

SAMARA
CAPITAL

ENVIRONMENT, SOCIAL AND
GOVERNANCE REPORT
2023

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Disclaimer

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Overview

Leadership Message

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Responsible Investment Policy 2023

Portfolio Company ESG Performance Overview



Leadership Message



It gives me immense pleasure to share the second ESG report of Samara Capital. This report reiterates our commitment to responsible investment and serves as a reinforcement to the fact that responsible investment approach remains integral to our investment decision-making process. During the past one year, we have undertaken several initiatives to strengthen integration of ESG considerations in investment decisions. This report provides a summary of those initiatives. We are also aware of our responsibility to demonstrate good corporate citizenship and our stewardship efforts with portfolio companies are guided by our intention to improve sustainability of businesses while fulfilling corporate responsibility.

Since the publication of our first ESG report, our belief has become stronger that generating financially fa-

vourable outcomes from investment decisions and addressing sustainability concerns are not mutually exclusive. In fact, by adequately identifying ESG risks and opportunities in a timely manner, we are able to build resilient businesses capable of successfully navigating through the emerging threats and leverage opportunities.

Our approach for incorporating ESG considerations in the investment decisions is governed by the Responsible Investment policy. The policy documents our commitment to responsible investment. It also includes framework for evaluating ESG factors while assessing the investment proposals and during the ownership period. During 2023, we have made significant revisions to the policy while also reviewing our ESG framework.

Our engagement with portfolio companies on ESG matters has grown multi-fold in past one year. We support the companies in their ESG journey as they pursue sustainable growth giving equal importance to People, Planet and Profit. We support the portfolio companies in their endeavour to minimise environmental footprint while caring for the people. Our engagements also focus on identifying ESG and climate-related risks and developing mitigation strategies.

We have developed several tools and resources that assist our investments teams in assessing ESG risks and opportunities while evaluating investment proposals. Our investment teams also receive periodic updates on emerging ESG regulatory trends for increased awareness and informed decision-making.

Through this publication of this ESG report, we are continuing our commitment of transparent communication of ESG commitments, policies, processes, and achievements. We thank our investors and stakeholders again for their time and interest in learning about our responsible investing approach.

Collaboration for Promoting Responsible Investment

Signatory of:



Participating with Peers for Enriching the Responsible Investing Ecosystem

- PRI Sustainable Systems Investment Managers Reference Group
- PRI Circular Economy Reference Group

“ Across our portfolio companies, we look to maximize financial returns from the business activities, care for the environment and community, and ensure compliance with regulatory requirements while fulfilling the corporate responsibility. ”

- Sumeet Narang
 Founder, Managing Director, and co-CIO



About Samara Capital

Samara Capital is one of India's leading mid-market private equity firms with strong operating capabilities. We focus on long term business ownership and value creation while driving positive impact for all stakeholders.

Founded in 2007, Samara Capital is a leading mid-market private equity firm in India and has invested over 1.7 billion USD since inception. We have a stable and cohesive leadership team that takes pride in attracting and nurturing the very best of talent to deliver exceptional results.

Over the course of more than a decade, the team has developed deep expertise in focus sectors and has actively collaborated with managements making Samara Capital a trusted partner.

We see ourselves as a business owner and partner with entrepreneurs and managements to make the businesses achieve their true potential, thereby creating long term value for all stakeholders.

Our investors include high quality institutional investors and family offices from across the globe.

Our Purpose

To be inspiring business leaders and best-in-class capital allocators.

Our Mission

To be the most trusted steward of our client's capital.

Our Culture

Samara leaders nurture a work culture based on our core leadership principles and values.

Our Values

Passion for Investing

Samara leaders are inquisitive and create unique investment opportunities based on sharp insights and strong relationships with business leaders. Samara leaders believe in capital preservation, demonstrate intellectual integrity and are relentless in pursuing strong risk-adjusted investment returns.

Business Builder

Samara leaders think and act as inspiring business owners, possess sound judgment, and display a high degree of accountability. They have a frugal mindset and don't sacrifice long-term value for short term results.

Growing Talent

Samara leaders can identify, attract, nurture, and retain the very best of talent, for the firm and for the businesses we invest in. They gauge their own success basis the talent they build and create a culture of empowerment and perfectionism.

Grit

Samara leaders think audaciously and show unusual resilience. They learn and improve from setbacks/ failures and keep going while rallying everyone in the team until the goal is accomplished. They are not afraid of taking calculated risks and value speed in decision making.

Collaboration

Samara leaders display a firm-first approach, they work together in the belief that the best idea, rather than my idea, is everyone's common objective. They share information & knowledge openly and make time to help others.



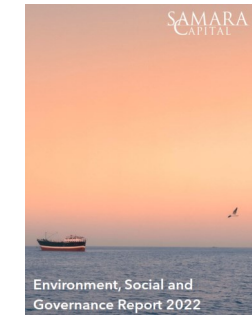
ESG Journey and Milestones



- Aligned Responsible Investment approach with the IFC Performance Standards.
- Initiated engagement with portfolio companies on ESG topics

ESG

- Engaged independent experts to conduct ESG diagnostic audit for all portfolio companies
- Engaged with portfolio companies to address the findings of audit in a time-bound manner



- Published first ESG report
- Revised Responsible Investment Policy
- Developed ESG dashboard to monitor ESG performance of portfolio companies
- Joined PRI Reference Groups



- Adopted ESG policy incorporating recommendations of IFC Performance Standards
- Developed framework to screen investments, conduct ESG due diligence and monitor ESG performance



- Became signatory to UN PRI, ESG Data Convergence Initiative and initiative Climate International
- Created an in-house ESG team and initiated accelerated engagement with portfolio companies.

Signatory of:





ESG Highlights

2023 was an important year for us as we made significant strides by revising our Responsible Investment Policy, updating our framework for responsible investment and supported investments teams through in-house developed ESG tools.

Our focus during the year was to design and implement processes that would allow us to fulfil responsible investment expectations of our investors, meet the requirements of industry initiatives and adopt industry best practices. At the beginning of the year, we set

ourselves an ambitious 5-year goal of demonstrating best-in-class ESG performance. This shaped our actions during the year as we collaborate internally as well as with our portfolio companies.

Revised ESG Framework, Supported by In-house Developed Tools

We started a comprehensive review of our ESG framework in 2022 and adopted the revisions in 2023. We also developed several in-house tools for supporting the investment team as well as the portfolio companies. The tools for investment teams provide industry-level overview of the key ESG topics and assist them

in understanding the relevant ESG risks and opportunities while they analyse the investment proposals. ESG tools for portfolio companies support the companies in identifying material ESG risks and opportunities, guide them in selecting appropriate KPIs and assist them in measurement of ESG metrics

Published First Samara Capital ESG report

We published our first ESG report in 2023 communicating our commitment to responsible investment and how we have incorporated ESG considerations

across the investment cycle. Our first ESG report also highlighted the key ESG initiatives and achievements of portfolio companies.

Commenced Annual ESG Training for the Investment Team

Our internal ESG team conducts annual training on responsible investing for investing team, operating team, and the other central resources. The training includes details on the concept of responsible invest-

ing, Samara Capital's commitment to ESG and expectations from different functions. The training also acts as a refresher for reviewing the Responsible Investment policy.

ESG Policy Review for Investment Team and Portfolio Companies

We track emerging regulatory developments and ESG-related regulatory trends which inform our collective decision making throughout the investment cycle.

Our internal ESG team has developed weekly and monthly ESG policy review publications that are shared with investment team, Samara group and management teams of portfolio companies.

Submitted Data to ESG Data Convergence Initiative (EDCI)

In 2023, we completed our first cycle of data submission to EDCI by working with our portfolio companies to collect data for most of the EDCI metrics. We shall continue to actively participate in the EDCI process

and have started incorporating EDCI benchmarks to compare the ESG performance of our portfolio companies periodically.

Regular Interactions with Portfolio Companies on ESG Progress

Since late-2022, we have further formalised our interactions with the portfolio companies on ESG matters. Such interactions typically happen on a monthly basis and more frequently if required. All the portfolio companies are expected to depute either a dedicated or a

shared resource for leading the ESG efforts. The nominated ESG champions represent diverse functions across the portfolio companies and are generally aligned with the most important ESG issues for the sector.

ESG Dashboard with 20+ Metrics, Reviewed Quarterly

In 2022, we selected about 20+ metrics across environment and social topics including greenhouse gas emissions, renewable energy, water consumption and recycling, material conservation, waste minimization, waste diversion from landfill, data security, gender equality, training and skill development, decent work environment, and occupational safety.

Governance topics include board parameters, litigations and stakeholder grievances. Beginning 2023, these metrics were rolled out to all portfolio companies and quarterly data submission was initiated. During the year, we collected data from all portfolio companies on these ESG metrics and discussed the same internally as well as with the portfolio companies.

ESG Guidance for Portfolio Companies

The launch of the quarterly ESG metrics initiative for portfolio companies was supplemented by a detailed ESG guidance program. We developed a comprehensive guidance document on the ESG metrics that included a templated data collection tool for collect-

ing and reporting on the ESG metrics. The data collection tool was flexible enough for all portfolio companies to customise as per their business specific requirements.

Annual Reporting to UN PRI

In 2023, we completed our first-ever annual reporting to PRI, about six months after joining as a signatory. While the reporting is voluntary in the first year for new signatories, we proactively decided to report progress against the PRI reporting framework demon-

strating our strong commitment to six principles of responsible investment. The assessment report PRI has provided valuable inputs to us as we undertake several additional initiatives in 2024.



Responsible Investment Policy 2023

During 2023, we reviewed and revised our 2019 ESG policy and published 2023 Responsible Investment Policy. The evolution of our Responsible Investment Policy reflects the changes in the responsible investment landscape as well as our evolved understanding on ESG considerations in the investment decisions for building resilient businesses.

Since we adopted the 2019 ESG policy, responsible investing has gone from a niche concept to a mainstream requirement. Investors and the companies alike are now evaluating the ESG related risks and opportunities. As a result of the increasing importance of this subject, we initiated a thorough review of our ESG policy in 2022. We holistically looked

at all the internal and external drivers that affect our responsible investing approach. These drivers included investor expectations, evolving regulatory obligations, material ESG factors that affect our portfolio companies and the sustainability impact of our investment decisions through our ownership of portfolio companies.

Alignment with UN PRI and Global Frameworks on Responsible Investment

Another important factor that motivated our efforts for revising the policy was our membership of UN-supported PRI in 2022. We had internally initiated efforts for preparing ourselves for PRI membership in mid-2022. As part of these efforts, we began assessing the policy for its alignment with PRI principles and expectations from the signatories. Apart from expectations from PRI signatories, expectations from investors on responsible investing played a crucial

role in shaping our revisions to the Responsible Investment Policy. We actively considered regulatory changes happening not just in India but also around the world to inform our understanding of responsible investing obligations for investors. We proactively looked at not just the current regulations but also included emerging regulatory trends while reviewing the policy and incorporating changes.

Commitment to Active Ownership

We adopt active ownership approach for our investments and are closely involved with our portfolio companies throughout the ownership period. This is reflected in our responsible policy as well which details the monitoring and reporting process undertaken by portfolio companies on ESG topics. The Responsible Investment Policy describes how our portfolio companies are required to incorporate material ESG factors into their ESG strategy. For our portfolio companies, the ESG strategy is never standalone and is fully integrated as part of the overall business strategy.

We also track sustainability outcomes of our investment decisions, and the revised Responsible Investment Policy documents the ESG metrics that are tracked across the portfolio companies and their monitoring frequency.

In 2022 and 2023, we strengthened ESG governance internally by expanding ESG team supported by dedicated ESG professionals. We also constituted ESG committee and documented the updated roles and responsibilities for respective teams in the revised Responsible Investment Policy. The revisions also included our stewardship and reporting commitments.

