

Responsible Investment Policy



Embedding ESG principles at the core of
investment excellence

SINGULARITY AMC LLP

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1. Introduction

Singularity AMC LLP (“Singularity”) is a growth-focused private equity capital firm established in India. It invests in growth-stage companies across select themes and manages funds across public and private market strategies. We support entrepreneurs in building enterprises that have the potential to change human interaction, lifestyle, and consumption radically. It is a deliberate commitment on the part of our institution to embed sustainability, ethics, and long-term value creation into all stages of our investment lifecycle.

This Responsible Investment (RI) Policy serves as the foundational principle for integrating Environmental, Social, and Governance (ESG) factors across all screening, due diligence, decision-making processes, stewardship activities, and exit strategies throughout the organization. The policy is designed to adhere to internationally recognized frameworks, including the United Nations Principles for Responsible Investment (UN PRI), the Sustainable Development Goals (SDGs), the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the International Labour Organization (ILO) core labour standards, and the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability. It reflects our belief at Singularity that responsible investing is not just an isolated concern but a core strategic lever for creating long-term value, maintaining reputational integrity, and fostering stakeholder alignment.

The policy document was designed and developed through consultations with Singularity’s leadership, the Investment Team, the Responsible Investment Committee (RIC), and the External Advisor. This policy will be periodically reviewed and updated based on the reflections of regulatory expectations, feedback, and internal implementation progress.

2. Purpose

The enduring objective of this RI policy is to build a formal approach at Singularity to incorporate ESG issues into our investment philosophy, processes, and management. The purpose of the policy is to aim at

- Defining the principles that provide us with a strategy towards responsible investment across all asset classes
- Aligning our investment practices with global frameworks such as the UNPRI, SDGs, UN Guiding Principles on Business and Human Rights (UNGPR), IFC Performance Standards on Environmental and Social Sustainability, and plan to align with Task Force on Climate-related Financial Disclosure (TCFD) in the future
- Clearly articulating our priorities and expectations for integrating ESG during every investment stage: pre-investment, decision-making, and post-investment

- Initiating ESG as an opportunity and risk lens that enables improved decision making, enhanced downside protection, and leads to creating pathways for long-term value creation
- Functioning as a guiding document for internal teams, co-investors, investee companies, and external stakeholders seeking transparency on our reporting

Through this evolving policy, Singularity reaffirms its commitment to upholding the principles of responsible investing and making significant contributions to the advancement of ESG practices in the Indian capital market.

3. Our Investment Approach

The overall investment approach at Singularity upholds the principles of UNPRI with a conviction-led and long-term perspective on value creation. Our organization's investment strategies focus on growth-stage companies in financial services, energy transition, enterprise B2B, SaaS, consumer staples, healthcare, and emerging tech, where scalable impact is directly linked to financial return.

We actively pursue:

- Selective capital allocation based on the themes identified sector-wise and aligned with the Indian economic transformation
- Active ownership through governance inputs, board oversight, and ESG roadmap engagement
- Integration of ESG structurally spanning the full investment lifecycle, which is driven by internal policies, designated ownership accountability, and toolkits.
- Singularity will not invest, directly or indirectly, in businesses associated with specific industries. Our excluded or restricted activities are set out in **Appendix A (Exclusion List)**.

Singularity's investment processes will include the following best practices:

- This RI policy supports investee companies in establishing and maintaining their ESG policies ("company policy")
- Review the implementation of company policies through continuous engagement with investee companies
- Establish governance mechanisms for investee companies to report to their board about ESG
- Recording serious incidents and their corrective measures
- Over time, a grievance mechanism must be provided for stakeholders to report alleged breaches of their ESG policy
- Singularity will annually provide its Limited Partners (LPs) with information about this policy, its implementation, serious incidents, etc.

- Singularity will review and update this policy to reflect its sense of best practices, our lessons, and evolving international best practices

4. Scope and Applicability

Our RI policy applies to all investment strategies that Singularity manages or advises on in private and public markets. These guiding principles and procedures can be used at both the firm-wide and investment vehicle levels, subject to contractual obligations and applicable legal requirements.

