



नेपाल चार्टर्ड एकाउन्टेन्ट्स संस्था
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL
(Established under the Nepal Chartered Accountants Act, 1997)

SUSTAINABLE BUSINESS STRATEGIES FOR SMES

CA Bidhyabaridhi Sigdel

NEPAL SME OUTLOOK

27%

Run by Women

Rs.10 billion+

Contribution to 2023 GDP

66%

Manufacturing Jobs provided

85%

People Employed

2.7 million+

People Employed

90%

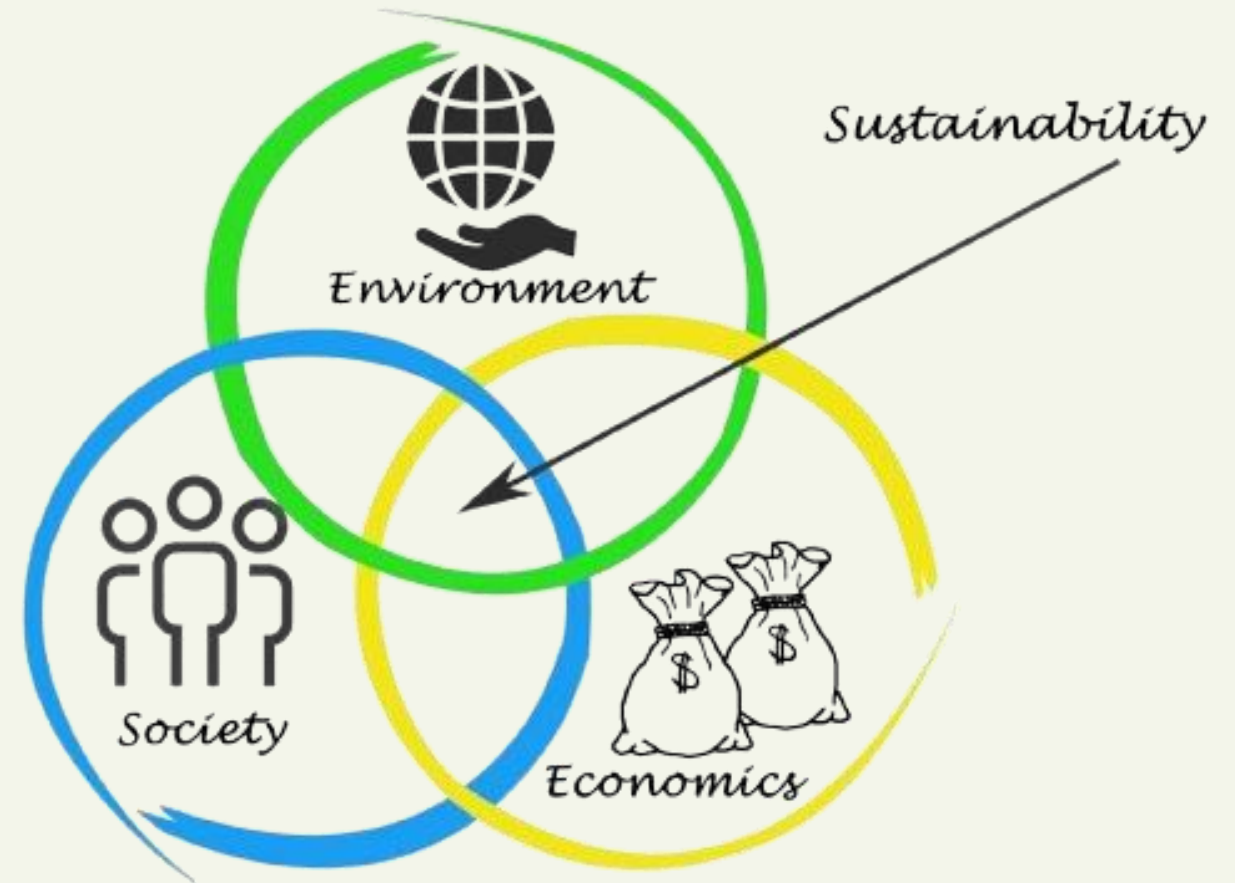
Registered Businesses



SMEs are the backbone of economy, accelerating production and providing a wide range of employment opportunities

SUSTAINABLE BUSINESS STRATEGIES

A sustainable business strategy embraces **economic**, **environmental**, and **social** aspects into an organization's policies, practices, and processes to create **long-term benefits** for the organization and its stakeholders while **protecting** and **conserving resources** and the planet for future generations.