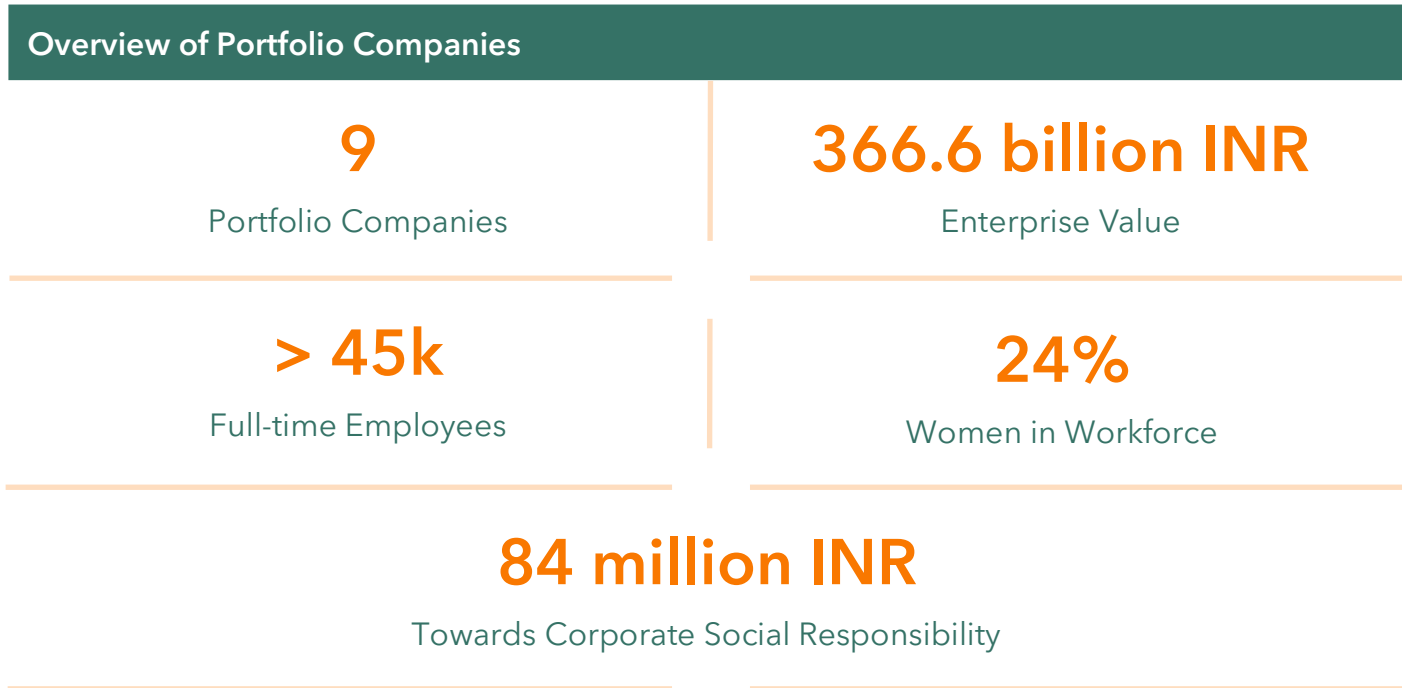
Elements of Samara Capital Responsible Investment Policy 2023:

- Policy Statement
- Guiding Principles
- Exclusion List
- ESG Integration in Investment Process
- Incorporation of ESG Factors
- Monitoring and Reporting at Portfolio Companies
- Roles and Responsibilities
- Stewardship
- Reporting



Portfolio Company ESG Performance Overview

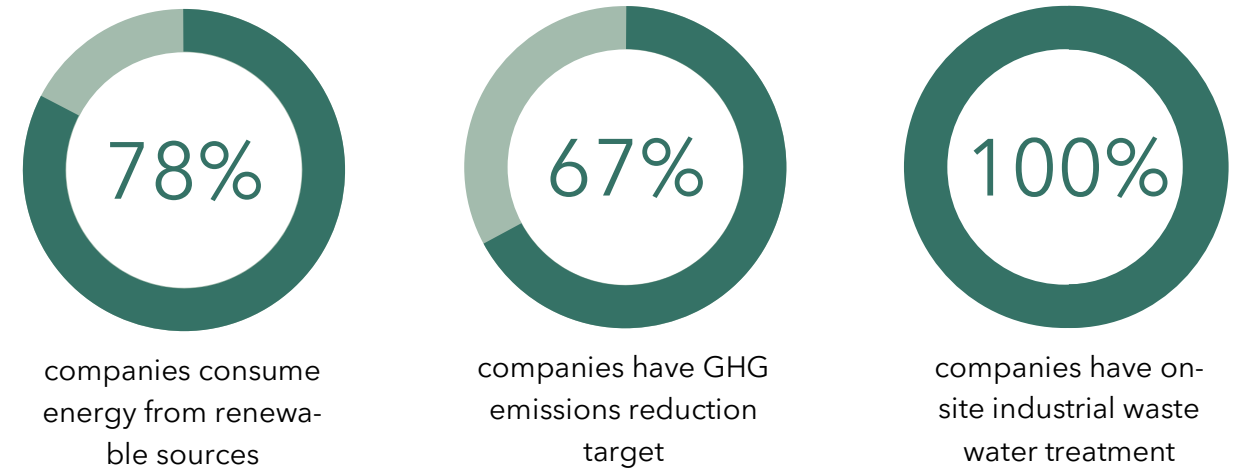
We have worked closely with our portfolio companies to help them improve their ESG performance. Our interactions with portfolio companies are much more than instructive in nature and we actively support the companies in their ESG journey. During 2023, most of our portfolio companies have made significant improvement in their ESG performance.



Alignment with Sustainable Development Goals



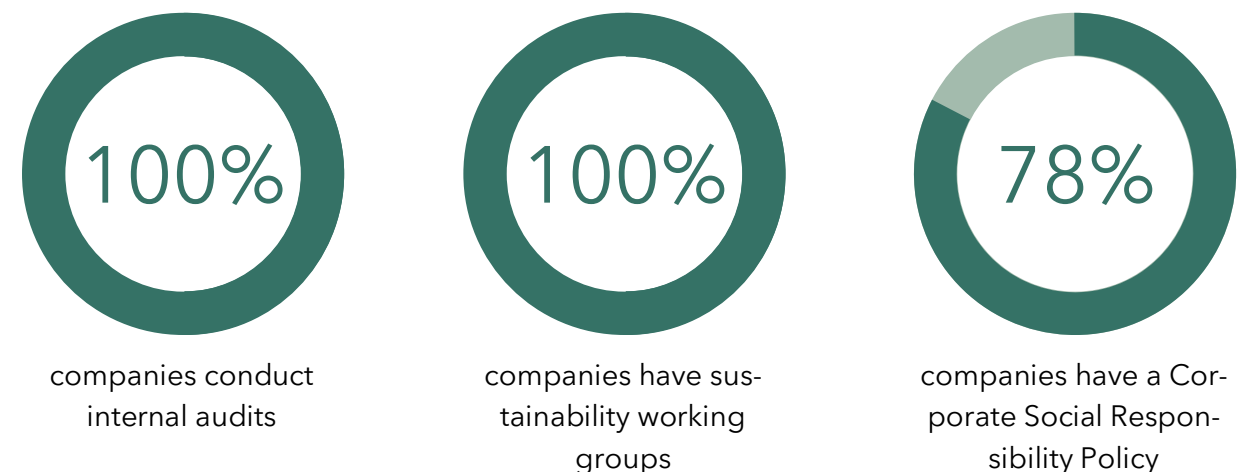
Environmental Performance Highlights



Social Performance Highlights



Governance Performance Highlights





2

Value Creation and Responsible Investment Approach

Operating Excellence Framework

ESG integration Framework

ESG Screening of Investments

ESG Factors Framework

Industry Collaboration Initiatives

ESG Governance

Sustainability Resources for Investment Team



Operating Excellence Framework

Samara Operating Excellence Framework is our structured approach for portfolio company value creation. We apply the framework from first day of the ownership period with the aim of generating desired financial outcome. The framework has evolved as we have led our investments through active ownership approach. The framework and its application significantly improves the predictability in the outcomes of our investments.

Value Creation Objectives

At the heart of the Operating Excellence Framework are the value creation objectives. The value creation objectives are defined as part of the investment decision-making process and act as guidance for the deployment of the framework. The value creation objectives include financial goals and operational goals. The objectives also include overarching strategic, rep-

utational and sustainable capabilities that are intended for development during the ownership period. We are extremely sharp in defining the financial and operational objectives and calibrate our actions as well as stewardship efforts based on the actual performance compared to the defined objectives.

Business Transition

Our ability to achieve the value creation objectives hinges on the successful transition and transformation of the business during the course of our ownership. The preparation for business transition begins well before the beginning of the ownership. It includes

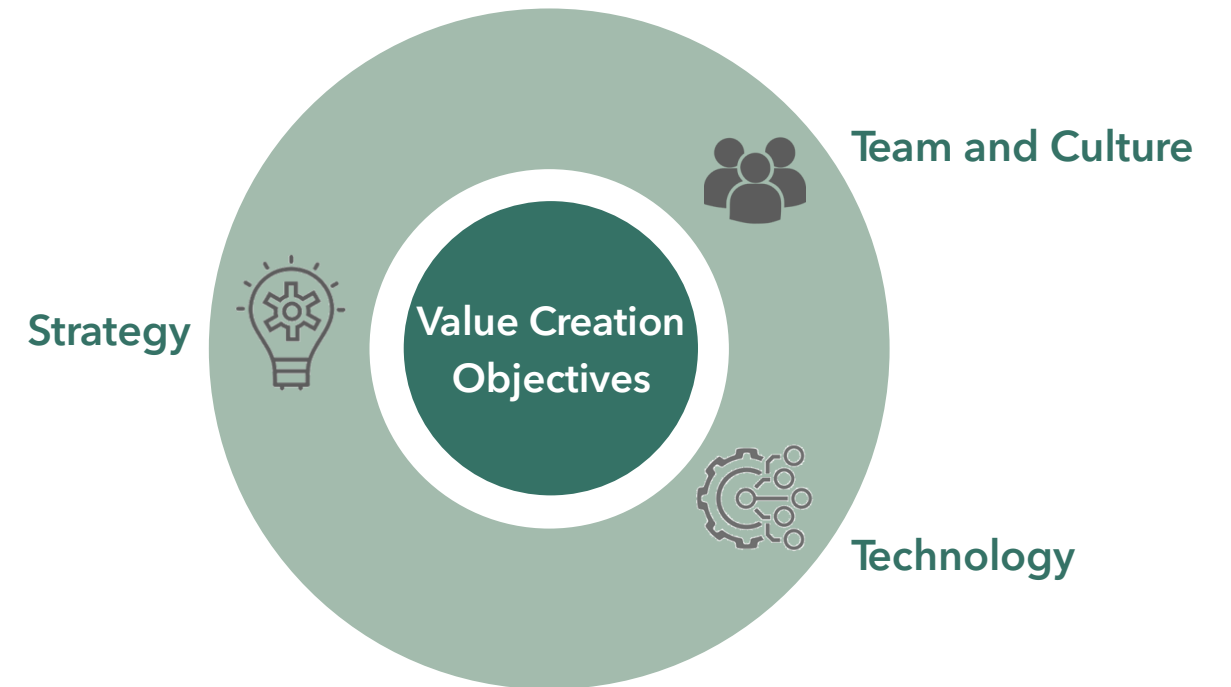
strategic direction, identification of value creation levers, governance enhancement and people-related interventions. During this stage, we also evaluate technology related actions and inorganic growth opportunities.

Governance and Execution

We employ Samara Governance Framework as part of the 180-day integration plan. This consists of best-in-class legal, secretarial and governance standards and practices. We also emphasise on strong internal audit function together with policies and governance processes. The investment team and operating team actively participates at board-level and guides the management.

We conduct monthly / quarterly business review driven by structured input / output metrics. Annual Operating Plan (AOP) is agreed with the management at the start of the year and progress is tracked against it through the year. We maintain a focused approach by selecting few critical projects and monitor progress through sharply defined KPIs.

Samara Operating Excellence Framework



Strategy Framework

3-5 year business strategy is jointly developed with the CEO, the deal partner and the leadership team. Once agreed, it is translated into annual action plan which forms the basis for periodic reviews. The strate-

gy framework encourages exploration of inorganic and disruptive growth opportunities coupled with deep knowledge about the competitive landscape.

Team and Culture Framework

Outlier leaders are critical for delivering on ambitious goals and the Operating Excellence Framework seeks to identify and onboard such leaders. Once onboarded, such leaders are provided ample opportunity to excel through growth opportunities across Samara

portfolio companies. The success of the framework stems from the ability to identify and nurture exceptional talent. Our culture-building framework aligns with global standards such as "Great Place to Work".

Technology Framework

The technology framework intends to create and deploy robust tech architecture capable of building accelerated business leadership. The operating team guides the management in seamless integration of all business process infrastructure for swift decision-making. We also review the technology governance,

risk management and compliance across all portfolio companies. A critical objective of the Operating Excellence Framework is changing the IT culture to a technology / product / data engineering culture and revamping business processes from perspective of positive disruption.



