CLASSIC LEGENDS

ESG Impact Assessment Report

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A. ABOUT THE REPORT

This Environmental, Social, and Governance (ESG) Impact Report highlights the growing importance of ESG issues as they transition from being part of Corporate Social Responsibility (CSR) to becoming a fundamental business imperative. The reporting period for this report is from **October 1, 2022, to January 31 2025**. The reporting boundary encompasses all operations and business segments of Classic Legends.

The assessment was conducted through a thorough desktop review and analysis of information provided by Classic Legends and data available in public domain. The observations of impact are primarily derived from an evaluation of the company's internal documentation, including policies and information available on Company's website and other relevant data/information provided by Classic Legends.

An ESG Impact assessment of Classic Legends has been conducted to monitor the company progress and ensure that the Company is operating and growing in sustainable manner.

B. INTRODUCTION

INDUS Environmental Services Pvt. Ltd. ("**INDUS**") has been engaged by **PHI Capital** ("**PHI** or **Fund**") to conduct an **Environmental, Social, and Governance (ESG) Impact Assessment** for its portfolio company – **Classic Legends Private Limited ("Classic Legends" or "Company")** of Fund-II against the Environmental and Social (E&S) goals and to assess the value creation that the fund creates through the portfolio in terms of ESG aspects. The assessment has been conducted through a desk-based exercise and covers the overview of ESG impact of Classic Legends, covering its complete business operations.

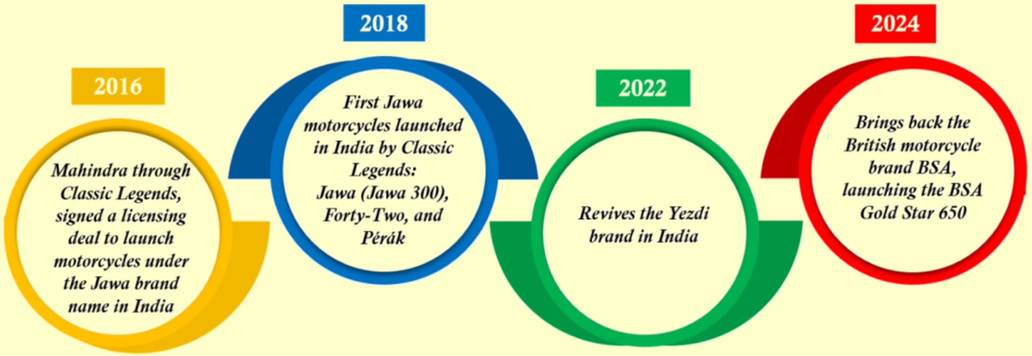
This comprehensive assessment aims to evaluate the Company's adherence to sustainable practices and its ability to manage ESG risks and opportunities across its business operation. The main objective of this ESG Impact Assessment is to evaluate how sustainability and responsible practices are integrated into the business operations of the Company, including overall supply chain. This Report exhibits Fund's values and commitment towards ESG aspects through its Portfolios. The E&S Initiatives and Performances of Classic Legends have been aligned and linked with the United Nations' Sustainable Development Goals (SDGs) and other global standards, wherever applicable.

C. ABOUT CLASSIC LEGENDS

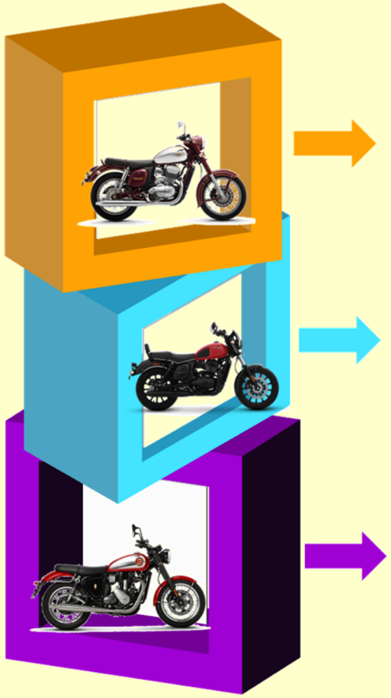
Classic Legends was incorporated by Mahindra & Mahindra in the year 2015 and headquartered in Mumbai, Maharashtra, to revive iconic motorcycle brands. The Company aims to bring to consumers a quintessential motorcycling lifestyle experience by co-creating exciting product and service offerings within its motorcycling ecosystem and bringing back renewed fervor into the retro classic motorcycle market. The major business operations of the Company involved are:

- Design, development, sales, marketing, and related activities for Motorcycles & Two wheeled Products; and
- Wholesale or retail sale of parts and accessories of motorcycles.

