

March 2024



Foreword



At Fireside Ventures, we are passionate about doing good to do well. We believe that it takes all of us working in concert – investors, founders, enablers, and the ecosystem – to practise what we call the **Value of Good**.

It's been seven years, and three Funds since our journey began. In the past three years, we have become a signatory to the UNPRI (Principles of Responsible Investment). A gender-balanced team. Begun carbon offsetting our travel, and our events. And articulated the pillars of this practice.

We have also been working with our portfolio companies to help them build responsible, sustainable, ethical businesses, and brands. It's been a privilege to help realise the vision of so many founders – **67%** of whom are first-time entrepreneurs, and **45%** of whom are women. We're very proud to have helped set in place **27** board-approved ESG roadmaps for our companies.

This report is the next step of our endeavour, and is a snapshot of the state of play across our portfolio companies. This first report will act as a baseline for us to define our immediate priorities, as well as measure the efforts – and the impact – of the coming years.

We hope that founders and investors alike find something of value here, whether in the form of ideas, initiatives, or examples. This is, and will always be, a collective effort.

Kanwaljit Singh
Founder and Managing Partner
Fireside Ventures

Acknowledgements

We extend our heartfelt gratitude to our portfolio companies for their invaluable contribution in sharing their data, which has significantly enriched the depth and breadth of our ESG Report. Their dedication, transparency and commitment to driving positive change are commendable, and we are deeply appreciative of their collaboration with us. Furthermore, we express our sincere appreciation to Breathe ESG for their support in collating and analysing the data.

A quick round of thanks to Sangeeta Velegar and Ravi Rana for their help with the content and design – this would not have come together without their help.

Co-authored by Reemsha Reen and Vasudha Mathur

All data is as of FY23 unless specified otherwise.

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INTRODUCTION

Introduction

Fireside Ventures is committed to building responsible and sustainable brands. We started our ESG journey in 2021, by signing up for [UNPRI](#) and since then have instituted Value of Good practices within Fireside as well.

Since 2022, we have offset close to 250K MT of CO₂ that we emitted via events and travel. Gender balance at Fireside Venutres is now at 50-50, and we have built robust governance practices.

We are also witnessing a global and industrial push towards -



28% vs. 20%¹

Products with ESG-related claims grew by 28% over past 5 years, versus 20% for products that made no such claims.



78%²

of global investors are placing more emphasis on ESG than they did five years ago.



15%³

Compound Annual Return over last 10 years by Indian companies with high ESG ratings, versus 8% for low rated companies

ESG is an integral part of our deal process

Sourcing



Diligence

- Fireside's ESG Policy is UNPRI approved
- Fireside has instituted an exclusion and non-negotiable list
- All deals have ESG DD which is 3rd party led

Deal Closure

- CPs include adoption of key ESG policies – **conditions precedents enabled policy implementation from 40% (term sheet) to 90% (prior to deal closing)**
- ESG roadmaps approved by the Board for every deal since 2021 – 27 so far

Portfolio Value Creation



Process

- Regular ESG review with Board and founders
- ESG Lead appointed in companies
- Built key ecosystem partnerships to enable execution
- Playbook and resource compendium

Programs

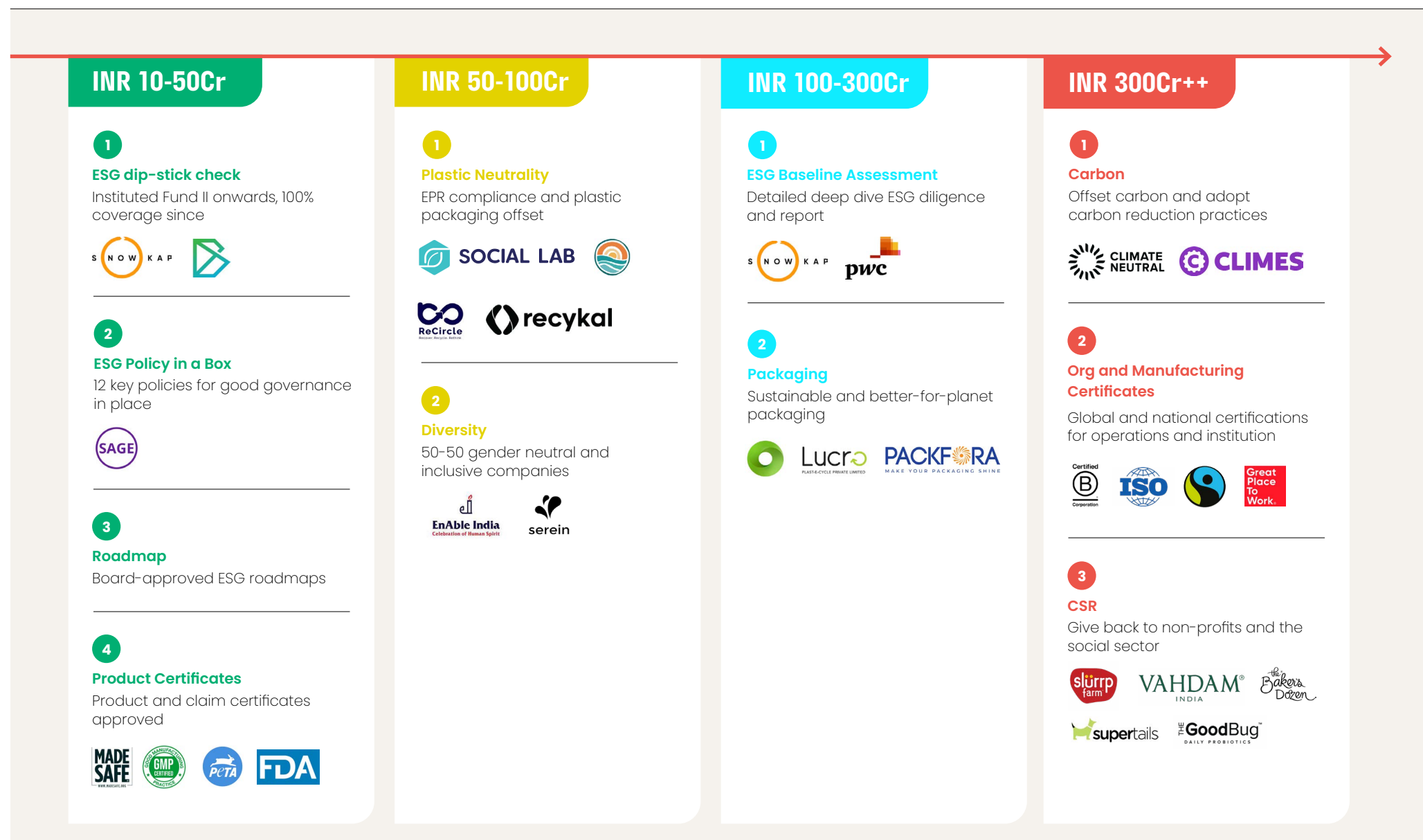
- **INR 10-100Cr** focuses on governance policies, plastic neutrality and diversity
- **INR 100-500Cr** focuses on packaging, sourcing and certifications