ESG Integration Framework

We have adopted a holistic ESG strategy with an objective of integrating ESG considerations throughout the investment cycle. We achieve this by integrating material ESG factors in the decision-making process across all stages of the investment.

Pre-investment

As part of the evaluation for all investment proposals, we consider material ESG factors during the due diligence process. The purpose of incorporating ESG factors is to identify material investment risks as well as opportunities to create value.

The due diligence process for investment proposals begins with the ESG team performing initial screening based on the exclusion list and internal ESG screening checklist. Based on the findings from the initial screening we decide on the engagement of independent expert for conducting detailed ESG due diligence.

1 Deal Sourcing

- Screening deals against ESG exclusion criteria to identify critical issues.
- Depending on the ESG screening, further investigation during due diligence or abandoning the investment entirely.

3 Investment Decision

- Inclusion of findings from the due diligence in the investment memorandum.
- Apprising Investment Committee on the identified ESG risks and opportunities and their potential impact.

2 Due Diligence

- Investigating material ESG risks and opportunities, and how they are being managed.
- Investigating legacy issues as well as emerging ESG issues such as climate-related risks and the transition to a low-carbon economy.

4 Investment Agreement

- Documenting the expectations on ESG as part of the investment agreement.
- Aligning the management on ESG priorities and securing the support to incorporate ESG considerations in the business strategy.

Post-investment

The management teams of the portfolio companies are guided by the ESG team of Samara Capital in establishing ESG related policies, processes, and governance mechanism, if not already in place. This is to ensure compliance to relevant local laws as well as the ability to identify and manage ESG risks and opportunities.

In addition to ESG policies and processes, the portfolio companies are required to identify and monitor relevant ESG performance metrics periodically, aligning with relevant global ESG frameworks.

We guide and support the portfolio companies on ESG matters and engage external advisors / experts as necessary.

5 Onboarding

- Deeper conversations with company management on identification and prioritisation of ESG risks and opportunities.
- Establishing process to collect, document and report ESG data.

7 Monitoring

- Monitoring the ESG performance and tracking the progress against the agreed ESG goals.
- Reporting to investors and other stakeholders on the ESG commitment and performance of the portfolio companies.

6 Engagement

- Establishing of ESG baseline and agreement on ESG goals and targets.
- Working with management team to balance and align the responsible investment objectives with business goals.

8 Exit Preparation

- Documenting the progress and achievements on ESG during the ownership period.
- Aligning the ESG achievements with the exit goals of the portfolio companies.



ESG Screening of Investments

Our Responsible Investment Policy provides the guiding framework for performing screening of potential investments from ESG perspective. We apply a four-step ESG screening approach for all investments.

1 Potentially High ESG Risk

2 Exclusion Criteria

3 High-level Climate Risk Screening

4 ESG Due Diligence

Potentially High ESG Risk

We avoid investments having potentially high ESG risks. These are characterised by attributes that include, but are not limited to, significant, irreversible, and unprecedented environmental and social im-

pacts, severe governance-related issues, and lack of minimum elements of corporate governance. The proposal is not investigated further if it flags any of the abovementioned criteria.

Exclusion Criteria

The exclusion criteria defined in the Responsible Investment Policy is applied for all investment proposals that have been determined to not have high ESG risk.

The exclusion criteria is aligned with the approach adopted by global financing institutions as well as internationally recognized ESG frameworks.

High-level Climate Risk Screening

We perform high-level evaluation of the potential investment proposals to determine if the company has direct or indirect dependence on carbon intensive

business activities and whether the company is likely to be impacted due to net-zero commitments of various governments and the associated policies.

ESG Due Diligence

The ESG due diligence process determines the compliance to applicable laws, alignment with globally recognized ESG frameworks, commitment to ESG and the adequacy of systems to identify and mitigate the ESG risks as well as leverage opportunities.

The ESG due diligence process also considers any past ESG related controversies and the mitigation actions. Depending on the findings of the ESG due diligence, mitigation actions may be included as a condition precedent and / or condition subsequent to the transaction.

ESG Screening / Exclusion Criteria

- Systematic use of harmful or exploitative forced labour or child labour.
- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements. This includes:
 - Regulated wildlife or wildlife products.
 - Radioactive materials.
 - Unbonded asbestos fibres.
 - Polychlorinated biphenyls (PCB).
 - Pharmaceuticals subject to phase outs or bans on manufacturing / distribution / sale as per locally applicable regulations for the respective activity.
 - Hazardous chemicals, pesticides, and herbicides.
 - Ozone depleting substances.
 - Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.
- Direct manufacturing, selling or distribution of controversial weapons (nuclear weapons, chemical or biological weapons).
- Casino, gambling, and similar enterprises.
- Direct involvement in commercial logging operations or the purchase of logging equipment for use in primary tropical moist forest.
- Deriving significant revenue from business activities involving tobacco.
- Deriving significant revenue from exploration, mining, or production of coal / oil / natural gas.

Please refer to the [Samara Capital Responsible Investment Policy](#) for details.



ESG Factors Framework

We believe that incorporation of ESG factors in the investment decisions can not only help mitigate the risks but also identify and leverage opportunities leading to improved business resilience. We have selected a broad list of ESG factors that inform our approach for integrating ESG considerations in investment decision-making process.

Environmental Factors

Greenhouse Gas Emissions	Energy Conservation	Freshwater Conservation, Recycling and Reuse
Climate Risk and Opportunities	Renewable Energy	Waste Management

Social Factors

Employment Creation and Decent Work	Diversity, Equity and Inclusion	Training and Skill Development
Health, Safety and Well-being	Human Rights	Product Quality and Safety
Data Security and Privacy	Supply Chain Sustainability	Community Engagement

Governance Factors

Corporate Governance		Internal Controls
Transparency	Business Integrity	Regulatory Compliance



Industry Collaboration Initiatives

Our responsible investment approach has always aligned with the expectations of our investors, co-investors, regulatory obligations and broader industry trends. We have wholeheartedly supported industry initiatives to promote responsible investment and have actively participated in various forums to learn from others and share our experiences.

Collaboration for Promoting Responsible Investment

We are signatory of UN-supported PRI since 2022, ESG Data Convergence Initiative member since 2022 and Initiative Climat International (iCI) Asia Pacific chapter member since 2022. We believe that it is extremely important to collaborate with industry peers on the topic of responsible investment to not just enrich the collective knowledge of the industry but also

propagate the philosophy and jointly contribute towards development of tools and guidance for the benefit of investors. We are actively contributing to several collaborative working groups of PRI bringing in the perspective of emerging markets and mid-size investment managers.

PRI Sustainable Systems Investment Managers Reference Group

The Sustainable Systems Investment Managers Reference Group provides an opportunity for investment managers to share developments, questions, concerns, and feedback with the PRI Executive. The reference group supports development of innovative solutions to barriers to responsible investment and a sustainable financial system. It also acts as a forum for investors to share views on system level issues, provide feedback on PRI's sustainable systems change plan and PRI's Progression Pathways.

PRI Circular Economy Reference Group

The purpose of the Circular Economy Reference Group is to support investor capacity to address circular economy across relevant value chains. It provides a forum for investors to share relevant developments on circular economy, learn from experts and share tools and experiences. The reference group also provides input on PRI's circular economy strategy, and future guidance to support signatory action.

Investor Collaboration Initiatives

Our investors have their responsible investment commitments, and we actively support them in their initiatives. We align our engagement and stewardship efforts with investor expectations.

Pre-investment initiatives such as ESG due diligence are supported by our investment team and ESG team. Where needed, we onboard independent ESG consultant with rich domain experience for conducting ESG due diligence. Such externally supported exercises are led by Samara ESG team and findings are

shared with the Investment Committee and the ESG committee.

Post investment, we collaborate with our investors for promoting responsible investment within our portfolio. This includes regularly reporting to investors on ESG performance of the firm and portfolio companies, responding to ESG due diligence requests from existing and potential investors and engagement with portfolio companies as and when requested by and on behalf of the investors.

Co-investor Collaboration Initiatives

For portfolio companies where we have invested together with co-investors, we jointly engage with the management of the companies and align expectations on incorporating ESG considerations in the business strategy.

Jointly driving the responsible investment agenda acts as powerful engagement approach as it not only aligns the expectations, the management team also appreciates the importance accorded to the ESG initiatives by the investors. Collaboration on the ESG initiatives also streamlines the efforts needed by the port-

folio companies in responding to the ESG monitoring and reporting requirements. As an example, for our recent investments, we have setup common platform for all co-investors to pool in their ESG expectations and the portfolio companies are asked to respond to collated questionnaires.

We also conduct engagements with the portfolio companies jointly with co-investors as much as possible to minimise the efforts for everyone.

Peer Collaboration Initiatives

We also participate in open forums, discussions, and various initiatives with peer investment managers on the topic of responsible investment. We believe that collectively discussing an important and evolving topic such as responsible investing helps in learning from experience of others.

Such forums also promote collaboration on important topics such as proposals and consultations by regulatory bodies. We aim to continue engaging with industry peers on collaborative initiatives and jointly solve system-level issues impacting responsible investment in decision making.



ESG Governance

The governance on ESG and responsible investment approach is deeply embedded within the overall governance structure. Incorporating ESG considerations is never an add-on and is instead integral to the investment decision-making process.

In 2023, we constituted ESG Committee to strengthen our governance structure. The purpose of the ESG Committee is to provide oversight on implementation of the Responsible Investment Policy. The Committee assists the Investment Committee in taking informed investment decisions on matters related to ESG and climate change.

The leadership and the Investment Committee of Samara Capital has the ultimate responsibility of ensuring the commitment of the firm to the Responsible Investment Policy and its implementation.

The Investment Committee is guided by the ESG Committee on the incorporation of ESG factors in the investment decisions. The Investment Committee, supported by the ESG committee, also provides ultimate oversight for the pre-investment and post-investment ESG integration process for all portfolio companies.

The ESG Committee comprises of representatives from the leadership, the investment team and the ESG team and advises the firm on ESG matters. The

ESG committee, based on the findings and assessment of the ESG team, acts in an advisory role, providing recommendations to the Investment Committee and the investment team across all stages of the investment process. The investment team acts on the recommendations of the Investment Committee and the ESG Committee on ESG matters to ensure adherence to the Responsible Investment Policy.

The ESG team is responsible for operationalisation of the Responsible Investment Policy and conducting the ESG appraisal of investment proposals, as well as the ongoing supervision of ESG performance of portfolio companies consistent with the policies and procedures stipulated under Responsible Investment framework.

ing, Samara Capital's commitment to ESG and expectations from different functions. The training also acts as a refresher for reviewing the Responsible Investment policy.

We also published our first ESG report in 2023 summarising progress against responsible investment commitment and achievement during 2022.

