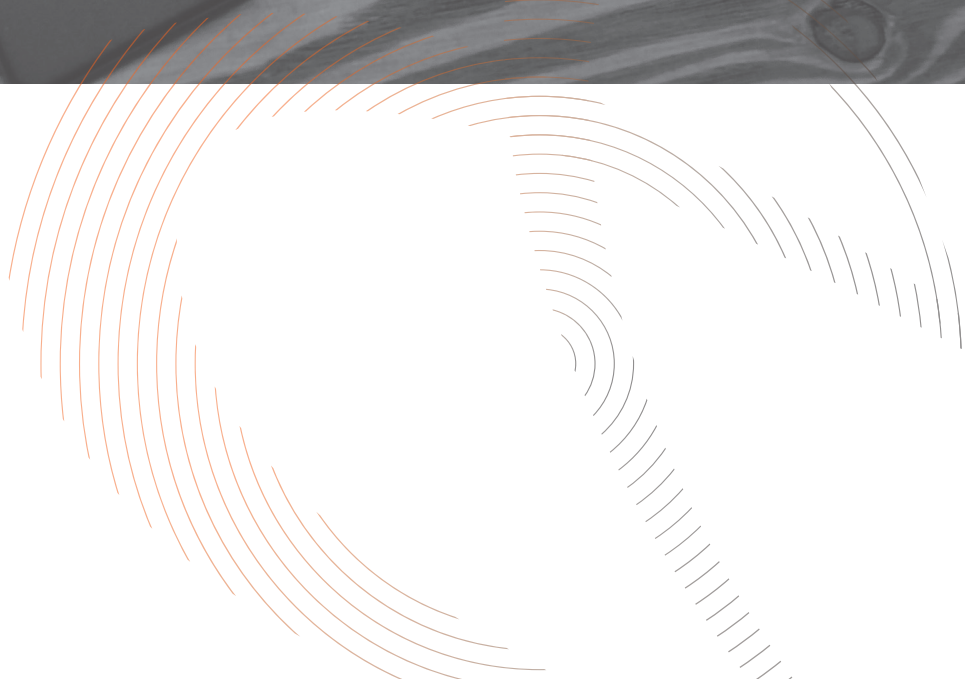


Responsible Investment Policy



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| Release date | 11 January 2016 |
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| Distribution | All Employees and Partners |
| Reviewed by | Ashley Menezes |

Amendment Sheet

| Sr. No. | Date | Revision Status | Reason for Amendment |
|---------|-----------------|-----------------|--|
| 1. | 11 January 2016 | Initial Release | NA |
| 2. | 1 October 2021 | Amendment | Renewed policy |
| 3. | 20 April 2022 | Amendment | Updated Exclusion List |
| 4. | May 2024 | Amendment | Revised ESG Considerations, Senior Leadership Overview, Added Stewardship Efforts & Climate Change, updated exclusion list |

1. Introduction

1.1 Background

Established in 1999, ChrysCapital (“CC” or “We” or “Fund”) is a leading India focused private equity firm. ChrysCapital has more than two decades of experience investing in its target sectors in India. ChrysCapital follows a collaborative investment model where it partners with entrepreneurs and business to create sustainable value.

ChrysCapital understands that and appreciates that businesses with robust environmental, social, and governance (“ESG”) practices have delivered, or are positioned to deliver, stronger outcomes for investors, than those without. Hence, an accurate assessment of the ESG standards of any potential investment, and the regular monitoring, evaluation, and improvement of ESG practices of all existing investments, forms a key part of ChrysCapital’s investment philosophy.

1.2 Investment Strategy

ChrysCapital aims to primarily make equity investments in companies that have, or are expected to have, a nexus to the Indian subcontinent. The investment team at ChrysCapital has significant prior investment experience in several sectors, including Business Services, Financial Services, Healthcare & Life Sciences, Consumer, New Economy, and Manufacturing. ChrysCapital expects its portfolio companies to drive value for all stakeholders in the ecosystem: investors, employees, customers, suppliers, and the community at large.

