

# Family Business for Sustainable Development

# Sustainability Indicators

# for Family Business

## CASE STUDY

**Forbes Marshall** | Steam Engineering and Control Instrumentation  
3rd Generation | India



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# 1. INTRODUCTION

2020 marks the start of a decade of decisive action to achieve humanity's shared vision – the Sustainable Development Goals (SDGs). While progress<sup>1</sup> is being made in many areas, it is recognized that, to meet these ambitious targets, more of the private sector needs to be activated.

To this end, Family Business Network (FBN) and the United Nations Conference on Trade and Development (UNCTAD) have partnered to launch the Family Business for Sustainable Development (FBSD) global initiative, to advance sustainability practices for family businesses and create a shared prosperity for all. Key components of the global initiative include:

- > [Family Business Sustainability Pledge](#)
- > [Sustainability Indicators for Family Business](#)

The *Family Business Sustainability Pledge (FBSP)* builds upon the experience of the 2011 FBN Pledge – *A Sustainable Future*. As a starting point for the FBSD initiative, UNCTAD and FBN jointly formulated key principles to guide the family business community in their actions to advance the Sustainable Development Goals (SDGs). The pledge, entitled “*Defining Success Across Generations*,” is a global call to action for business-owning families, their firms, and the wider family business ecosystem to adopt a more purpose driven business model therefore contributing to global sustainable development, inclusive growth, and prosperity for all. The pledge also provides business-owning families with a simple framework to examine their existing commitments and further expand their shared definition of sustainability. Signatories pledge to promote sustainable growth, environmental stewardship, social inclusion, and good governance. The document builds upon the 2011 FBN pledge – *A Sustainable Future*.

The second and essential component of the initiative is a set of Sustainability Indicators for Family Business (SIFB). The UNCTAD-FBN indicator framework provides a template for family firms to assess, track, measure and report their contribution to the SDGs.

Family businesses have unique ownership dynamics and governance characteristics that have an impact on performance. As such it is critical that the sustainability indicator framework recognizes the distinctive attributes of family business models and consider metrics that guide, further advance sustainability practices, and facilitate contributions to the SDGs.

The SIFB incorporate input from two key sources:

- a. *The UNCTAD ISAR Guidance on core indicators (UNCTAD GCI) for corporate reporting*<sup>2</sup>

The UNCTAD GCI are intended as an entry point to sustainability reporting and encompass 33 baseline indicators mapped to 13 specific SDGs. The core indicators are grouped into four areas: economic, environmental, social, and institutional. They focus on resource use, for example water, air, energy, and waste

reduction; social issues related to human capital development and gender equality; as well as institutional factors such as governance and transparency. The guidance aligns with similar related reporting frameworks, including the International Integrated Reporting Council (IIRC) reporting framework, the Global Reporting Initiative Standard (GRI) and the Sustainability Accounting Standards Board (SASB).<sup>3</sup> The guidance focuses on quantitative data to facilitate comparability and represent minimum disclosures that companies need to provide for governments to evaluate private sector contributions to the SDGs.

**b. *Family Businesses Indicators***

An initial set of indicators recognizing the distinctive attributes of family firms were developed collaboratively by a group of family business and sustainability experts, using FBN's Polaris Impact Assessment<sup>4</sup> (PIA) as a base for their discussions. The group also reviewed and drew insights from other existing assessment tools, including the B Impact Assessment from B Lab and Rewiring the Economy from the Cambridge Institute of Sustainability Leadership (CISL).<sup>5</sup>

To determine the composition, practicability, and relevance of the SIFB, three family businesses were invited to participate as pilot cases and provide input to the SIFB. Given the private nature of family businesses, a decision was made to select family businesses who were not yet reporting externally, yet willing to volunteer as pilots and to share their findings.

The case studies examined the core values of each family business, their motivations on sustainability and how this translates to policies and practices. The pilots were encouraged to report on as many of the indicators as possible. Their challenges, feedback on the indicators and suggested improvements were recorded. In each case, the national context – an overview of the home country's progress and contribution to SDGs – is provided in Annex 1.

The first set of case studies commenced in June 2020. Like many businesses, the three pilots have been impacted by the Covid-19 pandemic. This was a consideration in the data gathering process as resources were already strained in the companies. Corporate activities during the Covid-19 pandemic are described in Annex 2.

Further details on the methodology including selection of pilot cases and the development of the Sustainability Indicators for Family Business, are detailed in Volume 1 – *Overview and Approach*.

## 2. THE FAMILY BUSINESS – FORBES MARSHALL PRIVATE LIMITED

### 2.1 Overview of the family business

Forbes Marshall is a third-generation family business headquartered in Pune, India. For over seven decades, the company has provided innovative products and services to help businesses improve their process and energy efficiency, and be more environmentally responsible. Through technology partnerships and focused investments in research and development, the company engineers industry specific solutions that focus on energy efficiency, utilities management, emissions, and effluent monitoring for 30 industry sectors.

Forbes Marshall was established in 1926 as a trading company by J.N. Marshall and started supplying steam accessories to a thriving textile industry in Ahmedabad. Two decades later, he was joined by his son-in-law Darius Forbes. The business expanded into the distribution of products for the efficient use of steam for energy. The family enterprise took off and the first manufacturing facility was established in Kasarwadi, Pune in 1958. Today, the business is helmed by Darius's sons Farhad and Naushad who co-chair the company. Farhad's wife Rati, daughter Riah and son Darius are active in the business.

Forbes Marshall's purpose is 'Energizing Businesses and Communities Worldwide'. The company goals are:

- > to be leaders in energy and process automation solutions worldwide through innovative and differentiated offerings;
- > to develop a distinctive sales and after-sales approach that delivers customer benefits;
- > to exceed customer expectations on quality and delivery; and
- > to be a diverse and great place to work, benefiting communities wherever they operate.

The company operates internationally, providing products and services designed to help industry build and sustain highly efficient plants by reducing waste, optimizing process and energy efficiency, and complying with regulatory requirements. Years of engagement with industry has helped Forbes Marshall build deep process knowledge which fuels their innovation. Facilitating this innovation are 700 engineers, including 93 women, across the globe who take solutions to market through a technical direct-sales approach with customers from industry. This results in a constant flow of differentiated products.

Forbes Marshall's customers, 25 per cent of which are international, range from a food processor to a garment factory, manufacturers of consumer products, to the world's largest refineries. Their research and development is amongst the highest within the Indian engineering sector and matches global benchmarks.

Their efforts have resulted in several major awards by Business World, the Confederation of Indian Industries (CII) and the India Design Council.

Forbes Marshall has corporate offices in both Kasarwadi and Pimpri<sup>6</sup> and manufacturing facilities in Pune and Hyderabad in India and Bakewell in the United Kingdom. The company has established offices in Bangladesh, Sri Lanka, Southeast Asia, North America, Latin America, the Middle East, Africa, and Europe.

Forbes Marshall also has strong long-term technology partnerships with other Industry leaders in Belgium, Germany, and Japan.

Forbes Marshall Private Limited is a family-owned company. The family members are principal shareholders of the company. The company turnover for 2019 was approximately United States dollars (USD)150 million.

