DISCLOSURE STATEMENT

OPERATING PRINCIPLES FOR IMPACT MANAGEMENT

Omnivore Capital Management Advisors Private Limited ('Omnivore', 'we' or 'us') hereby affirms its status as a Signatory to the Operating Principles for Impact Management ('Impact Principles').

This Disclosure Statement applies to the following Fund(s) with the Impact Principles:

- Omnivore Partners India Fund 2 ("Fund 2")

The total assets under management (AUM) of Fund 2 in alignment with the Impact Principles is INR 6.75 billion (approx. USD 90 million as on 31 March 2022[1]).

Mark Kahn Managing Partner	**Jinesh Shah** Managing Partner

Date: 18 June 2022
Place: Mumbai, India

[1] Exchange rate considered: 1 USD = INR 75

Principle 1: Define Strategic Impact Objective (s), consistently with the Investment Strategy

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals.

The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that:

(a) The impact objectives and investment strategy are *consistent*.

(b) That there is a *credible basis* for achieving the impact objectives through the investment strategy; and,

(c) That the scale and/or intensity of the intended portfolio impact is *proportionate* to the size of the investment portfolio.

- As an Impact Manager, Omnivore invests in early-stage enterprises supporting the future of agriculture and food systems in India. Our portfolio companies create significant impact for the smallholder farmers and the environment.
- Our theory of change (TOC) is based on four key pillars (refer to **Figure 1** below) that we believe are critical to help us achieve our vision of driving agricultural prosperity and transforming food systems in India. These are:

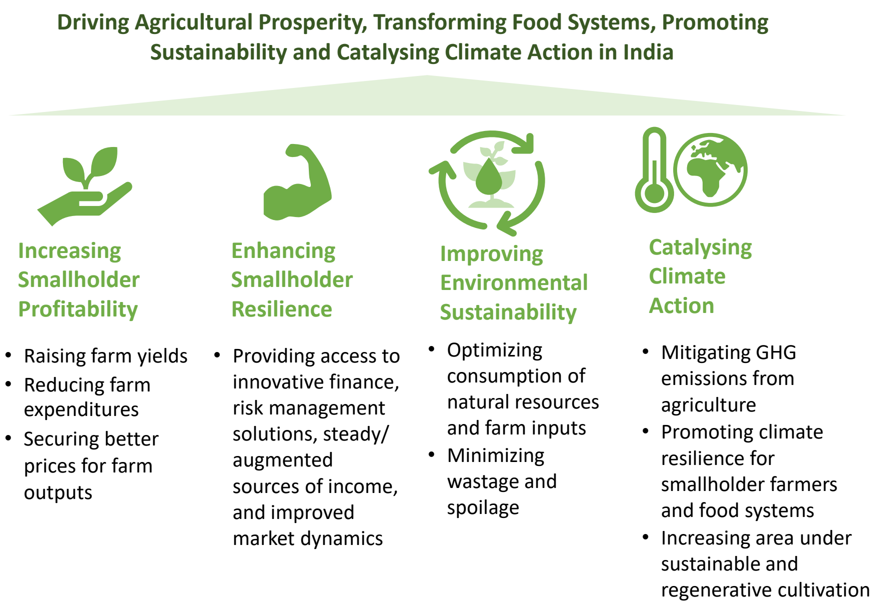

Figure 1 Omnivore's 4 pillars under its Theory of Change

- Our investment strategy and impact objectives are aligned. Our investment strategy involves investing in start-ups developing breakthrough innovations for agriculture, food, climate, and the rural economy. Hence, Omnivore's investment strategy and impact theses are aligned.

- A detailed list of indicators under each pillar, and their alignment with the internationally accepted impact indicators including GIIN IRIS+, HIPSO and Sustainable Development Goals (SDGs) is presented in **Annexure A** (refer to page 11)**.**
- We evaluate all potential investments through the lens of the four pillars of Omnivore's Impact Policy at the pre-onboarding stage itself.
- The impact performance of the portfolio companies post-onboarding is reviewed through the annual impact measurement and monitoring process (Please refer to **Principle 2**).
- Since impact is ingrained in the business model of the portfolio companies, impacts created are proportional to the extent of operations. Hence, indirectly, at a portfolio level, our portfolio investments are proportional to impacts created.

