

**E**nvironmental  
**S**ocial  
**G**overnance





**What is ESG and Why it's important**



**Why ESG Matters for Investors**



**Global ESG Reporting**



**ESG Landscape in India**



**ESG Journey at 360 ONE**



**360 ONE Asset's Approach to ESG Integration**

# Table Of Content



# What is ESG and Why it's important

**ESG — Environmental, Social, and Governance** — is a framework for evaluating a company's sustainable and responsible business practices.

It serves as both a risk-management and value-creation tool, aligning capital with sustainable businesses.



# Why ESG Matters for Investors

## → Embedding ESG for Long-Term Resilience

By integrating ESG into research and investment processes, capital could be better aligned with companies that aim to balance current profitability with longer-term sustainability.

## → Fiduciary Responsibility

ESG can form part of an investor's fiduciary duty: it helps manage risk intelligently, engage constructively, and create wealth that endures.

## → Risk Management & Resilience

ESG integration can help identify hidden risks (climate, governance, social license) that can derail even the strongest businesses



# Global ESG Reporting

## Trends



**Growing ESG Assets:** Over \$30T in assets globally are managed using ESG criteria; expected to exceed \$40T by 2030 (GSIA)<sup>1</sup>.



**EU Mandates:** CSRD (Jan 2024) requires ~50,000 companies, including non-EU firms, to file audited ESG disclosures<sup>2</sup>.



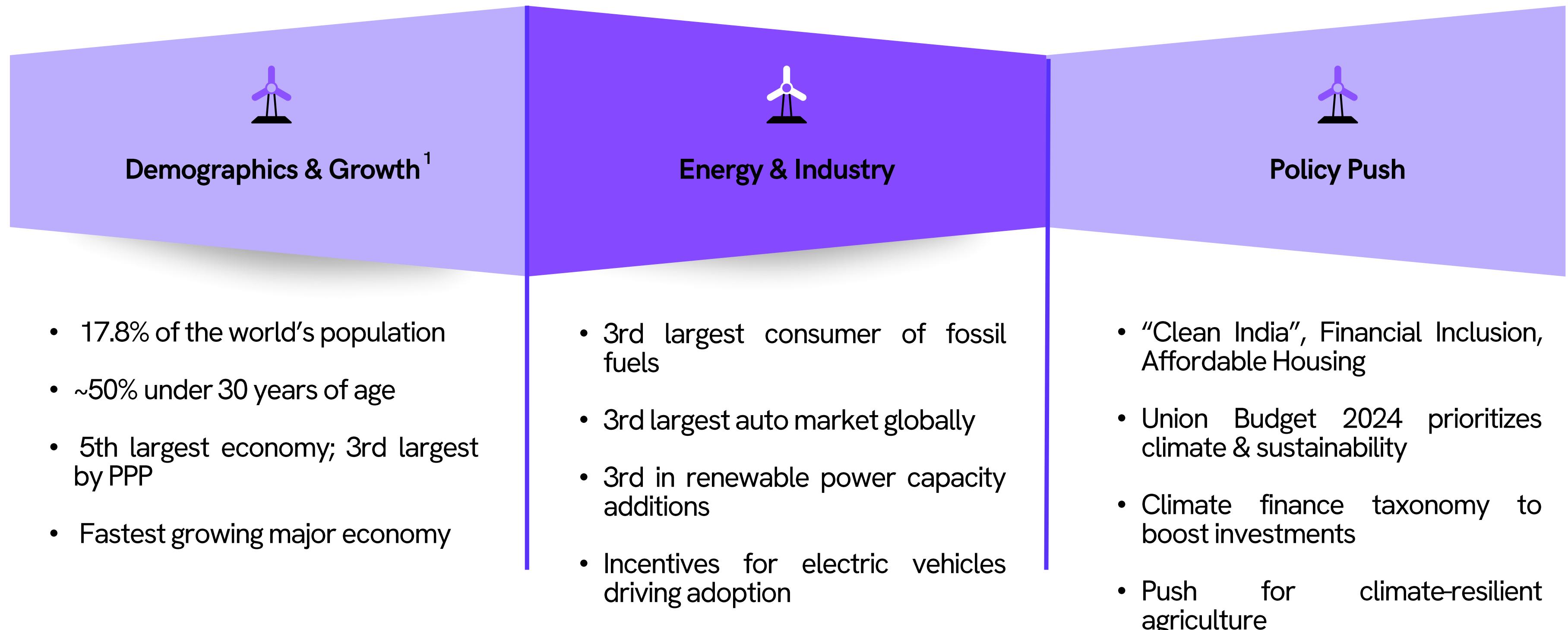
**India's ESG Push:** SEBI's BRSR mandatory for top 1,000 listed companies from FY 2023–24, transforming sustainability reporting.