This policy covers:

- **Asset Classes:** Singularity exercises significant investment discretion or engages in active ownership in asset classes, including private equity (PE), listed equity (LE), and hybrid investment structures
- **Funds and Vehicles:** The fund stage relates to funds currently live and operating, those trying to raise new money, and, when possible, older investees that can later include ESG terms through side letter or RI engagement and ESG acknowledgement provisions, ESG onboarding, and stewardship protocols
- **Decision-Making Roles:** This policy applies to investment decisions made directly by Singularity or indirectly through delegated structures. These decisions are followed by investment committee activities, deal team reviews, and stewardship exercises
- **ESG Governance:** The coverage applies during all the investment stages, such as screening, due diligence, investment approval, post-investment engagement, and exit

Importantly, this policy applies across all assets under management (AUM), including invested capital, uncalled commitments, and cash, wherever Singularity exercises investment discretion or ESG governance influence.

This policy is applicable when:

- Singularity has investment discretion, significant holdings, and influence, such as board representation or contractual rights, which enable ESG terms to be included and enforced
- The policy adheres to regulatory obligations and fund-level documentation such as Limited Partnership Agreements (LPAs) and side letters. Singularity will seek to retroactively apply RI provisions through engagements, side letter amendments, or ESG stewardship clauses where such legal constraints exist

Exclusions and Limitations:

- The policy shall not apply to discretionary mandates selected in cases where the client has chosen to opt out of the policy

- This policy does not apply to externally managed third-party funds where Singularity has no discretion or influence
- In cases where Singularity holds a minority stake, acts in a non-influential position, or is involved in a syndicated transaction with limited control, or when Singularity has an observer seat, our ESG alignment shall be sought through collaborative engagement or escalation practices

Adoption and Implementation Timeline:

The General Partner officially approved our Responsible Investment Policy in January 2025, and the internal RI committee oversees it. Implementation precedes a phased rollout strategy, and we aim to achieve more than 50% coverage of AUM by July 15, 2025, as per the minimum requirements under UNPRI, with progressive scaling thereafter.

5. Guiding Principles & Framework Alignment

As a signatory of the UNPRI, we diligently advocate for these principles in our investment decision-making and stewardship procedures. Our methodology adheres to globally acknowledged frameworks, such as

UN Principles for Responsible Investment: We adhere fully to all six principles, committing to

1. Incorporate ESG issues into investment analysis and decision-making
2. Be active owners, integrating ESG into ownership policies
3. Seek appropriate ESG disclosure from investees
4. Promote PRI implementation within the industry
5. Collaborate to enhance PRI effectiveness
6. Report activities and progress on implementing PRI

IFC Performance Standards - A global benchmark for identifying, assessing, and managing environmental and social risks, especially in emerging markets. Singularity uses these standards as a reference for red flag evaluation, ESG due diligence, and risk mitigation planning

United Nations Global Compact (UNGC): We integrate principles on human rights, labour standards, the environment, and anti-corruption into our assessments.

ILO Core Labour Standards: We uphold fair labour practices, safe working conditions, and non-discrimination.

OECD Guidelines for Multinational Enterprises: We adhere to responsible business conduct, due diligence, and stakeholder engagement.

United Nations Sustainable Development Goals: We aim to align our investment impacts with SDGs, particularly Goals 8, 12, 13, and 16.

Task Force on Climate-Related Financial Disclosures: We plan to integrate climate-related risks into our due diligence and investee monitoring practices, focusing on material topics applicable to our business, in the future.

We recognize sustainability outcomes as central to long-term value creation. Our responsible investment approach aims to generate positive outcomes aligned with the SDGs, with a focus on climate transition, financial inclusion, healthcare access, and strengthening governance.

We will progressively apply guidelines for climate risk and human rights due diligence across the investment lifecycle, drawing from global standards such as TCFD and the UNGC.

