

RESPONSIBLE INVESTMENT

(RI POLICY)

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I. Introduction

1.1 Background

EAAA India Alternatives Limited (EAAA Alternatives) is a part of Edelweiss Group. EAAA Alternatives is the alternative asset management arm with over a decade of experience across Indian private credit and real assets and also manages a private equity fund since 2024.

EAAA Alternatives believes in conducting business responsibly and this RI policy seeks to formalise its robust Environmental, Social and Governance (“ESG”) approach. Lasting and tangible outcomes can be delivered by businesses that have solid ESG practices. Therefore, an assessment of ESG standards in potential investments as well as periodic monitoring and engagement with portfolio companies in an endeavour to improve their ESG practices are an important part of our investment strategy.

1.2 Investment Strategy

EAAA Alternatives is an India focused alternative asset manager managing and advising funds (hereafter referred to as the Funds or funds throughout this document), across various investment strategies - 1) Performing Corporate Credit; 2) Core Credit; 3) Real Estate Credit; 4) Special Situations; 5) Infrastructure Yield; 6) Rental Yield; 7) Energy Transition and 8) Perpetual Capital and 9) Private Equity. EAAA Alternatives clients comprise global institutional investors – pension funds, insurance companies, large family offices and ultra-high net worth individuals.

Our funds seek to enable portfolio companies to create value for their various stakeholders. EAAA Alternatives seeks to integrate environment, social and governance (ESG) aspects throughout the investment lifecycle, from pre-investment to the exit stage, as relevant on a case-to-case basis.

1.3 Commitment to Responsible Investment (RI)

EAAA Alternatives is committed to investing responsibly by incorporating material ESG, regulatory and reputational considerations into investment decision-making. It also aims to periodically communicate on the ESG initiatives and progress thereof with its stakeholders.

EAAA Alternatives believes that integration of ESG in the investment lifecycle is aligned with its core investment mandate and to this end it will seek to collaborate with industry peers and other organisations.

EAAA Alternatives RI philosophy is rooted in encouraging responsible and sustainable business practices by maintaining internal governance and culture to ensure that it acts as a good citizen in the communities where it operates.

1.4 Scope

This RI Policy provides the overarching charter of EAAA Alternatives’ approach to responsible investing across its direct portfolio investments made by funds or vehicles or entities which EAAA Alternatives manages or provides advisory / sub-advisory services on the private credit, real asset and private equity strategies. EAAA Alternatives control and influence on the companies that it invests in varies significantly,

and hence this policy articulates broad RI strategy of the firm. Specific elements of the policy may be utilized as relevant for each case.

II. RI Principles and Considerations

2.1 Purpose of RI Policy

This RI policy outlines EAAA Alternatives commitment to sustainability and stewardship as well as provides an overview of the principles which guide the integration of ESG issues across the investment lifecycle. The policy communicates EAAA Alternatives approach to the identification and management of risks and opportunities.

The purpose of this RI Policy is to:

- Articulate the approach towards ESG integration
- Provide a mechanism to engage with relevant stakeholders on ESG matters
- To encourage greater transparency and accountability across ESG topics internally and externally through periodic reporting and disclosures as applicable and relevant

2.2 RI Principles

EAAA Alternatives is guided by the Principles for Responsible Investment (PRI), to promote the incorporation of environmental, social and governance (ESG) aspects in investment decisions. EAAA Alternatives will integrate the following core principles in the decision-making process wherever applicable in investments covered within the policy scope:

- Maintain a high level of conduct in its own operations and expect the same from investee entities
- Incorporate material ESG factors into the investment research and analysis, due-diligence, decision-making and performance monitoring
- Engage in periodic dialogue with investee entities to manage ESG related risks and opportunities wherever possible
- Encourage an active ownership approach to encourage improvements in the ESG performance, reporting and disclosure practices of its investee entities, to the extent possible
- Report ESG information to stakeholders on a periodic basis
- Periodically review the RI and associated policies considering new and emerging risks, stakeholder concerns and international best practices

III. ESG in Practice

ESG practice at EAAA Alternatives comprises a systematic approach of integrating material ESG factors that can enhance value and transparency.

