GEF | CAPITAL PARTNERS

Annual Environmental, Social and Governance (ESG) & Impact Report, 2020

SOUTH ASIA GROWTH FUND II

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Contents

- Executive Summary
- SAGF II Approach to ESG issues
- ESDS Software Solutions Private Limited
- Prince Pipes and Fittings Limited
- SeedWorks International Private Limited
- Syrma Technology Private Limited

Introduction and Context

On behalf of the General Partner of South Asia Growth Fund II, ("SAGF II" or the "Fund"), we are pleased to provide to the Limited Partners ("Partners"/ "Investors") our Annual ESG Report on the environmental and social performance of the Fund and its portfolio companies for the year ending 31 December 2020.

The purpose of the SAGF II Fund is to make investments that resonate well with an overall theme of "resource efficiency" and into South Asian companies that are in growth/expansion stage. The resource efficiency theme broadly falls under the following categories (and sub sectors):

The Funds Investment Team (Team) further actively engages with the portfolio companies to ensure that they adhere to robust environmental, social and governance standards (ESG) in their businesses and operations. The Team has integrated these stringent ESG principles into its investment decision-making and portfolio management processes, as further described in the respective sections.

The overall experience of GEF has demonstrated that managing companies to international environmental, health and safety standards reduces risks and liabilities, improves financial performance, minimizes reputational risk for both Fund and the portfolio companies and enhances financial returns to the investors.

SAGF II Approach to ESG Issues

SAGF II recognizes that the environmental and social risks are serious issues that require a dedicated system to manage and monitor them on periodic basis. The Team has therefore put in place an appropriate Social Environmental Management Systems (SEMS) in order to manage the risks of its portfolio.

As a resource efficiency focused fund, SAGF II has several layers of ESG review and compliances. These include the following:

1. Each investment memorandum includes a section on the resource efficiency rationale for the investment. SAGF II only makes investments that can have a positive impact on resource efficiency in several sectors, including energy efficiency, clean energy, water and waste, environment services and products as is consistent with the Fund's mandate. The investment team determines and makes a positive resource efficiency case as to why SAGF II should undertake a particular investment, which is reviewed and approved by the investment committee (IC).

2. A Fund II focused SEMS has been prepared that incorporates various elements of ESG. The SEMS has been finalized in consultation with its limited partners, which defines the framework for management of environmental and social ("E&S") risks, principles, policies, procedures and reporting requirements. The SEMS incorporates various principles and policies on environment, health & safety and social aspects.

It also describes the detailed process that the Team follows while evaluating investments including due diligence and other contractual aspects considered important for a potential company. The SEMS also addresses roles and responsibilities of the key people involved in day-to-day ESG matters.

3. It is expected that all portfolio companies comply to the following framework:
   a. IFC Performance Standards;
   b. World Bank Group (IFC) General EHS Guidelines;
   c. ILO Fundamental Principles and Rights at Work and other conventions;
   d. United Nations Guiding Principles (UNGP) on Business and Human Rights; and
   e. Applicable regulatory requirements.

4. Team performs environmental and social due diligence on potential investments by engaging third-party consultants who will undertake a detailed diligence as per the framework mentioned in the SEMS. The due diligence brings out gaps and any other observations pertaining to E&S aspects. These observations result typically in an Environmental and Social Action Plan (ESAP) that provides a list of improvements and a timeline for the company to meet those improvements.

5. Team monitors its portfolio companies' compliance to ESG standards and requirements through periodic follow ups as described in the Fund's SEMS.

6. Team performs a detailed Corporate Governance and Business Integrity (CG/BI) diligence on potential investments through a reputed third-party consultant.

7. The Limited Partners of the Fund through representation of their respective E&S experts comprise an E&S sub-committee. The E&S sub-committee and the Fund's E&S leads collaborate on all material decisions pertaining to E&S matters. Any material updates pertaining to E&S issues, either of the Fund or the portfolio company, are also shared with the E&S sub-committee.

The Team actively supports the management to set ESG goals, support ESG programs and using ESG to drive value creation in the portfolio companies

Portfolio Company Updates

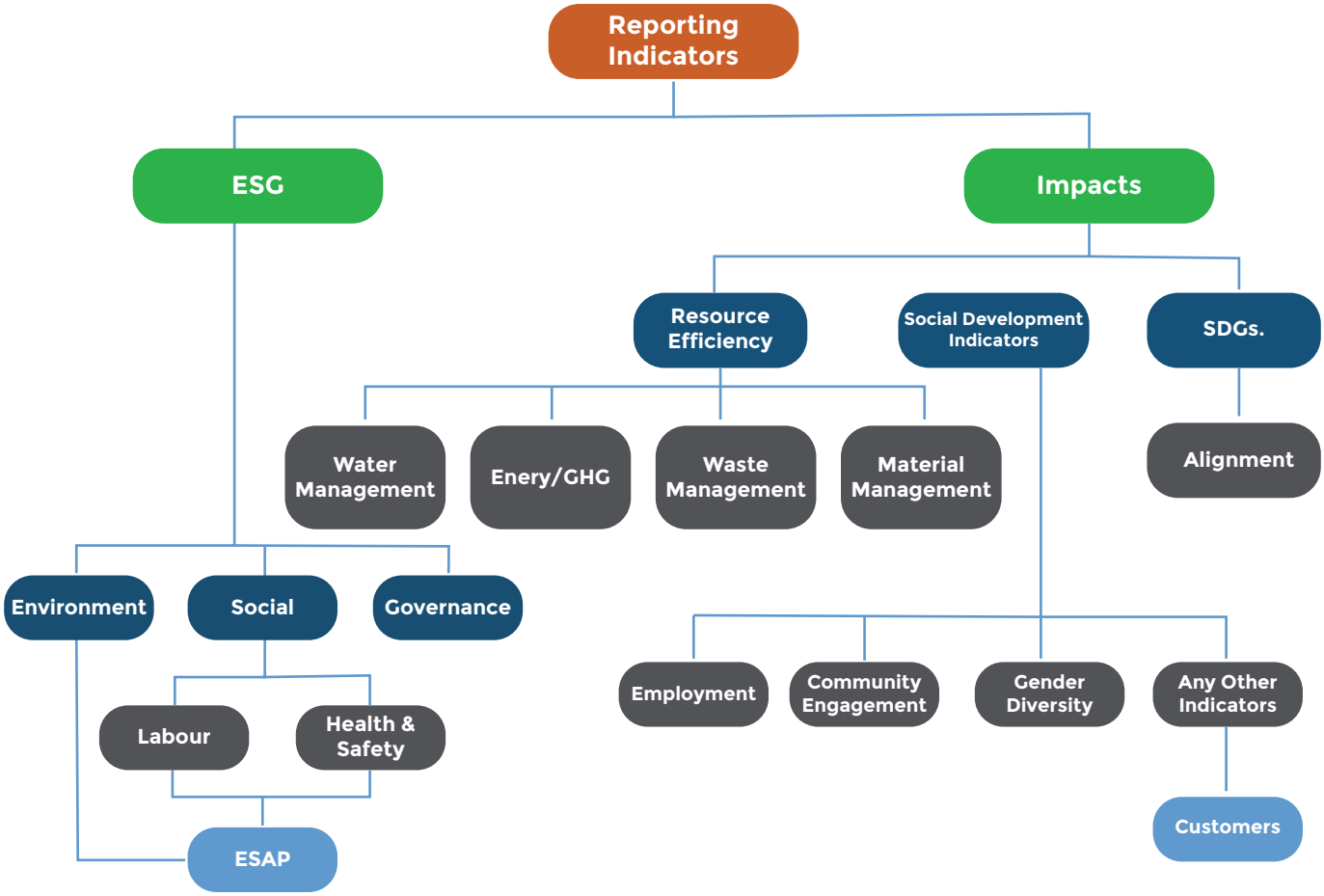
The following sections provide an environmental and social overview for each of the portfolio companies that SAGF II held at the end of December 2020. Each of these sections include E&S priorities, E&S integration approach, ESAP status, impacts (environmental, social and development) review and alignment to key United Nations Sustainable Development Goals (UNSDG's).

SAGF II E&S Reporting Approach

For the Team to report on the environmental and social (E&S) performance metrics through this report, we have identified the key indicators that will be typically used as a metric to monitor year on year performance for each of the portfolio company. These indicators represent the following:

- ESG driven within the company and the improvements/ interventions made over a period;
- Impacts achieved by each portfolio company, based on the nature of the business and activities.

The figure below represents our overall ESG/ impact ethos and the reporting approach



SAGF II Commitment to ESG

SAGF II endeavors to rigorously apply best-in-class ESG practices into its South Asia portfolio and consistently endeavors to improve upon and encourage best practices to be integrated into our portfolio companies. In order to further strengthen and expand the ESG capabilities, the Team recently appointed Dhiman Chakraborty as VP-ESG. Dhiman brings over 10 years of environmental and ESG experience, having worked at ERM for 7 years etc. Dhiman will work on assisting the portfolio companies in addressing the E&S gaps and further enhance the on-ground implementation of the ESAP.

Please do not hesitate to contact Mr. Raj Pai or Ms. Raakhee Kulkarni if you would like to discuss any matters relating to this report or ESG issues in general at SAGF II or GEF.

Each of the portfolio companies are explained and elaborated as a separate chapter in this report.

Raj Pai
Managing Partner
GEF South Asia

Raakhee Kulkarni
Senior VP, Head - ESG
GEF South Asia

esds

enabling futurability..

ESDS Software Solutions Private Limited

1. Company Profile

ESDS Software Solution Private Limited (ESDS) is a leading service provider in the space of Managed Data Center Services. Mumbai and Nashik campuses of ESDS are in Maharashtra Industrial Development Corporation (MIDC) Industrial areas of respective locations.

Site	Commissioned	Usage	Site Area	Staff
ESDS, Nashik Campus	2010	Corporate Office, Data Centre	4070 m²	213
ESDS, Mumbai Data Centre	2016	Data Center	1000 m²	43
ESDS, Bangalore	July 2020	Data Center	-	17

ESDS commissioned their third data center at Bangalore, most recently in July 2020. The Unit is in early phases of commissioning and has begun with initial monitoring of key ESG indicators. The report for this year therefore captures the interventions made at the Nashik and Mumbai data centers.

1.1 Resource Efficiency Context

Global data centers used approximately 3% of the total electricity in the year 2020 and this consumption is expected to double every four (4) years[1]. With 80 percent of the world's energy still being generated by fossil fuels, those ever-increasing power demands could pose a significant challenge on energy demand.

ESDS has patented a technology known as "eNight Services" program, that has intelligent decision making ability which dynamically manages central processing Site (CPU) and RAM allocation to virtual machines in real time. This technology also enables energy efficiency.

Further idle resources are released in runtime to reduce cost and allow others to scale-up quickly. This dynamic auto-scaling feature of eNlight makes it energy efficient and more cost effective than other service providers in the market. The presence of this patented algorithm enables ESDS to save energy and also to showcase substantial reduction in the generation of GHG emissions, that resonates with the Fund's mandate.

ESDS's data centers are Uptime Tier III Certified, which implies maximum uptime to provide consistent service and impressive performance to all its customers. In addition to this, ESDS also holds certifications for Quality Management System (ISO 9001) and Information security management system (ISO/IEC 27001).

[1]https://www.forbes.com/sites/forbestechcouncil/2017/12/15/why-energy-is-a-big-and-rapidly-growing-problem-for-data-centers/

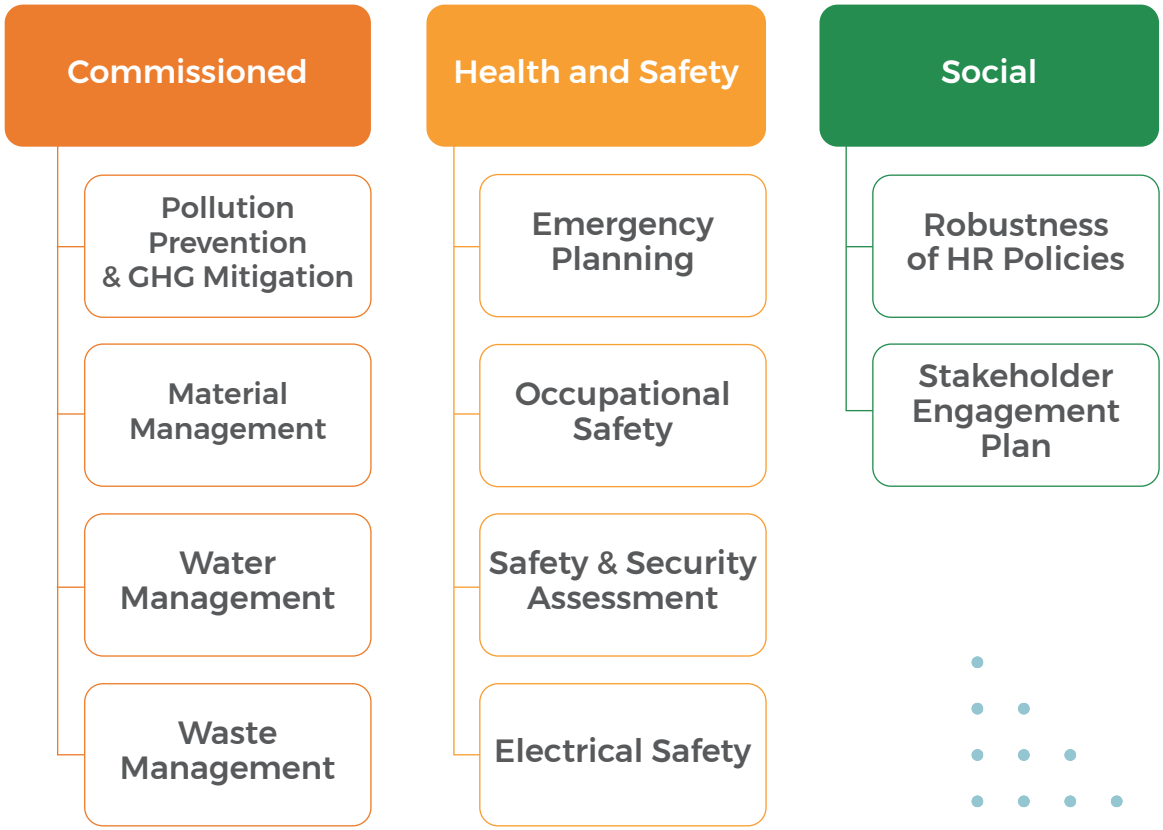
2. E&S Performance Indicators

Post investment, the Company has made significant improvements in the overall E&S performance. An update on the same is presented in the subsequent sections. Emergent Ventures (EVI) was appointed in 2018 to conduct the Environment and Social Due Diligence (ESDD). Based on the diligence and given the operations of ESDS, this was identified as a **Category C** project under IFC categorization.

