

ESG Tools, Investment Decisions and Workers' Welfare A Case Study of India



ESG



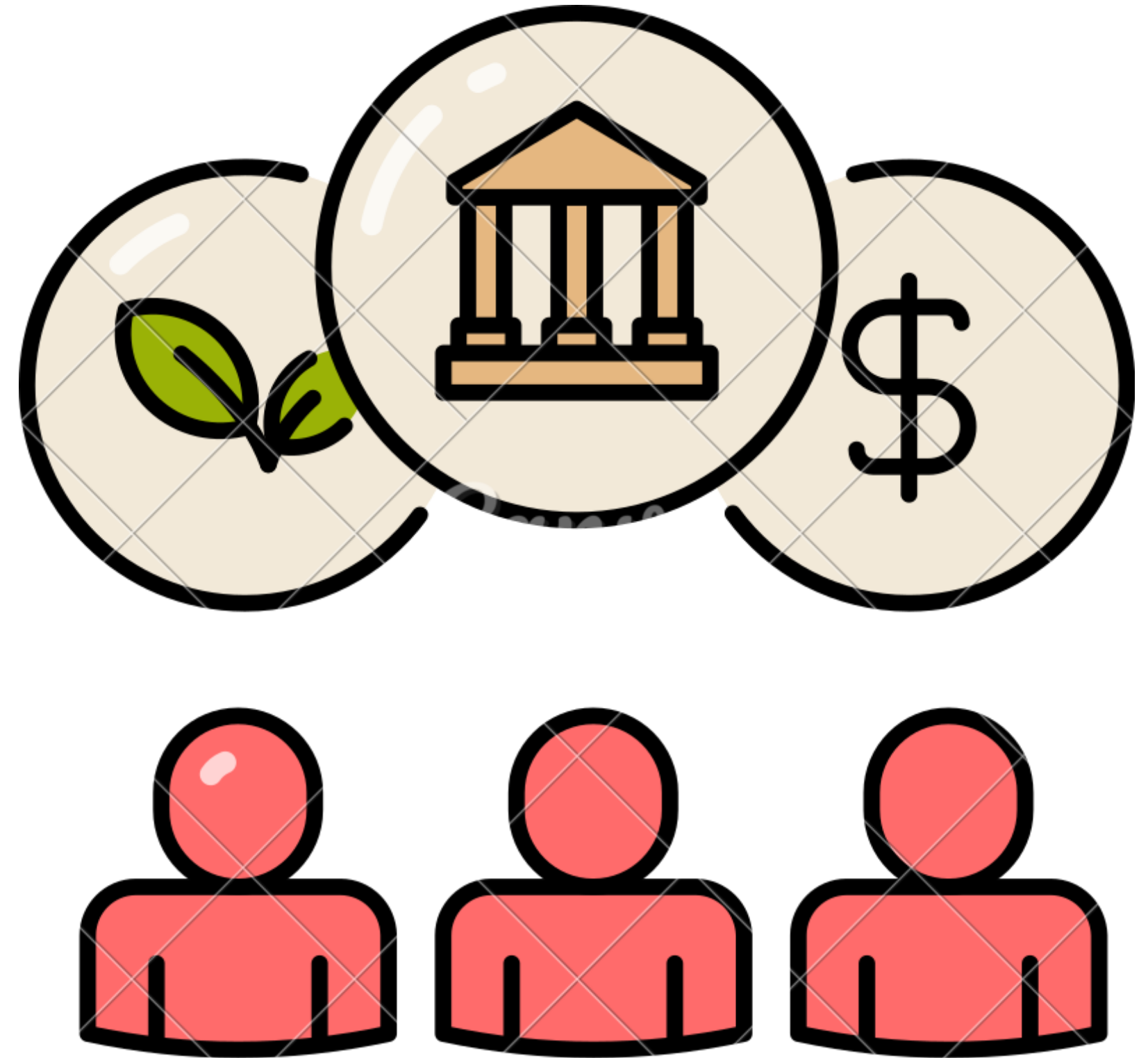
Background and Context

- Significant shift in the investment landscape of India.
- Investors are increasingly considering ESG factors in making their investment decisions.
- Workers' welfare includes a range of factors such as labour practices, diversity and inclusion.
- Studies have demonstrated that corporates who follow good workers' welfare, exhibit enhanced operational efficiency, attract and retain talented employees and also have good relationships with customers.



Tools for investors to evaluate ESG for investment decisions:

- **ESG rating:** Scores given to corporates help investors to compare and benchmark.
- **ESG integration:** Investors use proprietary frameworks to incorporate workers' welfare in investment analysis.
- **Stakeholder engagement** with company management, employees, customers, and community representatives for insights into corporate's welfare practices.





Several factors are expected to drive investors to consider workers' welfare as a determinant of their investment decisions. Some of them are

- **Long-term value creation**
- **Risk management**
- **Changing investor preferences**
- **Regulatory environment**

Objective

To understand the relevance and effectiveness of ESG tools in making investment decisions for fostering workers' welfare in India.

Hypothesis

Are ESG tools an effective determinant for making investment decisions in India?



