

# Driving the change



# Private Equity - Everstone Capital

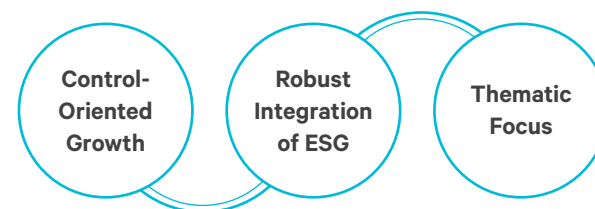
Everstone Capital (ECP), the private equity arm within the Everstone Group, focuses on mid-market control-oriented growth investments that seek to bridge the capital deficit in underserved sectors in India and Southeast Asia. From its earliest days, the conscious objective has been to promote responsible investing that acts as a positive catalyst for sustainable change.

ECP has invested in sectors such as healthcare, technology, consumer services, and financial services as they represent pent-up demand from communities, with the capacity for aggregated benefits in terms of greater wellbeing and improved standards of living for the population. Everstone Capital worked with a global, impact advisory firm and has established an Impact Management Framework that enables it to systematically assess potential investments that can contribute to positive E&S outcomes.

## Creating Value

Everstone Capital is a leader in India and SE Asia for Responsible Investing.

**Vision:** To pursue financial returns while proactively and intentionally mitigating ESG risks and contributing to positive measurable outcomes for all our stakeholders – our investors, our employees, our portfolio companies, and the communities where we are present



**Control-Oriented Growth:** Through Everstone Capital's control-oriented growth investments and high operational involvement, the firm captures financial and ESG inputs, outputs and impact outcomes of the relevant portfolio companies. This supports the determination of areas of materiality where the firm can drive value or mitigate risks relevant to a particular portfolio company's material ESG issues. For example, in our investment in a hospital chain, we worked with management to introduce additional medical insurance cover to manage staff infection expenses, and ensure robust protocols for continuous training and mock drills to increase safety, as well as hiring of additional staff to meet pressures on account of higher occupancy and increasing the use of on-line doctor consultations.



# Venture Capital - DSGCP



As the leading consumer-focused venture fund in India and Southeast Asia, DSG Consumer Partners (DSGCP) is well-known for many innovative product concepts and category-creating brands that it has helped launch. It maintains its leadership in many ways, driving a host of green initiatives for the food and consumer retail sectors, specifically in support of waste minimization, reduction in CO<sup>2</sup> emissions and better wastewater management.

Steadfast in its ESG commitments, DSGCP has been steering focused social and governance mandates across its portfolio businesses. All investees need to conform to its governance benchmarks and also promote actions for employee health and safety, knowledge creation and inclusivity. Key highlights of governance practices encouraged within the business and portfolio companies are:

- Continuous evaluation and enhancement of governance processes and systems
- Standard governance practices like instituting robust anti-corruption mechanisms and codes of conduct

As a practice, SDG linkages determine DSGCP's investment priorities too. The belief that every business needs to be relevant to the needs and concerns of the larger society is central to what it seeks from its portfolio businesses in terms of market and customer evolution, and social impact.

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**~US \$ 263 million AUM**

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**~US \$ 2 million**  
initial investment

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Leading consumer VC Fund in  
**India and SE Asia**

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**64**  
investments

# Real Estate - IndoSpace



IndoSpace has successfully pioneered Grade A warehousing, logistics and supply chain management in India. Its market-leading position is strengthened by its partnerships with several international players like CPPIB, GLP, and Realterm. Several firsts stand to the credit of IndoSpace.

It has partnered India's dream of becoming an economic powerhouse by creating world-class infrastructure and making it possible for marquee international brands to expand, just as it has given wings to the dreams of home-grown brands by creating the right conditions for demand-driven growth.

IndoSpace has achieved this by backing sustainable infrastructure, astutely using many aspects of sustainable design, green construction methods, greening of facilities, water conservation, waste management and clean energy to serve the dual purpose of lower environmental impact and optimal cost efficiencies for its tenants. Standing tall in its own industry, it is the first company to receive a platinum rating from the Indian Green Building Council in the Logistics Parks and Warehouses category.

The vision demonstrated by IndoSpace is reflected in its SDG centricity. Its sustainability direction is guided in many ways by

certain SDG values that the company has chosen to follow. The cycle of positive impact that is consequently created has multiple recurring benefits for its stakeholders. From promoting good health and wellbeing in the form of cleaner and greener work spaces and Covid-related community support to conscious resource use that helps support resource availability and ecological balance for future generations, the span of influence is immense.



**US \$ 1,345 million**  
in fund size

**3 funds**

**56%** certified green building  
space of 24.24 million sq. ft.

# Climate Change & Green Infrastructure - EverSource

EverSource Capital manages the Green Growth Equity Fund (GGEF), India's first dedicated private equity fund for the green energy space and its accompanying value chain.

Its target investment sectors are aligned with three climate action areas:



Decarbonizing  
fuel and power



Electrifying  
transport



Transforming  
waste to wealth

Following Everstone's mandate of responsible investing and impact-oriented business growth, EverSource is consciously going where no private player in India has gone before – routing investments to sectors like water and wastewater management, clean energy, e-mobility and e-storage. Renewables and their supporting process industries are still at a fairly nascent stage in India. Thus, an investor's role necessitates a blend of financial, technical, policy and knowledge assistance. EverSource ensures the impact effectiveness of potential investments by checking the following parameters:

- Integration of strategic and operational resilience as part of the business construct
- Demonstration of added returns from sustainability and following high standards of ESG, Sustainability & impact
- Offering a control or co-control position to GGEF
- Offering operating expenditure-oriented solutions to clients
- Using Industry 4.0 technologies as part of the business construct or as a tool to improve performance
- Potential and ability to achieve rapid scalability

EverSource is squarely on point in terms of the UNSDG's calls to action. All the sectors it operates in are foreseen as climate preserving actions and areas that will build the bridges between today's era of unthinking consumption to a choice-constrained and resource-challenged world, which must become sustainable to continue its existence.