¹ Am, J. B., Doshi, V., Noble, S., & Malik, A. (2023, February 6). Consumers care about sustainability-and back it up with their wallets. McKinsey & Company. <https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/consumers-care-about-sustainability-and-back-it-up-with-their-wallets>

² Lightowler, Z., Mattios, G., Yang, J., & Zehner, D. (2022, June 27). Unpacking Asia-Pacific Consumers' new love affair with Sustainability. Bain. <https://www.bain.com/insights/unpacking-asia-pacific-consumers-new-love-affair-with-sustainability>

³ ESG and Global Investor Returns Study. Kroll. (n.d.). <https://www.kroll.com/en/insights/publications/cost-of-capital/esg-global-investor-returns-study>

We have a stage-gated and partnership-led approach towards building best-in-class responsible brands

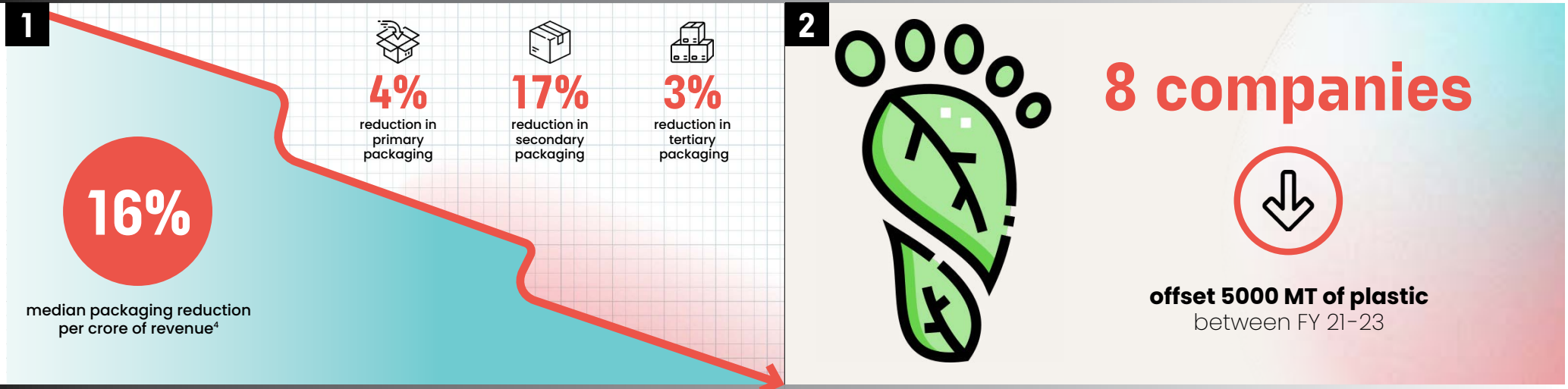


OVERVIEW

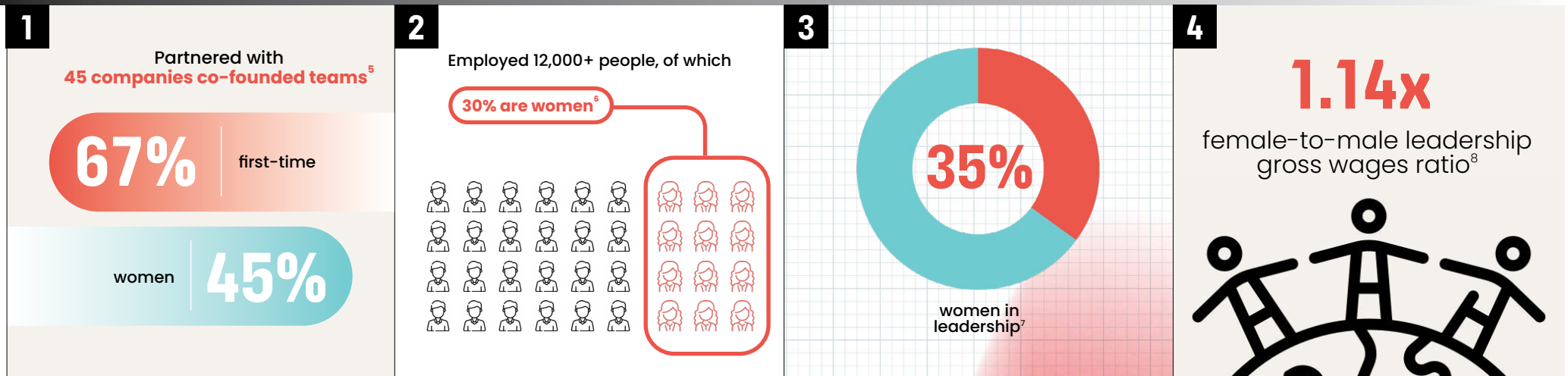
Overview

Since 2017, Fireside has been partnering founders of consumer brands on their journey to delight a new generation of consumers. These founders are disruptive not just in their use of the digital ecosystem but also in the way they build their brands – responsibly, sustainably, and with a view of making the world a better place. In FY23, our companies cumulatively generated a revenue of INR 7800Cr+. We have also made progress on Environment and Social aspects.

→ ENVIRONMENT



→ SOCIAL



⁴ N=7
⁵ 2017 - 2024
⁶ N = 36
⁷ N = 17
⁸ N = 7

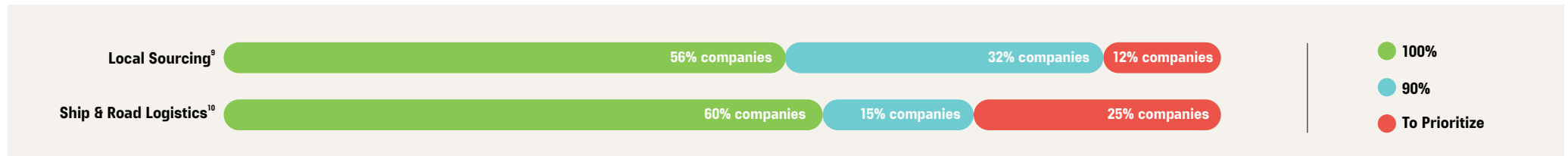
PRACTISING THE VALUE OF GOOD

Practising the Value of Good

Across the Fireside Ventures portfolio, founders and companies express their purpose in different ways, they practise it for the same end result of:

- Environmental consciousness through sustainable packaging, clean materials and better production mechanisms
- Social inclusiveness to break taboos and inculcate fair work ethics and practices
- Localised and transparent supply chain and operations

Brands across the portfolio have close to 250 national and global certificates and they are prioritising net zero efforts through sourcing and logistics.



⁹ N = 16
¹⁰ N = 20

ENVIRONMENT



ENVIRONMENT

As a consumer fund, plastic and packaging as a critical area of impact. India generates 62 million tons of waste each year¹¹, of which half ends up in landfills. Both incumbent, as well as new-age brands have made the issue of packaging and waste a priority and are collaborating to find large scale solutions.



FIRESIDE'S VISION

1.



Increase recycling rate across the portfolio

—

2.



Decrease packaging used per Cr of revenue

—

3.