Principle 2: Manage Strategic Impact on a Portfolio Basis

The Manager shall have a process to manage impact achievement on a *portfolio basis.* The objective of the process is to *establish and monitor impact performance* for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio.

As part of the process, the Manager shall consider *aligning staff incentive systems* with the achievement of impact, as well as with financial performance.

- Omnivore has a structured process to assess impact across its existing Fund 2 portfolio, which includes the following:
  - Prior to onboarding all investments are filtered through the Theory of Change pillars to ensure that they are aligned with Omnivore's impact thesis. For most of these companies, impact is ingrained in their business model.
  - Based on the theory of change, Omnivore has developed meaningful and practical metrics (please refer to **Annexure A**) aligned to the four impact pillars that best capture the impact of Omnivore's portfolio. While portfolio companies may align themselves under different impacts pillars, at portfolio level impacts can be aggregated and reported (please refer to **Principle 4** and **Principle 6**).
  - The metrics keep a sharp focus on practicality of measurement given the early-stage nature of portfolio companies with limited resources to spare from the core business and the data-scarce agricultural context of India.
  - For each portfolio company, Omnivore identifies relevant outcome pillars and metrics. Our impact team conduct an annual impact monitoring and measurement survey, collecting data against identified metrics annually -

using a mix of (a) company-reported data, (b) smallholder farmer surveys, and (c) secondary benchmarks. The team then aggregates data on impact metrics from different companies into a consolidated portfolio level impact assessment. Please refer to Fund 2 Portfolio Impact Report for FY21 (Link).

- Impact is fundamental to Omnivore's investment and portfolio management processes. Each potential portfolio company is expected to create impact and align with Omnivore's Theory of Change. While the employee incentive system does not currently include a separate component for impact achievement, Omnivore is evaluating ways to further incorporate impact performance into team incentive structures.

Principle 3: Establish the Manager's contribution to the achievement of impact [2]

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through *one or more financial and/or non-financial channels*. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

- As a Manager, Omnivore is the first Indian VC firm with dedicated focus on agriculture. Over the past decade, Omnivore has led the first institutional investment in 40+ companies and has helped catalyse significant follow-on funding from other investors to build a vibrant Indian agritech ecosystem.
- The investment in the early stages of the portfolio company (pre-seed, seed, and series A) helps us infuse value adds including ESG, impact, business integrity, and technology-driven offerings into the DNA of the portfolio company, which lasts long after Omnivore makes an exit (please refer to **Principle 7**).
- As an early-stage investor, we form long-standing partnerships with founding teams to collectively drive business growth and drive value creation for stakeholders. Omnivore's team provides support in developing business strategy, facilitates mutually beneficial partnerships and collaborations with other portfolio companies and ecosystem stakeholders, and offers technical and market advice to companies as needed.
- We also actively engage with portfolio companies to shape their Finance & MIS, human resource management, ESG, legal compliance and impact management practices. In addition, we use these engagements to develop their internal capacity to sustain these in a long run.

[2] For example, this may include improving the cost of capital, active shareholder engagement, specific financial structuring, offering innovative financing instruments, assisting with further resource mobilization, creating long-term trusted partnerships, providing technical/ market advice or capacity building to the investee, and/or helping the investee to meet higher operational standard.

- Omnivore is in the process of developing a Technical Assistance (TA) facility for Fund 2 companies with the help of funders. The goal of the TA is to help portfolio companies: (a) expand into high-risk, high-impact markets, (b) design products for the bottom-of-the-pyramid market, (c) develop new technologies to improve service offerings, and (d) train smallholder farmers to use tech tools to increase productivity. TA will strengthen portfolio company's resilience by helping them develop new offerings and enter new markets.