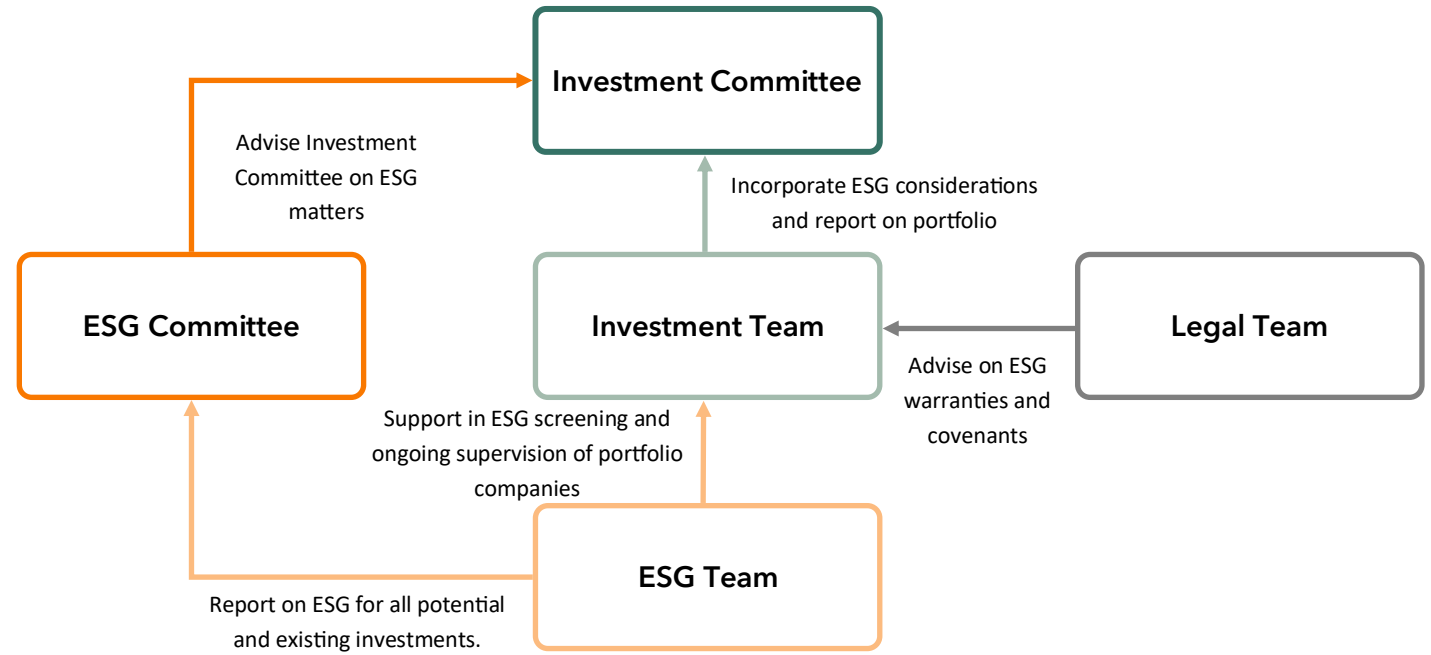
Responsible Investing Training

Our internal ESG team conducts annual training on responsible investing for investing team, operating team, and the other central resources. The training includes details on the concept of responsible invest-

Reporting and Disclosure

In 2023, we completed our first annual reporting to PRI, about six months after joining as a signatory. While the reporting is voluntary in the first year for new signatories, we proactively reported progress against the PRI reporting framework.

Responsible Investment Governance at Samara Capital



Investment Committee

- Ensure firm's commitment to the Responsible Investment Policy.
- Oversight for pre- and post-investment ESG integration process.

ESG Committee

- Oversight for the implementation of the Responsible Investment Policy.
- Advise the Investment Committee on ESG matters.

Investment Team

- Ensure incorporation of ESG factors in all investment decisions.
- Act on recommendations of the Investment Committee and the ESG Committee to ensure adherence to the Responsible Investment Policy.

ESG Team

- Assess the ESG risks and opportunities for all potential and existing investments.
- Conduct ongoing supervision of the ESG performance of the portfolio companies.

Legal Team

- Ensure incorporation of ESG-related warranties and covenants in the investment agreement.
- Analyse the legal implications of such warranties and covenants.



Sustainability Resources for Investment Team

We have developed several in-house tools for investment team to understand and identify the ESG risks and opportunities. These include ESG materiality assessment tool, ESG due diligence toolkit, sector-level ESG benchmarking and other similar tools. These tools have been developed aligning with global frameworks and methodologies. We also share notes and newsletters on important ESG-related regulatory developments internally.

ESG Materiality Assessment Tool

ESG materiality assessment tool is developed aligning with the industry-level material ESG topics as defined by standard-setters such as SASB and others. The tool provides details on material ESG topic relevant to different industries along with typical topic-level ESG KPIs. This helps the investment team in understanding the ESG risks and opportunities associated with the proposed investments and evaluate accordingly.

- Industry Description
- Material ESG Topic
- Detailed Description of Material ESG Topic
- Questions to Ask on the ESG Topic
- Topic-level KPIs

ESG Due Diligence Toolkit

ESG due diligence toolkit is a compilation of checklist items for assessing the policy and practices of any company on environmental, social and governance issues. The checklist also includes applicable environment, safety, and labour regulations for the investment team to evaluate compliance. ESG due diligence toolkit includes:

- ESG Facility Checklist
- Environmental Compliance Checklist
- Social Compliance Checklist
- Policies Checklist
- Corporate Governance Checklist

ESG Policy Review

Regulatory trends are playing an extremely important role in shaping the evolving ESG landscape for the investors as well as the industries. We believe in proactively tracking the emerging regulatory developments and include the knowledge of ESG-related regulations among other inputs that inform our collective decision making throughout the investment cycle.

Our internal ESG team has developed weekly and monthly ESG policy review publications that are shared with investment teams as well as broader Sa-

mara group. The ESG policy review newsletter summarizes major recent developments in ESG and private equity space in India and around the world.

The focus area includes updates on mandatory and voluntary ESG rules and guidance by governments, financial regulators, statutory bodies, and industry groups. The newsletter also includes important news from around the world related to responsible investment, sustainable finance and important ESG-related headlines involving companies.

Sector-level ESG Benchmarking

For the priority investment sectors, we have conducted deep dive ESG benchmarking and prepared a comprehensive reference document that summarises sector level material ESG topics and peer benchmarks on ESG materiality, goals, targets, and initiatives.

The sector benchmarking is intended to act as a ready reference for the investment teams as they evaluate

potential investment proposal. Important information on ESG risks and opportunities related to these sectors allow the investment team to seek targeted information while considering the investment proposals. Some of the topics that are included in the sector benchmarking document are:

- Material ESG topics as identified by national and global companies,
- Sectoral ESG issues as determined by global ESG frameworks and industry associations,
- Important ESG-related regulations at regional, national, and global levels,
- Peer benchmarks on findings from ESG materiality assessment,
- ESG goals and targets benchmarks providing summary of ESG goals and targets by the peers,
- References and details about the key ESG initiatives and programs, the approach as well as success stories.



3

Engagement with Portfolio Companies

ESG Strategy for Portfolio Companies

Sustainability Resources for Portfolio Companies

Engagement Focus Areas

Environmental Stewardship

Employment Practices

Corporate Governance

Technology GRC



ESG Strategy for Portfolio Companies

While the performance monitoring and engagement with the portfolio companies starts from the first day of the ownership period, we initiate this process much before that. The framework is informed by our active ownership approach for all portfolio companies. We have successfully applied this in our past and current investments and our teams have developed sectoral expertise allowing them to apply learnings from the past for new investments.

The engagement with portfolio companies on ESG matters is led at different levels by the Investment Team, the ESG Team and the Legal Team. However, the engagement framework is centrally driven and closely monitored by the Investment Committee to ensure that our engagement with the companies is effective and there is alignment across different teams.

We do not treat ESG as an additional checklist item for the portfolio companies. ESG risks and opportunities have a direct business impact for all the portfolio companies and thus managing ESG risks and leveraging opportunities is critical for achieving business objectives.

1 Material ESG Issues Identification

The process begins with identification of material ESG issues. We apply double materiality principle thus considering not only the financially material ESG issues but also the ESG issues where the business activities have impact on the environment and the community.

2 Risks and Opportunities Identification

Once the material ESG issues have been identified, portfolio companies are guided to identify the risks and opportunities associated with each material ESG issue. These risks and opportunities play a crucial role in setting the relative priority for each material ESG issue.

3 Alignment with Business Strategy

We consider alignment of ESG priorities with the business strategy to be extremely important for ensuring sustainable growth for our portfolio companies. Material ESG issues and their associated risks and opportunities are reviewed in conjunction with the business objectives.

4 Goals and Key Metrics

All Samara portfolio companies are expected to set ESG goals and track their performance monitoring the relevant KPIs. Samara ESG team has developed sector agnostic ESG metrics which are mandatory for all portfolio companies to track and report periodically.

5 Policies and Governance

Policies and governance processes are high priority, and all portfolio companies are expected to develop ESG related policies and governance mechanisms, if not already in place. Samara ESG team regularly reviews the emerging ESG trends, regulatory developments and advises the portfolio companies.

6 Programs and Initiatives

Based on the ESG goals, the portfolio companies design programs, and initiatives with the objective of achieving their ESG goals in a timely manner. The progress of the initiatives, their impact and outcomes are regularly discussed with the Samara ESG team and the investment team.

7 Monitoring and Review

Samara ESG team coordinates with the portfolio companies on ESG matters. The portfolio companies are also required to nominate ESG champion(s) who act as a flagbearer in their ESG journey. Samara ESG team ensures that portfolio companies progress in their ESG journey and are aligned with the emerging trends.

8 Board Oversight

The commitment to sustainable development originates at the very top through board oversight on the ESG matters. ESG dashboard comprising of important ESG metrics has been developed by Samara ESG team and this is discussed at the board level along with any other important ESG matters.



Sustainability Resources for Portfolio Companies

Across all our investments, we actively engage with portfolio companies and leverage the same for exercising stewardship in order to shape the sustainability outcomes. This includes influencing discussion on ESG matters at the Board-level where members of the investment team have been nominated.

ESG Materiality, Strategy, and Roadmap

Many of our portfolio companies have taken first steps in their ESG journey during the Samara ownership period. Given our active ownership approach, we have had both the opportunity as well as the responsibility of setting the ESG context and providing a direction to our portfolio companies. Over the years, we have built capacity at the firm on ESG, initially through the support of independent ESG consultants and recently by strengthening our in-house ESG team. By doing so, we have regularly supported portfolio companies in identifying material ESG topics and defining ESG strategy as well as action plan.

During 2023, we reached out to all portfolio companies and supported them in identifying material ESG topics by applying double materiality principle. For the companies that had previously conducted this

exercise, we reviewed their material ESG topics and discussed if there needs to be a relook depending on the evolving landscape, stakeholder expectations and / or emerging regulations.

Determination of material ESG topics was followed by agreement on goals, actions, and targets. We leveraged our position on boards of our portfolio companies to help build consensus among the management team on setting ambitious 5-year ESG goals and clearly defined annual targets towards achieving those goals. Most of our portfolio companies, have completed the exercise of setting 5-year ESG goals for material ESG topics. These goals are now being tracked at the board-level to ensure that the commitment is demonstrated at the top and efforts continue across the organization.

ESG KPIs and Guidance

As most of our portfolio companies have embarked on their ESG journey in the Samara ownership period, they have looked up to us for support in building capacity on ESG within their team. After having agreed on the material ESG topics and setting goals against these topics, we supported the portfolio companies in creating awareness on ESG by conducting theme-based trainings with the senior and middle manage-

ment. We selected relevant functions and conducted focused workshops on topics such as energy and GHG emission management, occupational, health and safety and corporate social responsibility.

During the year, our ESG team also interacted with the ESG champions of the portfolio companies more frequently supporting them in kickstarting the ESG journey within their organizations.

Climate Change Strategy

We support our portfolio companies in evaluating the impact of climate change on their business activities and developing mitigation strategies. During 2023, we took steps in this direction by facilitating ESG materiality assessment with priority on the climate change related risks and opportunities.

The objective of this exercise was to look at the value chain across stages such as raw material procurement, transportation, operations, downstream distribution, and end use by consumers. Across each stage, the portfolio companies were supported in identifying potential risks and opportunities that are presented due to impact of climate change.

As a follow up to this activity, our ESG team worked with the portfolio companies to develop climate risk mitigation strategy. The precursor for developing the strategy was developing baseline for GHG emissions. Since 2023, all of our portfolio companies are monitoring their scope 1 and 2 GHG emissions while some

portfolio companies have started monitoring scope 3 GHG emissions.

Based on the baseline GHG emissions information, the companies defined emissions reduction targets aligning with the national decarbonisation roadmap, industry and peer benchmarks and recommendations for science-based targets. Few portfolio companies have committed to net-zero emissions while others have formally set science-based targets for reducing GHG emission by registering with Science-Based Targets initiative (SBTi).

All portfolio companies are now internally tracking their GHG emissions on monthly frequency. This is reviewed by our ESG team. Further, we ensure that the progress on GHG emissions reduction is reviewed by the boards of the portfolio companies on quarterly basis. In the coming years, we aim to strengthen our evaluation of the climate change related physical and transitional risks.

Monthly ESG Policy Review

ESG-related regulations have been on the rise globally and the ever-evolving obligations on ESG topics have a material impact on the business activities of our portfolio companies. In 2022, after having strengthened our internal ESG capabilities by hiring dedicated resources, we have started sharing focused content on ESG-related regulatory developments with the portfolio companies. This is shared in the form of

monthly ESG newsletter that summarizes major recent developments in ESG space in India and around the world. The focus area includes updates on mandatory and voluntary ESG rules and guidance by governments, regulators, statutory bodies, and industry groups. The newsletter in its monthly format also includes important ESG-related headlines involving companies.



