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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 (Refer Annex 1 for Applicable national DEI related regulations, standards and frameworks in India);
- 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”)

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 (detailed in Annex 1) 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.

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) using the format provided in **Annex 2** 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. The DEI diligence evaluation questions are listed in **Annex 3**

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) using the format provided in **Annex 2** on a periodic basis and aggregated for assessing annual results.

4 DEI Policy Revision Process

The Policy shall be reviewed annually.

Annexure 1: DEI related regulations, standards and frameworks in India

Sr.No	Regulations	Description
1.	POSH, 2013	No woman shall be subjected to sexual harassment at workplace. Employers are required to create safe working environment and prevent sexual harassment at workplace. They shall constitute a committee to be known as the "Internal Complaints Committee" for inquiring into complaints of sexual harassment, conducting hearings, and recommending action. It should be headed by a woman and consist of at least half women members including an external member.
2.	The Maternity Benefit (Amendment) Act, 2017	<p>The maximum period for which any woman shall be entitled to maternity benefit shall be [twenty-six weeks of which not more than eight weeks] shall precede the date of her expected delivery</p> <p>The Amendment Act mandates every establishment with 50 or more employees to provide crèche facilities within a prescribed distance. It requires the employer to allow the woman employee to visit the crèche four times a day, including her regular intervals.</p> <p>Employers are required to inform women employees about the maternity benefits available to them at the time of their appointment.</p>
3.	Equal Remuneration Act, 1976	<p>The Act mandates that employers must pay equal remuneration to men and women workers for the same work or work of a similar nature. This includes salary, wages, allowances, benefits, and other forms of compensation. The Act prohibits employers from discriminating against women in matters of recruitment, training, promotion, or any other condition of service.</p> <p>Employers are required to maintain records of remuneration and other conditions of service for both male and female employees and submit reports to the appropriate authorities as required.</p>
4.	State Shops & Commercial Establishment Act	Many State Shops and Establishment Acts prescribe limits on the maximum number of hours that women can work in a day and in a week. The act often imposes restrictions on employing women during night shifts, typically between certain hours, unless

Sr.No	Regulations	Description
		adequate safety measures and facilities are provided by the employer.
5.	The SC and ST (Prevention and Atrocities) Act, 1989	The primary objective of the Act is to prevent and punish offenses against SCs and STs, which include atrocities, discrimination, and humiliation. The Act provides for the establishment of special courts to try offenses under this Act, ensuring swift justice to the victims.
6.	SEBI (LODR) Regulations, 2015	SEBI mandates certain requirements regarding the composition of the board of directors of listed companies. The composition of board of directors of the listed entity shall be as follows: board of directors shall have an optimum combination of executive and nonexecutive directors with at least one woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors;
7.	The Companies Act, 2013	Every company shall have a Board of Directors consisting of individuals as directors and shall have— <ul style="list-style-type: none"> • a minimum number of three directors in the case of a public company, two directors in the case of a private company, and one director in the case of a One Person Company; and • a maximum of fifteen directors; • Provided further that such class or classes of companies as may be prescribed, shall have at least one-woman director.
8.	The Right of Persons with Disabilities Act, 2016	The Act lays down various rights and entitlements for persons with disabilities, including the right to equality, non-discrimination, equal opportunities, protection from exploitation, and access to education, employment, healthcare, and social security. The Act includes provisions for the prevention of abuse, neglect, and exploitation of persons with disabilities. It establishes mechanisms for reporting and redressal of complaints related to violations of rights and provides for penalties for offenses committed against PWDs. Every establishment shall maintain records of the persons with disabilities in relation to the matter of employment, facilities provided and other necessary information.