6. Governance and Roles

Singularity has established a robust governance framework to effectively implement the principles and practices outlined in this RI policy. It governs the practical implementation, rigorous monitoring, and consistent refinement. Those associated responsibilities are distributed across internal leadership, functional teams, and external advisors to uphold execution, accountability, transparency, and reporting excellence.

General Partner

The General Partner is responsible for overseeing Singularity's investment practices. The responsibilities include

- Approval of RI Policy and its updates
- Receiving ESG performance briefings and risk escalations
- Providing strategic guidance and direction on ESG commitments and investor priorities

Responsible Investment Committee

This RI committee is a central governance body that executes and monitors policy. It comprises senior leadership, an ESG officer, and designated investment professionals. The RI Committee is responsible for

- Reviewing red flag incidents and ESG risk escalations
- Validating the scoring methodologies and ESG KPI framework
- Conducting implementation and coverage audits quarterly (Internal)
- Recommending updates in RI policy to the General Partner based on best practices

Chief Investment Officer / Fund Manager

Supported by Deal Leads, the Chief Investment Officer (CIO), Fund Manager, and the investment team ensure that ESG factors are fully embedded in all investment decisions. Responsibilities include:

- ESG integration into investment sourcing, due diligence, and Investment Committee (IC) documentation
- Identifying and flagging ESG risks and opportunities early in the deal
- Participating in ESG onboarding and monitoring in the post-investment phase

ESG Officer

A designated ESG officer serves as the operational lead for integrating ESG considerations. The responsibilities of this role include

- Maintaining and updating all ESG tools (e.g., checklists, trackers, KPI framework)
- Coordinating risk mitigation plans and ESG Input to IC Memo
- Leading the ESG onboarding and quarterly or periodic checks with investee companies
- Tracking coverage, implementation status, and audit readiness for reporting

Compliance Manager

Our compliance manager ensures that ESG integration processes are well-documented and comply with local laws, regulatory obligations, and PRI requirements. The duties of this team are to:

- Verify ESG coverage data and related disclosures
- Review ESG clauses and side letters
- Support the ESG officer in implementing corrective actions

External Advisor (Need-Based)

The external advisor is responsible for:

- Review the effectiveness of policy implementation
- Benchmark Singularity's practices related to ESG against PRI standards and peer norms
- Train the IC and RI committee on ESG risk recognition and stewardship
- Provide strategic guidance during LP audits and PRI reporting

7. ESG Integration Strategy

At Singularity, ESG integration is a continuous and structural process embedded across every stage of an investment's lifecycle. We acknowledge that ESG maturity in investee companies and asset classes varies, and we are committed to taking consistent, actionable steps toward incorporating sustainability into our decision-making and ownership processes. ESG considerations are integrated into the five stages of the investment lifecycle, which guide our approach to identifying, assessing, monitoring, and managing ESG risks and opportunities in our investments.

Current Implementation Status

As of January 2025, Singularity has formally begun the process of integrating ESG considerations across both Listed Equity and Private Equity strategies. While this integration is evolving in depth and sophistication, key foundational practices have been initiated. ESG analysis is now included in pre-investment documentation, and early-stage ESG tracking mechanisms have been established for select portfolio companies. We are in the process of building internal capabilities and systems to enable deeper ESG integration, climate risk scenario analysis, and active ownership strategies in the years ahead.

By June 2025, Singularity initiated its organization-wide ESG rollout, starting with the issuance of Material ESG Topics Questionnaires and Responsible Investment Engagement Letters to over 30 investee companies. This marks the first formal step in operationalizing ESG integration across the firm's active portfolio.

Human Rights and Climate Guidelines in ESG Integration

As part of Singularity's progressive ESG integration, we acknowledge the increasing importance of systemic sustainability issues, including human rights and climate change. These themes are crucial to long-term value creation, regulatory alignment, and stewardship responsibilities as outlined in the UN PRI. While formal commitments (e.g., Science-Based Targets or Human Rights Due Diligence mandates) are not yet in place, we have adopted forward-looking guidelines for internal integration, engagement, and reporting.

