

ESG Policy



Our commitment to responsible investing,
guided by global standards and practical
governance

SINGULARITY AMC LLP

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1. Introduction

At Singularity AMC LLP (“Singularity”), we believe that responsible investing is more than a theory; it is a duty we bear on behalf of our investors, portfolio businesses, and society. As long-term capital stewards, we understand that environmental, social, and governance (ESG) concerns are no longer marginal. They play an essential role in the creation, protection, and distribution of value. Over the past few years, the investment environment has undergone significant changes, and financial success is no longer seen in isolation from climate threats, human rights, boardroom responsibility, or the social effects of business strategies. In response to this reality, and driven by our values, we have developed a clear and systematic approach to ESG integration across our initiatives. This ESG Policy outlines our firm's commitments, governance structure, and implementation strategy. It describes how we assess ESG risks and opportunities across the investment lifecycle, from early-stage scrutiny to long-term ownership and, ultimately, exit. The approach is based on recognized worldwide frameworks such as the United Nations Principles for Responsible Investment (UNPRI). Still, it is also grounded in the actual realities of investing in dynamic, sometimes emerging markets, such as India. In addition, we refer to the eight International Finance Corporation (IFC) Performance Standards on Environmental & Social Sustainability as a benchmark for identifying, assessing, and managing material environmental and social risks in emerging-market contexts.

This policy serves as a dynamic document, rather than a compliance checklist. As the legislative, environmental, and social contexts change, so will our approach. What remains consistent is our fundamental view that solid ESG practices are crucial to establishing resilient organizations and delivering value to all stakeholders.

2. Objectives

This ESG Policy aims to convert Singularity’s dedication to responsible investing into explicit, actionable principles across our investment operations. It establishes our objectives not only in theory, but in regular decision-making, governance, and engagement with the businesses we support.

- **To embed ESG principles into investment thinking:** We aim to ensure that ESG considerations are not treated as a separate or afterthought process, but as a core lens through which we evaluate risk, potential, and alignment with long-term value creation.
- **To bring structure and consistency to ESG implementation:** By standardizing how ESG is assessed, scored, monitored, and reported, we aim to ensure that our approach is consistent across asset classes and strategies, while leaving room for nuance based on sector and company maturity.
- **To meet our obligations as a UNPRI signatory:** We seek to align our internal practices with the six principles of the UNPRI and demonstrate measurable progress in line with their reporting and minimum requirements.

- **To build trust with stakeholders:** From our investors and limited partners to the entrepreneurs we work with, to the broader financial ecosystem, this policy serves as a signal of our intent and a basis for transparency, accountability, and long-term collaboration.
- **To guide future improvement:** As sustainability practices and expectations continue to evolve, this policy provides a structured foundation from which we can identify gaps, scale effective practices, and plan future enhancements, including those related to climate risk, human rights, and disclosure.

Ultimately, our goal is straightforward: to utilize ESG to enhance our portfolio, benefit our investors, and positively impact our operating environment, not only as a compliance measure but also as a strategy to ensure long-term resilience and gain a competitive edge.

3. Scope and Applicability

This ESG Policy applies to all investment activities in which Singularity has decision-making authority or meaningful influence. It is designed to serve as an organization-wide reference point for how we consider ESG risks and opportunities regardless of fund structure, investment stage, or asset class.

3.1 What the Policy Covers

This policy applies to:

- **Private Equity Investments:** All growth and late-stage private equity transactions where Singularity has board representation, shareholder rights, or contractual ESG terms. This includes both new investments and legacy positions where ESG terms have been integrated through RI engagement and ESG acknowledgment letters, side letters, or formal engagement.
- **Listed and Hybrid Equity Strategies:** Public and PIPE (Private Investment in Public Equity) transactions where Singularity exercises active management or has a structured ESG engagement plan, even if control is limited.
- **Co-Investments and Special Situations:** Deals where Singularity is not the lead investor but retains sufficient visibility or influence to support the implementation of ESG principles.
- **All Vehicles Under Management:** This includes live funds, vehicles in fundraising, and, where feasible, earlier funds where ESG provisions can be applied retroactively through onboarding or side letter mechanisms.
- **Full Investment Lifecycle:** ESG integration applies at every stage: from pipeline screening and due diligence, through investment committee approval, to post-investment monitoring and final exit.
- **Uncalled Commitments and Cash Holdings:** This policy also applies to capital not yet deployed, including uncalled commitments and treasury or cash holdings, wherever

Singularity exercises investment discretion or ESG influence. ESG exclusions and governance expectations apply proportionately across the full AUM, not just invested capital.

3.2 What the Policy Does Not Cover

We acknowledge that specific contexts may limit our ability to apply this policy thoroughly. Exclusions include:

- **Third-Party Managed Mandates:** Funds or mandates where Singularity has no governance rights, voting influence, or contractual ESG provisions.
- **Client-Directed Opt-Outs:** Portfolios or mandates where clients have explicitly requested that ESG integration be excluded or limited.
- **Minority, Passive, or Syndicated Positions:** In transactions where Singularity has a very small or non-influential role, our ESG engagement may be limited to collaborative channels or voluntary disclosure requests.

