

Everstone

The Everstone Group

First Annual Disclosure Statement
Operating Principles for Impact Management
The Everstone Group
Singapore

September 2023





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An Annual Disclosure Statement - Operating Principles for Impact Management

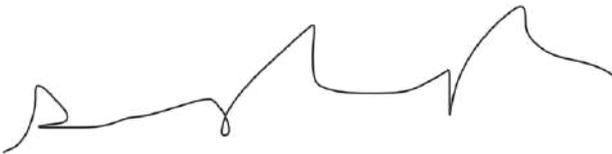
The Everstone Group
September 28, 2023

The Everstone Group hereby affirms its status as a signatory to the Operating Principles for Impact Management (the “Impact Principles”). The Impact Principles provide a reference point against which the impact management systems of funds and institutions may be assessed. They draw on emerging best practises from a range of asset managers, asset owners, asset allocators, and development finance institutions.

This Disclosure Statement applies to the following assets or business lines (the “Covered Assets”) including (a) impact management systems; (b) policies and practises; and (c) investment services, are managed in alignment with the Impact Principles:

1. Active Assets of Private Equity Funds ECP III and ECP IV of Everstone Capital as mentioned in Annexure-1
2. Three assets, viz., GoDesi (Food-B2C), Blood (Consumer women's care-B2C), and Farmley (Food B2C), of Venture Capital Fund, DSGCP IV

The total covered assets under management in alignment with the Impact Principles are **US\$ 627.22** million as of December 31, 2022¹.



The Everstone Group
(Sanjay Gujral)
The Chief Business Officer
September 28, 2023

¹ The sole purpose of this Disclosure Statement is to fulfil The Everstone Group's obligations pursuant to Principle 9. This document shall not constitute and should not be construed as an offer, solicitation, or invitation to buy or sell any securities, financial instruments, or services, whether described herein or otherwise, or as any prospectus or investment-related advice in relation thereto, nor is it intended to form the basis of a decision to participate in any investment. The Everstone Group makes no guarantee or other promise as to any outcomes, including any financial or development impact results that may be obtained from the practises disclosed in this statement. While past performance may be analysed in this Disclosure Statement, past performance should not be considered indicative of future performance. Accordingly, The Everstone Group shall not have any liability to any of the recipients of this Disclosure Statement or to any other party in connection with or arising in any way from, or in relation to, the information or any opinions expressed in this Disclosure Statement, and the Everstone Group does not accept any responsibility whatsoever for any action taken or omitted to be taken by any party on the basis of any matter contained in, or omitted from, the Disclosure Statement



Principle-1: Define strategic impact objective(s), consistent with the investment strategy.

environmental effects, which are aligned with the SDGs, or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

Our Private Equity business is focused on the mid-market, with a control mindset and growth bias. We invest in businesses with a nexus to India and Southeast Asia, irrespective of where they may be headquartered. On the other hand, our venture capital business is a joint venture and supports Asian consumer startup businesses.