- **Human Rights:** Singularity has adopted preliminary human rights relevance tagging within its ESG evaluation approach. Key areas include supply chain labour practices, access to health, land use, and community rights. Over time, we intend to conduct risk-based human rights assessments at the sector level and support investee alignment with the UN Guiding Principles on Business and Human Rights.
- **Climate Change:** Climate relevance is tracked through greenhouse gas (GHG) exposure, energy transition readiness, and climate risk materiality. While Singularity has not yet made public climate commitments, it plans to conduct sector-level climate impact assessments in the future using established scenario tools (e.g., International Energy Agency or Network for Greening the Financial System frameworks). These will inform ESG scoring, engagement plans, and potential integration into valuation models.

These themes are embedded into our ESG integration approach through various documents such as the ESG Input to Investment Committee (IC) Memo and the Material ESG Topics Questionnaire, which are used across due diligence, onboarding, and stewardship phases. This process enables the identification, tracking, and addressing of human rights and climate issues in proportion to each portfolio company's operating context and ESG maturity.

7.1 ESG Integration Across the Investment Lifecycle: Our Approach

A. Pre-Investment Stage

Screening

- ESG criteria are used during the initial screening phase to identify investments that align with our values and policies
- We apply preliminary ESG red-flag checks and consider exclusion lists or sectoral concerns as part of early-stage evaluation

• *Due Diligence and Pre-Investment Evaluation*

- ESG materiality assessments are conducted using sector-relevant frameworks such as Sustainability Accounting Standards Board (SASB), TCFD, and Global Reporting Initiative (GRI)
- For high-impact sectors and geographies, the IFC Performance Standards guide environmental and social risk identification, red flag classification, and ESG mitigation planning
- Investment memos include a dedicated ESG section detailing risks, opportunities, and potential engagement areas
- Scoring of ESG risks and opportunities falls into two layers: the sector level and the investee company level
- An internal ESG scoring system has been introduced to support informed decision-making
- Climate-related risks are not yet quantitatively modelled but are expected to be incorporated into valuation frameworks shortly through the development of a structured climate risk premium methodology

Investment Decision and Approval

- ESG findings are presented to the Investment Committee alongside financial analysis
- Material ESG risks or controversies flagged during due diligence are considered as part of the final investment decision
- Investment decision is dependent on ESG Due Diligence (DD) findings that are formally included as ESG Input to IC Memo, along with commentary on key risks, KPIs, incidents, controversies, and mitigation plans
- The ESG requirements are incorporated in the contractual documents

B. Post-Investment Stage

Ownership and Active Stewardship

- Post-investment, ESG indicators are tracked for select portfolio companies
- We have begun documenting ESG-related risks and value-creation levers identified during the due diligence process

- Each investee company is issued a Material ESG Topics Questionnaire as part of onboarding. This step supports the finalization of ESG KPIs and helps establish a baseline performance across environmental, social, and governance areas
- Foundations are being laid for a structured engagement framework and escalation protocols to address unresolved ESG issues
- Where Singularity holds shareholder rights, particularly in Private Investment in Public Equity (PIPE) and Listed Equity transactions, proxy voting is exercised to promote ESG performance, alignment with long-term sustainability goals, and good governance practices. Voting decisions will reflect material ESG factors and stewardship priorities

Exit

- While formal ESG performance reviews at exit are not yet standardized, we aim to incorporate ESG considerations into exit planning by evaluating the sustainability progress achieved during the holding period
- ESG learnings from each exit will be captured to inform future investment approaches

C. Future Roadmap

We recognize that ESG integration is a progressive journey. Singularity will continue to expand the scope and depth of ESG integration through:

- Development of sector-specific ESG approach
- Formalization of climate risk modelling in valuations
- Enhanced portfolio-wide ESG data management systems
- Structured engagement, voting, and stewardship programs

Our commitment is to align our practices with global sustainability frameworks, PRI Principles, and emerging regulatory expectations, while continually improving the way we assess and manage ESG risks and opportunities. Singularity may engage with policymakers, regulators, or industry bodies to advocate for responsible investment principles, thereby enabling a more sustainable capital market ecosystem.

