

PURPOSEFUL INVESTING. POSITIVE IMPACT.



PURPOSEFUL INVESTING POSITIVE IMPACT

At India Resurgence Fund (IndiaRF), our investments embody a dual responsibility: delivering financial returns to our investors and creating measurable positive impact for our communities and nation.

At our core, we align our economic goals with a higher purpose

- ✦ Providing solutions and creating impact for various stakeholders, from medium scale businesses that are the indispensable building blocks of the economy to complex businesses by unlocking and creating value;
- ✦ Contributing to sustainable and socially responsible investment practices;
- ✦ Generating, preserving, and improving the quality of livelihoods;
- ✦ Contributing to nation-building and the growth of an *atmanirbhar* economy.

Our strategy is to invest in businesses that share our values and integrate their economic objectives with social, ethical, and environmental concerns to meet the needs of contemporary society. We believe that such businesses will be the eventual winners generating long-term value for their various stakeholders.

Our investment thesis recognises that the journey to Environmental, Social, and Governance (ESG) improvement is unique for each business. Hence, we embed ESG principles in each of our investment decisions.

Our investment philosophy focuses on partnering with our portfolio companies on this journey irrespective of the nature of our capital. We aim to exit investments having created tangible improvements and lasting outcomes as our legacy.

Through purposeful investing, we offer a unique opportunity to create a positive impact while achieving financial goals. We envision responsible investing as the norm for the future with businesses becoming catalyst for positive societal and environmental transformation.

Portfolio Segments



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Key Highlights



IndiaRF

\$809 mn*

Total capital deployed including co-investments

91%*

Capital deployed across 8 sectors

11 Deals*

across 8 sectors

*As on December 2023

ABOUT THE REPORT

Sustainability has emerged as an imperative in the contemporary investing agenda, with stakeholders demanding greater accountability for environmental, social, and economic impacts. Recognising this universal need for transparency and responsibility, we are proud to present our inaugural Sustainability Report.



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This comprehensive Report outlines our commitment to generating long-lasting embedded value for our businesses, stakeholders, and communities while spearheading transformative initiatives that can be sustained for generations.

This Report serves as a roadmap for our sustainability governance initiatives, showcasing our efforts in ESG (Environmental, Social, and Governance) practices up to 2023. It marks the beginning of an exercise we will carry out regularly, documenting our journey toward generating sustainability across our investment portfolio.

In preparing this Report, we have conducted a materiality assessment of our current portfolio as well as our opportunity set and we have engaged with

stakeholders to identify the key sustainability topics crucial to us and our investee companies' long-term success. We have identified ESG themes which have the most significant impacts on our businesses and evaluated our sustainability performance in relation to these issues.

Our Sustainability Report is based on a wealth of data on sustainability performance collected from our portfolio companies over the years.

Through our Sustainability Report, we aim to catalyse positive change and contribute to a more sustainable and responsible world.

MESSAGE FROM OUR MANAGING DIRECTOR



“It gives me immense pleasure to present our inaugural Sustainability Report. Since our inception, our resolute commitment to sustainability and measurable improvement on Environmental, Social, and Governance (ESG) issues through IndiaRF’s investments has fuelled our journey.”

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We firmly believe that ESG is paramount to achieving long-term business success. Notably, we stand apart in the industry as a young yet dedicated organisation with a broad ESG agenda.

Today, sustainability holds significant importance for governments and citizens alike. As corporate citizens, we embrace this responsibility and commitment. This Report shines a light on IndiaRF’s dedication to the ESG cause. It highlights our investee companies who have partnered with us in advancing this vision, by embedding the ESG cause as part of the transformation plan to turnaround the business performance to industry leading metrics. They have made considerable strides in their ESG objectives within a short period, which also underscores their dedication.

Our ESG Framework unveiled through this Report, emerges from extensive deliberation, stakeholder engagement, and expert guidance. We have identified four critical areas where we hope to create a significant impact. These are Livelihood Enhancement, Energy management and efficiency, Affirmative Action at the Workplace and Participatory Development in our Communities - LEAP. Our agenda contemplates positive outcomes for internal and external stakeholders and aims at bringing meaningful change within our workplaces and beyond. We aim to generate positive micro-level impacts with every investment.

I am immensely proud of our employees who have actively contributed to co-creating and executing our ESG vision. Since 2022, each of our employees has displayed remarkable commitment by dedicating a specific number of hours to collaborate with initiatives of the Piramal Foundation. Spanning diverse areas such as (a) diversity and inclusion, (b) environmental issues, (c) social justice and citizen empowerment, and (d) improving policy delivery, these initiatives complement our ESG agenda.

I extend my heartfelt appreciation to IndiaRF employees and the employees of our portfolio companies and their management teams, who have wholeheartedly embraced our mantra of ‘Purposeful Investing. Positive Impact.’ I would also like to acknowledge the guidance of our shareholders— Piramal Enterprises and Bain Capital, without whom this agenda would not have seen the light of day.

Finally, I express my deepest gratitude to our investors, whose unwavering support has made this possible. We eagerly look forward to continuing our partnership as we embark on this exciting new phase of our ESG journey and strive to create a deeper and enduring impact.

Thank you.

SHANTANU NALAVADI
Managing Director

ABOUT IndiaRF

We are an investment platform that focuses on investing and taking control in turnaround situations. A joint venture between Piramal Enterprises and Bain Capital investors in our first fund include marquee international investors such as pension funds, multilateral institutions, family offices, and high net-worth individuals.



Our investment strategy offers the opportunity to make substantial, long-term, and risk-adjusted returns.

At IndiaRF, our core belief is in the deployment of flexible capital through customised structures that cater to the specific requirements of every business we invest in. What sets us apart in the market is our capability to offer tailored capital and strategic solutions that address complex situations. We achieve this through a platform comprising seasoned professionals who possess extensive experience and expertise in their respective fields.