- We focus on the drivers that encompass significant social, economic, political, environmental, and technological changes that have a major impact on business and society today and for decades to come. We perform extensive ESG and impact screenings and due diligence before investing. Every investment has clear impact objectives and a defined commitment to Responsible Investing. Our investment methodology incorporates diverse parameters and is executed in a phased manner, with various checkpoints for ESG-related risk identification and management.
- We have a dedicated ESG Team and engage ESG specialists as required, and our Deal Teams, including both Investment and Operations professionals, and the Board of Directors of portfolio companies, drive our responsible investment agenda. Our Executive Chairman leads a group-wide Responsible Investing Committee that is constituted with other senior group resources to drive internal alignment and oversight and ensure continued progress in leading the way forward.
- Our investments are intended to generate positive, measurable social and/or environmental impact (alongside financial returns). In the private equity business, our control-oriented growth strategy, geographic and sectoral focus, and focus on implementing best-in-class responsible investing practises contribute to meaningful positive environmental and social outcomes.
- **While not managing a traditional impact fund²**, we developed an impact management and measurement framework with a view to driving efforts towards Contributing to meaningful positive Environmental and Social outcomes for "Underserved" beneficiaries. This Impact Management Framework draws linkages to the United Nations Sustainable Development Goals (UN-SDGs) and incorporates principal elements of the IFC's Anticipated Impact Measurement and Monitoring (AIMM) Framework and the Impact Management Project's (IMP's) Avoid-Benefit-Contribute (ABC) Framework to draw distinctions in outcomes for different stakeholders.
- We use the 4 Pillars Philosophy (People-Planet-Prospersity-Corporate Governance) of ESG and link them to the UN SDGs to develop our proprietary PIA Matrix (Purpose-Intentionality-Additionality) to drive internal alignment, leading to a significant focus on the five SDGs to deliver Employment growth (SDG-8), Gender equality (SDG-5), Climate action (SDG-13), Digital Transformation (SDG-9), and Healthcare efficiency (SDG-3). Some of the other SDGs will also be crucial in tracking and measuring impact outcomes, depending on the nature of investment in the sectors, such as consumer and financial services. Our private equity fund, ECP III, has invested in the financial services sector, while our venture capital fund, DSGCP IV, has made a few investments in the consumer (food and women's healthcare) sectors. In addition to SDGs 3, 5, 8, 9, and 13, additional SDGs, viz. 1, 2, 10, and 11, are also used to measure and track the impact outcomes from these specific sector investments.
- We make use of the IFC's AIMM approach, HIPSO-aligned SDG indicators, and IRIS+ metrics to measure and track the progress of impact outcomes.

² None of the funds in the private equity business (Everstone Capital) or Venture Capital business (DSGCP) are article-9 funds. However, the Everstone Group believes that responsible investment in emerging countries can certainly generate impacts that contribute to financial, institutional, social, environmental, or other benefits to a society, community, or group of people via one or more investments.



Principle-2: Manage strategic impact on a portfolio basis.

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

- Our impact and ESG monitoring process works to make sure that Portfolio Companies consistently adhere to legal requirements, internal ESG standards (as outlined in the investment documentation), and the impact agenda, which is outlined in the Action Plan for each investment. The screening tool used to identify value-add impact opportunities for each investment and the due diligence phase, where an Impact Assessment Report is produced based on the IMP's five dimensions of impact, the IFC's AIMM, and IRIS+ metrics mapped with UN-SDGs, are all examples of how the impact and ESG processes are integrated throughout the entire investment process.
- On a portfolio level, we have a process to manage impact attainment. While acknowledging that impact may vary across individual assets in the portfolio, the process's goal is to define and analyse impact performance for the entire portfolio. The investment team uses scoring methods to help with decision-making by prioritising impact prospects for each investment. Continuous training in these areas is provided to all investment and operations professionals. To source, conduct due diligence on, invest in, and add value to each firm, our Impact and ESG teams continuously collaborate with the Investment and Operations (Value-Add) teams.
- An Impact Scoring Tool (a 3rd party digital SaaS, e.g., UPDAPT) is used to provide a quantitative value that reflects the investee's impact performance at the time of investment and a predicted score for the investee to achieve at the end of the holding period. This is used to set targets and appropriate indicators for each impact opportunity. Ongoing monitoring of progress against the score is carried out by the ESG and the Impact team. Impact and value-add reporting are carried out in line with broader fund reporting criteria. Impact and value-add Indicators are selected jointly by the impact, ESG, operations, and investment teams at the point of selecting specific value-add and impact interventions and incorporated into the monitoring plan for the Investee Company. The Responsible Investing Committee (RIC) and the Investment Committee (IC) validate the proposed impact targets to be achieved during the holding period and indicators to be monitored, and these are included in the investment documentation.
- An annual monitoring report on ESG and Impact is developed using the information gathered during ongoing monitoring and reporting. The report will include a review of each portfolio company's progress against its ESG and Impact Action plan, as well as the progress of the fund against its Impact objectives.
- Investment professionals, the operations team, portfolio managers, and members of the Impact and ESG team have yearly Impact and ESG objectives and KRAs, which are incorporated into their annual evaluation process and used to determine bonus allocations. Funds under management also link a portion of their carried interest to the achievement of impact over the course of the fund's lifetime.



