



Fairfax India Holdings Corporation

Environment, Social & Governance (ESG)

Performance Report 2022

FAIRFAX INDIA

A Message from Our Chief Executive Officer

India has been an integral part and focus area for Fairfax Financial Holdings Limited's (Fairfax) investments for over three decades. In line with our long-term vision and commitment towards India, we established Fairbridge Capital Private Limited (Fairbridge Capital) in India in 2011 and Fairfax India Holdings Corporation (Fairfax India) in Canada in 2015. Fairfax India is the investment vehicle dedicated towards future investments in India and India related businesses.

Fairfax India has adopted 'The Code of Business Conduct and Ethics' as its cornerstone, which is built around the first value in our longstanding and regularly reported Guiding Principles – "honesty and integrity are essential in all our relationships and will never be compromised." Following this, our Board of Directors maintain the highest level of corporate governance and transparency in corporate disclosures. Additionally, our guiding principles are ingrained in our investment decisions as well as in our investee companies' everyday operations.

Our investee companies have enhanced their commitment to environmental, social and governance (ESG) issues and have undertaken path-breaking initiatives in each category. A major focus of our companies has been initiatives to protect the environment, working with communities, while maintaining highest levels of governance. Our initiatives in this regard range from water conservation and rain-harvesting, to increasing their renewable energy sourcing, tree-planting, reducing the use of plastic, recycling, and reusing wastewater. Two of our companies in particular Bangalore International Airport Limited (BIAL) and Sanmar are leaders in their respective industries. As well, training and learning opportunities for our employees have been another focus area, with innovative technical platforms implemented for employees, and learning centres established in rural communities.

In 2016, Fairfax established the Fairfax India Charitable Foundation with the objective of undertaking charitable activities to support communities. The charitable foundation has done excellent work in supporting close to 1,000 dialysis centres across India and has actively contributed to natural disaster recovery initiatives. Our investee companies have been at the forefront of environment protection, support to our customers, providing learning and development opportunities for employees, ensuring superior standard of cybersecurity and corporate governance.

We believe that over the long-term, value creation is intricately linked to the prosperity of our people, communities, and the environment that our businesses operate in. We are committed to create value for all our stakeholders.



Chandran Ratnaswami

Chief Executive Officer

Our Guiding Principles

Fairfax's Guiding Principles were first drafted in 1987 and hold true today. Fairfax India endeavours to follow and uphold the same principles as Fairfax.

Objectives

- We expect to compound our mark-to-market book value per share over the long-term by 15% annually by running Fairfax and its subsidiaries for the long-term benefit of customers, employees, shareholders, and the communities where we operate – at the expense of short-term profits if necessary.
- Our focus is long-term growth in book value per share and not quarterly earnings. We plan to grow through internal means as well as through friendly acquisitions.
- We always want to be soundly financed.
- We provide complete disclosure annually to our shareholders.

Structure

- Our companies are decentralized and run by the Presidents except for performance evaluation, succession planning, acquisitions, financing, and investments, which are done by or with Fairfax. Investing will always be conducted based on long-term value-oriented philosophy. Co-operation among companies is encouraged to the benefit of Fairfax in total.
- Complete and open communication between Fairfax and subsidiaries is an essential requirement at Fairfax.
- Share ownership and large incentives are encouraged across the Group.
- Fairfax will always be a very small holding company and not an operating company.

Values

- Honesty and integrity are essential in all our relationships and will never be compromised.
- We are results oriented – not political.
- We are team players – no “egos”. A confrontational type is not appropriate. We value loyalty – to Fairfax and to our colleagues.
- We are hardworking but not at the expense of our families.
- We always look at opportunities but emphasize downside protection and look for ways to minimize loss of capital.
- We are entrepreneurial. We encourage calculated risk taking. It is all right to fail but we should learn from our mistakes.
- We will never bet the company on any project or acquisition.
- We believe in having fun – at work!

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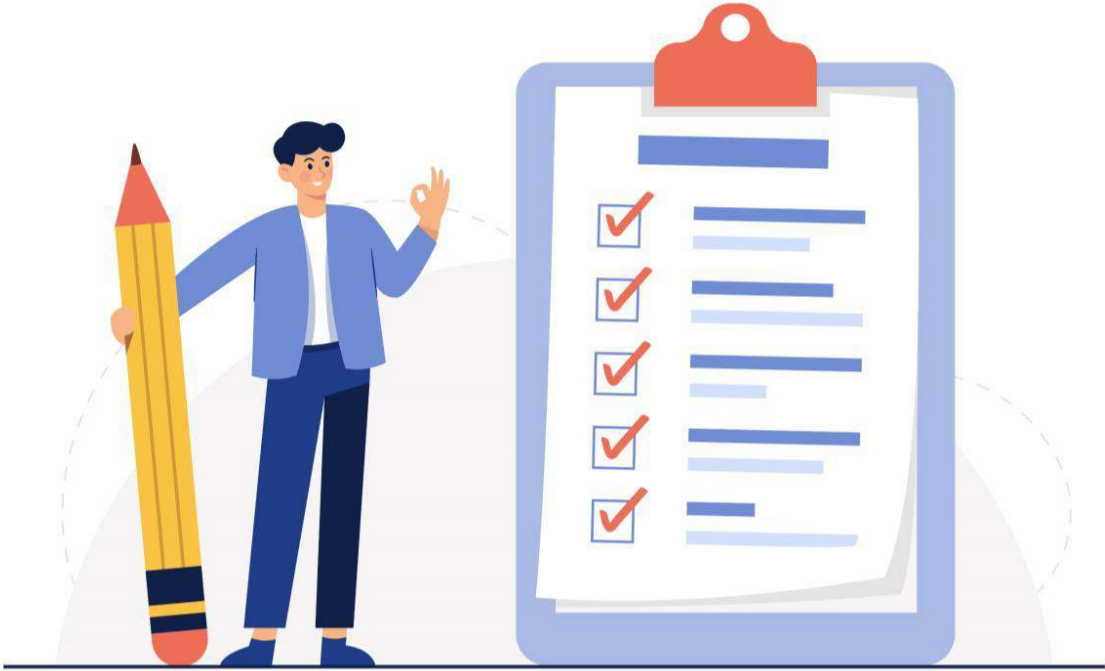
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Survey Methodology

The contents of this report are the culmination of feedback from our standard Environmental, Social and Governance (ESG) survey. Our twelve + portfolio companies ¹ participated in this survey and actively engaged in the feedback and consultation process. We are committed to ESG as an activity and measurable deliverable both at the head office and portfolio company level and plan to develop a gap analysis and 'improvements action plan' for this critical business imperative over the months ahead. Throughout this document we will share our approach, progress, and key achievements across our operations. Moreover, we will highlight areas of focus and attention emanating from the data collected, all of which will inform our ESG Progression Strategy. For convenience, all currency related items are in Indian rupees (INR). This report presents both established and more recent initiatives for the fiscal year ending March 31, 2022.

Note 1. IIFL Finance Limited, IIFL Securities Limited, Spaisa Capital Limited, Bangalore International Airport Limited, Sanmar Chemicals Group, National Commodities Management Services Limited, CSB Bank Limited, Saurashtra Freight Private Limited, Seven Islands Shipping Limited, Fairchem Organics Limited, Maxop Engineering Company Private Limited, and Jaynix Engineering Private Limited.



representative image

A top-down view of a business meeting. Two people in dark blue suits are shaking hands on the left. On the right, a person is pointing at a tablet held by another person. In the center, there are two documents on a white table. The document on the left features a bar chart and a pie chart. The document on the right is a text-heavy report with the heading 'Investment climate research' at the bottom.

OUR BUSINESS

In this section

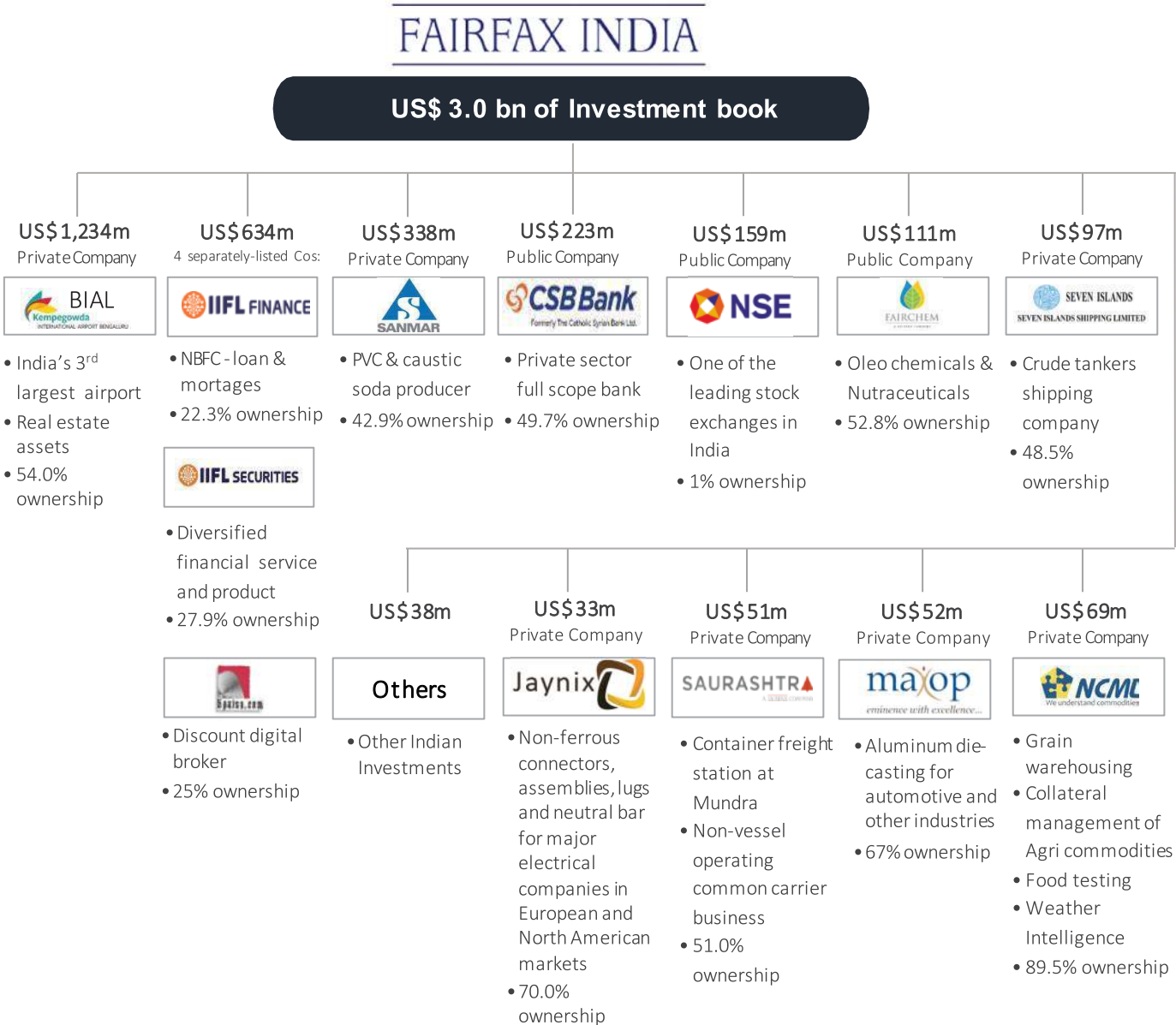
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Corporate Profile

Fairfax India is an investment holding company publicly traded on the Toronto Stock Exchange whose investment objective is to achieve long-term capital appreciation, while preserving capital, by investing in public and private equity securities and debt instruments in India and Indian businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, India.