1.3 Commitment to Responsible Investment (RI)

ChrysCapital believes that integration of ESG with the investment cycle of the Fund is well aligned with its core investment mandate and its aim to generate long-term sustainable returns for investors, while being good corporate citizens.

ChrysCapital's RI philosophy is rooted in encouraging responsible and sustainable business practices in its investment strategies, as well as in the companies in which it invests. ChrysCapital believes that effective management of ESG issues is critical driving long-term sustainable value and impact.

1.4 Scope

This RI Policy provides the overarching charter for ChrysCapital's approach to responsible investing. This RI policy is applicable for all the investments that will be made by the Fund.

2. RI Principles and Considerations

2.1 Purpose of RI Policy

The RI policy outlines ChrysCapital's commitment to ESG principles, and the processes by which it aims to integrate this commitment across the investment lifecycle. The policy communicates ChrysCapital's approach to the identification and management of ESG-related risks and opportunities and describes its expectations of investee companies and other stakeholders.

The purpose of this RI Policy is to:

- a) Articulate the approach towards ESG integration - to ensure every investment made by the fund demonstrates good Corporate Governance, Business Integrity, and Environmentally and Socially sustainable practices.
- b) Provide a mechanism to engage with all relevant stakeholders on ESG matters.
- c) To encourage greater transparency and accountability across ESG topics internally and externally through periodic reporting and disclosures.

2.2 RI Principles

As a responsible Private Equity Fund, we align with UN PRI's values and commit to implementing its six principles:

- a) Incorporate material ESG factors into key investment research and analysis, due-diligence, decision-making, and performance monitoring processes. Avoid investments whose practices or products cause significant environmental or social harm.
- b) Ensure that the Fund and its investee entities comply with relevant and applicable RI rules and regulations.
- c) Maintain high ESG standards within its own operations and expect the same from investee entities.
- d) Engage in periodic dialogue with investee entities to manage ESG related risks and opportunities.

- e) Adopt an active ownership approach to encourage improvements on ESG-related issues, reporting and disclosure practices of Fund investments, to the extent possible, based on the extent of influence on the investee company.
- f) Periodically review the RI and associated policies to consider new and emerging risks, stakeholder concerns, and international best practices.

2.3 ESG Considerations

ChrysCapital's vision is to invest and support the development of enduring and successful companies, that create long-term value and generate outstanding risk-adjusted returns for its investors while maintaining high ESG standards.

Aligned with this vision, the Fund will consider the materiality of a broad set of ESG factors, as they are relevant to investee companies and potential investments. Given the profile of the investees and investment thesis, ChrysCapital will encourage investee companies to align with the following minimum expectations across ESG themes:

Governance, business ethics, and transparency: ChrysCapital expects investee companies to adhere to the highest standards of corporate governance, ethics, and transparency. This would include, but is not limited to, implementing a code of conduct, grievance mechanism, policies on anti-bribery and corruption, appropriate framework of risk management and controls, adhering to lawful tax practices, clearly assigned responsibilities for ESG management, and performance monitoring across material ESG areas.

Social sustainability: ChrysCapital expects investee companies to work towards creating an equitable and safe work environment. This would include, but not be limited to, developing, and implementing policies and procedures around employee engagement, fair compensation practices, employee wellbeing, equality, diversity, and inclusion, occupational health and safety, prevention of sexual harassment (PoSH), human resource management, grievance redressal, etc.

Environmental management: The key for long term sustainability of business models depends on implementing systems and procedures to identify and manage environmental risks and impacts including, but not limited to, resource consumption, emissions monitoring, waste management, energy efficiency, etc. ChrysCapital expects investee companies to drive these initiatives in their day-to-day operations.

