an analytics and information aggregation platform developed to enable clients to build insight into their operations. It helps build a view on the impact of sustainability related actions being taken. It is designed to interface with existing client reporting systems.



Venture Accelerator at cKinetics

cKinetics Accelerator seeks to invest-in and support new cutting-edge Sustainability focused ventures that are shaping the future of resource conservation.

Engagement Models:

- ✓ **Investments:** cKinetics Accelerator invests in early stage ideas and ventures providing strategic capital usually when the venture is young and the firm still addressing many aspects of risk
- ✓ **In-situ incubation support:** Should an entrepreneur or a venture be located in Delhi, cKinetics Accelerator can provide space and facilities for operations
- ✓ **Entrepreneur-in-Residence (EIR):** Should an entrepreneur be contemplating an idea in the Sustainability domain, we share our insights with EIRs and work collaboratively to refine the ideas and also can provide initial seed funding. EIRs necessarily need to operate out of our Delhi center for us to engage and support effectively

The cKinetics Accelerator invests in ventures and ideas emerging from platforms such as the Unreasonable Institute, ISB iDiya, CIIE-INFUSE at IIM Ahmedabad and others.



Centre for
Innovation
Incubation and
Entrepreneurship

INFUSE
VENTURES

iDiya

 unreasonable
institute

Annexure 1: Annual Business Responsibility Report

This section has been filled out as per the format of the ABRR (Annual Business Responsibility Report) that has been suggested by the Ministry of Corporate Affairs (and adopted by the Securities and Exchange Board of India for the top 100 listed companies³). Its public disclosure is part of the National Voluntary Guidelines on Social Environmental and Economic Responsibilities of Business.⁴

BR Information

1. Details of Director/Directors responsible for BR

a. Details of the Director/Director responsible for implementation of the BR policy/policies

- Name
Upendra Bhatt
- Designation
Managing Director

b. Details of the BR head

S.No.	Particulars	Details
1	DIN Number (if applicable)	
2	Name	Shradha Kapur
3	Designation	Engagement Manager
4	Telephone number	+91.11.4105.1195
5	e-mail ID	skpaur@cKinetics.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

(List of principles are outlined below)

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have a policy/policies for....	Y	Y	NA	Y	NA	Y	NA	NA	NA
Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	NA	Y	NA	Y	NA	NA	NA
Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	NA	NA	Y	NA	Y	NA	NA	NA
Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	NA	Y	NA	Y	NA	NA	NA
Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	NA	Y	NA	Y	NA	NA	NA
Indicate the link for the policy to be viewed online?	NA	NA	NA	NA	NA	NA	NA	NA	NA
Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	NA	Y	NA	Y	NA	NA	NA
Does the company have in-house structure to implement the policy/policies?	Y	Y	NA	Y	NA	Y	NA	NA	NA
Does the Company have a grievance re-dressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	NA	Y	NA	Y	NA	NA	NA
Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

³ http://www.sebi.gov.in/cms/sebi_data/attachdocs/1344915990072.pdf

⁴ http://www.mca.gov.in/Ministry/latestnews/National_Voluntary_Guidelines_2011_12jul2011.pdf

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company: Within 3 months, 3-6 months, Annually, More than 1 year
 - **Annually**
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
 - **The company publishes a Sustainability Action Report which is available on www.cKinetics.com**

Section: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?
 - **cKinetics' policy relating to ethics, bribery and corruption extend to subsidiary, contractors and all businesses it interacts with.**
 - **cKinetics is an active supporter of the UN Convention against Corruption; as such, we have adopted a zero-tolerance policy on bribery and corruption. We do not tolerate any of our employees engaging in any form of bribery or corruption. Employees, or persons acting on behalf of the firm, found to be seeking, accepting, or offering a bribe, gift, or other improper payment as a reward for improper performance of a relevant function or activity will be subject to punitive measures (e.g. suspension, termination and legal action).**

It is our expectation that all business partners and stakeholders we work with adhere to these same standards.
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? *If so, provide details thereof, in about 50 words or so.*
 - **No complaints were received**