Fairfax India takes a long-term value approach towards acquisitions and investments in the Indian region. We focus on long-term capital appreciation through a flexible and value-oriented approach, underpinned by our Guiding Principles, including integrity, transparency, and responsiveness in all our dealings. Our permanent capital base enables us to execute a unique set of transactions; by taking a very long-term view, combined with the ability to execute highly flexible and creative deal structures.

An overview of our portfolio at December 31, 2022 is detailed below:



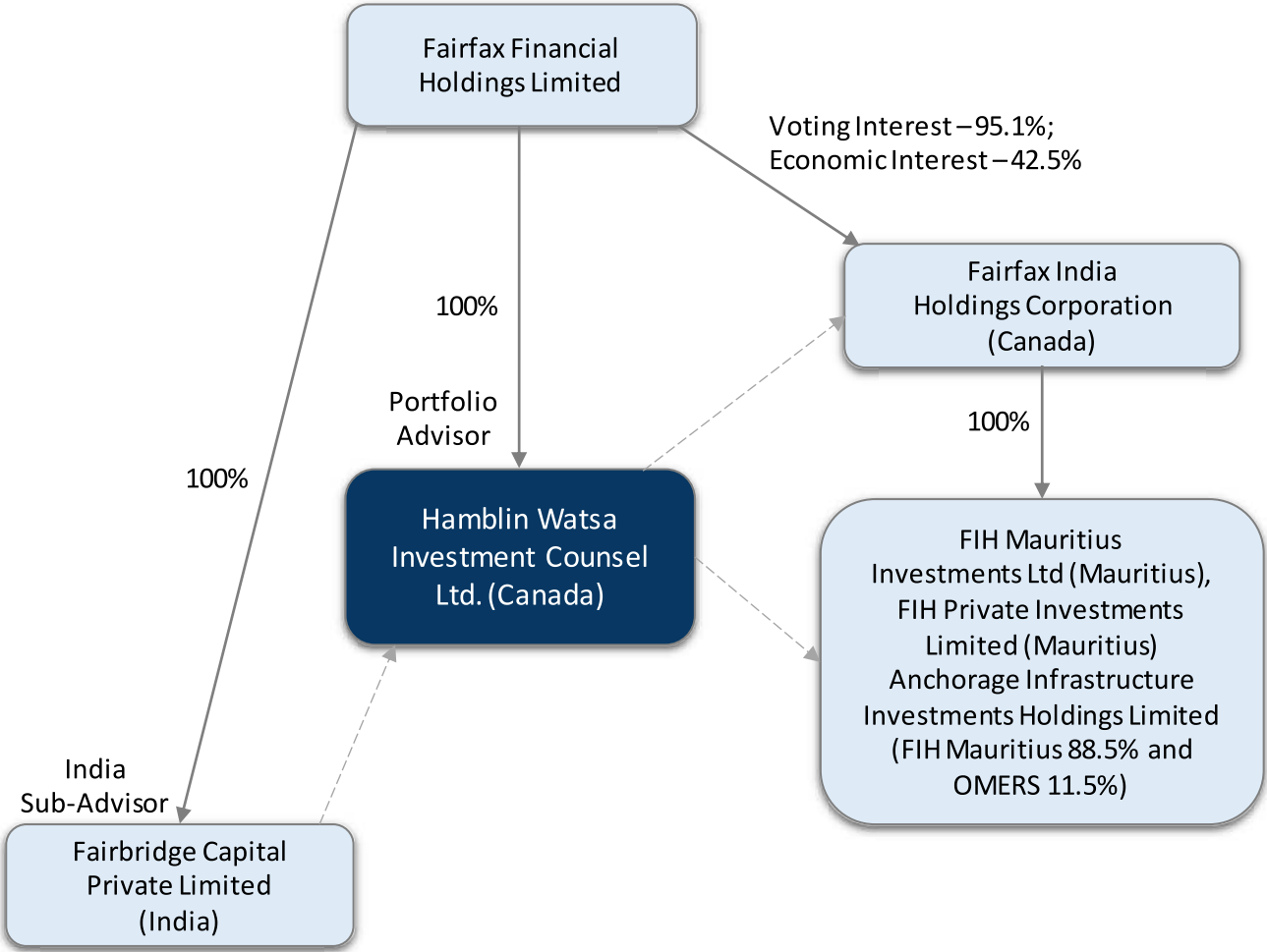
Corporate Profile

Fairfax India was founded in 2014 by Prem Watsa and is headquartered in Toronto, Canada. Its common shares are listed on the Toronto Stock Exchange under the symbol “FIH.U”.

Fairfax is the controlling shareholder of Fairfax India. Fairfax is a Toronto based financial services holding company with a global presence in insurance and reinsurance and a portfolio of assets invested worldwide. Fairfax is listed on the Toronto Stock Exchange under the symbol “FFH”.

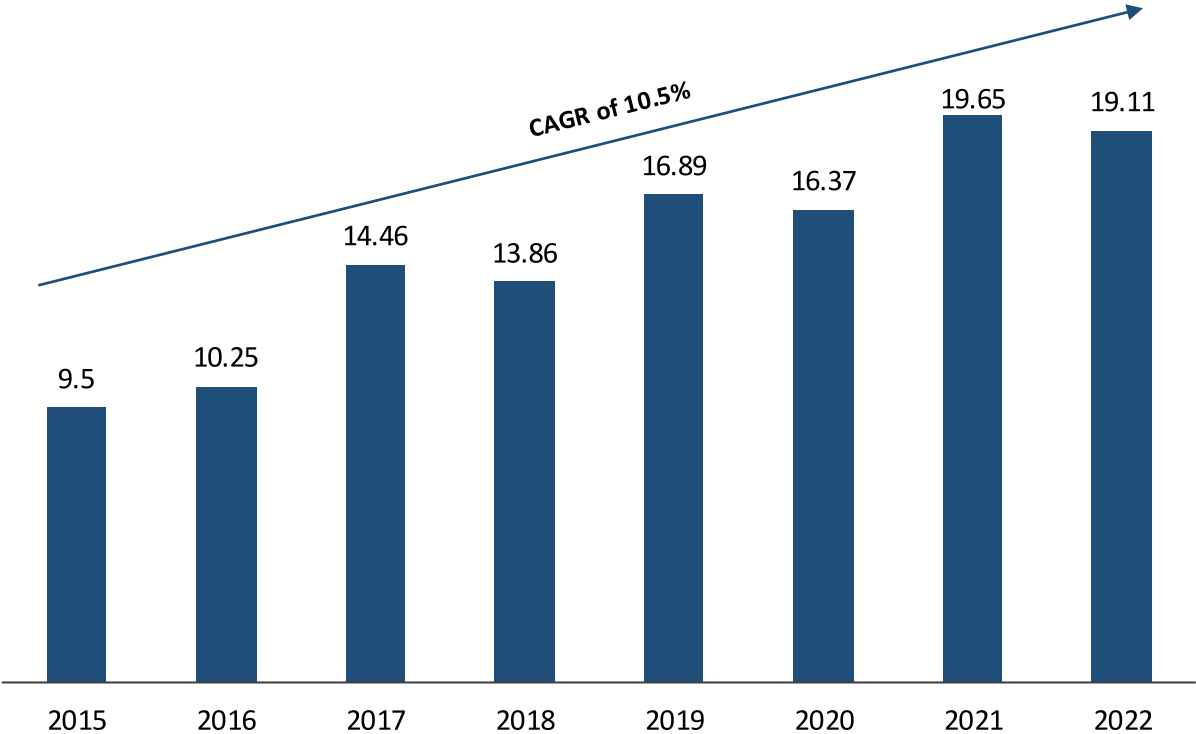
All the investments of Fairfax India are centrally managed by Hamblin Watsa Investment Counsel Limited (Hamblin Watsa) (www.hwic.ca), a wholly owned subsidiary of Fairfax (www.fairfax.ca). Fairbridge Capital Private Limited (Fairbridge Capital) (www.fairbridgecapital.com), a wholly owned subsidiary of Fairfax, is sole advisor to Hamblin Watsa with respect to investments of Fairfax India.

An overview of our corporate structure is detailed below:



Fairfax India Holdings: A snapshot

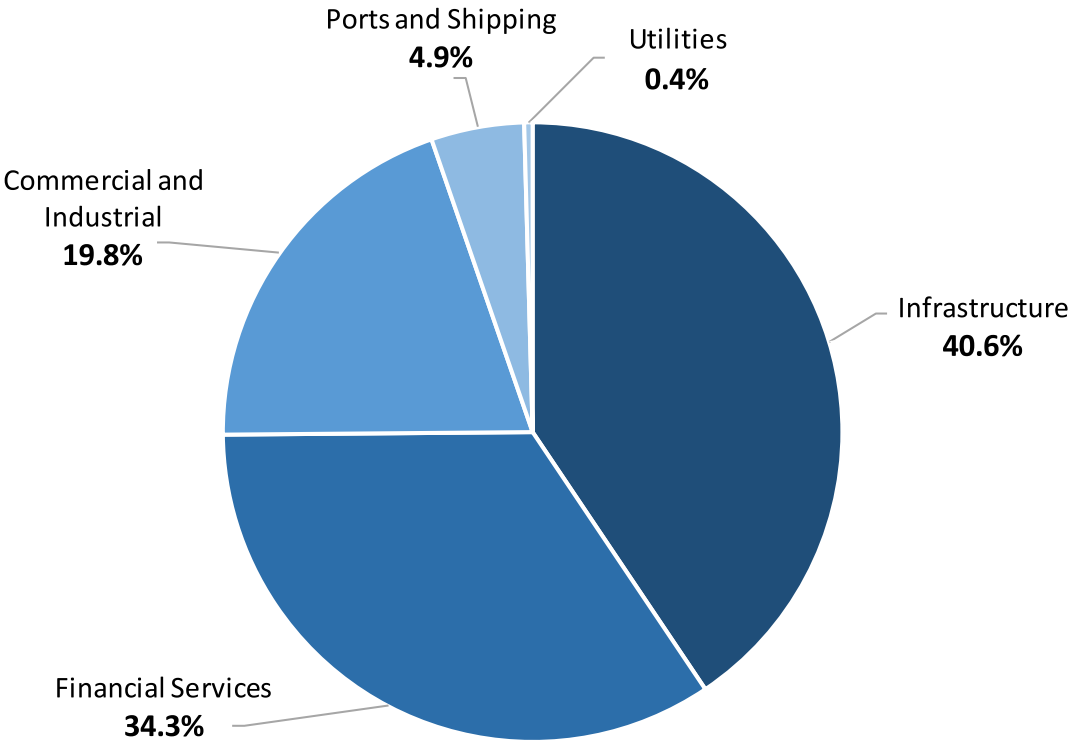
Book Value Per Share (US\$)



Note: Book value per share is as of December 31 of each year.

Diversified Portfolio

The company's holdings of Public and Private Indian Investments at December 31, 2022



Our Business

Fairfax India makes all or substantially all of its investments either directly or through one of its wholly owned subsidiaries based in Mauritius, FIH Mauritius Investments Ltd (FIH Mauritius) or FIH Private Investments Ltd (FIH Private). Fairfax is Fairfax India’s ultimate parent and acts as its administrator. In 2019, the company formed Anchorage Investments Holding Limited (Anchorage), a subsidiary of FIH Mauritius, based in Ireland. In 2021, the company transferred 43.6% equity interest in BIAL to Anchorage.

Fairfax India’s investments are comprised of various percentages of ownership in the following companies. Some of Fairfax India’s investments are in companies whose shares are listed on the BSE (formerly known as the Bombay Stock Exchange) and the National Stock Exchange of India (NSE).