**ESG is No Longer Optional:** Regulatory and investor expectations make ESG reporting a core part of business operations.

# ESG Landscape in India

## Strengths & Opportunities



# ESG Landscape in India

## Challenges to Address



### Environmental Stress

- 5th most polluted country
- 50% population lacks access to safe drinking water



### Social Development Gaps

- WEF ranks India 62 / 74 on Inclusive Development Index
- Global Gender Gap Report 2024: 129 / 146 countries



### Investor Implication

- These challenges highlight the need for responsible capital
- ESG-integrated investing can steer resources toward companies building solutions, managing risks, and delivering long-term resilience



# How ESG is Gaining Traction in India



## Growing UHNI Base & Wealth Shift

- India's UHNI population is projected to grow 58% between 2023–2028, among the fastest globally (Knight Frank, Wealth Report 2024).
- Rising intergenerational wealth transfer driving demand for responsible and impact-led investing.

Source

<sup>1</sup> [UHNI Population](#)

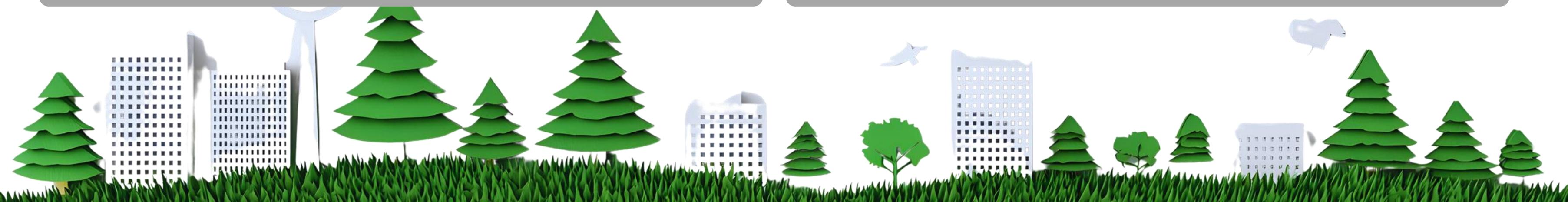


## Investor Awareness on the Rise

- Surveys show >60% of Indian HNIs consider ESG factors important in their investment decisions (EY India, 2023).
- Increasing focus on green energy, clean tech, healthcare, and inclusive growth.

Source

<sup>2</sup> EY India, 2023



# How ESG is Gaining Traction in India



## Sharp Shift Towards Sustainability

- ESG AUM in Indian mutual funds crossed ₹18,000 crore in 2024, up more than 2x in the last 3 years.
- Domestic institutions adopting stewardship codes and proxy voting policies in line with global peers.