By leveraging their insights and understanding, we strive to create substantial value for our investors and other stakeholders.

Our investment approach is characterised by a rigorous and thorough process in which we integrate profound industry- and business-specific knowledge. We actively engage with the businesses we invest in to foster comprehensive turnarounds.

Our approach is built around structuring our capital to alleviate bottlenecks, facilitating growth and improving performance. By doing so, we aim to unlock value for a wide range of stakeholders, including lenders, shareholders, promoters, management teams, and employees.

Our mission is to achieve substantial returns for our investors and create deep, sustainable growth and value in our investments.

About General Partners



Piramal Enterprises Limited (PEL) is a leading diversified Non-Banking Financial Company (NBFC) registered with Reserve Bank of India (RBI), with presence across retail lending, wholesale lending, and fund-based platforms. The company has investments and assets worth ~\$10 billion, with a network of over 470 branches across 25 states/UTs. Upholding its ethical and value-based principles, Piramal Group is committed to inclusive growth across all its endeavors.



Bain Capital is one of the world's leading private investment firms with approximately \$175 billion of assets under management that creates lasting impact for our investors, teams, businesses, and the communities in which we live. Since our founding in 1984, we've applied our insight and experience to organically expand into several asset classes including private equity, credit, special situations, public equity, venture capital and real estate. We leverage our shared platform to capture cross-asset class opportunities in strategic areas of focus. With offices on four continents, our global team aligns our interests with those of our investors for lasting impact.

Vision

- Investing in progress and the aspirations of Our Nation and Our Communities meaningfully and sustainably.
- Creating measurable everyday outcomes and transformations for Our People.

Our Mission

A Better Future

- Creating a legacy of positive impact for Our Nation, Our Communities, and Our People.
- Generating sustainable employment opportunities.
- Fostering inclusion by overcoming disparity based on race, gender, and disability.

Approaching our Mission with Seva Bhaav: returning to Our Nation, Our Communities, and Our People.

Values

At the core of our values lies the integration of ESG factors.

- We recognise that these factors are not merely tick the box; they are our guiding principles, instrumental in driving long-term investments and forging deep relationships with our stakeholders.
- With sustainability as our compass, we invest in portfolio companies while simultaneously championing community development, fostering employee well-being, enhancing sustainability and embracing diversity and inclusion.

We endeavour to be an agent of change, poised to make a positive impact on society and the environment while delivering returns for our valued investors. We are committed to creating value that extends far beyond balance sheets, leaving a legacy of prosperity for our employees, portfolio companies, investors, and the broader community.

Our ESG Agenda

Our purpose goes beyond profit; it extends to creating value that resonates with the United Nations Sustainable Development Goals (UN SDGs). We are committed to actively contributing to the betterment of society and the environment through our investment activities.

MESSAGE FROM GENERAL PARTNERS



“We are driven by the firm conviction that integrating ESG principles is fundamental to cultivating a robust and enduring enterprise, while simultaneously creating positive outcomes for our various stakeholders.”



“IndiaRF’s approach to ESG as part of a business’ transformation involves first understanding its baseline operations and then undertaking continuous engagement towards achieving that company’s ESG objectives.”

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The Piramal Group has integrated ESG within each of its business divisions, realising its potential for a significant positive impact within our business and peer group.

As ESG gains pivotal traction within the business landscape, we are pleased to highlight the remarkable strides that IndiaRF, one of our youngest businesses, is making in its ESG integration journey. It began its ESG journey in FY19, with an ESG policy aligned with the framework of our investors. As shareholders, we focused on identifying ESG risks in the business, developing detailed plans and implementing them. We have encouraged the management teams to scale their external and internal resources to build a strong ESG governance framework.

We have worked with the management teams to choose areas of intervention, where we could make the most visible impact. Energy management and efficiency, diversity and inclusion, employee well-being, and community development are the focus areas where we work with our portfolio companies. In this dynamic and evolving field, we endeavour to further reinforce IndiaRF’s ESG framework and strengthen our relationships with stakeholders.

Warm Regards,

ANAND PIRAMAL

Executive Director, Piramal Group

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At Bain Capital, we aim to strengthen companies, attract and motivate employees, serve our investors, and support the communities in which we operate. We also know that integrating ESG into our approach strengthens our businesses and investments. In establishing the IndiaRF platform, we have consciously woven our five core ESG commitments into a platform that can contribute to India’s economic growth, industrial development, and the advancement of its communities. IndiaRF’s approach to ESG as part of a business’ transformation involves first understanding its baseline operations and then undertaking continuous engagement towards achieving that company’s ESG objectives. Proactively addressing these elements not only mitigates risks but also drives sustainable, long-term growth.

Warm Regards,

BARNABY LYONS

Partner and Global Co-Head, Bain Capital Special Situations

STAKEHOLDER ENGAGEMENT

Our strategy is to develop effective engagements with our stakeholders in our quest to create long-term sustainable value. We engage and interact with the stakeholders and create mutually supportive opportunities and results.

We identify stakeholders who have the capacity to influence or get influenced by our business as key stakeholder groups.

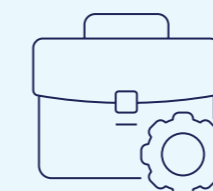


Stakeholders



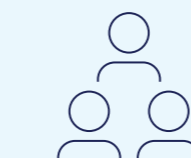
Investors

Engage periodically to provide updates on fund performance, communicate investment opportunities and strategies, and brief them about risk management practices and governance policies to build trust and demonstrate transparency. Provide them opportunities to make direct meaningful interventions.



Portfolio Companies

Establish strong relationships with boards and management of the companies to understand their challenges and goals with respect to ESG initiatives. Offer ESG expertise to drive strategic decisions related to sustainability, Environmental and Social Action Plan (ESAP), provide access to wider ESG network. Help companies to continuously monitor progress on ESG performance.



