



ckinetics
Accelerating Sustainability

Sustainability Action Report CY 2023

Directors' Note



Upendra Bhatt
Managing Director



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Managing Director

It gives us great pleasure to present our 9th annual Sustainability Action Report. In our journey that began 14 years ago, we have been creating and supporting development of low-carbon economies at a local, regional, and global scale. In CY 2023, we progressed this agenda of mainstreaming sustainability.

The Sustainability juggernaut continues to build momentum. It is going to keep growing and drive capital creation for the next 2 decades.

2023 was the hottest year on record, and the data that fed into the Global Stock Take highlighted that the countries are on the whole off-track from meeting the Paris goal to hold “the increase in the global average temperature to well below 2°C above pre-industrial levels” and pursue efforts “to limit the temperature increase to 1.5°C above pre-industrial levels.”

Yet, we are optimistic.

Why?

Because the transitions (of energy systems and transportation) have economic legs and private capital is increasingly aware of the risks and opportunities being presented by this transition. We are also optimistic as we see the Sustainability agenda progressing to encompass water and biodiversity (with increasing actions being take under the Global Biodiversity Framework).

cKinetics continues to work with its clients to create thought-and-action leadership in accelerating Sustainability.

Through 2023, we supported our clients around three broad areas:

1. Enabling climate finance and green capital
2. Modeling and forecasting (emissions and prices) in carbon markets
3. Designing and implementing Sustainability Transition plans

In the coming years, cKinetics will be expanding its work beyond energy, mobility and water, to also encompass bringing biodiversity into the mainstream.

We are excited about exploring new opportunities in this domain and ready to bring our vision of a sustainable world for all to fruition.

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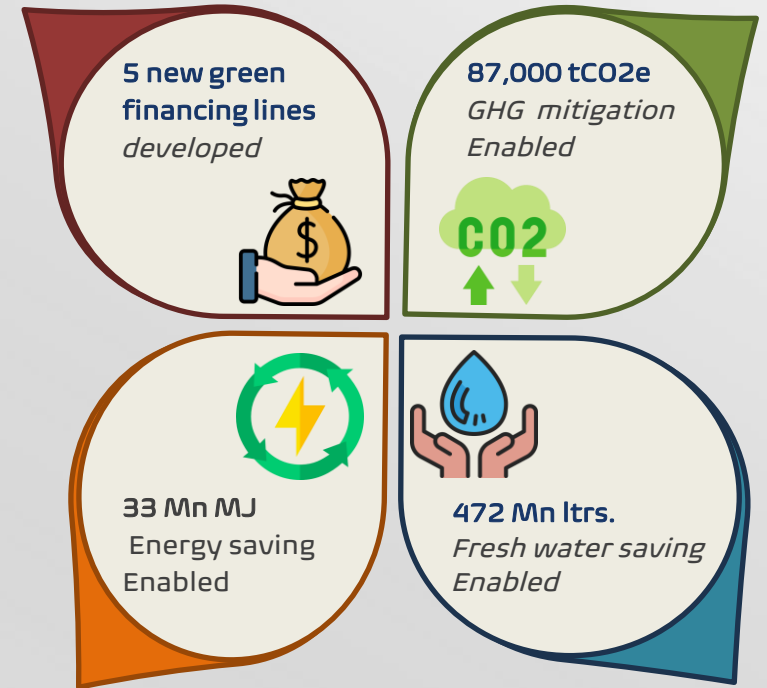
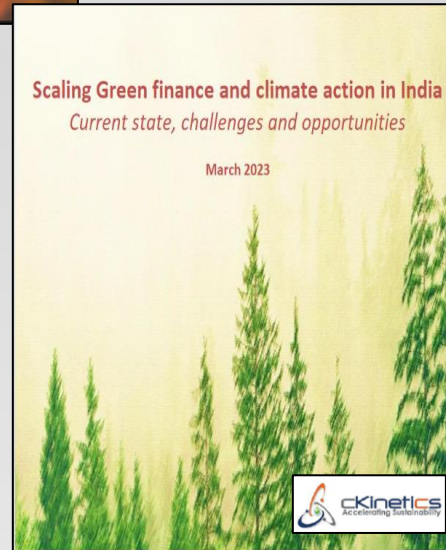
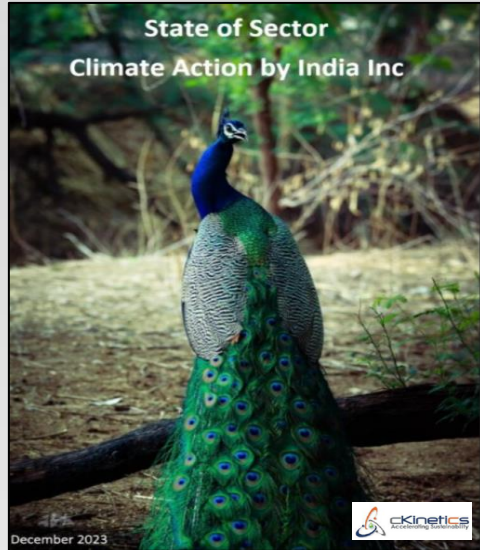
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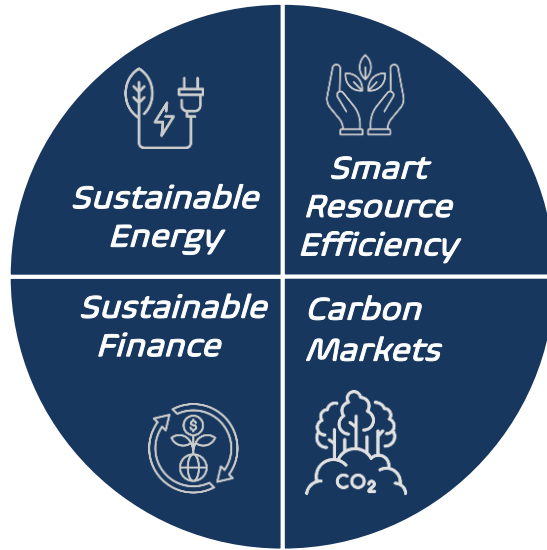
Our principle of 'Always Be Creating Value' forms an integral component of our work philosophy driving us to consistently create socio-economic and environmental value for all stakeholders



