



Responsible Investing Policy

Objective

Madison India Capital (Madison) is committed to making responsible investments. This policy aims to integrate consideration of significant environmental, social, and governance (ESG) risk factors into investment process. Madison seeks to consider environmental, public health, safety, and social issues associated with potential investee companies. This policy applies to all investments considered by Madison.

In cases where Madison determines it has limited ability to conduct diligence or to influence and control the integration of ESG considerations in the investment, for example, in cases where Madison is a minority shareholder, or where other circumstances affect Madison's ability to assess, set, or monitor ESG-related performance goals, it may not be possible to implement all ESG-related requirements in this policy.

Implementation

Madison will seek to integrate the consideration of ESG issues throughout the investment cycle.

Pre-Investment

Madison will engage subject matter external experts with ESG-related competence to conduct an assessment of ESG value creation opportunities or risks for potential private equity investments. The findings of the external experts shall be included in the discussions of investment committee and shall be properly documented.

Wherever considered reasonable by the investment committee, Madison shall obtain an undertaking from the management of potential investee companies that they shall operate in line with Madison's policy on ESG. It may request every potential investee company to undertake that the business of such company shall be carried out in a manner that encourages

- optimum utilization of natural resources
- promotes protection of the environment
- provides safe and healthy work condition to employees
- upholds high standards of business integrity and honesty
- complies with local laws and international good practice and does not directly or indirectly offer, pay, solicit or accept bribes in any form
- treats all employees fairly and equally in all terms
- implements a social and environmental management system which enables effective identification, management and monitoring of any risks and provides a framework for action

Madison will ensure that Responsible Investment is an integral part of its Investment Review process. It shall encourage the management teams of portfolio companies to identify and raise material ESG issues to the relevant decision-makers, including, where appropriate, board-level individuals.

Post investment:

Madison shall on a periodical basis monitor ongoing progress of ESG factors of portfolio investments.

Where material issues were identified during the pre-investment process, Madison shall monitor the progress made against these issues and shall document its findings.

Where appropriate and reasonable, Madison will also support its portfolio companies' efforts to report externally and internally on their ESG approach and performance as related to material ESG issues.

Where appropriate, Madison may include tangible evidence of improved E&S performance in its investee companies to better position the company to prospective buyers during an exit.

Where appropriate, throughout the investment cycle, Madison will seek to actively engage relevant stakeholders in an effort to make informed decisions that may affect these stakeholders.

Reporting

Madison shall report the compliance level of all its portfolio companies on annual basis to its investors. The reporting may be in the form of written confidential reports or verbal informal reports to the investors

Policy guideline

The following table may serve as a guideline to the investment committee while measuring performance of potential portfolio companies in terms of ESG compliance. However, nothing shall bind them to consider additional relevant factors as well and their decision shall solely depend on their professional judgement and experience

Policy	Objective	Investment guideline
Environmental	a) Optimum utilization of natural resources b) Protection & promotion of environment	Madison shall consider whether potential investee companies a) Take account of the environmental impact of their operations and take steps to mitigate risks. b) Comply with applicable local & international environmental laws c) Have positive impact on climate change d) Minimize carbon emissions
Social	a) Provide healthy and safe working conditions b) Treat all employees fairly, respectfully and equally	Madison shall consider whether potential investee companies a) Comply with local health and safety law b) Comply with local labor law c) Do not allow child labor d) Do not employ forced labor e) Treat employees fairly and equally in terms of

		recruitment, progression, conditions of work and salary.
Governance	Exhibit honesty, integrity and transparency in all business operations	Madison shall consider whether potential investee companies a) Follow high standards of business integrity and honesty b) Prevent money laundering c) Comply with local laws relating to anti-corruption practices

Exclusion List

Madison India Capital's exclusion list below describes the types of companies in which it does not invest.

- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's, wildlife or products regulated under CITES.
- Production or trade in weapons and munitions¹
- Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where Madison considers the radioactive source to be trivial and/or adequately shielded
- Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Drift net fishing in the marine environment using nets in excess of 2.5 km. in length
- Commercial logging operations for use in primary tropical moist forest.
- Production or activities involving harmful or exploitative forms of forced labor²/harmful child labor³
- Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products
- Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples.

Exclusion List (continued)

Footnotes:

1. This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations.
2. Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.
3. Harmful child labor means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.
4. A reasonableness test will be applied when the activities of the investee company would have a significant development impact but circumstances of the country require adjustment to the Exclusion List.