Sr.No	Regulations	Description
9.	The HIV AIDS (Prevention and Control) Act, 2017	It prohibits discrimination against people living with HIV/AIDS in various areas, including healthcare, employment, education, housing, and insurance. The Act prohibits discrimination based on HIV status in various settings, including healthcare facilities, educational institutions, workplaces, and public places. It mandates the formulation of guidelines to prevent discrimination and provide redressal mechanisms for complaints of discrimination.
10.	The Transgender Persons (Protection of Rights) Act, 2019	The Act prohibits discrimination against transgender persons in various areas, including education, employment, healthcare, access to public spaces, and provision of services. The Act prohibits discrimination in employment and provides for equal opportunities for transgender persons in recruitment, promotion, and other employment-related matters.
11.	Factories Act, 1948	In every factory wherein more than thirty women workers are ordinarily employed there shall be provided and maintained a suitable room or rooms for the use of children under the age of six years of such women. Such rooms shall provide adequate accommodation, shall be adequately lighted and ventilated, shall be maintained in a clean and sanitary condition and shall be under the charge of women trained in the care of children and infants.
12.	NGRBC, 2018	The NGRBC emphasizes fair and equal treatment of employees irrespective of caste, religion, gender, sexual orientation, disability, or social background. It also emphasizes equal opportunities at the time of recruitment, during employment, and at the time of separation without any discrimination.
13.	BRSR 2021, 2023 (core)	Gender wise split of all type of employees including differently abled, details on median remuneration of male and female employees. Complaints on POSH Gross wages paid to females as % of wages paid

Annexure 2: Key Performance Indicators for Monitoring Progress

Sr. No	Pillar	Theme	Sub-Theme	KPIs
1	Management Approach	Policy	DEI	Does the organization have a Diversity, Equity and Inclusion (DEI) policy?
2	Management Approach	Policy	Trainings	Percentage of employees trained on DEI
3	Diversity	Disabled	Workforce	Differently abled employees as a percentage of the total workforce
4	Diversity	Gender	Workforce	Women employees as a percentage of the total workforce
5	Diversity	Gender	Workforce	Men employees as a percentage of the total workforce
6	Diversity	Gender	Recruitment	Percentage of women employees as new hires during the reporting period
7	Diversity	Gender	Recruitment	Percentage of men employees as new hires during the reporting period
8	Inclusion	Gender	Leadership	Percentage of women employees in senior management (CEO minus two levels)
9	Inclusion	Gender	Leadership	Percentage of men employees in senior management

Sr. No	Pillar	Theme	Sub-Theme	KPIs
				(CEO minus two levels)
10	Inclusion	Gender	Leadership	Number of women on Board of Directors
11	Inclusion	Gender	Leadership	Number of men on Board of Directors
12	Equity	Pay gap	Remuneration	Ratio of average remuneration of women to men below senior management
13	Equity	Pay gap	Remuneration	Ratio of average remuneration of women to men in senior management (CEO minus two levels)
14	Discrimination	Discrimination	Incidents	Total number of incidents of discrimination during the reporting period

Annexure 3: DEI Due Diligence Evaluation Questions

Sr. No	DEI Due-Diligence Evaluation Questions
1	<p>Does the organization have a standalone DEI policy?</p> <p>1a. If the answer to question 1 is no, are the DEI related aspects integrated in the other human resource policies?</p>
2	<p>Does the organisation have the following DEI related policies (Yes/No)?</p> <ul style="list-style-type: none"> • Prevention of Sexual Harassment • Grievance Redressal • Non-Discrimination & Equal Opportunity
3	<p>Which function within the organisation has been tasked with overseeing DEI initiatives?</p>
4	<p>Have the following measures been taken to enhance DEI within the organization (Yes/No)?</p> <ul style="list-style-type: none"> • Training of employees. • Employee engagement. • Recruitment drives.
5	<p>Does the organization track DEI related metrics (Yes/No)?</p> <ul style="list-style-type: none"> • Gender wise split of employees including the leadership. • Retention rate post maternity leave. • Number of employees with disability. • Cases of discrimination.
6	<p>Are the premises of the organization inclusive for individuals with special needs (Yes/No)?</p> <ul style="list-style-type: none"> • Ramps • Differently abled washrooms • Any others, please specify