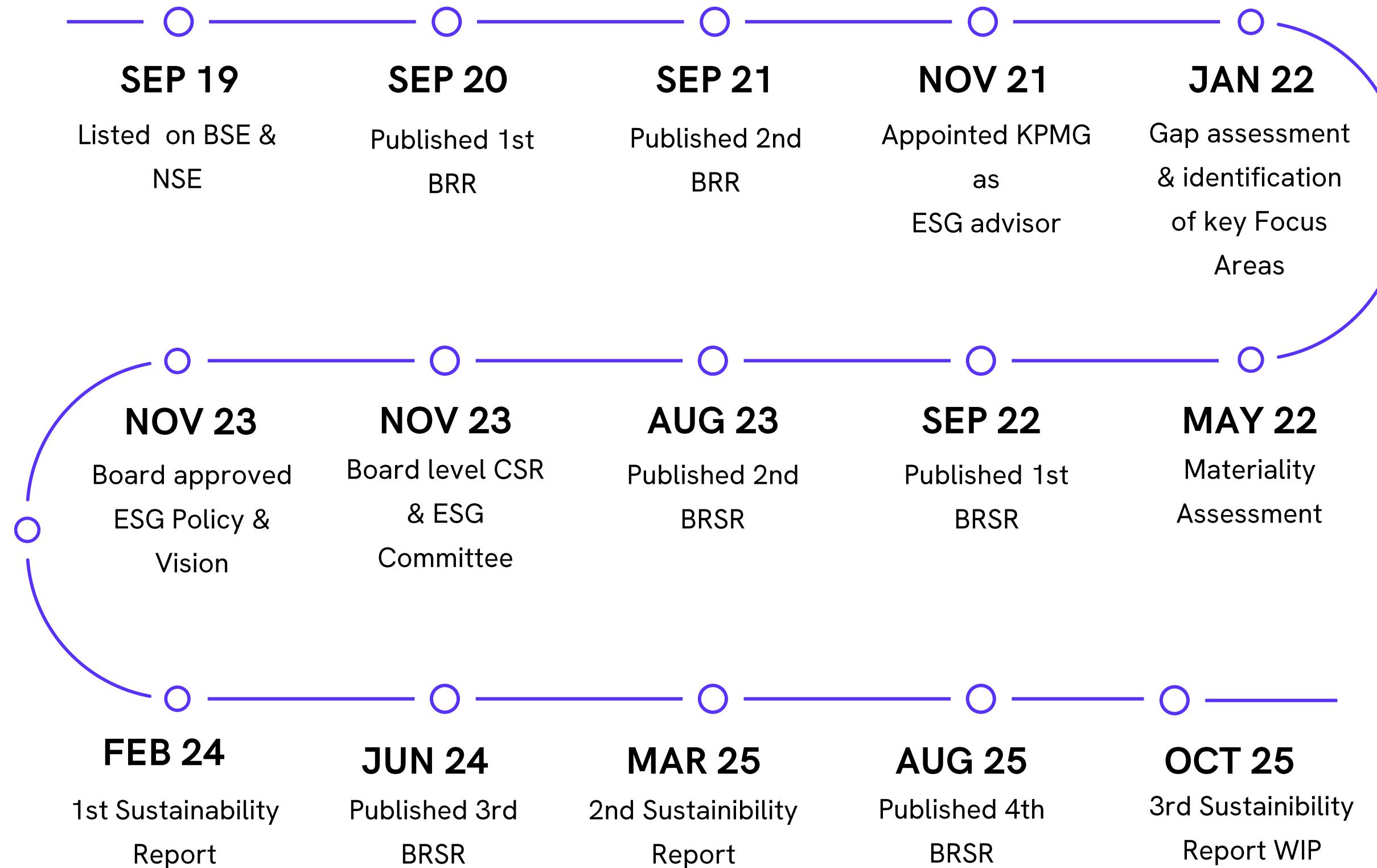


## Corporate Alignment

- BRSR adoption among top 1,000 listed companies driving improved disclosures.
- Rise of green bonds and sustainable finance products in India (over \$12 bn issued 2022–24).

