VIVRITI'S CLIMATE ACTION POLICY

Version	Approval Date	Prepared By	Approving authority
V1	19th May 2025	Sustainability & Impact (S&I) Team	Board of Directors

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1. **Preamble**

1.1 Vivriti Capital Limited (VCL) (the Company') is a limited company registered under the Companies Act, 2013. VCL is also registered with the Reserve Bank of India (RBI) as a Non-Deposit taking Systemically Important Non-Banking Finance Company (NBFCs-ND-SI) and its debt securities are listed with the Bombay Stock Exchange.

1.2 Vivriti Asset Management Private Limited (VAM), a company incorporated under the Companies Act, 2013, acts as the manager of Alternate Investment Funds established in accordance with the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (AIF Regulations). VAM, inter alia, acts as the manager of the schemes of Vivriti Vihaan Trust registered as a Category II Alternative Investment Fund and schemes of Vivriti Treasury Optimizer Trust registered as Category III Alternative Investment Fund.

1.3 Unless otherwise defined, capitalized terms have the meanings given to them in the "legend"
provided at the end of this document.

1.4 Reference frameworks & standards referred to in the Policy have been outlined in Annexure-II.

2. **Scope**

2.1 This policy is applicable to Vivriti at an organizational level and where relevant, portfolio-level applicability has been stated out.

2.2 The processes outlined in the Policy have been developed based on Vivriti's current position/stance on climate & applicability in aligning with the Taskforce on Climate-related Financial Disclosures (TCFD) Recommendations.

3. **Purpose**

3.1 Vivriti recognizes the importance of addressing anthropogenically induced climate change and believes in addressing it through agency & urgency. The policy has been developed to:

(a) implement a framework for identifying, assessing, managing and reporting climate related risks & opportunities across Vivriti's business operations and where applicable across part of its portfolio

(b) to enhance Vivriti's ESG considerations around climate risks & opportunities

3.2 This Policy is supplemented and should be read alongside VCL & VAM's Environmental, Social & Governance (ESG) Policy, Vivriti's Energy Policy, Vivriti's Sustainable Finance Framework, and climate reporting which wholly portrays Vivriti' climate-related commitment, position and progress (refer Annexure-I).

4. **Position/Stance on Climate**

4.1 Vivriti has developed robust mechanisms to improve organization & portfolio level sustainability performance. Climate has always been an underlying factor being addressed through its organizational & portfolio-level decarbonization measures. Climate considerations have been integrated into ESG risks' & opportunities' management at Vivriti (where applicable):

- **Task Force on Climate related Financial Disclosures (TCFD):** Vivriti has been a TCFD Supporter since 2024, and has been gradually aligning its climate pathways to reflect the requirements of the TCFD Recommendations, with varying levels of progress being made across the 4 pillars – Climate Governance, Strategy, Risk Management, Metrics & Targets. Vivriti will be publishing a climate/TCFD report on a yearly basis, reporting on the progress across the 4 pillars.
- **Paris Agreement:** Vivriti's climate transition journey will comprise of refining, updating and developing needed climate initiatives that are aligned towards conforming to the Paris Agreement temperature thresholds (of limiting global temperature rise to 1.5 or 2 deg C by 2100 compared to pre-industrial levels). These climate initiatives will be centered around addressing relevant climate risks & capitalizing on opportunities around climate mitigation, and adaptation & resilience (A&R).
- **Fossil Fuels:** Vivriti currently does not invest in fossil fuels, and the oil & gas sectors. The group level Energy Policy governs all carbon-intensive activities/transactions (energy, coal, oil & gas) through the application of emission related thresholds. These thresholds are extended to Vivriti's initial ESG screening exclusion list/list of 'Prohibited Activities' and integrated into credit & investment decision-making. Through such portfolio decarbonization measures, Vivriti is committed to gradually decarbonizing its portfolio from carbon-intensive sectors, while being cognizant of the climate opportunities around decarbonization, and harnessing stewardship/advisory actions accordingly.

5. **TCFD Alignment**

5.1 **Climate Governance**

(a) **VCL Risk Management Committee, VCL & VAM ESG Risk Assessment Committee, S&I Team**

- The **VCL Risk Management Committee** is the **board level committee** comprising of 2 Independent Directors, 1 Nominee Director & Managing Director that has oversight of the organizational & portfolio level ESG & climate risks & opportunities (among other risks)
- **VCL ESG Risk Assessment Committee** is the **executive level committee** comprising of the Managing Director, Chief Credit Officer, Chief Risk Officer, and Head of Sustainability and Impact (S&I) that has oversight of the management of ESG & climate-related risks & opportunities relevant to VCL's business operations & portfolio:

  - Organizational level: ESG Risk Assessment Committee to report to & seek leadership from the Risk Management Committee on a regular basis, on:
    - The organization's sustainability & climate strategy, direction & action plan (with RMC's approvals wherever required)
    - Progress & deterrents/issues faced while implementing the sustainability & climate action plan, and meeting relevant goals & targets
  - Portfolio level: ESG Risk Assessment Committee to also oversee and manage the ESG risks & opportunities within VCL's portfolio:
    - Has oversight of the portfolio level ESG risk assessments (including climate risk assessments)
    - The final investment decision-making for clients that undergo ESG risk assessments, to depend on the final approval from the Committee
    - To report to the RMC on a regular basis on the portfolio-level ESG & climate related findings, cases & decisions made

- **VAM ESG Risk Assessment Committee** is the **executive level committee** in VAM comprising of the Managing Director, Chief Investment Officer and Head of Sustainability and Impact (S&I). This is the only Committee that has oversight of the management of ESG & climate-related risks & opportunities relevant to VAM's business operations & portfolio.

