

Vivriti's Energy Policy

Version	Approval Date	Prepared By	Approved by
Version 1	09th February 2023	Sustainability & Impact Team	Board of Directors

This document is one of Vivriti's sustainability risk policies. It should be read in conjunction with the ESG policy which explains common features and technical terms.

Vivriti's Approach

The way we do business is as important as what and how we do it. Our responsibilities to our stakeholders, both internal and external as well as the communities in which we operate, go far beyond simply being profitable. Our ability to identify and address environmental, social and economic developments helps us assess the risks and opportunities of our business. This is consistent with Vivriti's values and, in particular with our 'Do No Harm Statement'.

Background

As part of our sustainability goals, Vivriti is strongly committed to supporting and financing energy transition. Vivriti recognises that to facilitate a just and stable transition, we need to break the pattern of underinvestment in clean technology and infrastructure that can help transform future energy supply and demand, and support critical areas like clean energy, electrification, energy storage, decarbonization of heavy industries and nascent technologies like clean hydrogen, carbon removal and sustainable transportation fuels.

The Policy covers oil and gas (both conventional and unconventional, and greenhouse gas emissions), hydrogen, power generation, nuclear, renewables and hydropower, biomass energy and energy derived from waste. The Policy seeks to achieve three inter-related objectives as outlined below:

1. Enable a resilient and stable energy transition, helping to navigate today's energy crisis, and build energy security in the long term.
2. Support a just and affordable transition, recognizing the local realities in all the communities we serve.
3. Influence existing clients to divest from non-renewable energy and support them in their transition towards clean energy.

Vivriti recognizes that energy companies will play a key role in driving decarbonization of the existing carbon intensive energy supplies, and accelerate investment into clean fuels, renewables, and electrification. We help our energy clients through our financing and investment solutions in climate mitigation technologies and infrastructure needed to succeed in the transition. It is important to recognise that the balancing of all energy interests is material – energy transition, energy security, energy affordability and economic development – as they would increasingly converge around a clean energy future.

Fundamentally, we will -

- I. continue to support energy clients that take an active role in the energy transition and who apply relevant robust industry standards
- II. plan to deploy capital into clean energy and broader decarbonisation activities, including but not limited to: batteries, grid flexibility and resilience solutions and energy efficiency solutions
- III. maintain carbon emission thresholds in the relevant sectors as mentioned below -

1. Oil & gas

We recognize oil and gas extraction entails adverse environmental and social risks, hence any decisions regarding financing and investing in such projects would involve a thorough assessment of the ESG risks. Our financial and advisory services will only be provided to clients who have committed to phase out oil and gas extraction and who ensure that their extraction of both conventional and non-conventional oil and gas is not greater than 25%. Any transaction in oil & gas will require enhanced ESG review and discussion with a final financing decision by the ESG Risk Assessment Committee.

2. Hydrogen

Clean (green & blue) hydrogen will be critical to meeting future energy demands, reducing reliance on fossil fuels, and supporting decarbonization across key sectors. We will support such projects based on careful ESG evaluation & assessment.

3. Power

Thermal coal-fired power plants

Compared to other forms of power generation, coal fired power generation produces more greenhouse gases, therefore it presents a higher risk of contributing to climate change, air pollution and other environmental impacts. In light of this, we do not provide financing or investment which will be used for new construction of coal-fired plants. However, when it is essential to our country's stable energy supply, we will contribute to support such projects based on careful considerations -

- a. Financed clients need to publicly report their GHG emissions annually consistent with the GHG Protocol
- b. Not onboard any new clients with $\geq 20\%$ of power generation from coal fired power plants unless such clients are pursuing a low-carbon transition strategy
- c. Projects to be based on careful ESG evaluation & assessments with a final financing decision by the ESG Risk Assessment Committee

Coal Mining

Vivriti will not provide project-related financing for new thermal coal mines or significant expansion of existing mines and has set targets to phase out our financing of mining companies deriving $\geq 25\%$ of their revenue from thermal coal mining. All such projects will be based on careful ESG evaluation & assessments with a final financing decision by the ESG Risk Assessment Committee.

4. Nuclear

Nuclear energy can play a key role in the energy transition with an energy mix of renewables and other low-carbon energy sources; therefore, such projects will be financed after a careful ESG evaluation and assessments, with a final decision made by the ESG Risk Assessment Committee.

5. Renewables

A significant increase in financing and investment for clean electricity generation from renewables, electrification and storage infrastructure will be critical to a stable transition. All renewable energy projects need to meet high standards to ensure the energy and climate benefits they bring are not undermined by negative environmental or social impacts. We plan to deploy capital into clean energy and broader decarbonization activities, including but not limited to batteries, grid flexibility and resilience solutions, clean transportation and energy efficiency solutions.

6. Biomass energy

There is a role for biomass energy in a net zero economy, however this is likely to be constrained by the limits of sustainable biomass sources. Hence all such projects would require careful ESG evaluation & assessments.

7. Energy from waste

For sustainable energy transition, there is a role of energy recovery from waste especially if there are no other uses for the waste material according to the waste management hierarchy (such as further recycling) and to prevent the waste from going to landfill. Waste materials include a range of materials with no further economic use (including waste biomass), sourced from households, offices and industries. Supporting such projects would require careful ESG evaluation & assessment.

8. Energy projects

Vivriti will identify, assess and manage potential environmental and social risks and impacts associated with energy projects, including those risks and impacts related to human rights, climate change, and biodiversity.