2.1 Environmental Social and Governance (ESG)

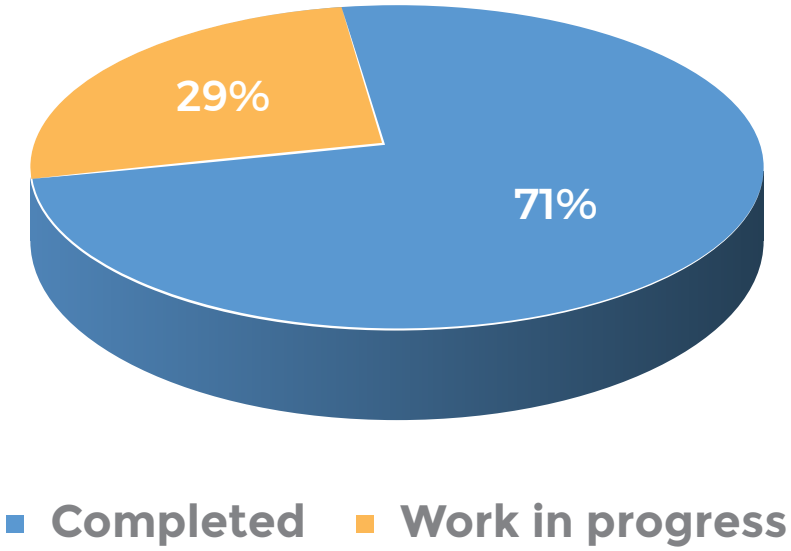
Based on the ESDD, E&S priority items were identified which translated into environmental and social action plan (ESAP). Figure 2-1 below enlists the priority action items which were identified based on the due diligence.

Figure 2-1 Priority Items based on the due diligence



Periodic monitoring is done to understand the status of implementation. The current E&S status is shown in Figure 2-2

Figure 2-2 Current Status of E&S Action Items*



*Safety, security assessment are work in progress.

2.1.1 ESG Organization

The ESG Committee is headed by The Chairman and the Managing Director (CMD). The development of the policies and the implementation of ESMS is mainly coordinated by the Senior Executive EHS and the Senior Executive Administration, both of whom report directly to the Deputy GM HR. Trained members from Administration and HR department at the Nashik, Mumbai and Bangalore data centers coordinate with the corporate team in order to implement the ESMS.

Figure 2-3 ESG Organization of ESDS

2.1.2 Environment, Health Safety and Social Management

The environment, health, safety and social developments are captured in the figure below:

Environment

- Installed meters to monitor water consumption;
- Created waste storage area with marked boundaries;
- E-waste records are maintained and appointed authorized vendors for disposal;
- Onboarded consultants to calculate Power Usage Effectiveness (PUE) and the GHG mitigation achieved at the data centres.

Health and Safety

- Periodical safety rounds, risk assessments;
- Incident management is in place with developed procedure for root cause analysis;
- Internal audits, awareness sessions and safety trainings are conducted periodically;
- Enhanced mode of fire detection systems at ESDS and periodical mock drills;
- Periodic safety committee meetings;
- Documented emergency preparedness procedure;
- Safe work permits and trainings for all the staffs;
- No reportable incident or accidents in 2020.

Labour

- Development of stakeholder management plan;
- Trainings provided to the security personnel;
- Developed SOPs for possible security threat scenario;
- Prepared a grievance mechanism/policy for internal and external stakeholders.

2.1.3 Trainings

Each facility conducts regular trainings and awareness programs to instill a safe behavior amongst all working on the floor. A total of 21,592 hours of training was conducted in 2020 by ESDS.

Figure 2-4 Employee training in the year 2020.

Pictures showing Fire Safety Training and Mock Drill conducted by Emsafe Fire Safety Solutions Pvt. Ltd. on January 2020 at the ESDS campus

Classroom Emergency Response Team trainings conducted by Emsafe Fire Safety Solutions Pvt. Ltd.

2.1.4 Employee Wellbeing

ESDS conducted few wellness camps for their employees in the pandemic impacted year 2020. They are:

A) **Medical Wellness Camps:** ESDS finds the right solution to combat rising health issues and healthcare costs by various medical check-ups like eye care camps, dental check-ups etc. Employees are checked and that enables them to immediately recognize an unhealthy situation and determine a way to balance it with something more positive and healing.

Figure 2-5 Medical Wellness camps by ESDS for their employees in 2020

B) **Corona Kavach (protection):** ESDS believes and lives to its core values all the time. Care for fellow employees is one of the six core values ESDS and all its employees live by it. To ensure our employees' health and safety we introduced the Covid 19 policy to offer financial assistance to employees and their families to deal with Covid contingencies. The Covid-19 treatment policy is designed to help employees financially if the employee or their immediate family member gets infected and is hospitalized for treatment.

C) **Fun and Health:** Fun and Health is a part of the culture at ESDS. ESDS believes in having fun while at work and the trend persisted even while the employees of ESDS were working from home. ESDS launched a 14 days happiness challenge to help the employees to adapt a healthier and happier lifestyle. Everyday, the employees took up small and interesting challenge that helped them move towards a healthier lifestyle while having fun.

Figure 2-6 Fun and Health Program Implemented by ESDS

D) **Covid -19 Treatment Policy:** The year 2020 saw a pandemic which affected millions of people around the world. With the rapid increase in the Corona Virus across country, it was our absolute and top priority to ensure the health and safety for all our employees. ESDS helped all its employees in facing the challenges with courage, confidence, and positive attitude. On behalf of the Chairman and Group CEO of ESDS, mission people HR Team assured all possible financial support to employees and their close immediate family members. ESDS developed a COVID policy which medically covers all its employees and their family members.

E) **Wellathon:** It is an annual marathon organized at ESDS headquarters, where all employees run for their good health and fitness. A 3 Kms marathon was organized in 2020. After the marathon, invited guest speaker, the Commissioner of Police, Nashik city spoke about self-defense and importance of a healthy lifestyle.

Figure 2-7 Pictures of the Wellathon Marathon conducted in 2020.

2.1.5 Awards and Recognition

ESDS in keeping with their tradition have received multiple awards in 2020 for Best Employer and Workplace.

Figure 2-8 Awards and Recognition

2.2 Impact Metrics

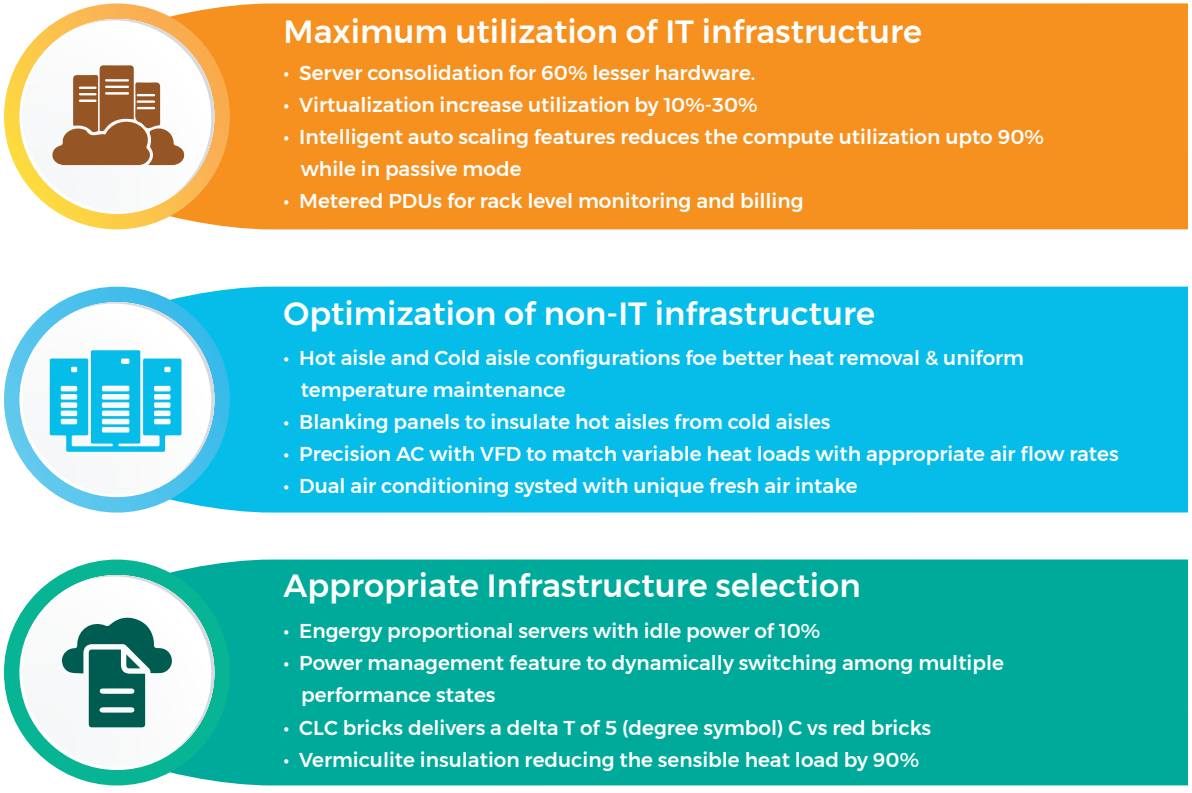
2.2.1 Energy Management

Typically, energy costs contributes to about 70% of the total operation cost of Cloud Datacenters that is attributed to the following reasons:

- Servers consume 75-80% of peak power consumption even at a 20% load.
- Servers are often utilized only between 10%-50% of their peak load.
- Heating, Ventilation and Air Conditioning (HVAC) systems loads are consistent throughout the day irrespective of the server load and it accounts to about 35%-40% of total energy consumption.
- Multiple power conversions required in power distribution systems like UPS impacts the overall system efficiency.

ESDS has adopted an approach covering the entire life cycle of their product to optimize its energy consumption at its data centers, as shown in Figure 2-9.

Figure 2-9 Measures incorporated to enhance energy management.



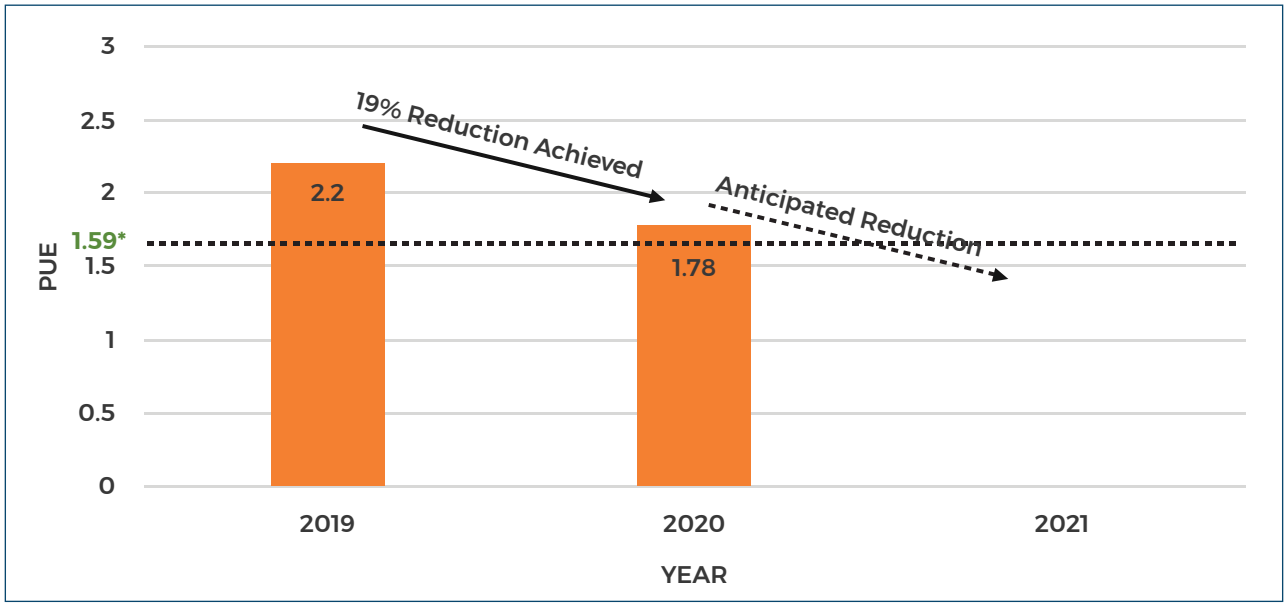
Upon recommendation from the Fund, ESDS appointed Emergent Ventures (EVI), to evaluate the Power Usage Effectiveness (PUE) and to quantify the GHG mitigation on account of their interventions.

2.2.1.1 Power Usage Effectiveness (PUE) Calculations

The study was conducted to calculate the PUE values of the Nashik and Mumbai data centers. PUE stands for Power Usage Effectiveness and is the most commonly used metric to gauge energy performance of a data center.

Based on the data collected by EVI, PUE value of the Nashik and the Mumbai data center was evaluated. Figure 2-10 illustrates the average PUE value reported in 2019 and the average PUE value calculated in 2020 (averaged to draw a comparison).

Figure 2-10 PUE Comparison 2019 and 2020



*Average PUE for data center globally as per the EVI Report, 2020

ESDS was able to achieve a reduction of approximately 19% in 2020. EVI has provided recommendations for ESDS to implement into their systems. Upon implementation of the recommendations, the PUE is anticipated to further reduce in 2021.

2.2.1.2 Greenhouse Gas (GHG) Emission

As per secondary research, worldwide, it is estimated that data centers consume about 3% of the global electric supply and account for about 2% of total GHG emissions. Producing electricity consumed by data centers will result in the release of 100 million metric tons of carbon dioxide (CO_2) by 2020, according to the Natural Resources Defense Council[2].

EVI developed a model to calculate electricity consumption with respect to the baseline condition (without the patented technology). Through the model a comparison was drawn with respect to the electricity consumption and GHG emission with and without the implementation of virtualization and vertical scaling (VVS) technology.

Comprehensive data collection exercise was undertaken by EVI. The collected information formed the input data into the model and accordingly the comparison of GHG mitigation was drawn. Table 2-1 below tabulates the energy consumption and the corresponding GHG emissions, with and without the implementation of the technology at both the data centers. Refer Appendix A for the table showing detailed GHG calculations.

Table 2-1 Energy Consumption and GHG Emission Calculations and the Mitigation Achieved.