BENEFITS OF SUSTAINABLE BUSINESS STRATEGIES

1

RESILIENCE & INNOVATION

SMEs integrating sustainability in decision-making enhance resilience, enabling quicker recovery in uncertain situations.

2

SUSTAINABLE SUPPLY CHAIN

SMEs with sustainability credentials are more appealing suppliers, aiding in the development of sustainable supply chains with reduced carbon footprints.

3

VALUE CREATION

Enhancing sustainability boosts brand reputation and goodwill as consumers increasingly favor environmentally and socially conscious brands aligning with their values.

4

COST SAVINGS

Efficient water and energy use, along with resource recycling and reduction, reduce costs, enhance profitability, and benefit the environment.

5

ACCESS TO FINANCE

Investors, funds, financial institutions, and governments increasingly demand businesses to disclose non-financial risks and commit to sustainable practices.

For SMEs, a 20% cut in energy costs represents the same bottom-line benefit as a 5% increase in sales

McKinsey states that ESG strategies can positively affect operating profits by as much as 60%

Cost Savings

According to the U.S. Department of Energy, businesses can save up to 30% on energy bills by implementing energy efficiency measures

Environmental Protection Agency (EPA) estimates businesses can save up to 50% on waste disposal costs by implementing recycling and waste reduction initiatives.

According to the Global Sustainable Investment Alliance (GSIA), sustainable investing assets reached **\$35.3 trillion globally** in 2020

In a McKinsey study, **25% of investors** said they would be willing to pay a **premium of up to 50%** for companies implementing ESG practices

Access to Finance

ESG-mandated assets are projected to make up **half of all professionally managed assets** globally by 2024

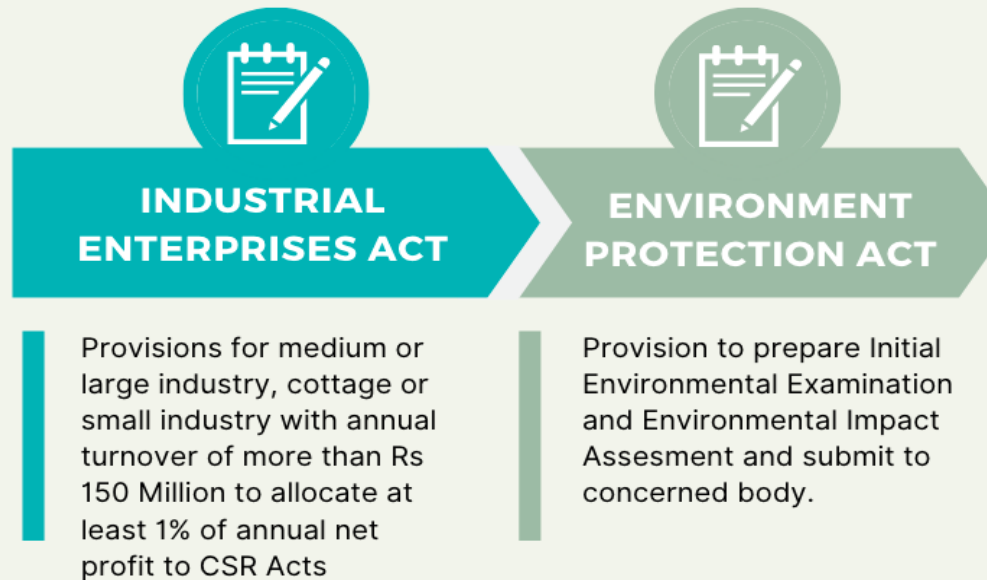
Capital raised by firms with an explicit/implicit ESG focus **increased 20% per year** from 2015 to 2020

According to a study by IBM and the National Retail Federation, **75% of consumers** say they would rather buy from brands focused on sustainability

Value Creation

Of these environmentally-conscious shoppers, nearly **70%** said they would shell out up to **35% more for eco-friendly products**

CURRENT REGULATIONS



Dolma's Sustainability Journey



DOLMA'S PERFORMANCE STANDARDS



IFC PERFORMANCE STANDARDS

Provides clients with guidance on identifying and managing risks and impacts, promoting sustainable business practices through stakeholder engagement and project-level disclosure obligations.