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - i. **cKinetics' practice areas around Decentralized Renewable Energy (DRE) and around Resource Management and Efficiency (RME) are designed to help customers reduce their resource footprint.**
 - ii. **Sustainability Outlook is a market intelligence platform incubated by cKinetics to advance the mainstream conversation around resource conservation and risk mitigation issues**
 - iii. **The Sustainable Business Leadership Forum (SBLF) is an Indian industry focused market development platform which equips organizations, managers and industry stakeholders on the 'how' of sustainability through a unique programmatic approach comprising of round the year programs and 'on-ground industry oriented' work.**
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
 - i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
 - **Not applicable**
 - ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?
 - **Not applicable. The results of cKinetics' professional services are summarized in the section titled "2013 Overview and Highlights"**
3. Does the company have procedures in place for sustainable sourcing (including transportation)?
 - i. If yes, what percentage of your inputs was sourced sustainably? *Also, provide details thereof, in about 50 words or so.*

- Whenever possible, the firm sources tools and products which are resource efficient and have the lowest possible environmental impact. However, eco-friendly products are just becoming available in the Indian market- as such, we attempt to simply reduce consumption and reuse/ repurpose existing resources wherever possible.
4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
 - Whenever possible, the firm sources services and products from local vendors / producers (in Delhi/NCR)
 - i. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
 - As a small volume buyer, we have limited abilities to influence the production and sourcing method of our vendors
 5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.
 - As a professional services firm, our waste streams are non-industrial in nature. At the work-place we have adopted practices on recycling and reuse of paper; e-waste segregation and tracking; printer material recycling; etc.

Principle 3: Businesses should promote the well being of all employees

1. Please indicate the Total number of employees.
17 Full time employees
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.
5-10 (linked to projects)
3. Please indicate the Number of permanent women employees.
4
4. Please indicate the Number of permanent employees with disabilities
0
5. Do you have an employee association that is recognized by management?
No
6. What percentage of your permanent employees is members of this recognized employee association?
NA
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S.No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child Labour	0	0
2	Forced Labour	0	0
3	Sexual Harrasment	0	0

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the company mapped its internal and external stakeholders? Yes/No
 - Partially
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?
 - In select work areas only

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.
 - cKinetics' rural mini-grid work is focused on electrifying villages in economically backward areas. In partnership with Development Alternatives, cKinetics has conducted *extensive* fieldwork engaging with local village communities to assess their needs and collaborate on developing highly localized business models for power delivery.
 - As part of its CSR activities, cKinetics' team picks up causes to work with that impact the community. In 2013, the team chose to support projects on: (a) improving the health of women and also save energy by sponsoring eco-friendly boiling water chulas; and (b) on helping bring brightness in the life of poor destitute women by reimbursing cost of solar lanterns.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
 - It presently covers the company and its subsidiary.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
 - No stakeholder complaints.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.
 - Presently the policy covers the company and its subsidiary.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
 - cKinetics' own operations have a limited impact since it is an advisory firm. As Sustainability focused advisory firm, all its offerings are geared towards reducing the impact on the environment due to resource consumption. More is available at www.cKinetics.com
3. Does the company identify and assess potential environmental risks? Y/N
 - NA
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
 - NA
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
 - Yes. The company has installed an Energy Management System in its own facilities that tracks the usage of energy.
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
 - NA
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
 - None

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
 - a. UN Global Compact
 - b. Alliance for an Energy Efficient Economy
 - c. Sustainable Business Leadership Forum (SBLF)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
 - cKinetics has been engaged in policy research and advocacy in the areas of:
 - Decentralized Renewable Energy and Energy Access
 - disclosure and reporting of Environmental and Social (E&S) metrics through the SBLF

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
 - Yes. As mentioned in Principle 4, as part of its CSR activities, cKinetics' team picks up causes to work with that impact the community. In 2013, the team chose to support projects on: (a) improving the health of women and also save energy by sponsoring eco-friendly boiling water chulas; and (b) on helping bring brightness in the life of poor destitute women managing solar-lantern charging stations by reimbursing cost of lanterns.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?
 - Through external NGOs
3. Have you done any impact assessment of your initiative?
 - cKinetics gets reports on the utilization of the CSR funds.
4. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
 - NA

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

None
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

NA
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No
4. Did your company carry out any consumer survey/ consumer satisfaction trends?

No

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