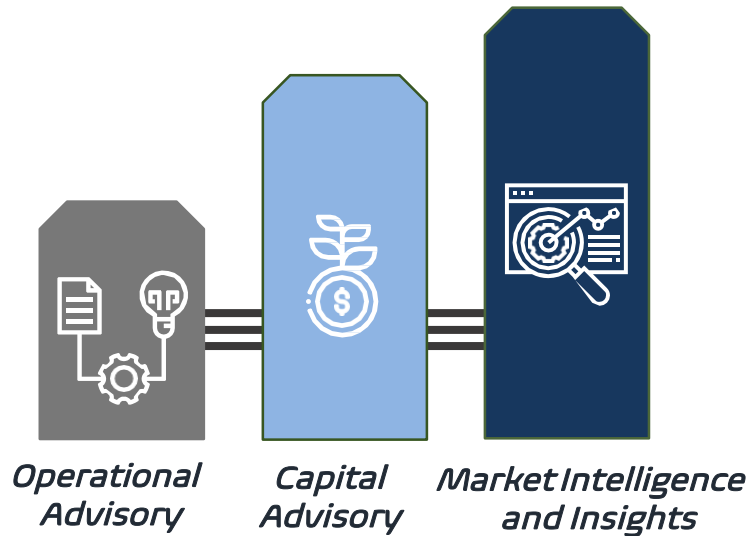
At cKinetics, our effort is to take sustainability beyond engagements and customer benefits.

Our work areas, geographies and industries we serve

Domains of Work



Our Offerings



-  Textile, Apparel and Retail
-  Forging
-  Footwear
-  Foundry
-  Tannery
-  Steel re-rolling
-  Pulp & Paper
-  Iron and Steel
-  Pharmaceuticals and chemicals
-  Ceramics
-  Telecom
-  Food, Beverages, Oils and Seeds
-  Distillery



Resource Efficiency & Low Carbon Pathways



Smart management of resources and high efficiency in manufacturing and operational systems of industries is one of our core domains

A core part of our work continues to be to work with the globe's largest Corporates to help them meet supply chain commitments made as a part of goals linked to SBTi, RE100, CEO Water Mandate, and others.

We continued to expand our work of mapping resource use and providing solutions to accelerate resource efficiency in major industries, including textile, footwear, and global apparel retail in India and South-East Asia.

In these industries, our impact with respect to resource savings in energy, electricity, fuel transition, circular use of waste and water have been significant.

Additionally, we worked with financiers and industrial eco-park developers to implement BAT (Best Available Technologies) on post-production waste circularity and material waste reduction through circular use and recycling as a means to meet 'Zero Waste to Landfill goals'

Making water reduction and decarbonization goals a reality for global Corporates

ckinetics continues to work with several global clients in implementing their Sustainability goals. These engagements span the supply-chains and involve a mix of strategy design, operations and communications.

Data Platforms and Tools for supply chains

Through 2023, our Sustainable Industries practice developed several tools and data platforms for our clients, that would enable them to actively track and trace supply chain actions and work collaboratively towards the 2030 water, GHG and material efficiency goals

Comprehensive resource planning

We continued our programmatic work in the Textile supply chain in South-East Asia in 2023. The work focused on evolving climate smart manufacturing models with a thrust on waste management.

100% waste recycling, pathways to Zero Fresh water and water stewardship action in high stress zones. In addition to intensifying resource efficiency and sustainable material integration in global value chains

Renewable energy generation is essential for achieving low carbon growth and ensuring requisite socio-economic returns

Our work in the renewable energy sector in 2023 was focused on programmatic development and implementation support for several projects across sub-sectors such as solar PV rooftops, DRE powered micro-cold storages and solarization of telecom towers.

This enabled a three-fold impact:

- **Greater scale in distributed solar sector**
- **Accelerated private sector capital infusion in the sector**
- **Larger lending exposure in untapped MSME sector**

We are the partner-of-choice for enabling new product rollout for several global catalysts.

