

**Environmental and Social Management System (ESMS) Policy  
of Waterfield Advisors Private Limited (and subsidiaries)**

**Version Control**

	Date	Name	Position
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Approved	April 9, 2025	Soumya Rajan	CEO

**Revision History**

Revision No.	Revision Date	Name	Description of Changes

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## 1. Scope of the ESMS policy

The ESMS policy is applicable to Waterfield Advisors Private Limited, and all its subsidiaries and employees (hereinafter referred to as “Waterfield” or “Company”) whether domiciled in India or abroad. Employees refer to all full-time employees, part-time staff and contractors.

## 2. Objective of the policy

The ESMS is set out to identify, assess, manage, and monitor the environmental and social (“E&S”) risks and impacts of Waterfield’s business activities and operations on an ongoing basis, taking into account the national and local laws and regulations in jurisdictions where the Company has operations. As such the key objectives are:

- ❖ Manage E&S risks and performance effectively, as well as actively seek and act on opportunities to reduce risk and improve E&S performance.
- ❖ Ensure the health, safety, and well-being of employees by taking reasonable steps.
- ❖ Offer adequate information, instruction, and supervision for everyone’s safety.
- ❖ Provide specific guidance for those with safety responsibilities.
- ❖ Conduct thorough assessments of risks to the environment, health, and safety of employees and stakeholders that may be impacted by the firm’s activities.

Waterfield is committed to operating in a manner to protect the environment and health and safety of our employees and involved stakeholders. We hold ourselves accountable for providing safe working conditions and fostering a culture of safety and wellness for our employees.

We do this by proactively setting objectives that take into consideration our compliance obligations, our risks and opportunities, and the needs and expectations of our stakeholders as defined in the scope of our management system. We are committed to furnishing our employees with policies, standards, training, tools, and equipment to execute their tasks safely, ensuring a comprehensive understanding of their responsibility in meeting E&S expectations.

ESMS objectives are selected through business risk assessments and progress is reviewed through the management review process. All Waterfield employees and contractors must uphold this policy. We hold our leaders, managers, and supervisors responsible for conforming our operations to this policy.

## 3. E&S Policies and Principles

The ESMS policy serves as an overarching policy guidance for the E&S procedures and practices that Waterfield undertakes; there may be other standalone policies in place that are more prescriptive in nature. These additional policies, *inter alia* include (i) Human Resource Policy; (ii) Diversity, Equity & Inclusion (DEI) Policy (iii) Recruitment Policy (iv) Office Conduct and Late Working Policy (v) Creche Reimbursement Policy (vi) Internal Grievance Redressal Policy (vii) Anti-Bribery, Gifts & Hospitality and Whistleblowing Policy (viii) Prohibition of Child & Forced Labour (ix) External Grievance Policy.

## 4. Responsibility matrix

The members of the ESMS committee are:

Name	Designation	Contact
Soumya Rajan	Founder and CEO	<a href="mailto:Soumya.rajan@waterfieldadvisors.com">Soumya.rajan@waterfieldadvisors.com</a>
Apoorva Rai	Managing Director, Head of Strategy and Planning (ESMS Officer)	<a href="mailto:Apoorva.raai@waterfieldadvisors.com">Apoorva.raai@waterfieldadvisors.com</a>
Kamal Panag	Executive Director & Head, Client Experience and Quality Assurance	<a href="mailto:Kamal.panag@waterfieldadvisors.com">Kamal.panag@waterfieldadvisors.com</a>
Prabhir Correa	Director & Head, Philanthropy	<a href="mailto:Prabhir.correa@waterfieldadvisors.com">Prabhir.correa@waterfieldadvisors.com</a>
Kamsin Shahani	Senior Manager, Philanthropy	<a href="mailto:Kamsin.shahani@waterfieldadvisors.com">Kamsin.shahani@waterfieldadvisors.com</a>

The roles and responsibilities of each member of the ESMS committee are detailed below:

Objectives	Soumya Rajan	Apoorva Rai	Kamal Panag	Prabhir Correa	Kamsin Shahani
Provide strategic oversight into E&S matters.	Accountable	Responsible	Informed	Informed	Informed
Ensure compliance with relevant E&S regulations and standards	Informed	Accountable	Responsible	-	Responsible
Develop and implement E&S policies and procedures that align with Waterfield's objectives and values.	Informed	Accountable	-	Responsible	Responsible
Monitor and evaluate the effectiveness of E&S initiatives and programs.	Informed		Responsible	Accountable	Responsible
Identify and manage the E&S risks and opportunities with Waterfield's operations.	Informed & Consulted	Accountable	Responsible	-	Responsible
Foster a culture of sustainability and social responsibility throughout the Company.	Accountable	-	-	Accountable	Responsible
Engage with employees, investors, and the community to understand and address their E&S concerns.	Informed & Consulted	-	Responsible	Accountable	Responsible
Report on the Company's E&S performance to relevant stakeholders.	Informed & Consulted	Accountable	Responsible	-	-

**Key:**

- ❖ Responsible: Directly involved in carrying out the work to complete the task.
- ❖ Accountable: Ultimately accountable for the successful completion of the task and ensures it's done correctly.
- ❖ Consulted: Provides input, advice, and opinions on the task.
- ❖ Informed: Kept updated on the progress or completion of the task.

## 5. Applicable Standards and Guidelines

The following are the standards at a minimum that the ESMS will apply to all operations:

- ❖ IFC Exclusion List (Annexure A);
- ❖ Applicable local, provincial and national laws and regulations;
- ❖ Screening out of any substantial and high-risk activities;
- ❖ Anti-Bribery & Corruption Guidelines

## 6. E&S focus areas

These commitments form the two pillars of Waterfield's commitment to E&S principles. Within each pillar are material priorities that have been identified. The following are key E&S priorities:

Environmental considerations	Social considerations
<ul style="list-style-type: none"> <li>❖ Reducing waste and energy consumption</li> <li>❖ Awareness about sustainable investment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>❖ Fostering inclusive and diverse workplace</li> <li>❖ Positive Community Impact</li> <li>❖ Employee participation in volunteering and philanthropy</li> </ul>

### Environmental considerations

At Waterfield, we recognize our role as custodians of the environment and the responsibility to minimize the environmental impact of our operations. We are committed to ensuring that our activities align with sustainable practices and reflect our dedication to environmental stewardship.

Company-wide environmental objectives are in turn, the following:

- ❖ Minimize resource consumption and operational waste through digital and sustainable office practices.
- ❖ Encourage responsible investment by integrating environmental considerations into client discussions.
- ❖ As fund managers, we will promote the adoption of industry best practices related to environmental and social (E&S) factors among our underlying investments.

### Social considerations

At Waterfield, our priority is to create a safe and inclusive workplace where our employees can fully realize their potential. We are dedicated to fostering equal opportunities, prioritizing employee well-being, and maintaining a safe working environment. Additionally, we are committed to making a positive impact and creating value in the communities where we operate.

Company-wide social objectives are in turn, the following:

- ❖ Promote an inclusive workplace culture that values safety, equality and diversity.
- ❖ Maintain a safe and respectable working environment for all employees.
- ❖ Apply fair employment practices, in line with local laws and regulations as well as international best practices. Waterfield will conduct itself as an equal opportunity employer and uphold zero tolerance for discrimination, through fair and transparent employment recruitment and promotion practices, which offer equal opportunities to all employees, based on individual merit.
- ❖ Make a positive difference and deliver lasting social and economic benefits to the communities in which Waterfield operates through corporate philanthropy initiatives.
- ❖ Strengthen employee engagement in social impact activities to foster a culture of responsibility and giving.