EverSource has been able to deliver impact as a first mover in its business segments, where it has begun at very low thresholds and quickly scaled up. Taking a deep and dedicated enterprise approach, EverSource has been working with its investees to guide and enable their successes through moderate short-term targets and steady contribution to a cleaner environment for all.



**~US \$ 741  
million  
in fund size**

**949 MW  
RE capacity  
added**

# Primary impact outcomes

SDGs	Summary of Impact outcome	Contributed by the portfolio companies
 <p><b>1 NO POVERTY</b></p> <p>1.4 Financial Access &amp; Inclusion: Access to economic resources, as well as access to basic services and other forms of property, financial services, including microfinance</p> <p>1.2 Job Creation: Reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions</p> <ul style="list-style-type: none"> <li>72,308 direct and 400,000+ indirect jobs created corresponding to 47% increase over CY 20</li> <li>10,900 affordable housing loans provided to first time home buyers – which is 9% higher than CY 20</li> </ul>	<ul style="list-style-type: none"> <li>Everstone Group's active portfolio companies created 72,308 direct jobs and 400,000+ indirect jobs across its value chain – which corresponds to 47% increase over CY 20. Most of these jobs are in smaller tier-2/3 towns in India. Approx 20 to 30% direct employees of various portfolio companies are in below poverty line</li> <li>IndoStar has supported small fleet operators (many of whom only own two to three trucks) through its vehicle finance arms. By providing funds to this under served segment, IndoStar has given wings to the aspirations of a group that is in dire need of financial independence. In CY 21, 40,796 happy customers benefitted from these vehicle loans with total outstanding vehicle loans as of Dec-21 at 87,435</li> <li>In Home finance, IndoStar has focused on affordable housing, largely in smaller cities thereby being a catalyst for social change and as on Dec-21, 17,504 happy customers benefitted through easy home loans. In CY 21, 10,900 loans were disbursed to first time buyers</li> </ul>	<p>Across the portfolio of Private Equity, Real Estate, Green Infrastructure and Venture Capital</p> <p><b>EVERSTONE</b></p> <p><b>INDOSPACE</b> a GLP joint venture</p> <p><b>EVERSOURCE CAPITAL</b></p> <p><b>DSG</b> COLLIMITE PARTNERS</p> <p><b>INDOSTAR</b></p>

## SDGs



3.8 Access to quality essential healthcare services, quality & affordable medical devices, medicines, vaccines for all

3.b Support R&D of medicines, provide access to affordable essential medicines and vaccines

- 32 million+ lives benefitted from affordable medicines, medical devices and other healthcare services
- API has 7 million customer base in India and fulfils 1.6 million orders per month through its 82 warehouses and 64 franchisees
- With 8,000+ collection centers and 700+ franchisees , Thyrocare & ML Diagnostics together service 2 million customers per month
- Digital prescription services solution “Docon” facilitates 4,600+ doctors to generate 1.2 million medical prescriptions
- B2B business of API (Ascent Health Care) is present in 51 cities in India and catering to over 87,000 retailers located across over 22,000 zip codes
- Potentially 1.87 billion+ people have gained access to iodized salt
- In CY 21, Slayback Pharma, spent US 16.85 million towards R&D and innovation of new medicines and filed 4 ANDA US-FDA registration and received approvals for 2 new medicines

## Summary of Impact outcome

- ECP portfolio companies are enabling better health outcomes for patients by increasing access to quality, essential and affordable medicines, medical devices, hospital equipment in India, Indonesia, Thailand, Vietnam, Malaysia, Philippines, Sri Lanka, Bangladesh, Europe, Germany, Australia, New Zealand and US markets etc.
- Potentially 1.87 billion+ people have gained access to iodized salt from Calibre's iodine derivative products which helps to overcome thyroid disorder problems.
- API Holdings works with several top pharmaceutical companies in India to provide high quality medicines at affordable prices (approx. 15-25% below MRP) across the country by expanding its network/reach to over 7 million consumer base, 40% of which are from Tier 2/3 towns.
  - API's B2C online businesses (PharmEasy, Thyrocare, Docon, etc.) are present pan India;
  - B2B business Ascent is present in 51 cities in India with over 87,000 retailers.
- API has so far touched the lives of 25 million located in over 22,000 zip codes, covering 97% of India.
- Digital solutions (online) are purpose-built and inclusive to provide patients, doctors, retailers, distributors, and hospitals, an elevated healthcare delivery experience.
  - **PharmEasy:** Fulfils 1.6 million orders per month through its 82 warehouses and 64 Franchisees
  - **Diagnostic Centres (Thyrocare + ML Diagnostics):** Together service 2 million customers per month through its 24 diagnostic Labs, 8,000+ collection centres and 700+ Franchisees network
  - **Docon:** Digital prescription processing online platform engaged with 4,600+ doctors and generate 1.2 million digital prescriptions per month. This digital solution for doctors, allows them to engage with their patients through electronic medical records, tele-consultations, and instant chat support

Therefore, API promotes well-being and fosters healthy lives for all with the adoption of a low-price, high-volume model to increase the accessibility to medication, diagnostics, and doctor consultations.

## Contributed by the portfolio companies



## SDGs

## Summary of Impact outcome

## Contributed by the portfolio companies



3.8 Access to quality essential healthcare services, quality & affordable medical devices, medicines, vaccines for all

3.b Support R&D of medicines, provide access to affordable essential medicines and vaccines

- Discounted healthcare offered to 80K+ senior citizens and 16K+ BPL patients
- Administered 229,277 doses of COVID-19 vaccination
- ~9000 patients treated free of cost
- 53 liver transplant and 23K+ surgeries conducted
- 2.7+ million tests conducted through NABL accredited laboratories