Data Centers	Energy Consumption (kWh/annum)		GHG Emissions (tCO_2/annum)	
	ESDS with VVS Technology	Without VVS Technology	ESDS with VVS Technology	Without VVS Technology
Nashik Data Center	4,59,725	10,71,944	422.76	985.76
Mumbai Data Center	12,53,626	29,08,600	1,152.84	2,674.76
MITIGATION ACHIEVED	563		1,522	

[2]https://www.dxc.technology/cr/insights/145852-data_centers_play_key_role_in_reducing_ghg_emissions#:~:text=Worldwide%2C%20it%20is%20estimated%20that,as%20the%20entire%20airline%20industry.&text=In%20other%20words%2C%20electricity%20consumed,level%20off%20any%20time%20soon.

2.2.2 Social Development Indicators

2.2.2.1 Employment and Gender Equality

ESDS, in its journey towards achieving a gender balance at work, implemented the following initiatives:

- Achieved zero wage gap between men and women;
- Year on year growth of employees (Refer **Figure 2-11**);
- Year on year growth of female employees (Refer **Figure 2-12**);
- Growth in the number of female employees recruited in 2020 (Refer **Figure 2-13**);
- Relative growth of the number of women employees promoted to managerial position at ESDS in 2020 (Refer **Figure 2-14**);
- Launched SHE (She has Excellence) Program in 2019. The rationale is to empower women employee with in-demand skillsets and fast-track the careers of the highest performing women;
- Implemented women friendly policies such as:
  - Maternity leaves up to 26 weeks.
  - Marriage leaves up to 7 days.
  - Prevention of Sexual Harassment at Workplace.

Figure 2-11 Total Number of Employees – ESDS

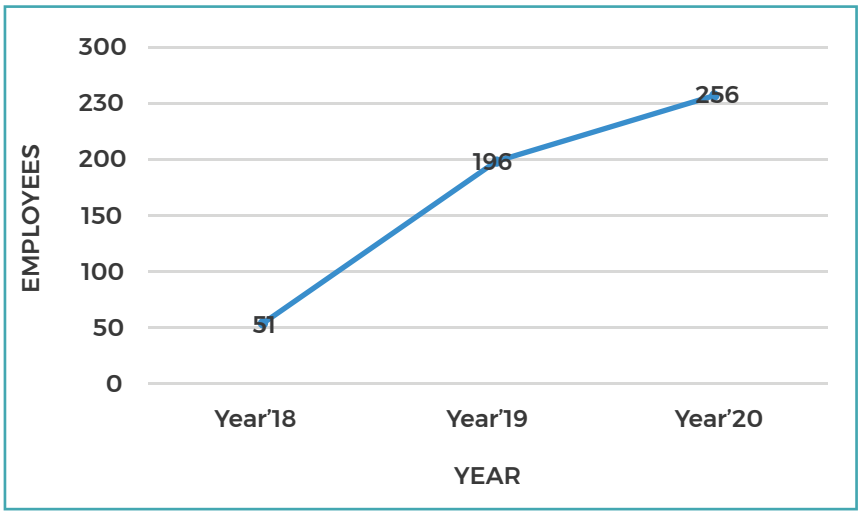


Figure 2-12 Number of women employees in ESDS since 2018.

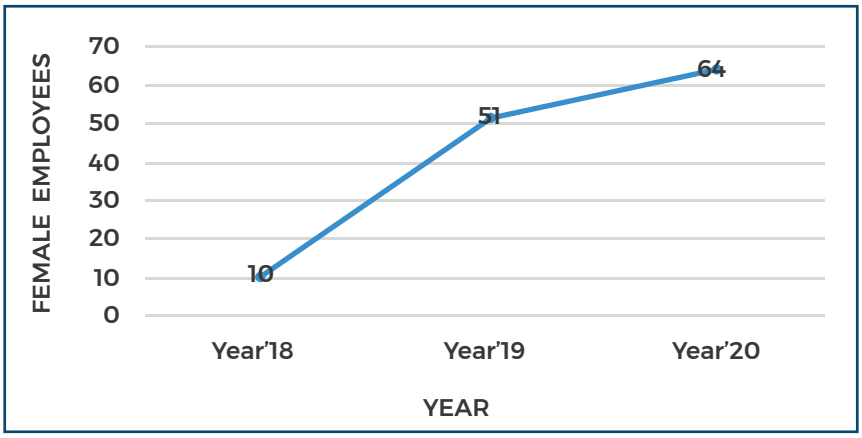


Figure 2-13 Number of Female Employees and Total Employees Recruited at ESDS since 2018

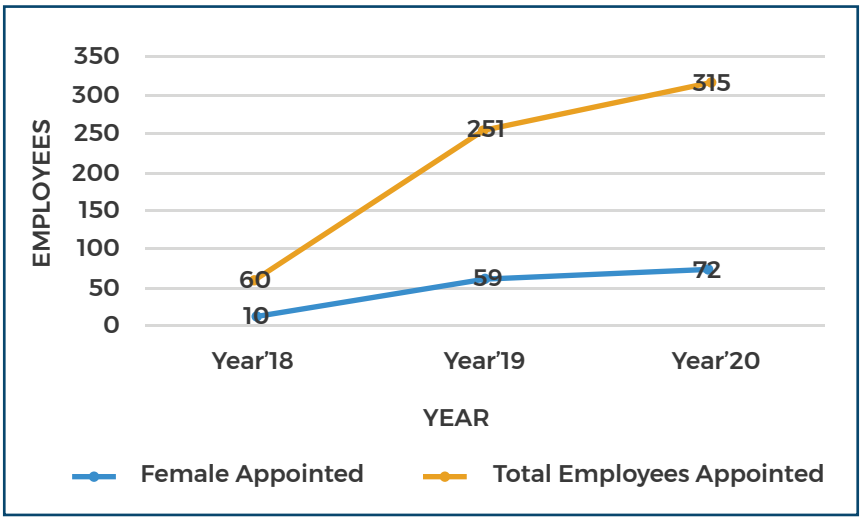
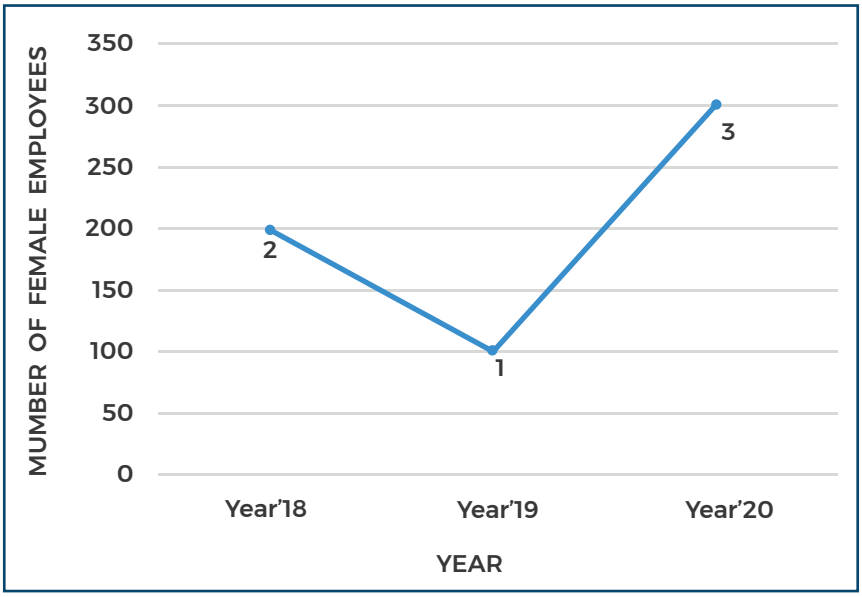


Figure 2-14 Female employees Promoted to Managerial Position



2.2.2.2 Women Empowerment

ESDS provides various platforms and services which enhances women empowerment. Some key initiatives are:

- **Cab services for women employees.**
- **She has Excellence (SHE) at ESDS:**
  - Zero percent gap between wages of men and women.
  - Most of the team is headed by women.
  - Focused on hiring more female employees.
  - Empower women with in-demand skillset and specific sponsorship program to fast track their careers.
  - Right to freedom of thoughts and choices.
  - Appreciate and respect women regardless of age.
  - Financial aid in case of any crisis.
  - Security and POSH awareness training.
  - Work life balance by getting children to work and inviting family members in all occasions.

- **Sheros:**

ESDS introduced a new initiative for Women Empowerment called 'Sheroes'. Under this initiative, women are assisted to find their inner strength and break away from all the obstacles that they see in their personal and professional lives.

2.2.2.3 Community Engagement

ESDS's CSR initiatives focus on creating shared value for the employees and for the society. Involving in the community's engagement activities has resulted in a positive impact on the lives of the employees, society & the business. The key initiative taken by ESDS are as below.

PRASAR

Under PRASAR, ESDS have adopted a tribal village, 'Ramshej' and transformed it into a model village. ESDS has planted more than 5000 trees in the same village. Some of the noticeable contributions towards this village include activities such as, helping the panchayat with different developmental projects, including better infrastructure, driving education and awareness programs, tree plantations, addressing health issues, and much more.

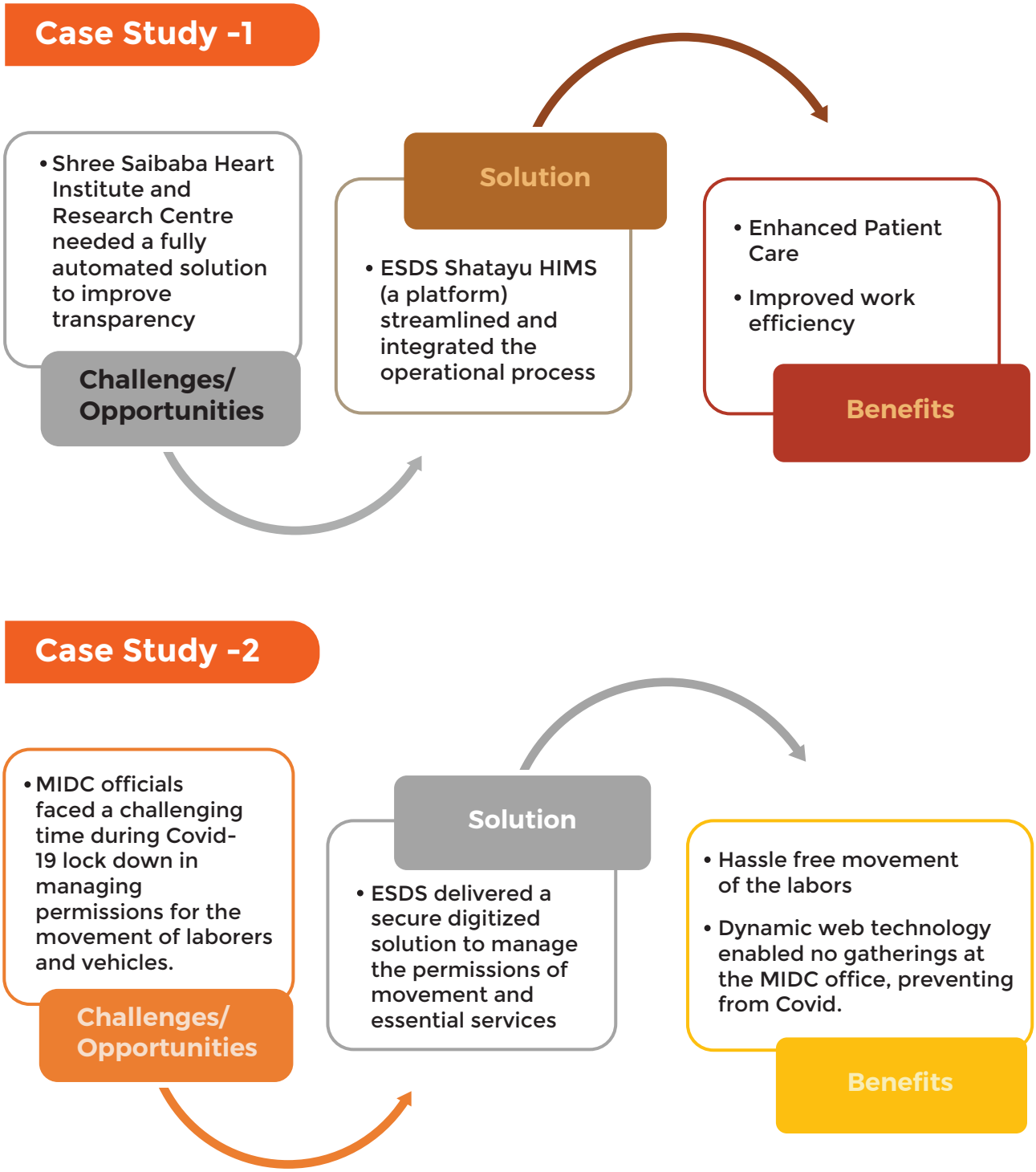
Under PRASAR, ESDS supports skill development, vocational training and collaborate all such activities which enhance employability of individuals for their better future. Assistance was also rendered to differently abled vulnerable groups so that they can lead their lives with dignity and independence.

Figure 2-15 Tree Plantation Drive as part of PRASAR

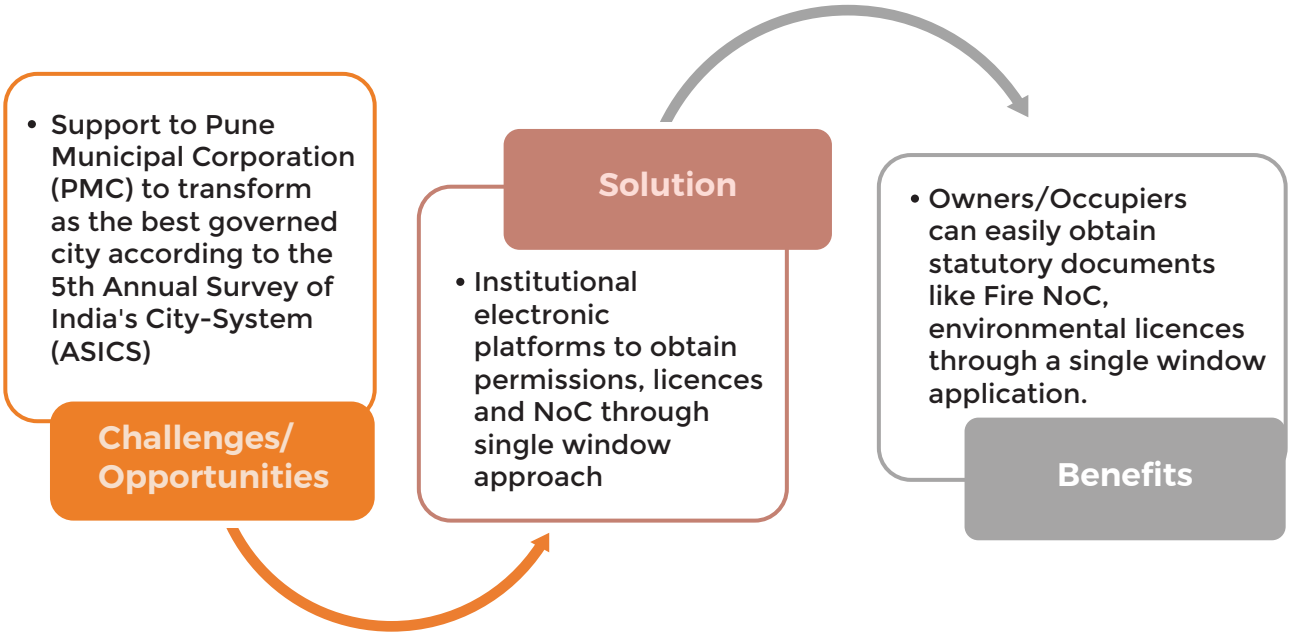
2.2.2.4 Other Impact Indicators

ESDS through its platform has played a significant role in co creating social and developmental impact via its diverse customer base.