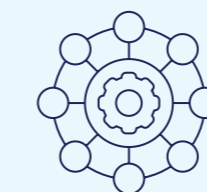
Employees

Nurture a safe and inclusive work environment for the employees of the portfolio companies and IndiaRF. Embed employee wellbeing in companies' policies and practices, promote a diverse and inclusive culture at all levels, as well as ensure their contribution to overall ESG performance of the company.



Nearby Communities

Assess the impact companies/investments have on local communities and society at large and develop strategic community engagement programmes.



Regulatory/Government Bodies

Build strong systems, processes and a robust operating environment in our portfolio companies to comply with applicable regulatory norms.



Expert Agencies

Appoint sectoral/service experts in different phases of the investment lifecycle. Understand good industry practices and develop management plans to implement at portfolio companies.

OUR ESG APPROACH

We collaborate with portfolio companies to drive a positive impact on the environment and society. We partner with them in achieving our collective ESG objectives and implementing robust governance while also working towards sustainability goals and providing transparent reporting on their progress.

ESG Objectives



Environment

- ✦ To align our operations and investments towards being environmentally responsible.
- ✦ To be resource-efficient throughout our portfolio companies and operations.
- ✦ To reduce operational waste generated by the portfolio companies and protect bio-diverse areas in the project surroundings.



Social

- ✦ To promote diversity across all levels and encourage an inclusive culture.
- ✦ To ensure the health, safety, and well-being of all employees as well as create a workplace where employees feel valued and can bring out the best in themselves.
- ✦ To create positive impact for nearby communities.



Governance

- ✦ To encourage ethical behaviour throughout our business and portfolio operations by providing training as well as developing robust compliance programmes.
- ✦ To enhance corporate governance at our portfolio companies through well-defined and established processes and practices.



“Our commitment extends beyond the initial investment stage to ensuring that our investments align with our ESG goals.

We closely monitor the environmental practices, promote sustainable initiatives and resource efficiency of our portfolio companies. Our emphasis is on job creation, employee well-being, and community engagement. We monitor governance practices and promote transparency and accountability. We strive to generate positive outcomes for our stakeholders and contribute to a responsible business ecosystem.”

Vikram Shinde | Vice-President - Portfolio Management

Our ESG Journey



2018

- ✦ Began the ESG journey by creating an ESG Policy and Guidance document for different sets of investments

2020

- ✦ Comprehensive ESG due diligence in connection with our first investments to identify areas of weakness that need amelioration
- ✦ Implementing our first Environmental and Social Action Plan (ESAP) to improve the ESG performance of the investee companies
- ✦ Initiated annual monitoring of ESAP implementation and identified areas that require strengthening
- ✦ Established an Operating team with the onboarding of an Operating Partner

2021

- ✦ Augmentation of the Operating team with the appointment of a senior resource to strengthen operations and ESG initiatives across portfolio companies
- ✦ Strengthening of governance cadence for ESAP monitoring

2023

- ✦ Formulated the ESG Strategy
- ✦ Development of the first Sustainability Report in progress
- ✦ Undertook materiality assessment by carefully analysing ESG topics most relevant to our investments and arrived at the 4 key areas that will be at the center of our ESG agenda
- ✦ Designed an ESG Index that applies to our diversified portfolio companies to measure the performance and integration of ESG initiatives within the companies and by extension in IndiaRF
- ✦ Expanding the network of ESG Experts by enhancing organisational capacity at our portfolio companies and by engaging with entities that assist/support in applying the ESG interventions best suited for us

2022

- ✦ Augmented the team with an ESG expert to oversee ESG initiatives across our growing portfolio and our investment opportunities
- ✦ A comprehensive review of our ESG policy was undertaken, which was eventually refined into the ESG strategy document to measure the outcomes of our investments
- ✦ Appointed experts to prepare an ESG strategy roadmap to identify focus areas and material topics
- ✦ Peer benchmarking was conducted to assess ESG maturity level compared to relevant peers
- ✦ An ESG index was developed to quantify future ESG performance of portfolio companies and to measure the impact of our ESG interventions

ESG FRAMEWORK

At IndiaRF, we are dedicated to integrating ESG factors into our investments to drive sustainable returns. We have established a robust and impactful ESG framework that aligns with our responsible investment objectives. Our approach integrates ESG considerations at every stage of the investment process to assess interventions, manage risks, create value, and generate sustainable returns.

Foundational ESG Elements

Due Diligence and Analysis

Our ESG framework includes robust due diligence and analysis that evaluates the ESG performance and practices of target companies. We assess ESG risks, identify areas for improvement, bolster investee companies' Environmental and Social Management System (ESMS), and evaluate alignment with recognised ESG standards and principles.

Impact Measurement and Reporting

Beyond financial returns, we believe in measuring and reporting the impact of our investments. Our ESG framework will include impact measurement methodologies that assess the social and environmental outcomes generated by our portfolio companies.

Engagement and Active Ownership

Active engagement with portfolio companies is a key component of our ESG framework. We work closely with Company management and boards to encourage transparency, enhance ESG disclosure, and address any identified ESG-related issues.

Continuous Stakeholder Dialogue

Stakeholder engagement and dialogue are essential components of our ESG framework. We actively seek input and feedback from investors, investee companies, regulators, voluntary organisations, and community representatives. This open and transparent dialogue helps us understand stakeholder expectations, identify emerging ESG issues, and address concerns effectively.