Engagement Focus Areas

We have clearly defined our priorities for engagement with portfolio companies on the ESG topics. The engagements follow a defined cadence that is agreed with the portfolio companies at the beginning of the year. Apart from the regular check-ins conducted by the ESG team, we also emphasize on the ESG priorities during the board meetings to ensure that there is strong commitment to acting upon the ESG strategy from the leadership.

Our 2023 Engagement Plan	Portfolio Companies' Achievements
<ul style="list-style-type: none"> Monitor ESG Corrective Action Plan (CAP) 	<ul style="list-style-type: none"> ESG CAP monitored monthly / quarterly during Samara Operating Review
<ul style="list-style-type: none"> Develop internal ESG monitoring mechanism 	<ul style="list-style-type: none"> All portfolio companies are monitoring ESG metrics
<ul style="list-style-type: none"> Conduct technology governance, risk management and compliance assessment 	<ul style="list-style-type: none"> First phase of study completed
<ul style="list-style-type: none"> Disclose ESG performance 	<ul style="list-style-type: none"> All portfolio companies report ESG metrics to Samara Capital on a quarterly frequency
<ul style="list-style-type: none"> Monitor scope 1 and 2 GHG emissions 	<ul style="list-style-type: none"> All portfolio companies monitor scope 1 and 2 GHG emissions
<ul style="list-style-type: none"> Gender diversity improvement 	<ul style="list-style-type: none"> All portfolio companies are tracking gender diversity and attrition rate
<ul style="list-style-type: none"> Focus on employee health, safety and well-being 	<ul style="list-style-type: none"> All portfolio companies are tracking safety incidents

Environmental Stewardship

- We expect our portfolio companies to conduct business activities in an environmentally sound manner.
- We recognize that we operate in a resource-constrained world and emphasize that our portfolio companies use resources most prudently.
- We believe that minimizing pollution to air, water and land is the right way to do business.
- We are committed to supporting our portfolio companies as they transition towards low carbon / net zero economy.

Employment Practices

- All portfolio companies are encouraged to establish a diverse and inclusive workplace that provides equal opportunities for all employees while preventing any and all forms of discrimination.
- We treat occupational health and safety as an extremely important topic, and require all portfolio companies to inform us about any major safety incident at the earliest.
- We encourage the management teams to foster an environment where every employee can voice their opinions and concerns without any fear of retaliation.

Corporate Governance and Compliance

- We fully understand the importance sound and robust governance in building resilient business and regularly communicate our expectations for corporate governance practices to portfolio companies.
- We regularly review the governance practices of portfolio companies employing a structured monitoring framework.
- Our expectations from portfolio companies on governance practices far exceed the minimum compliance requirements.

Technology GRC

- Over the years, we have experienced that technology had evolved from being just an enabler to forming the backbone for practically every organisation.
- No business is shielded from the adverse financial and reputational impact that can result from a cybersecurity incident.
- Technology Governance, Risk management and Compliance (GRC) is treated as a high priority during our engagement with portfolio companies.



Environmental Stewardship

Our objective for engaging with portfolio companies on environmental stewardship is to minimise the negative environmental impact of the business activities, manage potential and actual risks and support the companies in creating positive value for the ecosystem.

At all stages of our investment decision making process, we are full cognizant of the fact that environmental stewardship is a critical component for successful modern business practices. We understand that by prioritizing sustainability, companies can reduce not only their environmental impact and improve operational efficiency but also increase brand reputation. Focus on environmental sustainability allows companies to go beyond meeting regulatory requirements and prepare themselves for emerging ESG regulations.

Throughout our ownership, we emphasize to the portfolio companies that environmental stewardship is not only good for the planet but also good for business. We have experienced through our investments that embedding sustainability considerations as part of the overall business strategy creates a win-win situation where responsible environmental practices benefit both the company and the broader ecosystem.

Across our portfolio companies, we prioritize sound environmental practices including energy conservation, GHG emissions reduction, water conservation and waste minimization / recycling / reuse. In 2022 and 2023, we led the comprehensive exercise with the management teams of portfolio companies on ESG materiality assessment. The objective of the exercise was to identify material ESG risks and opportunities by applying double materiality principle.

Environmental topic being important for all of our portfolio companies, we discussed topics such as climate change, resource conservation and circular economy among others. In a joint workshop comprising of portfolio company management team, investment team members and Samara ESG team members, we completed the materiality ESG assessment. This was followed by development of ESG strategy by the respective portfolio companies to address the identified material topics.

Environment Metrics in the ESG Dashboard

Our portfolio companies monitor environment metrics aligning with:

- National ESG reporting frameworks such as Business Responsibility and Sustainability Reporting (BRSR) Framework by Securities and Exchange Board of India (SEBI).
- Globally recognized frameworks such as GRI, SASB, CDP, and TCFD.

Scope 1 GHG Emissions	Scope 2 GHG Emissions
Total Energy Used	Energy from Renewable Sources
Freshwater Used	Waste Water Recycled / Reused
Hazardous Waste Generated	Hazardous Waste Disposal Method
Non-hazardous Waste Generated	Non-hazardous Waste Diverted from Landfill

Engagement Outcomes

2 Portfolio companies operate "Zero Liquid Discharge" facilities

4 Portfolio companies have on-site solar panels generating renewable electricity

1 Portfolio company has committed to Net Zero GHG emissions by 2050

3 Portfolio companies are fulfilling Extended Producers Responsibility (EPR) obligations by collecting and recycling post-consumer plastic waste



Employment Practices

We have clearly defined our priorities for engagement with portfolio companies on the ESG topics. The engagements follow a defined cadence that is agreed with the portfolio companies at the beginning of the year. Apart from the regular check-ins conducted by the ESG team, we also emphasize on the ESG priorities during the board meetings to ensure that there is strong commitment to acting upon the ESG strategy from the leadership.

Employees are the backbone for every organisation and critical for the long-term success. We treat robust employment practices as extremely important for our portfolio companies. Our pre-investment due diligence focuses on ensuring that the potential investee company has fair and transparent recruitment practices, policy, and processes for ensuring non-discrimination at workplace and effective grievance redressal mechanisms for employees to voice their concerns.

In addition to the policy and practices, we evaluate potential investments on their management systems for various labour and safety compliances. We also investigate if there have been any non-compliances related to labour practices and occupational safety as

well as history of employment related litigations. At the beginning of the ownership period, we clearly communicate our expectations to the portfolio companies on various policies and governance mechanisms. In case gaps have been identified during the due diligence, these are included in the 100-day / 180-day remediation plan.

In 2023, we initiated HR excellence project that was centrally executed by the Samara Operations Group (SOG) and covered all portfolio companies. The objective of the project was to evaluate and rate the employment practices of all portfolio companies across 13 topics and 74 sub-topics. Once the assessment was completed, an action plan was discussed and agreed with the leadership of each company.

HR Excellence Project Assessment Topics

- | | |
|---|--|
| <ul style="list-style-type: none"> • HR Information System/HR Policies • Compliance Monitoring System/Process • Organization Design • Compensation & Benefits • Performance Management • Talent Management • Recruitment Process | <ul style="list-style-type: none"> • Learning & Development • Employee Engagement/Communication • Travel & facilities • Pending Litigation • Employee Productivity • Employer Branding |
|---|--|

Employment and Safety Metrics in the ESG Dashboard

Our portfolio companies monitor employment and safety metrics aligning with:

- National ESG reporting frameworks such as Business Responsibility and Sustainability Reporting (BRSR) Framework by Securities and Exchange Board of India (SEBI).
- Globally recognized frameworks such as GRI, SASB, CDP, and TCFD.

Total Number of Employees	Total Number of Workers
% Women Employees	% Women Workers
Permanent Employees Attrition Rate	Permanent Workers Attrition Rate
Lost Time Injuries for Permanent Employees	Lost Time Injuries for Permanent Workers
Lost Time Injuries Frequency Rate	Number of Fatalities

Engagement Outcomes



3 Portfolio companies certified "Great Place to Work"



companies have Code of Conduct



Corporate Governance

We have clearly defined our priorities for engagement with portfolio companies on the ESG topics. The engagements follow a defined cadence that is agreed with the portfolio companies at the beginning of the year. Apart from the regular check-ins conducted by the ESG team, we also emphasize on the ESG priorities during the board meetings to ensure that there is strong commitment to acting upon the ESG strategy from the leadership.

Foundation of strong corporate governance is an absolute prerequisite for sustainable success of any organization. We recognise the role of sound governance practices for ensuring sustainable value creation for all stakeholders and dedicate our efforts in supporting our portfolio companies as they continue to strengthen policies and processes.

We centrally track the corporate governance and regulatory compliance related matters of all the portfolio companies. This includes seeking necessary information from the legal and secretarial teams of the portfolio companies on periodic intervals (monthly, quarterly, and annually) on parameters such as shareholding pattern, board composition, regulatory filings, details of board meetings and details of important litigation, if any.

Additionally, we also support the portfolio companies by regularly sharing guidance on regulatory updates and corporate governance best practices. This also serves the purpose of clearly establishing our expect-

tations from the portfolio companies. During the year, we have conducted several engagement sessions with portfolio companies for best practice sharing. We also reach-out to portfolio companies as and when necessary to make sure that important governance matters are brought to the notice of the board. We have set a high bar on corporate governance for our portfolio companies and expect them to operate well beyond the statutory requirements. These expectations are documented in the investment agreements and are thus binding on the portfolio companies.

We have developed a comprehensive checklist of 40 control mechanism around six organisational processes. Each of these 40 controls serve to establish critical and necessary safeguard for smoothly running day-to-day business operation. We regularly engage with the leadership teams of portfolio companies to ensure that they understand the expectations, adopt these controls, and periodically review their effectiveness.

Governance Metrics in the ESG Dashboard

Our portfolio companies monitor governance metrics aligning with:

- National ESG reporting frameworks such as Business Responsibility and Sustainability Reporting (BRSR) Framework by Securities and Exchange Board of India (SEBI).
- Globally recognized frameworks such as GRI, SASB, CDP, and TCFD.

Shareholding Pattern	Details of All Directors and Board Composition
Board Meeting Details	Minutes of Board Meeting
Summary of Legal Cases	Details of High Risk Legal Cases
Notices by statutory / regulatory bodies	Notices by contractual parties

Organisational Processes to Establish Governance Safeguards

Customer-to-Cash	Vendor-to-Pay
Produce-to-Plan	Continuous Support for HR
Continuous Support for Finance	Overall Organisational Controls



Technology GRC

It is our belief that every organisation stands to benefit from technology as it broadens the horizons and provides opportunities for exponential growth. However, this can only be achieved sustainably by implementing strong governance, risk management, and compliance practices. Our approach on technology with the portfolio companies remains that of maximizing the benefits of technology while minimizing risks and ensuring that businesses operate within a legal and ethical framework.

We firmly believe that establishing guardrails of governance, risk management, and compliance for use of technology at any organisation is important for ensuring alignment with business goals, minimising risks, adherence to legal requirements and ethical standards. Technology GRC is a critical framework for ensuring that an organization's technology assets are managed in a secure and compliant manner. It helps to protect the organization from a variety of risks, including data breaches, cyberattacks, and regulatory violations.

In 2023, we initiated a comprehensive Technology GRC exercise led by our in-house technology team and supported by independent consultants for baselining the tech-related governance and risk management practices and the compliance status at our portfolio companies. During the year, we completed high-level screening for all portfolio companies where technology plays a critical role in the day-to-day business activities and also selected a priority group of portfolio companies for conducting detailed study across governance, risk management and compliance pillars.

Technology Landscape Study Framework

- Policies and procedures
- Technology infrastructure
- Incident management, reporting and recovery procedures
- Enterprise resource planning systems
- Use of internal and customer facing applications

- Security practices
- Compliance management
- Documentation practices
- Roles and responsibilities of the IT team
- Partners and vendors
- Governance and leadership

Guardrails for Portfolio Companies on Technology Adoption

Governance

We ensure that the portfolio companies are fully aware about the importance of robust technology governance measure and are establishing policies, procedures, and roles and responsibilities for managing technology within their organization.

This ensures that technology is used effectively and efficiently to achieve business objectives, while also considering the impact on stakeholders such as employees, customers, and partners.

Risk Management

While adoption of modern technology unlocks efficiency, improves productivity and opens up new business opportunities, technology can also introduce new risks for any business such as employee / customer data breaches, cyber-attacks (malwares, ransomwares etc.), system failures crippling the business,

and violations of regulatory compliance. We require our portfolio companies to ensure effective risk management measures are in place. This involves identifying potential threats, assessing their likelihood and impact, and implementing controls to mitigate or eliminate them.