Forbes Marshall's core values of

- > integrity
- > family spirit
- > excellence
- > good citizenship

focus on energizing self, members, customers, suppliers, associates and the community. The family business believes that a company is only as good as its people and takes great pride in their “family” of nearly 2,000 employees and service providers. Of these, approximately 13 per cent are women. This percentage is significantly higher than the 3 per cent cited in an Indian national study on women in the core engineering industry.<sup>7</sup> In 2014 and 2015, the company was awarded the Best Manufacturing Workplace in India. Following this valuable accolade, Forbes Marshall was ranked the 11th Best Place to Work in Asia by Great Place to Work, a global research, consulting, and training firm.<sup>8</sup> For the past 15 years, the company has been consistently listed among the top best workplaces in India in surveys conducted by the Great Place to Work Institute and Economic Times.<sup>9</sup>

The family business is also actively engaged in energizing communities through its diverse social initiatives which champion health, education, and women’s empowerment. It has a strong focus on building resilience in the social sector.

## 2.2 The company's motivation on sustainability

Forbes Marshall believes a sustainable business is one that generates profit while improving societal and environmental conditions. This includes the products and services it brings to market as well as the operations and processes. For Forbes Marshall, embedding sustainability is a tenet of responsible ownership. Furthermore, the family maintains that this trajectory has enabled the business to attract and retain staff, build brand value and reputation, increase efficiency and growth whilst providing a platform for innovation and strengthening stakeholder relations.

Throughout the decades, Forbes Marshall has valued good corporate citizenship, working alongside various stakeholders in the ecosystem, to enhance sustainable development in the communities they operate in. The family business has established the Shehernaz Medicare Centre, a 30-bedded hospital located at the Forbes Marshall Pune campus where free medical aid is provided not only to their employees and their families, but also to the surrounding underserved communities.

To deepen the practice of good citizenship in Forbes Marshall, the family business encourages employees to volunteer for public and social initiatives. These include food donation drives and empowerment programmes for women, girls, and disadvantaged youth.

Forbes Marshall has developed strategic partnerships with community organisations that are aligned on values. These collaborations have helped them achieve scale and an estimated impact of 23,000 direct beneficiaries in sectors ranging from health, education, women's empowerment, livelihood programmes and waste management. Annex 3 provides an overview of their community impact.

By the time of the case study, the company had not released a formal sustainability report and was measuring and benchmarking its progress using FBN's Polaris Impact Assessment (PIA) and B Lab Tools.

### 2.3 Integration of sustainability into the company's business model – Focus on SDGs

Sustainability initiatives in Forbes Marshall are coordinated by the Department of Social Initiatives. The company has identified the following nine SDGs as aligned to the business and where Forbes Marshall has the potential to create greater impact.





### Creating shared value – Contributing to SDGs 1, 4, 5, 8, 10 and 11

Forbes Marshall is an advocate of Porter and Kramer's Creating Shared Value (CSV).<sup>10</sup> The central premise behind CSV is that the competitiveness of a company and the health of the communities around it are mutually dependent. As such Forbes Marshall seeks to identify and address business challenges that would simultaneously have a positive societal impact.

One of these projects is a skill training programme to provide after sales service to Forbes Marshall's customers. Forbes Marshall has clients in remote locations who face logistical challenges in the provision of after sales service and fulfilment of annual maintenance contracts (AMC). There was also a potential loss of business opportunity in terms of AMCs and the spares business. This challenge could be addressed by identifying, training, and developing potential workers outside Forbes Marshall who in turn could provide these services to customers.

Forbes Marshall consciously selected graduate engineers from economically disadvantaged backgrounds. The students belonged to socially deprived communities in small towns and non-metro cities.

There was a concerted effort to make sure that in this male dominated industry, women who were interested, would be given opportunities. Despite best efforts, no suitable women were available for the first cohort. In the second cohort, the company managed to identify two women. To date, the company has trained two cohorts providing 26 young men and two young women with technical skills and livelihood opportunities. The graduates have been offered competitive salaries by Forbes Marshall vendors. The augmented income has improved the living circumstances of these young technicians and their families.

### A focus on the environment – SDGs 6, 7, 9 and 12

Forbes Marshall is committed to environment friendly practices with sustainable growth.<sup>11</sup> The company has aligned processes to achieve sustainability through various initiatives in the plant, such as wood elimination, zero discharge, reducing carbon footprint by optimising the use of electricity, reduction in use of fossil fuel, replacing hazardous chemicals by environment friendly chemicals and selecting gases which have negligible greenhouse impact.

The family business is a zero-discharge compliant company. All plants are completely fitted with sewage treatment plants (STP) and effluent treatment plants (ETP) that recycle all effluents for use in gardening as well as domestic applications in the plants, while the residual waste is segregated with the hazardous waste.

Water consumption and usage monitoring is done on a regular basis using the EverSense and UTISense software packages, which are proprietary products of the Forbes Marshall Group. Rainwater is harvested into a farm pond of 10,000,000 litres capacity, catering to gardening water needs for up to two months.

The manufacturing facility is designed to make use of natural sunlight, and no artificial lighting is required during the day. The facility has received several awards for architecture, including:

- > the Artist in Concrete Award at Asia Fest 2014-15, in the industrial building category
- > the Saint Gobain and Economic Times Award for smart green living spaces work campus
- > the Estrade Real Estate Award for sustainable design in architecture.

Forbes Marshall is not an energy intensive business and their manufacturing plants do not consume much energy. As a business, their impact on the environment is in their customer offerings. Forbes Marshall's focus on environmental stewardship is embedded in their products and services. The family business strives to create benchmark plants for their customers enabling their over 4,500 clients to reduce their environmental impact and increase savings.

Forbes Marshall has started to quantify this impact. Of the over 3,000 clients measured to-date, customers are on average enjoying savings of around 1.5 per cent of their annual fuel bill. This translates to savings equivalent to USD 25 million. This also amounts to a reduction of 2 million tons of CO<sub>2</sub> emissions per year.

Forbes Marshall products are designed to help customers increase efficiency and reduce their environmental footprint. One such customer is a textile manufacturer that makes suits, jackets, and trousers. The installation of Forbes Marshall's EffiMax – a system for monitoring the efficiency of boilers, enabled the company to achieve a 35 per cent saving of overall energy consumption and reduction of 100 tons of CO<sub>2</sub> emissions annually.

#### A focus on people - SDGs 3, 4 and 5

Forbes Marshall believes that their organisation is as good as its people.<sup>12</sup> The company invests in employee training and development and strives to foster a collaborative environment and best practices across teams. Forbes Marshall has also institutionalised flexible timing, Long Service Awards, Appreciation Awards, Suggestion Scheme Awards, annual department outings, employees' children's annual outing, holiday schemes, an annual retiree's programme, and educational scholarships. The family business also provides a creche and play centre with premises for children up to 10 years of age at its factory in Pune.

Forbes Marshall has zero tolerance towards sexual harassment at the workplace. They have put in place an internal committee to receive and redress complaints of sexual harassment. The committee also conducts awareness sessions for all employees.

The family business strongly believes in capacity building and knowledge enhancement of every segment of stratification within the company.<sup>13</sup> Forbes Marshall has provided more information on learning and development programmes as well as initiatives in health and safety in Annex 4.

## 3. MEASURING AND REPORTING ON THE SIFB

### 3.1 Testing and reporting on the UNCTAD GCI

The UNCTAD GCI encompass macro indicators that map to four key areas for businesses - economic, environmental, social, and institutional. They are selected based on existing reporting frameworks and as such should be found in the majority of corporate reports. Intended as a starting point in a company's journey to SDG reporting, they represent the minimum disclosures that enterprises need to provide to stakeholders to demonstrate corporate accountability and transparency. In addition, they are likely to align to present and future mandatory sustainability reporting requirements by governments and financial regulators.

This section examines the company's responses to the 33 core SDG indicators based on UNCTAD's ISAR Guidance in the areas of economic, environmental, social, and institutional performance (see Table 1).<sup>14</sup> It is noted that the company has recorded and measured their performance on a number of these indicators. Please see Annex 5 for the sources for each specific indicator. The data is used for internal purposes and is not published for the general public. The reporting framework is a living document and will be periodically reviewed considering its applicability for family firm entities.