Principle 4: Assess the expected impact of each investment, based on a systematic approach

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions:
(1) What is the intended impact?
(2) Who experiences the intended impact?
(3) How significant is the intended impact?

The Manager shall also seek to assess the likelihood of achieving the investment’s expected impact. In assessing the likelihood, the Manager shall identify the *significant risk* factors that could result in the impact varying from ex-ante expectations.

In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager’s strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

- Impact is central to Omnivore’s investment process. Each potential investment is filtered through our Theory of Change (ToC) pillars and mapped to the relevant impact metrics (*which are aligned to GIIN’s IRIS+ indicators, SDGs and HIPSO indicators*) to understand **WHAT** impacts to expect. A group of impact indicators are chosen based on their alignment with Omnivore’s impact metrics. Omnivore’s impact metrics, with aligned IRIS+, SDGs and HIPSO indicators, is available in **Annexure A.** Having a measurement framework is only imperative.
- Identification of the relevant stakeholders (i.e., **WHO**) is generally embedded in the portfolio companied business model. In most cases, the intended stakeholder are smallholder farmers. All Investment Memorandums (IM) include a section where potential impacts are hypothesized (i.e., **WHAT**) at the time of investment following Impact Management Project’s (IMP)[3] approach. This is discussed at Investment Committee in depth before proceeding with the investment.

[3] Impact Management Project (https://impactmanagementproject.com/)

- During the annual impact measurement and monitoring exercise (please refer to **Principle 2**) a systematic evaluation (i.e., **HOW SIGNIFICANT**) of the intended impacts is carried out and reported. Moreover, this helps us in (a) aggregation of impacts at portfolio level and (b) comparing impacts on year-on-year basis.
- As we invest in early-stage companies, which may fail to scale up, or their business models could potentially pivot; hence the chances of actual impacts varying from ex-ante expectations are significant. This **RISK** is significantly mitigated through, (a) close observations of portfolio company's fundamentals, (b) continuous engagement with founders, and (c) assistance in securing catalytic capital to ensure financial viability.
- Any significant risks or negative impacts ingrained in the business model are identified during pre-onboarding Environmental and Social (E&S) Due Diligence (ESDD) assessments and annual monitoring exercises (please refer to **Principle 5**).

Principle 5: Assess, address, monitor, and manage potential negative impacts of each investment

For each investment, the Manager shall seek, as part of a systematic and documented process, *to identify and avoid, and if avoidance is not possible, mitigate and manage* Environmental, Social and Governance (ESG) risks.

Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice.

As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and, where appropriate, engage with the investee to address gaps and unexpected events.

- Omnivore has adopted an Environmental and Social (E&S) Management System (ESMS)[4] and ESDD procedure based on IFC Performance Standards, 2012 and the World Bank Group EHS Guidelines. Further, Omnivore is also a signatory to the UN Principles for Responsible Investment (UNPRI).
- All Portfolio Investments are required to meet: (a) Indian Environmental, Occupation Health & Safety and Social (viz. Labour and Community) regulations, (b) IFC Performance Standards and World Bank Group EHS guidelines (whichever is applicable), (c) ILO conventions ratified by India.
- We focus on understanding and evaluation of the E&S risks early in the investment cycle. During the investment screening process, investment team members conduct an initial categorization of E&S risks and document that in the Investment Committee Memo (IM).

[4] Please refer to Omnivore Fund 2 Environmental & Social Management System (ESMS). Link.

- As a part of the due diligence process, we engage reputed independent ESG consultants to conduct an ESDD. Key E&S risks identified are mitigated by developing an Environmental & Social Action Plan (ESAP). The ESAP is agreed between the portfolio company and Omnivore.
- Any unmitigable, systemic, or residual risk is brought to the notice of the Investment Committee.
- Post investment, Omnivore monitors progress against agreed ESAP and agreed KPIs through periodic review meetings. We carry out annual review of all portfolio companies to understand: (a) any unforeseen pivots in the business model, (b) inclusion of ESG considerations in business model and decision making, (c) achievement of ESAP targets. Any unprecedented or unforeseen risk is mitigated through adding new ESAP and, if need be, existing ESAP is realigned to meet emergent risk profile, organizational capacity, and stakeholder responses.