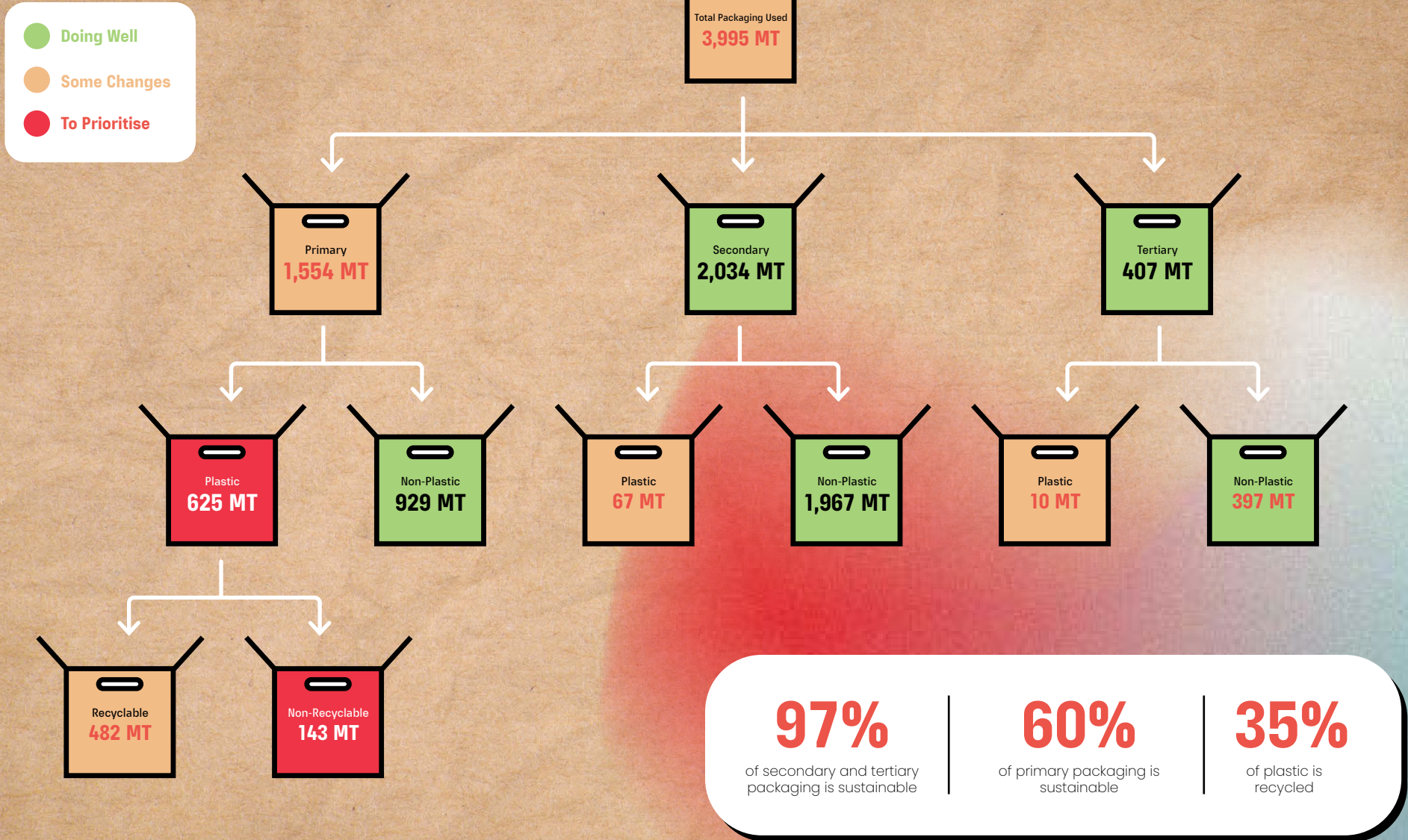


Enable sustainable packaging across layers

—

¹¹ India Solid Waste Management, International Trade Administration | Trade.gov. <https://www.trade.gov/market-intelligence/india-solid-waste-management>

Layerwise Packaging Consumption¹²



FRUBON



Leveraging technology to build 'the Infosys of dairy'

Frubon provides great quality milk products while supporting the entire dairy ecosystem – improving the health and productivity of cattle, and raising farmers' income. A truly disruptive player in the traditional dairy space, Frubon is committed to correcting decade-old problems, and uplift every stakeholder in the dairy sector. Trust and transparency between the brand and the farmers are its cornerstones.

EMPOWERMENT + TRANSPARENCY



50% | non-plastic primary packaging

→ Key Achievements

- Supply chain improvements through technology
- ETP for wastewater and rainwater harvesting
- Solar panels in the factory & daylight harvesting

4000 | farmers and their families supported

150 | farmers societies partnered

→ Key Achievements

- Raised Minimum Support Price
- Increased Farmer incomes