3.3 Interpretation and Flexibility

While this policy sets minimum standards, it is not a rigid framework. We recognize that ESG maturity varies across companies, sectors, and geographies. Therefore, the application of ESG expectations will always be guided by proportionality, practicality, and the potential for meaningful improvement.

4. ESG Framework Alignment

Singularity's ESG commitments are not developed in isolation; they are guided by a set of internationally recognized frameworks and standards that reflect best practices in responsible investment. These frameworks enable us to benchmark our progress, maintain consistency, and respond to the evolving expectations of investors, regulators, and the broader society.

Our ESG approach aligns with the following global frameworks:

4.1 UN Principles for Responsible Investment

As a signatory to the UNPRI, Singularity is committed to implementing its six principles across our investment activities. This includes integrating ESG into decision-making, engaging with companies to improve ESG performance, and reporting transparently on our progress. This policy is a direct reflection of that commitment.

4.2 UN Sustainable Development Goals

We view our investment activities as making a meaningful contribution to sustainable development by analysing the linkages to the UN Sustainable Development Goals (SDGs). While we do not claim direct SDG attribution for all investments, we prioritize alignment with:

- **Goal 8** – Decent Work and Economic Growth
- **Goal 12** – Responsible Consumption and Production
- **Goal 13** – Climate Action
- **Goal 16** – Peace, Justice, and Strong Institutions

Where relevant, we encourage our portfolio companies to disclose how their practices relate to these goals.

4.3 Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises

These guidelines establish a baseline for responsible business conduct, encompassing areas such as human rights, labour standards, the environment, and anti-corruption measures following the Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises (OECD). We use them as a reference point for evaluating ESG practices, especially in international or export-driven business models.

4.4 UN Guiding Principles on Business and Human Rights

We are committed to respecting human rights in line with the UN Guiding Principles on Business and Human Rights (UNGPs). This includes identifying and addressing salient human rights risks in our portfolio and escalating serious violations through our ESG incident protocol.

4.5 International Labour Organization Core Labour Standards

Our ESG policy is grounded in respect for fair labour practices, including the elimination of child labour, forced labour, discrimination, and unsafe working conditions as per the International Labour Organization's (ILO) Core Labour Standards. We apply these standards during diligence, onboarding, and ongoing engagement.

4.6 Task Force on Climate-related Financial Disclosure

While we are still developing capabilities in climate scenario analysis, we fully support the Task Force on Climate-related Financial Disclosures (TCFD) framework and have committed to implementing its core elements: governance, strategy, risk management, and metrics soon. This includes defining a methodology for climate risk assessment and tracking financed emissions across key investments.

4.7 International Finance Corporation Performance Standards on Environmental & Social Sustainability

The eight IFC Performance Standards (PS 1-8) provide a practical, globally recognized yardstick for managing environmental and social risks, particularly in emerging market investments. They complement UNPRI and TCFD by drilling into specific areas such as labour & working conditions (PS 2), community health and safety (PS 4), biodiversity (PS 6), and cultural heritage

(PS 8). We screen every potential investment against the relevant Standards. Application is proportionate to our influence and therefore spans private equity, listed, and hybrid strategies whenever we hold board seats, shareholder rights, or engagement leverage. This alignment strengthens risk management, positions portfolio companies for global capital markets, and supports our commitments as a UNPRI signatory.

5. ESG Integration

At Singularity, ESG is integrated into our assessment, investment, and engagement processes with investee companies, rather than being seen as a peripheral or optional component. Our methodology accounts for meaningful ESG risks and opportunities throughout the investment path, whether we are investing in a private or public company. We begin with transparent screening and due diligence methods, calibrated against the IFC Performance Standards where relevant, and utilize ESG criteria in decision-making. We continue to monitor progress throughout our ownership. In all areas of influence, whether through board positions, shareholder rights, or proactive participation, we utilize that power to enhance ESG outcomes. We also ensure that significant concerns, if they arise, are addressed through a systematic approach.

The integration process, which follows our ESG Integration Strategy, is facilitated by internal tools, including our ESG Inputs, scoring structure, and monitoring templates, and is supervised by our cross-functional governance committee, the Responsible Investment Committee (RIC). Although we acknowledge the uniqueness of each firm and circumstance, our commitment to ESG as a value driver is unwavering.

6. ESG Exclusions

Responsible investing at Singularity also means knowing where not to invest. As a matter of principle and risk management, we refrain from deploying capital into companies, sectors, or activities that pose unacceptable environmental, social, or governance risks or that conflict with our values and fiduciary responsibilities.