Bangalore International Airport Limited (BIAL) is a private company located in Bengaluru. BIAL, under a concession agreement with the Government of India until the year 2068, has the exclusive rights to carry out the development, design, financing, construction, commissioning, maintenance, operation and management of the Kempegowda International Airport (KIAB) through a public-private partnership. KIAB is the first greenfield airport in India built through a public-private partnership. (www.bengaluruairport.com)

IIFL Finance Limited (IIFL Finance) is a publicly traded diversified financing company located in Mumbai that offers home loans, gold loans, business loans (including loans against property and small-to-medium enterprise loans, microfinance, construction, and real estate finance) and capital market finance. (www.iifl.com)

IIFL Securities Limited (IIFL Securities) is a publicly traded leading investment advisory firm providing diversified financial services and products such as financial planning, equity, commodities, and currency broking (both cash and derivatives), depository participant services, investment banking, portfolio management as well as distribution of mutual funds, bond products and other products. IIFL Securities is based in Mumbai. (www.iiflsecurities.com)

Sanmar Chemicals Group (Sanmar), a private company located in Chennai, is one of the largest suspension polyvinyl chloride manufacturers in India, operating in India and Egypt. Sanmar also manufactures caustic soda, calcium chloride, chloromethanes, refrigerant gases, industrial salt and specialty chemical intermediates. (www.sanmargroup.com)

CSB Bank Limited (CSB Bank) is a publicly traded company located in Thrissur and is a full-service bank offering retail banking, non-resident Indian banking services, small-to-medium enterprise, and wholesale banking services throughout India. (www.csb.co.in)

Fairchem Organics Limited (Fairchem Organics) is a publicly traded specialty chemical manufacturer located in Ahmedabad. Fairchem Organics manufactures oleochemicals used in paints, inks and adhesives industries, as well as intermediate nutraceutical and health products. (www.fairchem.in)

Seven Islands Shipping Limited (Seven Islands), a private company located in Mumbai, is the second largest private sector tanker shipping company in India and transports liquid cargo along the Indian coast as well as international waters. Its vessels are registered in India and operates Indian owned and flagged vessels. (www.sisshipping.com)



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Our Business

National Commodities Management Services Limited (NCML), a private company located in Gurugram, offers end-to-end solutions in grain procurement, storage and preservation, testing and certification, collateral management, and market weather intelligence and post-harvest financing. (www.ncml.com)

Maxop Engineering Company Private Limited (Maxop), a private company located in New Delhi, is a precision aluminium die casting and machining solution provider for aluminium die casting components used by the automotive and industrial sectors, with customers in India, Asia, North America and Europe. (www.maxop.com)

Saurashtra Freight Private Limited (Saurashtra), a private company located in Mumbai, operates one of the largest container freight stations (CFS) at Mundra port (Gujarat). Services provided by Saurashtra's CFS include transportation of containers to and from port, stuffing and destuffing of containers, cargo storage, transportation of cargo to the end customer, the storage, maintenance, and repair of empty containers. (www.saurashtrafreight.com)

Jaynix Engineering Private Limited (Jaynix), is a manufacturing company engaged in the production of non-ferrous electrical connectors and electrical assemblies and is a critical Tier 1 supplier to major electrical original equipment manufacturers in North America and Europe. Jaynix is based in Gujarat and operates with three plants, one in Vadodara, Gujarat and two in Nashik, Maharashtra. (www.jaynix.com)

5paise Capital Limited (5paise), located in Mumbai, is a publicly traded online financial services provider with a “do-it-yourself” investment brokerage model that allows customers to execute investment transactions for low brokerage fees. 5paise is primarily engaged in providing a technology platform through online and mobile applications for trading securities on the BSE and NSE of India. (www.5paise.com)

National Stock Exchange of India (NSE), a private company located in Mumbai, operates India's largest stock exchange. In addition to providing a platform for exchange-traded financial products in India, NSE's flagship index, Nifty50, is used extensively by investors in India and around the world as a barometer of the Indian capital markets. (www.nseindia.com)



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Sustainability Within Our Investment Process

Fairbridge Capital is an investment sub-advisor to Hamblin Watsa. Fairbridge Capital provides investment advisory services to Hamblin Watsa. Hamblin Watsa provides investment management services to Fairfax and Fairfax India. Both Fairbridge Capital and Hamblin Watsa are wholly owned subsidiaries of Fairfax.

Our commitment to ESG is fundamental to Fairfax India's investment analysis and decision-making process. Fairfax India conducts our investment business with a sharp and sustained focus on lasting social and economic development in India. Deficiencies or excessive environmental, social or governance risks will result in the rejection of investment opportunities or the sale of existing positions. Good governance and the honesty and integrity of management is a fundamental requisite for a potential investment and will never be compromised for short term gains or benefit.

As the investment advisor, Fairbridge Capital oversees the implementation of our updated ESG processes and procedures and formally incorporates them into our decision-making process. It is anticipated that this will result in the further enhancement of our ESG investment processes and procedures. A summary of our processes, as it pertains to ESG considerations for our investments are described below:

- Together with our legal and compliance advisors, preliminary "red flag" reviews are performed to ensure that: (i) investments are cleared from an anti-money laundering, anti-terrorist financing and sanctions perspective; and (ii) investments do not appear on investment exclusions list.
- Once an investment has passed the preliminary "red flag" review stage, Fairbridge Capital evaluates key ESG risks by screening and a due diligence questionnaire. Fairbridge Capital will unreservedly recommend the rejection of any investment that has raised any material "red flags".
- Fairbridge Capital's ESG screening and due diligence is broad in scope and focuses among other things, on health and safety, employment conditions, wages, diversity and inclusion within the workforce, respect for human rights, environmental considerations, and climate risk.
- Additionally, throughout the lifecycle of an investment, Fairbridge Capital continues to oversee and manage ESG issues with annual reviews to ensure compliance, track action plans developed at the investment stage and to identify any areas of improvement.





OUR ENVIRONMENT

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Our Environment

Climate Change Risk Mitigation

We recognize how climate change can potentially impact our business activities and how our operations can have an impact on climate change. With this awareness, we have developed concrete steps to identify related risks, including financial implications and other possible impacts. For example, BIAL is currently working on a model to identify critical environmental risks and strategize mitigation initiatives as part its environmental management system. Potential implications of the following are currently under consideration: higher summer temperatures, increased convective weather, increased precipitation, and changes in wind direction. These factors have financial implications and implementing mitigation measures are underway. These include increasing renewable energy generation and procurement, zero scope 2 carbon emissions, green-belt development across the airport and implementation of responsible consumption of resources across its operations.

Sustainability Initiatives

Our companies and employees are actively engaged in a diverse set of environmental initiatives. All our companies are committed to environmental protection and have undertaken tangible programs.

Bangalore International Airport (BIAL)

BIAL is one of India’s leading and fastest growing airports. It has the unique distinction of being the first green field airport in India established on a public-private partnership (PPP) model. BIAL represents Fairfax’ largest investment in India. Operations commenced in 2008, Terminal 1 was expanded in 2013, and Terminal 2 was opened in November 2022.

T2 is a first-of-its-kind ‘Terminal in a Garden’ designed to give passengers an experience of walking in a garden. This begins from entry into the BIAL campus at the main access road to entering T2 and then boarding aircraft at the piers. The garden features over 10,000 square metres of green walls around the terminal, hanging gardens that cascade down from the terminal roof on bronze veils and bells suspended from the ceiling, plus green lagoons and an extensive forest belt area between the terminal and the 19 boarding gates.

BIAL is a leader in incorporating principles of sustainability into its business approach. These principles have been adopted at the earliest stages of the planning cycle in any project. Climate change risk mitigation is a core component of BIAL’s business continuity policy, and it is currently working on models to identify critical environmental risks and strategize mitigation initiatives.

BIAL is already recognized for sourcing 100 per cent of its electricity consumption through renewable sources, and this new Terminal further contributes to sustainability. The solar panels, rainwater harvesting, the presence of over 3,600 plant species and an extensive forest belt area throughout the airport, are woven into the airport’s operations.

BIAL is working towards building a new in-house integrated solid waste management plant which will be operational within the year. This will advance the vision of achieving zero waste to landfill. Similarly, the planned biogas cogeneration plant will allow for simultaneous production of electricity and heat. The Airport has partnered with the Indian Institute of Science (IISc) on rainfall patterns and related water management and conservation. Additionally, a Green Procurement Policy is being developed and will be released imminently. BIAL has established an Airport Environment Management Committee (AEMC) that meets regularly to look at ongoing improvements.



Students are encouraged and guided to participate in various curricular activities for improving their soft / life skills

Our Environment

Sustainability is embedded in the core aspects of BIAL's facilities. Some examples include:

- Significant water savings have been achieved through the installation of prismatic taps at the airports flushing and urinals.
- Reduction in paper usage of 14 tonnes.
- Pilot projects involving electric ground service equipment.
- A first of its kind Corporate Resilience policy, with rainwater management as one of its key features.
- Committed to equip 10 per cent sustainable aviation fuel infrastructure by 2030.
- Deployment of semi-robotic aircraft towing device as a green alternative.
- Adoption of LED lights at the south runway airfield terminal.
- Reuse of treated wastewater for landscaping purposes.
- Single-use plastics are banned at all outlets.
- 50 tonnes of waste plastics are used in paved roads within the airport campus.

Chemplast Sanmar

Chemplast Sanmar is the largest producer of specialty paste, poly vinyl chloride resin (PVC) in India. Chemplast Cuddalore Vinyls Limited is the second largest producer of suspension PVC resin in India.

Environmental surveillance and improvements are at the core of Sanmar's operations and reviews have been done annually to measure air, water, and soil samples. The company has pioneered Zero Liquid Discharge (ZLD) at its plants in India and Egypt. Chemplast generates most of its electricity for its operations through a captive power plant. The company has also started trials with biofuels at its Mettur and Cuddalore plants. At present, approximately 5 per cent has been substituted with the aim of making it 10 per cent in the coming year.

The company reuses more than one-third of the water consumed at its Mettur operations. As well supply of potable water is made to local communities representing about 25-30 per cent of the total water withdrawal. Similarly, there is no dependence on ground or river water sources at CCVL-Cuddalore plant. Rainwater harvesting during the rainy season is used for the plant's daily water requirements.

The company has also established a raw water bulk storage at its Mettur location to ensure predictability of supply. None of Sanmar's plants discharge any effluents to water bodies. Water flow data is captured in real time and submitted to regional government authorities. Additionally, there is a dedicated internal team to systematically identify and analyse potential risks associated with the waste generated by our operations and develop mitigation strategies.

Sanmar has installed Continuous Ambient Air Quality Monitoring stations at Mettur which provide comprehensive data on air quality. We monitor our emissions of specific chemicals and use an online monitoring system.