- Improved technical knowhow through programs on best practices
- Improved yield by offering high quality feed





RESPONSIBILITY + MINDFULNESS



Avoided by

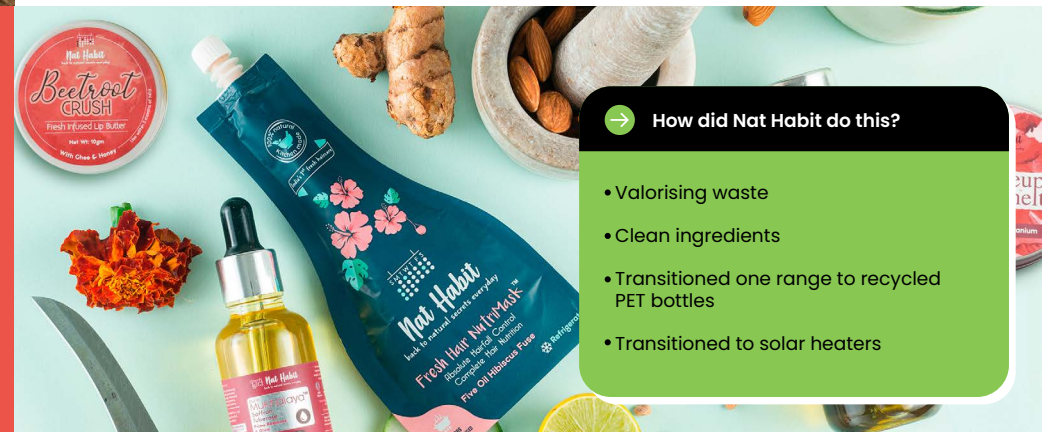


Used for



Cleaning up the beauty space

Nat Habit provides skincare products made from fresh, whole and high-quality natural ingredients. Founded with the vision of making authentic Ayurveda available to all, it enlightens consumers about the side effects of chemical-laden personal care products, and promotes a better-informed approach to self-care.



How did Nat Habit do this?

- Valorising waste
- Clean ingredients
- Transitioned one range to recycled PET bottles
- Transitioned to solar heaters

VAHDAM

VAHDAM®
INDIA



Bringing Indian wellness to the world **sustainably**

Vahdam is taking India's native wellness wisdom to the world, and is built on an ethical and lean supply chain. From sourcing to post production management, the company has taken various steps to reduce and offset its impact on the planet. Climate consciousness is a core value, and the brand takes pride in being true to its purpose of "Do Good By Doing Good."