**Table 1 – The UNCTAD GCI framework**

A	A	Economic area	Indicators	SDG indicator
1	A.1.	Revenue and/or (net) value added	A.1.1. Revenue	8.2.1
2			A.1.2. Value added	8.2.1; 9.b. 9.4.1
3			A.1.3. Net value added	8.2.1; 9.4.1
4	A.2.	Payments to the government	A.2.1. Taxes and other payments to the government	17.1.2
5	A.3.	New investment/ expenditures	A.3.1. Green investment	7.b.1
6			A.3.2. Community investment	17.17.1
7			A.3.3. Total expenditures on research and development	9.5.1.
8	A.4.	Local supplier programmes	A.4.1. Percentage of local procurement	9.3.1.
B	B	Environmental area	Indicators	SDG indicator
9	B.1.	Sustainable use of water	B.1.1. Water recycling and reuse	6.3.1.
10			B.1.2. Water use efficiency	6.4.1.
11			B.1.3. Water stress	6.4.2.

12	B.2.	Waste management	B. 2.1. Reduction of waste generation	12.5
13			B.2.2. Waste reused, re-manufactured and recycled	12.5.1
14			B.2.3. Hazardous waste	12.4.2
15	B.3.	Greenhouse gas	B.3.1. Greenhouse gas emissions (scope 1)	9.4.1
16		emissions	B.3.2. Greenhouse gas emissions (scopes 2)	9.4.1
17	B.4.	Ozone-depleting substances and chemicals	B.4.1. Ozone-depleting substances and chemicals	12.4.2
18	B.5.	Energy consumption	B.5.1. Renewable energy	7.2.1
19			B.5.2. Energy efficiency	7.3.1
<b>C</b>	<b>C</b>	<b>Social area</b>	<b>Indicators</b>	<b>SDG indicator</b>
20	C.1.	Gender equality	C.1.1. Proportion of women in managerial positions	5.5.2
21	C.2.	Human capital	C.2.1. Average hours of training per year per employee	4.3.1
22			C.2.2. Expenditure on employee training per year per employee	4.3.1
23			C.2.3. Employee wages and benefits as a proportion of revenue, with breakdown by employment type & gender	8.5.1; 10.4.1
24	C.3.	Employee health and safety	C.3.1. Expenditures on employee health and safety as a proportion of revenue	3.8; 8.8
25			C.3.2. Frequency/incident rates of occupational injuries	8.8.1
26	C.4.	Coverage by collective agreements	C.4.1. Percentage of employees covered by collective agreements	8.8.2
<b>D</b>	<b>D</b>	<b>Institutional area</b>	<b>Indicators</b>	<b>SDG indicator</b>
27	D.1.	Corporate governance disclosures [1]	D.1.1. Number of board meetings and attendance rate	16.6
28			D.1.2. Number and percentage of female board members	5.5.2
29			D.1.3. Board members by age range	16.7.1
30			D.1.4. Number of meetings of audit committee and attendance rate	16.6
31			D.1.5. Compensation: total compensation per board member (both executive and non-executive directors)	16.6
32	D.2.	Anti-corruption practices	D.2.1. Amount of fines paid or payable due to settlements	16.5.2
33			D.2.2. Average number of hours of training on anti-corruption issues, per year per employee	16.5.2

### 3.2 Key findings of the UNCTAD GCI application in the company

Forbes Marshall is a company with deep roots in the community. Through long-term commitments and investments such as the Shehernaz Medicare Centre, the family business has the social license to operate across generations. Forbes Marshall is deeply committed to environmental stewardship. This includes investments in their own operations e.g., water recycling, waste treatment and renewable energy but more significantly in their product offerings to customers.

While the company measures and benchmarks these efforts internally, they have not yet embarked on a public facing report. With respect to the UNCTAD GCI framework, the family business was able to report on 26 out of the 33 GCI indicators. Since the indicators are meant to serve as a management tool and provide a starting point for reporting, it is understood that companies may not be able or willing to report on all of them in their first report. The indicators that Forbes Marshall did not report on and the rationale for this are captured in Table 3.

This exercise provided Forbes Marshall an opportunity to take into consideration UNCTAD's GCI and develop processes to close the gaps in their sustainability reporting. For example, the company does not currently collect data on ozone depleting substances and chemicals and recognises this as a potential area for improvement. Forbes Marshall has indicated that they will produce a sustainability report to provide more information on their social and environmental performance in 2021.

The company has recommended that indicators measuring the impact a business has on customers and key stakeholders be included in the SIFB. While the UNCTAD GCI standardize reporting and allow a company to accurately capture a company's performance at a particular point in time, they do not necessarily allow for the broader impacts that a company has created or give feedback on how to improve performance. This is in contrast to tools and assessments such as FBN's Polaris Impact Assessment (PIA), currently used by Forbes Marshall, which benchmarks and drives performance improvement in key sustainability areas of workers, customers, suppliers and the environment. These indicators e.g., ethical sourcing or fair labour practices, would be more valuable for companies as they are forward looking and are designed to advance sustainability practices.

### 3.3 Testing and reporting on the family business indicators

The family business indicators draw from the PIA and leading impact frameworks and examine the company's performance on specific family business and sustainability metrics. These indicators explore the company's culture, policies and practices on specific governance, supply chain, community and environmental practices and aligns responses to the relevant SDGs. Optional metrics on sustainable products and services examine the family business's impact on the wider eco-system.<sup>15</sup>



E	E	Family Business Area	Indicators	Relevant SDG indicator
34	E.1.	Governance area	E.1.1. Advocacy for social and environment standards	17.17
35			E.1.2. Review of social and environmental performance	16.6
36				
37			E.1.3. Transparency of sustainability performance	16.6
38			E.1.4. Independent directors	16.7
39				
			E.1.5. Family governance	16.7
			E.1.6. Responsible ownership	8.3-8.8
40	E.2.	Supply chain	E.2.1. Ethical supply chain policies	8.7
41			E.2.2. Ethical supply chain practices	
42	E.3.	Community impact	E.3.1. Philanthropy	17.17
<b>Sustainable Products and Services (Optional)</b>				
43	E.4.	Sustainable products and services	E.4.1. Creating societal benefits	
44			E.4.2. Improving your customers' environmental performance	

### 3.4 Key findings of the family business indicators application in the company

The responses indicate that the company's culture, strategy, and practices are aligned to the family's values and beliefs that business needs to have a positive impact on society and the environment. In addition to advocating for increased adoption of environmental, social and governance (ESG) standards for the country, the company is also actively engaging customers on the journey as it strives to improve the environmental performance of clients. While Forbes Marshall has a policy on supplier screening, this practice is not measured. The family business also actively contributes to the community, through shared value, corporate social responsibility (CSR), and philanthropy projects.

## 4. FORBES MARSHALL'S PERFORMANCE ON THE SIFB

The data and practices recorded in this case study reflect the sustainability performance of the family business as of November 2020. They cover the economic, environmental, social, and institutional areas of the UNCTAD GCI (Areas A, B, C and D) and the family business area (Area E).

### A. Economic Area

#### A.1 Revenue and net value added:

Forbes Marshall uses the Ind AS 15 (equivalent to IFRS 15) criteria to prepare financial statements. The source of the data is from their accounting system and has been reviewed by their financial manager. The financial year in Forbes Marshall runs from April 2018 to March 2019 and April 2019 to March 2020 respectively. The 2019 figures are unaudited.