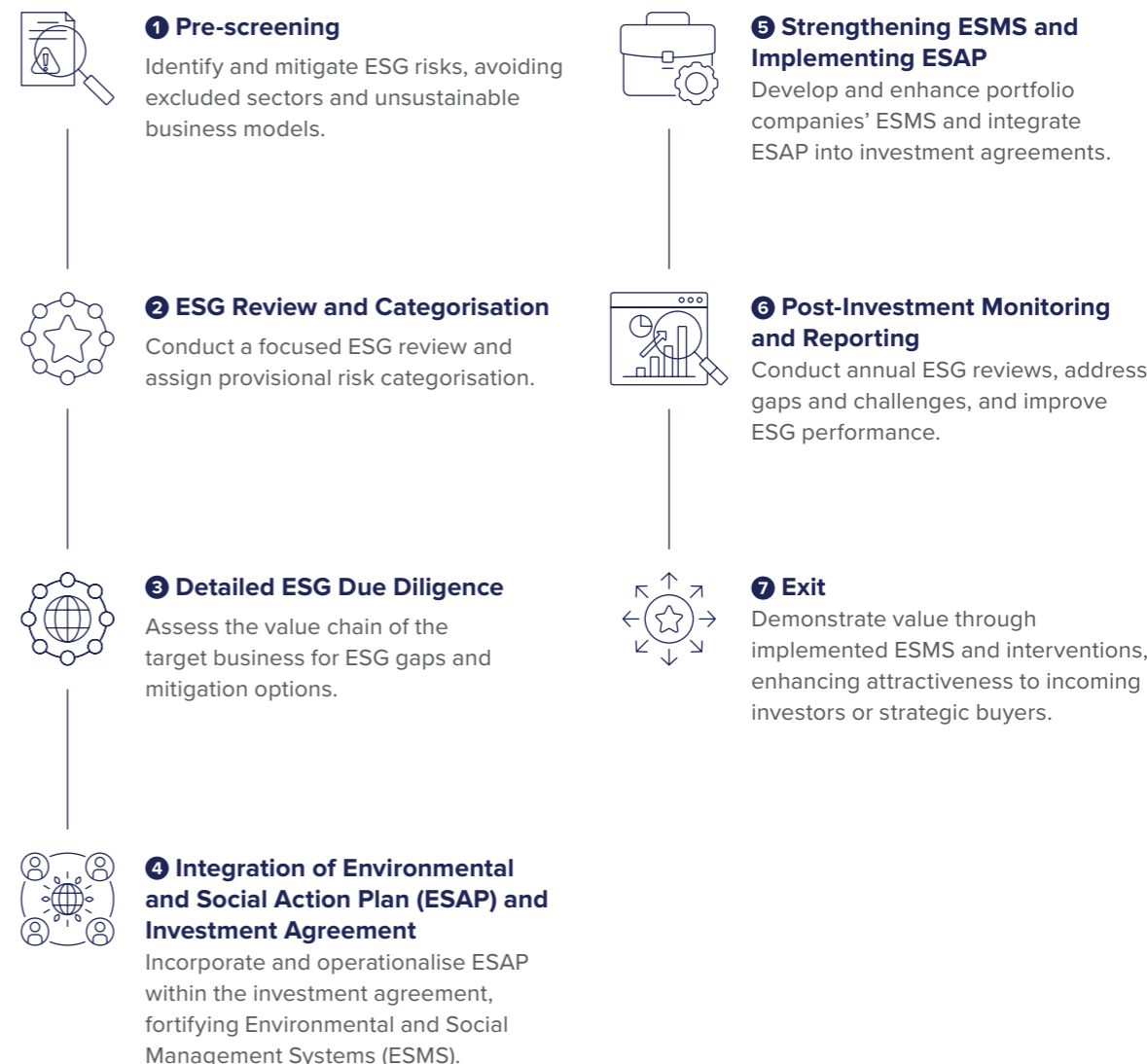
ESG Monitoring and Reporting

To track and measure our ESG performance, we employ a comprehensive set of ESG metrics and reporting practices. These metrics provide transparency and accountability, enabling us to communicate our progress and impact to investors and stakeholders.

Continuous Improvement and Innovation

We recognise that the ESG landscape is dynamic and evolving. Therefore, our ESG framework is designed to adapt to emerging ESG themes and priorities, encouraging continuous improvement and innovation. This approach allows us to capture new opportunities, manage risks, and contribute to positive societal and environmental outcomes.

ESG Integration in the Investment Cycle



“We have endeavoured to set a high standard for ourselves in integrating ESG into our investment cycle with a robust and well-articulated ESG policy framework. We understand that the process needs a tailored and meticulous approach to due diligence. We assess potential investments not only from a financial lens but also use appropriate filters to assess their preparedness for an ESG transformative journey. Our process helps us identify and mitigate risks from ESG factors to our investment.

We actively collaborate with our portfolio companies oftentimes providing them with capital to support their ESG transformation. We are able to track the evolution of our businesses, celebrate milestones and support them through their journey.”

Mrinal Chandran | General Counsel

MATERIALITY ASSESSMENT

We collaborate with portfolio companies to drive a positive impact on the environment and society. We partner with them in achieving our collective ESG objectives and implementing robust governance policies, while also working towards sustainability goals and providing transparent reporting on their progress.

Our ESG materiality assessment lays the foundation for our ESG strategy roadmap. It helps to ensure that our efforts remain focused on areas that can have the greatest impact on us and our portfolio operations. This also helps us reinforce the integration of sustainability within our investment strategy and processes and strengthen our approach to portfolio management.

A. Identification of ESG topics

An extensive list of the potential material ESG topics was identified based on our research of portfolio, peer benchmarking, and understanding of peers' materiality. Additionally, our list of ESG topics was also derived from the Sustainable Accounting Standards Board (SASB)'s identified material topics applicable to the Financial Sector. This research resulted in a list of 36 ESG topics.