**ESG in India is no longer niche — it is becoming integral to how wealth is allocated, businesses are run, and risks are managed.**

# ESG Journey at 360 ONE



# ESG Investment Strategies

## Common ESG Strategies



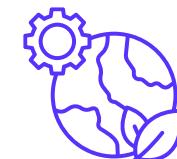
**Negative Screening/Exclusion** - excluding specific companies or sectors from a fund or portfolio



**Positive Screening**- Aim to invest in companies that perform better than peers on one or more ESG metrics



**Integration** - Explicitly consider ESG-related factors that are material to the risk and return of the investment, alongside traditional financial factors



**Impact Investing** - Seeks to generate a positive, measurable social or environmental impact alongside a financial return



**Other approaches** included portfolio tilt, sustainability-themed investing etc.

## OUR APPROACH

We follow the **ESG Integration Approach** to portfolio construction

**Negative Screening/Exclusion** approach based on specific mandate requirements

# Key Focus Areas



- 360 ONE embarked its ESG journey by leveraging **stakeholders' engagement and materiality assessment** to determine key material topics..
- 360 ONE conducted its first materiality assessment with internal and external stakeholders in FY2021-22.
- In FY 2023-24, senior management carried out an internal review to further refine the material topics to ensure continued strategic alignment.

# 360 ONE Asset's Approach to ESG Integration

**ESG integration is defined as “the explicit and systematic inclusion of ESG factors in investment analysis and investment decisions”**

It is a holistic approach to investment analysis that integrates material ESG considerations with traditional financial factors to inform investment decisions



ESG Integration refers to the explicit and systematic analysis of a range of risks related to environmental, social and governance factors faced by companies operating within a sector



It is a holistic approach to investment analysis where material ESG factors and traditional fundamental analysis are concurrently identified and assessed to form an investment decision



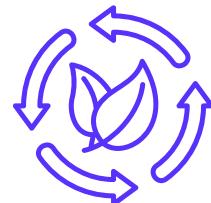
The aim of ESG Integration is to have a more universal assessment of the ecosystem in which companies operate and their ability in managing different stakeholders



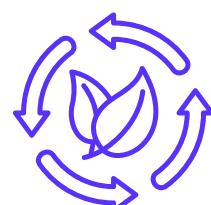
ESG Integration philosophy allows us to be pragmatic by integrating ESG into established investment philosophy and practices

**Our ESG philosophy is underpinned by the belief that companies that are well governed, manage stakeholder relationships well, and make transparent disclosures, are best suited to deliver sustainable shareholder value**

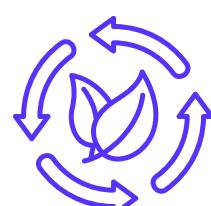
# Features of ESG Integration



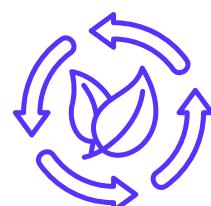
**ESG Integration Does Not Prohibit Investing in Certain Companies or Sectors:** Financial and ESG information are integrated into portfolio construction, enabling investment across the entire universe of companies and sectors. Exclusionary screening and ESG integration are distinct ESG strategies, and ESG integration does not, by itself, restrict investment eligibility.



**Portfolio Returns Are Not Being Sacrificed to Perform ESG Integration:** A key component of ESG integration is the aim to lower risk and/or improve returns by identifying risks that may remain undiscovered without the analysis of ESG information.



**Immaterial ESG Issues Do Not Affect Investment Decisions:** A key component of ESG integration is materiality. Practitioners evaluate all material factors - both traditional financial metrics and ESG considerations - to identify investment risks and opportunities.



**No Major Changes Are Needed to Investment Processes:** ESG integration formalises the systematic sourcing and analysis of ESG information alongside traditional financial factors, without altering the core investment framework.

# Steps to Integrate ESG



# Forensic Accounting Framework

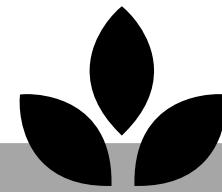
The forensic accounting is a key part of our governance analysis

The analysis is done over a five-year period (or max period for which publicly available data is available) and includes the following factors:

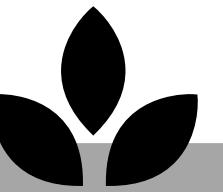
Cumulative OCF/ EBITDA	Contingent Liability/ Net-worth	Capital work-in-progress / Gross Block
Volatility in Depreciation Rate	Miscellaneous Expenses /Revenue	Cash Yield
Net-worth Change/ Accretions	Cumulative Exceptional Items / EBITDA	Cumulative Equity Issuance/Net-worth