##### A.1.1 Revenue

	2018/2019	2019/2020	% Change
Total revenue USD	158 million	154 million	-2.5%

The above are consolidated figures for the Indian and international markets. Sales in March 2020 were impacted by Covid-19. Forbes Marshall financials are in rupees and have been converted to USD. The company has advised that the rupee depreciated against the USD by 1.4 per cent in this period.

##### A.1.2 Value added

This information is sensitive, and the company has declined to disclose the data.

##### A.1.3 Net value added:

This information is sensitive, and the company has declined to disclose the data.

#### A.2 Payments to the government:

The company paid the following taxes during 2018 and 2019

	2018	2019	% Change
Taxes and payments to the government USD	38 million	37 million	-2.6%

The company advises that the decrease is due to the reduced income tax rate.

#### A.3 New investment/expenditures:

#### A.3.1 Green investment

In 2015 and 2016 the company invested USD 0.32 million in solar panel and effluent treatment. These are long term investments and not made annually.

#### A.3.2 Community investment

	2018	2019	% Change
Amount invested USD	0.7 million	0.8 million	14.3%
Percentage of revenue	0.4%	0.5%	-

Forbes Marshall has made significant investment in the community and has positively impacted an estimated 23,000 direct beneficiaries in sectors ranging from health, education, women's empowerment, livelihood programmes and waste management.

#### A.3.3 Total expenditures on research and development (R&D)

	2019
Amount invested USD	3.3 million
Percentage of revenue	2.1 %

This includes investment in people and materials. The company has 100 R&D engineers engaged in continuous product development and process improvement. Forbes Marshall partners with universities, national research institutes, and incubation centres in India and abroad. Examples include a research centre in the IIT Chennai Research Park, Centres of Energy Efficiency at IIT Mumbai and College of Engineering Pune. These centres focus on cutting edge developments in steam plant technology enabling students and faculty to further research and application explorations in thermal engineering.

#### A.4 Local supplier/purchasing programmes:

##### A.4.1 Percentage of local procurement

	2018	2019
Percentage of local procurement	70%	70%

Approximately 70 per cent of all purchases are made from local vendors within India. The vast majority being procured from the State of Maharashtra where Forbes Marshall is located.

### B. Environmental Area

#### B.1 Sustainable use of water:

##### B.1.1 Water recycling and reuse

	2018	2019
Absolute amount in m <sup>3</sup>	74,000	67,000
Percentage	100%	100%

Forbes Marshall consumed over 67,000 m<sup>3</sup> in 2019-20 for domestic and industrial purposes. One hundred per cent of water used domestically is recycled through the STP and reused for gardening. One hundred per cent of industrially used water is recycled through an ETP and then reused for gardening an area of 12,000m<sup>2</sup>.

#### B.1.2 Water use efficiency

	2018	2019	Delta	Delta %
Absolute amount in m <sup>3</sup>	74,000	67,000	7	9.45
m <sup>3</sup> per USD	21.5	21.5	NA	NA

#### B.1.3 Water stress

Source	2018	2019
Ground water	0	0
Municipal water m <sup>3</sup>	74,000	67,000

Rainwater is stored in a water reservoir with the objective of maintaining the ground water level. Various water recycling and reuse projects are underway for industrial purposes.

### B.2 Waste management:

There is a huge focus on reducing, reusing, and recycling in all processes. Training is also provided to personnel to address hazardous wastes.

#### B.2.1 Reduction in waste generation

	2018	2019	Percentage Change
Absolute in kg	1,500 tonnes	1,350 tonnes	10%

Forbes Marshall is a zero-discharge compliant company. All plants are completely fitted with STP and ETP that recycle all effluents for use in gardening as well as domestic applications in the plants, while the residual waste is segregated with the hazardous waste.

#### B.2.2 Waste reused, re-manufactured and recycled

	2019
Absolute in kg	300 tonnes

Around 240 tonnes of wood and 90 tonnes of corrugated boxes were reused at 60 per cent capacity of the consumption-products packing activity. Calcium silicate from the production of boilers is reused in the construction site. Metal waste is reused/recycled offsite.

### B.2.3 Hazardous Waste

	2018	2019
Absolute in kg	55	58
Percentage	100%	100%

Forbes Marshall has an authorized vendor for disposal of hazardous waste. One hundred per cent hazardous waste is recycled by the authorized vendor.

### B.3 Greenhouse gas emissions:

#### B.3.1 Greenhouse gas emissions (Scope 1)

This indicator is defined as direct greenhouse gas (GHG) emissions per unit of net value added.

The company does not currently report on GHGs. However, it has recently commenced collecting data on this indicator and will be reporting on this indicator going forward.

#### B.3.2 Greenhouse gas emissions (Scope 2)

This indicator refers to indirect GHG emissions (from consumption of purchased electricity, heat or steam) per unit of net value added.

The company does not currently report on GHGs. However, it has recently commenced collecting data on this indicator and will be reporting on this indicator going forward.

### B.4 Ozone-depleting substances and chemicals:

#### B.4.1 Ozone-depleting substances and chemicals

This indicator aims at quantifying an entity's dependency on ozone-depleting substances (ODS) and chemicals per net value added.

No data is being collected by the company to calculate this indicator. The company is not aware of this indicator and will consider this for future measurements.

### B.5 Energy consumption:

#### B.5.1 Renewable energy

This indicator is defined as the ratio of an entity's consumption of renewable energy to its total energy consumption during the reporting period.

	2018	2019
Total energy consumption	57 KWh in 100,000	59 KWh in 100,000
Consumption of renewal energy	Not captured	0.6 million units



The company captures and reports this data in kilowatt-hour KWh. The company has advised that to convert KWh to joules; to multiply by 3.6 million (1 KWh = 3.6 million joules).

Forbes Marshall has installed a 140 KW capacity solar plant on the terrace and has effectively utilized this renewable energy. To date more than 500,000 units have been generated, which has reduced their power consumption and charges (cost saving is more than USD 73,000).

#### B.5.2 Energy efficiency

This is defined as an entity's energy consumption divided by net value added.

	2018	2019
Joules per Indian rupee (INR)	8 (average-per unit rate in INR)	10 (average-per unit rate in INR)

### C. Social Area

#### C.1 Gender equality:

##### C.1.1 Proportion of women in managerial positions

	2019
Number of women in management	44
Proportion of women in management	9%

Steam engineering and control instrumentation are male dominated industries and females are typically not represented. Females represent over 13 per cent of the workforce in Forbes Marshall. While this is higher than the industry average in India, Forbes Marshall recognises that more needs to be done. To this end, Forbes Marshall has implemented an internal women leadership programme, which addresses conscious and unconscious biases within and towards the other gender.

To enable greater diversity, the company has put in place a recruitment goal of at least 25 per cent of new recruits as women employees in the short term, moving towards a 50 per cent target in the next three years. This is applicable for recruitment for all levels of the company.

#### C.2 Human capital:

##### C.2.1 Average hours of training per year per employee

	2018	2019
Average number of hours of training per employee per year (as total hours of training per year divided by total employees)	69	80

### C.2.2 Expenditure on employee training per year per employee

	2018	2019
Expenditure on training USD	1,045	994

Forbes Marshall has a comprehensive learning and development programme for all employees founded on their core values. The seven pillars of their training programme span technical and behavioural excellence, leadership development, family programmes and customer training.

### C.2.3. Employee wages and benefits as a proportion of revenue with breakdown by employment type and gender

Forbes Marshall does not capture this data by employee type and gender.

The company does not stratify employees into different levels as all are considered members of the Forbes Marshall family.