Compliance

We expect and require all portfolio companies to always remain in compliance with various laws and regulations related to technology use, such as data protection laws, intellectual property laws, and cybersecurity standards. During the course of our engage-

ment with the portfolio companies, we highlight the importance regulatory compliance and emphasise the risks of non-compliance such as legal penalties, reputational damage, and loss of customer trust.



4

Portfolio Companies' ESG Snapshot

Esme

FirstMeridian

Marengo Asia Hospitals

More Retail

Paradise Food Court

Sapphire Foods

Sekhmet Pharmaventures

SMS

SMT



ESME

Esme is the personal care platform created with a vision to democratize beauty for Indian customers. The platform consists of popular brands, Blue Heaven, Nature's Essence and Nature's Essence Professional.



Esme 2030 Sustainability Goals

Blue Heaven is one of the most loved Indian cosmetic brands with a legacy of close to 50 years. Nature's Essence, started more than 20 years ago, is amongst top brands in the facial kits and bleach segments. Esme is driven by its mission of fuelling beauty aspirations of the value conscious consumer by making high quality, innovative products accessible and affordable. To fulfil the needs and aspirations of its consumers for pocket-friendly beauty and cosmetic products, the organization has developed a strong in-house product development team that constantly innovates to bring the most contemporary products to the market.

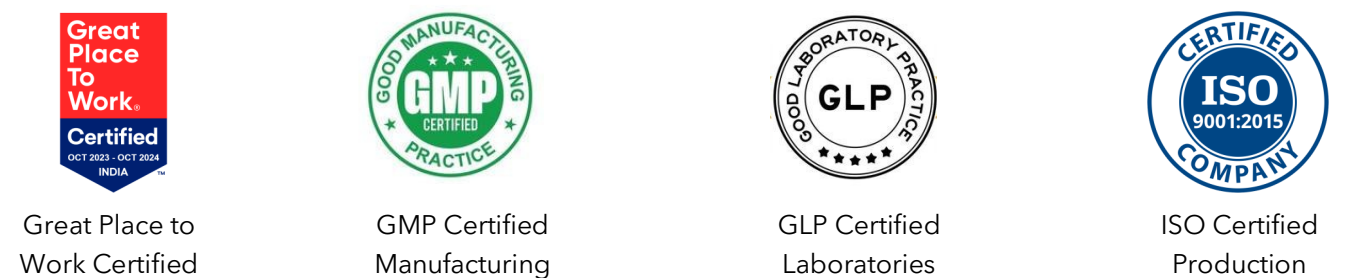
Impacts, Risks and Opportunities for Esme

Environment	Social	Governance
Climate Action GHG Emissions Energy Efficiency Renewable Energy Water Freshwater Use Wastewater recycling and reuse Waste Management Hazardous Waste and Chemicals Waste Diversion from Landfill Resource Efficiency Design for Circularity Packaging Materials	Workforce Gender Diversity Training and Skill Development Occupational Health and Safety Human Rights Responsible Manufacturing Animal Derived Raw Materials Animal Testing Supply Chain Traceability Green Formulations Customer Safety Product Quality Spending on R&D Community Engagement	Board Diversity Business Ethics Regulatory Compliance Economic Performance Corporate Governance

ESG Focus Areas for Esme

Focus Area	Metrics	2023 Performance
Responsible Manufacturing	<ul style="list-style-type: none"> GHG emissions per unit product % energy from renewables Freshwater consumption 	<ul style="list-style-type: none"> Waste heat recovery from boiler ~20% electricity from on-site solar panels ETP / STP recycle wastewater
Responsible Products	<ul style="list-style-type: none"> Packaging content per unit weight Traceability of raw materials Biobased ingredients 	<ul style="list-style-type: none"> Packaging optimisation study initiated Critical materials identified Exploring biobased alternatives
Care for Community	<ul style="list-style-type: none"> Workforce gender diversity Occupational health & safety Sustainable livelihood 	<ul style="list-style-type: none"> 17% women in workforce Zero lost time incidents >2,000 women entrepreneurs imparted trainings
Corporate Governance	<ul style="list-style-type: none"> Regulatory compliance Code of conduct certification 	<ul style="list-style-type: none"> 100% regulatory compliance Annual certification for all employees on Code of Conduct

2023 Achievements



Contribution to Sustainable Development Goals







FirstMeridian Business Services Limited is a leading HR solutions provider and an investment platform empowered by technology and innovation in Staffing, Managed Services and HR Automation.



[FirstMeridian](#) [Corporate Social Responsibility](#)

Founded in Bengaluru in 2018, FirstMeridian is a human resources investment platform that was formed with the objective to deliver end-to-end HR solutions and build a winning workforce that thrives in change.

The organisation provides work to 120,000+ people who serve 1,200+ clients across 3,500+ locations through a wide-reaching branch network. The customers of FirstMeridian span across industry sectors, including Telecom, Retail, BFSI, IT, ITES, E-Commerce, Manufacturing, Engineering and Logistics.

Impacts, Risks and Opportunities for FirstMeridian

Environment	Social	Governance
<p>Climate Action GHG Emissions Physical Climate Risks Transitional Climate Risks</p> <p>Waste Management Office Waste</p> <p>Water Freshwater Use Wastewater Recycling and Reuse</p>	<p>Workforce Diversity and Inclusion Employee Health, Safety and Well-being Talent Attraction and Retention Labour and Human Rights</p> <p>Digital Data Security</p> <p>Community Engagement Employability, Skill Development and Upskilling</p>	<p>Board Diversity</p> <p>Business Ethics & Transparency</p> <p>Regulatory Compliance</p> <p>Economic Performance</p> <p>Corporate Governance</p>

ESG Focus Areas for FirstMeridian

Focus Area	Metrics	2023 Performance
Environmental Stewardship	<ul style="list-style-type: none"> Scope 1,2 and 3 GHG emissions Electricity and diesel used Paper and e-waste generated 	<ul style="list-style-type: none"> Monitoring GHG emissions Engaging with facility management for sourcing renewable energy
Employee Engagement	<ul style="list-style-type: none"> % women in workforce % women in management roles Training hours per employee Employees covered by insurance 	<ul style="list-style-type: none"> 32% women full-time employees All associates covered by insurance (company / client / government)
Digital Data Security	<ul style="list-style-type: none"> ISO certifications Data breaches Cybersecurity audit observations 	<ul style="list-style-type: none"> ISO 27001 certifications BCMS ISO 22301 certification for AGS Periodic VAPT security testing
Corporate Governance	<ul style="list-style-type: none"> Regulatory compliance Board composition 	<ul style="list-style-type: none"> 100% regulatory compliance Independent director on Board Board committees on audit, remuneration and ESG

2023 Achievements











Contribution to Sustainable Development Goals







Marengo Asia Hospitals is an integrated platform of multi-specialty hospitals focused on providing tertiary and quaternary care, creating 'centres of excellence' across medical specialties.

[Marengo Asia Hospitals](#)

[ESG Approach](#)

Marengo Asia Hospitals operates multi-specialty hospitals across medical specialties while adopting a 'patient first' approach. The platform envisions modern health systems to tackle the NCD/Oncology disease burden, partnering for early detection to reduce mortality, and demand of super-specialty at-scale across all geographies. Launched in October 2020, Marengo Asia Hospitals' mission is to become most preferred multi-specialty hospital chain and provide best clinical outcome. Marengo Asia Hospitals is committed to provide a reliable healthcare delivery platform by making expert healthcare accessible for all whilst following the principles of reliability and sustainability.

Impacts, Risks and Opportunities for Marengo Asia Hospitals

Environment	Social	Governance
Climate Action GHG Emissions Energy Efficiency Renewable Energy Green Buildings	Workforce Diversity and Inclusion Training and Skill Development Apprenticeships / Internships Occupational Health and Safety Wages and Benefits	Board Diversity Ethics Transparency Regulatory Compliance Economic Performance Corporate Governance
Water Freshwater Use Wastewater Recycling and Reuse	Access to Healthcare Affordable Treatment Fixed Price Charges Financial Counselling to Patients	
Waste Management Biomedical Waste Management Hazardous Waste and Chemicals Waste Diversion from Landfill	Patient Health and Safety Food Safety and Quality Data Privacy and Security Nutrition and Health	
	Community Engagement	

ESG Focus Areas for Marengo Asia Hospitals

Focus Area	Metrics	2023 Performance
Good for Patients	<ul style="list-style-type: none"> JCI accreditation of hospitals Infection-free ICUs Financial counselling for patients Best data protection practices 	<ul style="list-style-type: none"> JCI accreditation in progress Hospital acquired infections monitored Data audits conducted
Good for People	<ul style="list-style-type: none"> % women in workforce Number of safety incidents Upskilling programs for community 	<ul style="list-style-type: none"> 42% gender diversity ratio Safety audits conducted Workshops conducted as per defined calendar
Good for Planet	<ul style="list-style-type: none"> Energy from renewable sources Freshwater consumption Waste diverted from landfill 	<ul style="list-style-type: none"> Plans to increase on-site solar electricity generation 50% waste water recycled Waste reduced by 5% Y-o-Y
Robust Governance	<ul style="list-style-type: none"> Regulatory compliance Board committee meetings Periodic internal audits 	<ul style="list-style-type: none"> 100% regulatory compliance Board level committees for audit and remuneration Quarterly internal audits

2023 Achievements

Marengo CIMS Hospital named by Newsweek as one of the world's best hospitals in 2023.

Marengo CIMS Hospital maintains accreditation by JCI (USA), NABH and NABL

Contribution to Sustainable Development Goals





More Retail is a leading food and grocery retail chain with a strong presence across India through its retail stores and a robust supply chain infrastructure of collection, re-processing and distribution centres.

[More Retail](#)

[Sustainability & CSR Initiatives](#)

More Retail's pan-India presence of retail stores and supply chain infrastructure of distribution centres, fruits & vegetables collection centres and re-processing centres caters to more than 700 stores across the country. More Retail also has large number of own brand products which are manufactured by certified vendors and delivered to the stores via the distribution centres. The organization aspires to be the Indian consumer's most preferred choice for food, grocery, apparel, and general merchandise needs in their neighbourhood served in an omni-channel way.

Impacts, Risks and Opportunities for More Retail

Environment

- Climate Action**
 - GHG Emissions
 - Energy Efficiency
 - Renewable Energy
 - Green Buildings
- Waste Management**
 - Food Waste
 - Packaging Waste
 - Waste Diversion from Landfill
- Resource Efficiency**
 - Material Circularity
 - Natural Capital Conservation

Social

- Workforce**
 - Gender Diversity
 - Training and Skill Development
 - Talent Attraction and Retention
 - Respecting Human Rights
- Sustainable Supply Chain**
 - Sustainable Sourcing
 - Animal Welfare
- Customer Health and Safety**
 - Data Privacy and Security
 - Affordable Nutrition
 - Responsible Marketing
- Community Engagement**

Governance

- Board Diversity**
- Business Ethics**
- Regulatory Compliance**
- Economic Performance**
- Corporate Governance**

ESG Focus Areas for More Retail

Focus Area	Metrics	2023 Performance
GHG Emissions	<ul style="list-style-type: none"> Electricity used per store Fuel used for transportation Scope 1 and 2 GHG emissions 	<ul style="list-style-type: none"> IoT devices at stores monitor equipment level electricity use Route optimisation to reduce transportation fuel use
Waste Management	<ul style="list-style-type: none"> % fruit and vegetable dumped Post-consumer plastic waste 	<ul style="list-style-type: none"> Daily tracking of F&V dump Fulfilling Extended Producer Responsibility (EPR) obligations and collecting / recycling waste
Resource Efficiency	<ul style="list-style-type: none"> Multilayer plastic packaging used Monolayer plastic packaging used 	<ul style="list-style-type: none"> Transitioned from plastic bags to paper / biodegradable bags Reduced multilayer packaging use
Talent Attraction and Retention	<ul style="list-style-type: none"> Store-level attrition rate Non-store attrition rate Employee satisfaction score 	<ul style="list-style-type: none"> Employee engagement measures to reduce attrition Employee satisfaction survey conducted regularly
Customer Data Privacy	<ul style="list-style-type: none"> Customer data breach Information security measures 	<ul style="list-style-type: none"> Zero customer data breaches Periodic vulnerability assessment of the information security layers

2023 Achievements

Extended Producers Responsibility (EPR) obligation for management of post-consumer plastic packaging waste