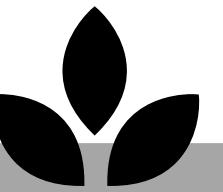
# Proxy Voting Policy



To support proposals that tend to maximise shareholders' value and in turn value of unit holders



To signal dissent to proposals that favor promoters / dominant shareholders at the expense of other (minority) shareholders



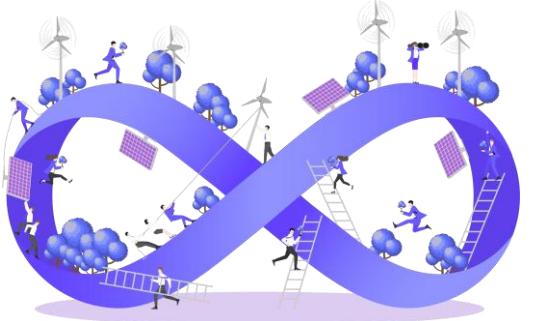
To ensure that the decision to cast a vote is not influenced by conflict of interest

Two external advisory firms have been appointed IIAS (Institutional Investor Advisory Services (India) Ltd) and SES (Stakeholders Empowerment Services)

Disclosures:

- a) Specific rationale supporting voting decision (for, against or abstain) with respect to each vote proposal.
- b) A summary of the votes cast across all investee companies and break-up in terms of total number of votes cast in favor, against or abstained from.
- c) Disclosure of votes cast uploaded on website (in spreadsheet format) on a quarterly basis.

# Oversight, Governance & Mandate-Specific Adaptability



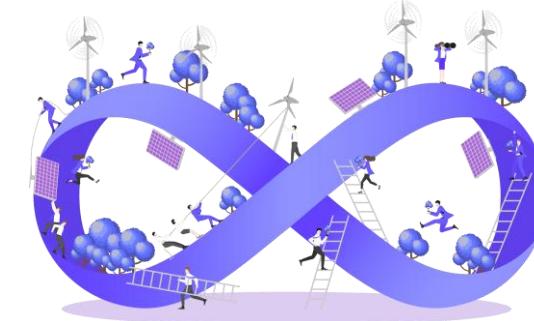
## Oversight & Governance

**ESG Taskforce:** Meets twice a year to review top holdings and ESG strategy.

:

**Dedicated ESG Reviewer:** Senior analyst ensures robust monitoring with leadership input.

**Training & Capacity Building:** Regular sessions to keep teams updated on leading ESG practices.



## Mandate-Specific Requirements

**Flexible ESG frameworks** to align with client mandates, including impact-focused portfolios.

**Appeals Process:** Analysts/fund managers can challenge third-party scores to ensure accurate internal evaluation.

# Disclaimer

The information used towards formulating above documents have been obtained from sources published by third parties. While such publications are believed to be reliable, the opinions expressed in this document are of personal nature. It is hereby expressly stated that, neither the AMC, its officers, the trustees, the Fund or any of their affiliates or representatives assumes any responsibility for the accuracy of such information or the views thereof. Statements/ opinions/recommendations in this communication which contain words or phrases such as "will", "expect", "could", "believe" and similar expressions or variations of such expressions are "forward – looking statements". Actual results may differ materially from those suggested by the forward-looking statements due to market risk or uncertainties. The above is only for information purposes and do not constitute any guidelines or recommendation on any course of action to be followed by the reader. Recipients of this communication should rely on information/data arising out of their own investigations. Further, 360 ONE Mutual Fund, its Sponsor, its Trustees, 360 ONE AMC, its employees, officer, Directors, etc. assume no financial liability whatsoever to the user of this document. This document is for general information purposes only and should not be construed as solicitation to invest in the Mutual Fund schemes.

**Mutual fund investments are subject to market risks, read all scheme related documents carefully.**

Thank you