

DIVERSITY, EQUITY & INCLUSION POLICY

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1 Introduction to DEI Policy

1.1 Background to the DEI Policy

Since 1999, True North (or 'the Firm') has been committed to invest in and build socially responsible businesses. The Firm is working towards building a strong, diverse, equitable, and inclusive culture that will enable and breed excellence. We believe that diverse and inclusive culture enables workplace happiness and improves business performance. The Diversity, Equity, and Inclusion (DEI) Policy along with our DEI Strategy sets out the principles and actions by which True North will strengthen, institutionalise and enhance DEI culture within the firm and in the partner companies.

The DEI Policy and Principles have been approved by the ESG & CC Governance Committee. **The Policy shall be applicable to True North's own operations and its investing activities¹.**

1.2 Reference Frameworks and Standards

The DEI Policy has been developed with reference to all the applicable national laws, acts and regulations and the following frameworks:

- a) National Guidelines on Responsible Business Conduct (NGRBC) Issued by Ministry of Corporate Affairs, Govt. of India and Securities and Exchange Board of India (SEBI)'s Business Responsibility and Sustainability Report Framework;
- b) United Nations Principles for Responsible Investment (UNPRI);
- c) Global Reporting Initiative (GRI) Standard 405 - Diversity and Equal Opportunity;
- d) UN Guiding Principles on Business and Human Rights;
- e) Fundamental ILO Labour Standards and ILO Basic Terms and Conditions of Employment;
- f) Asian Development Bank (ADB) - Social Protection Strategy (SPS);
- g) Institutional Limited Partners Association (ILPA)'s Diversity in Action Initiative; and
- h) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act")
- i) United Nations Sustainable Development Goals (UN SDGs)

¹ Investments referred to in this document pertains only to equity investments with influence

2 DEI Policy & Principles

2.1 DEI Policy Statement

This Policy articulates True North’s commitment on DEI and delineates the proactive measures that the Firm will implement to foster a more inclusive and equitable work environment.

True North DEI Principles & Commitments

In our commitment to conduct business and operations, including our investing activities, in the Right Way, embracing a collaborative, values-driven approach that promotes and fosters a diverse, equitable and inclusive culture is very important.

We acknowledge the pivotal role diversity and inclusion play in creating socially responsible businesses. We strongly believe in and commit to building a diverse workforce inclusive of gender, age, religion, language, political opinion, citizenship, disability, and social origin across our activities.

In our commitment to cultivating an inclusive environment where all individuals feel valued and empowered, the DEI initiatives will extend to hiring practices, professional development opportunities, workplace culture and will be communicated to all stakeholders for effective implementation. We commit to ensure compliance with all relevant national DEI related laws, acts, regulations and, imbibe best global practices, standards, and guidelines as relevant and adopt emerging standards and frameworks on a proactive basis.

To fulfil our DEI commitments, we shall allocate resources, develop procedures, build organizational capacity, collaborate with our partner companies, and work towards meaningful integration of DEI policies and practices for effective outcome.

2.2 DEI Operational Principles

At True North, DEI operational principles enable putting the policy objectives into actions. The following will be considered across its activities (own operations and investments):

1. Compliance with applicable laws, regulations, standards, and frameworks:

We will align our DEI action with national laws & regulations to ensure compliance, as also existing and emerging international frameworks and standards to imbibe best global practices to foster an inclusive work environment.

2. Creating and supporting a diverse workforce and an inclusive work culture:

We create and support a diverse workforce which involves implementing inclusive hiring practices and providing equitable opportunities for career advancement. We also promote open communication, address unconscious biases, and provide a structured grievance redressal mechanism to create an inclusive work culture across the organization.

3. Prioritizing employee welfare:

The firm supports the physical, mental, and emotional well-being of the employees. This includes promoting work-life balance and providing access to wellness programs and resources.

4. Good Working Conditions and Fair Labour Practices:

We ensure a work culture of mutual respect free from any harassment by treating all employees fairly and equally, offering fair and competitive wages, and reasonable working hours. We encourage employees to share ideas and thoughts to the management through different employee engagement platforms and follow an open-door practice.

3 Implementation of DEI Policy

3.1 DEI in True North's Own operations

The firm has incorporated the DEI principles in various existing policies including the Code of Conduct, Human Resources Policy, Human Rights Policy and Prevention of Sexual Harassment Policy.

3.1.1 Roles & Responsibilities

The **leadership team** at True North shall demonstrate commitment to DEI in the organization by defining and communicating the DEI vision and integrating DEI goals into the overall organizational strategy including its investments. They shall also allocate resources and support initiatives that promote DEI.

The Firm shall constitute an appropriate **DEI Committee** at the leadership level that shall be responsible for providing guidance to the Firm to integrate DEI strategy and commitments in the Firm's own operations and in its investments. The Committee shall also be responsible for making updates to the DEI Policy whenever revisions are required.