## C.3 Employee Health and Safety:

### C.3.1 Expenditures of employee health and safety in proportion of the revenue

	2018	2019
Expenditures on employee health and safety as proportion of revenue	0.3%	0.3%

These include:

- > Employees programmes that span Environment Day, National Safety Week, tree plantation drives and Wealth from Waste competitions.
- > Training programmes on firefighting, first aid and emergency responses
- > Forbes Marshall participation in safety competitions conducted by organisations like Quality Circle Forum of India (QCFI), Confederation of Indian Industry (CII), etc.
- > Forbes Marshall also organizes a safety training for contractors.

### C.3.2 Frequency/incident rates of occupational injuries

This indicator is related to the number of workdays lost due to occupational accidents, injuries and diseases during the reporting period. The frequency rate considers the number of new injury cases relative to the total number of hours worked by workers. The incidence rate considers the total number of lost days expressed in hours.

	2018	2019
Number of injuries	14	11
Frequency rate	0.062	1.71

Forbes Marshall uses the following calculation: total number of accident\*1,000,000/total man hours worked.

#### C.4. Coverage by collective agreements:

Forbes Marshall does not have a collective agreement nor association for its employees.

### D. Institutional Area

#### D.1 Corporate governance disclosures:

##### D.1.1 Number of board meetings and attendance rate

	2018	2019
Number of board meetings	6	6
Attendance rate	100%	100%

##### D.1.2 Percentage of female board members

	2018	2019
Female board members		
Number	2	2
Percentage	20%	20%

##### D.1.3 Board members by age range

	2018	2019
Board members		
Between 30 and 50	0	0
Over 50	10	10

##### D.1.4 Number of meetings of audit committee and attendance rate

The Forbes Marshall group of companies do not have audit committees. The company has an internal audit process, and the reports are reviewed by senior management and the Forbes Marshall board.

##### D.1.5 Compensation: total compensation per board member (both exclusive and non- exclusive directors)

Forbes Marshall is a family-owned company, and board members are also shareholders. The company has chosen not to share this information.

#### D.2 Anti-corruption practices:

##### D.2.1 Amount in fines paid or payable due to settlements

	2018	2019
Number of fines paid or payable due to settlements	0	0

Training on anti-corruption issues is conducted for all employees. These sessions, approximately 30 minutes long, are conducted quarterly. This subject is also discussed in on-boarding programmes for new employees. This is also re-enforced in Value Council meetings.

Forbes Marshall's Value Council is an independent, neutral body designed to review transgressions that go against the spirit of the company's values. It comprises a cross functional team that has a broad perspective of the kinds of challenges and issues facing employees. Any employee can write to the council with a value related issue, which is of concern to him or her and where the member sees a digression of a core value. All complaints are kept confidential. The Council works to objectively resolve the issue and revert to the employee.

The Council has full authority in deciding the consequences of the infractions. In most cases, members of the council do everything they can to resolve issues through discussions. However, in some cases, especially those that involve a clear disregard for the value of Integrity, action could be as severe as letting someone go. While the main purpose of the council is to address behaviour that strays from the company values, in some cases, the council has also recommended that in cases where appropriate, policies be changed, as well.

## **E. Family Business Area**

### **E.1 Governance area:**

#### **E.1.1 Advocacy for social and environment standards**

Does your company work with policy makers and/or stakeholders to develop or advocate for increased adoption of ESG standards?	Yes	SDG 17.17
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The company is active with industry associations such as the Confederation of Indian Industry (CII). The company supports organizations like the Centre for Technology, Innovation and Economic Research (CTIER) which work alongside experts from academia and industry to inform policy making based on empirical economic research for innovation and R&D.

#### **E.1.2 Review of social / environmental performance**

Does the board review the social and environmental performance of the company at least annually to determine if the company is meeting social and environmental objectives?	Yes	SDG 16.6
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The board reviews the social and environmental performance of the company. In addition, the board proactively reviews the impact the company has on the environmental performance for its customers.

#### E.1.3 Transparency of sustainability performance

Is the review made available in a report to relevant stakeholders e.g., employees, suppliers, customers and owners?	Yes	SDG 16.6
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Yes, Forbes Marshall shares this information in monthly townhall sessions, management employee meetings, and with local municipal authorities. The information is also available on the Forbes Marshall intranet. Forbes Marshall has a public facing website that highlights social and environmental initiatives.

#### E.1.4 Independent directors

Does the board include independent directors? Indicate number & percentage.	Yes 7 54%	SDG 16.7
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The company has 7 independent directors on the supervisory board that comprises of 13 members in total.

#### E.1.5 Family Governance

Is there a family constitution (rules of engagement) to ensure good governance of the business and family for the long term?	Yes	SDG 16.6
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The company is a private limited company under the Companies Act and is governed by the Act and the Articles of Association of the company. The family has in place a family shareholders guideline operating document. At present, there is no formal family constitution given there are just six family member owners.

#### E.1.6 Responsible ownership

As a family business, do you use resources and provide guidance to promote development-oriented policies and prepare the next generation to be responsible owners.	Yes	SDG 8.3 – 8.8
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The company provides opportunities and trainings for leadership development, overall development and succession planning with the help of internal and external agencies. The family are active members of FBN, and all family members of the previous, current, and next generation have been exposed to family business management and governance education through FBN programmes locally and internationally over the past 20+ years.



## E.2 Supply chain

### E.2.1 Ethical supply chain policies

Does your company have a formal written supplier code of conduct that encourages ethical sourcing or holds suppliers accountable for social and environmental performance? This may include sourcing from social enterprises, women or minority owned businesses or policies on Fairtrade, anti-slavery, forced labour, child labour, anti-corruption, etc.	Yes	SDG 8.7
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These policies are documented in the company's HR manual and covered in standard PO terms.

### E.2.2 Ethical supply chains practices

What percentage of materials or products purchased by your company are sourced sustainability as outlined in E.1.1?	Information is not available	SDG 8.7
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## E.3 Community impact

### E.3.1 Philanthropy

Do you use family business or family funds (for e.g., through a family foundation) to support the local community or communities where you operate?	Yes See table	SDG 17.7
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Basic needs – Food, water, energy, shelter, sanitation, communications, transport, credit, and health for all	No	SDGs 1, 2, 3, 6, 7, 10
Well-being – Enhanced health, education, justice, and equality of opportunity for all	Yes	SDGs 3, 4, 5, 10, 11, 16
Decent work – Secure, socially inclusive jobs and working conditions for all	No	SDGs 8, 9, 10
Resource security – Preserve stocks of natural resources through efficient and circular use.	No	SDG 12
Healthy ecosystems – Maintain ecologically sound landscapes and seas for nature and people	Yes	SDGs 14, 15
Climate stability – Limit GHG levels to stabilise global temperature rise under 2°C	Yes	SDGs 9, 13

If yes for E.3.1, please indicate or quantify impacts and outcomes attained, if available.

Forbes Marshall focuses on supporting communities where it has operations. These include health, education, gender programmes, livelihood programmes for the economically disadvantaged.

Please indicate source of funds - Family foundation / Family business / Other

✓	Family Funds
✓	Family Business Funds
	Other

#### E.4 Sustainable products and services (optional questions):

##### E.4.1 Creating societal benefits

In what way(s) does your company's services or products benefit society?	See table	Various SDGs
Provision of basic services, health care or health products to improve health & wellbeing in the community	Yes	SDGs 2, 3
Education (general, technical), support of knowledge, arts, cultural heritage	Yes	SDGs 4, 5, 11
Improved economic opportunity or social economic empowerment	No	SDGs 1, 5, 8, 10
Provides/facilitates market access through previously unavailable infrastructure	No	SDGs 9, 11, 16
Capacity building for non-profit, social enterprises	No	SDGs 4, 16, 17

If yes for E.4.1., please share details.