Principle 6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately

The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. It shall monitor progress using a predefined process for sharing performance data with the investee.

To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

- Omnivore has a robust and standardized system for impact measurement and monitoring (IMM) across all portfolio investments.
- At the time of investment, each company is mapped to the relevant subset of Omnivore's impact metrics (Please refer to **Principle 2**). In case a company's business model or impact proposition changes, the mapping is updated.
- Omnivore's impact team carries out annual impact measurement and monitoring of portfolio companies using the impact metrics identified (please refer to **Principle 4**). Impact made by the portfolio companies under these impact metrics is quantified, measured, and reported. Our impact measurement method helps us measure impacts: (a) company-wise, (b) impact pillar-wise and (c) on year-on-year basis.
- Data is collected against these metrics through three key sources.
  - *Portfolio company specific information:* Omnivore collects MIS and other relevant data directly from company systems. Our impact and Finance & MIS

teams actively work with portfolio companies to develop monitoring systems needed to capture the relevant impact data.

 - *Impact data from smallholder farmers:* Omnivore engages a reputed survey agency to undertake telephonic surveys of smallholder farmers connected with the portfolio companies and gathers quantitative and qualitative impact information.
 - *Secondary data:* we combine these primary data collected from companies and farmers with secondary data and benchmarks (e.g., GHG emissions factors) to calculate impact achievement by companies across different metrics.

- These datapoints are aggregated annually to build a complete picture of the portfolio's impact and identify areas of high and low achievement. The learnings from impact achievement by the portfolio are documented in impact reports that are shared publicly to build ecosystem knowledge.
- Please refer to Fund 2 Portfolio Impact Report for FY21 (Link).

Principle 7: Conduct exits considering the effect on sustained impact

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect, which the timing, structure, and process of its exit will have on the sustainability of the impact.

- Omnivore's broadly analyses possible future exit options as part of the IM submitted to the Investment Committee. We assume an exit period sometime between 5-7 years post onboarding, with an expectation of business maturity and market development over these years.
- As we work with portfolio companies, we help them develop internal systems and capacities to identify, develop, and sustain Impacts and ESG practices. Please refer to **Principle 3** for more details.
- Omnivore's *Responsible Exit Guidance Note* guides our action prior to and during any proposed exits. It sets 'impact continuity' as the minimum expectation at exit. It mandates that the following key considerations throughout the lifecycle of the investment:
  - *Exit Timing* – A suitable long-time horizon and route to make exit from a portfolio company.
  - *Exit Approach* – parameters for selection of a likeminded and responsible buyer, which might support the non-financial (impact and ESG) journey of the portfolio company post Omnivore's exit.

  - *Impact Continuity* – Omnivore's continued emphasis on impacts, ESG, business integrity and good governance encourages portfolio companies to scale up and secure catalytic capital even post Omnivore's departure.
- At the time of complete exit, Omnivore prepares an Exit Memo, summarizing the impact created by the investment, key learnings to take forward for future investments, and any risks that are foreseen around the sustainability of impact.

Principle 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

- Prior to setting off the annual impact measurement and monitoring process, and after completion of the annual impact report, Omnivore's impact team conducts a group brainstorming session. This session aims to refresh the impact hypotheses, and identify key challenges and lessons learned.
- We have continually improved the rigor of our impact identification and management process, including impact hypotheses, sampling methodology, statistical precision, and selection of secondary data & values.
- Further, we document and share these learnings in our impact reports. By publicly sharing the portfolio's impact achievements and findings, we seek to inform the broader agriculture and impact investment ecosystem's thinking on '**WHAT WORKS'**, catalysing funding and entrepreneurs to area and solutions with demonstrated ability to unlock impact.