- Everlife delivers quality medical equipment, devices and reagents at affordable prices in 7 Asian countries to 4,000+ hospitals, 4,750+ laboratories and 4,000+ direct customers
- **Sahyadri:** Healthcare expenditure per capita in India is low, even after adjusting for India's GDP per capita, manifesting into a shortage of beds. Within that, West India, including Pune is underserved with a quality bed density of 0.3 beds per 1000 population. Sahyadri, Maharashtra's largest chain of hospitals aims to bridge some of this gap, providing quality healthcare at affordable prices
  - In CY 21, treated 40,746 IPD patients (42% female) and 210,800 (42% female) OPD patients
  - 53 liver transplant and 23K+ surgeries (including Cath Lab procedure) conducted in CY 21
  - The company's lab also tested over 285,262 RTPCR samples and administered 229,277 doses of COVID-19 vaccination over 2 years and conducted 2,761,495 other tests
  - 16K+ in-patients Below Poverty Line (BPL) treated over 3 years
  - Discounted healthcare offered to 80K+ senior citizens over last 5 years
  - Facilities with ~200 beds set up in Tier 2/3 towns to provide quality healthcare access in underserved catchments
  - Treated 8,400+ patients under Pune Municipal Corporation health scheme and 500 patients have benefitted through Indigent Patient Fund (IPF) free of cost
  - High-calibre employee base of 550+ doctors, 1,050+ nurses, 1,300+ support staff
  - 4 hospitals viz. Decan Gymkhana, Nagar Road, Hadapsar and Nashik are NABH accredited and other hospitals viz. Surya, Karad and Kothrud are NABH certified; 3 Laboratories are NABL accredited



## SDGs

## Summary of Impact outcome

## Contributed by the portfolio companies



3.8 Access to quality essential healthcare services, quality & affordable medical devices, medicines, vaccines for all

3.b Support R&D of medicines, provide access to affordable essential medicines and vaccines

- **Manufactured 112,287 cardio-vascular stents and supplied at affordable prices in India and other middle & low income countries**
- **Product (Cardio-vascular stent) registrations done in 40+ countries including India**

- Omega is a leader in the US healthcare services space and it provides easy access to patients and hospitals via its innovative technological services. Omega's global delivery team called an average of 600,000 patients/month, facilitated 132+ million patients/annum, 141 million charts coded annually, handled 174 million transactions, facilitated collection of \$12 billion accounts receivable and processed USD 344 million benefits verifications, thus improving healthcare access to patients and bringing efficiencies to the high-cost healthcare system in the US
- Translumina is India's third largest cardio-vascular stent manufacturer by volume, with a market share of 13-15%. Globally, it has registrations in 40+ countries and provides affordable healthcare medical devices particularly in developing markets where the company has a meaningful presence. In CY 21, sold ~112,287 cardiac stents to various hospitals at affordable prices, of which 4% were exports to other middle and low income countries. Translumina has saved approx. 370,000 lives since FY 19. Further, Translumina provides 60 stents at free of cost to the BPL patients towards their CSR gesture
- Slayback is enabling better health outcomes for patients by increasing access to quality, essential and affordable medicines in US markets. In CY 21, 300,000+ vials sold. These medicines helped women, intensive care & respiratory disorder patients combat angioedema and immuno disorder diseases
- Slayback has an in-house 25+ R&D team in India and has spent US \$ 16.85 million in CY 21 towards innovation and R&D. In CY 21, Slayback filed 4 (ANDA) US-FDA registration and obtained approval for 2 products. Over the last 5 years, the company has filed US FDA registrations for 22 products, obtained approval for 7 products and commercialized 4 products viz. HPC, Dexmed, Merzee etc
- In CY 21, Slayback Pharma has spent US \$ 16.85 million towards R&D and innovation of new medicines



## SDGs

## Summary of Impact outcome

## Contributed by the portfolio companies



5.1 End all forms of discrimination against all women and girls everywhere

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels

### Gender Diversity: Women (%)\*



Private Equity



Real Estate



Green Infra-Climate Change



Venture Capital

- Most of the ECP III portfolio company have "Diversity & Inclusion" policies. At the fund level 36% workforce are women, out of which 541 are in managerial positions and 10 at the Board level
- **Sahyadri**: 56% of the company's workforce are women. Further, CSR activities run by the company encourages women empowerment
- **Omega**: 47% women diversity across the group. India: 44%, Philippines: 60%, US: 39% and Himagine: 92%. Omega has 182 women in managerial role and 2 women board of directors at corporate
- **Infostretch**: Women diversity at the firm level is 35%, women holding leadership positions are 18% with a women director at its board
- **EverLife**: 35% of workforce are women with 45 women managers and 3 women board of Directors
- **API**: Promotes women in leadership role and currently 24% of the workforce are women and out of which 119 women are in managerial leadership role with a women at its board
- **Translumina**: Co-founded by a woman, 29% of workforce are women with 27 women managers and a women director
- **IndoStar**: Empowers its women workforce who are in various leadership roles. 10% of women workforce are in managerial positions with 2 women board of directors. Chief Human Resource Officer, Chief Operating Officer and Head of CSR are led by women.
- **Everstone Group (with out portfolio)** : Women diversity is 24% and with all portfolio is 30%
- Several women are in charge of key positions within Everstone Group including General Counsel, Vice Chairperson, Head of Investor Relations, and Head of Fund Administration

EVERSTONE

Sahyadri Hospitals

Omega Healthcare  
Excellence in Business Outsourcing

infostretch

everlife

API HOLDINGS

translumina  
therapeutics

INDOSTAR

INDOSPACE  
a GLP joint venture

DSG  
CONSUMER PARTNERS

EVERSOURCE CAPITAL

\*Everstone Group - Fund level gender diversity numbers excluding the portfolio companies

## SDGs

## Summary of Impact outcome

## Contributed by the portfolio companies



7.2 increase the share of renewable energy in the energy mix

Theme	Target	Unit of Measurement	Target Year (Deadline)
Renewable Energy	8,000	MW	2030

Theme	Outcome in CY 20 MW	Outcome in CY 21 MW	% increase over CY 20
Renewable Energy	166	996	500%

- Capacity addition of Renewable Energy: In CY 21, Everstone Group portfolio companies added 996 MW renewable power altogether – which is 500% higher than CY 20
- The Group has set a target to add 8+ GW renewable power by 2030 in India towards its climatic action ambition

### EverSource: GGEF

- Ayana and Radiance Renewable added 949 MW renewable power, benefiting ~365,000 people

