

AIKYA

Certified



Corporation[®]

2022/23 Impact Report

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Leadership Letter

We are proud to write our first annual B Corp Impact Report. Having established Aikya in 2020, we view B Corp certification as an important milestone for our business.

As a young company, we have the fortune of being able to design the organisation as we wish because we are not beholden to any legacy processes. There is a strong desire amongst the team to ensure that there is no disconnect between our own levels of stewardship, and the expectations that we place on the companies we invest alongside. With transparency and accountability in mind, we are also keen to be held to high external standards, which led us to B Corp.

As investors in Emerging Markets, we have long recognized the importance of taking care of all stakeholders and believe long-term investment returns go hand-in-hand with solving sustainable development challenges. In fact, the word Aikya is a Sanskrit word that means 'oneness', which reflects our belief that business and sustainability challenges are essentially the same.

The bulk of our impact efforts are focused on engaging with our investee companies, since this is where we can have the greatest impact. Having built long-term relationships with company management teams, we are able to nudge businesses in the right direction when it comes to their own environmental and social commitments. During the reporting period, it has been pleasing to see our investee companies respond to environmental and social challenges, on topics such as renewable energy and health & wellbeing.

We have sought to align ourselves with likeminded clients who also want to have a positive impact within Emerging Markets, and are pleased that many clients and prospects recognize the importance of B Corp, with some even going through the certification process themselves.

In the next few years, we will also look to improve Aikya's footprint wherever we can, whilst doing more for our community both in London and in those Emerging Markets where our business is focused.

Ashish Swarup
Managing Director

Our Journey to Certification

Establishing the quality of stewardship for the companies we choose to invest in (on behalf of our clients) is at the heart of our investment philosophy. We look for a strong sense of purpose, environmental and social stewardship, exemplary governance, and a well-aligned organizational culture. Our core belief is that high-quality stewards align their businesses with the interests of all stakeholders, and business groups that incorporate sustainable thinking into everyday decision making are going to be the long-term winners.

Shortly after Aikya was formed, we began to consider whether Aikya as a company would pass our own assessment of quality, i.e. we asked ourselves, would we invest in Aikya? We decided that we wanted to hold ourselves to the same high standards to which we hold our investee companies and felt that third party assessment was the way to go. For us, the B Impact Assessment seemed perfect for this, and its focus on all stakeholders (rather than just shareholders) is completely aligned with the way that we invest on behalf of our clients.

Becoming a B Corp has impacted Aikya's business in many ways, some of which we discuss briefly below:

1. The initial B-Impact assessment and our understanding of the ongoing responsibilities of a certified B Corp, have helped us remain focused on continuous assessment and improvement of our organization. The certification process provided us with a simple framework from which we can think about and make plans to improve our impact.
2. Our certification has helped us to attract like-minded clients who share our view on sustainable and responsible investment in Emerging markets. Not only does this support the success of our business, but we believe it increases the pool of capital being invested in a responsible and positive way within Emerging Markets.

B Corp score and goals for recertification

Aikya was first certified as a B Corp in August 2022, having achieved a B Impact Assessment Score of 116.1. Our scores in each impact area were as follows:

Governance - 17.9

Workers – 27.6

Community – 15.8

Environment – 5.3

Customers – 49.3

Aikya will apply for re-certification in August 2025. It is our aim to maintain or improve upon our initial certification score of 116.1.

Impact Area plans and progress

| Governance | |
|---|--|
| <i>What we said we'd do</i> | <i>What we did</i> |
| Develop our corporate mission to include specific social and environmental impact objectives. | Extended our mission statement to include six specific Sustainability Impact Goals. |
| Write an Aikya Staff Handbook | Wrote and adopted a new staff handbook incorporating (See people section for some specific policy improvements made during the period) |

| Workers | |
|---|--|
| <i>What we said we'd do</i> | <i>What we did</i> |
| Adopt/improve a number of people related policies | <ul style="list-style-type: none"> Increased paid caregiver (no differentiation in gender) leave to up to 6 months (from statutory leave previously). |

| | |
|--|--|
| | <ul style="list-style-type: none"> • Added option to carry-over up to 5 days of annual leave • Committed to conducting annual gender pay gap review • Increased performance review rate to twice yearly • Added cycle to work scheme |
| Improve financial incentives for staff | <ul style="list-style-type: none"> • 67% of non-founder, non-exec employees received a monetary bonus (previously 0%). • All staff received a cost-of-living adjustment to their base salary. |
| <p><i>Plans for the next 12 months</i></p> <ul style="list-style-type: none"> • Formulate plans to broaden equity/profit participation. • Improve pension and employee insurance benefits. | |

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|--|--|
| Environment | |
| <i>What we said we'd do</i> | <i>What we did</i> |
| <ul style="list-style-type: none"> • Project to design and monitor the environmental impact of Aikya's operations. | <ul style="list-style-type: none"> • Requested and began receiving/recording energy use data from our office provider. • Identified service provider to assist with the tracking of environment-related data points (staff travel, working arrangements, energy usage etc) |
| <p><i>Plans for the next 12 months:</i></p> <ul style="list-style-type: none"> • <i>Implement Environmental Impact tracking processes.</i> • <i>Establish baseline year data points.</i> | |

| Community | |
|--|--|
| <i>What we said we'd do</i> | <i>What we did</i> |
| <ul style="list-style-type: none"> • Include a statement in all our job postings with a commitment to DEI | <ul style="list-style-type: none"> • As planned, we improved our job postings to include wording on DEI commitment. |
| <ul style="list-style-type: none"> • Continue our work with organization's promoting gender diversity in the Financial Services sector | <ul style="list-style-type: none"> • Provided internship to one individual via the Girls Are Investors (GAIN) program - <u>What We Do — GAIN (gainuk.org)</u> |
| <p><i>Plans for the next 12 months</i></p> <ol style="list-style-type: none"> 1. Research local charities to identify partners with whom Aikya staff can take part in fundraising and volunteering opportunities. 2. Continue to collaborate with groups focused on gender diversification in the Financial Services sector. | |

| Customers | |
|--|--|
| <i>What we said we'd do</i> | <i>What we did</i> |
| Work to increase scope 3 emission reporting of listed companies | We have engaged extensively with portfolio companies on the topic of scope 3 emission disclosure |
| | |
| <p><i>Plans for the next 12 months</i></p> <ol style="list-style-type: none"> 1. Continue Scope 3 and other environmental engagement activity so as to continually improve the quality of client portfolios and client reporting. | |