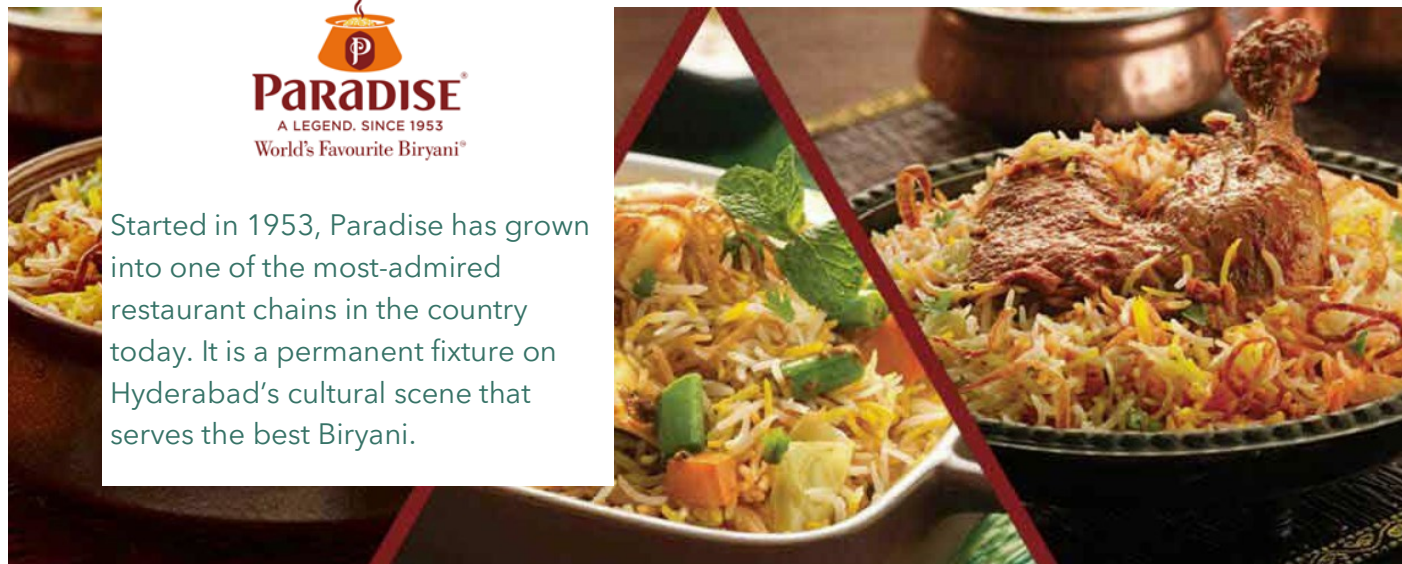


Partnering with India's largest plastic recycler to collect and recycle plastic packaging waste.

Committed to fulfilling responsibility as a brand owner for environmentally sound management of the product until the end of its life.

Contribution to Sustainable Development Goals





Started in 1953, Paradise has grown into one of the most-admired restaurant chains in the country today. It is a permanent fixture on Hyderabad's cultural scene that serves the best Biryani.

[Paradise Food Court](#)

[Values](#)

With multiple formats including charming cafes, busy bakeries and welcoming restaurants, the food courts are favourite hangouts for people from all walks of life. Paradise ensures consistency of taste and quality across outlets through meticulous standard operating procedures. Industry best practices, world-class processes and cutting-edge technology enable food outlets to set new benchmarks in food & hospitality industry.

Impacts, Risks and Opportunities for Paradise

Environment	Social	Governance
<p>Climate Action GHG Emissions Energy Efficiency Non-conventional Energy</p> <p>Water Freshwater consumption Waste water recycling</p> <p>Waste Management Food Waste Waste Diversion from Landfill</p> <p>Resource Efficiency Single Use Plastic Packaging Materials</p>	<p>Workforce Gender Diversity Talent Attraction and Retention Professional Growth</p> <p>Sustainable Supply Chain Sustainable Sourcing Animal Welfare</p> <p>Customer Health and Safety Food Quality and Safety Data Privacy and Security Nutrition and Health</p> <p>Community Engagement</p>	<p>Board Diversity</p> <p>Business Ethics</p> <p>Regulatory Compliance</p> <p>Economic Performance</p> <p>Corporate Governance</p>

ESG Focus Areas for Paradise

Focus Area	Metrics	2023 Performance
Energy Conservation	<ul style="list-style-type: none"> Electricity used per restaurant Cooking fuel used per restaurant Transportation fuel consumption 	<ul style="list-style-type: none"> IoT sensors at restaurants monitor electricity use Equipment upgrade to cleaner fuel
Food Safety and Quality	<ul style="list-style-type: none"> Observations in NSF audits Non-compliances noted by regulators 	<ul style="list-style-type: none"> NSF audit observations reviewed internally No food safety related non-compliance during last year
Packaging Materials	<ul style="list-style-type: none"> Single-use plastic used Packaging material used 	<ul style="list-style-type: none"> Single-use plastic eliminated Plastic carry bags replaced with paper bags Packaging use optimised
Governance	<ul style="list-style-type: none"> Regulatory compliance Customer data breaches 	<ul style="list-style-type: none"> No major regulatory non-compliance in past one year No customer data breach in past one year

2023 Achievements



NSF certifications for restaurants and kitchens



"Great Place to Work" certified since 2022

Contribution to Sustainable Development Goals





Established in 2015 by acquiring ~ 270 KFC and Pizza Hut Stores in India and Sri Lanka, Sapphire Foods is one of YUM! Brand's largest franchisees in India, Sri Lanka, and the Republic of Maldives.



[Sapphire Foods](#)

[ESG Report 2022-23](#)

With over 700 KFC, Pizza Hut, and Taco Bell outlets, it is one of India's largest and fastest growing restaurant operators. Sapphire Foods aspires to be India's best restaurant operator and consistently serve the customers great food and great experience at great value, every day.

The commitment for continual improvement in customer experience drives the execution excellence while maintaining an uncompromising focus on hygiene and food safety.

Impacts, Risks and Opportunities for Sapphire Foods

Environment

- Planet**
- Energy Conservation
- Water and Waste Management
- Sustainable Packaging

Social

- Food**
- Food Safety
- Responsible Supply Chain
- People**
- Human Capital Development and Training
- Employee Engagement and Satisfaction
- Diversity and Inclusion
- Employee Health and Safety

Governance

- Economic Performance**
- Business Ethics and Governance**
- Data Privacy and Cyber Security**

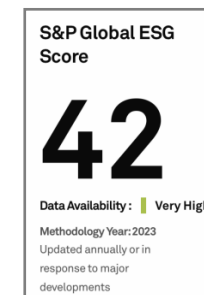
ESG Focus Areas for Sapphire Foods

Focus Area	Metrics	2023 Performance
Food	<ul style="list-style-type: none"> Integrated QA through defined operating standards Food safety trainings and audits Fresh produce traceability 	<ul style="list-style-type: none"> 100% value chain coverage 100% employees trained 100% and DCs audited > 85% fresh produce traceability
People	<ul style="list-style-type: none"> Training and development Gender diversity Employee satisfaction Women in mgmt. positions Health & safety programs 	<ul style="list-style-type: none"> 2.87 Mn training hours 30% women in workforce 22% women in mgmt. positions Improvement in Gallup Score 100% health & safety trainings
Planet	<ul style="list-style-type: none"> Scope 1 and 2 GHG emissions Renewable energy Waste management Sustainable packaging 	<ul style="list-style-type: none"> 91 MtCO₂ per restaurant 14 restaurants with solar panels 100% used cooking oil recycled 100% eco-friendly packaging
Governance	<ul style="list-style-type: none"> Board diversity Employee training on Code of Conduct Data privacy 	<ul style="list-style-type: none"> Independent Board Chairman Constituted ESG Committee 100% employees trained on Code of Conduct Zero data breaches in 5 years

2023 Achievements



Published second ESG report 2022-23 Only Indian QSR to publish GRI report



1 amongst QSR Brands in India 95th. percentile rating amongst global QSR companies



Awarded for sustainability practices and customer service excellence

Contribution to Sustainable Development Goals





Sekhmet Pharmaventures is a platform for fast-growing pharma companies in India and has acquired stake in Chennai-based Anjan Drug in October 2020 and in Optimus Drugs Group in May 2022.

[Sekhmet Pharmaventures](#)

[Sustainability Report 2022-23](#)

Founded in 1990, Anjan Drug Private Limited is among India's leading manufacturers of unique Active Pharmaceutical Ingredients (API) and has grown into a fully integrated manufacturer, backed with immense experience in development and manufacturing. Optimus is one of the fastest-growing pharmaceutical companies with market presence since 2004 in providing the best quality of API, Intermediates & Finished formulations in global markets. Over the last decade, Optimus has developed niche molecules.

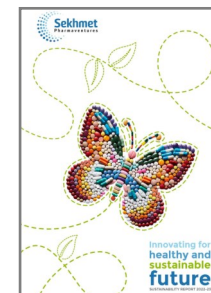
Impacts, Risks and Opportunities for Sekhmet Pharmaventures

Environment	Social	Governance
<ul style="list-style-type: none"> Energy and Emissions Management Effluent and Waste Water Management Supply Chain Management Product Stewardship Biodiversity 	<ul style="list-style-type: none"> Health and Safety Human Rights Training and Development Access to Healthcare Corporate Social Responsibility Talent Attraction and Retention Diverse and Inclusive Workforce Transparent Reporting 	<ul style="list-style-type: none"> Corporate Governance Ethics and Compliance Risk Management Product Quality Responsible Research and Development Technology and Digitalisation Cyber Security

ESG Focus Areas for Sekhmet Pharmaventures

Focus Area	Metrics	2023 Performance
Sustainable Operations	<ul style="list-style-type: none"> GHG emissions intensity Water consumption Waste diversion from landfill 	<ul style="list-style-type: none"> Scope 1 & 2 GHG emissions tracked and reviewed monthly Zero Liquid Discharge manufacturing facilities
People and Community	<ul style="list-style-type: none"> Gender diversity in workforce Reportable incidents Social Return on Investment (SROI) 	<ul style="list-style-type: none"> 2030 goal to reach 14% women in workforce Zero reportable incidents
Product and Value Chain	<ul style="list-style-type: none"> Product recalls Supplier adherence to Code of Conduct Local sourcing of raw materials 	<ul style="list-style-type: none"> Zero product recalls Supplier Code of Conduct being developed
Governance	<ul style="list-style-type: none"> Data breaches Board diversity 	<ul style="list-style-type: none"> Zero data breaches Board committees meet regularly and discuss ESG performance

2023 Achievements



Published first sustainability report 2022-23



ISO certified manufacturing facilities

Contribution to Sustainable Development Goals





SMS began in 1968 and has grown on a strong foundation of trust and values to rise as one of the leading Integrated Facilities Management companies across India.

[SMS Integrated Facility Services](#) [Values](#)

SMS caters to clients from a diverse range of sectors such as financial services, healthcare, manufacturing, retail, and industrial among others and offers unique expertise to build and offer personalized and superior quality solutions. SMS is driven by the objective that the customers always come first. By developing a thorough understanding of its customers' needs and patiently listening to their requirements, the organization has fully aligned the resources and successfully assists the customers' in realizing their vision and goals.

Impacts, Risks and Opportunities for SMS

Environment	Social	Governance
Climate Action GHG Emissions Green Buildings Water Freshwater Use Waste Management Hazardous Waste and Chemicals Office Waste Waste Diversion from Landfill	Workforce Diversity and Inclusion Training and Skill Development Occupational Health and Safety Wages and Benefits Labour and Human Rights Data Privacy and Security Employee Data Security Customer Data Security Community Engagement	Board Diversity Ethics Transparency Regulatory Compliance Economic Performance Corporate Governance

ESG Focus Areas for SMS

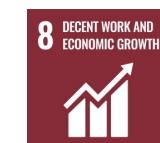
Focus Area	Metrics	2023 Performance
Sustainability Solutions	<ul style="list-style-type: none"> % revenue from sustainability-oriented business solutions % existing business with opportunity for sustainability solutions 	<ul style="list-style-type: none"> New customer added who are offered sustainability services Sustainability services growing faster than core business
Employee Management	<ul style="list-style-type: none"> % women in workforce Employee satisfaction score Number of reportable incidents 	<ul style="list-style-type: none"> 16% women in workforce Periodic employee engagement surveys Zero fatalities in past one year
Environmental Stewardship	<ul style="list-style-type: none"> Electricity used in offices Energy from renewable sources Paper and e-waste generated 	<ul style="list-style-type: none"> Electricity use reduction Sensitisation of employees to use less paper, dispose e-waste responsibly
Community Engagement	<ul style="list-style-type: none"> Hiring from local community Skill development initiatives among the community 	<ul style="list-style-type: none"> Employment preference to local community members Engagement with government agencies for skill development

2023 Achievements



Scope: Facility management services covering general housekeeping, mechanized cleaning, facade cleaning, catering (on site kitchen and remote camp management) food court, guest house management & services, pest control, electromechanical and integrated facility services.