### Everstone Private Equity Fund: ECP III

- Omega: Indian entity of Omega sourced ~1019 MWhr renewable energy to reduce its Scope-2 emission, which will also lower the utility bill and improve EBITDA
- Calibre: In CY 21, sourced ~2,167 MWhr (7.5% of its total energy needs) from its existing 1.9 MW wind mills, which has avoided 1,971 tCO<sub>2</sub>e and improved EBITDA by INR 10 million
- Sahyadri: Added 3 MW of renewable energy into the existing energy mix, which will reduce utility bill and improve EBITDA
- IndoStar: Financial loans given to SMEs to set up 40 MW renewable power projects, which generated 17,280 MWhr renewable energy and avoided 15,897 tCO<sub>2</sub>e
- Everlife-CPC: Installed 150 KW solar panel on its roof top

### Everstone Private Equity Fund: ECP II

- SJS: Added 1.9MW solar power at its factory

### IndoSpace

- Added 0.578 MW solar panels on its roof top at several industrial logistic parks



## SDGs

## Summary of Impact outcome

## Contributed by the portfolio companies



8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including a focus on high-value added quality jobs

8.3 Productive activities, decent job creation and access to financial services

8.5 Full and productive employment and decent work

- Assets Under Management ~US \$ 7 billion
- US \$ 116 million taxes paid to the Govts –which will boost social vitality & community development
- Spent US \$ 1.6+ million on various community development work
- 30% women workforce, with 1,000+ women managers 16 of which hold board-level positions

- Asset Under Management: US \$ 7 billion
- Taxes paid to the Govt: US \$ 116 million
- Spent on community development activities: US \$ 1.6 million
- Spent on training / upskilling: US \$ 5+ million
- Pay gap between male & female employee: Zero
- Total head count 72K+ (direct) and out of which 30% workforce are female
- 1,000+ women managers and 16 women are in board
- No material legal notices received
- No adverse media remark on investees/ fund
- Existence of ABC policy in portfolio companies: 100%
- Existence of risk & control management system in portfolio companies: 100%
- Existence of code of conduct and whistle blower policy in investees: 100%
- Existence of PoSH and prohibition of child labour policies in portfolios: 100%



## SDGs

## Summary of Impact outcome

## Contributed by the portfolio companies



9.2 Promote inclusive and sustainable industrialization and significantly raise industry's share of employment and gross domestic product

9.3 Increase access to financial services, including affordable credit

- Over 41,000 customers of IndoStar including SMEs benefitted from financial access & inclusion
- IndoSpace has developed 43 million sq ft green building logistic parks. Over 170 buildings certified with IFC EDGE and IGBC – which will save 1.6 million cu.mtr water, 47,428 MWhr energy and 3.6 million GJ embodied energy per annum

- **IndoSpace:** Developing resilient infrastructure and sustainable industrialization in India with sustainable green building industrial warehousing space. 24.24 million sq ft of green building space with 170 buildings have been certified with IFC Edge/Edge Advanced and IGBC.
- **Infostretch:** Delivering higher level of economic productivity through innovative digital solutions. Employ large and growing teams in second tier locations in both the US/UK and India. 1,669 quality job created for the digital engineers, 80% of which are based in Tier-2/3 towns of India (Pune and Ahmedabad)
- Omega provides the most comprehensive outsourced solutions in the industry and is ranked among the top revenue cycle management business process services by industry analysts. The firm was founded in 2003 and has delivery centres present across India, Philippines and US. The company employs more than 21,412 employees (India-18,725, Philippines-1,453 and US-1,234 (incl Hemagine)



## SDGs

## Summary of Impact outcome

## Contributed by the portfolio companies



11.6.2 Reduce annual mean levels of fine particulate matter (e.g. PM2.5 and PM10) in cities

- **Sustainable Cities & Reduction in Air Pollution : GreenCell Mobility has reduced 2.8 tonne air pollution (PM2.5 + PM10) due to introduction of 700 e-buses and avoided 254 tCO2e per annum**
- **GreenCell Mobility has set a target to operate 5000+ e-buses by 2030 – which would reduce air pollution @20 tonne per annum**

### EverSource Capital : GGEF

- GreenCell Mobility, a portfolio company of GGEF is building a platform to provide Electric Mobility-as-a-Service (eMaaS) in India. This e-mobility platform will boost the adoption of electric vehicles in the country.
- GreenCell Mobility has deployed 700 state-of-the-art 'zero emission' ebuses along with charging infrastructure across 14 major cities of Uttar Pradesh. These electric buses offer sustainable mobility solutions by tackling challenges of poor air quality and also reducing carbon footprints of the nation.
- It is estimated that these 700 e-buses will reduce air pollution (PM-2.5 + PM-10 ) @2.8 ton and avoid 254 tCO2e per annum



## SDGs

## Summary of Impact outcome

## Contributed by the portfolio companies



12.2 Achieve the sustainable management and efficient use of natural resources

- Total water re-used after recycling and/or saved otherwise due to generation/usage of renewable energy ~ 1,900,550 cu. mtr
- 136, 731 MT C&D waste processed for making value added building material products
- Saved 3,613,253 GJ of embodied energy in material saving (like steel & cement)
- 85,779 MT of Municipal Solid Waste (MSW) processed and generated 18,646 MWhr waste2energy (WtE)
- Everstone PE portfolios altogether saved ~89,464 cu.mtr of fresh water usage
- IndoSpace saved approx. 1.6+ million cu.mtr of fresh water usage

### Everstone Private Equity Fund: ECP III

- **Translumina:** In CY 21, treated 443 cu.mtr effluent through its ETP, of which 228 cu.mtr was recycled and reused. This initiative saved freshwater usage
- **Sahyadri:** Effluent Treatment Plants (ETPs) installed at 8 hospitals. This initiative saved freshwater drawl of approx. 75,082 cu.mtr annually
- **Calibre:** Treated 12,426 cu.mtr effluent through its ETP & STP, of which 3,649 cu.mtr was recycled and reused. Further, 188 MT solid waste was reused by cement industries in their value chain (as fuel and raw material)- this initiative avoided land fill and prevented environmental degradation

### Everstone Private Equity Fund: ECP II

- **SJS:** Treated 42,047 cu.mtr of effluent, of which 9,129 cu.mtr water was recycled for plant process