The Company was founded with the vision to reintroduce iconic motorcycle brands in India & International markets. The Company boasts of an elaborate portfolio constituting **Jawa, Yezdi & BSA** brands. The journey of Classic Legends incorporation and its Merger/Acquisition has been provided in the figure below:



1. Product Details



Jawa, a motorcycle brand with a 90-year legacy, originated in the Czech Republic (formerly Czechoslovakia) and was renowned for producing rugged, well-engineered motorcycles exported to over 120 countries. In the early 1950s, Jawa entered the Indian market and became synonymous with high-performance motorcycles that featured exceptional design. The brand was reintroduced under Classic Legends in 2018, quickly becoming the most searched motorcycle brand online.

Yezdi made its comeback in January 2022 under Classic Legends and Mahindra & Mahindra's ownership. The brand launched three distinct models, each designed to embody the spirit of fun, adventure, and thrill. The combined portfolio of Jawa and Yezdi offers a broad range of premium motorcycles, catering to urban commuting, off-roading, and long-distance touring.

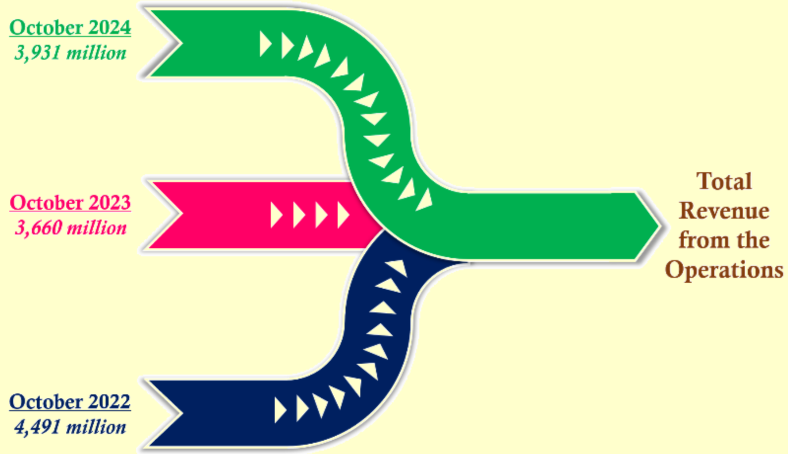
BSA Classic Legends made its international debut with the reintroduction of the iconic BSA Gold Star in December 2021. Currently launched in the European market, the BSA brand is set for global expansion, aligning with Classic Legends' vision to restore the legacy of classic motorcycling brands worldwide.

2. Awards and Recognition

BSA Gold star has won the *Best Modern Classic Bike of the Year* Award from **DNA Auto Awards**	Jawa 42 FJ has received the *Viewer's Choice Bike of the Year* Award from **DNA Auto Awards**	Yezdi Adventure has won the *ADV Motorcycle Award* by **Acko Drive Awards**	BSA Gold Star has received the *Classic Motorcycle of the Year* Award

3. Business Growth (2022-2024)

Classic Legends has been experiencing a steady increase in sales. In 2024 (comparative seven months period), the Company achieved a 7.4% increase in production and sales compared to the previous year. By the end of 2024, Classic Legends had **sold over 37,000 motorcycles**. The Company expects to further boost this number, with **projections for more than doubling sales to ~82,000 motorcycles** in financial year 2026. Total Revenue (in INR) from the Operations (YTD October) is provided in the Figure.



In financial year 2026, Classic Legends set an ambitious goal to more than double ~~triple~~ its sales to ~82,000 units. This strategy includes expanding its dealership network from ~~450~~ ~300 to ~500 locations by the end of FY26 and introducing new models every six (6) months to cater to diverse customer preferences.