Current Position on Climate Risk Integration

Currently, Singularity does not formally integrate climate-related risks either qualitatively or quantitatively into its valuation models for Listed Equity or Private Equity investments. We recognize the increasing financial relevance of climate risks, including adjusting discount rates or expected returns to account for a climate risk premium. As part of our responsible investment roadmap, we are committed to developing and implementing a structured approach to assess and integrate climate-related financial risks using established scenario tools. This methodology is intended for future adoption and will be incorporated into upcoming investment analysis and decision-making processes.

8. Conflicts of Interest & Internal Controls

Singularity recognizes that conflicts of interest may arise during the integration of ESG factors into investment decisions, ownership activities, or interactions with clients, portfolio companies, and stakeholders. As we have only recently begun formal ESG integration across our investment processes in early 2025, we are mindful of the need to establish clear and consistent safeguards that ensure objectivity, transparency, and alignment with our fiduciary responsibilities.

At this stage, our internal ESG assessments and stewardship practices are evolving. While the risk of material ESG-related conflicts is currently limited, we anticipate that as our engagement and influence expand, particularly through active ownership and climate-related strategies, managing such conflicts will become increasingly critical.

We are committed to:

- Identifying and disclosing potential ESG-related conflicts of interest, including cases where commercial objectives may diverge from responsible investment goals
- Implementing internal controls and role segregation to avoid undue influence or bias in ESG assessments and investment decisions
- Establishing escalation mechanisms for material conflicts to be reviewed by senior leadership or the compliance team
- Reviewing and updating our conflict management procedures as our ESG practices deepen and our stewardship activity grows

In the near future, as we enhance our ESG integration, we intend to embed these safeguards within a formalized ESG risk oversight framework, aligned with industry standards, the PRI's expectations, and relevant regulatory developments. We aim to ensure that ESG integration strengthens, not compromises, the integrity of our investment decisions and the interests of our clients.

9. Transparency & Reporting

Our RI Policy is publicly available on our website. Similarly, our PRI Transparency will be publicly available annually on the PRI website. We plan to disclose our stewardship activities on a quarterly basis soon. We also plan to share a periodic update with our investors.

Appendix A: Exclusion List

List of activities and assets of portfolio companies where investment is prohibited under Singularity's policies:

Category	Description
Controversial Weapons	Manufacture or distribution of weapons banned by international conventions (e.g., cluster munitions, landmines, biological or chemical weapons)
Civilian Firearms & Ammunition	Production or wholesale of small arms and ammunition intended for civilian use
Tobacco & Nicotine Products	Production or large-scale distribution of tobacco, vaping products, or related inputs
Adult Entertainment	Production or commercial distribution of pornography or sexually explicit media
Gambling & Betting	Companies primarily engaged in casinos, online betting platforms, sports gambling, or state-licensed lotteries.
Thermal Coal	Companies deriving >30% of revenues from thermal coal extraction or coal-based energy generation
Predatory Lending	Payday lenders or high-interest loan providers are exploiting financially vulnerable individuals.
Human Rights Violations	Documented violations of core labour standards, including child labour, forced labour, or systemic discrimination.
Non-Medical Animal Testing	Use of animal testing in cosmetics, household products, or similar consumer goods where alternatives exist
Indigenous Rights Violations	Projects that result in displacement, cultural destruction, or operate without Free, Prior, and Informed Consent (FPIC)
Illegal Deforestation/Biodiversity Destruction	Business models driving illegal logging, destruction of critical habitats, or non-compliance with local environmental laws
Severe ESG Governance Failures	Entities with unresolved corruption cases, recurring governance violations, or systemic regulatory non-compliance