- > Core products help measure and thereby reduce emissions and comply with industry norms. In addition, Swissnea is a water-environmentally friendly disinfectant which can be used safely in schools, hospitals, etc.
- > In Dec 2011, Forbes Marshall launched a training for both steam engineering and control instrumentation in association with the Confederation of Indian Industry (CII) under their Affirmative Action Initiative. The programme covers 2-3 weeks of class-room technical sessions on a wide range of products and systems with a focus on industrial applications, followed by 2 to 3 months of hands-on work experience. Participants in these in-plant training programmes have found the training useful as it adds value to their learning process through such real-time industry experience. This has also boosted their overall confidence for job interviews.
- > Shared value project on training for after sales service

If yes for E.4.1, please indicate or quantify impacts and outcomes attained, if applicable.

- > Unable to quantify
- > To date the Affirmative Action programmes with CII have trained 31 cohorts comprising 992 (576 men and 416 women) engineers for the Indian market. Forbes Marshall has since recruited around 56 engineers. They have also conducted two non-engineering cohorts of 40 participants. Out of these, 5 were recruited by Forbes Marshall.
- > 28 youth (26 men and 2 women) from economically disadvantaged areas have been trained and secured or are in the process of securing employment.

#### E.4.2 Improving your customers environmental performance

In what way or ways do your services or products enable your clients and customers to protect the environment or improve their environmental performance.	See table	Various SDGs
Provides or is powered by renewable energy or cleaner-burning energy than market alternatives e.g., solar panel manufacturers, hybrid vehicles	Yes	SDGs 7, 9
Conserves resources e.g., water recycling systems, energy efficient appliances	Yes	SDGs 6, 11, 12
Reduces waste e.g., recycling technologies/services	Yes	SDGs 9, 12
Conserves land, biodiversity, wildlife e.g., sustainably harvested agricultural products	No	SDGs 14, 15
Reduces or is made of less toxic/hazardous substances	No	SDGs 11, 14, 15
Educates, measures, researches, or provides information to solve environmental problems e.g., sustainability consulting	Yes	SDGs 9, 11, 13

If yes for E.4.2., please share details.

Forbes Marshall creates Benchmark Plants for customers that address areas of 1, 2, 3, and 6 as per indicator E.4.2.

If yes for E.4.2., please indicate or quantify impacts and outcomes, if available.

1.5 per cent savings on annual fuel bill for over 3,000 customers – approximately USD 25 million in savings.

Energy saved: CO<sup>2</sup> emission reduction of: 2 million tons of CO<sup>2</sup> per year.

Forbes Marshall did not provide information on eight of the indicators. The indicators and rationale for not reporting are captured in Table 3.

**Table 3 – SIFB not disclosed**

Indicators not disclosed		Comments
A.1.2	Value added	This information is sensitive, and the company has declined to disclose the data. There was concern that disclosure of both these indicators would impact adversely the competitive advantage of the company. This may not be the case for large, diversified companies with many product lines and service offerings. However, for more specialised companies with narrow product portfolios, this information may enable competitors to discern margins and other competitive information. Hence reporting on this data, may put the company at risk.
A.1.3	Net value added	
B 3.1	Greenhouse gas	The company has only recently started to track this data and will report on this in 2021
B.3.2	emissions (GHG) – Scope 1 & 2	
B 4.1	Ozone depleting substances and chemicals	No data is collected by the company to calculate and measure this indicator. The company has indicated they may consider this in the future
C.4	Coverage by collective agreements	Forbes Marshall does not have a collective agreement nor association for its employees.
D.1.4	Number of meetings of audit committee and attendance rate	Forbes Marshall is a private company and does not have an audit committee.
D.1.5	Compensation: total compensation per board member (both executive and non-executive directors)	Forbes Marshall is a family-owned company, and board members are also shareholders. This information was not shared.

## 5. REFLECTIONS AND NEXT STEPS

Forbes Marshall conscientiously seeks ways to further positive social, environmental, and economic impact. The family business focused indicators on ethical supply chain policies (E.2) have sparked conversations on how to further embed sustainability in their supply chains and ensure a more virtuous eco-system.

Forbes Marshall's focus for the near future is to further develop and build out its international business with the view of increasing the proportion of international sales from 25 per cent to about 50 per cent of total business. It aspires to be the supplier of choice for international customers for their energy conservation and process efficiency improvement initiatives in the geographic markets they operate in just as they are seen to be with most of their domestic customers. This will involve expanding the sales, customer support, and engineering capabilities in the countries they serve. It also includes setting up of a new manufacturing facility in South-East Asia to serve international markets. Development of the company's digital business is also a work in progress, and this will also provide opportunity for incremental growth.

Consistent with the company's purpose of energizing businesses and communities worldwide, they will also evaluate their community involvement depending on what the needs of the community may be in the respective locations where they operate. For example, Forbes Marshall is beginning a shared value project in Thailand similar to the one established in India where they will train young women and men to support Forbes Marshall customers, thereby providing skill development and employment opportunities for underprivileged members of society while simultaneously serving a business need.

The third generation of Forbes Marshall is already active in the business and the company has begun planning for a generational transition in the next five years in both the family and business leadership. As such, a major responsibility of the current generation of family and non-family executives is to prepare the next generation for a successful transition to ensure the business holds true to its values and continues to be successful across generations.

Forbes Marshall's commitment to sustainability is also reflected in their philanthropic endeavours as they shift from traditional philanthropy to outcomes-based philanthropy. Their ventures into shared value projects which create win-win outcomes for both society and business further demonstrate the company's aspiration to be a force for long-term good.



**Farhad Forbes**

Co-Chairman, Forbes  
Marshall Private Limited

“

First, the [SIFB] indicators allow us to assess where we presently stand on some of the issues. Second, it makes us think of areas where we can clearly improve. Last, it is very important for us to make an impact, to make a difference.

”

# ANNEXES

## Annex 1 – The National Context: India's Contribution to the SDGs

India is home to one-sixth of the world's population and its success in achieving the SDGs will have significant impact on the outcome of the Sustainable Development 2030 Agenda. This is further underlined by forecasts that India's population of close to 1.4 billion people is projected to overtake China as the world's most populous country around 2027.<sup>16</sup> The country's national development goals are mirrored in the SDGs and the government has tasked the think-tank National Institution for Transforming India (NITI Aayog) as the national institution responsible for overall coordination and monitoring of the SDGs in the country.<sup>17</sup>

The SDG India Index & Dashboard 2019-2020 published by the UN and NITI Aayog reports that the country is making progress in SDG implementation through national wide programmes such as Care for the Girl Child, National Nutrition Mission, and National Health Protection Scheme.<sup>18</sup>

The document reaffirms India's commitment to the SDGs as the country is highly cognizant that failure to do so will have serious repercussions globally. As such 2030 Agenda is mainstreamed in India's development strategy.<sup>19</sup> The report also acknowledges that while India has raised the levels of prosperity for its people, challenges remain in many areas including health, nutrition, basic infrastructure, and education.

A report by the Sustainable Development Solutions Network (SDSN), through its annual SDG Index, concurs that India, for its part, has made great strides in meeting SDG targets related to climate change and sustainable consumption and production.<sup>20</sup> More progress, however, must be made in reducing poverty and hunger, improving education, and promoting inclusive economic growth. The SDSN report asserts that India is seriously lagging when it comes to achieving gender equality and building inclusive and resilient infrastructure.<sup>21</sup> The report also highlights India's strategic role in contributing to the SDGs. For example, if India eradicated undernourishment (currently 14.5 per cent of the Indian population) the world would be 27.4 per cent closer to achieving the SDG target on undernourishment. Overall, SDSN ranks India's SDG attainment at 117<sup>th</sup> out of 166 surveyed countries, placing it somewhat below the East and South Asia regional average.