Principle 9: Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for an independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

- This Disclosure Statement re-affirms the alignment of Omnivore's policies and procedures with the Impact Principles and will be updated annually.
- Omnivore has engaged BlueMark[5], a Tideline company, to independently verify the alignment of Omnivore's impact management practices with the Operating Principles for Impact Management, an industry standard for integrating impact throughout the investment lifecycle. BlueMark's assessment findings cover both areas of strength and areas for improvement, as reflected in the Verifier Statement.
- The BlueMark Verifier Statement is valid for a period of 2 years, from May 2022 to May 2024.

[5] BlueMark is a leading independent provider of impact verification services in the impact investing market. BlueMark is a subsidiary of Tideline Advisors, LLC, a specialised consulting firm that works with asset managers and allocators to design and implement best in class impact management and measurement systems. Please visit https://bluemarktideline.com/

Annexure A: Omnivore's impact metrics and alignment with IRIS+, SDGs and HIPSO indicators

Theme	Sub-theme	Metrics	IRIS+	SDGs	HIPSO
Reach metrics					
Farmer reach		№ of Smallholder farmers linked to all portfolio companies (#)	PI6372; PI991	SDG 2: Zero hunger	AG-03: Farmers Reached
Outcome metrics					
Smallholder profitability		Amount of economic value created for Smallholder farmers (USD)	Combination of PI568, PI9421, PI5935, PI748, FP1012	SDG 1: No Poverty SDG 2: Zero Hunger SDG 8: Decent Work & Economic Growth	AG-01: Average Agricultural Yield AG-04: Total Sales
Smallholder Resilience	*Absorptive capacity*	Insurance coverage enabled (USD)	Modification of PI2025	SDG 1: No Poverty SDG 2: Zero Hunger	
	Adaptive capacity	Credit accessed/ loans disbursed (USD)	PI5476	SDG 1: No Poverty SDG 2: Zero Hunger SDG 9: Industry, Innovation & Infrastructure	
	Transformative capacity	Sales to resilient (organized) value chains- processors, organized aggregators, exporters (USD)	Modification of PI4982	SDG 1: No Poverty SDG 2: Zero Hunger SDG 17: Partnership for the Goal	AG-04: Total Sales AG-02: Export Sales PF-02: Market Linkages Improved or Expanded
Agricultural Sustainability		Reduction in chemical use (kg)	OI9891	SDG 12: Responsible Consumption & Production SDG 6: Clean Water & Sanitation	
		Reduction in food waste (MT)	PI5678; PI5926.	SDG 12: Responsible Consumption & Production	
Climate action	*GHG emission reduction*	Amount of GHG emission avoided (MT)	Combination of PD2243, PI5376, OI5951, PI2764, OI4862	SDG 13: Climate Action SDG 7: Affordable & Clean Energy	TA-11: GHG Emissions TA-12: GHG Emissions Sequestration
	Climate resilience	Area under sustainable cultivation: reduced energy use, chemical use, water use (Ha)	OI6912; PI6796	SDG 2: Zero Hunger SDG 12: Responsible Consumption & Production SDG 13: Climate Action	TA-16: Land Use
		Reduction in water consumption (L)	OI4015	SDG 12: Responsible Consumption & Production SDG 6: Clean Water & Sanitation	TA-13: Water Consumption TA-17: Sustainable Management of Natural Resources
Ancillary Metrics					
Catalytic Capital		Finance catalysed into agriculture sector (USD)	FP2638; FP5662.	SDG 2: Zero Hunger	-

Theme	Sub-theme	Metrics	IRIS+	SDGs	HIPSO
Employment Generation		№ of direct employment created in portfolio companies (#)	PI3687	SDG 8: Decent Work & Economic Growth SDG 10: Reduced inequality	TA-10: Direct Jobs Created by the Investment
Gender impact		Women participation in workforce in portfolio companies (%)	OI6213 (for portfolio companies)	SDG 5: Gender Equality SDG 10: Reduced inequality	PE-17: Female Direct Jobs Supported in the Intermediary