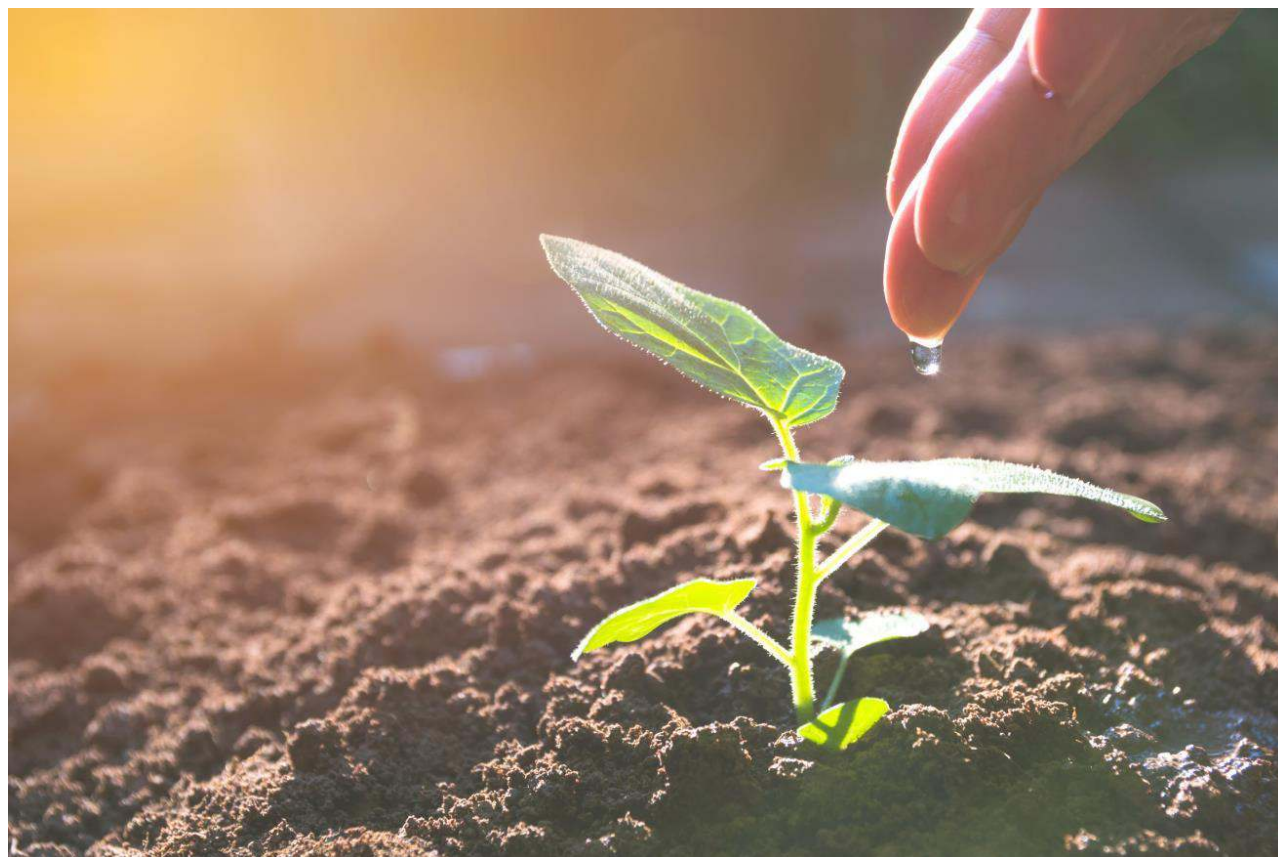
One of Sanmar's key customers, Sygenta, a global agrochemical company, significantly reduced its carbon footprint due to a product supplied by Sanmar's Berigai site. Similarly, Sanmar has interacted with over 70 suppliers on their strategy, processes, and management systems and their impact on environmental and social parameters.

At its plant in Egypt, TCI Sanmar has implemented notable initiatives such as reducing its water consumption on an annual basis and the same with CO2 reductions. TCI Sanmar has become the first plant to produce ethylene from ethanol in the Middle East and North African region (MENA). Moreover, the company plans to invest approximately \$40 million to expand its green PVC production. To provide greater transparency about the life-cycle impact of PVC, the company has issued its very first Environmental Product Declaration.

Our Environment

Other significant initiatives include:

- Partnership with the Indian Institute of Technology (IIT) in Chennai for ongoing ZLD research.
- Utilization of low sulphur coal and sourcing of low ash coal.
- Collection and recycling of roof water in all operations at its Mettur location.
- Decreased use of freshwater from borewells. Established a sludge removal plant.
- Increased use of hydrogen and natural gas.
- Use of rooftops for solar energy and installation of micro-turbines at TCI Sanmar in Egypt.
- Implemented power reduction measures in the process of caustic manufacturing units.
- Planting 2000 trees to existing complement of 4000.
- Joined “Nicer Globe,” a Responsible Care initiative promoted by the Indian Chemical Council.



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Our Environment

While we have profiled BIAL and Sanmar, which together represent over half of Fairfax India’s total investment in India, our other investee companies have been active in developing and implementing environmental initiatives in their sectors.

CSB Bank has provisions of loans for biogas and guides textile manufacturing customers towards renewable sources of energy, particularly solar power. CSB Bank has also developed a business continuity framework to mitigate climate risk. CSB Bank does not finance borrowers for establishing units producing or consuming ozone depleting substances, and small or medium scale enterprises engaged in manufacturing of aerosol units using chlorofluorocarbons (CFC).

IIFL Finance has installed solar panels across 50 primary schools in Palghar district in Mumbai. IIFL Finance is taking a leadership role in promoting sustainable and energy-efficient real estate development through its knowledge platform ‘Kutumb’. This program is targeted towards green housing and is being done in collaboration with the Asian Development Bank. IIFL Finance has also set up a technical team called ‘Green Value Partner’ to assist developers with green construction methods and certification processes throughout the project life cycle. The company has implemented LED panels in over 500 of its branches. At its Thane facility in Mumbai water is recycled through a reverse osmosis system that is then used for toilets and urinals.

Other initiatives by our companies include:

- IIFL Securities has installed a solar panel at its Gurugram office and Fairchem at its facility in Ahmedabad.
- NCML is looking at solar power and lighting on a trial basis at select facilities.
- SIS is tracking and reducing single-use plastic.
- Saurashtra Freight conducts an internal audit on energy and water efficiency, has installed solar panels and windmills, and planted over 3000 trees around its facility.
- Maxop is also examining the possibility of solar panels.
- Fairchem processes waste from edible oil to produce high value oleochemicals, the company is building a biofuel plant, and undertaking research initiatives to promote green manufacturing.



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Our Environment

Calculating Greenhouse Gas Emissions

In a changing legal environment, we expect further requirements around carbon emissions. Fairfax India will ensure compliance with all applicable GHG reporting obligations. To date, several of our investee companies have calculated their GHG emissions.

BIAL's objective is to contribute towards the Paris Agreement to limit the increase of global average temperature to 2.0 degrees above pre-industrial levels with an additional desire of not to exceed 1.5 celsius. BIAL's GHG emissions intensity reduction is to be 33-35 per cent by 2030 from 2005 levels and net zero carbon emissions by 2050. BIAL has reduced Scope 1 and Scope 2 emissions by over 90 per cent versus Airport Council International (ACI) carbon accreditation base line, fiscal year 2014. BIAL is currently a Carbon Neutral Airport as per Level 3+ Carbon Accreditation from ACI.

Similarly, the overall GHG emissions for Chemplast Sanmar and CCVL-Cuddalore have been reduced over the past year. Further, the company has established an accounting methodology to calculate its GHG emissions, i.e., Scope 1, Scope 2 and Scope 3 in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

The IIFL Centre has installed a radiant cooling technology to reduce GHG emissions. The capillary tube colling system condenses the humidity and produces distilled water in return during the cooling process, achieving energy savings exceeding 30 per cent. IIFL Securities and IIFL Finance all have undertaken monitoring and measuring of Scope 1 and Scope 2 GHG emissions. Maxop and SIS are also reviewing their GHG emissions.



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SOCIAL

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Our Employees



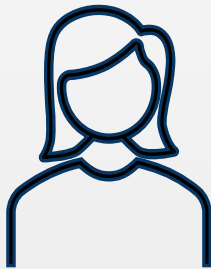
28,517+
Employees



6,504
Full-time employees
hired in 2022



Average age
37



25% Women

8% Executive
level position
held by women



33%
Voluntary
turnover rate

35%
Overall turnover rate

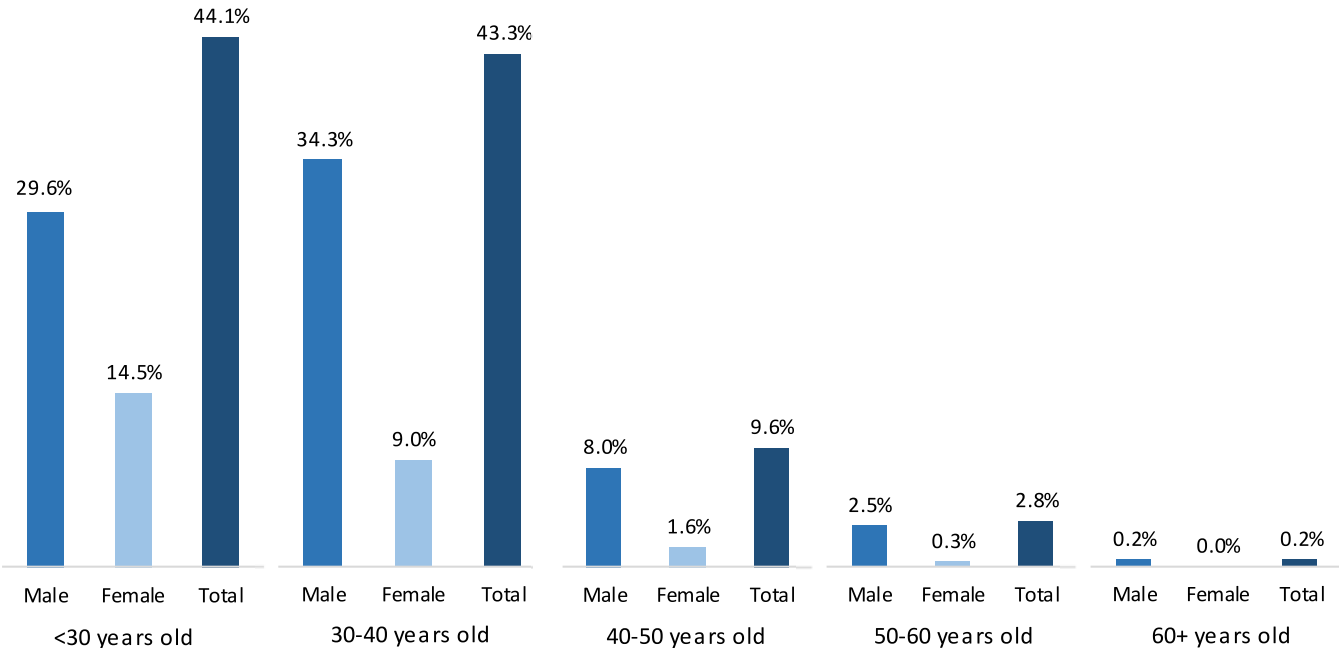
Average employee
tenure
5 years



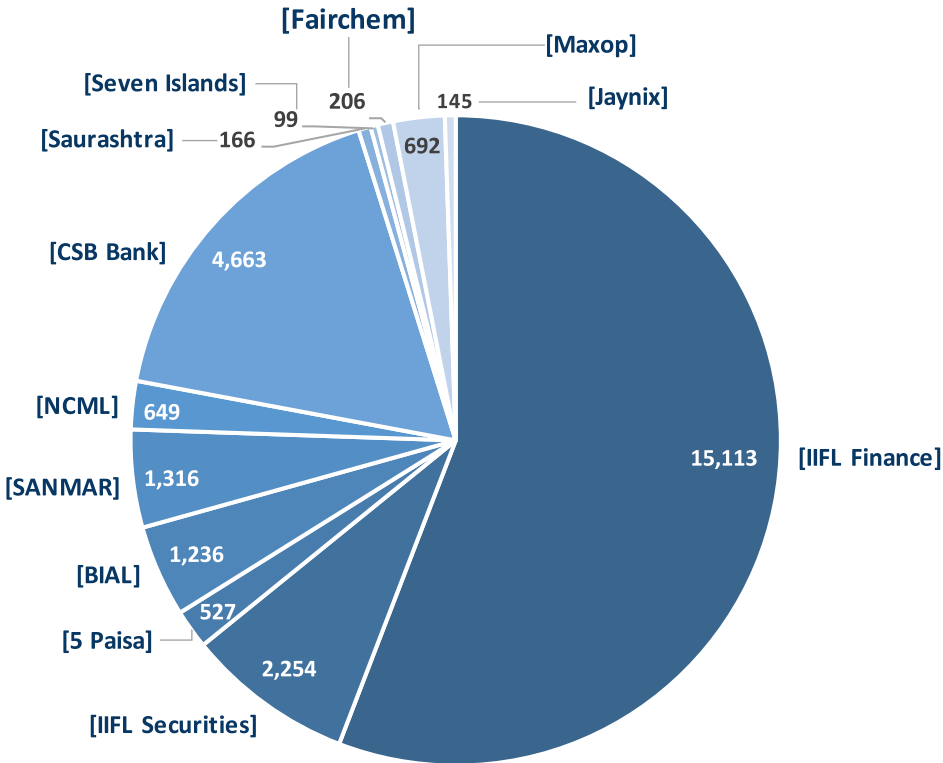
Average executive
level tenure
9.4 years