C. Assessing Risks and Impacts

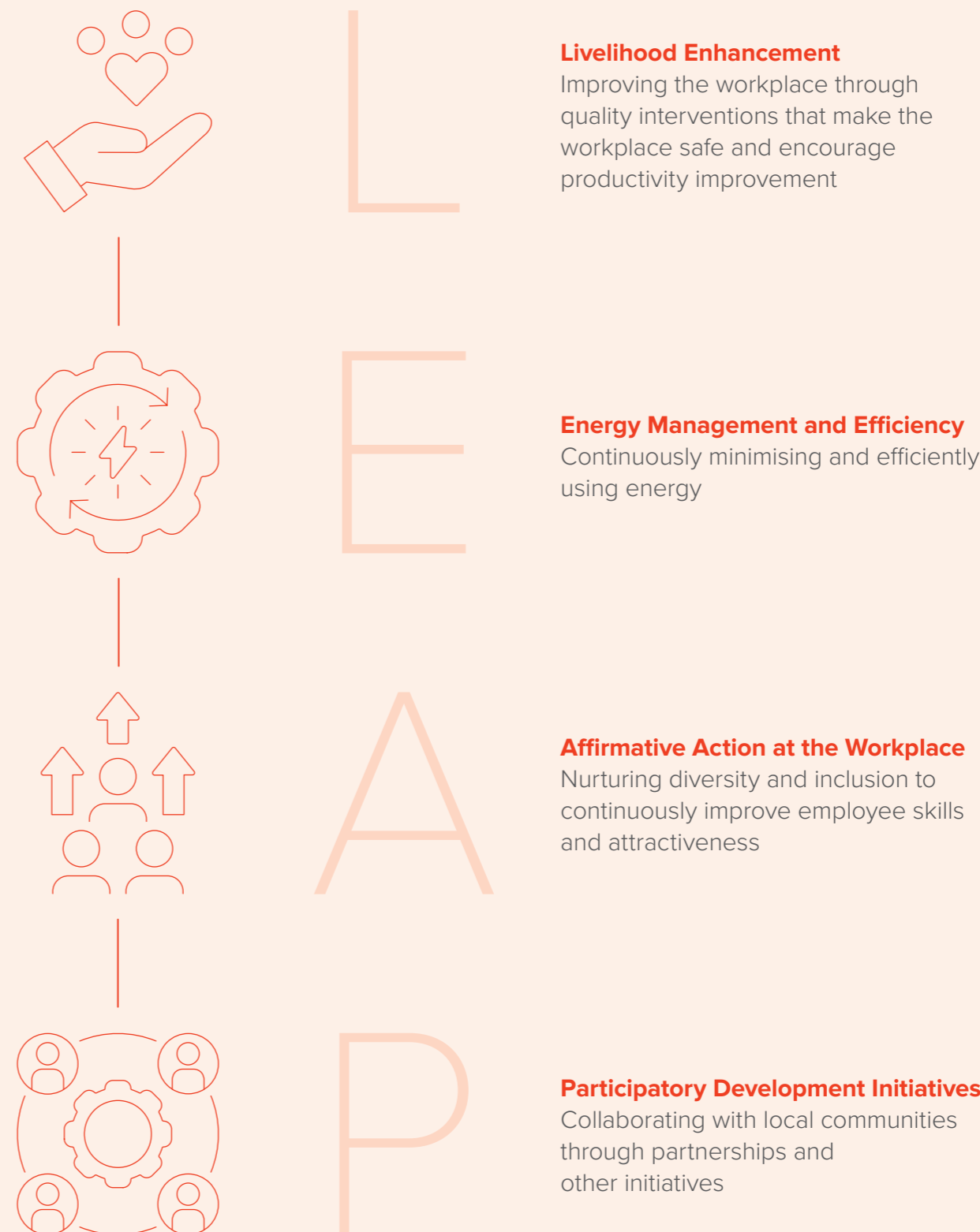
An analysis of the ESG topics was then conducted to understand which can have the greatest impact on us as a fund and their overall portfolio. For that, we conducted a four-step materiality assessment exercise to develop our four Pillars of ESG.

B. Gathering Stakeholders Perspective

We value stakeholder engagement in shaping our priorities. By gathering feedback, we addressed key issues, aligned with stakeholder expectations, and effectively prioritised ESG topics. Our approach involved identifying stakeholders with our ESG advisory firm, conducting qualitative interviews, and ranking ESG topics based on their importance to stakeholders, which include senior team members, management, and portfolio company representatives. This process helps us develop a comprehensive understanding of stakeholder perspectives.



The Four Pillars Identified: LEAP



ESG PERFORMANCE OF OUR PORTFOLIO COMPANIES



Setco

- ✦ Investment year: 2021
- ✦ Deal size: \$63 mn*
- ✦ Segment: Automotive Components



Primacy

- ✦ Investment year: 2021
- ✦ Deal size: \$46 mn*
- ✦ Segment: Consumer Goods



Archean Group

- ✦ Investment year: 2018
- ✦ Deal size: \$56 mn*
- ✦ Segment: Marine Chemicals



KMC

- ✦ Investment year: 2021 and 2023
- ✦ Deal size: \$55 mn*
- ✦ Segment: Infrastructure



Impresario

- ✦ Investment year: 2022
- ✦ Deal size: \$63 mn*
- ✦ Segment: Hospitality

* Including overage



“ESG investing has transitioned from a niche concept to a mainstream investment approach, recognising that it is essential for long-term sustainability and performance.

Our priority is to create robust governance structures and to implement systems that lead to significant positive outcomes. Our portfolio companies have implemented Environmental and Social Management Systems (ESMS) that allow their Boards to track alignment with the ESG agenda.

We challenge our portfolio companies to constantly improve their diversity score as we believe it creates positive business and social outcomes.”

Shitij Kale | Senior Director - Investments

SETCO AUTOMOTIVE SYSTEMS

Setco Automotive is the largest manufacturer of Premium Quality ‘LIPE’ brand clutches for medium and heavy commercial vehicles (MHCV) in India. Incorporated in May 1982, the Company is a tier-I supplier of clutches to all the MHCV manufacturers in India such as Tata Motors, Bharat Benz, Ashok Leyland, Mahindra and Mahindra, Volvo Eicher, etc. It caters to original equipment manufacturers (OEMs), original equipment spares, and Independent after-market (IAM) segments. It is the only branded player with both coil and diaphragm clutch manufacturing capability in India.