Figure 2-16 Select Case Studies



Case Study -3



2.2.3 Sustainable Development Goals (SDGs)

2.2.3.1 Alignment

The UN Sustainable Development Goals (SDG or Global Goals) provide a global framework for addressing the most urgent global social and environmental challenges. SDGs are a collection of 17 Global goals and 169 targets universally adopted to tackle the world's most pressing social, economic, and environmental challenges by 2030.

A high-level mapping was done during the due diligence process to the relevant SDGs with the ESDSs business and has been tabulated under Table 2-2 below.

Table 2-2 UN SDG's Alignment of ESDS

UN SDG's

5 Gender Equality

SDG's Alignment

- Approximately 25% of the workforce comprise of women.
- Three women employees were in the managerial position in 2020 as compared to one woman in 2019.
- The M/F ratio in 2020 was 3.

UN SDG's

8 Decent work and economic growth

SDG's Alignment

- 315 new jobs were created at ESDS. Out of the 315 total employees appointed, 72 were women employees (23%).
- Zero incident and LTI in 2020.

UN SDG's

9 Industry, Innovation and Infrastructure

SDG's Alignment

ESDS's pay per use model delivered a considerable cost savings and resource efficiency to its clients in Small and Medium Sector.

In certain cases, the data service cost is 50-70% lesser than physical servers which enables domestic technology development & increased access to information.

UN SDG's

12 Responsible consumption & production

SDG's Alignment

Improved PUE metrics through use of energy efficient infrastructure across the datacenters

UN SDG's

13 Climate action

SDG's Alignment

GHG mitigation achieved through the adoption of virtualization and vertical scaling technology in the data centers.

1. Company Profile

Prince Pipes and Fittings Ltd (Prince Pipes), a plastic pipes and fittings manufacturing company catering to the water and wastewater sector is headquartered in Mumbai. Prince Pipes commissioned its first Site in 1987 and since then it has commissioned five (5) manufacturing sites across India; and another two are in the various stages of establishment (refer Table 1-1).

Table 1-1 Prince Pipes Sites located in India.

Location	State	Commissioned	Products Manufactured	Built-up area	Staffs (Permanent and Contractual)
Athal (PPA)	Dadra and Nagar Haveli	1995	PVC, UPVC, PPR and CPVC fitting	12,050 m^2	On-payroll: 1,784, & Contractual: 1,124
Dadra (PPD)	Dadra and Nagar Haveli	2000	PVC, UPVC, PPR and CPVC fitting	18,000 m^2	
Chennai (PPC)	Tamil Nadu	2012	CPVC, UPVC, Pipes and fitting	7527 m^2	
Haridwar (PPH)	Uttarakhand	2008	CPVC, UPVC, Pipes and fitting	23,335 m^2	
Kolhapur (PPK)	Maharashtra	2012	CPVC, UPVC, Pipes and fitting	15392 m^2	

Prince Pipes recently commissioned two plants at Jaipur in Rajasthan and Sangareddy in Telangana. The Jaipur plant commenced operations in the latter half of FY 2020 with a capacity utilization at only 20% while Sangareddy plant is yet to commence operations

Prince Pipes offers a wide range of c-PVC, u-PVC, PPR & HDPE pipes, and fittings with water conservation as core to the Company's business. The Company's products can be used for non-pressure underground sewage, drainage, and cross drainage purposes, and/ or rainwater harvesting, all of which play a compelling and critical role in overall water conservation and management. Innovative design of company's products have significantly reduced chances of leakage and maintenance issues, supporting water conservation far better than any civil construction.

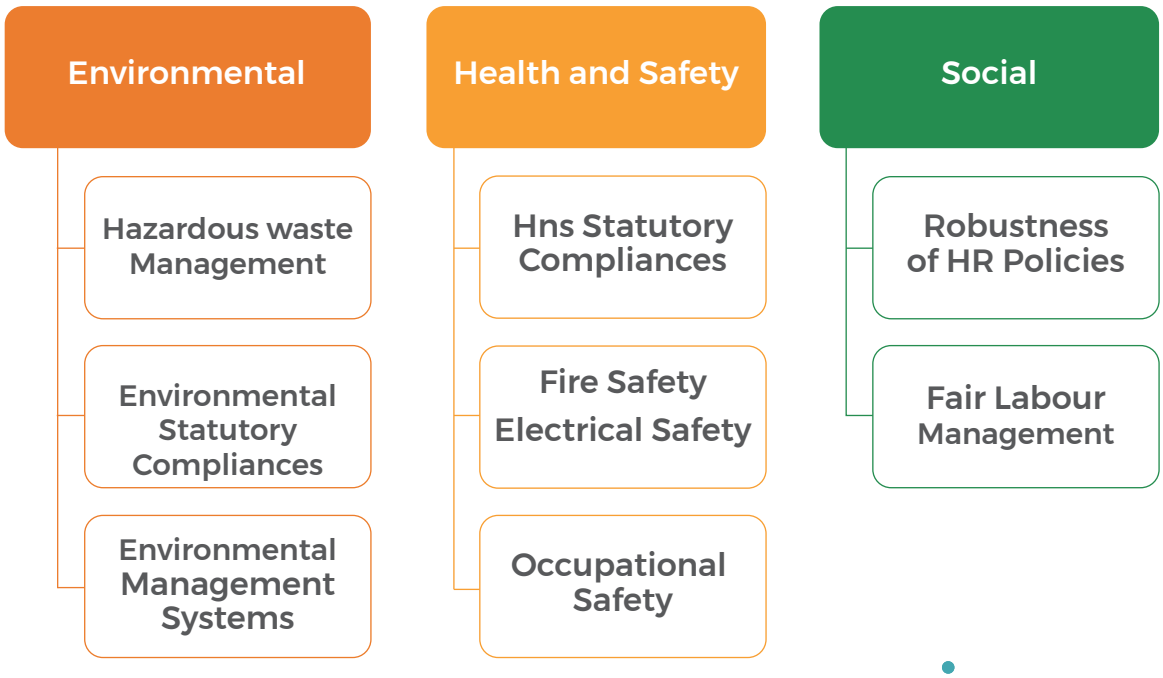
2. E&S Performance Indicators

ERM India Private Limited was appointed in 2019 to conduct the E&S due diligence. Based on the diligence and given the operations of Prince Pipes, this was identified as a **Category B** project per IFC categorization.

2.1 Environmental Social and Governance (ESG)

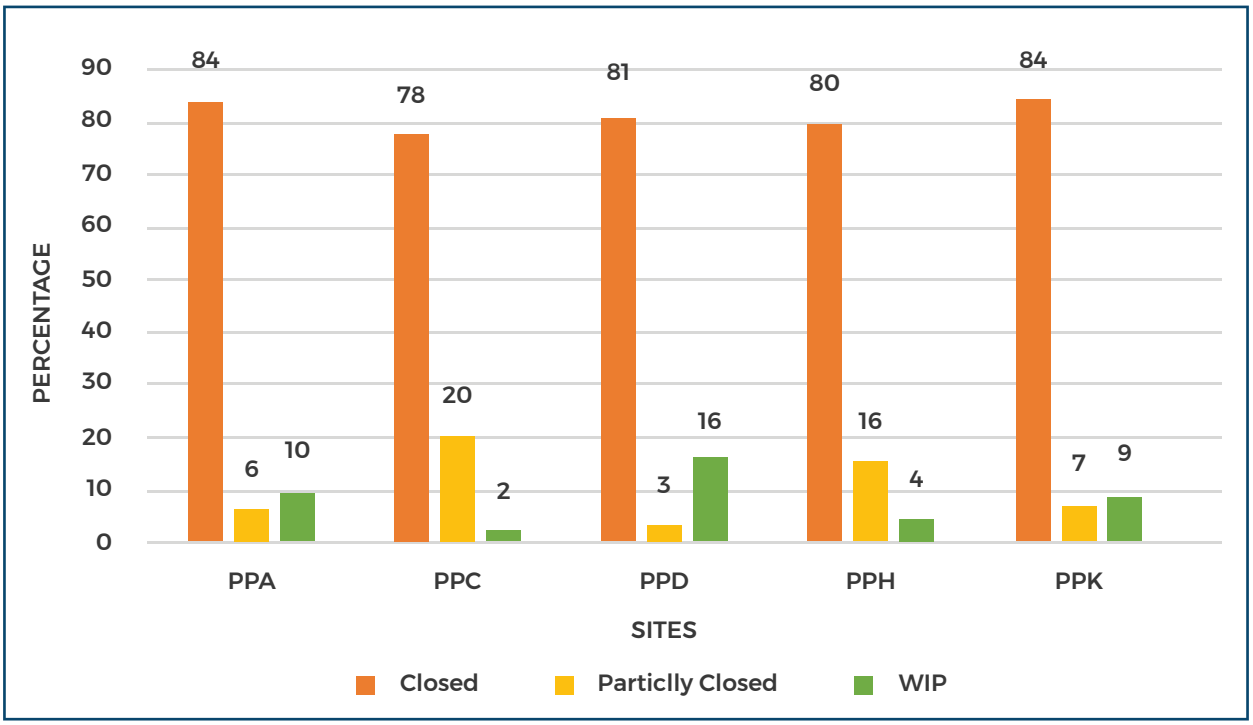
The diligence identified various E&S improvement area which resulted in an ESAP. Figure 2-1 enlists the priority items per the due diligence.

Figure 2-1 Priority Items based on the due diligence



With the continuous support and interventions of the Fund. The company is in the process to address all the action items under ESAP. Periodic monitoring is done to understand the status of implementation. Figure 2-2 shows the percent completion of the ESAP items.

Figure 2-2 Current percentage status of E&S Action Items



2.1.1 ESG Organization

The ESG organization is headed by the EHS and MoE, Mr. Chandra Shekhar Sahoo along with the HR department, which forms the second tier. At the Site level, Prince Pipes has an Environment, Health and Safety Lead and HR Lead, from each of the Sites, reporting to the Corporate Functional Head. The ESG committee meets on a quarterly basis and the key outcomes get reported to the Board on a quarterly basis. The Board has adopted an Environmental and Social Policy under which all the ESG initiatives are taken across the company.

Figure 2-3 ESG Organization of Prince Pipes

2.1.2 Environment, Health Safety and Social Management

The environment, health safety and social developments are captured in the figure below:

Environment

- Segregation and recycling of plastic waste;
- Implementation of rainwater harvesting at PPH, PPJ, PPC and PPD;
- Installation of sewage treatment plant across all Sites. The treated sewage water is recycled & reused;
- Implementation of hazardous waste management plan;
- Periodic monitoring of the emission sources across all of the Sites;
- Development of environment management system.

Health and Safety

- Presence of a safety committee at all its Sites;
- Development of Chemical Handling Policy and HIRA across all the Sites;
- Development and updating emergency preparedness plan and installation of emergency lighting;
- Periodic mock drills across all Sites;
- Implementation of LOTO program and trainings across all Sites;
- Installation of dust control systems across all Sites;
- Safe work permits and trainings for all the staffs;
- Zero reported accidents and incidents in 2020.

Labour

- Development of stakeholder management plan;
- Development of a robust HR manual;
- Development of a Social Policy at the corporate level;
- Development of a grievance mechanism/policy for internal and external stakeholders.

2.1.3 Trainings

Following Figure 2-4 shows the four dimensions of trainings broadly conducted across the Sites. The trainings are conducted for all the payroll and contractual employees.

Figure 2-4 Types of Trainings undertaken in 2020

2.1.4 ESG Improvements made by the Company

Prince Pipes over the last one year made significant improvements towards effectively addressing the ESAP.

- Development of an Integrated Management System;
- ISO-9001 certification for PPC, PPD, PPH and the corporate office at Mumbai; ISO-14001 certification for PPC, PPD and PPH and ISO-50001 certification for PPA, PPC, PPD, PPH and PPK.

2.1.5 Labor Interventions

The due diligence identified, gaps around working hours, payment of overtime, rest periods. To address these issues, SAGF II worked with the Prince Pipes management to engage with Khaitan & Co. (Khaitan), a leading law firm specializing on labor to advise the company on improvements on practices related to workforce management.

Prince Pipes through the support of Khaitan has streamlined working hours, overtime, rest intervals and production incentive management. Prince Pipes has started the payment of overtime and the same gets reflected in the salary slip of the worker under 'OT' heading. The Fund has been playing a proactive role in this process. Prince Pipes has demonstrated substantial improvements in the working hours, rest intervals and the associated remuneration related to the workers and employees, post the Fund's investment and involvement. Further, three of the Sites have started operating in 3 shifts of 8 hours each.

2.1.6 COVID Measures

Like most of the industries, Prince Pipes suffered lot of disruptions due to the nation-wide lock-down because of the Covid pandemic. However, with strong leadership backbone, good governance model and well adopted practices and policies, Prince Pipes were able to recover at a faster pace, following all the safety requirements as promulgated by the Government of India. The Company was further able to restore the employment of all their staff members and bring back the momentum in their production.