### IndoSpace

- Treated 278,966 cu.mtr of effluent, of which 11,586 cu.mtr was recycled for general usage for horticulture and other activities. Further, due to green building certifications by IFC-EDGE and IGBC, there have been savings of 1.6 million cu.mtr water, 47,424 MWhr energy and 3,613,253 GJ of embodied energy in material savings (like steel & cement) per annum

### EverSource: EverEnviro

- Reused 521 cu.mtr recycled effluent water for its horticulture and cleaning of roads etc. Further, its waste2Energy Plant (11MW) sourced 85,779 MT of municipal waste to generate electricity. EverEnviro's C&D division lifted 136,731 MT of construction & demolition (C&D) waste to make value added building material products viz. sand, bricks and tiles etc. These initiatives have reduced landfills requirement and prevented environmental degradation



## SDGs

## Summary of Impact outcome

## Contributed by the portfolio companies



### 13 Reduction of GHG emission

- Everstone Private Equity fund's portfolio companies together reduced ~22,407 tCO<sub>2</sub>e
- EverSource managed GGEF fund portfolio companies together reduced ~432,604 tCO<sub>2</sub>e
- IndoSpace Logistic Parks avoided ~43,863 tCO<sub>2</sub>e due to its green building certifications
- In CY 21, all portfolio companies of Everstone Group together reduced ~498,875 tCO<sub>2</sub>e – which is 503% higher than CY 20

### Everstone Private Equity Fund: ECP III

- **Calibre:** Existing wind mills generated ~2,167 MWhr renewable energy, which avoided 1,971 tCO<sub>2</sub>e
- **IndoStar:** Provided loans to SMES to set up 40MW solar park which avoided 15,897 tCO<sub>2</sub>e
- **Sahyadri:** Added 3 MW renewable power into existing energy mix of their 3 hospitals, which will reduce their utility bill and improve EBITDA. Since this renewable power was available from October, 2021, therefore, it reduced 528 tCO<sub>2</sub>e in CY 21. Going forward, it would further avoid 1,192 tCO<sub>2</sub>e per annum
- **Omega:** In CY 21, sourced 1,019 MWhr renewable energy and saved 157 MWhr conventional energy due to its energy efficiency measures. These initiatives avoided 1,082 tCO<sub>2</sub>e
- **Everlife-CPC:** Installed 150 KW solar panels on its roof top –which has avoided 59.62 tCO<sub>2</sub>e

### Everstone Private Equity Fund: ECP II

- **SJS:** Added 1.9 MW solar plant to reduce its Scope-2 emission. Further its new factory (225,000 sqr ft) is Gold LEED certified green building. These initiative had reduced ~ 2,205 tCO<sub>2</sub>e

### EverSource

- All portfolio companies of GGEF viz. Ayana, Radiance, EverEnviro and GreenCell Mobility together reduced 432,604 tCO<sub>2</sub>e

### IndoSpace

- Installed 0.578 MW solar panels on its roof top at various industrial logistic parks. Further, 24.24 million sqr ft spaces are green building certified from IFC-EDG/Advanced EDGE and IGBC. These initiatives had reduced 43,863 tCO<sub>2</sub>e



# Case Studies

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# API Holdings



API Holdings (API) is an example of Everstone's buy-and-build strategy to grow organically & inorganically, and service underserved segments.

## Summary of Investment

Spotting opportunities to consolidate India's large but highly fragmented and unorganized pharma distribution and patient servicing market, Everstone took the mergers and acquisitions route to stitch together a number of businesses under the umbrella of API Holdings. Today, API is the largest tech-based pharma distributor and retailer in India and has an omni-channel presence in the healthcare market through its three business lines.

## Challenge

India faces acute challenges regarding the quality, access and delivery of healthcare services and products to vast sections of its population. Several hurdles exist in terms of the quality of healthcare infrastructure and manpower, and patients' affordability, particularly for large sections of the urban poor, peri-urban and rural communities. Further, the Indian pharmaceutical market is large but with highly fragmented medicine distribution, which adds to the cost of

doing business, leading to higher end costs for products sold to consumers. In addition, the sector has faced challenges with counterfeit products. In addition, the sector has faced challenges with counterfeit products.

## API Holdings

### Business Description

Healthcare – Pharmaceutical Products  
(Retail & Distribution)

### Investment Date

March, 2016

### ESG Risk during investment

E (Medium) , S (Medium) , G (Medium)

### Current ESG Risk / Rating

E (Low), S (Low) , G (Low)