3.1 Approach towards systematic sustainability issues

- **Human Rights:** We seek to invest in enterprises that uphold human rights and refrain from supporting companies involved in child or forced labour exploitation.
- **Planet and People:** Our investment strategy revolves around sustainability and the welfare of communities, demonstrating our pursuit of long-term value generation.
- **Integrity:** We actively promote policies within our investee companies that discourage corruption and bribery, fostering a culture of integrity and transparency.
- **Labour Laws Adherence:** We ensure adherence to India's relevant national, state, and local labour laws while prioritising a safe work environment, by the investee companies. Our dedication to the well-being of the workers of our portfolio companies remains steadfast and resolute.

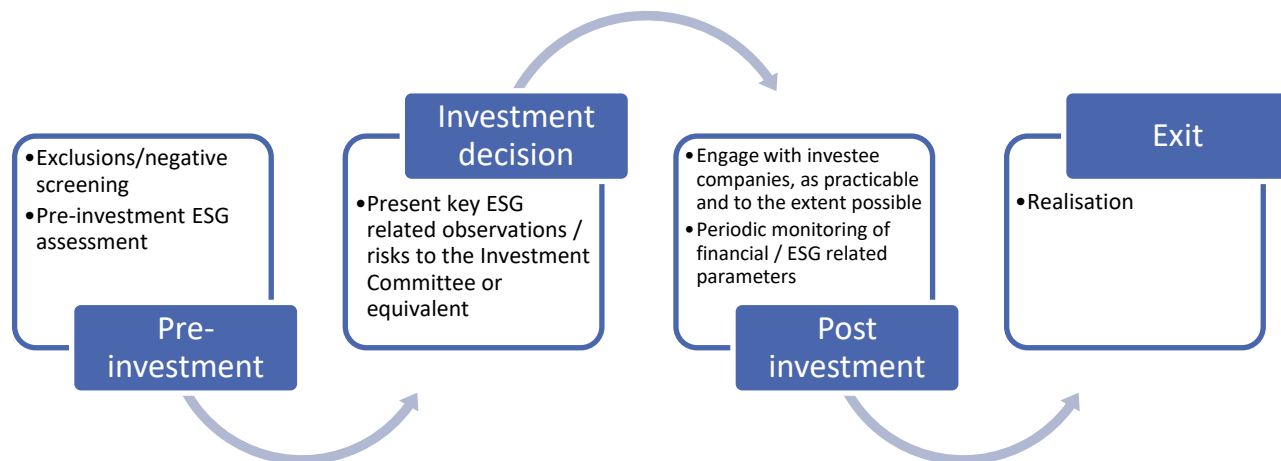
3.2 Objective

To continuously improve the ESG integration processes and to implement the RI policy, EAAA Alternatives is committed to:

- Building a culture of responsible investing at EAAA Alternatives where employees understand ESG risks, factors and opportunities and integrate the same into the business and investments.
- Building in processes and allocate responsibility to individuals / teams to ensure integration of ESG through the investment life cycle and in the business operations at EAAA Alternatives
- Monitoring implementation and periodic review of this RI policy along with the related and other associated policies
- Encouraging transparency and accountability through reporting on ESG matters to stakeholders.

3.2 The Approach

EAAA Alternatives will seek to integrate the consideration and thoughtful management of ESG issues throughout the investment cycle in our portfolio companies. Key considerations and processes thereof of our ESG assessment and integration are outlined in our ESG Policy.



A) Pre-investment

i) Exclusion/negative screening

EAAA Alternatives applies negative screening by means of exclusion principles for opportunities that derive a large portion of their revenues from certain activities.

EAAA Alternatives has an exclusion policy (“Exclusion Policy”) for direct investments into portfolio companies made by its funds. Details are available in the annexure, in addition to which there may be certain exclusionary sectors as per our fund(s) investment mandate and related documents.

ii) Pre- investment ESG assessment

- a) Identify associated ESG risks, and any material non-compliances. In certain cases, where deemed necessary, an external service provider may be engaged to conduct a pre-investment ESG due diligence. The key findings from the ESG assessment or ESG due diligence, where conducted will be summarized to the Investment Committee or equivalent.
- b) Where possible, identify ESG opportunities and indicators for value creation (impact) aligned with EAAA Alternatives’ focus areas and business strategy of the portfolio companies.