2021
INVESTMENT YEAR

\$63 mn
DEAL SIZE

Automotive



UN SDGs Impacted





HIGHLIGHTS
Radical improvement in overall fire safety with new fire hydrant system and improved emergency response plan

Reuse of treated wastewater from enhanced effluent treatment plant for landscaping

ACHIEVEMENTS

- Improved resource efficiency of water by installing an effluent treatment plant, recovering and reusing around 25-30% of treated water for gardening.
- Positive social impact through CSR activities facilitated by Setco Foundation.
- Significant mitigation of risk associated with potential fire incidents brought about by the installation of a centralised fire hydrant system. Emergency response team with comprehensive training to handle fire emergencies developed at the facility.

Empowering Communities, Illuminating Lives: The Setco Foundation



Since its establishment in 2009, Setco Foundation has been unwavering in its commitment to uplift communities and create a brighter future. By focusing on healthcare, nutrition, education, and equal opportunities for women, the Foundation has become a catalyst for transformation.

Its journey began with the revival of three neglected anganwadis in Kalol, Gujarat, where it provided vital nutrition support to 150 children. Over the past decade, the Foundation's reach has expanded to encompass 22 communities and more than 6,200 beneficiaries across various programmes. From improving healthcare access to fostering educational opportunities, Setco Foundation has become a beacon of hope, igniting positive change and empowering individuals to shape their destinies.

SAAHAS Empowerment Programme: Transforming Lives, Nurturing Communities

KEY INTERVENTIONS

- Women empowerment through self-help groups (SHG) and microfinance.
- Community-level helpdesk programme in 18 villages.

ACHIEVEMENTS

- Established 83 SHGs, fostering economic empowerment and self-reliance.
- Engaged 869 women in livelihood activities through these SHGs.
- Achieved an average net profit of ₹5,846 per month for each SHG member.
- Reached a total of 3,087 beneficiaries in the SAAHAS empowerment programme.

SHIKHAR Sports Development Programme: Transforming Lives through Sports



ACHIEVEMENTS

- Engaged 513 students in the SHIKHAR Sports for Development programme and provided them with a transformative development platform.
- Exposure to sports for girls resulted in successfully preventing marriage while they are minors (below the age of 18) among other programme benefits.
- Celebrated 28 medals won by SHIKHAR students at the District and State-level events, highlighting their remarkable achievements.

KHUSHI Health, Nutrition, and Early Childhood Programme: Nurturing Bright Futures

ACHIEVEMENTS

- Comprehensive coverage and support: The programme has reached 119 children with special needs, providing tailored interventions to promote their development.
- Extensive therapy and Counselling: A total of 1355 therapy sessions and 3954 online counselling sessions have been conducted, benefiting children and their families.

IMPACT MADE BY SETCO FOUNDATION

Setco Foundation through its initiatives has left a positive impact in areas of community development, sports, livelihood and skill enhancement, and child nutrition and well-being thereby contributing to the socio-economic upliftment of nearby communities.



"We are thrilled to have joined forces with IndiaRF during the crucial phase of Setco Automotive's journey. The association with IndiaRF has not only resulted in a strategic partnership but also reinvigorated our commitment to ESG. We have, together, reinforced our beliefs by upgrading and creating multiple avenues of environment management and employees' workplace satisfaction and safety. Our Setco Foundation continues to perform pathbreaking work in the community, creating enhanced livelihood and sustainable tomorrow."

Harish Sheth | Chairman and Managing Director, Setco Automotive Systems

PRIMACY INDUSTRIES

Primacy Industries, founded in 2005, stands as a leading player in contract research and manufacturing services. It boasts an impressive array of over 600 distinctive personal care products. Its holistic solutions span the entire spectrum, from research and raw material procurement to product development and supply chain management.

The company is a trusted partner to renowned global brands like Walmart, Dollar General, and Bed Bath & Beyond, as well as esteemed domestic retailers, such as Metro Cash and Carry, Dabur, and Reliance. Its commitment to innovation is evident in products tailored for everyday use and special occasions, reflecting a dedication to aesthetics and customer satisfaction.

2021 | **\$46 mn** | **Consumer Goods**
INVESTMENT YEAR | DEAL SIZE



HIGHLIGHTS

Enhanced fire safety for plants

65%
Water is recycled and reused

53%
Women employees

Primacy Industries intends to install solar panels by FY25 to switch to renewable energy for power consumption within its units.

ACHIEVEMENTS

- ✦ Significantly improved the fire safety aspects by installing leak detection systems near the bulk storage locations of ethanol and LPG.
- ✦ Designed and implemented a rainwater harvesting system as part of an environmental protection programme.
- ✦ Bolstered policies such as the policy prohibiting child labour and forced labour.
- ✦ Implemented multiple areas of improvement such as occupational health centre with doctor and paramedical staff, to improve occupational health and safety.



“Engagement with IndiaRF has helped us identify areas of improvement in our plant[s] and aspects related to safety, especially fire safety. Our team has gained a better understanding of good industry practices pertaining to ESG management. We have incorporated these learnings in our environmental and social management systems and hope to make continual improvements that we believe will improve the overall quality of our operations.”

Raghavendra Rao Sannayya | President, Primacy Industries

UN SDGs Impacted



ARCHEAN CHEMICAL

Archean Chemical, part of the Archean Group, is a prominent force in the specialty chemicals manufacturing sector. With a global presence, the company is renowned for producing top-tier specialty chemicals, including 40,00,000 TPA of Industrial Salt, 42,500 TPA of Bromine, and 1,30,000 TPA of Sulphate of Potash, meticulously crafted through an environment-friendly process.

With a strong heritage and extensive market reach, Archean Chemical continues to shape the industry by delivering exceptional products that cater to the diverse needs of customers worldwide.