Our Employees

Employee Age Demographics



Total Full-Time Employees at March 31, 2022



Our Employees

Learning & Development

Our investee companies are committed to providing learning and development opportunities for their employees. Programs are customized within each company to fit the needs and aspirations of the workforce. Many of these companies have online platforms to augment their learning programs. Both in-house programs as well as collaboration with external partners are undertaken.

All our companies provide training for their employees. Amongst the largest companies, BIAL and Sanmar, provided 74,536 hours and 55,226 hours of training, respectively. At BIAL, 90 hours of training per employee was implemented in a multifaceted skill development network that provided customized modules in technical, safety-related and soft-skills training as well as leadership and behavioural aspects. BIAL provides leadership training for its senior management and customized ones for employees in technical upskilling, as well as soft-skills enhancement. To advance safety awareness, BIAL has its 'Be Mindful' campaign. Sanmar has over 80 programs and set targets for minimum number of training hours per employee in areas such as project management, technical skills such as coding and programming, and leadership. It also has customized training modules for the company's vehicle drivers. There was a 17% increase in training hours in comparison to the previous reporting period. More broadly, Sanmar provides awareness programs for its employees and the local communities on communicable and non-communicable diseases, as well as preventive care, such as yoga.

IIFL Finance has structured learning programs and flexible ones that accommodate employee preferences and the use of technology. IIFL Finance also has learning modules in nine different regional languages. CSB Bank has joint certificate programs with external partners in information technology and relationship management functions. Seven Islands has set up a maritime training institute that is operational effective January 2023. NCML is partnering with the Agricultural Skill Council of India to have more than 200 employees assessed and certified.

As well our companies have research-related initiatives within their organizations as well as partnerships. Fairchem has its own research department and Sanmar partners with IIT in Chennai and TCI with Port Said University in Egypt.

Human Capital Development Initiatives & Programs

Our total workforce has access to various types of human capital development initiatives and programs that include:

New employees or graduate programs



Employee training programs



Educational assistance to employees



Talent and leadership development programs



All our operating companies provide training hours to their employees. 100% of our employees have access to at least three or more of the following types of training programs presented below.

Business skills



Personal skills



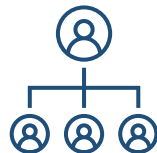
Technical skills



Cybersecurity awareness



Management skills



Anti-corruption or business ethics



Soft skills



Our Employees

Partnered Universities & Other Post-Secondary Institutions

BIAL	Jawaharlal Nehru Centre for Advanced Scientific Research (JNCASR), Bengaluru, Karnataka
BIAL	People's Education Society University, Bengaluru, Karnataka
BIAL	Indian Institute of Science, Bengaluru, Karnataka
Spaisa	Narsee Monjee College of Commerce and Economics, Mumbai, Maharashtra
Spaisa	Symbiosis International University, Pune, Maharashtra
Spaisa	National Institute of Design, Ahmedabad, Gujarat
IIFL Finance	Maharashtra Institute of Technology (MIT), Pune, Maharashtra
Maxop	Ashoka University, Sonapat, Haryana
Maxop	GLA University, Mathura, Uttar Pradesh
NCML	Amity University, Noida, Uttar Pradesh
NCML	National Institute of Agricultural Marketing (NIAM), Jaipur, Rajasthan
NCML	ITM University, Gwalior, Madhya Pradesh
NCML	Acharya Ranga Agricultural University, Lam, Andhra Pradesh
NCML	Indian Institute of Management–Bangalore, Bengaluru, Karnataka
NCML	Udaybhansinhji Regional Institute of Cooperative Management, Gandhinagar, Gujarat
NCML	Vaikunth Mehta National Institute of Cooperative Management, Pune, Maharashtra
Sanmar	GB Pant University, Pantnagar, Uttarakhand
Seven Islands	Indian Institute of Technology – Madras, Chennai, Tamil Nadu
Seven Islands	K.J. Somaiya Institute of Engineering & Information Technology, Mumbai, Maharashtra
CSB	Welingkar Institute of Management Development and Research, Mumbai, Maharashtra
Sanmar	Institute of Chartered Financial Analysts of India Business School, Ahmedabad, Gujarat
Sanmar	Anna University, Chennai, Tamil Nadu
Sanmar	Sathyabama University, Chennai, Tamil Nadu
Sanmar	SRM Institute of Science & Technology, Kattankulathur, Tamil Nadu
Sanmar	Amrita Vishwa Vidyapeetham, Coimbatore, Tamil Nadu
Sanmar	Shanmugha Arts Science Technology and Research Academy University, Thanjavur, Tamil Nadu
Sanmar	Pondicherry University, Kalapet, Tamil Nadu
Sanmar	Vellore Institute of Technology, Vellore, Tamil Nadu
Sanmar	Annamalai University, Chidambaram, Tamil Nadu
Sanmar	Bharathiyar University, Coimbatore, Tamil Nadu
Sanmar	Bharathidasan University, Tiruchirappalli, Tamil Nadu
Sanmar	The Gandhigram Rural University, Dindigul, Tamil Nadu
Sanmar	Madurai Kamaraj University, Madurai, Tamil Nadu
Sanmar	Thiruvalluvar University, Vellore, Tamil Nadu
Sanmar	Periyar University, Salem, Tamil Nadu

Our Employees

Learning & Development Planning

In summary, we believe that attracting, retaining, and developing our employees are the key factors to both our employees' personal success as well as our success as a company. We will continue to develop and implement recruitment, learning and development and leadership programs and deploy technological tools to augment the in-person approach. Each company will identify the most suitable programs for their workforce.



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Learning & Development Risks and Mitigation Strategies

Risk mitigation strategies include strengthening relationships with current and additional educational partners to ensure we have a strong talent base to recruit from and continually supporting our employees with new learning and development programs to ensure they are progressing.

As part of our ongoing focus on employee progression and retention, all companies are focused on continuing to hire and internally promoting, where possible.

Succession Planning

Fairfax India adopts the same philosophy as Fairfax on matters such as succession planning. While we operate on a decentralized basis and allow our Presidents to manage their operations independently, Fairfax India manages and holds ultimate responsibility for the succession planning process. As discussed above, all our companies engage in various talent programs with an ongoing competency and career progression. At the holding company level, we annually review this progression and collect data on key successors for each company along with associated conversations and engagement with the Presidents on suitability and readiness. This ensures adequate bench strength across the group in the event of the unforeseen loss, whether permanent or temporary, of any of our leaders at any of our companies.

Our Employees

Employee Engagement

In addition to the risk mitigation strategies listed above there are strong employee engagement programs in place throughout our companies. Our companies conduct employee engagement surveys and use the findings to improve the offering of skills and training programs. BIAL holds quarterly employee forums while Sanmar has an employee portal that facilitates employee performance review.

Integrated employee engagement programs together with a strong culture have helped us to stay connected to our workforce and enables our valued employees to feel part of Fairfax India, their employer and to each other. Continuous engagement with our workforce will continue to be a priority for Fairfax India evidenced through multiple initiatives.



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Our Employees

CEO & Senior Management Engagement

Fairfax India emulates the approach taken by Fairfax. We value the opportunity to check-in with employees and welcome them into the Fairfax family. The CEO is in touch with all the investee companies through regular meetings in-person as well as virtually. As well, the senior leadership within these companies are actively engaged. Our companies have received third party recognition for their initiatives. For example, BIAL, IIFL Securities and IIFL Finance have been recognized as companies that are a 'Great Place to Work.'

Internal communication at our investee companies is held regularly and is encouraged at all levels of operations. Open communication is critical to the success of our decentralized model. Our senior management teams not only uphold our shared communication and collaboration style, but they also deeply appreciate it. As outlined in the Structure section of our Guiding Principles, complete and open communication is an essential requirement at Fairfax.

Amongst our investee companies, IIFL, CSB Bank, Fairchem and Seven Islands have Employee Share Ownership Plans (ESOP) in place.

Employee Wellbeing

Fairfax has a goal of being the healthiest workforce in the world. All our companies address wellbeing at both a strategic and tactical level offering a myriad of initiatives including focused mental, physical, and financial wellbeing initiatives, medical insurance and subsidized healthy meals. Many of our companies have undertaken employee-centric initiatives. Chemplast Sanmar has implemented a 'Voice of the Employees', a two-way communication channel to encourage employee feedback. Additionally, BIAL has a professionally managed childcare facility for its employees.

Our companies' investments and focus on employee wellbeing together with these strategic partnerships demonstrate our commitment to all our employees and their families' wellbeing.

IIFL Finance has a developed a health and wellness initiative 'Go Fit' in partnership with 'Healthify.' It also has an Artificial Intelligence (AI) health coach that assists users in locating free customized diet plans. The company's complimentary health counselling services include nutrition classes and yoga sessions. Another health app 'Your Dost' offers anonymous counselling to all employees. 'Your Dost' is India's first and largest online mental health and emotional wellness coach. This program provides employees with expert confidential advice from 1,000 experts.

Employee Communication

Employee communication is a key focus throughout the investee companies. Two-way communication is facilitated throughout our companies through a commitment to scheduled performance conversations supplemented by informal catch up sessions.









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Our Employees

Employee Benefits

We are clear on the need to recognize and reward our people in line with performance, adopting a total compensation model across all our operations. We offer basic salaries benchmarked with the market, strong competitive benefits and a discretionary bonus scheme which is simple, non-bureaucratic and based on company and individual performance. External benchmarking is utilized on a company basis to ensure competitive and fair results compensation.

One example of this at our companies is at BIAL, initiatives were rolled out promoting equal opportunity and increasing paternity leave from five days to month. BIAL also has a professionally managed child-care facility for its employees. Some other examples include the following:

Healthcare benefits	Mental health benefits	On-site fitness centre or provide gym memberships	Childcare facilities or contributions	Flexible working hours	Working from home arrangements
					

Diversity & Inclusion

We highly value our employees’ diversity of opinion, invaluable insight, and dynamic skills within our organization. We foster inclusion in our workplace. Many of our companies continually review and update their policies and initiatives.

Chemplast Sanmar follows a two-way approach and has developed a communication channel called VOTE (Voice of the Employees) to capture their feedback on policies. The company also tracks data based on socio-economic background of its employees.