B) Investment decision

i) Investment decision, Agreement

- a) Present key findings of the ESG assessment or diligence (if conducted) and any ESG related risks to the Investment Committee (pre-investment) or equivalent to seek their views and inputs. Below mentioned are indicative list of a few ESG factors that are typically considered while evaluating potential portfolio companies:
 - i. Governance
 - ii. Human rights / Employee related practices
 - iii. Diversity & inclusion
 - iv. Health & safety
 - v. Resource management (Water, waste, emissions, energy etc., as may be relevant and applicable)

Note: This is only an indicative list and not an exhaustive one.

- b) Include ESG related covenants in the deal documents, as applicable and where relevant

C) Post investment monitoring

i) Monitor progress

- a) Engage with investee companies as relevant and to the extent practicable
- b) Monitor ESG performance and suggest improvements where possible. Below mentioned are some key ESG factors which we endeavour to monitor in our portfolio companies:

Governance factors

- i. Privacy and cybersecurity
- ii. Board composition: Size, structure / tenure and diversity etc.
- iii. Independence of the Board
- iv. Transparency and ethical behaviour

Environment factors

- v. Carbon emission and its environmental impact
- vi. Energy consumption
- vii. Water management and conservation
- viii. Waste management
- ix. Usage of alternate energy sources

Social factors

- x. Health & Safety of employees
- xi. Employee retention policies / attrition levels
- xii. Participation of women in the work force / diversity
- xiii. Prevention of sexual harassment at workplace
- xiv. Child and forced labour
- xv. CSR (Corporate Social Responsibility) activities
- xvi. Capacity building

D) Exit process, realisation

- i) Help investee companies to articulate their ESG journey and present the benefits of improved ESG performance in situations where relevant

IV. Annexure

4.1 Annexure -1: Exclusion Policy

EAAA Alternatives applies an exclusion policy (“Exclusion Policy”) for direct investments in companies which derive their revenue from the following:

- **Animal Testing** – Companies primarily engaged in the testing of products or substances on animals as part of their commercial activities
- **Sex Industry** – Businesses involved in the provision, promotion, or facilitation of adult entertainment, escort services, or other related activities.
- **Betting & Gambling** – Companies that own, operate, or derive revenue from casinos, lottery services, or other gambling-related enterprises.
- **Production of Defense Equipment & Weapons** – Entities whose primary business activity involves the design, manufacture or assembly of weapons, munitions, or other defense equipment that is directly related to the operation, delivery or enhancement of weapons systems, and that generate revenue from their sale.
- **Tobacco Production** – Companies primarily engaged in the cultivation, processing, manufacturing, or distribution of tobacco and tobacco-related products

The exclusion policy will also apply on direct investments in companies that (directly or indirectly, through entities in which such companies control at least a 20% ownership stake) derive 25% or more of their revenue from generated electricity from thermal coal (applicable only for electric utilities)* or derive 25% or more of their revenue from mining thermal coal.

The funds managed / advised by EAAA Alternatives will not invest more than 10% each of the aggregate fund size (across onshore, offshore & the sponsor group commitments) in companies that derive their revenues either from the production of alcohol or oil & gas based thermal power entities. For clarification, until the final closing of the fund(s), the aggregate fund size will be the Benchmark Commitments or equivalent or as defined in the fund documents.

In addition, for specific funds and vehicles, EAAA Alternatives would exclude sectors or companies which have been agreed to be excluded as a part of fund / investor agreements or side letters.

To clarify, the above-mentioned exclusions will not be applicable in case of investments in the case of acquisition of debt portfolios comprising multiple entities from banks and / or other financial institutions.

4.1.1 Rationale on Exclusion Policy

EAAA Alternatives' exclusion list is designed to align our investment practices with ethical, environmental, and social responsibility standards. By excluding such sectors or projects, our aim is to avoid investments that could harm the environment or negatively impact communities. This approach reflects our commitment to being a sustainable and responsible investor as per our commitments to the UNPRI. These exclusions complement, rather than replace, our broader ESG integration and stewardship activities described in this Policy, and together they support our alignment with the UN Principles for Responsible Investment.

**Note: This requirement does not apply to any strategy in which capital is raised only from domestic investors*

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