Our exclusion policy reflects both international norms and our assessment of material ESG concerns. It applies across all eligible assets under management where Singularity holds investment discretion or meaningful influence.

We do not invest in entities involved in the following:

- **Controversial Weapons:** Production or distribution of weapons banned by international conventions, such as cluster munitions, landmines, and biological or chemical weapons.
- **Tobacco and Nicotine Products:** Manufacturing or large-scale distribution of tobacco products or electronic nicotine delivery systems, due to public health risks.

- **Pornography and Adult Content:** Commercial production or distribution of sexually explicit content, based on internal ethical standards and investor preferences.
- **Gambling and Betting:** Businesses whose core operations involve casinos, online betting platforms, or other forms of gambling.
- **Predatory Lending Practices:** Entities engaged in payday lending, exploitative microfinance, or unregulated high-interest loan models targeting vulnerable populations.
- **Human Rights Violations:** Companies credibly linked to child labour, forced labour, systemic discrimination, or labour rights abuse.
- **Animal Testing for Non-Medical Products:** Use of animal testing in cosmetics, personal care, or household products where alternatives exist.
- **Destruction of Indigenous or Biodiverse Areas:** Operations that violate Free, Prior and Informed Consent (FPIC) or lead to illegal deforestation, habitat destruction, or displacement of indigenous communities.
- **Severe ESG Governance Failures:** Persistent involvement in corruption, financial misconduct, or systemic regulatory non-compliance.

These exclusions, as per Singularity’s ESG Exclusion Policy, are applied during pre-investment screening and revisited through post-investment monitoring. Any breaches identified post-investment are subject to Singularity’s red flag and escalation protocol, which may lead to formal engagement, remediation plans, or divestment. This list is reviewed annually and updated based on regulatory developments, stakeholder input, and Singularity’s evolving ESG risk appetite.

Our exclusion list and escalation protocol are informed by recognised international norms, including the IFC Performance Standards, UN conventions, and peer best practice.

7. Governance and Oversight

Singularity has established a clear governance structure to ensure ESG principles are effectively embedded across all investment and operational decisions. Responsibilities are distributed across leadership, functional teams, and oversight bodies to maintain accountability, transparency, and implementation discipline.

Key Roles and Responsibilities

Role	Responsibilities
General Partner	Approves ESG policies, reviews quarterly ESG performance, and red flags reports

Responsible Investment Committee	Oversees ESG integration, validates tools and KPIs, monitors AUM coverage, and reviews PRI disclosures
ESG Officer	Leads ESG implementation, maintains tools, ESG inputs to IC Memo, Material ESG Topics Questionnaire, tracks incidents, coordinates with investment teams.
Investment Teams	Integrate ESG into deal sourcing, Due diligence, IC Memos, and post-investment engagement.
Compliance & Legal	Ensure ESG clauses in contracts, support policy alignment, and review regulatory requirements.
External ESG Advisor	Benchmarks practice, advises on incidents and disclosures, supports PRI readiness.

8. Climate and Human Rights

Singularity acknowledges that climate change and human rights are crucial issues that significantly impact investment performance, regulatory expectations, and long-term value. We treat both as integral to our ESG risk assessment and stewardship efforts.

Climate Risk

We are progressively aligning with the TCFD framework and plan to initiate climate scenario analysis in the near future. For relevant portfolio companies, we have begun tracking Scope 1 and 2 greenhouse gas emissions, with a longer-term goal of including Scope 3 and financed emissions where feasible. Investments in high-carbon sectors such as thermal coal are excluded under our ESG Exclusion Policy.

Human Rights

We adhere to the UN Guiding Principles on Business and Human Rights and the ILO Core Labour Standards. During due diligence and monitoring, we assess risks related to child labour, forced labour, workplace safety, and discrimination. Serious violations are subject to escalation, and we expect all investees to maintain fair, safe, and inclusive working conditions.

9. Transparency and Reporting

Singularity is committed to transparent and accountable disclosure of our ESG practices. We submit annual reports to the UNPRI. We utilize internal dashboards to assess ESG advancements across our portfolio and employ a systematic approach to monitor key events, risks, and performance metrics. These insights inform our portfolio involvement and enhance

accountability. As sustainable reporting frameworks evolve, we aim to gradually align with international norms, including climate-related disclosures under the Task Force on Climate-related Financial Disclosures, greenhouse gas emissions monitoring, and the requirements of SEBI's ESG framework.

10. Policy Review and Updates

This ESG Policy is a living document. As our investment approach evolves and as external standards, regulations, and expectations shift, we will review and update this policy to reflect current best practices and internal realities.

- The policy will be formally reviewed once every year by the Responsible Investment Committee and presented to the General Partner for approval.
- Interim updates may be made if there are significant changes in regulatory guidance, PRI requirements, or Singularity's ESG governance structure.
- Any changes will be communicated to relevant teams, and where applicable, shared with investors and stakeholders.

All previous versions will be archived and retained for reference and audit purposes.