UN GUIDING PRINCIPLES ON BUSINESS & HUMAN RIGHTS

Offers guidelines for States and companies to prevent and address human rights abuses in business operations



ILO DECLARATION OF FUNDAMENTAL PRINCIPLES

A key international benchmark of labor standards encompassing freedom of association, collective bargaining rights, the eradication of forced labor and child labor, and the elimination of employment discrimination.



THE 2X CHALLENGE

Commits DFIs to mobilize \$3 billion over three years for private sector investments in developing countries, prioritizing women's access to leadership and employment.

RESULTS



**GWH Lifetime Power
Production: 11,707**

**GWH Emissions
Avoided Annually:
372,131.7**

**Renewables Installed
Capacity: 69.5 MW**

**Per Year Energy
Production: 391 GWH**

**Electricity Provided
To: 2,818,115**

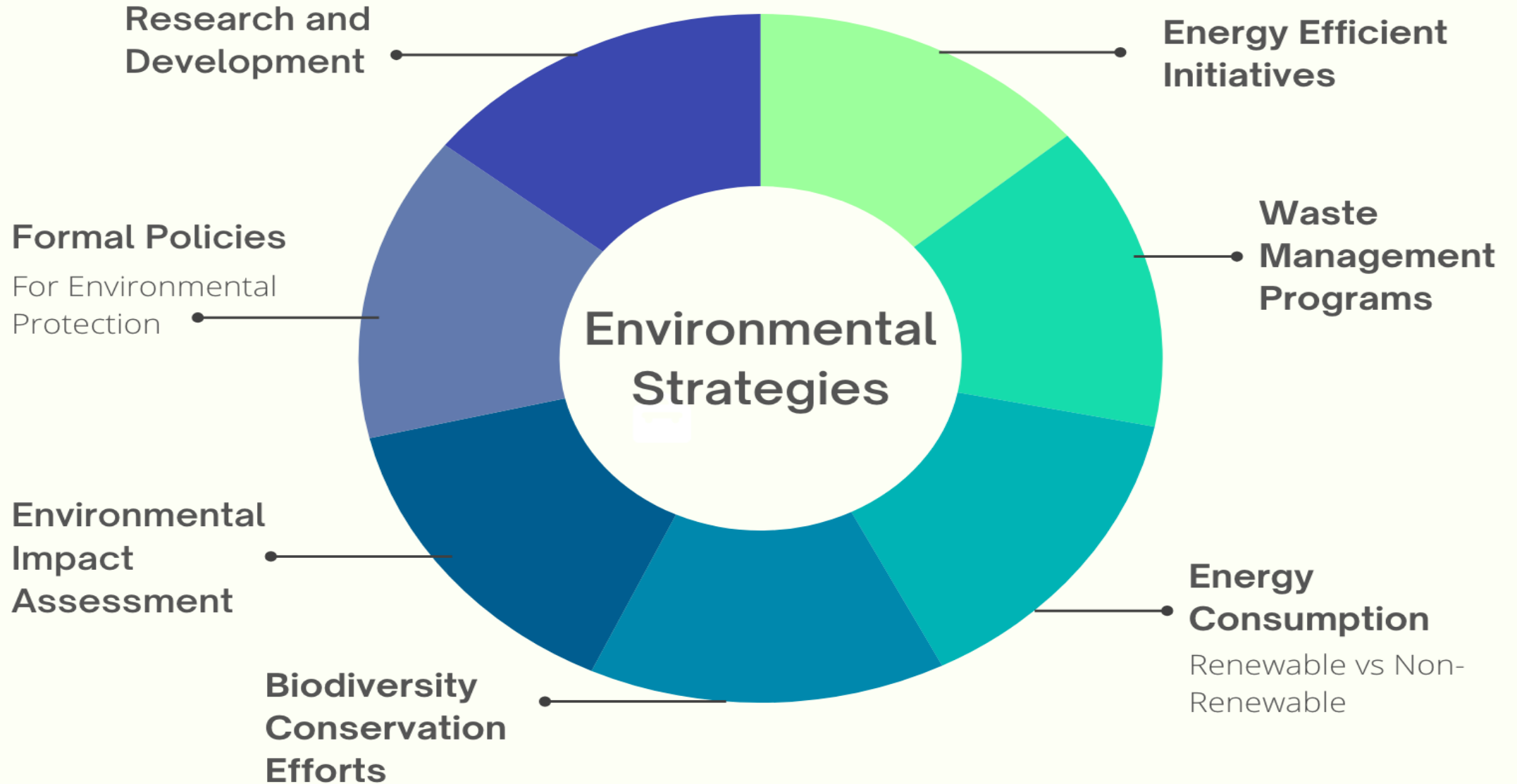


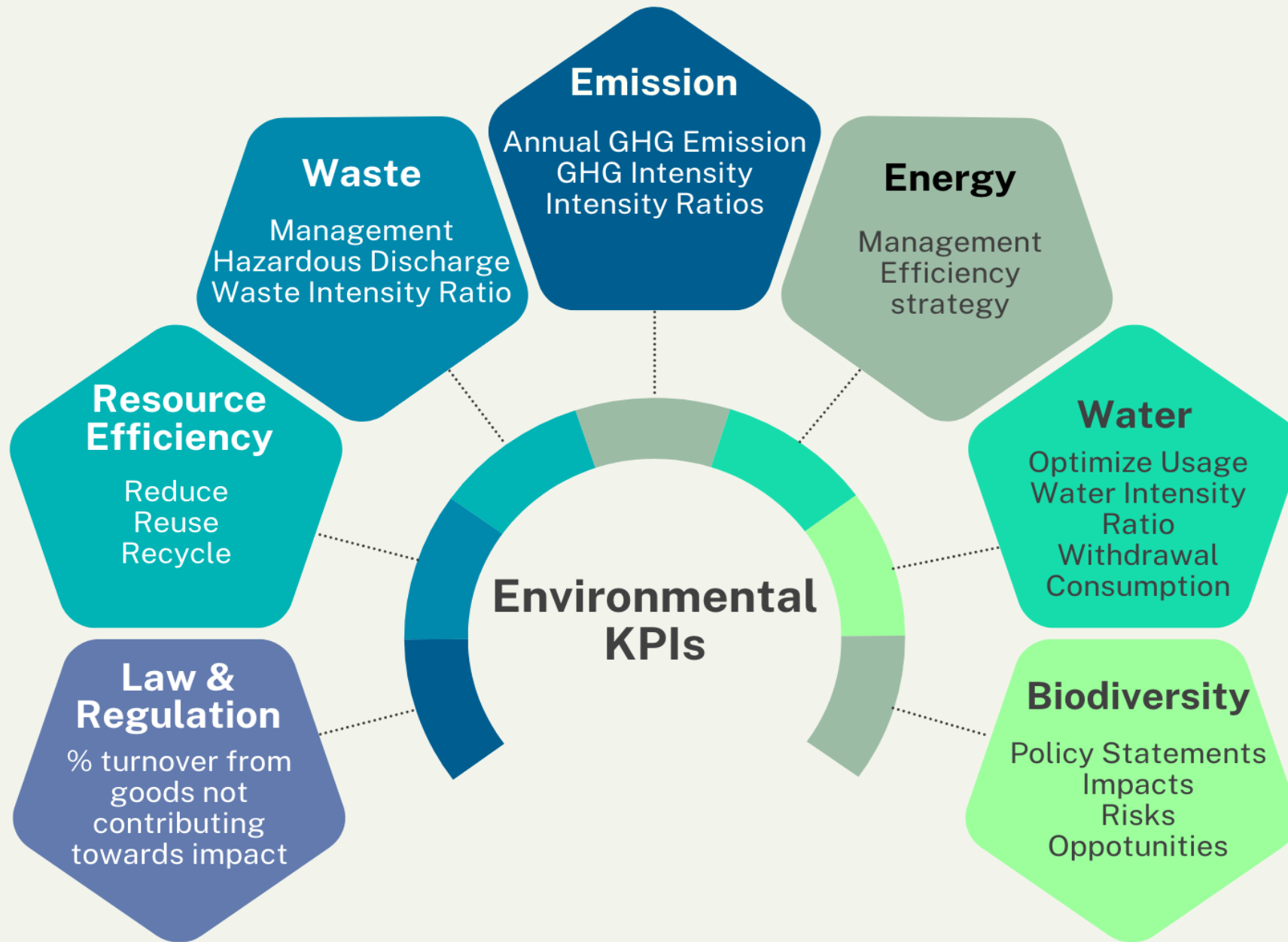
**Total Jobs Created*:
6210+**

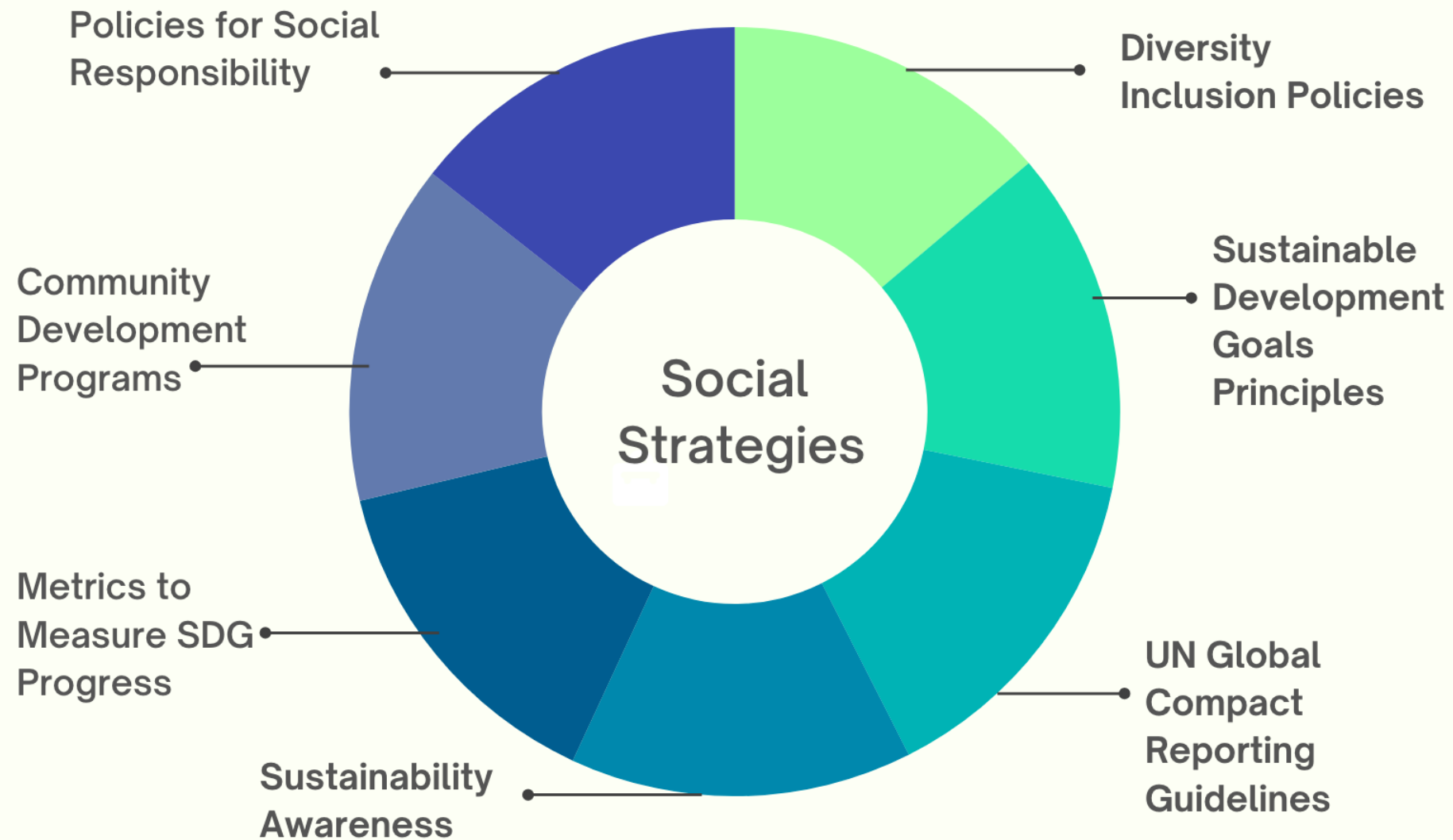
**Youth Employment:
5301+**