Principle-3: Establish the Manager's contribution to the achievement of impact.

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

- Our funds have clearly defined impact agenda which is outlined in Action Plans for each investment. The Everstone Group has established its contribution to the achievement of impact for investees through financial and non-financial measures. The contribution is articulated through investees' theories of change, showing Everstone Group's additionality in terms of inputs and opportunities for value creation that will lead to targeted outputs, outcomes, and impact.
- In Private Equity, our control-oriented, growth investing focus with high operational involvement creates jobs and furthers economic development. Incrementally, we promote diversity and gender inclusivity and guide management teams in adopting sustainable practices and addressing climate change. In Venture investing, we fuel the aspirations of young entrepreneurs and drive innovation.
- Our internal screening tool based on the IMP's five dimensions of impact, the IFC's AIMM, and IRIS+ metrics mapped with UN-SDGs is used to identify value-add impact opportunities for each investment.
- Using a 3rd party impact scoring tool in combination with our portfolio specific approach for impact management, we define impact performance for the entire fund. The investment team uses scoring methods to help with decision-making by prioritising impact prospects for each investment.
- We aim to add value as an active shareholder in our investments by engaging with our investees in areas such as ESG and impact, risk management, fund raising, and more. At investment, we design an engagement plan and monitor its fulfilment over time.



Principle-4: Assess the expected impact of each investment based on a systematic approach

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer the fundamental questions: 1) What is the intended impact? 2) Who experiences the intended impact? 3) How significant in the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relevant size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

- Impact-focused due diligence findings allow us to establish the impact potential of the investment, the baseline status for each impact theme (Gender Diversity, Job Quality, Climate Action, Stakeholder's Inclusion), and any sector or geographical impact opportunities. ESG and impact performance are assessed in relation to international best practise standards as defined by the IMP and IRIS+. The ESG and Impact teams build the impact case through the impact due diligence report, which defines impact objectives for the potential investment and evaluates the impact performance across the IMP's five dimensions.
- Our investment and impact team, as part of the investment selection process, jointly calculate the expected impact of each investment and assess its contribution to the portfolio's overall impact targets. These impact expectations relate to the type of impact (what), the target beneficiaries (who), the extent of the impact (how much) and the catalytic or systemic impact.
- We assess and establish targets per investee based on conversations with the investee and their past impact performance. These targets are reviewed by the dedicated ESG & Impact team and form part of the investment document on which the investment committee bases its decision.
- We also look at the penetration of the targeted sector in the market and to the extent to which the sector is underfunded. This assessment is critical to avoid supporting an "overheated" market with risk of over indebtedness.



Principle-5: Assess, address, monitor, and manage potential negative impacts of each investment

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

- We feel that effective ESG risk mitigation is essential to delivering impact. Our ESG work is rooted in the idea of "do no harm." We have worked on ESG to a high standard since inception, and our ESG and Impact teams are continuously trained and work together under the guidance of our Responsible Investing Committee ("RIC").
- We use an Environmental, Social, and Governance (ESG) management system to address the ESG issues that may arise throughout the course of an investment for all our funds. These issues are treated separately from the strategic impact objectives of each fund in that they are unintended adverse risks or opportunistic positive impacts. Exposure to ESG issues can differ significantly between investees, depending on their specific circumstance.
- We perform extensive ESG screenings and due diligence as per IFC's Performance Standards on sustainability and other good international industrial practices (GIIP) before investing. Every investment has a clear and defined commitment towards sustainability. Our investment methodology incorporates diverse parameters and is executed in a phased manner, with various checkpoints for ESG-related risk identification and management and proactive social and/or environmental Impact creation.
- The Fund conducts ESG-due diligence and captures negative impacts and risks associated with the business and those within the boundaries of the portfolio company. Specific time-bound corrective actions are also suggested to eliminate such negative impacts.
- The Fund shall not invest in any portfolio company that, in its reasonable opinion, cannot be expected to meet the minimum ESG requirements of the fund over the life of the investment. All portfolio companies include legal language stating that the company will comply with all ESG requirements, including a corrective ESG action plan with specified timelines. The Fund's ESG Officer makes annual site visits to portfolio companies to review their ESG performance. Over and above possible specific issues of concern, the purpose of the site visit is to assess strengths and weaknesses and develop recommendations for improving ESG performance, focusing on adherence to key ESG commitments and setting focus areas. Progress on existing ESG and impact-related interventions should also be assessed. Where new risks or issues are identified, new impact and ESG action plans are also developed.