Sustainability Outcomes: ChrysCapital endeavours to uphold the UN Sustainable Development Goals (SDGs) as a universal standard to improve sustainability and impact performance across its investment portfolio and fund activities. By aligning its investments with the SDGs, the Fund strives to contribute meaningfully to global efforts in addressing pressing socio-economic and environmental challenges. Through diligent and systematic advisory efforts, ChrysCapital aims to ensure that its investments actively support the achievement of specific SDG targets, catalysing positive impact and fostering sustainable development on a global scale.

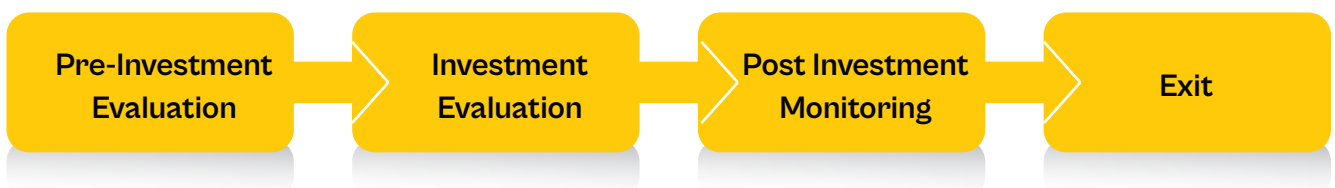
3. ESG in Practice

ChrysCapital's approach to the integration of ESG within the Fund and across its investment cycle is structured as follows:

3.1 Governance Structure

- a) Provide support and training to employees to ensure that ChrysCapital can operationalise its RI commitments.
- b) Develop a pool of professionals with experience in identifying ESG risks and opportunities at deal sourcing stage. ChrysCapital will also engage with external third-party service providers in cases wherein support is required.
- c) Monitoring regularly for any roadblocks in implementation of this policy. The Fund is responsible for overseeing the correct implementation of the policy and ensuring that all the relevant stakeholders are aware of the policy and adhere to the same.
- d) Allocate responsibility to individual investee companies to map their progress against ESG issues identified at the time of investment.
- e) Senior Leadership Overview – The Board shall have an oversight on the ESG matters which may be drawn upon the insightful recommendations furnished by the ESG committee of the contracted advisors. With a commitment to sustainability and ethical practices, this collaborative approach ensures that Fund's actions align with its core values while meeting the expectations of stakeholders. By integrating the expertise of the advisors into the decision-making process, the Fund can fortify its endeavours to create meaningful impact, fostering a culture of responsible corporate citizenship and long-term value creation.

3.2 The Approach



- a) **Initial Screening**
 - i) Application of negative screening by means of exclusion principles for opportunities involving harmful products/services.
 - ii) Undertake desk-based preliminary review and assign preliminary risk categorization to guide the need, scope, and deliverables for detailed due diligence.
- b) **ESG Due Diligence**
 - i) Identify associated ESG risks, and non-compliances vis-a-vis the ESG policy. The due diligence findings shall be summarized into an ESG Due Diligence (ESG DD) report.
 - ii) Development of ESG Corrective Action Plan (ESGCAP) that suggests corrective action and provides recommendations to mitigate ESG risks.

- iii) Where possible, identify ESG opportunities and indicators for value creation (impact) aligned with the investee's business strategy. Application of negative screening by means of exclusion principles for opportunities involving harmful products/services.
- c) Investment Decision & Agreement**
- i) Go/No-Go investment decision after reviewing ESG DD and ESGCAP.
 - ii) Coming to an agreement with the management of the investee company on all ESG-related matters, including corrective measures, performance standards, and reporting.
 - iii) Include negotiated ESG terms and conditions into investment agreement and finalize ESGCAP.
- d) Post-Investment Management & Monitoring**
- i) Use existing relationships with Management/CEO/Board through dialogue, consultation, and monitoring to promote ESG Risk Management in investee companies.
 - ii) Promoting development of relevant ESG policies and creation of internal systems and processes in investee entities.
- e) Exit Process & Realisation**
- i) Help investee companies to articulate their ESG journey and present the benefits of improved ESG performance.