4. Sustainable Initiatives

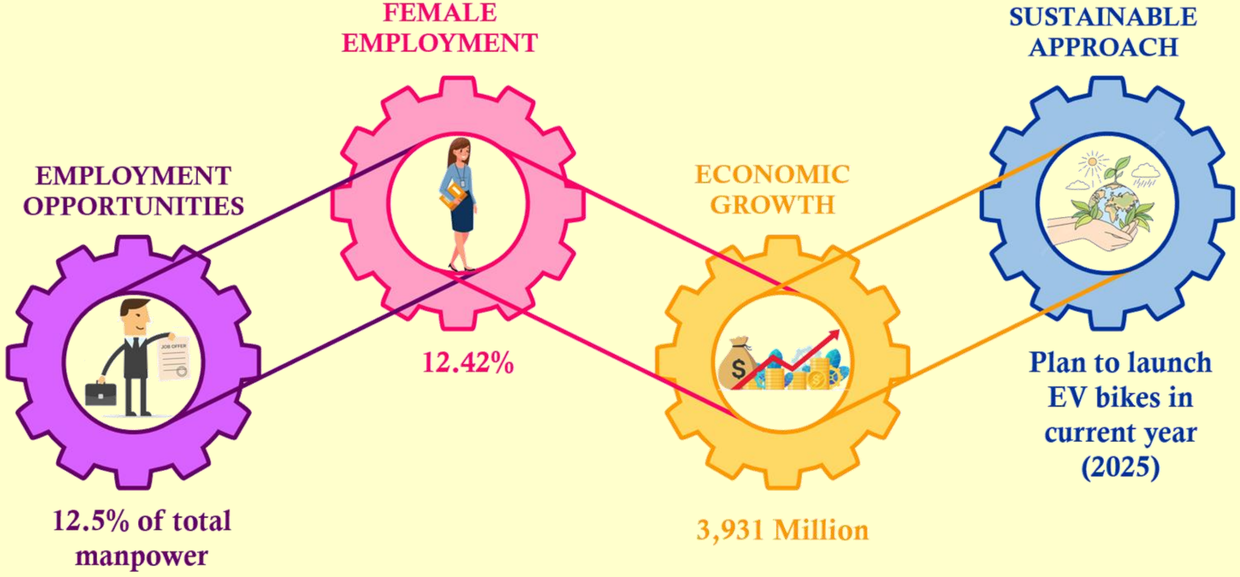
With production plans targeting ~**20,000 bikes per month**, Classic Legends is strengthening its footprint in the market. Classic Legends is gearing up to enter the Electric Vehicle (EV) segment. The new avatar of BSA and Jawa/Yezdi is likely to launch as an **Electric motorcycle**. This step showcases the Company's vision of combining retro appeal with sustainable technology.

Classic Legends plans to align the launch of its electric offerings with the development of India's EV infrastructure, ensuring practicality and performance. The electric motorcycle represents a significant leap toward sustainability, blending heritage with innovation to define the future of premium motorcycles.

5. Employee Details

Description	Total
Male	132 (Permanent) + 150 (Contractual)
Female	12 (Permanent) + 28 (Contractual)
Differently abled	0
Permanent	144
Contractual	178
Attrition Rate (in last two years)	27%
Employment Growth	12.5%

D. ESG OVERVIEW OF CLASSIC LEGENDS



E. ENVIRONMENTAL ASPECTS

The Company is committed to comply with the applicable regulatory Environmental compliances including obtaining permits/Licenses and its validation.

1. Waste Management

The Company generates three (3) types of waste namely: **Aluminium, Mild Steel (MS), and Rubber**. Waste is collected and segregated in the scrap yard. Further, it is being disposed off through registered vendors.

F. SOCIAL ASPECTS

1. Work Hours, Wages, and Overtime Practices

The Company ensures structured work hours (as per *Factories Act 1948*) of nine (9) hours per day including break time and working five (5) days a week, to promote employee well-being. The Company complies with the State Specific *Minimum Wages Rules 1959*, ensuring that its employees are paid above the minimum wages.

2. HR Policies and Procedures

The Company has developed HR policies and procedures including policies related to Recruitment, Working hours, Leave, Overtime, prohibition of child labour, etc.

3. Regulatory Updates

The Company has developed a portal to track and manage legal compliances. Changes in labour law get reflected on the portal and tracked accordingly.

4. Accident/Incident Reporting

No accidents have been reported in the last two (2) years i.e., 2023-2024.

5. Job Creation

A total of **40 new jobs** were created last year i.e., 2023-2024.

6. Female Workforce

Total women employment is **12.42 %** of the total manpower (permanent & contractual).

G. GOVERNANCE ASPECTS

1. Board of Directors

Mr Rajesh Ganesh Jejurikar	Mr Anupam Thareja	Mr Boman Rustom Irani	Mr Punita Kumar Sinha
Mr Amarjyoti Barua	Mr Anand Gopal Mahindra	Mr Vikram Singh Mehta	Mr Hemant Sikka

2. Grievance Redressal

Internal Grievance Redressal: The Company has a grievance redressal policy for addressing the grievances/complaints of the employees. For employees the first point of contact for lodging Complaint/Grievance is HR and depending on the severity of Grievance, HR first resolves the grievance at his level, if an employee is not satisfied with the resolution, then the grievance/complaint is escalated to Ethics and Governance committee.