Country of operation: India

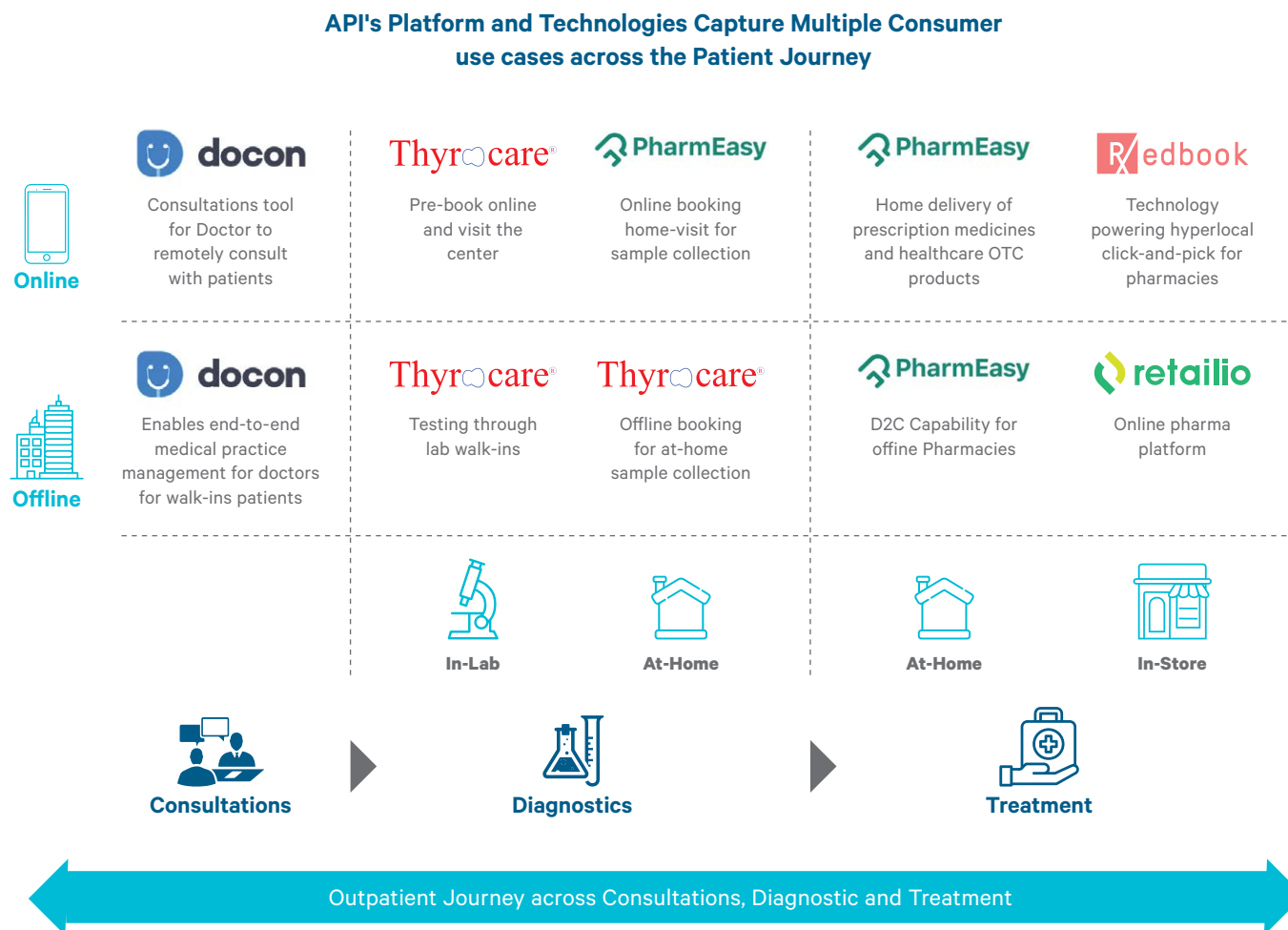
Category: B (IFC PS-1,2,3,4)

## Strategy

With the consumer boom having touched other sectors of the economy, consolidation of the Indian healthcare consumer market was only a matter of time. Similar precedents existed in the West. Everstone had evaluated the market opportunity and decided to provide growth capital for acquisitions, so that economies of scale could be achieved. It then deployed technology to build a pharma distribution and healthcare marketplace with extensive countrywide reach.

The task was mammoth and had to be undertaken in phases. Everstone's first moves was to consolidate the B2B pharma distribution segment under Ascent Health. This was done through mergers and acquisitions, with some of the country's largest distributors being brought into the fold, leading to a nationwide reach. The DocStat offering followed soon after, whereby a system was devised for providing prescriptions against drugs sale.

API Holdings has permanently changed the OPD healthcare landscape in the country with a combination of a full-stack business model that uses technology innovation, unified data platforms and intelligent data systems, best-in-class supply chain expertise and deep understanding of stakeholder groups to bring accessibility and affordability to user groups that have been traditionally overlooked.



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## Retail IO

Alongside, building deep digital capabilities for PharmEasy and Docon, in 2017, Ascent launched Retailio, a digital platform providing wholesalers with technology and services they can use to connect with pharmacies. Wholesalers and pharmacies thereafter agree upon suitable commercial terms on a principal to principal basis and transact directly with each other. Retailio was launched with an objective to accelerate technology adoption in the supply chain empowering pharmacies with technology and digital tools and to expand the scope of such reach beyond pharmacies serviced by Ascent. Digitisation through Retailio was aimed at improving transparency and providing real-time inventory visibility, discovery of competitive pricing and reducing the need for manual re-ordering cycles, thereby enabling lower stock outs, efficient inventory turns and expiry management for pharmacies. Just for an example in the month of June 2021, Retailio was being used by 87,194 pharmacies and 3,261 wholesalers across 191 cities. As a multi-stakeholder platform that would scale with increasing adoption by pharmacies and wholesalers, Retailio seeks to strengthen its value proposition and is transforming the ecosystem by introducing features and capabilities that enable digital payments, invoice creation and settlement, targeted and digital channel marketing for brands, availing seamless and affordable credit along with track and trace for logistics.

## Thyrocare

In September 2021, API Holdings acquired Thyrocare, India's largest diagnostic player by test volumes. Thyrocare's addition to API Holdings has enabled a pan-India diagnostics presence spanning more than 550 districts and an ability to serve a large portion of India's population with a diagnostic test. Thyrocare provided API Holdings the ability to offer diagnostics services to customers across the country, thereby adding complimentary services to API's portfolio of offerings. API's technology and digital products will also bring necessary digital capabilities to Thyrocare's business. Thyrocare's addition has made API as the largest diagnostics test provider by volumes, with one of the lowest costs of testing, Thyrocare has a comprehensive portfolio of more than 283 diagnostics tests and 17 labs across India.

## PharmEasy

PharmEasy is India's leading consumer healthcare super app for consumers (providing online pharmacy, OTC, teleconsultation and diagnostics services) in terms of GMV of products and services sold on the platform. API owns the "PharmEasy" brand, and its proprietary technology platform powers the PharmEasy marketplace. PharmEasy has more than 25 million user base, covers 97% pin codes and receives order more than 37.5% from outside of top 50 cities in India.