BIAL has regular training programs for its employees on human rights and a people-centric approach to providing a diverse, inclusive workspace grounded in ethical values. BIAL rolled out its “B Included” program across the organization. Additionally, the CEO leads a team of senior management on its Diversity and Inclusion Council to demonstrate company-wide commitment.

Other examples from our companies includes IIFL Finance providing medical insurance coverage for its LGBTQ cohort and NCML expanding its medical insurance coverage to include ‘same-sex’ partners and having gender-neutral job descriptions.



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Our Customers

All our investee companies are actively engaged with their customers. While feedback is sought at regular intervals, the investee companies have initiated targeted programs to provide superior customer service.

BIAL has undertaken many programs focused on the traveler. Along with regular customer survey, other initiatives include biometric boarding, virtual queuing, increased free usage of Wi-Fi, a self-bag drop, and assistance for visually challenged passengers. BIAL has integrated app-based taxi services such as Uber and Ola into its transportation system, making the airport the first in India to make such an integration. BIAL has been at the forefront of innovation and technology to enhance the passenger experience.

Sanmar conducts annual surveys to measure customer satisfaction which in turn assists in formulating strategies. This survey spans the various lines of products: suspension PVC, paste PVC, caustic soda and chloromethanes and refrigerant gas.

IIFL Finance helps its current customers access credit at affordable interest rates through its gold loan program. IIFL Finance provided microfinance loans to over 1.5 million customers to women and those in rural communities. Rapid approval for loans has seen home loans being approved in a day and non-home loans within two days. The company also widens its customer base through a referral program that spanned fiscal year 2021-2022. Customer service is facilitated through multiple channels: online surveys, multilingual additions to web site, customer feedback box in branches, and toll-free numbers.

Spaisa has a feedback process within 30 days for the new customer, CSB Bank deploys digital tools such as WhatsApp to widen banking options, and Saurashtra Freight uses remote monitoring of cargo and containers to provide updates to its customers.



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Our Community

We believe that, as a company, being successful also means supporting our people, our customers, and our communities. One of the landmark pan-India programs is the provision of dialysis machines across the country. This initiative under the Fairfax India Charitable Foundation has been implemented in over 20 Indian states. To date, over 1,000 dialysis machines have been installed at 200 dialysis centres and 4.5 million free dialysis sessions have been provided. Several of our investee companies are involved in this program.

On a related note, Fairfax’s children hospital initiative will be built by CMC Vellore at its Ranipet campus in the state of Tamil Nadu – the site of its new 1,500 bed state-of-the-art trauma centre which opened in June 2022. Fairfax and Qess made a INR 300 crore (\$36 million) commitment to fund the construction of the new 350-bed children’s hospital and Fairfax and Qess donated the initial tranche later in 2022. Architectural plans, which make allowance for the bed capacity to be doubled over the next decade, are nearly complete, with construction now expected to start towards the end of 2023. CMC has a long-established culture of caring for the poor and vulnerable and it will lead the way in transforming paediatric care in India.

Other programs of our investee companies cover literacy, health care, heritage conservation and financial inclusion. BIAL has a multidimensional set of programs in advancing basic literacy, breakfast programs for children, a residential facility for girls, digital and environmental awareness, and support to local hospitals. The promotion of local heritage is through the Nallur bio heritage site that is 54 acres and a history spanning over 10 centuries.

Sanmar has developed impactful community initiatives in three areas: education, access to infrastructure and provision of potable water. Some of these examples include support to a local school’s IT and computer needs, contribution to the construction of a local community hall, building of a volleyball court in a nearby village, covering the salary costs of cricket and tennis coaches and trainers, planting of saplings, and installation of a borewell to provide clean water.



BIAL supported for publishing specially curated workbook for 10th standard students in collaboration with Education Department.



Knowledge sharing sessions are organized for both students and Subject Resource Persons (SRP) with the support of BIAL employees.



Morning breakfast being served every day to children attending school.



Children are provided with uniforms, learning materials and school bags.

IIFL Finance has basic literacy programs for early grade children as well as financial literacy programs for women in rural communities. The IIFL Foundation’s flagship program is committed to giving out-of-school girls in Rajasthan a basic education before enrolling them in public schools. Through this program, over 1,000 women from indigenous communities have been given jobs. CSB Bank extends credit to 150,000 women through its micro-lending program. Fairchem has initiated a one-hundred-day campaign on plastic waste management.

Our Community

Volunteerism

Our investee companies take an active role in providing opportunities in community involvement. This is done through programs and various foundations of the investee companies.

Through the IIFL Foundation a tree planting initiative in a Mumbai district was undertaken in partnership with a community organization. Employees were involved in raising awareness related to the environment.

Philanthropy

The philanthropic work in India is based on the values and approach adopted by Fairfax and our investee companies have adapted the Fairfax commitment to a wide-ranging set of causes within India. As noted above, the Fairfax India Charitable Foundation's flagship program is the dialysis initiative. Additionally, many of our investee companies have their own foundations that make meaningful contributions in the local communities.

These contributions are in the context of Fairfax's commitment globally. Fairfax's donation program, with a target of 1-2% of their pre-tax earnings going to charitable causes, continues to thrive across the communities all over the world where we do business. In 2022, we donated \$26 million, for a total of \$288 million since we began our donations program in 1991.

The chart below shows the charitable donations by our investee companies in India in FY 2022:

Investee Company	Charitable Donations
IIFL Finance	INR 127,400,000
BIAL	INR 97,500,000
IIFL Securities	INR 27,742,550
Sanmar	INR 18,000,000
SIS	INR 14,383,654
Saurashtra Freight	INR 12,366,600
Fairchem	INR 9,282,440
CSB Bank	INR 8,430,375
Maxop	INR 5,425,314
Jaynix	INR 3,900,000
Spaisa	INR 500,000



Governance

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Governance

Fairfax India is led by a Board-appointed Lead Director to ensure the independent functioning of the Board and empowered Presidents running each of the 12+ portfolio companies independently at the local level. Being close to the business allows them to make the right decisions quickly versus relying on a disconnected home office. We believe there are many benefits to this unique structure. Not only does it reduce bureaucracy and head count at the home office, but it also creates a separation of powers that enhances our spread of risk, gives each President operating control of that President's company, allows for internal peer review at each company and creates an unmatched breadth of global senior talent.

On a quarterly basis our Board of Directors (Board) convene to discuss long-term strategic objectives, fulfilment of responsibilities to stakeholders and to provide the direction and oversight of our business affairs. Other mandates of the Board include evaluating performance of our management team against the Guiding Principles and corporate objectives, succession planning and ensuring that it understands the principal risks of the business and that appropriate systems to manage these risks are in place and effectively implemented.

Fairfax India has in place corporate governance practices that comply with all applicable rules and policies and the practices set out therein. A central objective of Fairfax India is to assist investee companies in implementing Fairfax's policies and guidelines consistent with the values, approach and policies taken by our parent company.

To date, our Board has adopted the following:

- Adopted a set of corporate governance guidelines
- Established an audit committee
- Established a governance, compensation and nominating committee
- Approved written charters for all its committees
- Approved and implemented a code of business conduct and ethics
- Approved and implemented a whistleblower policy

All the above are applicable to all directors, officers, and employees of Fairfax India. Each of our investee companies are governed by independent boards. Fairfax India nominees are always in minority; independent directors are in majority.

Enterprise Risk Management

Our primary financial risk management goals are to ensure that the outcomes of activities involving elements of risk are consistent with our objectives and risk tolerance, while maintaining an appropriate balance between risk and reward and protecting our consolidated balance sheet from events that have the potential to materially impair its financial strength.

Financial risk management objectives are achieved through a two-tiered system, with detailed risk management processes and procedures at our primary operating subsidiaries and investment management subsidiary combined with the analysis of the company-wide aggregation and accumulation of risks at the holding company. In addition, although we and each of our operating subsidiaries have an officer with designated responsibility for risk management, we regard each President as the chief risk officer of his or her company; each President is the individual ultimately responsible for risk management for his or her company and its subsidiaries.

For more information

2022 Annual Report

Fairfax India Holdings Corporation

(See Financial Risk Management page 57)

Governance

Our Guiding Principles and Core Values are the Foundation for our Corporate Governance Policies

Fairfax’s Guiding Principles were first drafted in 1987 and hold true today. Fairfax India endeavors to follow and uphold the same principles as Fairfax. These principles are stated below:

For more than 35 years, Fairfax’s Guiding Principles have been the foundation of our business and culture. The Guiding Principles include our core value that “honesty and integrity are essential in all our relationships and will never be compromised.” This core value forms the underlying basis for our corporate governance policies.

- **Our code of business conduct and ethics** provides a detailed elaboration on this core value, including that competitive advantage or profit must not be sought through unlawful, dishonest, or unethical business practices, regardless of any impact on the bottom line. The code requires every director, officer, and employee of Fairfax to report any violation of the code which is known to or reasonably suspected by that individual. Directors, officers, and employees must report any other known or reasonably suspected improper conduct or incident in relation to Fairfax, including any questionable accounting, internal accounting controls or auditing matters or potential violations of the law. The code provides an assurance from Fairfax that it will not carry out or, to the fullest extent reasonably within its power, permit any retribution or retaliation of any kind for reports made in good faith regarding known or reasonably suspected violations of the code. All officers and employees are required to review and attest their understanding of, and compliance with, the code on annual basis. Fairfax’s Board is ultimately responsible for monitoring compliance with the code.
- **Our anti-corruption policy** was adopted to provide concrete guidance regarding compliance with relevant anti-bribery laws and regulations. While the overarching message of this policy is that we always act with integrity and we never bribe, it also provides guidance on dealings with government, as well as political and charitable contributions. The anti-corruption policy also outlines a reporting mechanism for any suspected violations of the policy and imposes an obligation to cooperate with related investigations. Finally, our anti-corruption policy contains an assurance that Fairfax does not tolerate retaliation against anyone who has refused to violate the policy, reported a concern in good faith, or participated in an investigation related to potential misconduct.
- **Our whistleblower policy** imposes an obligation on directors, officers, and employees of Fairfax to report improper activities, including violations of our code of business conduct and Ethics. The policy outlines the various reporting procedures available to individuals, as well as the applicable investigation procedures. All whistleblower complaints are thoroughly reviewed and investigated, as appropriate, and are ultimately reported to the board and the audit committee on a quarterly basis. Our external auditor reviews all whistleblower reports on a quarterly basis. The policy is intended to encourage directors, officers, and employees of Fairfax to raise serious good faith concerns without fear of adverse consequences to them by virtue of raising those concerns. Accordingly, our whistleblower policy includes a commitment that Fairfax will not carry out or, to the fullest extent reasonably within its power, permit any retribution or retaliation of any kind against any individual for submitting any report in good faith.
- **Our anti-money laundering, sanctions & anti-terrorist financing policy** establishes requirements for employees to follow and to comply with applicable anti-money laundering, anti-terrorist financing and sanctions laws, regulations, and requirements.
- **Our policy on workplace violence, harassment, discrimination, certain relationships and accessibility** confirms Fairfax’s commitment to human rights and to ensuring a respectful workplace and to providing work in a dignified, discrimination-free, respectful, accessible, violence-free, and harassment-free environment.



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Governance

Our Board Members

The board of directors consists of eleven (11) members. We believe a small board size provides the most effective governance mechanism for Fairfax India. The board has determined that six (6) of its eleven (11) directors are independent and have no material relationship with Fairfax, that is, a relationship which could, in the board's view, be reasonably expected to interfere with the exercise of the board's independent judgement. The board holds regularly scheduled meetings to discuss long-term objectives and strategy. Other mandates of the board include evaluating performance of our management team against the Guiding Principles and corporate objectives, succession planning and ensuring that it understands the principal risks of the business and that appropriate systems to manage these risks are in place and effectively implemented. The audit committee assists the board of directors in maintaining oversight on overall quality and integrity of Fairfax India financial statements, related disclosures and internal controls as well as ensuring compliance with applicable legal and regulatory requirements.