3.3 Stewardship Efforts

Following investment, ChrysCapital shall actively collaborate with partner entities to elevate awareness and facilitate the identification of crucial Environmental, Social, and Governance (ESG) considerations by deploying a comprehensive ESG Assessment Framework. ChrysCapital shall establish an annual reporting mechanism on ESG parameters for its investors.

3.4 Climate Change

ChrysCapital shall urge its portfolio companies to track and evaluate their carbon footprint to foster a sense of responsibility towards the environment and contribute to the development of a business landscape that is more environmentally sustainable and eco-friendly.

3.5 Policy Review and Approval

The RI policy will undergo periodic reviews and may be updated to incorporate changes arising from changing business operations and any changes in applicable ESG standards. The Fund will depute relevant personnel to be responsible to conduct the review process from time to time.

The RI policy shall be communicated to all relevant/key internal and external stakeholders.

4. Annexures to the policy

4.1 Annexure -1 Exclusion List

The following is a list of exclusion principles adopted by ChrysCapital.

Sectors or activities which will be totally restricted and/or excluded by CC while doing business:

| Sr. No. | Activities and/or sectors |
|---------|---|
| 1. | Production or activities involving forced labour ¹ or child labour ² |
| 2. | Production of, or trade in, any product or activity deemed illegal under applicable local or national laws or regulations or subject to internationally agreed phase-outs or bans |
| 3. | Trade in wildlife or wildlife products regulated under CITES ³ |
| 4. | Destruction ⁴ of Critical Habitat ⁵ and any forest project under which no sustainable development and managing plan is carried out |
| 5. | Pornography or prostitution |
| 6. | Drift net fishing in the marine environment using nets more than 2.5 km in length |
| 7. | Production of firecrackers |
| 8. | Mining |

CC will endeavour to exclude companies which generate more than 50% of their revenue from the below sectors or industries. This restriction does not apply to customers and/or suppliers of such sectors or industries.

| Sr. No. | Activities and/or sectors |
|---------|--|
| 1. | Construction of new and extension of any existing coal fired thermal power plants |
| 2. | Production or trade in arms, weapons, and munitions, other than as a supplier to a national army |
| 3. | Gambling and casinos ⁵ |
| 4. | Production of tobacco products ⁷ |
| 5. | Production of nuclear energy ⁸ |
| 6. | Creation of a genetically identical copy of a human through the artificial reproduction of human cells and tissue (i.e., human cloning) ⁹ |

1. Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions.
2. Employees may only be taken if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply.
3. CITES: Convention on International Trade in Endangered Species or Wild Fauna and Flora.
4. Destruction means the (1) elimination or severe diminution of the integrity of a habitat caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the habitat's ability to maintain its role (see footnote 10) is lost.
5. Critical habitat is a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value that meet the criteria of the World Conservation Union (IUCN) classification, including habitat required for the survival of critically endangered or endangered species as defined by the IUCN Red List of Threatened Species or as defined in any national legislation; areas having special significance for endemic or restricted-range species; sites that are critical for the survival of migratory species; areas supporting globally significant concentrations or numbers of individuals of congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes or provide key ecosystem services; and areas having biodiversity of significant social, economic or cultural importance to local communities. Primary Forest or forests of High Conservation Value shall be considered Critical Habitats.
6. Does not include skill based or chance-based gaming platforms.
7. Does not include production of tobacco substitution products such as inhalers, sprays, patches, gums, lozenges, medication, electronic cigarettes, etc.
8. Does not include businesses, where the application is in the medical field, for space exploration, water desalination or in agriculture or food.
9. Does not include businesses where the application is for medical research, medical treatment such as for transplants or embryonic cells.

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