IMPACT + FRUGALITY



36% reduction in plastic usage in packaging

Switch to compostable tea bags



100% plastic and carbon offset

Recovery of low value plastics and generation of clean energy



96% reduction in tertiary packaging

Reduction in layers and grammage



8th Indian B Corp Certified Brand

First Indian tea brand





Sustainable Swaps

Smytten has taken action to prioritise eco-friendly packaging by transitioning from **bubble wrap to honeycomb paper rolls** and using perforated boxes for tertiary packaging.



Creating Sustainable Standards

Design Café only uses **ISO-certified raw materials** and eco-friendly phenolic-based resins, despite higher costs. Wind turbine roof ventilators and sunlight roofing sheets reduce power consumption at their factory. The company has reduced over **15 MT CO₂** emissions in FY23.



Leading Green Innovation in Footwear

All **Solethreads** flip-flops are made from recycled or plant-based extracts. The **EVA and rubber is recycled** and reconstituted using their proprietary procedure and formulation making it more durable. Their packaging consists of locally crafted recycled cardboard boxes and cloth bags, and an **exchange program ensures** old footwear gets a second chance.



Traya.

Reducing Footprint through Packaging

Traya uses brown kraft paper packaging that is **100% compostable**. Its strategic collaboration with Cirkla will help replace **148 MT** of virgin plastic and slash **425 MT of CO₂ emissions by next year**.



Green at Every Step



Along with using clean quality ingredients, **The Baker's Dozen** is offsetting **100% of the plastic** used across production and sales. Further, **1 MT** of food waste has been converted to fodder for animals.



Better for You, Better for Planet

Slurrp Farm's products are healthier alternatives to traditional grains. By using climate-resilient millets, the company has saved **541,000 KL** of water. Additionally, the company is plastic-neutral, has **100% sustainable tertiary** packaging and has **50%** eco-friendly secondary packaging.



SOCIAL

SOCIAL

Research¹³ tells us that diversity increases a company's capacity to innovate and build a more inclusive environment at a workplace. As female participation in labour force increased to 37%¹⁴ in India, new-age brands are also committing to raise the bar here – with 35% gender diversity¹⁵. A people-first culture thus drives diversity, inclusion and equity across the employee force.



FIRESIDE'S VISION

1.



Maintain & strengthen founder diversity

—

2.



Enable inclusive and fair practices within the portfolio

—

3.



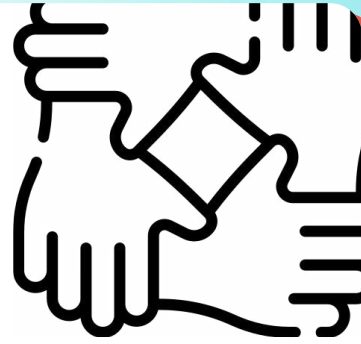
Enable wealth and pay parity across layers

—

¹³ Tsusaka, M., Krentz, M., & Reeves, M. (2022, March 4). The Business Imperative of Diversity. BCG Global. <https://www.bcg.com/publications/2019/winning-the-20s-business-imperative-of-diversity>

¹⁴ <https://pib.gov.in/PressReleasePage.aspx?PRID=1967291#:~:text=Periodic%20Labour%20Force%20Survey%20Report,status%27%20concept%20of%20measuring%20labour>

¹⁵ Wiser shows startups can catalyse women's workforce participation. ACT. <https://actgrants.in/wiser-2023-finds-that-startups-can-lead-the-way-on-accelerating-womens-workforce-participation-in-india/>



Diversity & Inclusion

45%

women founders



35%

women in leadership positions¹⁶

30%

women in white collar workforce¹⁷



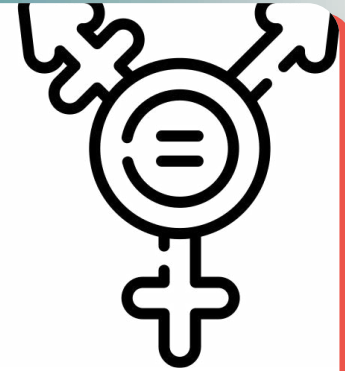
15.4%

average
employee
churn¹⁸



5

Great Place to
Work certifications



Equity

1.14x

female-to-male wage ratio among leadership¹⁹



INR 1400 Cr+

of potential wealth created for employees through ESOPs²⁰

1.3x

increase in media blue-collar wages between FY22-23²¹



¹⁶ N=36

¹⁷ N=17

¹⁸ N=9

¹⁹ N=7

²⁰ As of December 31st, 2023

²¹ N=5

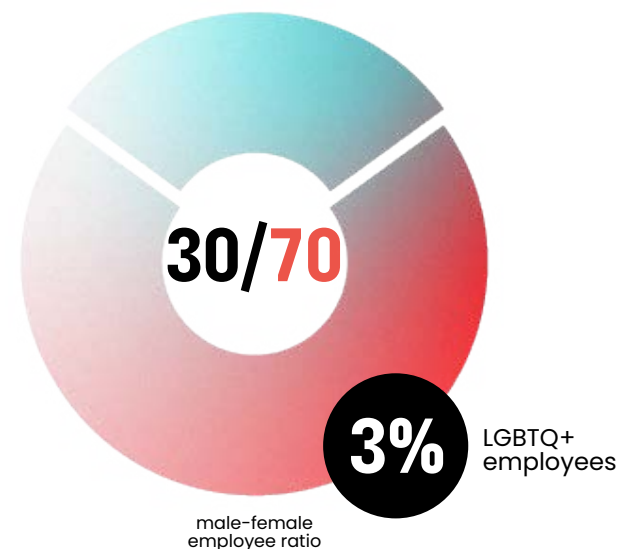
FS LIFE



For women, by women

FS Life is a fashion brand for women, by women. Its diversity-centric culture actively puts people first, to build a high-growth, highly inclusive team. The ready-to-use fashion industry typically employs a large proportion of women; however, attrition rates are perilously high with close to 30% leaving within the first year. Through its people practices, FS Life has been able to avoid the pitfalls of the fashion industry.