- **Sustainability & Impact (S&I) function** has been set up by the ESG Risk Assessment Committee at VCL & VAM, and is responsible for execution and implementation of various processes & procedures related to ESG and climate action:
    - S&I Team to identify, manage & mitigate organizational & portfolio level ESG & climate risks & opportunities, collaborating with relevant teams (when required)
    - Conduct portfolio-level ESG risk assessments
    - S&I Team along with the ESG teams of our investors to conduct regular ESG & climate-related training for the Board, VCL Risk Management Committee & ESG Risk Assessment Committees, and for the organization (when required)

5.2 Climate Strategy

Vivriti to continuously implement organizational & portfolio-level relevant measures around identifying, assessing, managing & mitigating climate-related risks & opportunities in the short, medium and long term. Both physical & transition climate risks & opportunities to be accounted for, while also incorporating Double Materiality to account for the impact & financial materiality of climate risks & opportunities. Vivriti to also report on its climate progress in alignment with the TCFD Recommendations on a yearly basis.

5.3 Climate Risk Management

Vivriti to use applicable tools and methodologies (depending on availability & capacity) to identify, assess, manage & report climate-related risks & opportunities (at the organization & portfolio-level). Vivriti to also develop climate transition and climate adaptation plans.

5.4 Climate – Targets & Metrics

- Vivriti has developed a robust GHG Accounting Inventory system to measure & manage operational level GHG Scope 1, 2 & 3 emissions, which is gradually being extended to part of its portfolio (through the measurement of Scope 3 – Financed Emissions).
- Vivriti's ESG assessments & VSAM also cover relevant climate parameters:
  - Climate mitigation: Reduction of energy consumption, GHG emissions intensity reduction, Avoided GHG emissions, etc.
  - Climate adaptation & resilience: Presence of - Emergency Preparedness Plan, Business Continuity Plan, Climate Adaptation Plan, climate risk assessment measures, water conservation/efficiency & waste management measures etc.
- Vivriti to continuously develop & adopt relevant methodologies to account for climate mitigation and adaptation & resilience (A&R) parameters, and for climate target-setting purposes

6. Legend

S. NO.	TERM	PARTICULARS
1.	Vivriti	Refers to group companies- Vivriti Capital Limited and Vivriti Asset Management
2.	VCL	Vivriti Capital Limited
3.	VAM	Vivriti Asset Management
4.	VCL ESG Risk Assessment Committee	Comprises of the Managing Director, Chief Credit Officer, Chief Risk Officer, Head - S&I
5.	VAM ESG Risk Assessment Committee	Comprises of the Managing Director, Chief Investment Officer, Head - S&I
5.	VCL Risk Management Committee	Comprises of 2 Independent Directors, 1 Nominee Director & Managing Director
4.	Sustainability & Impact	Members of the team tasked with the execution of the ESG policy

Annexure-I: Supporting Policies

- **ESG Policy:** Outlines principles & processes followed by Vivriti to assess ESG risks & opportunities.

  VCL ESG Policy
  VAM ESG Policy

- **Energy Policy:** Governs transactions related to extractive & carbon-intensive activities (coal, oil & gas) by prescribing emissions related thresholds.

  Vivriti's Energy Policy

- **Sustainable Finance Framework:** Outlines the sectoral eligibility criteria for green proceeds, and applicable climate mitigation and adaptation & resilience requirements in adherence to the Climate Bonds Initiative (CBI) standards.

  Vivriti's Sustainable Finance Framework

Annexure-II: Reference Frameworks & Standards

- **TCFD Recommendations**

1. **Governance:** Disclose the organization's governance around climate-related risks and opportunities.

   Recommended disclosures:
   a. Describe the board's oversight of climate-related risks and opportunities.
   b. Describe management's role in assessing and managing climate-related risks and opportunities.

2. **Strategy:** Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

   Recommended disclosures:
   a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
   b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
   c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

3. **Risk Management:** Disclose how the organization identifies, assesses, and manages climate-related risks.

   Recommended disclosures:
   a. Describe the organization's processes for identifying and assessing climate-related risks.
   b. Describe the organization's processes for managing climate-related risks.
   c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

4. **Metrics & Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.**

   Recommended disclosures:
   a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
   b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
   c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

- **IFRS S2**

1. Governance:
    - Entities must disclose the processes, controls, and procedures used to monitor, manage, and oversee climate-related risks and opportunities.
2. Strategy:
    - Entities must disclose information about the climate-related risks and opportunities that could reasonably be expected to affect their prospects.
    - This includes the current and anticipated effects of those risks and opportunities on their business model and value chain.
    - Entities must disclose information about their climate-related transition plan and how these plans are factored into their financial planning.
3. Risk Management:
    - Entities must disclose the processes used to identify, assess, prioritize, and monitor climate-related risks and opportunities.
    - This includes how they are managing both physical and transitional climate risks.
4. Metrics and Targets:
    - Entities must disclose information about their climate-related targets and greenhouse gas (GHG) emissions.
    - This includes disclosing gross GHG emissions and any climate-related targets set.

Specific Disclosures:

- Climate-related transition plan: Information about how the company is transitioning to a low-carbon economy.
- Scenario analysis: Information about how various climate-related events may impact the business in the future.
- Climate resilience: Assessment of the resilience of the business model and strategy to climate-related changes.
- Scope 3 emissions: Disclosures of the categories included within the entity's measure of scope 3 GHG emissions.