**Thyrocare provided API Holdings the ability to offer diagnostics services to customers across the country, thereby adding complimentary services to API's portfolio of offerings.**

## Indirect impact created through Investment

API Holdings  
**25 million+**  
lives touched

PharmEasy  
**76,000**  
Daily orders  
Fulfilled

DocOn  
**54.9 million**  
health records  
digitized

API Holdings  
**50%**  
women  
consumers  
reached

Ascent  
**22,000+**  
locations serviced  
healthcare  
solutions

PharmEasy  
**97.3%**  
Location  
coverage

## Direct Impact created through Engagement

**7 million**  
patients Serviced

**1.2 million**  
digital prescriptions/  
month

**ISO 45000**  
certification for Employee  
& Contractor Safety

**2 million+**  
diagnostic tests  
run/month

**926**  
hospitals served

**24**  
diagnostic labs

**30%**  
women  
representation

**13,985**  
direct employment  
provided

**2,400+**  
suppliers on-boarded

**87,190+**  
pharmacies linked

**4,600+**  
Doctors engaged

**1,879**  
Last mile delivery  
partners

**3,261**  
wholesalers

**10,886**  
warehouse  
personnel

**82**  
Warehouses

**699k ft<sup>2</sup>**  
warehouse space



# Sahyadri Hospitals



Established in 1994, Pune-based Sahyadri Hospitals offers high-quality healthcare services in Tier 1, Tier 2 and Tier 3 cities of western Maharashtra. It runs eight hospitals across the locations of Pune, Nashik and Karad, out of which six are tertiary and two are secondary care hospitals.

Sahyadri is one of the largest multi-specialty hospital chains in the state, with established clinical credentials in neurology, cardiology, orthopaedics, oncology, general medicine and surgery. The primary goals for Sahyadri Hospitals are:

- To become the largest corporate healthcare chain in Maharashtra
  - Through brownfield expansion of existing facilities like creation of additional beds
- To provide high-quality essential healthcare at affordable rates, to the underserved.

## Summary of investment

### Business Description

Hospital

### Investment Date and Amount

October, 2019

### ESG Risk during investment

E (High) , S (Medium) , G (Medium)

### Current ESG Risk / Rating

E (Medium), S (Low) , G (Low)

Country of operation: India

Category: A (IFC PS-1,2,3,4)

## Challenges

India has one of the lowest bed densities in the world, at only 0.3 beds per 1,000 people versus the global median of ~2.5. To make a positive change, private sector participation and enterprise is crucial. The Everstone Group has always sought out strategic advantage in areas where the country lacks infrastructure and adequate facilities, and has bridged existing gaps. Public funding in healthcare has been grossly inadequate, largely urban-centred and with low quality of support, both in terms of specialized manpower and facilities. Recent years have seen multiple private healthcare chains entering the vacuum, but good quality healthcare has still remained out of reach for low and middle-income groups in urban, peri-urban and rural areas.

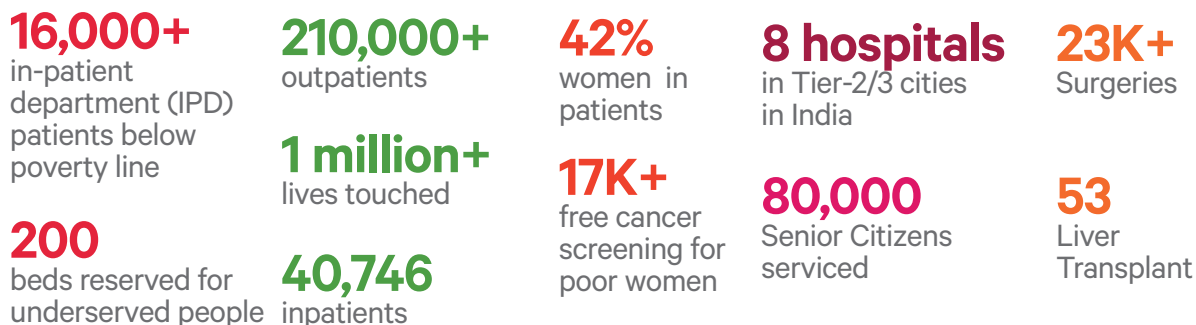
Pune has underdeveloped quaternary care and quality bed density of 0.3 beds per 1,000 people in comparison to the average approximately 0.6-1.2 beds per 1,000 people bed availability in India's largest metros.

### Strategy

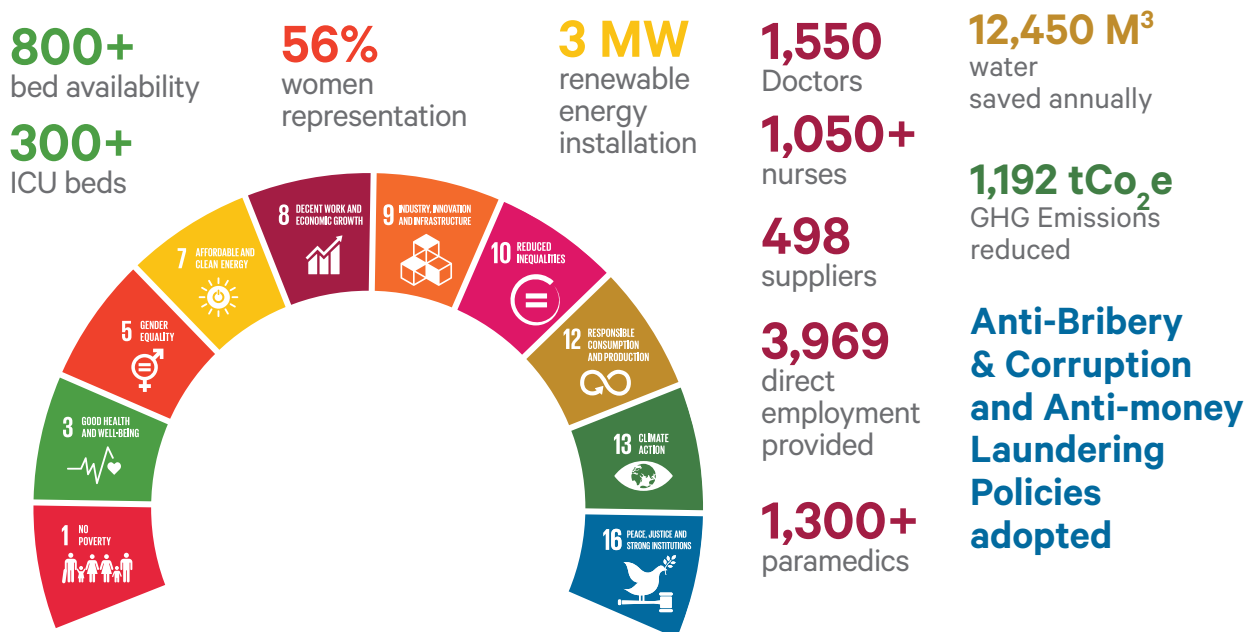
Everstone's involvement with Sahyadri was two-fold. Its fund infusions helped the hospital chain extend its reach to the lower stratas of society – by enhancing existing facilities and going for expansion. The brownfield investments were put to multiple uses. Additional beds were added in existing facilities. Fire protection detection systems were upgraded to ensure better safety. Also, a number of waste management and renewable energy activities were established or strengthened. Biomedical waste management is a highly specialized and regulated sector and the additional fund inflow was used to set up effluent treatment plants at all the hospitals. Everstone's extensive experience in enhancing its infrastructural assets with renewable energy fitouts was put to good use and Sahyadri is in the process of adopting a renewable energy mix, while also decreasing energy costs.