As a result, we have been engaged in catalysing solar PV based capacity addition for a variety of end-use applications.

Distributed renewable energy (DRE) leadership

We have been working with global catalysts to leverage DRE for upscaling productive use applications as also new business segments.

Further we have been at the forefront of developing impact models that best present the outcomes enabled by DRE. In a first, we have helped create an Integrated Report for investors to internalize the SROI (Social Return on Investment) for investors of a large distributed utility.

Making clean cooling a reality at the first mile for small holder farmers and service entities

cKinetics in partnership with 2 leading global catalysts has launched an Innovative cluster based micro cold storage program for F&V value chains.

Termed SUGAM CSS (Scaling Up of Green Agri-focused Micro Cold Storage Solutions), the initiative aims to intensify a market-based approach to upscale micro cold storage solutions for F&V producers across 30+ clusters with an aim to reduce food loss and enhance farmers' income.



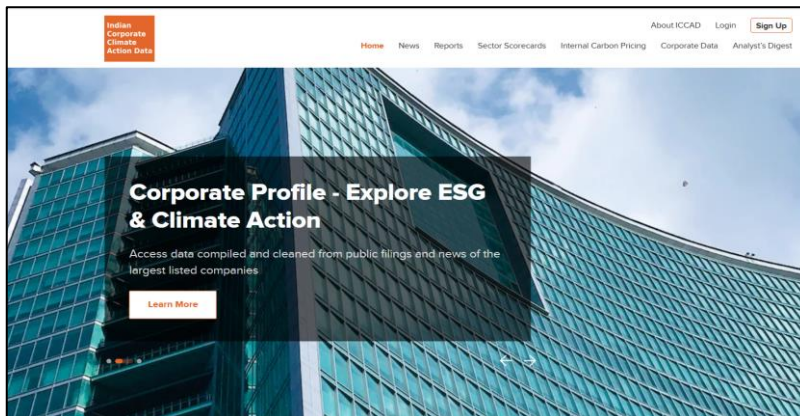
Sustainable Finance Solutions & Green Investment

Driving sustainability-oriented financial systems through thought-leadership, innovative frameworks and action

As the sustainability oriented financial systems are gaining momentum in the Indian context, we have been engaged in paving the path to make these systems viable since 2019-2020.

In 2023, cKinetics' investment advisory team successfully helped craft debt funding commitments of over USD 50 mn for 5 of the leading climate tech ventures and ESCOs.

We have been engaged as a strategic partner in developing the strategic blueprint for mobilizing sub-national climate finance in line with NDC requirements; an initial blueprint has been prepared for Maharashtra. It is expected to catalyze innovative approaches to pave the way for state's leadership in Climate transition.



Climate Risk Integration (CRI) Tool for Equity Mutual Funds in India

In Dec'23, we unveiled our CRI tool for equity funds in India. The tool brings together data from multiple sources, climate models, internal carbon pricing, impact of extreme weather events to physical assets, etc. The tool would help develop robust cash flow projections and allow fund managers to better assess the value of Indian equities after incorporating requisite climate considerations.

Launching IndiaSIF

cKinetics partnered with the CFA Society India to launch a Sustainable Investment Forum for India (IndiaSIF).

We plan to develop this further in 2024

India Corporate Climate Action Data (ICCAD)

In 2023, we also released ICCAD: an online information platform with dashboards, indices, and trackers; that covers climate actions of the largest listed Indian corporates.

Carbon Markets



Our solution-based approach creates long-term value for our stakeholders – platforms, tools and frameworks that can be leveraged over the long term to generate sustained impact

Contrary to popular perception, carbon markets grew this year. The compliance markets have crossed \$120 billion (in primary issuances) and are now about 20% of the Natural gas markets, and we expect these to become larger than Natural gas before the decade is out.

cKinetics' carbon team completed its rebranding from CaliforniaCarbon to **cCarbon.info** to emphasize our global outlook and the launch of a new platform. The new platform aims to move beyond analysis and reports to become an integrated part of our client's decision making with interactive forecasting models, decision-dependent data tools, and the Carbon Analytics Forecasting Engine (CAFÉ).

We also released new features and tools to help clients understand and navigate their markets: like bank indices, legislative trackers, trader's view dashboards and many others.



Coverage across carbon markets and clean fuels markets

Our compliance market coverage has increased to now envelop all major carbon pricing and clean fuel programs across North America and Europe. Our forecasting models now explore the inter-dependency between the various markets.

Voluntary Offset Markets

2023 was a tumultuous year for voluntary markets. Our team had predicted the bursting of the voluntary carbon market bubble in the beginning of 2022.

We remain optimistic for high quality and removal credits even as Article 6 uncertainties remain. In 2024 we are looking to expand our coverage across new regions Japan, Singapore, India, Australia and beyond



UN Sustainable Development Goals

At cKinetics, we are committed to propagating the global 2030 Agenda for Sustainable Development. Our work and business strategy in CY 2023 have been geared towards meeting various targets within the 17 Sustainable Development Goals (SDGs)