Christopher Hodgson

Mr. Hodgson is the President of the Ontario Mining Association, President of Chris Hodgson Enterprises and a board member for Canadian Orebodies Inc. He previously served as Lead Director for The Brick Ltd. He entered provincial politics in 1994 as the MPP for Haliburton-Victoria-Brock and, following the 1995 general election, was appointed Minister of Natural Resources and Minister of Northern Development and Mines. During his time as Minister, Mr. Hodgson was recognized for creating new opportunities and growth within Ontario's mining industry. Between 1995 and 2003, he also served as Deputy House Leader, Chairman of the Management Board of Cabinet, Commissioner of the Board of Internal Economy, and Minister of Municipal Affairs and Housing. Previously he enjoyed a career in municipal government and real estate development and is an Honors Bachelor of Arts graduate from Trent University.

Sharmila Karve

Ms. Karve spent most of her career at PricewaterhouseCoopers (PwC) in India and was admitted to the partnership in 1997. During her time at PwC, Ms. Karve was appointed as the Ethics and Business Conduct Leader for PwC India, Head of Audit and the Diversity and Inclusion Leader for PwC's Global Network. In 2017, Ms. Karve became the first person from India to be appointed to the Global Leadership Team and the Global Human Capital Team. Ms. Karve serves on a number of public and private boards in India, including CSB Bank Limited (a portfolio company of Fairfax India) and Thomas Cook (India) Limited (a subsidiary of Fairfax India's parent company, Fairfax Financial Holdings Limited). Ms. Karve received a Bachelor of Commerce degree from R.A. Podar College of Commerce and Economics in Mumbai and holds a Chartered Accountant degree from the Institute of Chartered Accountants in India.

R. William McFarland

R. William McFarland serves on the board of directors of Fairfax and is lead director and chair of its audit committee. He is also a director and chairman of AGT Food and Ingredients Inc. and Fairfax's publicly traded subsidiaries, Dexterra Group Inc. and Farmers Edge Inc. Mr. McFarland previously served as Chair of the Board of Directors of The Conference Board of Canada. Mr. McFarland was the Chief Executive Officer and Senior Partner of PricewaterhouseCoopers (Canada) from 2011 to 2018. Prior to that, Mr. McFarland was a member of the executive team at PricewaterhouseCoopers (Canada) from 2005 to 2011, having been admitted to the partnership in 1992 and having led the Greater Toronto Area audit practice from 2002 to 2005. Mr. McFarland is a Chartered Professional Accountant and a fellow of the Chartered Professional Accountants of Ontario.

Sumit Maheshwari

Mr. Maheshwari joined Fairbridge Capital in 2011 and has been Managing Director of Fairbridge Capital since May 2018. Mr. Maheshwari is responsible to source, evaluate, negotiate, execute, and exit investment opportunities. He is also responsible to monitor the investee companies. Mr. Maheshwari has been involved in the investments of BIAL, Sanmar, CSB Bank, Fairchem Organics, Seven Islands, Thomas Cook, Quess Corporation, Sterling Holidays amongst others. Mr. Maheshwari serves on the board of directors of many of Fairfax's investee companies. Prior to joining Fairbridge Capital, Mr. Maheshwari worked with KPMG in India and the U.K. in their audit and accounting advisory functions. He is a qualified Chartered Accountant, has completed the Post Graduate Programme in Management from the Indian School of Business in Hyderabad, and holds Bachelor of Commerce and Master of Commerce degrees from the University of Mumbai.

Governance

Our Board Members (Cont'd)

Deepak Parekh

Mr. Parekh serves as the Chairman of Housing Development Finance Corporation Limited, a housing finance company in India which he joined in 1978. Mr. Parekh is the non-executive Chairman of GlaxoSmithKline Pharmaceuticals Ltd. and Siemens Ltd. and serves as a director of several Indian public companies including The Indian Hotels Co Ltd and Network 18 Media & Investments Limited. Mr. Parekh also serves as director of DP World Limited, a company listed on NASDAQ Dubai, and Vedanta Resources PLC, a company listed on the London Stock Exchange besides serving as the chairman of many HDFC Group companies. Mr. Parekh received a Bachelor of Commerce degree from the Bombay University and holds a Chartered Accountant degree from the Institute of Chartered Accountant in England & Wales.

Satish Rai

Mr. Rai is the immediate past Chief Investment Officer of OMERS. His mandate included the overall global investment strategy, portfolio construction activities, and P&L accountability across all asset classes and geographies where OMERS invested. Prior to joining OMERS in January 2015, he served as Chief Investment Officer at TD Asset Management, overseeing \$250 billion in assets under management. Mr. Rai was also Chair of the Committee of the Advancement of Visible Minorities in Leadership Roles and a Diversity Leadership Council member. Mr. Rai holds both a Bachelor of Mathematics (University of Waterloo) and a CFA. In 2002, he was recognized as one of Canada's Top 40 Industry Leaders Under 40, and in 2006 he received the Alumni Achievement Medal from Waterloo's Faculty of Mathematics. Mr. Rai serves on the Second Harvest Board and is a member of the Young President's Organization. He is a past member of the respective Boards of the University of Waterloo, Michael Garron Hospital Foundation (formerly Toronto East General Hospital Foundation), Toronto Global and Women in Capital Markets.

Chandran Ratnaswami

Mr. Ratnaswami is the Senior Managing Director of Hamblin Watsa Investment Counsel Ltd. At Hamblin Watsa, Mr. Ratnaswami is responsible for portfolio investments in Asia. Mr. Ratnaswami joined Hamblin Watsa in 1993 as director of international investments. Mr. Ratnaswami has been a non-executive director of Thomas Cook India since August 22, 2012, and a director of India Infoline Limited since May 15, 2012. He serves as a director of First Capital Insurance Limited, a director of Fairbridge Capital Private Limited, and has been a director of Zoomer Media Ltd. since November 2010. He serves as a non-executive director of ICICI Lombard and has been a director of Thai Reinsurance Public Company Limited since February 2012.

Gopalakrishnan Soundarajan

Mr. Soundarajan is a Managing Director at Hamblin Watsa Investment Counsel Ltd. Prior to this, Mr. Soundarajan was the Chief Investment Officer at ICICI Lombard, the largest private sector property and casualty insurance company in India. He held the position of head of investments at ICICI Lombard from 2001 to 2018 and was a member of the investment committee. Mr. Soundarajan serves on the board of directors of FIH Mauritius Investments Ltd, FIH Private Investments Ltd and Primary Real Estate Investment Fund. Mr. Soundarajan holds a Bachelor of Commerce degree from the University of Madras, is a member of the Institute of Chartered Accountants of India and is a Qualified Chartered Financial Analyst and Member of the CFA Institute in the United States.

Lauren Templeton

Lauren C. Templeton is the founder and president of Templeton & Phillips Capital Management, LLC, a value investing boutique located in Chattanooga, Tennessee. Ms. Templeton received a B.A. in Economics from the University of the South. She is the founder and former president of the Southeastern Hedge Fund Association, Inc. based in Atlanta, Georgia. Ms. Templeton currently serves on the Board of Trustees at the Baylor School, the Board of Trustees at the Bright School, the Atlas Economic Research Foundation Board of Overseers and the Board of Directors at Fairfax Financial Holdings Limited.

Governance

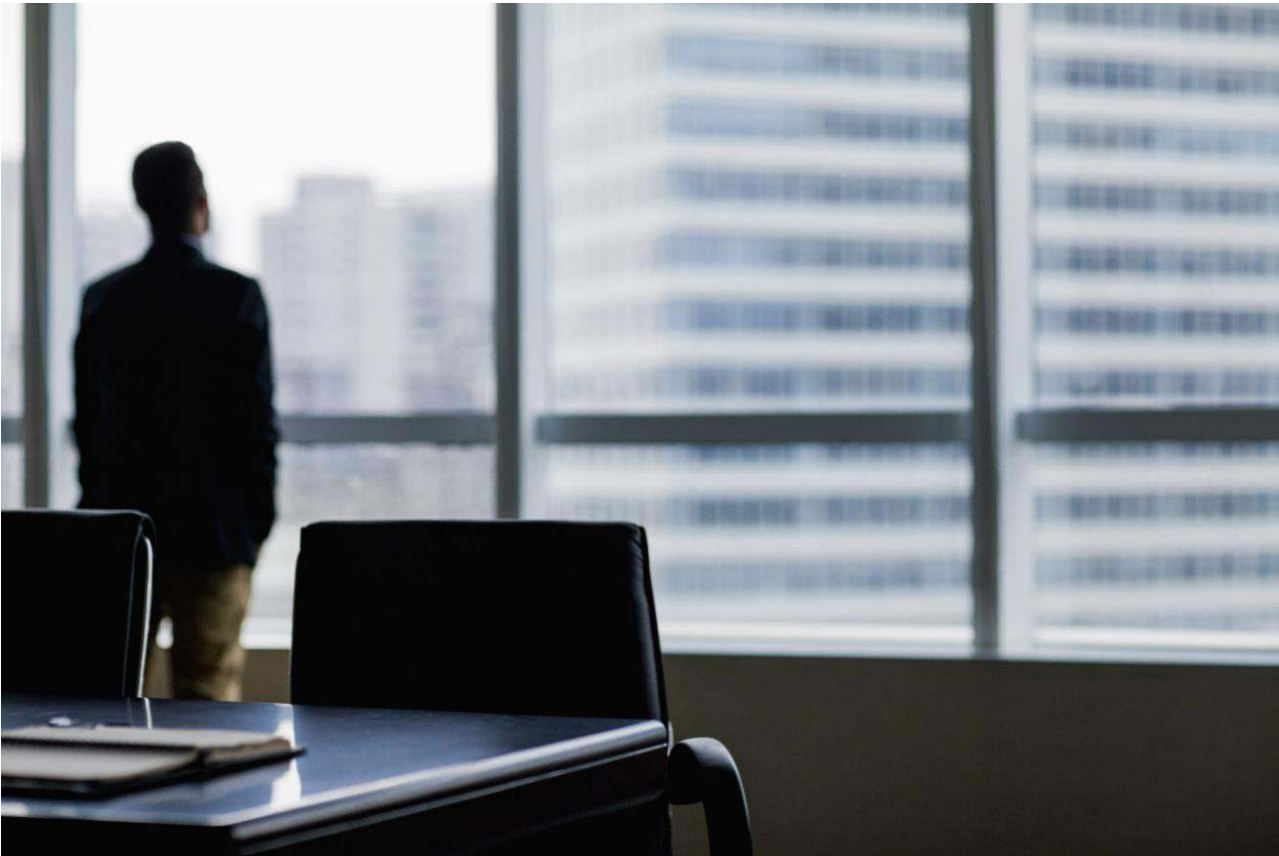
Our Board Members (Cont'd)

Benjamin Watsa

Mr. Watsa is the President and Founder of Marval Capital Ltd. Mr. Watsa has over two decades of experience in the investment industry. Prior to Marval, Mr. Watsa was a Partner and Portfolio Manager at Lissom Investment Management Inc., spent five years in New York as an investment banker in the Financial Institutions Group at Banc of America Securities and at Cochran Caronia Waller. Mr. Watsa also serves as a director of Fairfax Financial Holdings Limited, the advisory board of Impression Ventures, and holds the position of director emeritus for his work and contributions as a director and Vice Chair of the Investment Committee for the Rideau Hall Foundation. Mr. Watsa is the son of V. Prem Watsa.