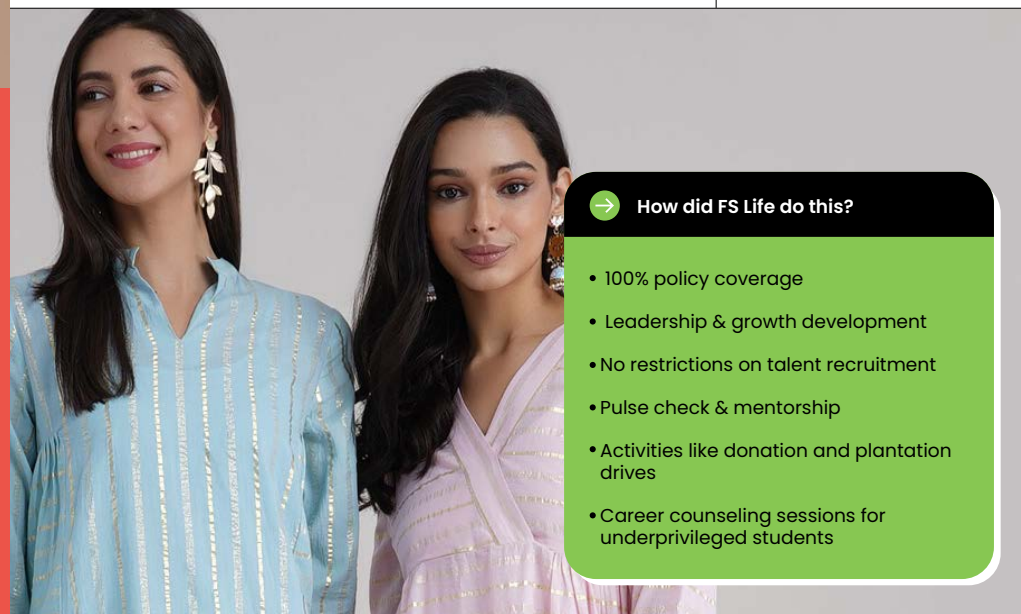
LEADERSHIP + CULTURE



25%
employees have spent 2+
years with the company

5%
employees have spent 5+
years with the company

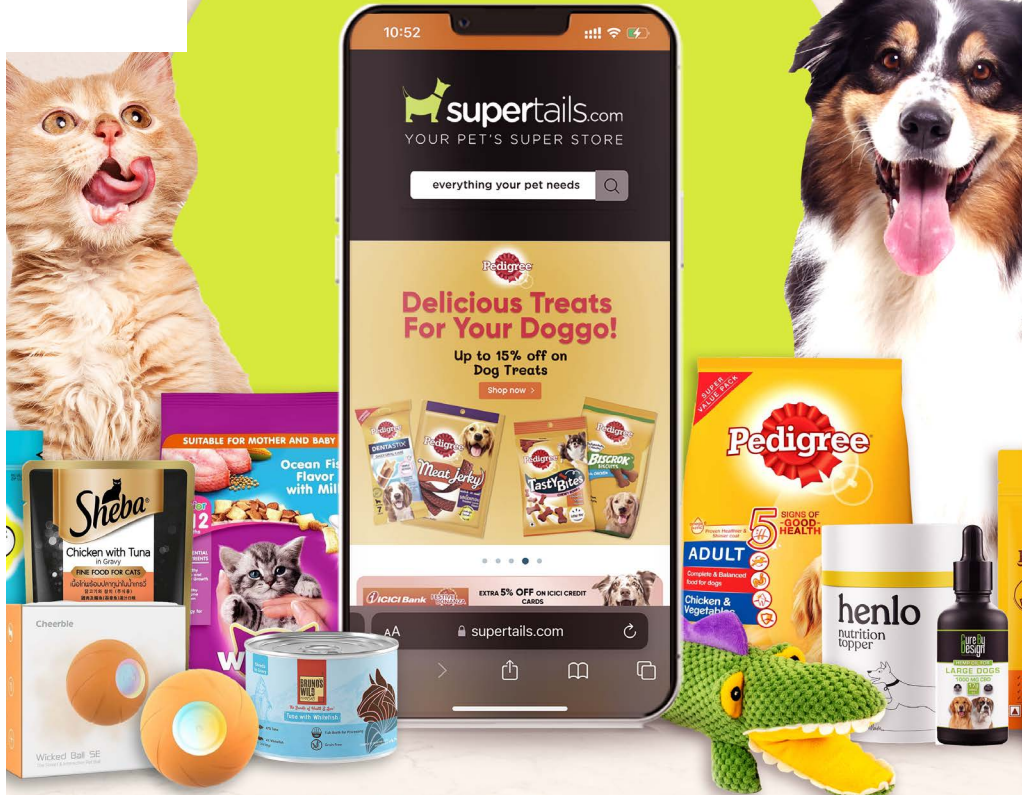
5%
churn rate



→ How did FS Life do this?