## 7. E&S within our Supply Chain

Our business does not operate in isolation; value is created through collaboration and partnerships with stakeholders throughout our supply chain. Similarly, E&S risks can arise from our supply chain. To ensure that these E&S risks are minimized and managed to the best of our abilities, we are committed to ethical procurement. Consequently, we have established an E&S screening and onboarding procedure. The key steps of this process are highlighted below, with further elaboration provided under the E&S Review Process.

### Applicability:

The below will be applicable to Service Providers / Suppliers (“Partners in Supply Chain”):

- ❖ **Service Providers:** These include legal advisors, tax consultants, financial analysts, technology vendors, and compliance specialists who support functions.
- ❖ **Suppliers:** These include vendors providing office infrastructure, IT solutions, and other operational resources.

### Implementation timelines:

We will implement Clause 7.1 to 7.3 in a phased manner as discussed below:

Applicability	Threshold limit	Effective date
Existing and new partners in supply chain	Annual contract value of more than 25 lakhs	April 1, 2025 onwards
Existing and new partners in supply chain	Annual contract value of more than 10 lakhs	April 1, 2026 onwards

### 7.1. Screening and appraisal of the Partner / Service Provider / Supplier (“Partners in the Supply Chain”)

- ❖ Screen against exclusion list.
- ❖ Categorize the Partners in Supply Chain.
- ❖ Conduct an E&S appraisal.

### 7.2. Closing

- ❖ Confirm commitments in the written agreement (and any actions required).