Principle-6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately.

The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate actions. The Manager shall also seek to use the results framework to capture investment outcomes.

- Our investees are required to provide information on periodic basis as per our pre-defined impact metrics. The selection and reporting frequency on impact metrics is dependent on specific fund. Information provided is subsequently checked for completeness and coherence. Investees are accordingly engaged if the information appears inaccurate.
- Responsibilities for impact *measurement*, monitoring & reporting rests with our Investment, ESG and Impact teams. These teams assess annually how investees are performing in terms of impact. We further engage with individual investees if reported performance varies greatly from expectations.
- Our investees report impact information directly through our ESG digital tool “UPDAPT”. Thus, having adequate impact management capabilities is also important for our investees. We therefore support selected investees with technical assistance, trainings and advisory to improve their impact management system, wherever applicable.
- The Everstone Group prepares an impact and sustainability report each year that is published online for stakeholders. Table 1 below lists fund-specific key or primary impact outcomes that were noted in CY-22.
- We also commission third-party impact assessments for selected investments on a periodic basis. This complements regular impact reporting, as they bring independence, depth and ability to integrate qualitative information for measuring & understanding impact.



Table 1: Fund Specific Impact Outcomes

SI No	Impact Theme	Linked UN-SDGs (Core/Primary)	Fund Name	Funding Instrument	Impact Outcome
1	Jobs & Economic Opportunities		ECP III, ECP IV and DSGCP	Equity	<p>The Everstone Group recognizes the importance of investing in our people and has created a supportive and inclusive workplace. Together with our portfolio companies (impact qualified), more than 71,500 quality jobs have been created in addition to several other indirect jobs, viz., providing employment opportunities to local unemployed youths as drivers and last-mile food and medicine delivery services. The Everstone Foundation and our impact-qualified portfolio companies have also collaborated with several non-governmental organizations (NGOs) on community development projects, which resulted in many job opportunities for unemployed women and local youth.</p>
2	Financial Access & Inclusions (to consumers and SMEs)	  	ECP III	Equity	<p># Retail loans to SMEs: Small and medium-sized enterprises (SMEs) were given access to 52 loans to aid in their expansion plans, and as of December 22, 2,703 SMEs still had live loan accounts. In addition, 14.28K happy customers got vehicle loans, and as of December 22, 189,150 vehicle loan accounts were still outstanding.</p> <p># Affordable housing loans: IndoStar, an investee of Everstone Capital, has prioritized providing affordable housing loans, primarily in smaller cities, and has been a driving force behind societal change. As of December 22, roughly 18,409 satisfied customers had benefited from home loans. In CY-22, 629 of the 5,701 loans given to first-time buyers were given to women, and 2,057 women have received home loans as of now.</p>