To address the current gaps in India's SDG implementation, a comprehensive capacity building programme is being designed in partnership with the UN with modules focused on developing SDG monitoring frameworks, identifying, and designing indicators, localisation, and dashboards.

In addition, NITI Aayog has initiated collaboration with International Monetary Fund on estimating the financial cost of achieving key SDGs. Special attention is being given to the adoption, implementation, monitoring, and financing of SDGs in states which have been historically backward in development. There is consensus on all levels that unless these states make significant progress, India will find it challenging to achieve its SDG targets on time.<sup>22</sup>



## Annex 2 – Covid-19 Response of the Company

India's lockdown on 24 March 2020 made headlines around the world. Overnight, tens of thousands of daily-wage migrants lost jobs and were forced to make arduous journeys back to their villages. For the multitude, walking was the only option. Some walked with young children and pregnant wives. Trekking over 1,000 kilometres beneath a relentless Indian sun with scant shelter and little food or water took its toll. Many did not make it home.

Forbes Marshall's first actions when the pandemic hit was to ensure the safety of employees and their immediate families. Employees who wanted to return to hometowns or had special needs were attended to. Safe work protocols were implemented including infrared thermometers, mask wearing and social distancing. An in-house health tracking app was developed, and UV machines installed to sanitise documents.

When norms eased and manufacturing restarted, the company provided living spaces and facilities to shop-floor employees and instituted safe bubbles for those who needed to commute. Measures were also taken to address psycho-social impacts that Covid-19 may have had on employees and families.

Despite the lockdown and the resulting complete stoppage of the business for two months, no worker was laid off. This consideration was extended to contract workers and to service providers including canteen, cleaning, gardening, and security staff. Forbes Marshall also facilitated prompt payment to all sub-contractors and service providers to ensure that their employees in turn had income security.

Many in the local community were migrant workers who had lost their jobs, and Forbes Marshall collaborated with the municipal authorities to provide meals for the vulnerable. For 20 days, the canteen cooked a thousand meals a day for the needy and worked with the local municipal authority on distribution.

To create livelihood opportunities for under-privileged women, Forbes Marshall placed orders for over ten thousand cloth face masks that were then donated to communities. The company also donated personal protection equipment and several thousands of litres of disinfectant solution to hospitals.

### Annex 3 – Community Impact Programmes

Sector			Direct Individu- als	Indirect – Village population /fami- lies/ schools
<b>1</b>	Health	Adolescent girls & young mothers	3,767	20,891
		Early childhood development	981	
		Community clinics / outreach	1,100	
		Training – mental health,	125	
		Blood check-up camps in community	650	
		<b>Total</b>	<b>6,523</b>	<b>20,891</b>
<b>2</b>	Education	Vocational skills	406	2 schools
		Girls scholarship programme	104 girls	6 schools
		Playschool	47 children	-
		After school study hall	185	About 8 schools
		Student alumni wing	595	
		School library (corporation and private schools)	10,711	54 schools
		Life skill education	1,407	8 schools
		Teaching and non-teaching staff	50	3 schools
		<b>Total</b>	<b>13,505</b>	
<b>3</b>	Solid waste manage- ment	Savardari village project	150 households	4,500
<b>4</b>	Income generation	Newspaper bags	45	(X4)
		Cafeteria and snacks	12	(X4)
		Umang group	4	(X4)
		Goat rearing	119 rearers	(X4)
		Allied activities	22	
		<b>Total</b>	<b>202</b>	
<b>5</b>	Women's empower- ment	SHG & federation	2,500	(X5)
				(X5)
		Legal Jankaar (knowing rights)	36	(X5)
		<b>Total</b>	<b>2,536</b>	

Total of all above = 22,793 direct beneficiaries

The numbers do not include beneficiaries of the Forbes Marshall Foundation and the Medicare outreach.

## Annex 4 – People Initiatives: Learning and Development Programmes, Health and Safety Initiatives

Forbes Marshall believes in capacity building and knowledge enhancement of every segment of stratification within the company.<sup>23</sup> The family business provides training not only to employees but also offers programmes to customers and students as they aspire to make the country more informed in the technical domain, they specialise in. Learning and development programmes in Forbes Marshall include:

- > **Business related training initiatives** – Sales excellence programmes, manufacturing excellence, engineering excellence. This is primarily targeted at enhancing the organizational performance making employees ready for futuristic business requirement/technology.
- > **Organizational development interventions** – Long term training initiatives for facilitating change management pertaining to specific groups or functions.
- > **Cross functional training initiatives** – Trainings identified by experts across functions based on industry trends e.g., Industry 4.0, GST awareness and cyber security.
- > **Individual competency enhancement programmes** – Functional / behavioural competency enhancement required for enhancing performance of members in their current roles.

### Health

Forbes Marshall is a people-centric company with a focus on health, wellness, and safety. To reduce occupational health hazards, the company has put in place several control measures so that members are not exposed to hazardous chemicals, dust, mist, and smoke. Processes are in place for personal monitoring, health monitoring, personal sampling, and workplace sampling.

To ensure effective reporting, a health hazard reporting system has been established. In addition, the company has a full-fledged hospital, the Shehernaz Medicare Centre, at one of the facilities to attend to emergencies. A World of Wellness initiative is run within the company to promote both the physical and mental well-being of members via training and awareness programmes

### Safety

Forbes Marshall follows the principle of Hazard Identification & Risk Assessment (HIRA) for its people and the environment. The company is implementing a risk reduction programme with various control measures such as phase out, isolation, substitute, engineering, and administrative controls programmes to ensure best practices are in place. World class personal protection equipment is allocated to all shop floor members. A strict record of incidents, if any, is maintained and proper investigations conducted. Post incident analysis and implementation of control measures are in place to prevent further incidents.

For effective administrative control, Forbes Marshall conducts periodical safety training pro-

grammes. Monitoring and measurement with active participation of all stakeholders is an ongoing process.

## Annex 5 – Sources of Data

Indicators		Tracked or periodically reported?	Source
A.1.1	Revenue	Yes	financial statement (report from ERP)
A.1.2	Value added	Tracked but not reported	The data is available but not reported as it is sensitive and confidential
A.1.3	Net value added	Tracked but not reported	The data is available but not reported as it is sensitive and confidential
A.2.1	Taxes and other payments to the government	Yes	financial statement (report from ERP)
A.3.1	Green investment	Yes	Data is captured for existing investment. For new projects, we will start monitoring as well
A.3.2	Community investment	Yes	financial statement (report from ERP)
A.3.3	Total expenditures on research and development	Yes	financial statement (report from ERP)
A.4.1	Percentage of local procurement	Yes	Oracle System in the procurement department
B.1.1	Water recycling and reuse	Yes	monitoring on internal document
B.1.2	Water use efficiency	Yes	monitoring on internal document
B.1.3	Water stress	Yes	monitoring on internal document
B.2.1	Reduction of waste generation	Yes	monitoring on internal document
B.2.2	Waste reused, re-manufactured and recycled	Yes	monitoring on internal document
B.2.3	Hazardous waste	Yes	monitoring on internal document
B.3.1	Greenhouse gas emissions (scope 1)	No	
B.3.2	Greenhouse gas emissions (scope 2)	No	