2018 INVESTMENT YEAR | **\$56 mn** DEAL SIZE | **Marine Chemicals**



UN SDGs Impacted



HIGHLIGHTS

24%
Reuse of fly ash

Adoption of Integrated Management Systems for management of ESG aspects

Shift from captive coal plant to grid electricity for power consumption reducing GHG emission.

ACHIEVEMENTS

- Adopted Integrated Management System (IMS) for internal standards for the management of the environment (ISO 14001:2015), safety (ISO 45001:2018) and quality aspects ISO 9001:2015.
- Took various initiatives for project communities in preventive healthcare, which involved eye check-up camps, mobile clinics, and aid for cataract surgery.
- Developed a dedicated coal storage shed thereby minimising potential environmental impacts.
- Other welfare initiatives for the community involve drinking water supply by tankers and financial aid for education to students from the local community.
- Developed a green belt around the brine field area.
- Dedicated power supply line from state electricity distribution company to be connected with plant in Hajipir village by 2024. This milestone will reduce dependency on coal-based captive power plants and reduce associated emissions.



“Our collaboration with IndiaRF has redefined Archean Chemical’s trajectory, focusing on environmental sustainability and energy transition. We have achieved remarkable growth and have demonstrated an exceptional environmental performance, by implementing energy-efficient practices, and adhering to rigorous environmental, safety, and quality standards. IndiaRF has been instrumental in driving a transformative change towards our greener and more sustainable future.”

Ranjit Pendurthi | Managing Director, Archean Chemical

THRISSUR EXPRESSWAY

Thrissur Expressway Limited is a significant 28 km six-lane highway connecting Thrissur and Vadakkanchery in Kerala. Part of National Highway (NH)-47, which connects major urban centres in Kerala and Tamil Nadu.

It is a special purpose vehicle (SPV) under the KMC Group, which obtained the concession to expand this NH47 section in 2008. KMC Construction Limited, an experienced EPC company, contributes its expertise to this exceptional project.

2021

INVESTMENT YEAR

\$55 mn

DEAL SIZE

Infrastructure



UN SDGs Impacted



HIGHLIGHTS

77%

Reduction in road accidents by accident causal analysis and preventive action

100%

Bituminous waste reused in road construction

Implementation of Livelihood and Stakeholder Engagement Programme as part of community development initiative.

ACHIEVEMENTS

IndiaRF and Thrissur Expressway Limited collaborated on the Livelihood and Stakeholder Engagement Programme.

Highlights of the Training Programme



Over 120 women candidates from project communities completed training on stitching and sewing, and financial literacy.



Over 2,500+ beneficiaries in project communities through Livelihood and Stakeholder Engagement Programme.



Reached out to around 1,600 people through numerous awareness sessions on road safety.

Over 50 women candidates completed training on beautician courses and financial literacy.

Reached out to around 800 local farmers to sensitise them about sustainable farming practices.



“Our association with IndiaRF in completing this road project has yielded substantial progress and achievements. We’ve reduced road accidents and ensured safer transportation infrastructure, through analytics and prevention. Our road safety campaign extends across 15 villages, promoting safe practices. Embracing circular economy, we repurposed bituminous waste in road construction promoting environmental sustainability.

Our Livelihood and Stakeholder Engagement Programme has empowered more than 2,500 individuals with skills in sewing and beauty treatments, improving their economic well-being. We have also educated farmers on organic farming benefits and sustainable agricultural practices.”

Pruthvi Kumar Reddy | Director, Thrissur Expressway Limited

IMPRESARIO ENTERTAINMENT AND HOSPITALITY

Impresario Entertainment and Hospitality began its journey in 2001 with Mocha - Coffees and Conversations. Today, it boasts over 60 restaurants in 15 Indian cities. Its diverse portfolio includes renowned brands like SOCIAL, Smoke House Deli, unique establishments like, Slink & Bardot, along with cloud kitchens like BOSS Burger, Lucknowee, and Hung-Li.

What sets Impresario apart is its ability to cater to evolving Indian dining preferences, offering extraordinary experiences and a firm commitment to quality. It has carved a special place in the hearts of those seeking memorable dining adventures.

2022 | **\$63 mn** | **Hospitality**
INVESTMENT YEAR | DEAL SIZE



UN SDGs Impacted



HIGHLIGHTS

100%
Recycling of cooking oil

300+
Employees trained for POSH

Satranghi Mela: One of its kind 'Queer Culture Festival' curated by SOCIAL collaborating with India's LGBTQIA+ communities.

ACHIEVEMENTS

Policies and Employee Welfare Initiatives

- Proactive approach towards promoting Diversity and Inclusion in the company culture. Satranghi Mela is one of its kind 'Queer Culture Festival' curated by SOCIAL collaborating with India's LGBTQIA+ communities.
- Pioneering efforts in integrating ETP in the design of new outlets.
- Environmental initiatives include 100% recycling/ reuse of used cooking oil.
- Adopted various policies targeted towards employee welfare such as PoSH and Menstrual Leave Policy. Other initiatives include the programme 'SAATHI' to cater towards employee mental well-being, training, and awareness sessions on LGBTQIA.
- Integrated sustainability in the design of new outlets by using refurbished furniture and artefacts for designing store interiors.



"We are pleased to announce the successful collaboration with IndiaRF, which has given an additional boost to our ongoing ESG efforts and strategy. We have achieved significant milestones, including a 100% recycling rate for cooking oil and comprehensive training on the prevention of sexual harassment for over 3,000 employees. We have also made remarkable strides in waste management, recycling all generated waste and implementing sustainable interior design practices.

Furthermore, our commitment to social responsibility is exemplified through initiatives like the Satranghi Mela, a groundbreaking 'Queer Culture Festival' curated in collaboration with India's LGBTQIA+ communities. Overall, this collaboration with IndiaRF has brought us closer to our sustainability goals, fostering a positive impact on the environment and our stakeholders."