SI No	Impact Theme	Linked UN-SDGs (Core/Primary)	Fund Name	Funding Instrument	Impact Outcome
3	Healthcare		ECP III , ECP IV, and DSGCP	Equity	<p># Free cancer screening conducted for 17,000 women; # 169K women patients (IPD+OPD) treated; # over 1.8 million females benefitted from exclusive bio-degradable women care products (sanitary pads). # 11.32K BPL (below poverty line) patients treated; #80,000 senior citizens treated; # over 54.9 million health records digitized; # over 2 million diagnostic tests conducted per month through diagnostic laboratories; and # 385 million people have benefitted from affordable genuine medicines, nutraceutical products, or healthcare services in 65 countries.</p> <p># Innovation and R&D in Healthcare: Slayback, an investee of Everstone Capital, spent over \$12.88 million in CY2022 towards innovation, R&D, and product filing. Four US FDA registrations filed and received four US FDA approvals for new drugs. These approved Drugs will benefit oncology, COPD, and ophthalmic patients.</p>
4	Food Security	 	DSGCP	Equity	<p># The food startup businesses of our venture capital are supporting over 6,100 low-income farmers who are providing raw materials and ingredients to these food startups in India and Southeast Asia. It is estimated that farmer incomes have increased by up to 35% due to direct sourcing and the elimination of middlemen in the supply chains. Further, these startups sell affordable, wholesome meals and snacks via B2C and D2C digital platforms, making it simple for people to access the food throughout the region. Over one million people benefit from these accessible, affordable, and wholesome foods.</p>



SI No	Impact Theme	Linked UN-SDGs (Core/Primary)	Fund Name	Funding Instrument	Impact Outcome
5	Industry - Innovation & Digital Transformations		ECP III and ECP IV	Equity	<p># Everise offers digitally enabled, AI-driven, innovative omnichannel customer experience management services and solutions to global businesses, primarily health insurance providers and health-tech firms, from US, nearshore, offshore, and work-at-home ("W@H") locations. 17,000+ champions spread across eight strategic markets provide affordable customer care to 3 billion customers while maintaining a 3-year average net promoter score of 75%.</p> <p># Cprime's business model is designed to contribute to industry, innovation, and the development of quality, reliable, sustainable, and resilient infrastructure to support economic development and human well-being, with a focus on affordable and equitable access for all.</p> <p># API Holdings is the largest digital health platform in India, with ~USD 2.0 billion in GMV run-rate and 7 million consumers. has a unique ecosystem of technology platforms that collectively cater to patients, practitioners, pharmacies, and providers to bring transparency and efficiency to the outpatient healthcare landscape in India.</p> <p># With a manufacturing base in Tier-2 cities, India, Calibre is the leader in iodine derivatives and serves 344 clients across the globe in 43 countries with 60% exports, which promotes inclusive and sustainable industrialization and significantly raises the industry's share of employment and gross domestic product in the country. It collaborates with 737 local MSME suppliers, including two female suppliers, and has distributed a net economic value of USD 182 million since 2020. It has also paid taxes to the Indian government totaling USD 40 million, which has aided in the growth of the local social fabric and economy.</p> <p># Omega is a leader in the US healthcare services space, and it provides easy access to patients and hospitals via its innovative digital transformation service channels. Its global delivery team called an average of 900,000+ patients/month, facilitated 200+ mn patients/annum, 118+ mn charts coded annually, handled 271 mn transactions, facilitated collection of \$12 bn accounts receivable, and processed USD 537 mn benefits verifications.</p> <p># Cookie Man's continued efforts to build out a resilient B2B (institutional and corporate) channel helped them offer more than 30 variants of cookie flavours in over 52 stores across 17 Indian cities with its online presence through e-grocery (such as Big Basket, Supr Daily, Amazon Pantry, Flipkart, and others), online delivery partners (such as Swiggy, Zomato, and others), and a dedicated brand website.</p>



SI No	Impact Theme	Linked UN-SDGs (Core/Primary)	Fund Name	Funding Instrument	Impact Outcome
6	Gender Equality and Women Empowerment		ECP III, ECP IV, and DSGCP	Equity	<p># Today, our impact-driven portfolio companies are championing women's empowerment and meeting the requirements for the 2X challenge criteria for women. Currently, gender diversity at the group level of our impact-driven investees is over 45%, with 47 women serving at the board level of portfolio companies. At a fund level, gender diversity in private equity is 41% and venture capital is 50%..</p> <p># Through its innovative, natural, biodegradable, and drug-free women's period care products, such as sanitary pads and pain relief patches, Blood, an investee of venture capital, is engaged in disrupting the menstrual care market in Southeast Asia and giving millions of women a better period experience.</p>



Principle-7: Conduct exits considering the effect on sustained impact

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effects which the timing, structure, and process of its exit will have on the sustainability of the impact.