The **Human Resources (HR) function** will ensure fair and unbiased recruitment, and promotion at True North. They will also be responsible for conducting DEI training and awareness programs for the employees along with monitoring and analysing HR metrics related to DEI.

The **employees** shall respect the diversity of the team and treat everyone with dignity. They shall actively engage in the organization's DEI initiatives, discussion sessions and training programs.

The **Investment Management team** will be responsible for assessing DEI related risks in investments and for carefully evaluating any shortcomings or gaps related to DEI at the screening and due diligence stage. The team shall incorporate appropriate steps and measures in the action plan of the potential investment and DEI related covenants/clauses in the Investment Agreement.

The **Business Management team** shall be responsible for monitoring the implementation of DEI action plan and relevant measures in all the partner companies through periodic reports throughout the ownership period.

The **ESG & CC team** shall work closely with the Investment Management team for deal screening, diligence, and finalization of DEI clauses and covenants in the Investment Agreement. The team will work with the HR function and the DEI Committee for implementing all strategies and targets. The ESG & CC team shall also be responsible for coordinating with respective Business Management Partners for driving DEI strategy at partner companies and collection and monitoring of data.

3.1.2 Training & Capacity Building

True North will continue to organize training sessions to raise awareness, build understanding, and equip employees with the knowledge and skills needed to contribute to a more inclusive workplace including specialized training sessions for the leadership team and the managers to foster inclusive leadership. Mandatory annual training sessions on DEI shall be conducted to understand the importance of DEI at True North and make employees aware of the industry best practices.

3.1.3 Monitoring & Reporting

The DEI performance at True North will be monitored on the key performance indicators (KPIs) on a periodic basis and will be aggregated for annual results. The goals shall be aligned with the Sustainability Outcomes Framework, and commitments agreed with our investors. This may include but not limited to tracking and collecting data on the diversity of the team including gender, age, discrimination cases etc. Policy implementation will be monitored to ensure compliance with the policy commitments through regular monitoring of KPIs and through anonymized annual surveys to gather feedback from employees. This will enable us to make continuous improvements. The DEI Committee will be responsible for the planning and execution of these surveys.

The HR at True North as a part of its periodic reporting to the leadership team, will incorporate the DEI related KPIs, initiatives, and practices at True North.

3.2 DEI Integration in Investment Process

The approach for DEI integration into the investment evaluation process is described below:

3.2.1 Deal Screening

At the time of deal screening, the potential investment is screened through the Exclusion List that is a part of True North's ESG Policy. True North will not invest in any activity or business that features in the Exclusion List.

3.2.2 Due Diligence

True North will consider opportunities that align with DEI principles. Factors such as leadership and workforce diversity, company culture, and commitment to equitable practices will be considered while evaluating a potential investment opportunity. The potential investment will also be assessed on legal compliance to ensure that they comply with all DEI-related laws and regulations of the country. The diligence exercise shall also identify potential risks, if any, related to discrimination of any type or harassment.

3.2.3 Investment Decision & Investment Agreement

To address any gaps and shortcomings related to DEI, an action plan will be developed for the potential investee company to implement. The Investment Team will include the action plan and DEI related covenants/clauses in the Investment Agreement. These DEI clauses will hold the investee company accountable for achieving and maintaining DEI related goals and practices.

3.3 DEI Integration in stewardship activities

True North will ensure that all partner companies comply with the exclusion list activities, and state and national regulations related to DEI. True North expects the partner companies to implement the following on a best effort basis:

- Developing DEI related policies such as recruitment and hiring, equal opportunity, non-discrimination, flexible working etc.
- Adopting inclusive practices, enabling a diverse leadership, and implementing True North's DEI commitments.
- Diversity at all levels of the organization including the Board of Directors.
- Building Inclusive leadership.
- Periodic assessments within partner companies to measure progress, identify areas for improvement in their DEI journey.
- Setting up specific diversity targets that align with the characteristics and demographics prevalent in their specific sector/industry such as gender representation, ethnic diversity, and inclusion of underrepresented groups.

Leadership team of the partner companies shall be responsible for rollout of DEI in their respective companies.

3.3.1 Training & Capacity Building

True North shall organise periodic awareness sessions for the leadership and the Board of Directors of the partner companies to create awareness on the concepts

and importance of DEI at workplaces and to facilitate the implementation of the DEI Policy. This shall include all relevant topics like unconscious bias, best practices among peers, non-discrimination, etc.

3.3.2 Monitoring & Reporting

The DEI performance of all partner companies will be tracked on the key performance indicators (KPIs) on a periodic basis and aggregated for assessing annual results.

4 DEI Policy Revision Process

The Policy shall be reviewed annually.