V. Prem Watsa

Mr. Watsa has been the Chairman and Chief Executive Officer of Fairfax Financial Holdings Limited since 1985. He has served as Vice President of Hamblin Watsa Investment Counsel Ltd. since 1985. Mr. Watsa formerly served as Vice President of GW Asset Management from 1983 to 1984 and in various positions, ultimately as Vice President, with Confederation Life Investment Counsel from 1974 to 1983. Mr. Watsa is also a director of Blackberry Limited.



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The Board appointed Christopher Hodgson as the lead director of Fairfax India in 2021. The lead director is responsible for ensuring the independent functioning of the board, including establishing, in consultation with our CEO, the agenda for each board meeting, acting as spokesperson for the independent directors collectively in communications with the chairman and presiding over meetings of the independent directors. All committees, including the audit committee and the governance, compensation, and nominating committee, are composed solely of independent directors. All members of our Audit Committee are financially literate.

Since the creation of Fairfax India in 2015, we have sought to broaden the pool of talent, including those with international experience. We recognize the need to make progress on the gender imbalance that currently exists as we have only two female directors out of eleven.

Governance

Shareholder Rights, Ownership Structure & Director Elections

All directors are elected by our shareholders to serve on the Board on an annual basis. Duration of Board tenure is one year and if re-elected board members are permitted to serve consecutive terms. In uncontested elections, the Board has adopted a majority voting policy. If any nominee for director is not elected by at least a majority (50% + 1 vote) of the votes cast with respect to his or her election, he or she will immediately, following the meeting, tender their resignation. The Majority Voting Policy outlines the process surrounding such resignations, but also requires the Governance, Compensation and Nominating Committee to consider the resignation and recommend to the Board whether there are exceptional circumstances which would warrant rejecting such resignation.

Executive Compensation

The Fairfax executive compensation program is designed to align interests of its executives and shareholders by linking compensation with Fairfax’s performance and to be competitive on a total compensation basis to attract talent and retain executives. At Fairfax India, we take the same approach as our parent company with respect to our investee companies. We evaluate the performance and compensation of executives and senior management by examining their accomplishments, being cognizant of the competitive situation that the investee companies operate in, and providing incentives aligned to the long-term orientation of our investment philosophy. We also evaluate these factors in conjunction with the Guiding Principles for Fairfax.

Collaboration Amongst Investee Companies

Amongst our companies, there is a vast amount of expertise and experience on a range of issues pertaining to technology, community partnerships and environmental leadership. We recognize that this presents an opportunity for collaboration and sharing of ideas.

This approach is congruent with the leadership shown by Fairfax. There is such a unique environment at Fairfax and a deep base of talent, it was the consensus that while Fairfax would still have their companies operate autonomously, they could recognize opportunities for the greater good if their people were given the chance to communicate regularly and work together.



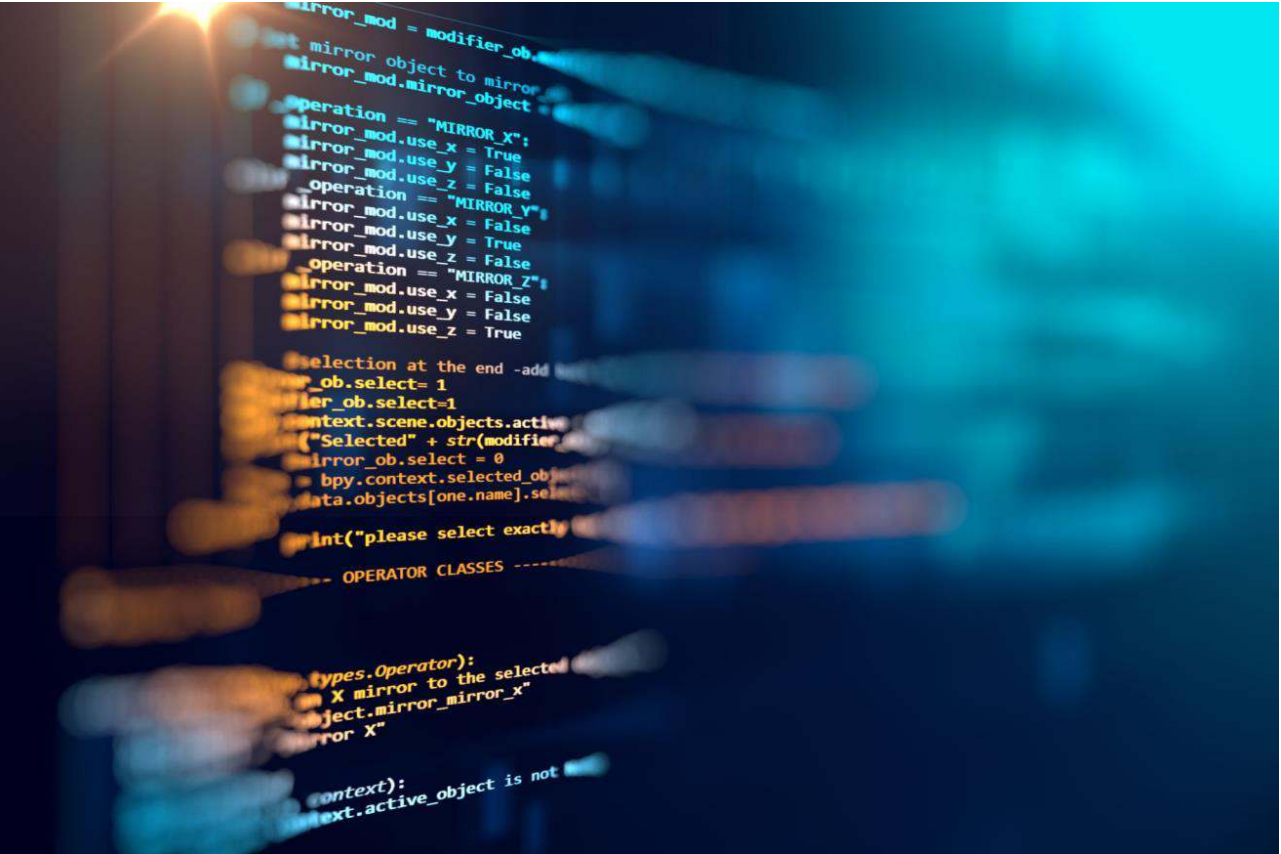
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Governance

Cyber Risk Management

Fairfax India follows the lead of our parent company, Fairfax, in the implementation of cyber risk management. Further, where we can share the expertise of our investee companies like BIAL and Sanmar, we will do so to adopt best practices. The following investee companies are ISO 27001 certified (information security management system): CSB Bank, 5paisa, BIAL, IIFL Finance and IIFL Securities.

Cyber threats are serious, ongoing concerns and our investee companies are committed to mitigating these risks to protect their enterprise. Our decentralized technological infrastructure is a natural defense against systemic cyberattacks. Consistent with the decentralized business model, the investee companies are directly responsible for ensuring that their respective organization addresses cyber risk and the potential impact on their operations. We recognize that each company is unique and that a customized approach to cybersecurity will better mitigate the cyber risk exposure being faced by these companies. The information below summarizes Fairfax India’s approach to security views and reporting, affiliate cybersecurity programs, training, and data protection.



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Security Reviews & Reporting

With the landscape of security threats in a state of constant flux, Fairfax India recognizes the importance of, and is committed to, conducting annual security reviews, and employing industry-standard best practices. Each Fairfax India investee company manages and maintains its own cybersecurity programs, employing industry standards and best practices.

For example, at CSB, data is encrypted as per industrial standards. User behaviour analysis and sandbox enabled endpoint detection and response solution is available to detect and prevent malicious activities. Artificial Intelligence is also used for incidence detection. The Bank also informs its customers of safety measures such as preventing ATM fraud and phishing attacks. At IIFL Finance, the company is in regular touch with its clients on data privacy policies. IIFL Finance has also taken cyber insurance in case of a cyber attack or data breach.

Governance

Training

Most investee companies conduct the following:

- Annual employee security training
- Phishing simulation, end point protection, and incident response, disaster recovery and business continuity plans
- Annual penetration testing by an external third party

Fairfax India recognizes that the first, and often best, line of defense in cybersecurity rests with our employees. We believe that it is imperative that we not only have a highly skilled and qualified team leading our cybersecurity initiatives at each company but also to have a general workforce which is cognizant of the cyber threats that exist. Each company develops suitable education programs for their employees and contract workers.

At the Head Office, all employees (full and part-time), contractors and interns participate in mandatory cybersecurity training sessions and are also required to complete on-line training which focuses on best security practices which can be applied to both their professional and personal lives. In addition, internal phishing exercises are conducted randomly throughout the year which allows our staff to put their training to practice.

Data Protection

Consistent with our decentralized structure, data protection, from both a data security perspective and a privacy perspective, is managed at the respective operating company level, meeting the regulatory requirements of the various jurisdictions in which they operate. The policies in place are shared both internally and externally and reviewed on a systematic basis to ensure ongoing relevance for the business.

Each investee company reviews their policies regularly, updates their policies for new rules and regulations as implemented and provides training and awareness to its employees in relation to data protection and its policies for ongoing compliance. Data protection is an important obligation owed to employees, clients, and business partners globally, and is key to protecting company and personal data. Each investee company's policies include relevant controls for data protection compliance. Transparency, data minimization, data usage, security measures, vendor management, data transfers, data privacy rights and other aspects of data processing are covered as relevant in the respective policies. In addition, each investee company aims to be responsive in a timely manner to any investigation or required notifications should an incident arise, as well as with respect to any data privacy access requests. Where relevant, the investee companies have data privacy and/or data security officers to assist with data protection compliance and monitoring.



representative image

Supply Chain

Substantially the Fairfax India investments are in India and in Indian businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, India. We do our best to source supplies from local, ethical, and environmentally focused suppliers with associated commitment to ESG. This will be an area of increased focus as we gather more detailed and comprehensive information regarding ethical supply chains.

Forward Looking Statements

Certain statements contained herein may constitute forward-looking information within the meaning of applicable securities legislation. Forward-looking statements may relate to Fairfax India's or an Indian investment's future outlook and anticipated events or results and may include statements regarding the financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividends, plans and objectives of Fairfax India. Particularly, statements regarding future results, performance, achievements, prospects or opportunities of Fairfax India, an Indian investment, or the Indian market are forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved".

Forward-looking statements are based upon our opinions and estimates as of the date of this report and they are subject to known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: the COVID-19 pandemic and the conflict in Ukraine; oil price risk; geographic concentration of investments; foreign currency fluctuation; volatility of the Indian securities markets; investments may be made in foreign private businesses where information is unreliable or unavailable; valuation methodologies involve subjective judgments; financial market fluctuations; pace of completing investments; minority investments; reliance on key personnel and risks associated with the Investment Advisory Agreement; lawsuits; use of leverage; significant ownership by Fairfax may adversely affect the market price of the subordinate voting shares; weather risk; taxation risks; emerging markets; MLI; economic risk; and trading price of subordinate voting shares relative to book value per share risk. Additional risks and uncertainties are described in the company's annual information form which is available on SEDAR at www.sedar.com and on the company's website at www.fairfaxindia.ca. These factors and assumptions are not intended to represent a complete list of the factors and assumptions that could affect the company. These factors and assumptions, however, should be considered carefully.

Although the company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The company does not undertake to update any forward-looking statements contained herein, except as required by applicable securities laws.