- Everstone Group has exited its portfolio companies where embedded impact and ESG work are not just being continued but have also infiltrated the corporate culture. Our experience over the past seven years has shown how embedded impacts and an ESG culture are enticing increasingly affluent buyers to India and Southeast Asia, which can increase economic value. Having stated that, the impact and ESG departure evaluation processes have been created to allow the Fund to contribute or generate value, plan solutions for any issues that may occur, lessen uncertainty, and reduce the risk of exit delays.
- Our investment committee approves a proposed exit plan basis of an exit memorandum which includes an assessment on the appropriateness of exit in terms of timing, buyer profile, structure, price and potential actions to safeguard the investees mission and impact beyond exit. The ESG & Impact team reviews the proposal and provides an independent advice to the Investment Committee on the topic of responsible exit.
- We agree in advance on the timing, structure and process of exit with the investee as part of the contract or fund documents. The decision not to renew an investment beyond its agreed term is a function of the needs expressed by the investee, liquidity, pricing and risk, but also considers the potentially negative impact on the investee and its clients.



Principle-8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

- Our ESG & Impact team periodically assesses the impact results of each investee. Each investee is also required to provide an update of its ESG performance and policies periodically. If performance of the investee varies greatly from expected impact results, we further engage with respective investee teams.
- We further assess impact at portfolio level. Analysis is conducted to understand performance of each fund against impact targets. This assessment is then used as input for adapting the portfolio investment strategy.
- We also conduct third-party assessments on a periodic basis at investee/fund level which provides additional information to validate or adapt the strategy.
- Everstone Group publishes annual reports to investors for each fund, which include a review of the impact generated for each portfolio company and the funds.
- We also actively participate with peers in sector initiatives and forums to exchange learnings and promote new standards related to impact & ESG management.



Principle-9: Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

- We are committed to disclosing the degree of alignment of our impact management system with the OPIM principles. This disclosure statement will be updated annually and published on our website.
- We have mandated BDO India LLP as our external and independent verifier, in accordance with the Impact Principles' requirements. BDO India's assurance statement, dated 28th September, can be found on Page No. 18.
- **Information on the current independent verifier:**
 - **Name & Address:**
BDO India LLP
The Palm Springs Plaza
Office No. 1501-8, 15th Floor
Sector-54, Golf Course Road
Gurgaon-122001, Haryana
INDIA
 - **Qualifications:** BDO India LLP is a professional services firm providing services in Advisory, Assurance, Tax and Business Services, to both domestic and international organisations across industry sectors. Our non-financial assurance practitioners for this engagement is drawn from a dedicated Sustainability and ESG Team in the organisation. This team comprises of multidisciplinary professionals, with expertise across the domains of sustainability, global sustainability reporting standards and principles, and related assurance standards. This team has extensive experience in conducting independent assurance of sustainability data, systems and processes across sectors and geographies. As an assurance provider, BDO India LLP is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.
- **Most Recent Review Date: 23rd September 2023**
- **Next Planned Review Date: 22nd September 2024**



Annexure 1: List of impact driven active portfolio companies of Everstone Capital Funds