- 100% policy coverage
- Leadership & growth development
- No restrictions on talent recruitment
- Pulse check & mentorship
- Activities like donation and plantation drives
- Career counseling sessions for underprivileged students

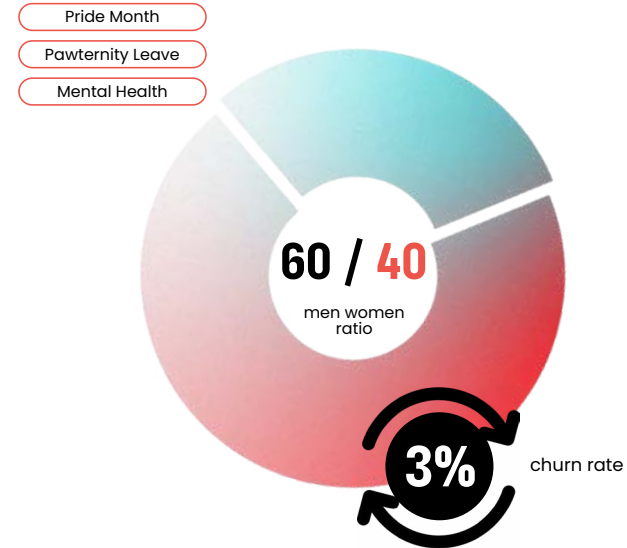
SUPERTAILS



Encouraging diversity to drive growth

Supertails believes that diversity is a catalyst for innovation. This pet-care e-commerce platform has designed a culture that enables diversity and inclusivity. Its industry-leading efforts include policies that support women and LGBTQ+ employees, and an all-woman processing plant.

→ DESIGN + CULTURE



50/50

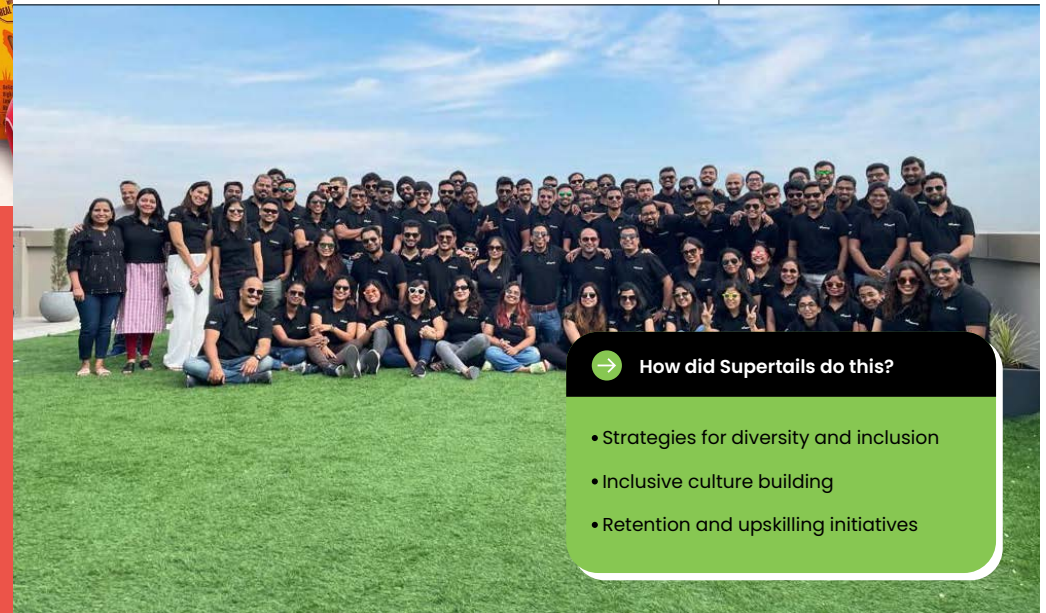
male-female resumes sourced for every open position

14

dedicated retention and upskilling initiatives

INR 35,000

average upskilling spend per employee, compared to industry average of upto INR 33,000



→ How did Supertails do this?

- Strategies for diversity and inclusion
- Inclusive culture building
- Retention and upskilling initiatives



Impacting Farmers' Lives

Sweet Karam Coffee works directly with an FPO in Pudukottai, Tamil Nadu, impacting the lives of **~1000 farmers** and increasing their monthly income by **INR 4,00,000**. The brand also works directly with women homepreneurs, who make up **70% of their contract manufacturers**.



Great
Place
To
Work®

Inclusion Across Layers



Slurrp Farm emphasises gender balance and fosters an inclusive, meritocratic culture. With **45%** women in the overall team and **70%** in leadership, it ensures pay parity and flexible working conditions for all, promoting equal opportunities and resources for men and women alike.



Empowering Ambitions and Wealth

Pilgrim is enabling personal growth for all employees and partners through a culture where everyone can voice their ideas and explore their diverse interests. Pilgrim is also **enabling wealth creation** for their employees through a transparent Employee Stock Ownership Plan.