Riyaaz Amlani | Managing Director, Impresario.

WAY FORWARD

As we forge ahead, we recognise the need to embrace new strategies and tools that drive responsible investment practices. This section explores two key areas that will shape the way forward: the integration of material topics into the current ESG framework and the adoption of the ESG Index tool for the annual ESG performance evaluation of portfolio companies.

Integration of Material Topics: Enhancing ESG Due Diligence and Action Plans

To strengthen our commitment to responsible investment, we will strive to enhance the effectiveness of our ESG due diligence process and ensure that our investments address the most relevant and impactful issues.

Action Plans: Mitigating Risks and Capturing Opportunities

To drive positive change, we will develop action plans that address these topics effectively. These plans will outline specific steps, targets, and timelines for mitigating risks, improving performance, and capturing opportunities related to the identified material topics.

Forging a Path to Sustainable Prosperity: Embracing Responsible Investment at IndiaRF

At IndiaRF, responsible investment is deeply ingrained in our decision-making process and investment strategies.

We are committed to integrating ESG considerations into our operations, aiming to create a sustainable and prosperous future in line with the expectations of our investors, investees, and society as a whole. Our goal is to demonstrate that responsible investment practices can deliver both financial returns and positive impact, paving the way for a more sustainable future.

We recognise the strong correlation between robust environmental and social practices and long-term business success and will aim to prioritise sustainability in our operations. Through this report, we emphasise the importance of incorporating ESG factors into our business practices to generate a positive impact for our stakeholders.

To further strengthen our commitment, we are developing an ESG strategy roadmap that will outline specific targets and key performance indicators (KPIs) for our fund and portfolio companies. In the coming year, we plan to present our progress in achieving these ESG targets and KPIs, reflecting our dedication to transparency and accountability in our responsible investment practices.



“Strategically, we invest in businesses which have experienced significant challenges in the past. We actively lead their turnaround, including renewed focus on ESG.

Our ESG strategy, going forward, will incorporate deeper engagements with portfolio companies on key areas, besides the existing ones. The outcomes will be focused on sustainability value creation, carbon footprint reduction, workplace diversity, societal contribution, and environmental preservation. We aim to evolve our ESG goals over time and provide solutions that will be bespoke to the nature, scale, and complexity of our investments with measurable outcomes.”

Shantanu Nalavadi | Managing Director

Annual ESG Performance Evaluation: Introducing the ESG Index Tool

We will implement an annual ESG performance evaluation of our portfolio companies using the ESG Index tool. This internally developed tool enables a quantitative assessment of portfolio companies’ performance on their respective ESAP action items and Material ESG Indicators.

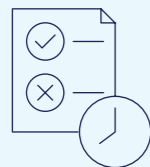
KEY OBJECTIVES OF THE ESG INDEX

- ✦ **Quantifying ESG Aspects**
The primary objective of the ESG Index tool is to assign qualitative and quantitative values to interventions identified as part of our ESAP and the Four Pillars.
- ✦ **Enabling ESG Integration**
The tool aims to enable the integration of ESG factors into portfolio companies’ operations.
- ✦ **Assessing ESAP Implementation**
The tool also serves the purpose of assessing the implementation status of the ESAP.
- ✦ **Identifying Areas of Improvement**
The ESG Index tool is to understand opportunities for interventions at our portfolio companies.



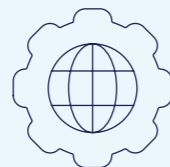
WAY FORWARD

KEY FEATURES



Assessment Period

The ESG index score for a new portfolio company will be considered after one year of investment, once we receive the first level of assessments on the status of its ESAP action items.



Themes and Weightage

The ESG Index tool is divided into two themes: Implementation of ESAP and Material ESG Indicators. Implementation of ESAP carries a weightage of 70%, while Material Indicators carry a weightage of 30%.

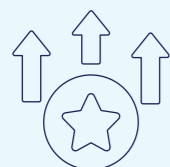


ESG Scoring

The overall score of a portfolio company is measured on a scale of 0 to 10. The final score of a portfolio company is calculated by averaging scores obtained under each theme.

The IndiaRF score is a weighted average based on the scores attained by individual portfolio companies and the percentage of overall funds invested in each company.

BENEFITS OF THE ESG INDEX TOOL



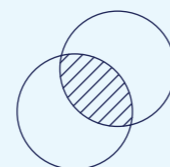
PERFORMANCE MEASUREMENT



ESG INTEGRATION AND IMPROVEMENT



BENCHMARKING AND INDUSTRY INSIGHTS



TRANSPARENT REPORTING

Integration of ESG index tools and material topics in the overall ESG framework of IndiaRF will further strengthen our commitment towards our stakeholders including our portfolio companies, communities impacted by the companies' business activities and investors. As we embark on this new ESG journey, we are excited about all our new initiatives and the scale of impact that will be created.

Disclaimer

The report represents IndiaRF's view as of the date of this presentation and is subject to change. Activities are a representative list and not exhaustive. While IndiaRF considers ESG factors when making investment decisions, this does not imply the pursuit of an ESG-based investment strategy or mean that investments are limited to those meeting specific ESG criteria or standards. The processes noted herein are presented for illustrative purposes only and may not be performed in the same manner for every investment. The procedures noted are representative and may not be exhaustive. The noted case studies are presented for illustrative purposes only. These investments are not necessarily indicative of any investments that IndiaRF will or could make in the future. The companies identified herein do not represent all the investments made by IndiaRF, and it should not be assumed that the investments identified were or will be profitable. ESG integration may not apply to all funds or strategies. The level of ESG integration may vary by strategy. Portfolio companies may establish ESG integration strategies, set goals, and achieve progress independently. Achievements cited in case studies may not be direct results of IndiaRF's ESG oversight or involvement. Please see the IndiaRF website for more details on our investments across business units.

IndiaRF

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