SI No	Name of the Portfolio Company	Geography	Sector	Private Equity- Fund	Investment Year
1	Cookie Man India (Everfoods)	India	Consumer Discretionary	ECP III	2018
2	Ascent Health (API Holdings)	India	Retail & Distribution	ECP III	2016
3	Everlife	APAC	Healthcare - Platform Hold Co	ECP III	2017
4	IndoStar Capital	India	Financial Services (NBFC)	ECP III	2018
5	Translumina	India/EU	Healthcare - (Medical Devices)	ECP III	2019
6	Omega Healthcare	US-Asia	IT/ITES (RCM-BPO)	ECP III	2019
7	Sahyadri Hospitals	India	Healthcare - Delivery	ECP III	2019
8	Slayback Pharma	US-Asia-Europe	Healthcare - (R&D - Pharma)	ECP III	2019
9	Apexon (Infostretch)	India-US	IT/ITES	ECP III	2020
10	Calibre Chemicals	India	Specialty Chemicals	ECP III	2021
11	Softgel Healthcare	India	Healthcare (Nutraceutical)	ECP IV	2022
12	Everise	US, SEA	IT/ITES (BPO)	ECP IV	2022
13	Cprime	Asia, EMEA,US	IT/ITES	ECP IV	2022



Assurance Statement



BDO India LLP
The Palm Springs Plaza
Office No. 1507-A, 15th Floor
Sector-54, Golf Course Road
Gurgaon-122001, Haryana
INDIA

To

The Board of Directors and Management
Everstone Capital Asia Pte. Ltd.
163 Penang Road, Level 8 Winsland House II,
Singapore, 238463

Independent Assurance Statement on Annual Disclosure Report for 2022 (the 'Report') in alignment with the Operating Principles for Impact Management

Introduction and objective of the engagement

Everstone Capital Asia Pte. Ltd. ('Everstone' or the 'Company') has developed its first annual disclosure report (2022) for the Everstone Group in alignment with the requirements of the Operating Principles for Impact Management ('the Impact Principles').

BDO India LLP (BDO) was engaged by the Company to provide independent assurance on the alignment of the Annual Disclosure Report with the requirements of the Operating Principles for Impact Management as of 31st December 2022 and its impact management policies and procedures as disclosed in the Annual Disclosure Report.

Respective responsibilities

The Report content and its presentation are the sole responsibilities of the management of the Company. The Company management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement.

BDO's responsibility, as agreed with the management of the Company, is to provide assurance on the Report content as described in the 'Scope of assurance and methodology' section below. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance a third party may place on the Report is entirely at its own risk.

Assurance standard

The assurance process was conducted in line with the requirements of the AA1000 AS v3 (2020) Type 2 assurance¹. We applied a moderate² level of assurance.

Scope of assurance and methodology

The scope of assurance engagement was limited to review of the alignment of the Company's impact management policies and procedures as summarized in the Company's Annual Disclosure Report with the Operating Principles for Impact Management for US\$ 627.22 million as of 31st December 2022.

Our assurance methodology included the following steps:

- Assessment of the alignment of the Company's impact management policies and guidelines with the Impact Principles;
- Interviews with ESG management representatives at the group level to understand the impact management strategy, process, systems, measurement and reporting framework as well as the ESG risk management process;
- Assessment of the amount of assets under management (as of December 31, 2022) aligned with the Impact Principles;
- Review of impact management documentation on a sample basis.

¹ Type 2 assurance an engagement in which the assurance provider gives findings and conclusions on the principles of reliability, materiality, impact and responsiveness, and verifies the reliability of specified materiality by performance measurement AA1000AS v3 (2020) Standard.

² A moderate level of assurance as per AA1000AS v3 (2020) Standard's commensurate with 'limited' assurance as defined in the International Standard on Assurance Engagements (ISAE) 3000



Limitations

The scope of our assurance does not include an assessment of the effectiveness of the Company's impact management system and processes, nor the verification of the resulting impacts achieved. The projection to the future of the impact management systems and processes and their alignment with the Impact Principles is subject to the risk that the impact management systems and processes may change. The scope of our assurance does not include assessing, and therefore provides no assurance over the Assets Under Management or whether the funds recorded in the books and records of the Company are appropriately valued.