Everstone has helped Sahyadri realize its goals not only through its control-led investments, but also by passing on its vast experience of scaling up and professionally managing early-stage healthcare projects and infrastructural assets. In the process, several rewarding multiplier effects have been set into motion. Sahyadri's expansion across Tier-1, Tier-2 and Tier-3 cities have created sizeable employment opportunities for the locals and led to their skilling and upskilling, thus benefiting overall employability. Not only has Sahyadri successfully addressed pent-up demand, it has improved the economic value of its areas of operation, apart from adding to the national exchequer.

### Core Impact (CY 21)



### Other Impact created through Engagement



# Pip and Nuts



DSGCP promotes consumer brands with responsible product ethics and product propositions that resonate with the young, emerging consumer segments. Pip & Nut, a fast-growing nut butter brand in the UK and Irish markets, fits this description very well.

Founded in 2015 by a 24-year-old lady marathoner, Pip & Nut was born from an authentic understanding of the consumer need for a natural, great-tasting and highly nutritive product that was both healthy and sustainable. Product development began from the founder's kitchen, and the brand remained true to its roots, making nut butters from completely natural ingredients and with zero palm oil. Its 'real' flavor soon won it a loyal customer base, leading to explosive growth and expansion into adjacent categories in the nut-based products space. Today the range consists of 15 SKUs and is sold through a vast omni-channel network.

DSGCP has been funding Pip & Nut's scorching growth and is helping to strengthen its brand value as a sustainable food brand with multiple attributes. We bring to bear our vast experience in seeding long-haul brands in the Asian market and have helped Pip & Nut through the process of B Corp certification. The B Corp accreditation is valuable for any brand that has serious sustainability ambitions and wants to be viewed as a company that cares for all its stakeholders, and not just profit.

## Challenges

- Pip & Nut wanted to be a palm oil free brand. Palm oil is an extremely common ingredient in the nut butter market and is favored for its neutral flavor and ability to act as a stabilizer. But its production is guilty of being very harmful for the environment, and has resulted in extensive deforestation in recent years. It's thus unsustainable for both natural habitats and the local communities that depend on them.
- New age consumers favored brands that were conscious and responsible about their impact.
- The category did not practice sustainable packaging as nut butters were typically packed in PET containers, a practice that went against the company's beliefs.
- The sourcing supply chain had scope for exploitation with middlemen involved, which harmed the interests and incomes of small farmers.

## Strategy

Pip & Nut was founded on a holistic view of health – that what is good for human health must have no residual impact on the environment too. The brand shunned palm oil from the start, and used very high-quality nuts instead. Integrating sustainability into the company's operations was another key objective and the B Corp certification process aided this. The ensuing transformation met several of the company's goals – to modify its processes in ways that supported its corporate principles of ethical behavior and sustainable impact; to be perceived as a health brand that was wholesomely natural and responsible and finally, as a way to distinguish itself. Just a handful of UK's food and beverage brands had the B Corp certification and it was a good way for this young brand to build a niche for itself.

The certification process was rigorous at several levels and was designed to help an organization assimilate sustainable ways of functioning. Pip & Nut overhauled its supplier base, packaging and logistics processes to make them more ethical, fair and sustainable. Single sourcing of high-quality, hi-oleic peanuts from Argentina and almonds from California, directly from the growers, ensured fair pricing<sup>7</sup> and support for local farmer communities. Reducing emissions was the next concern. Manufacturing and supply logistics were revamped, with the company consolidating its manufacturing within the UK<sup>8</sup> and reducing the absolute distances to be travelled by increasing its omni-channel reach and mix of products and SKUs.

Innovative packaging was another significant change with rPET or recycled PET packaging being used instead of virgin PET packaging. Earlier, labelling was being done with non-recyclable materials. These were changed to fully recyclable labels. In this way, the brand's product-packaging mix promoted sustainability and responsible use of natural resources, and helped to cut emissions by nearly one-fourth of the original carbon footprint.

Aiming to build a sustainable ecosystem, Pip & Nut is actively seeding practices promoting ethical behavior and fair play. It is engaging with its suppliers for better waste management and renewable energy use. For its employees, the company has given a new twist to career development – through flexible working hours, budgets for formal learning and by giving days off for helping with one's favorite charity.

Owned and run by a female entrepreneur

Promotes flexible working hours and equal pay

Provision of physical and mental health allowances

Healthy products available in 2,000 super markets in UK

Products fortified with Calcium, fiber and Omega 3

Supporting the farmers from local communities by sourcing raw materials namely, almonds, peanuts and cacao and providing a sustainable livelihood income

Supporting the Hackney Foodbank, by donating a jar of peanut butter for every sale the business made

Use of Sustainable Packaging with 30% recyclable material

Implementation of paper-based labels

Palm oil free products



<sup>7</sup>[https://www.foodnavigator.com/Article/2019/12/04/Pippa-Murray-Behind-Pip-Nut-s-journey-to-B-Corp-Certification?utm\\_source=copyright&utm\\_medium=OnSite&utm\\_campaign=copyright](https://www.foodnavigator.com/Article/2019/12/04/Pippa-Murray-Behind-Pip-Nut-s-journey-to-B-Corp-Certification?utm_source=copyright&utm_medium=OnSite&utm_campaign=copyright)

<sup>8</sup>Ibid

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