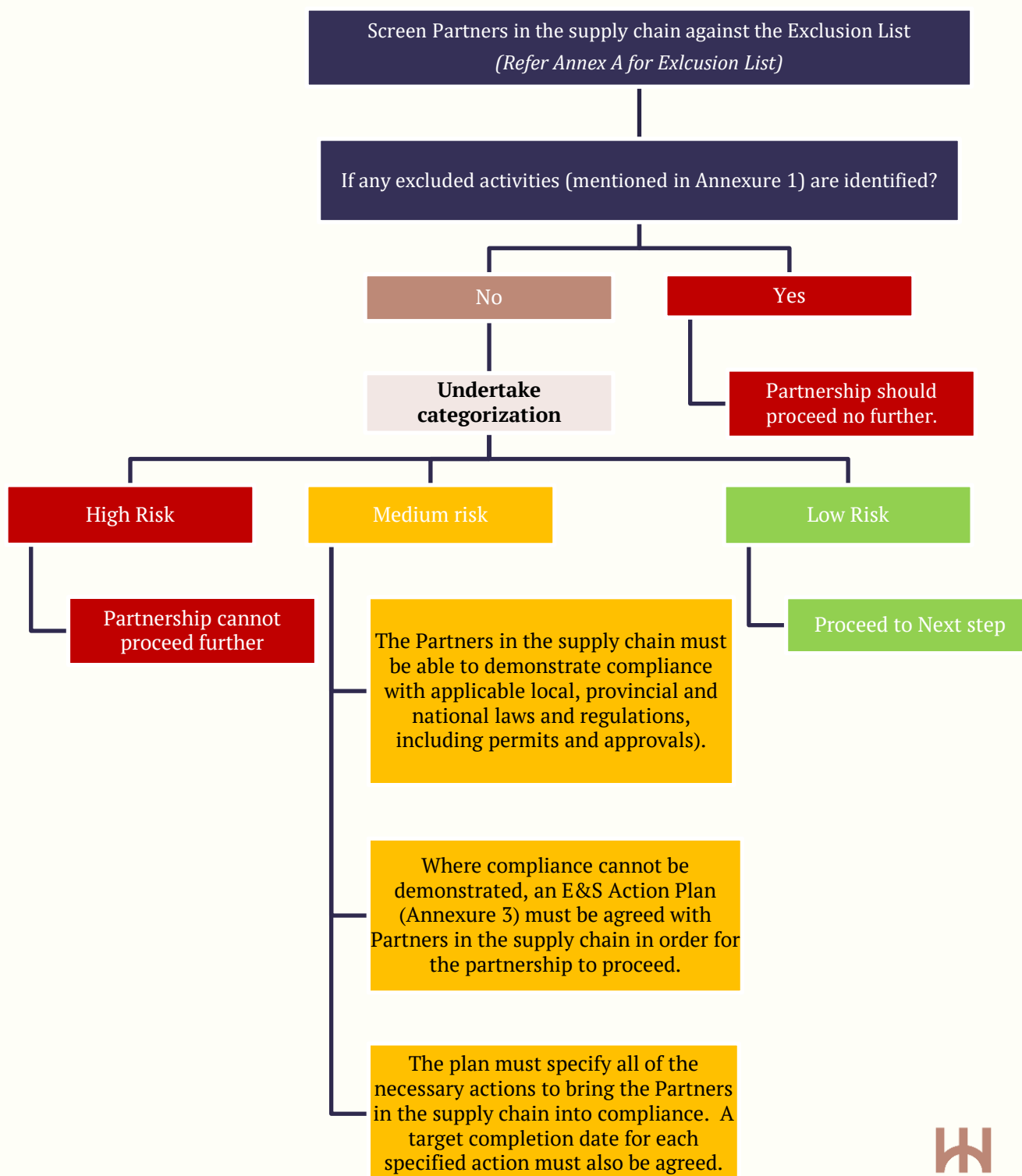
## 7.3. Monitoring

- ❖ Regularly monitor and follow-up on E&S aspects and any E&S issues reported by the Partners in the Supply Chain.

## 8. E&S Review Process for Partners in Supply Chain

### Phase 1: Screening and Appraisal

The below process will be followed by the team prior to onboarding a partner in supply chain:



**Table 1: Categorization**

*This table is intended to provide guidance on the categorization of Partners in the Supply Chain. Whilst this guide provides an overview to the characteristics and some examples of each category, categorization should be considered on a case by case basis factors such as location, E&S context, scale, and magnitude of impacts need to be considered.*

Category	Definition	Notes
<b>High Risk</b>	High Risk means any business activity which is likely to have significant adverse environmental impacts that are sensitive, diverse or unprecedented, and which includes, for the avoidance of doubt, activities involving (a) involuntary resettlement, (b) risk of adverse impacts on ethnic minorities, (c) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage, or (d) significant occupational health and safety risks (risk of serious injury or fatality to workers).	<b>Not allowed to proceed under the ESMS.</b>
<b>Moderate Risk</b>	Moderate Risk means any business activity that has potentially limited adverse E&S risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures. Impacts are often site-specific without likelihood of impacts beyond the activity's footprint and routine safety precautions are expected to be sufficient to prevent accidents.	<p><b>Allowed, but requires review against Onboarding Checklist.</b></p> <p>For aspects that are not met in the Onboarding Checklist, state a reasonable timeline to implement action plan and meet ESG deliverables.</p> <p>However, if there is a significant number of gaps that cannot be fulfilled in a short term and may pose material E&amp;S risks, partnership with respective stakeholder should be put on hold.</p>
<b>Low Risk</b>	Low Risk means any business activity minimal or negligible risks to and impacts on human populations and/or the environment with few or no adverse risks and impacts and issues.	<b>Allowed but should be straightforward to review against Onboarding Checklist.</b>



## Phase 2: Onboarding

Sr No	Task / Activity	Person responsible	Reference
1	Review Service Agreement in relation to E&S related definitions, representations and undertakings, including the incorporation of any actions required to address gaps in E&S Action Plan	Team Lead	Annexure B – Template for E&S Action plan
2	Key inclusions of the Service Agreement:		
	a) Not to engage in any activities on the Exclusion List		
	b) To comply with all contractual requirements.		
	c) To report to the Company if there is a substantial change in the nature of the operations.		
	d) To report to the Company if there are any material E&S incidents.		
	e) Plan (if any) to address any gaps identified.		
3	Ensure that the Service Agreement meets ESMS requirements on E&S aspects.		