Our conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that Company's impact management policies and procedures as summarized in the Annual Disclosure Report are not aligned with the Operating Principles for Impact Management, and with the principles of Inclusiveness, Materiality, Responsiveness, and Impact of the Assurance Standard.

Our assurance team and independence

BDO India LLP is a professional services firm providing services in Advisory, Assurance, Tax and Business Services, to both domestic and international organisations across industry sectors. Our non-financial assurance practitioners for this engagement are drawn from a dedicated Sustainability and ESG Team in the organisation. This team is comprised of multidisciplinary professionals, with expertise across the domains of sustainability, global sustainability reporting standards and principles, and related assurance standards. This team has extensive experience in conducting independent assurance of sustainability data, systems and processes across sectors and geographies. As an assurance provider, BDO India LLP is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

For BDO India LLP

Dipankar Ghosh
Partner & Leader | Sustainability & ESG
Business Advisory Services

Gurugram, Haryana
28th September, 2023



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Important Information

The sole purpose of this Disclosure Statement is to fulfil The Everstone Group's obligations pursuant to Principle 9. This document shall not constitute and should not be construed as an offer, solicitation, or invitation to buy or sell any securities, financial instruments, or services, whether described herein or otherwise, or as any prospectus or investment-related advice in relation thereto, nor is it intended to form the basis of a decision to participate in any investment. The Everstone Group makes no guarantee or other promise as to any outcomes, including any financial or development impact results that may be obtained from the practises disclosed in this statement. While past performance may be analysed in this Disclosure Statement, past performance should not be considered indicative of future performance. Accordingly, The Everstone Group shall not have any liability to any of the recipients of this Disclosure Statement or to any other party in connection with or arising in any way from, or in relation to, the information or any opinions expressed in this Disclosure Statement, and the Everstone Group does not accept any responsibility whatsoever for any action taken or omitted to be taken by any party on the basis of any matter contained in, or omitted from, the Disclosure Statement.

The information contained in this Disclosure Statement has not been verified or endorsed by the Global Impact Investing Network ("the GIIN") or the Secretariat or Advisory Board. All statements and/or opinions expressed in these materials are solely the responsibility of the person or entity providing such materials and do not reflect the opinion of the GIIN. The GIIN shall not be responsible for any loss, claim or liability that the person or entity publishing this Disclosure Statement or its investors, Affiliates (as defined below), advisers, employees or agents, or any other third party, may suffer or incur in relation to this Disclosure Statement or the impact investing principles to which it relates. For purposes hereof, "Affiliate" shall mean any individual, entity or other enterprise or organization controlling, controlled by, or under common control with the Signatory.

This Disclosure Statement does not constitute or form part of an offer or invitation to sell or issue, or a solicitation of any offer or recommendation to purchase or subscribe for, any interest in any investment vehicle managed (or to be managed) by the Everstone Group or its affiliate entities (the "Everstone Funds") in any jurisdiction or country or to any person or entity to which it is unlawful to make such offer or solicitation. Neither it nor any part of it shall form the basis of or be relied on in connection with any contract or purchase or subscription for an interest in any Everstone Funds. A private offering of interests in an Everstone Fund will be made only pursuant to its confidential private placement memorandum (together with any supplements thereto, the "PPM") or other definitive document and its subscription documents, which will contain information about the investment objective, terms and conditions of an investment in such Everstone Fund and will also contain tax information and risk disclosures that are important to any investment decision regarding such Everstone Fund. Recipients of this Disclosure Statement are required to inform themselves about and to observe any such restrictions. You are aware that unpublished price sensitive information is subject to applicable securities laws which may prohibit you amongst other matters, dealing in securities while in possession of such information, or from communicating to any other person who, while in possession of such information, may deal in such securities. This Disclosure Statement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Securities may not be offered or sold, directly or indirectly, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933 (the "US Securities Act") and any other applicable securities law of any state or other jurisdiction of the United States. The Everstone Group has not registered and does not intend to register any of its shares under the US Securities Act.

Everstone Capital Asia Pte Limited, 2023