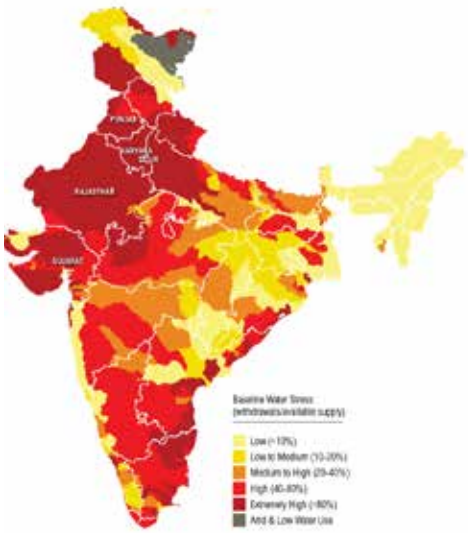
The Fund with the support of Khaitan circulated guidance to the Company to support them through the COVID months. In addition, the Company had also created a comprehensive video for their employees, workers, vendors etc on COVID safety guidelines and the same was implemented effectively across all the Sites.

2.2 Impact Measurements

2.2.1 Water Management- Impact on Drinking Water and Sanitation

India is facing some serious water related challenges. Prince Pipes plays a significant role to address this challenge and meet the water and wastewater infrastructure needs of the country. The recent Union Finance Budget 2021 highlights this issue and is a priority for the Government of India.

54% of India Faces High to Extremely High Water Stress



- 70% of India's water is contaminated*
- 600 million Indians face high ro extreme stress over water*
- 6% of India's GDP will be lost because of the water crisis*
- By 2030, 40% of population will have no access to drinking water*
- 85% of rural households do not have access to piped water*
- 75% of households do not have drinking water on the premises*

Potable water:	Pipe water connections covering 90% of urban and rural households by 2024; Government of India (GoI) implemented 'Jal Jeevan Mission' and 'Nal se Jal' schemes for improving distribution of potable water; Union budget 2021 allocated capital in 'Jal Jeevan Mission (Urban)' scheme focused on providing potable water supply.
Wastewater Infra:	GoI's scheme 'Swachh Bharat' - Toilet Construction and Infrastructure Development; Union Budget 2021, allocated capital in 'The Urban Swatch Bharat Mission 2.0' scheme to augment the infrastructure development of water/wastewater treatment and transport; Another scheme by GoI 'AMRUT' aims at infrastructure development for sewage and networking.
Agriculture:	GoI proposed an enhancement in agricultural credit; Union Budget 2021 has discussed to infuse capital under Micro irrigation Fund governed by NABARD scheme. It is anticipated to enhance agricultural infrastructure development; Irrigation Investment to grow at 10% - 11%

The product portfolio of Prince Pipes therefore shows a direct synergy towards the impact it has on the water, sanitation and agricultural sector in India.

Rainwater Harvesting

- Rainwater harvesting as a means of water conservation is increasingly gaining momentum;
- Storage of rainwater (through proper piping) therefore becomes imperative.

Agriculture

- Canal system of irrigation faced numerous problems of evaporation and contamination;
- Prince Pipes creates economical piping systems for farmers that eliminates water pollution and enable super-efficient transportation of water and distribution schemes;
- Larger tracts of land being bought under agriculture.

Water Supply

- Prince Pipes strives to pave the way for a future that provides clean water for everyone and everywhere from the smallest villages to the largest cities.

Sewage/ Sewerage

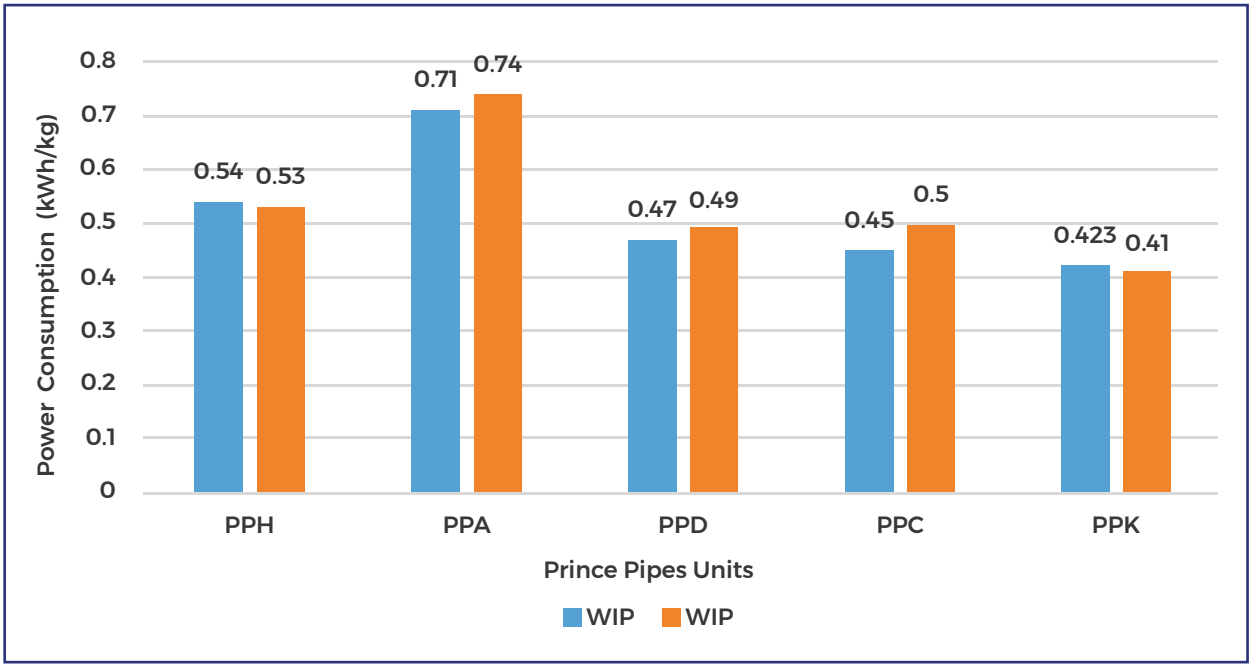
- Collaboration with European companies to create efficient drainage systems and PVC manhole covers; and
- DWC pipes have longer life in usage for sewerage systems.

2.2.2 Energy Management

The Company has taken a proactive approach towards measuring the energy consumption and GHG reduction across Sites.

Prince Pipes manufacturing operations largely depend on electrical energy for its core operations. The Company has adopted an average energy efficiency target of 0.509 kWh/kg of production.

Figure 2-5 Energy Consumption for the years 2019 and 2020



In 2020, Prince Pipes adopted several measures to further enhance energy efficiency:

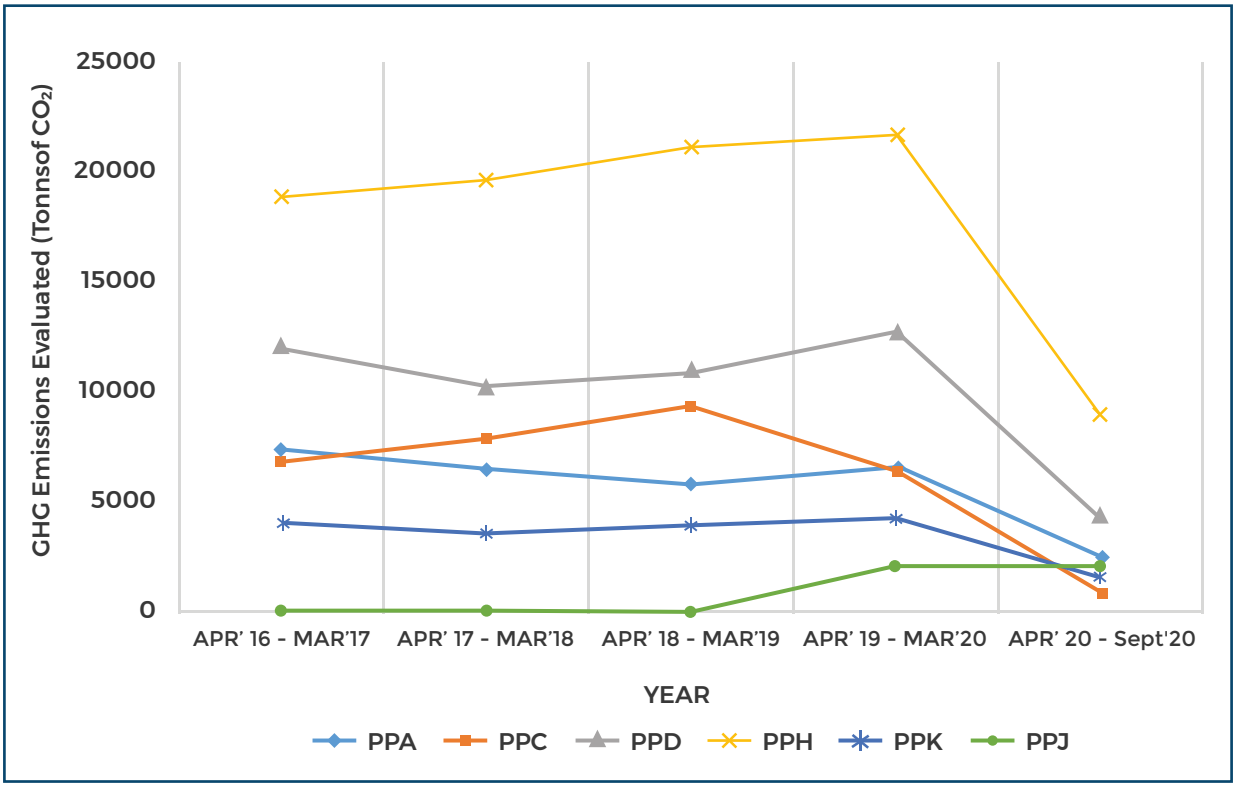
- Replacing conventional equipment/machineries with energy efficient equipment;
- Mandatorily procuring only IE-3/IE-4 compliant motor;
- Procuring alternative power from renewable sources thereby reducing dependency on conventional grid power;
- Installation of solar roof top panels at Haridwar (PPH), Athal (PPA), Dadra (PPD), Chennai (PPC) and Jaipur (PPJ) as an alternate source of green energy;
- Awareness programs for their employees to save energy;
- Power quality audits thrice a year to curb energy leakages;
- Developing Site specific energy saving target;
- Replacement of conventional high energy consuming equipment with energy efficient ones;

Prince Pipes through its efforts towards sustainability has saved 2.7 million pounds of coal from burning in the last 10 years. Further the company planted around 40,000 trees across all its Sites.

2.2.2.1 Greenhouse Gas Emission

Prince Pipes monitors the GHG emissions from their processes. Figure 2-6 below shows the year-on-year trend of the reported GHG emissions data.

Figure 2-6 GHG emissions of all the Sites of Prince Pipes (from Apr' 2016 till Sept' 2020)



The gradual downward trend of the GHG emissions at Prince Pipes was achieved on account of:

A) Reduced power consumption in 'Extrusion Plant' translating in a saving of 85 Kg of CO_2 per metric ton (MT) of production.
B) Reduced power consumption in 'Injection Molding Plants' translating in a saving of 646 Kg of CO_2 per MT of production.
C) Use of renewable energy.

In the last 4 years, the Company has reduced the GHG emissions by over 23%.

2.2.3 Social Development Indicators

2.2.3.1 Community Engagement

Through the Board resolution dated 16 September 2017, Prince Pipes has launched its Corporate Social Responsibility (CSR) Program with the formation of a CSR committee.

In 2020, Prince Pipes played a very important role in helping their employees and their families in sustaining the lockdown period of eight to 10 months. Following are few of the initiatives which Prince Pipes undertook during the lockdown phase of Covid-19.

- Distributed essential goods to 1800 labors and their families;
- Provided masks to all the labors and to their families;
- Distributed food grains to labors who are on the payroll of Prince Pipes and who are on contractual basis;
- Contribution to the *Swach Bharat Kosh* set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- Setting up old age homes, day care centers and such other facilities for senior citizens;
- Contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;
- Construction of Toilets for school at Dahanu;
- Contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development;
- Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities;
- Distributed SANIFIT – a self-designed hands-free pedal based sanitizer to hospital, police station, office of District Magistrate, Haridwar. Figure 2-7 below shows some photographs of SANIFIT.

Figure 2-7 SANIFIT- A CSR Initiative by Prince Pipes during Covid times

2.2.4 Sustainable Development Goals (SDG)

2.2.4.1 Alignment

The UN Sustainable Development Goals (SDG or Global Goals) provide a global framework for addressing the most urgent global social and environmental challenges. SDGs are a collection of 17 Global goals and 169 targets universally adopted, to tackle the world's most pressing social, economic and environmental challenges by 2030.

A high-level mapping was done during the due diligence process to the relevant SDGs for the business and is depicted through Table 2-1 below.

Table 2-1 UN SDG's Alignment of Prince Pipes

UN SDG's

4 Quality Education

SDG's Alignment

Prince Pipes deliver quality improvement trainings to its production staffs and skill enhancement trainings for their employees. Trainings were conducted in the year 2020 to enhance the skillset of the employee. Few examples are:

- Prince Pipes conducted trainings on LOTO.
- Prince Pipes conducted trainings on occupational health and safety.
- Conducted trainings on hazardous wastes management.
- Trainings were provided on chemical handling procedures.

UN SDG's

6 Clean Water and Sanitation

SDG's Alignment

The products of Prince Pipes are durable, and they are resistant to rust and have a sound integrity which prevent the leakage and contamination of potable water, and the leakage of wastewater to the surrounding environment. The durability of the pipe prevents the ingress of potential contaminants in pipes. For instance;

- CorFit, a product is durable for several years prevents the leakage and contamination of fresh water and surrounding areas.
- Other products viz. FoamFit, CorFit, DuraFit and DrainFit enables easy installation and maintenance of water and drainage lines.
- RainFit provides high quality fixtures to harvest rain water.

UN SDG's

7 Affordable and clean energy

SDG's Alignment

Prince Pipes have obtained ISO-50001 certification for PPA, PPC, PPD, PPH and PPK. They are in process of getting the certification for the rest of the Units in the year 2021. The ISO 50001 standard guides Prince Pipes towards energy conservation and emission reduction and indirectly support implementation of SDG 13 (Climate Action).

UN SDG's

12 Responsible consumption & production

SDG's Alignment

- Reduced power consumption in 'Extrusion Plant' translating in a saving of 85Kg of CO_2 per metric ton (MT) of production.
- Reduced power consumption in 'Injection Molding Plants' translating in a saving of 646 Kg of CO_2 per MT of production.

UN SDG's

13 Climate action

SDG's Alignment

Prince Pipes has installed roof top solar panels at PPH, PPA, PPD, PPC and PPJ. This directly supports SDG 13.