## Phase 3: Monitoring

Sr No	Responsibilities	PIC	Reference
1	Ensure there is reporting of material E&S events. Examples of material E&S incidents may include:	ESMS Committee	Refer to Annexure D: Material E&S Incident Report Template for the Company to formally record these events
a)	any social, labor, health and safety, security or environmental incident, or any other accident or circumstance that would have a potential material adverse impact on the Company		
b)	any corrupt practices, fraudulent practices, coercive practices, collusive practices and obstructive practices, or any practices that would have a potential adverse impact on the Company		
c)	any involvement or causes, or is reasonably likely to be involved or cause, any material breach of the ESMS		
2	The category will determine the extent of monitoring and oversight required of the Partner in the Supply Chain during the post-onboarding monitoring phase:		
a)	Low risk contracts do not require monitoring.		

Sr No	Responsibilities	PIC	Reference
b)	<ul style="list-style-type: none"> <li>Medium risk contracts require straightforward follow-ups to find out if there have been any significant changes in business activities, confirm ongoing compliance with the Exclusion List and local requirements, and any actions required to be addressed have been closed out.</li> <li>Monitoring will be undertaken annually. (If the contract tenor is less than 12 months, monitoring is not required.)</li> <li>Annual site visits are also recommended.</li> </ul>		
3	In the event of non-compliance in relation to E&S matters (including material issues reported or a grievance raised) the Company will seek to resolve the issue with the Partner in the Supply Chain. Actions will be documented, and the Company will work with the Partner in the Supply Chain to ensure that corrective actions are implemented. If the issue cannot be addressed through engagement, the Company may seek to remedy the situation through available clauses in the Service Agreement.		
4	Material developments will be reported to the Company for onward reporting to relevant stakeholders		

## 9. Reporting Material Adverse Events

Partners in the Supply Chain will be required to promptly report to the Company any actual or potential material adverse E&S event immediately after becoming aware of it. As noted above, these include:

- ❖ any social, labor, health and safety, security or environmental incident, or any other accident or circumstance that would have a potential material adverse impact on the Company;
- ❖ any corrupt practices, fraudulent practices, coercive practices, collusive practices and obstructive practices, or any practices that would have a potential adverse impact on the Company;
- ❖ any involvement or causes, or is reasonably likely to be involved or cause, any material breach of the ESMS.

For reporting of such events, reporting can be done so via an incident template. Refer to Annex D Material E&S Incident Report Template.

## 10. Training and Education

### ❖ Initial Training

Mandatory training will be provided to employees at the time of joining on *inter alia*, the E&S focus areas of Waterfield, general safety guidelines, emergency procedures and specific job-related risks.

### ❖ Ongoing Training

We recognize that there is a need for training and capacity building in order to ensure effective implementation of this ESMS. Bi-annual (twice every financial year) trainings will be undertaken and adequate resources will be committed to ensure training of our employees.

## 11. Review and Improvement

❖ **Periodic Reviews:** The Company will conduct regular reviews of the ESMS to assess its effectiveness and ensure compliance with policies and regulations. Findings will inform necessary updates and improvements.

❖ **Continuous Improvement:** The Company is committed to enhancing E&S practices by incorporating feedback, learning from past experiences, and aligning with industry best practices.

## 12. Conclusion

This ESMS is approved by the undersigned representative of senior management. All employees are required to work within the framework of this policy when carrying out their responsibilities and activities.

## Annex A: Exclusion List

- 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, PCBs, wildlife or products regulated under the Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora.
- Production or trade in weapons and munitions<sup>1</sup>
- Production or trade in alcoholic beverages (excluding beer and wine)<sup>1</sup>
- Production or trade in tobacco<sup>1</sup>
- Gambling, casinos and equivalent enterprises<sup>1</sup>
- Pornography and/or prostitution
- Racist and/or anti-democratic media
- Production or trade in radioactive materials<sup>2</sup>. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC 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%.
- Unsustainable fishing methods (e.g. blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length).
- Cross-border trade in waste and waste products, unless compliant to the Basel Convention and the underlying regulations
- Coal related activities. It means any economic activity for development, extension, operation and/or maintenance of coal mining, coal transportation or coal-fired power plants (other than captive coal-fired power plants used for industrial applications such as mining, smelters, cement or chemical industries), or infrastructure services exclusively dedicated to support any of these activities.