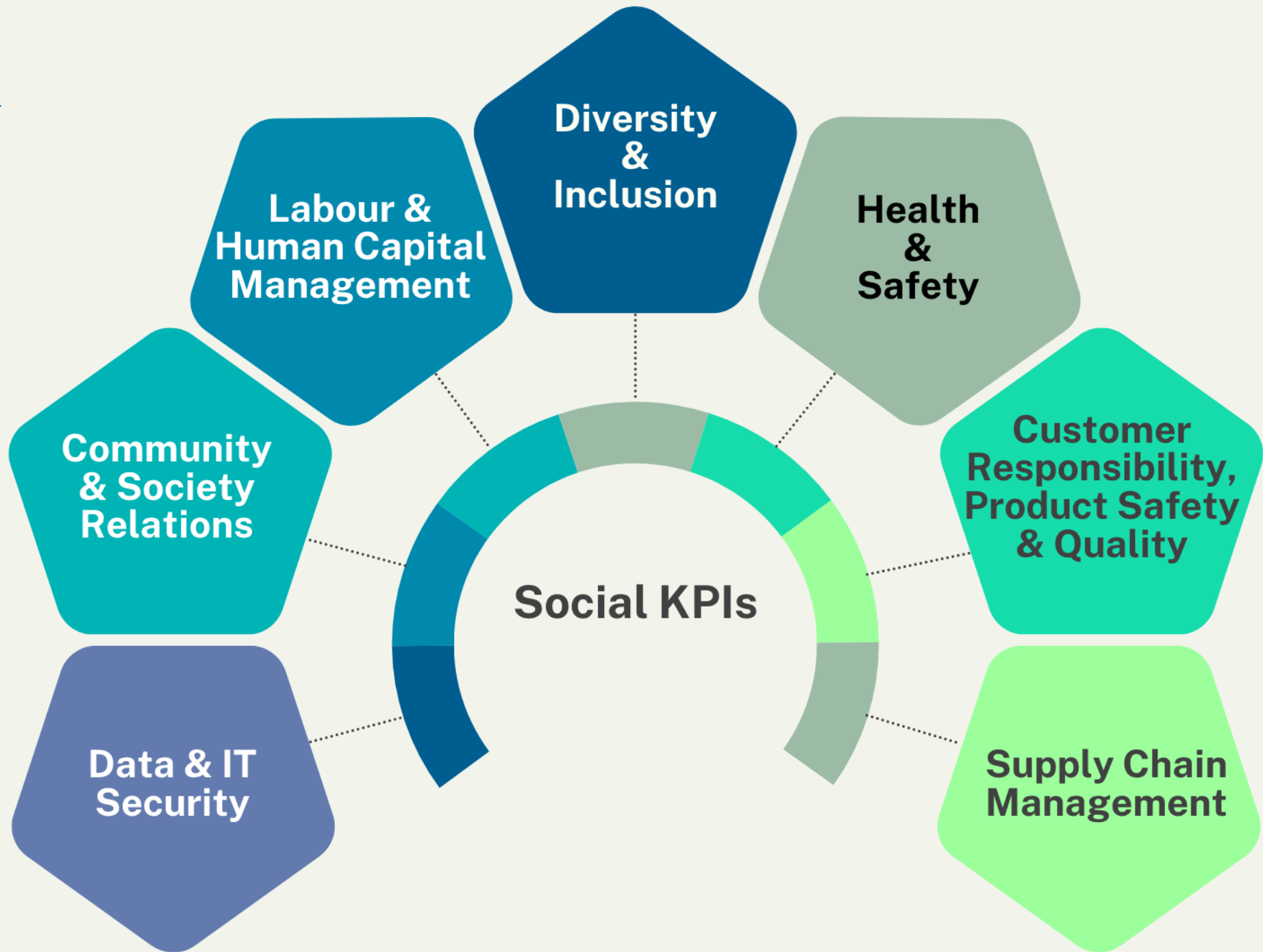
**Skilled Female
Employees: 1076+**

***2023 data**









Diversity & Inclusion

Health & Safety

Customer Responsibility, Product Safety & Quality

Supply Chain Management

Social KPIs

Data & IT Security

Community & Society Relations

Labour & Human Capital Management

THE END