SEEDWORKS

SeedWorks International Private Limited

1. Company Profile

SeedWorks International Private Limited (SWIPL) is an organization which engages in research, hybridization, production and marketing of hybrid seeds like Rice, Cotton, Millets, Mustard and Vegetables. SWIPL is based in Hyderabad, Telangana, India.

SWIPL is involved in seed business throughout India and exports hybrid rice to South East Asia. SeedWorks also has its biotech facility in Singapore and representative offices in Philippines. It entered field crop business with introduction of hybrid seeds in 2006. SWIPL has a Corporate Office in Hyderabad and various Research and Development (R&D) facilities, Seed Processing Facilities, Research and Testing Farms, and Production Farms across various locations in India. The products are tested across 691 agro climatic locations before commercial sale.

The primary research facilities of SWIPL are in Hyderabad, Bengaluru, Aurangabad, Alwar, Abohar, Hisar and Lucknow with 51 satellite locations. The productions of the company are extensively tested across several agro climatic locations before it is rolled out for commercial sale. The pathology lab in Bengaluru, Entomology lab in Hyderabad and Biotech lab in Singapore supports the breeders in accelerating and developing the latest varieties as required by the farmers. Refer Table 1-1 for the Key Assets Operated by SWIPL.

Table 1-1 Key Assets Operated by SWIPL.

Assets	Location	Main Activity	People Employed	
			On-Payroll	Contractual
Research and Development Centers	SWIPL has 3 Research and Development (R&D) Centers. One at Hyderabad and two are at Bengaluru	The R&D centers researches on creating new varieties of seeds for major crop types that would improve crop quality and productivity.	361 male and 17 females.	686 male and 370 females.
Tolling and Processing Facilities	SWIPL has six tolling facilities. Four at Telangana and one each at Chhattisgarh and Haryana. One tolling facility is in Medchal, Telangana (among the four in Telangana) and being used for manufacturing of vegetable seeds whereas the remaining five are operated by third parties	The key activities performed in the facility include seed processing and packaging, cold storage for vegetable seeds and Germination testing in quality labs.		
Cold Storage Facilities	SWIPL has four cold storage facilities. Two in Telangana and one each at Chhattisgarh and Haryana.	Telangana: One at Siddipet stores seeds of all categories of crops. The another at Medchal only stores cotton seeds. Chhattisgarh stores hybrid paddy seeds; Haryana stores millet and mustard seeds.		
Research and Testing Farms	SWIPL operates 34 Research and Testing Farms across the states of Telangana, Maharashtra, Madhya Pradesh, Andhra Pradesh, Uttar Pradesh, Gujarat, Rajasthan, and Chhattisgarh.	The key activities performed in the Farms include •seed monitoring and testing; •breeding and trial activities on specific seeds.		
Production Farms	SWIPL has more than 75 production farms through farm aggregators across the state of Telangana, Odisha, Chhattisgarh, Karnataka, Andhra Pradesh, Gujarat, Maharashtra, Tamil Nadu, and Haryana.	Production farms are the facilities where the hybrid seeds are produced by SWIPL at commercial scale through farmers.		

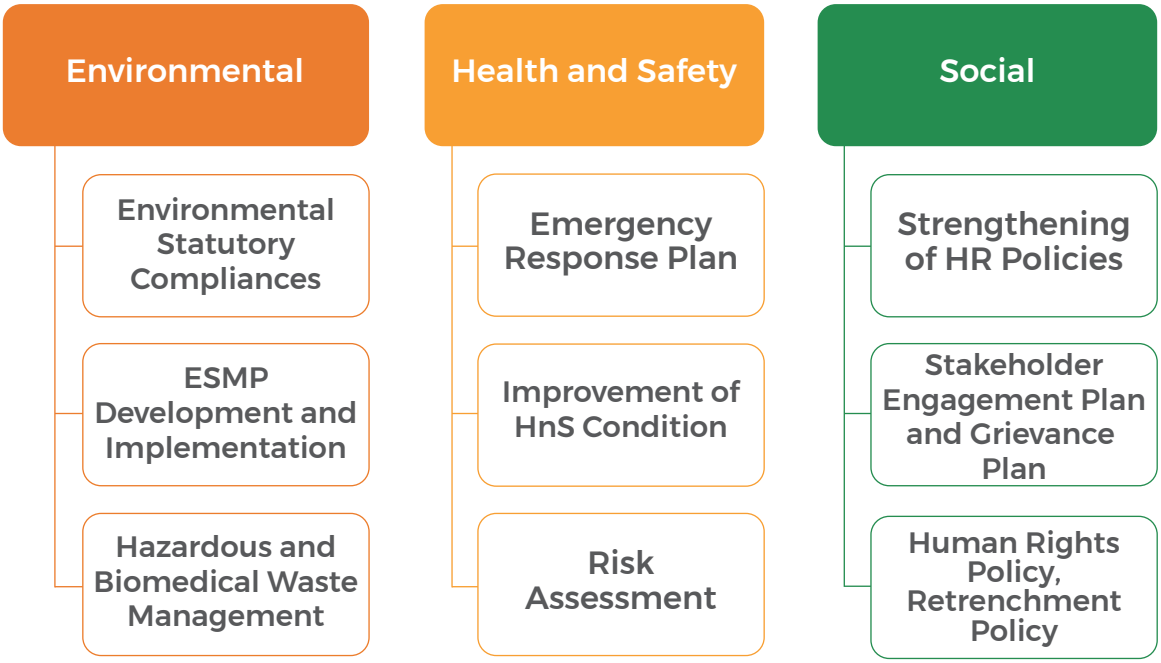
2. E&S Performance Indicators

AECOM India Pvt. Ltd. was appointed in May 2020 to conduct the ESDD for SWIPL activities and operations. Based on the diligence and given the operations of SWIPL, this was identified as a **Category B** project under IFC categorization.

2.1 Environmental Social and Governance (ESG)

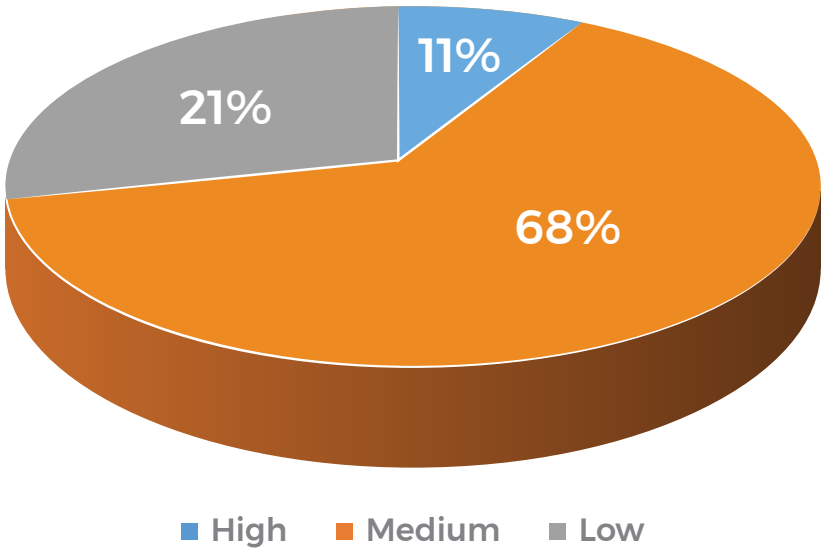
The ESDD highlighted areas of improvement that translated into environmental and social action plan (ESAP). Figure 2-1 below enlists the priority action items which were identified based on the due diligence.

Figure 2-1 Priority Items based on the due diligence.



Based on the continuous support from the Fund and the external advisors that the Company is engaged with, significant progress has been on the implementation of the ESAP (refer Figure 2-2).

Figure 2-2 Status of E&S action items



2.1.1 ESG Organization

The ESG function has a dedicated team comprising the ESG/HR Head. Based on the Fund's recommendations, SWIPL recruited an EHS personnel at the corporate office. The Fund actively participated in shortlisting and appointing an EHS personnel. The E&S issues at the Site are managed by the Site-in charge with the help of the contractors. The EHS personnel at the corporate along with the EHS/HR Head is supported by the Site-in Charges and the trained contractual personnel at each asset location in order to implement the EHS aspects at Site level.

SWIPL is committed and in process to develop a safety committee by 2021.

2.1.2 Environment, Health Safety and Social Management

The environment, health safety and social developments are captured in the figure below:

Environment

- Reduction in groundwater usage by using RO reject water for gardening and in washroom;
- Established robust metering system to monitor the water consumption;
- Installed water sensors with the washroom taps at Hyderabad head office;
- Constructing rainwater harvesting pond at two Bengaluru R&D farms;
- Developed SOP around hazardous management.

Health and Safety

- Spraying employee provided with appropriate PPEs. Usage of shoes, face masks, gloves are mandatory;
- Training and development at the corporate level is managed by the HR department. Trainings are conducted to the payroll, contractual employees and also for the contract farmers;
- Firefighting equipment at the R&D facilties and the processing plants include smoke detectors and fire extinguisher;
- Has an emergency response teams, members are periodically trained;
- Mock drills are organized periodically through third party vendors;
- Appointment of a EHS personnael at the Site upon the recommendation of the Fund;
- No reportable incident/accident in the year 2020.

Labour

- Developed retrenchment policy;
- Developed a human rights policy;
- Developed a supply chain code of conduct;
- Developed a comprehensive HR policy.

Refer the Figure 2-3 below for the pictures supporting the developments stated above under water management.

Figure 2-3 Pictures supporting the energy conservation approaches adopted by SWIPL in 2020.

RO Plant and its associated piping system

Installation of water meter for monitoring

Sensors installed in the taps of washroom

Under-construction rainwater harvesting pit

2.1.3 Trainings and Awareness

SWIPL conducted a total of 2,393 man-days of trainings in 2020.

Figure 2-4 Pictures supporting the trainings sessions conducted by SWIPL.

2.1.4 Human Rights Assessment

SAGF II appointed AECOM to undertake a Human Rights Assessment of the aggregators/ farmers post investment on the contract farmers and aggregators to review the overall work practices at the farm level. Till date, AECOM has conducted the human rights assessment for cotton and mustard farms. AECOM is scheduled to undertake human rights assessment of paddy farming practices later in 2021.

Figure 2-5 Human Rights Governing Aspects

The findings reveal that fair practices are employed across all the farmers and no issues were identified on the same.

2.2 Impacts

SWIPL continues to incorporate various initiatives which are reflected in the sections below.

2.2.1 Resource Efficiency

2.2.1.1 Energy Management

SWIPL operations depend on electrical energy. The Fund is in discussion with SWIPL to commence monitoring of their energy consumption for the year 2021. To begin with, SWIPL has already commenced monitoring the consumption of electricity at their Kandlakoya, Gowdavally, Hyderabad Head Office and Bengaluru R&D farms.

2.2.2 Social Development

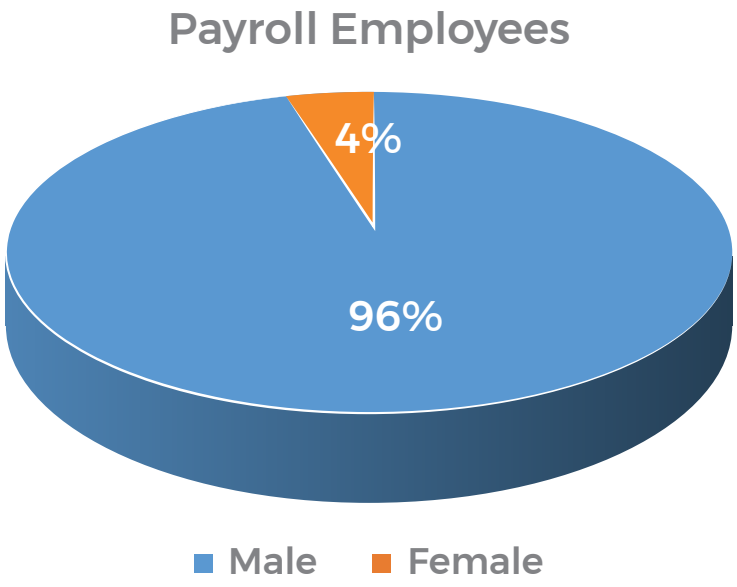
2.2.2.1 Employment and Gender Equality

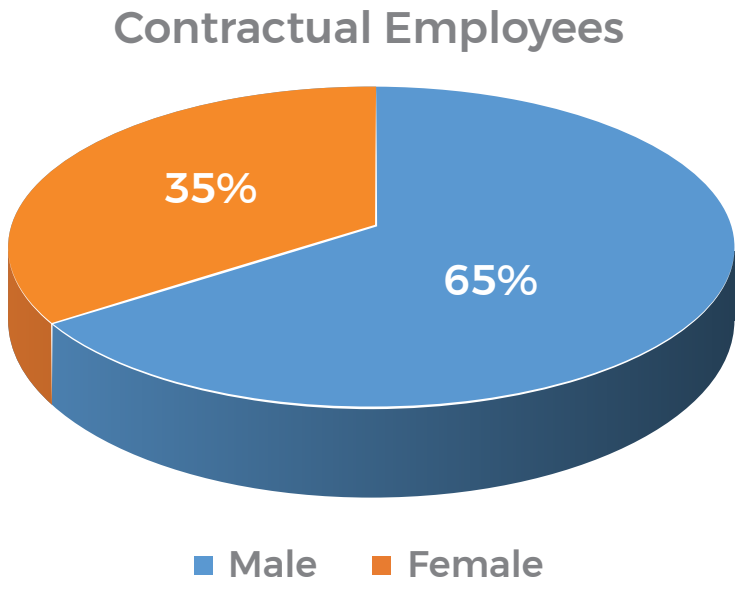
SWIPL, in its journey towards achieving a gender equality at work, implemented the following initiatives:

- Five (05) female employees were recruited on pay-roll basis in 2020. Out of this, one female employee was recruited in the managerial position.
- Five (05) additional female employees were appointed in supply chain unit of SWIPL in 2020.
- Increased women participation in the contractual workforce.

Refer Figure 2-6 below for the percentage of male and female payroll and contractual employees across all the assets of SWIPL.

Figure 2-6 Percentage of male and female payroll and contractual employees at SWIPL.





2.2.2.2 Women Empowerment

SWIPL became a signatory to **United Nations Women Empowerment Principles** in the year 2020. SWIPL is committed to provide equal opportunities and equitable representation of people of different genders as part of their talent acquisition policy. SWIPL has rolled-out women-centric policies which helps in promoting women employment, attract women talent, engage, and retain women employees. At SWIPL, policies like PARI Policy, Maternity Policy, etc. were introduced to encourage the women employees. Additionally, SWIPL also promotes women entrepreneurs in supply chain. To achieve this, SWIPL onboarded three (03) women executive search firms with the purpose of appointing more women in 2020.