Customer Grievances: The Company has a helpline center and also an email reach system for customer grievances. The email ID to reach out company for any complaints is easily accessible in the public domain.

H. MATERIALITY ASSESSMENT

Classic Legends' ESG strategy aligns with the UN Sustainable Development Goals. As a group, the Company is committed to **four (4) of the 17** UN goals most relevant to its business operations.

Relevant SDG	Material Issue	Mitigation Measures	Explanation of Alignment
5 GENDER EQUALITY **SDG 5: Gender Equality** **Target 5.1**: *End all forms of discrimination against all women*	Employment, Discrimination, remuneration issues, etc.	Create jobs and promote women employment	In last two (2) years, the Company has shown **progressive growth of 10%** towards providing better employment opportunities as well as promote women employment (Total women employment is **14.1** %).

Relevant SDG	Material Issue	Mitigation Measures	Explanation of Alignment
Target 5.5: *Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making.*			
7 AFFORDABLE AND CLEAN ENERGY **SDG 7: Affordable and Clean Energy** **Target 7.3 –** *Double the Improvement in Energy Efficiency*	Fuel consumption resulting in pollution, energy consumption	Energy consumption and Fuel saving (Non-renewable resource saving)	The Company is in the plan of launching its Electric Vehicle (EV). Therefore, they target to focus on prevention of pollution through reduction of fuel consumption.
8 DECENT WORK AND ECONOMIC GROWTH **SDG 8: Decent Work and Economic Growth** **Target 8.3 -** *Promote Policies to Support Job Creation and Growing Enterprises* **Target 8.5 -** *Full Employment and Decent Work with Equal Pay* **Target 8.8 -** *Protect Labour Rights and Promote Safe Working Environments*	Employee welfare-related issues, Lack of decent work opportunities, Lack of support for informal sector workers, Technology based challenges, meeting market demand	Employee rights, equal wages, safe workplace conditions, awareness in the community regarding decent work and responsibilities, progress in research & development, increase in production	Classic Legends is committed to providing Equal opportunity, fair wages, ESI, insurance, and safe work environment for all the employees. Also, the Company is also aiming to expand their production capacity as well as dealership footprint.

Relevant SDG	Material Issue	Mitigation Measures	Explanation of Alignment
SDG 9: Industry, Innovation, and Infrastructure **Target 9.1 -** *Develop Sustainable, Resilient and Inclusive Infrastructures* **Target 9.4 -** *Upgrade All Industries and Infrastructures For Sustainability* **Target 9.5 -** *Enhance Research and Upgrade Industrial Technologies*	Environmental Impact and sustainability, Innovation in Product formation, industrialization, and economic growth	Environment, Efficiency in production, employee welfare	The Company emphasizes innovative production processes and better infrastructure. It is committed to sustainable infrastructure by the inclusion of new technologies focusing on energy conservation.

I. ESG PROGRESS OF CLASSIC LEGENDS

A comparative analysis is presented in the following Table, based on FY 2022 and the status of FY 2024.

S. No.	Parameters	Baseline (2023)	Status as on January 2025
1.	**Employment Opportunity**	From 2017 to 2022, 25% of employment opportunities were created.	In the last two (2) years i.e., 2023-2024, 12.5% employment opportunities were created w.r.t to total manpower.
2.	**Female Employment**	No data was available for a number of females employed in the year 2023.	Current status of overall women employment is 14.1%**.**
3.	**Economic Growth**	Revenue for the financial year 2023 was Rs. 7,097 Million	Revenue for the financial year 2024 was ~~3,931~~ 6,350 Million
4.	**Sustainable Approach**	Plan for launching E-bikes	Classic Legends plans for launching E-bikes in the current year i.e. 2026.

J. CONCLUSION

Classic Legends has taken proactive steps towards environmental sustainability and actively working on electric bikes and plans to introduce them to the Indian market for a sustainable future.

In terms of employment, the Company has been expanding its workforce to support its growth and the revival of its brands. The Company is also promoting women's employment and contributing towards job creation.

The Company's ESG strategy is aligned with the UN Sustainable Development Goals (SDGs), which aim for decent work and economic growth, reduce inequality and clean energy. It was observed that **four (4) out of 17 SDGs** are applicable based on the company's efforts and performances.