Environmental



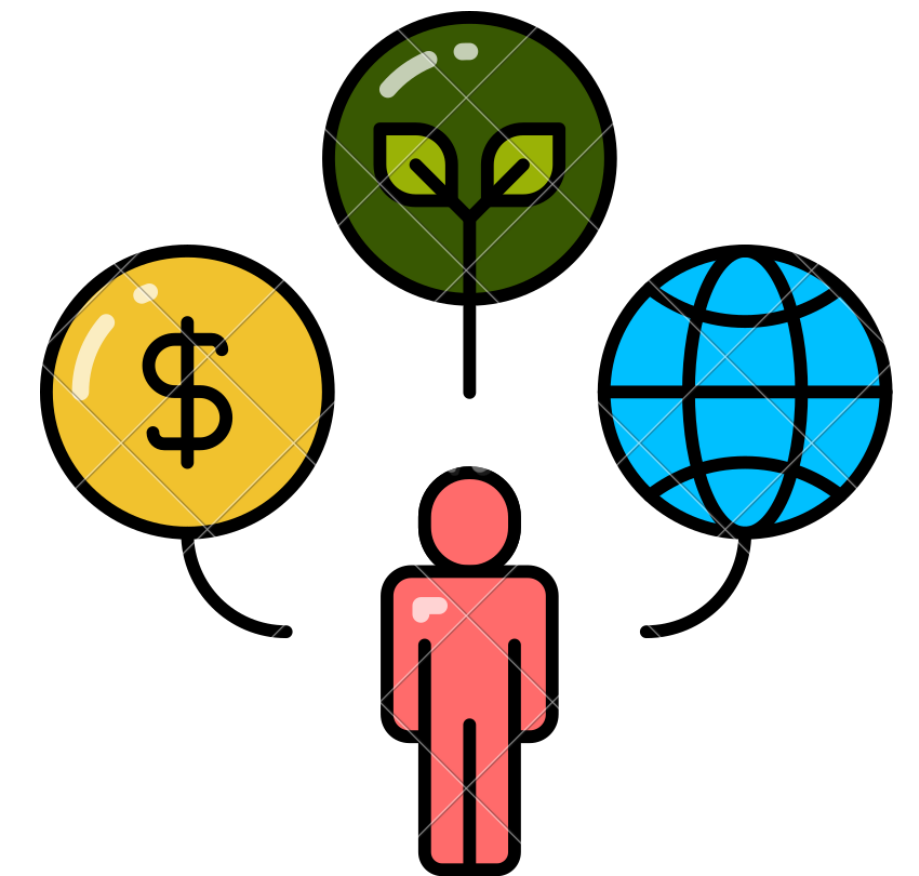
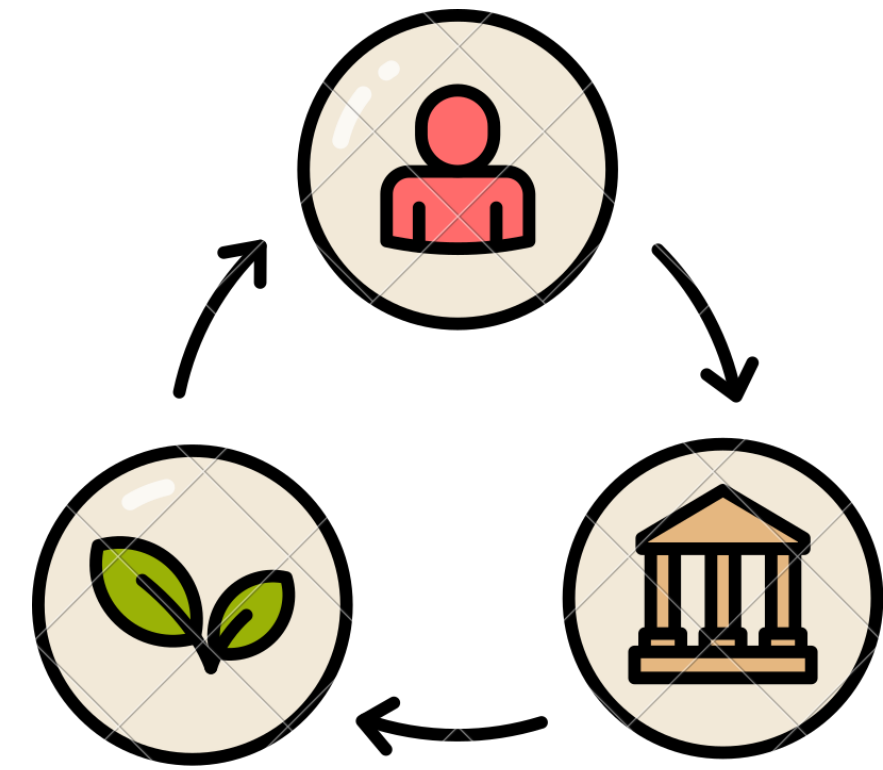
Social



Governance

Proposed Methodology

- Identifying good practices.
- **Literature review** of a representative (sectoral) set of Indian corporates, investment banks, and venture capital firms for interviews
- A **cross-sectional database** will be prepared by asking **Qualitative** and **quantitative** questions
- Appropriate **control variables** will be used to understand the importance of workers' welfare in making such investment decisions.



Thank You