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<sup>1</sup> 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 which is considered not more than 10% of their consolidated balance sheets or earnings. For financial institutions and investment funds, "substantial" means more than 10% of their underlying portfolio.

<sup>2</sup> This does not apply to the purchase of medical equipment, quality control (measurement) equipment or any other Equipment where the radioactive source is understood to be trivial and/or adequately shielded.

- Production or activities involving harmful or exploitative forms of forced labor<sup>3</sup>/harmful child labor<sup>4</sup>
- Commercial logging operations for use in primary tropical moist forest.
- Destruction<sup>5</sup> of High Conservation Value areas<sup>6</sup>
- Production or trade in wood or other forestry products other than from sustainably managed forests.

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<sup>3</sup> Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions .

<sup>4</sup> 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. Persons may only be employed if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art.2), unless local legislation specifies compulsory school attendances or the minimum age for working. In such cases the higher age shall apply.

<sup>5</sup> Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost.

<sup>6</sup> High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (see <http://hcvnetwork.org>).



## Annexure B: Template E&S Action Plan

The following is the proposed E&S Action Plan template, wherein the requisite actions and corresponding deadlines are clearly outlined.

Item	Action	Timeline
Anti-Harassment policy in line with PS2 requirements	Develop the current anti-harassment into a formal anti-harassment mechanism (including company policy, staff rules, code of conduct and other measures) to prevent and address harassment actions.	To state a reasonable timeline to implement action plan and meet ESG deliverables.
Overtime salary policy in line with local law and regulations	Define overtime salary policy in line with local labor law and regulations and enhance the existing Company Policy by including this overtime salary policy. harassment actions.	To state a reasonable timeline to implement action plan and meet ESG deliverables.
Energy Usage	Track energy usage and set interim targets for reduction over long term. To enable reduction in energy usage, integrate use of renewable energy or opt for appliances of higher energy efficiency.	To state a reasonable timeline to implement action plan and meet ESG deliverables.
Environmental and Social Management (ESMS)	Draft and formalize an ESMS highlighting the company's E&S commitment and procedures, which company's senior management should have oversight over.	To state a reasonable timeline to implement action plan and meet ESG deliverables.
E&S Screening for Partner in Supply Chain	Implement an E&S screening mechanism for vendors to ensure the partner are not involved in any activities on the Exclusion List.	To state a reasonable timeline to implement action plan and meet ESG deliverables.

## Annexure C: Material E&S Incident Report Template

<b>Company Name:</b>	
<b>Country of Incident Occurrence</b>	
<b>Reporting Period ending: (DD-MM-YYYY)</b>	e.g. 31-12-2024

Description of Incident	
Date of Incident	
Date of Report	
Type of Incident <i>(e.g. health &amp; safety incidents, environmental, accidents resulting in serious bodily injuries or fatality, governance i.e. alleged fraud)</i>	
Cause of Incident <i>(e.g. negligence by staff, negligence by third party, faulty equipment etc.)</i>	
Parties involved in incident	
Parties involved in investigation <i>(e.g. witnesses, unions, police, other authorities etc.)</i>	
Status of investigation	
Details of Incident	
<i>Please provide specifics of the incident such as how the incident took place, extent of impact, total loss incurred etc. Report where applicable to be enclosed e.g. police report, third party report etc.</i>	

## E&S Corrective Actions

*What immediate actions and further actions to prevent recurrence were undertaken by the Company?*

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When was the incident reported to Jungle? Who did you report the incident to?

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**I declare that the facts stated in this Questionnaire  
and any accompanying information are true.**

	<b>Signature:</b>
	<b>Name:</b>
	<b>Designation:</b>
	<b>Date:</b>