Contribution to Sustainable Development Goals





SMT is a global medical device company committed to making globally accessible medical technologies. SMT has been recognition for contributions in the field of Cardiovascular healthcare.

[Sahajanand Medical Technologies](#)

[Carbon Reduction Plan](#)

SMT started its journey 20 years ago with a pledge to save millions of lives by providing the most innovative solutions in the cardiovascular field. SMT has led the development of innovative biodegradable polymer coating technology in coronary stent system. The organization has evolved as a completely integrated manufacturer and unlocked new levels of productivity ensuring continued capability to serve patients with highly competitive pricing.

Impacts, Risks and Opportunities for SMT

Environment	Social	Governance
<p>Climate Action GHG Emissions Energy Efficiency Transportation</p> <p>Water Freshwater Use Wastewater Recycling and Re-use</p> <p>Waste Management Hazardous Chemicals VOC Emissions Packaging Waste</p>	<p>Workforce Gender Diversity Training and Skill Development Occupational Health and Safety Human Rights</p> <p>Responsible Healthcare Affordable Solutions Innovation / R&D Responsible Marketing</p> <p>Patient Health and Safety Product Quality</p> <p>Community Engagement</p>	<p>Board Diversity</p> <p>Ethics</p> <p>Transparency</p> <p>Regulatory Compliance</p> <p>Economic Performance</p> <p>Corporate Governance</p>

ESG Focus Areas for SMT

Focus Area	Metrics	2023 Performance
GHG Emissions	<ul style="list-style-type: none"> Scope 1 and 2 GHG emissions Scope 3 GHG emissions GHG emissions intensity 	<ul style="list-style-type: none"> Electricity conservation measures such as VFD and LED lights Use of natural gas in canteens
Water Management	<ul style="list-style-type: none"> Freshwater consumption % water recycled / reused 	<ul style="list-style-type: none"> Water consumption regularly monitored One-site effluent treatment plant
Employment Practices	<ul style="list-style-type: none"> % women in workforce Attrition rate Reportable incidents 	<ul style="list-style-type: none"> 10% women in workforce Company-owned transport for workers Zero reportable incidents
Community Engagement	<ul style="list-style-type: none"> Corporate Social Responsibility contributions 	<ul style="list-style-type: none"> 7.2 million INR contributed towards women empowerment, rural healthcare, education and animal welfare

2023 Achievements

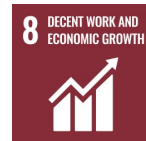


SMT's mission is to save millions by making critical healthcare affordable for millions of people around the world.



SMT has committed to achieve Net Zero GHG emissions by no later than 2050.

Contribution to Sustainable Development Goals





5

Responsibility at Samara Capital

Environmental Impact Reduction

Diversity, Inclusion and Well-being

Community Engagement



Responsibility at Samara Capital

Our responsibility commitment that we extend to our portfolio companies also applies to our business. We have identified ESG risks and opportunities and defined ESG priorities for the firm applying the ESG materiality principle. Our values and culture guide us in operating as a responsible organisation fulfilling our obligations to the environment and community while we continue to pursue our economic objectives.

Environmental Impact Reduction

During the year, we have worked closely with the facility management teams at our offices to undertake environmental conservation initiatives. The electricity we consume at the offices contributes significantly to our environmental footprint. Our efforts to reduce environmental footprint includes direct interventions such as efficiently managing the lighting and HVAC electricity consumption as well as initiatives to alter employee behaviour. For example, we have installed occupancy sensors in some parts of the office to control lighting. We continue to encourage virtual meetings over physical meetings whenever possible and have modernized the virtual conference meeting systems. We encourage employees to use public transport and support them through flexible working

hours. We track the fuel consumption and emissions for company-owned cars. Since 2023, we have started tracking business travel GHG emissions resulting from hired cars and flights.

We are located in a green building which has earned Platinum certification by Indian Green Building Council (IGBC) as per the Leadership in Energy & Environmental Design (LEED) rating system for green building certification developed by the U.S. Green Building Council (USGBC). Some of the environment conservation measures taken during the year include elimination of paper cups in the office. We have significantly reduced the use of bottled water and plan to completely phase it out next year.

Diversity, Inclusion and Well-being

We are actively building diverse and inclusive teams that bring together holistic perspectives and arrive at novel solutions for difficult problems. We have integrate diversity, equity and inclusion principles in the policies and practices of the firm.

Policies such as code of conduct, prevention of sexual harassment, whistle-blower policy, and the associated implementation frameworks ensure a safe and inclusive workplace.

Samara Capital is an equal opportunity employer and are committed to establishing a work environment where every employee receives an opportunity to reach their full potential.

We prioritise the health and well-being of our employees and support them in availing high quality medical care. The employees are encouraged to periodically take personal time off which is paid for by the firm.

Carbon Footprint

We are monitoring our carbon footprint since 2022. Since 2023, we have started monitoring scope 3 GHG emissions for business travel category. This includes GHG emissions from hired car and flights.

We are also taking initiatives for reducing GHG emissions. This includes working with facility management to explore sourcing electricity generated from renewable energy, giving preference to electric vehicles

when renting cars for business travel and monitoring business travel by flights.

In future years, we aim to develop our plan to achieve net zero GHG emissions in line with the global and national ambitions. We are committed to actively participate in decarbonisation efforts and make meaningful contributions.

2023 Samara Capital GHG Emissions (tCO₂e)

Scope 1 GHG emissions	
Company-owned cars	33.7
Scope 2 GHG emissions	
Purchased electricity	103.7
Scope 3 GHG emissions	
Business travel	74.6

Community Engagement

We actively support philanthropic causes in the local communities by contributing resources to generate environmentally and socially beneficial outcomes.

During the year 2023, we have supported two non-profit organisations that work closely with local population and provide assistance to the needy.

Veruschka Foundation empowers individuals with developmental disabilities to become contributing members of the society by providing them sustainable livelihood opportunities. This enables such individuals to achieve independence at home, start/skill their entrepreneurial journey or be placed in main-

stream employment. The programs run by the Veruschka Foundation provide government-certified training and inclusive opportunities, leaving a lasting impact on lives and communities.

Access Life Assistance Foundation provides multi-disciplinary supportive care to families who come to various hospitals for their child's cancer treatment. It provides a loving and temporary home for children undergoing treatment for cancer along with their parents or caretakers.



6

Annexures

UN PRI Disclosures

TCFD Disclosures



UN PRI Disclosures

Principle 1

We will incorporate ESG issues into investment analysis and decision-making processes.

We have clearly defined approach for incorporating ESG considerations in the pre-investment evaluation process as well as throughout the ownership. (see page 21-22 for details)

Our approach for ESG incorporation is reviewed periodically and we ensure that we are agile in responding to emerging trends as well as evolving expectations from investors and regulators alike.

Principle 2

We will be active owners and incorporate ESG issues into our ownership policies and practices.

We practice active ownership for all portfolio companies. Through the years, we have developed and fine-tuned our model for regularly engaging with the leadership of the portfolio companies. Apart from operational value creation, this engagement is also aimed at identifying and managing ESG risks and opportunities. (see page 35-36 for details)

Principle 3

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

All portfolio companies are required to periodically monitor and report on the relevant ESG metrics as determined by ESG materiality analysis. We actively support the portfolio companies in identifying material ESG topics and have developed several tools and guidance for the portfolio companies to monitor and report ESG metrics. (see page 37-38 for details)

Principle 4

We will promote acceptance and implementation of the Principles within the investment industry.

We actively support industry initiatives by PRI and others aimed at promoting responsible investment. We are members of several resources groups of PRI such as Sustainable Systems Investment Managers Reference Group and Circular Economy Reference Group. We also collaborate with initiative Climat International and support ESG Data Convergence Initiative. (see page 27-28 for details)

Principle 5

We will work together to enhance our effectiveness in implementing the Principles.

Apart from collaborating with peers as part of the global and regional initiatives for promoting responsible investment, we also work with investors and co-investors to enhance the effectiveness of our responsible investing approach. We regularly respond to investor requests on ESG and proactively incorporate emerging trends to improve our processes. (see page 27-28 for details)

Principle 6

We will each report on our activities and progress towards implementing the Principles.

We have commenced PRI reporting since 2023 and our transparency reports are publicly available on the PRI data portal. We also publish annual ESG report which includes our commitment, initiatives and progress towards responsible investment. The ESG reports are available on our website.



TCFD Disclosures

Governance

We have established clearly defined processes for incorporating climate-related issues in the investment decision-making process. The Investment Committee is guided by the ESG Committee on the incorporation of climate-related issues in the investment decisions. The Investment Committee, supported by the ESG committee, also provides ultimate oversight for the pre-investment and post-investment ESG integration process for all portfolio companies.

The ESG team is responsible for evaluating climate risks and opportunities for potential investments as well as existing portfolio companies. We incorporate physical as well as transition climate risks in our evaluation process.

We have developed tools and frameworks for assisting the investment team in incorporating climate risks and opportunities as they evaluate potential investments. These tools are also applied over the complete lifecycle of the investment.

We conduct annual training on responsible investing for investing team, operating team, and the other central resources. The training includes important climate-related issues, the risks and opportunities and approaches for their identification and mitigation.

We extend governance practices on climate-related issues across our portfolio companies as well. Performance on topics such as GHG emissions and renewable energy is discussed during the board meetings of the portfolio companies.

Strategy

We firmly believe that identifying and managing climate-related risks and opportunities is key for building resilient businesses. Our investment decisions consider climate-related issues at all stages and climate considerations are treated integrally for generating favourable financial returns.

Across the portfolio companies, we actively engage on climate-related risks and opportunities. Being active owners we adequately prioritise the climate-related risks and opportunities for not only defending against the value erosion but also leveraging the value creation opportunities. This approach is rooted in the material ESG topics identification that applies

double materiality principle. Robust ESG materiality assessment allows our portfolio companies to identify the climate-related impact of business activities as well as potential and actual impact of climate change on the business.

At the beginning of the ownership period for the portfolio companies, we identify important climate-related issues and support them in developing strategy for risk mitigation and leveraging opportunities. This is reviewed periodically so that the climate change strategy aligns with the emerging trends and regulatory obligations.

Risk Management

We have developed frameworks to identify, assess and manage climate-related risks across all the stages of the investment decision-making process. Our approach for evaluating climate-change related risks is part of the overall risk management process. Investment Committee, supported by ESG Committee, treats the climate-related risks as part of the overall risk profile of all portfolio companies.

We have a clearly defined screening criteria that is applied for all potential investments. While screening proposals, we focus on companies that do not qualify under high climate risk characterised by significant, irreversible, and unprecedented climate-related risks.

As part of the pre-investment process, we conduct ESG due diligence that includes evaluation of the climate-related risks and opportunities. We seek sup-

port from external and independent subject matter experts for conducting due diligence whenever necessary. Findings from the due diligence are incorporated in the investment agreement and progress against these conditions is tracked during the ownership period.

During the ownership period, we engage with the portfolio companies on climate-related issues. These engagements are aimed at ensuring that the portfolio companies are adequately identifying and managing material climate change related risks and opportunities. We also conduct regular policy reviews to assess important regulatory trends on climate change that can potentially impact the portfolio companies. This information is periodically shared with the portfolio companies.

Metrics and Targets

We are monitoring and reporting scope 1 and 2 GHG emissions for our operations since 2022. In addition, we have started monitoring and reporting scope 3 GHG emissions from business travel activity since 2023. Across our portfolio companies, we are monitoring scope 1 and 2 GHG emissions. Some of the portfolio companies are also reporting scope 3 GHG emissions for relevant categories.

We encourage our portfolio companies to set GHG emissions reduction goals. Most of the portfolio com-

panies have set GHG emissions reduction goals which are being monitored internally. Some have also committed to achieve net zero GHG emissions.

We are evaluating appropriate GHG emissions reduction goals at the firm-level and also working with our portfolio companies for setting relevant climate-related targets.

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