2.2.2.3 Community Engagement

SWIPL has a documented CSR Policy which is compliant with the provisions of Section 135 of the Companies Act, 2013 ("Act") and the rules framed thereunder. The company focusses on three major verticals, Health, Education and Rural Development. In addition, it also covers the areas of disaster relief, environmental sustainability, promoting gender equality, empowering women, and protection of national heritage, art, and culture.

- Distribution of food grains to approximately 550 migrant laborers;
- Supporting women from marginalized communities in Kondangal village, Telangana for livelihood;
- Distribution of 300 kits of immunity, hygiene, and educational supplies through the 'Happiness Box';
- Donation to promote education for hearing impaired children;
- Voluntary one day salary donation to PM and CM relief fund.

Figure 2-7 Pictures showing the initiatives undertaken by SWIPL in 2020.

A) Dry ration distribution by contractors of SWIPL in Medchal district, Telangana, and Bengaluru farm;

B) 300 Happiness Kits distributed to children in Sanga Reddy district, Telangana.

2.2.3 Sustainable Development Goals

2.2.3.1 Alignment

The UN Sustainable Development Goals (SDG or Global Goals) provide a global framework for addressing the most urgent global social and environmental challenges. SDGs are a collection of 17 Global goals and 169 targets universally adopted, to tackle the world's most pressing social, economic, and environmental challenges by 2030.

A high-level mapping has been done to the relevant SDGs in relation with the businesses of SWIPL (both operations and value chain). The close fit SDGs are presented below in Table 2-1.

Table 2-1 High Level Mapping to the relevant UN SDG's

UN SDG's

1 No poverty

SDG's Alignment

SWIPL works with small holder farmers in developing countries such as India and Philippines (including through aggregators). Smallholder agricultural production is closely linked with nutrition and food security since it makes available food through production, reduces the real cost of food, making it more affordable; and improves incomes of farming households enabling them to access nutritious foods.

UN SDG's

2 Zero Hunger

SDG's Alignment

SWIPL activities are inextricably linked with sustainably intensifying agriculture (through high yielding and hardy varieties) and thus improving the incomes of farming households (typically smallholders in developing countries) enabling them to access nutritious foods.

UN SDG's

6 Industry, Innovation and Infrastructure

SDG's Alignment

Ensure availability and sustainable management of water and sanitation for all. SWIPL engage and encourage growers to adopt soil and water conservation practices (on increasing soil water capacity and reducing run-off) during agriculture contribute to optimization of water use

UN SDG's

5 Gender Equality

SDG's Alignment

Achieve gender equality and empower all women and girls. SWIPL has committed to gender empowerment as a part of their policies e.g., signatory to UN women empowerment principles, developing and implementing policies and procedures on prevention of any gender-based discrimination and sexual harassment etc.

UN SDG's

8 Decent work and economic growth

SDG's Alignment

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. SWIPL outreach programs for farmers and communities include training programs related to integrated pest management (IPM), soil and water conservation, under theme of Women Empowerment and Education, SWIPL engages with communities in and around nearby sites in Hyderabad as a part of its CSR interventions.

UN SDG's

12 Responsible consumption & production

SDG's Alignment

Ensure sustainable consumption and production patterns. SWIPL is also contributing to building capacity and awareness within the farmer community on the best practices for water use and conservation. SWIPL is also working towards continuous improvement w.r.t. water resource management in their operational farm's (through Drip irrigation in company owned farms). The Hybrid Yield Variety (HYV) Seeds produced by SWIPL are contributing to more efficient crops i.e., increased average productivity of key crop without using more land water or inputs.

UN SDG's

13 Climate action

SDG's Alignment

Take urgent action to combat climate change and its impacts. Seed solutions / products developed by SWIPL involve a combination of a wide range of measures and new solutions – including developing high-yield, stress-resistant varieties (climate resilient) that, above all, avoid intensive plowing that releases CO_2; and use water, crop protection products and fertilizers more efficiently. One of the main sources of CH_4 emissions (GHG) in agriculture are from anaerobic fermentation from inundated paddy. SWIPL is engaged in production of hybrid rice seeds and thus the operations of the company are indirectly contributing to methane emissions further downstream.

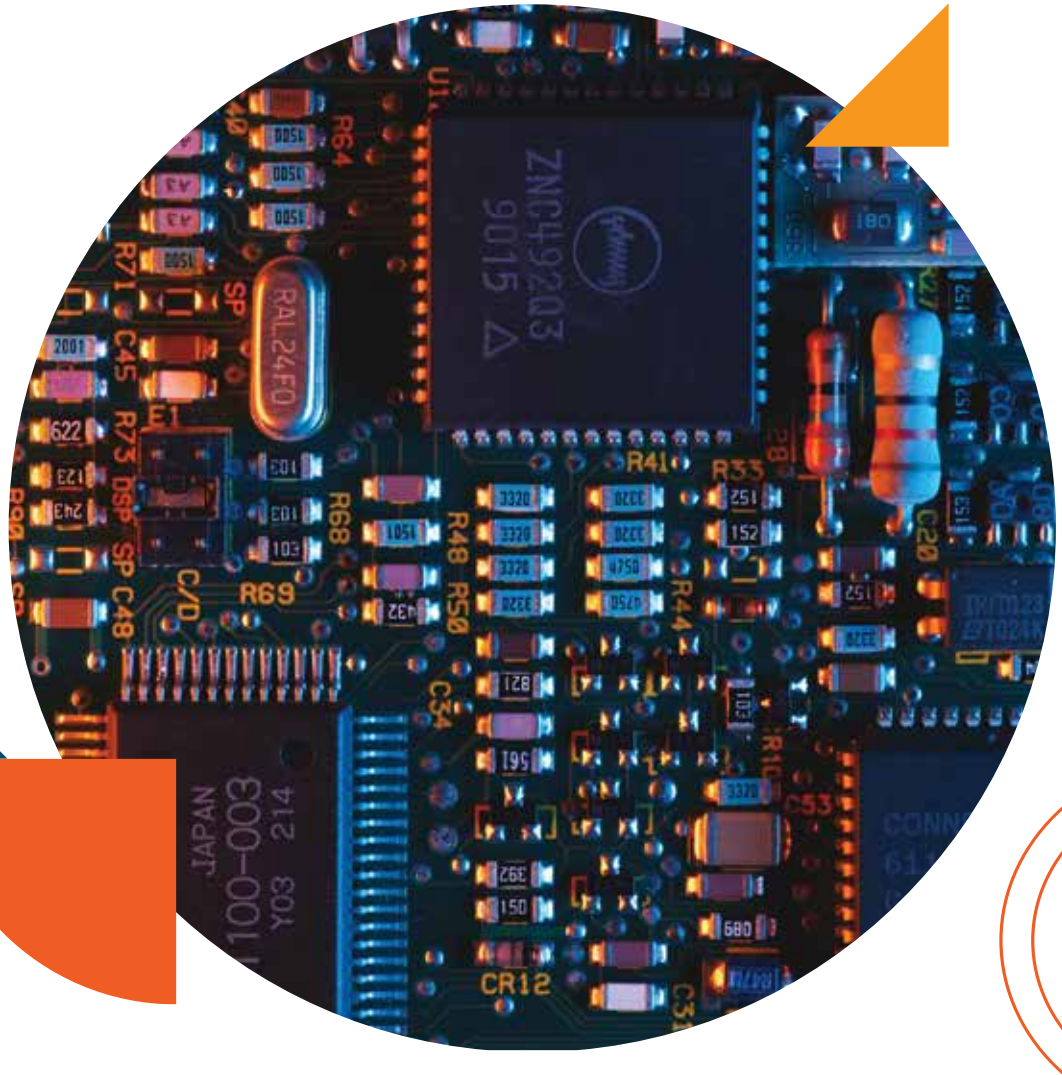
UN SDG's

15 Life on land

SDG's Alignment

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and biodiversity loss. Improving the efficiency of farmland can help meet the worlds growing consumption demand while minimizing the loss of natural habitats and forests for additional cultivation. HYV are contributing to increased land-use efficiency.

SYRMA TECHNOLOGY PRIVATE LIMITED



1. Company Profile

Syrma Technology Private Limited ('STPL') is building India's leading power and smart electronics manufacturing platform, engaged in design and manufacturing of energy efficient electronic devices and components catering to a range of industries, with applications in Power, Industrial, Water, Mass transport, consumer and other sectors. Founded in 2015, Syrma is engaged in turnkey electronics contract manufacturing and manufacturing of innovative products in RFID and Magnetics. The Company is part of the Tandon Group which has a 40-year legacy in electronics manufacturing and exports. STPL serves as the global manufacturing partner and assist the clients in successfully bring products and services to the Indian market.

As a part of the Funds investment STPL has also entered into agreements to merge SGS Tekniks Private Limited ("SGS")with itself. SGS is a company specializing in electronic systems for smart (energy/ water) metering, water purification systems lighting and engine control units and power supplies. Headquartered in Gurgaon, SGS offers services encompassing PCB Assembly, Box Build and Electronic Design Services.

The merger is expected to further strengthen the design and manufacturing capabilities of STPL. The acquisition will cover all the four Sites of SGS and post-acquisition the entity shall be having a total of eight Sites. This chapter covers the details for both STPL and SGS. The ESDD focused on both these companies. The Fund is further actively collaborating and supporting the STPL team to have a seamless E&S integration post the acquisition of SGS.

SGS and STPL has eight manufacturing Sites in India. The details pertaining to the eights Sites of SGS and STPL are tabulated under Table 1-1 below.

Table 1-1 Details of the Sites of SGS and STPL .

No. of Sites	Location	State	Products Manufactured	Staffs	
				On Payroll	Contractual
1	Bawal	Haryana	Printed Circuit Boards (PCB)	155	0
2	Site-I, Chennai	Tamil Nadu	PCBs and Radio Frequency Identification (RFID) tags	838	1168
3	Site-II, Chennai	Tamil Nadu	PCBs and assembly of PCBs		
4	Bargur	Tamil Nadu	RFIDs and magnetics products	47	0
5	IMT Manesar	Haryana	Printed Circuit Boards (PCB) using five SMT lines with automatic radial and axial mounting machines	123	749
6	Gurgaon	Haryana	Printed Circuit Boards (PCB) using two SMT lines. Online testing allowing customers in Germany to monitor the actual result	119	364
7	Baddi (Unit-I and Unit-II)	Himachal Pradesh	PCB assembly and soldering machines	76	201
8	Bangalore (Unit -I and Unit-II)	Himachal Pradesh	PCBs using two SMT lines. Soldering	51	236

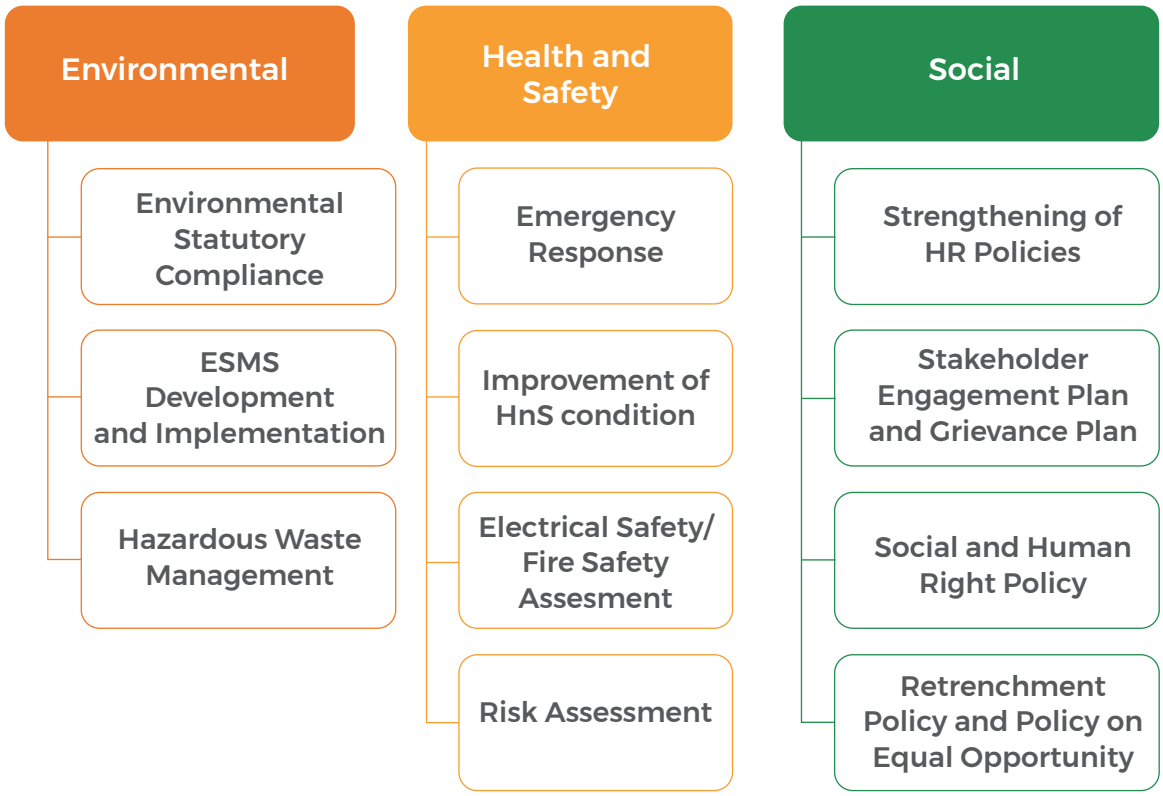
2. E&S Performance Indicators

AECOM India Pvt. Ltd. was appointed in 2020 to conduct the EHS due diligence. Based on the diligence and given the operations of SGS and STPL, this was identified as a **Category B** project under IFC categorization.