B.4.1	Ozone-depleting substances and chemicals	No	NA
B.5.1	Renewable energy	Yes	monitoring on internal document
B.5.2	Energy efficiency	Yes	monitoring on internal document
C.1.1	Proportion of women in managerial positions	Yes	HR
C.2.1	Average hours of training per year per employee	Yes	HR
C.2.2	Expenditure on employee training per year per employee	Yes	financial statement (report from ERP)
C.2.3	Employee wages and benefits as a proportion of revenue, with breakdown by employment type and gender	No	
C.3.1	Expenditures on employee health and safety as a proportion of revenue	Yes	financial statement (report from ERP)
C.3.2	Frequency/incident rates of occupational injuries	Yes	EHS data
C.4.1	Percentage of employees covered by collective agreements	No	
D.1.1	Number of board meetings and attendance rate	Yes	Legal Department (attendance register and minutes of meeting)
D.1.2	Number and percentage of female board members	Yes	Legal Department (personal details of board members)
D.1.3	Board members by age range	Yes	Legal Department
D.1.4	Number of meetings of audit committee and attendance rate	No	NA
D.1.5	Compensation: total compensation per board member (both executive and non-executive directors)	No	NA
D.2.1	Amount of fines paid or payable due to settlements	No	NA

D.2.2	Average number of hours of training on anti-corruption issues, per year per employee	Yes	considered as training imparted at the time of induction and HR trainings
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## NOTES AND REFERENCES

<sup>1</sup>India is home to one-sixth of the world's population and its success in achieving the SDGs Sustainable Development Report 2020 – The Sustainable Development Goals and Covid-19, Cambridge University Press.

<sup>2</sup>Based on UNCTAD Guidance on Core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals.

<sup>3</sup>UNCTAD; UN environment, May 2019 Methodology for SDG indicator 12.6.1.

<sup>4</sup>The Polaris Impact Assessment (PIA) is a customized version of B Lab's B Impact Assessment (BIA) developed by B Lab and FBN specifically for family businesses.

<sup>5</sup>CISL (2015, July; updated 2017, Nov). Rewiring the Economy: Ten tasks, ten years. Cambridge, UK.

<sup>6</sup>[Forbes Marshall offices](#)

<sup>7</sup>[India Economic Times, July 2020](#)

<sup>8</sup>Punekanews, 2016 available at Great Place to Work®, a global research, consulting, and training firm.

<sup>9</sup>[Great place to work, 2020](#)

<sup>10</sup>[HBR 2011, Porter & Kramer](#)

<sup>11</sup>[Forbes Marshall environment information](#)

<sup>12</sup>[Information on Forbes Marshall's people initiatives](#). Additional information was provided by the department of social initiatives.

<sup>13</sup>[Forbes Marshall information on people and training here.](#)

<sup>14</sup>UNCTAD Guidance on Core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals.

<sup>15</sup>The FBSI provides a suggested mapping of the SDGs to a company's products, services and operations. The mapping is by no means exhaustive, and companies may identify additional or alternate SDGs that are more relevant to the enterprise.

<sup>16</sup>[UN, World Population.](#)

<sup>17</sup>India 2017 VNRP at the UN HLPF 2017.



<sup>18</sup>NITI Aayog SDG India Index & Dashboard 2019-2020.

<sup>19</sup>NITI Aayog SDG India Index & Dashboard 2019-2020.

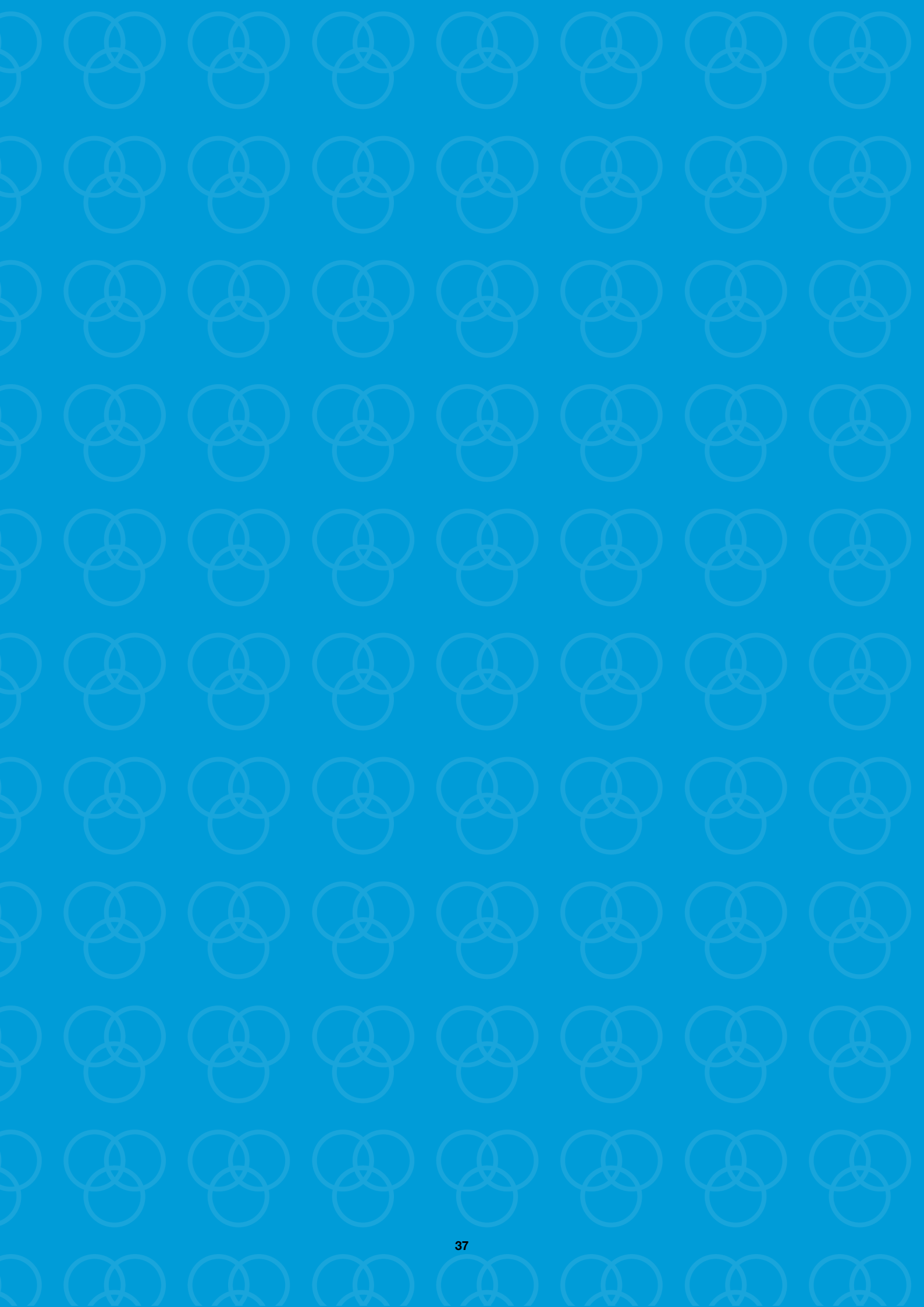
<sup>20</sup>Sustainable Development Report 2020 – [The Sustainable Development Goals and Covid-19, Cambridge University Press.](#)

<sup>21</sup>[CSD working paper series.](#)

<sup>22</sup>NITI Aayog SDG India Index & Dashboard 2019-2020.

<sup>23</sup>[Forbes Marshall information on people and training.](#)

<sup>24</sup>[Forbes Marshall health and safety information.](#)





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