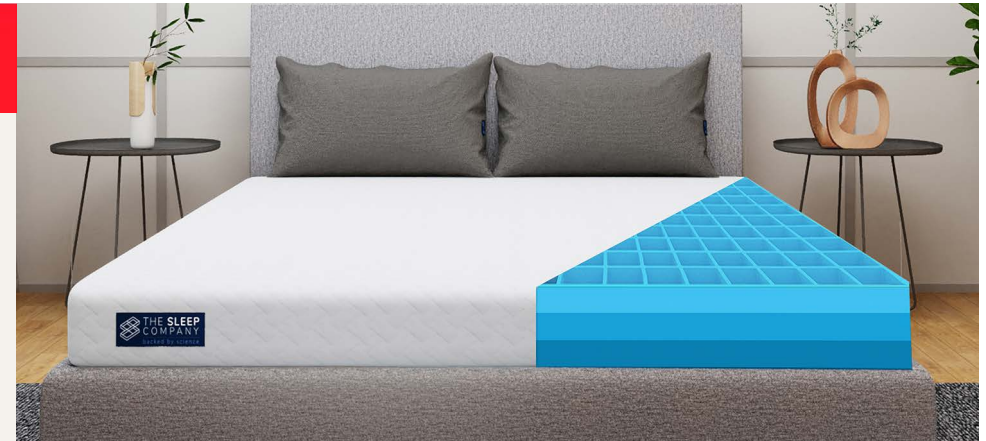




Cultivating Talent and Loyalty

The Sleep Company prioritises employee welfare, with all levels enjoying two ESOP buybacks and attractive salary structures. Rewards and recognition programs, and dedicated HR support systems ensure that employees are heard. This has resulted in churn rate of **1% in its corporate office and 0% in its factories.**

Great Place To Work®



Great Place To Work®

Nurturing Leaders

Gynoveda
ayurveda for women's health

Gynoveda's people practices create a springboard for future leaders. Through ESOP programs designed for all ranks of employees, growth within ranks internally, and reward programs, the company is ensuring strong employee satisfaction. Additionally, **2/3 founders are women and 58% employees are women.**

"You can't expect your employees to exceed the expectations of your customers if you don't exceed the employees' expectations of management."

– Howard Schultz

WHAT'S NEXT

What's Next

At Fireside Ventures, we believe this is just the starting point – a baseline to understand where we are and where we should go. Our playbook, our partnerships, our dedicated programs for implementation, as well as the ecosystem at large, guide us and our portfolio to be more responsible and sustainable in practice. In the next 12-18 months, we look forward to working with our companies as they make great strides in their Value of Good journeys.

Packaging and Plastic

1

Identify plastic replacements and reduction solutions across the layers of packaging



Traya. Happi Planet

2

Offset 100% plastic used in packaging



Gynoveda
ayurveda for women's health

Net Zero

1

Localise sourcing and manufacturing to reduce carbon emissions



2

Offset carbon emissions across the value chain



Diversity & Equity

1

Build a gender-balanced corporate office



supertails VAHDAM INDIA Traya.

We seek to raise the bar of responsible practices, and are very aware that the whole is greater than the sum of its parts. It is here that we look to learn from industry leaders, peers, and the ecosystem so that we support a stronger, more responsible cohort of companies. Please share your learnings and feedback at esg@firesideventures.com.

APPENDIX

Appendix

Methodology

This report presents a comprehensive sustainability analysis of Fireside Ventures' portfolio. Through a meticulously designed ESG questionnaire derived from standards such as GRI, SASB, BRSR etc. and focusing on ~60 metrics, we have assessed the ESG footprint of the portfolio companies over FY21, FY22, and FY23.

The analysis employed a dual approach: primary data collection via a detailed ESG questionnaire and subsequent data consolidation within the Breathe ESG platform.

Responses from 21 companies enabled analysis across operations, packaging, waste management, emissions, and more. Metrics represented in each section is calculated on the basis on the data provided by the companies in the respective section.

We ensured accuracy by noting the number of contributing companies per metric and applying data normalization for fair comparisons. The calculations done include both averages and medians. Median is calculated to avoid outliers. To get an accurate reading, the number of portfolio companies included in each metric ("N") differs based on the data provided by the company. The N for each metric is showcased in the footnotes.

Glossary

- **Primary Packaging:** The immediate layer of packaging that directly contains the product, typically designed for protection, containment, and convenience during storage, transportation, and use
- **Secondary Packaging:** The outer packaging that surrounds the primary packaging, often used for additional protection, branding, and information dissemination
- **Tertiary Packaging:** Packaging used for storage and transportation
- **Reduction in Packaging:** (Packaging per Cr of Revenue in FY23/ Packaging per Cr of Revenue in FY 22)
- **Leadership:** Founders and CXO/L1
- **Gross Wages:** Full earnings of an employee before any deductions are made
- **Gross Wage Ratio:** Company wise median value of wages per female leader/ wages per male leader, and blue collar wages across FY22 and FY23
- **Recyclable Plastic:** Plastic materials that can be collected, processed, and reprocessed into new products after use. Examples include but not limited to PET, HDPE, LDPE, PVC
- **Non-Recyclable Plastic:** Plastic materials that cannot be easily recycled or processed into new products after use. These plastics may be made from complex materials, have limited market demand for recycling, or lack appropriate recycling infrastructure. Examples include but not limited to Multi Layered Packaging, bubble wrap, mixed material packaging
- **Local Sourcing:** Procurement of goods, materials, or services from nearby or regional suppliers (in India) a than distant or global sources. Calculated as percentage of total procurement done through local suppliers
- **Employee Churn:** Percentage of employees who leave an organization within a certain period. Calculated as Employees leaving in period/ Total employees at end of period
- **Key Policies:** Defined by Fireside based on global standards and certifications. Includes: PoSH, Code of Conduct, HR, Data Privacy and Cyber Security, Supplier Code of Conduct, Grievance Redressal, Health and Safety, Diversity, Equity and Inclusion, Environment, Human Rights, and ESG