2.1 Environmental Social and Governance (ESG)

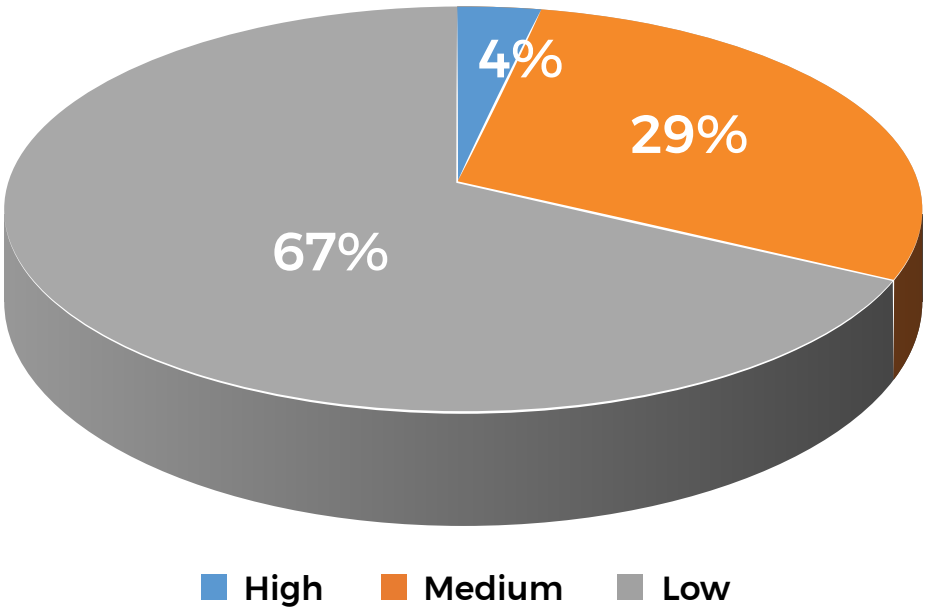
The ESDD highlighted areas of improvement that translated into environmental and social action plan (ESAP). Figure 2-1 below enlists the priority action items which were identified based on the due diligence.

Figure 2-1 Priority Items based on the due diligence



Based on the continuous support from the Fund, significant progress has been on the implementation of the ESAP (refer Figure 2-2 below).

Figure 2-2 Status of E&S Action Items



2.1.1 ESG Organization

Each of the eight Sites have a designated EHS department. Based on the Fund's recommendations and suggestions, each of the Sites are in the process of appointing an EHS personnel. At the Corporate level, STPL has an EHS officer (Senior Executive EHS) who reports to the General Manager-HR. At SGS, the EHS matters are dealt by the legal department at the corporate level.

2.1.2 Environment, Health Safety and Social Management

Prior to the investment from SAGF II, all the Sites of SGS and STPL are accredited to ISO 9001, ISO 14001 and ISO 45001. The Environment, health safety and social developments are captured in the figure below.

Environment

- Automatic level controller to prevent overflowing;
- Taps fitted with non-contact sensors;
- Installed water meters and started monitoring water consumption;
- Optimizing the use of water for horticulture purposes;
- Undertakes environmental monitoring;
- Obtained E-Waste Authorization.

Health and Safety

- STPL and SGS have a documented training program;
- Both the Units have implemented work permit system;
- STPL and SGS have developed their respective Emergency Response Plans (ERP);
- All the Sites have fire infrastructure in place such as hydrant system, fire extinguishers;
- Both the Sites are in the process to develop a comprehensive and robust Integrated Management System (IMS)
- All the Sites of SGS and STPL recorded zero incident and accidents in 2020.

Labour

- Both the Units developed a human rights policy;
- Both the Units developed external grievance and communication plan;
- SGS formulated policy around non-disclosure and equal opportunity.
- STPL Bargur developed a 'Creche' facility for women employees;
- STPL developed a CSR policy

2.1.3 Trainings and Awareness

STPL and SGS engages their employees in various kinds of trainings. STPL conducted 224,667 hours of trainings whereas, SGS conducted 4,876 hours of trainings (internal and external) in 2020.

2.2 Impact

Following are the developments SWIPL has demonstrated post investment.

2.2.1 Resource Efficiency

2.2.1.1 Energy Management

Operations of SGS and STPL depends on electrical energy. The Fund is in discussions with STPL and SGS to commence monitoring of their energy consumption for the year 2021. Few measures which the Units have already incorporated include:

- STPL installed occupancy sensor in canteen and office areas.
- At STPL, all worktables' lights changed from 28W fluorescent tube lighting (FTL) to 20W LED.
- At STPL, air compressor pressure setting reduced from 6.5 Bar to 6.1 Bar.
- The Gurgaon Site of SGS has installed a solar plant capacity of 108KW resulting in a saving of approximately 11600Unit/month of electricity.
- STPL installed energy saving invertor type AC in POHC line.
- Additional measures adopted for the POHC line AC at STPL are:
  - Office area ACs switched off during lunch hours from 1300 hours to 1400 hours.
  - POHC line ACs switched off during lunch hours from 1230 hours to 1330 hours.
  - POHC line ACs switched off from 0530 hours to 0800 hours.

STPL has considered adopting measures to further conserve energy in 2021. They are:

- Reduction of AHU Drive speed;
- Installation of motion sensors;
- Switching off air-conditioners when not in use; and
- Increase the set temperature from 25˚C to 28˚C.

2.2.2 Social Development

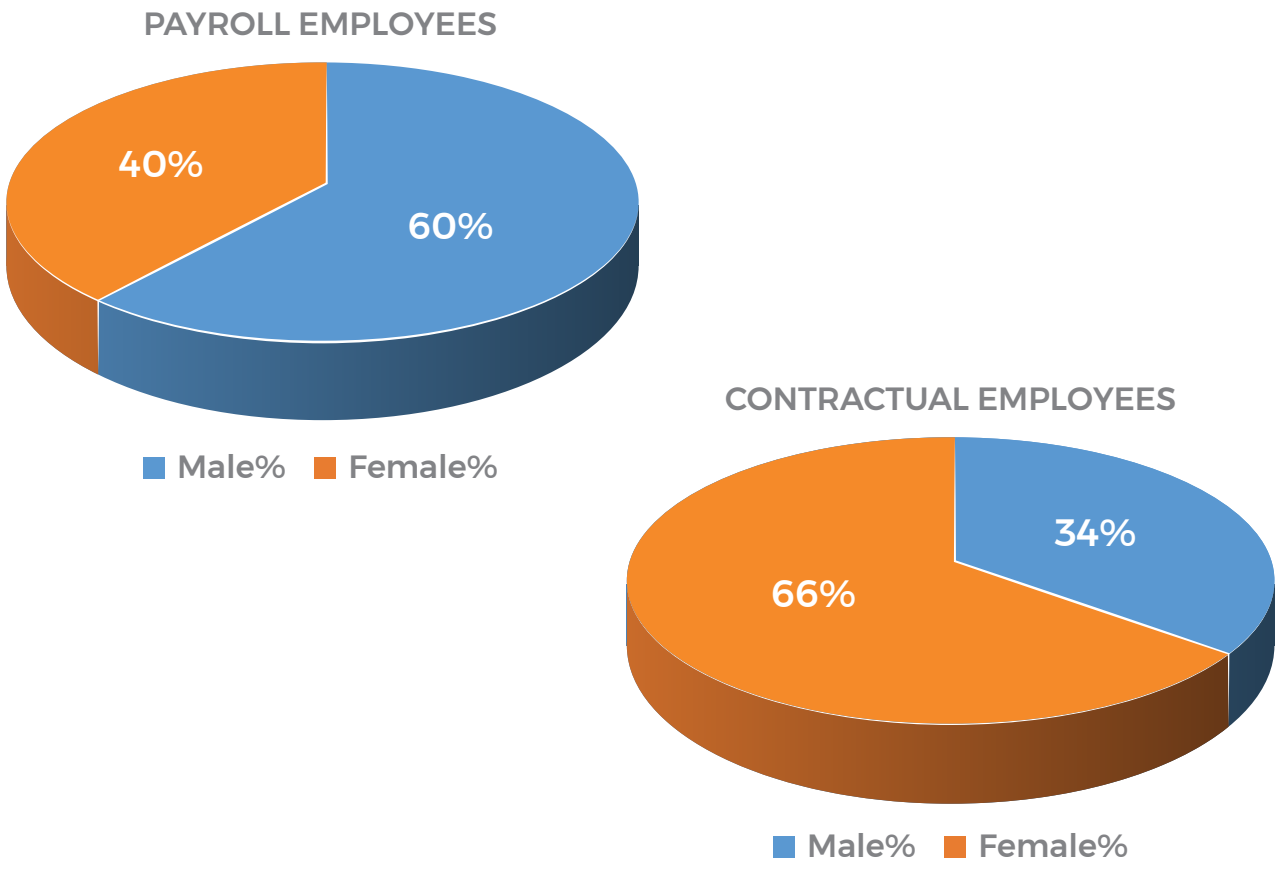
2.2.2.1 Employment and Gender Balance

SGS and STPL has implemented the following initiatives:

- Promotes gender equality:
  - ▸ Both the Units employees 40.5% of women employees on payroll.
  - ▸ Both the Units employees 66% of women employees on contractual basis.
- 37 women employees in managerial level.
- Appointed 2,852 female employees (payroll and contractual both) across all the eight Sites.

Figure 2-3 below shows the percentage of female employees among payroll and contractual basis at SGS and STPL.

Figure 2-3 Percentage of male and female employees (payroll and contractual) across all the eight Sites of SGS and STPL.



2.2.2.2 Women Empowerment

STPL has adopted measures which are meant to support the women employees.

- Encouraged females to continue their work after marriage and if needed, arranged special marriage loans.
- Provide substantial hike and promotion even if the female is on maternity leave.
- Maternity leave for 26 weeks.
- Job rotation based on the comfort level of a woman employee.
- Provision of mental health programs and trainings.
- Involvement of female workers in decision pertaining to new project developments.
- Increased participation of women in all new projects.
- Initiation of a mentoring programme through which, potential female talents could be groomed for higher roles / positions.
- Created a work group called as Core Team & Gen Next Team, focused on more women talents to be part of this group and train them with external consultant.
- Consulting with various agency and external consultancy firms who can drive more Women Development Programs.
- Ensuring that all CFTs have more women participation.

2.2.2.3 Community Engagement

STPL has a CSR Policy which intends to improve the lives of the community through:

- Education;
- Local Community Development and;
- Health Care.

Figure 2-4 below showcases the photographs supporting the CSR activity undertaken by STPL.

Figure 2-4 Pictures supporting the CSR activity undertaken by STPL in 2020.

Plastic chairs donated to Government Primary Health Centre – Medavakkam – Chennai

Plastic Chairs donated to Krishnagiri Tehsildar Office

Camp light provided at Mannargudi Flood Relief.

Lunch tables to Girls High Secondary School, Bargur.

Bore well reconditioning at Girls High Secondary School, Bargur.

School bags and plates to Government Children School at Mannargudi.

Based on the financial information of the Company available in public domain, CSR provisions of the Companies Act, 2013 are not applicable for SGS operations.

2.2.3 Sustainable Development Goals (SDG)

2.2.3.1 Alignment

The UN Sustainable Development Goals (SDG or Global Goals) provide a global framework for addressing the most urgent global social and environmental challenges. SDGs are a collection of 17 Global goals and 169 targets universally adopted, to tackle the world's most pressing social, economic, and environmental challenges by 2030.

A high-level mapping has been done to the relevant SDGs with both the businesses of SGS and STPL (both operations and value chain). Close fit SDGs are presented in Table 2-1.

Table 2-1 High Level Mapping to the relevant UN SDG's for both STPL and SGS

UN SDG's

3 Gender Equality

SDG's Alignment

- HB Meter, ECG, Diagnostic Kits helps in tracking vital health parameters.
- RFID based healthcare technologies enable hospitals to track onsite material assets, including equipment, instruments etc

UN SDG's

5 Gender Equality

SDG's Alignment

40% of the payroll and 66% of the contractual employees consists of women employees.

UN SDG's

6 Industry, Innovation and Infrastructure

SDG's Alignment

Smart Water Meters not only measures water flow but uses wireless communication to connect to local or wide area networks, allowing remote location monitoring and infrastructure maintenance through leak detection against any tampering attempts.

UN SDG's

7 Decent work and economic growth

SDG's Alignment

Contribution towards developing affordable hybrid energy, which is a combination of solar and wind energy. Some of the advantages of hybrid systems as stated include:

- Smaller Carbon Footprint;
- Higher energy densities per cycle;
- Round the clock power availability.

UN SDG's

8 Decent work and economic growth

SDG's Alignment

- Product Innovation and Design;
- Enhanced Women Participation in Workforce

UN SDG's

9 Industry, Innovation and Infrastructure

SDG's Alignment

For the manufacturers of automobiles, PCB's offer them the potential of bringing advanced and high-frequency technologies to its users e.g., GPS navigation systems, anti-lock brake systems, ECU systems. The radar signals found in military fighter aircraft are all because of the Circuit Board functions.

UN SDG's

13 Climate action

SDG's Alignment

Contributing to Energy Conservation; Efficiency and Clean Energy through their Products directly contributing in mitigating GHG emissions. Few of the products which contribute towards GHG mitigation are Smart Thermostats, Smart Sensors / Detectors /Wall plugins.

UN SDG's

11 Sustainable Cities and Communities

SDG's Alignment

Smart pumps align with the aim of smart and sustainable cities. Smart Pumps enable decision makers to collect and share data to manage the flow of energy to meet the system demand. This gain in efficiency driven by Internet of Things (IoT) aligns with the methodology of smart cities to manage assets and resources more effectively.

UN SDG's

12 Responsible consumption & production

SDG's Alignment

Contributing to responsible resource (energy and water) consumption through automation; increased monitoring, usage efficiency and recycle/reuse patterns.

Appendix A – GHG Mitigation Detailed Calculations.

Impact of Virtual and Vertical Scaling (V&V)	Units	Nashik DC		Mumbai DC	
		ESDS with VVS Technology	Without VVS Technology	ESDS with VVS Technology	Without VVS Technology
Servers deployed	No.	143	478	398	1297
Servers in Use (average)	%	90	90	90	90
Servers in IDLE (average)	%	10	10	10	10
Servers in Use (average)	No.	128	427	351	1170
Servers in IDLE (average)	No.	15	51	38	127
Server utilization (average) i.e. Average % utilization of running servers (load on servers)	%	50	15	50	15
Energy consumption					
Warm i.e. Electricity consumption of servers when in idle condition or at 15% load (in watts)	W.	256	256	256	256
Hot@50% i.e. Electricity consumption of servers when running at 50% load (in watts)	W.	380	380	380	380
Hot@100% i.e. Electricity consumption of servers when running at 100% load (in watts)	W	504	504	504	504
Energy consumption i.e. = Servers in Use running at 50% load * Hot@50% + Servers in IDLE * Warm	kWh/a	4,59,725	10,71,944	12,53,626	29,08,600
Energy saving for ESDS	kWh/a	6,12,219		16,54,974	
Servers in IDLE (average)	tCO_2/a	563		1,522	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