

VIVRITI'S CLIMATE ACTION POLICY

Version	Approval Date	Prepared By	Approving authority
V1	1 st April 2026	Sustainability & Impact (S&I) Team	Board of Directors
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1. **Preamble**
2. **Vivriti Next Limited (VNL)**, public limited company registered under the Companies Act, 2013, is the holding company of the mid-market focused Vivriti Group, which includes the mid-market lending business - Vivriti Capital (VCL), and private credit business - Vivriti Asset Management (VAM), and a comprehensive suite of services that simplifies complex business needs beyond financing for mid-market enterprises with advisory and integrated tech solutions.
3. The Group shall together be referred as “Vivriti”.
- 3.1 Unless otherwise defined, capitalized terms have the meanings given to them in the "legend" provided at the end of this document.
- 3.2 Reference frameworks & standards referred to in the Policy have been outlined in Annexure-II.
4. **Scope**
- 4.1 This policy is applicable to Vivriti at an organizational level and where relevant, portfolio-level applicability has been stated out.
- 4.2 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.
5. **Purpose**
- 5.1 Vivriti recognizes the importance of addressing anthropogenically induced climate change and believes in addressing it through agency & urgency. The policy has been developed to:
 - 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.
 - To enhance Vivriti’s ESG considerations around climate risks & opportunities.
- 5.2 This Policy is supplemented and should be read alongside VCL & VAM’s Environmental, Social & Governance (ESG) Policy, Vivriti’s Sustainable Finance Framework, and climate reporting disclosures which wholly portrays Vivriti’ climate-related commitment, position and progress (refer Annexure-I).

6. Position/Stance on Climate

6.1 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 the management of 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. Climate reporting will be conducted on a regular basis. Vivriti published its first TCFD aligned climate report in 2025.
- **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) at both the organizational and portfolio-level.
- **Fossil Fuels:** Vivriti currently does not invest or finance and does not have exposure in the fossil fuels' sectors (coal, oil and gas). Vivriti is committed to gradually decarbonizing its portfolio from carbon-intensive sectors (with the Exclusion List criteria in VCL's ESG Policy prohibiting any transaction in carbon-intensive projects or companies that "do not have a decarbonization pathway and targets and those that lack cleaner/alternative revenue streams"), while being cognizant of the climate opportunities around decarbonization and harnessing stewardship/ advisory actions accordingly.

7. TCFD Alignment

7.1 Climate Governance

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 the Managing Director, 2 Independent Directors, and 1 Non-executive 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 Risk Officer, and Vice President & Group 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 depends 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).

7.2 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 regular basis.

7.3 Climate Risk Management

Vivriti to use applicable tools and methodologies (depending on availability & capacity) including relevant policies (like the 'Climate Action Policy', 'Sustainable Finance Framework' and 'ESG Policy'), qualitative and quantitative climate scenario analysis and climate transition and adaptation plans to identify, assess, manage & report climate-related risks & opportunities (at the organization & portfolio-level). Refer Annexure III & IV for the climate transition and adaptation plans.

7.4 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 metrics:
 - 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.

8. 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 Risk Officer, Vice President & Group Head - S&I.
5.	VAM ESG Risk Assessment Committee	Comprises of the Managing Director, Chief Investment Officer, Vice President & Group Head - S&I.
5.	VCL Risk Management Committee	Comprises of the Managing Director, 2 Independent Directors, and 1 Non-Executive Director.
4.	Sustainability & Impact	Members of the team tasked with the execution and implementation of the Climate Policy.

ANNEXURE-I: SUPPORTING POLICIES

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

[VCL ESG Policy](#)

[VAM ESG 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](#)

- **Climate Report:** Vivriti's 2024-25 Climate Report is aligned with the TCFD Recommendations, with disclosures across the 4 pillars – Governance, Strategy, Risk Management, Metrics & Targets.

[2024-25 Climate Report](#)

ANNEXURE-II: REFERENCE FRAMEWORKS & STANDARDS

➤ TCFD Recommendations

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

Recommended disclosures:

- Describe the board's oversight of climate-related risks and opportunities.
- 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:

- Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
- Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.
- 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:

- Describe the organization's processes for identifying and assessing climate-related risks.
- Describe the organization's processes for managing climate-related risks.
- 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:

- Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
- Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
- 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.

ANNEXURE-III: CLIMATE MITIGATION & TRANSITION AND ADAPTATION & RESILIENCE (A&R) PLAN

	Climate Mitigation & Transition Plan	Climate Adaptation & Resilience (A&R) Plan
Governance	Refer 'Climate Governance' structure	
Strategy	<p>In-house decarbonization initiatives</p> <ul style="list-style-type: none"> • GHG inventory • Identification of emission hotspots and decarbonization levers • Implementation of decarbonization initiatives • Regular policy updates: Climate Finance Policy; Sustainable Finance Policy; ESG Policy <p>Portfolio-level decarbonization initiatives</p> <ul style="list-style-type: none"> • ESG assessments cover: GHG accounting, decarbonization initiatives of portfolio companies, decarbonization and climate related recommendations as part of ESAP • Supporting policies that are regular updated: Sustainable Finance Framework, Climate Policy., ESG Policy 	<p>In-house A&R initiatives</p> <ul style="list-style-type: none"> • Suitable office locations (in areas not prone to frequent extreme weather events) • Business Continuity Plan (BCP) • Disaster Preparedness Plan (DPP) <p>Portfolio-level A&R initiatives</p> <ul style="list-style-type: none"> • ESG assessments also cover: A&R parameters - Presence of BCP, DPP, Adaptation Plans
Risk Management	<p>Identification & Measurement</p> <ul style="list-style-type: none"> • Own operations: GHG accounting, emission hotspots • Portfolio: ESG assessment parameters on climate mitigation <p>Management & Mitigation</p> <ul style="list-style-type: none"> • Own operations: Implementation of viable in-house decarbonization measures and initiatives • Portfolio: ESAP recommendations, monitoring and stewardship engagements 	<p>Identification & Measurement</p> <ul style="list-style-type: none"> • Own operations: Climate risk assessments, climate scenario analysis • Portfolio: ESG assessment parameters on climate A&R, climate risk assessments, climate scenario analysis (part of portfolio) <p>Management & Mitigation</p> <ul style="list-style-type: none"> • Own operations: Location-based implementation of BCP and DPP, organization-wide trainings on physical climate risks • Portfolio: ESAP recommendations, monitoring and stewardship engagements
Metrics & Targets	<p>Own operations</p> <ul style="list-style-type: none"> • GHG emissions and emissions intensity reduction (including targets): <ul style="list-style-type: none"> - Scope 1 - Scope 2 - Scope 3 - Cat 1: Purchased Goods & Services, Cat 2: Capital Goods, Cat 5: Waste from Operations, Cat 6: Business Travels, Cat 7: Employee Commuting, Cat 15: Investments/Financed Emissions • Energy consumption and intensity reduction (including targets) <p>Portfolio</p> <ul style="list-style-type: none"> • Reduction of GHG emissions and emissions intensity (including targets): <ul style="list-style-type: none"> - Scope 1, 2, 3 (depending on data availability) • Reduction of energy consumption and intensity reduction (including targets) • Waste generated and/or recycled (including targets) 	<p>Own Operations and Portfolio</p> <ul style="list-style-type: none"> • No. of office locations in climate vulnerable regions • Offices situated in safe buildings and locations (%) • No. of offices where BCP and DPP have been implemented • No. of trainings on physical climate risks and preparedness • No. of operational locations impacted by climate risks and hazards • Climate liability costs and expenses (infrastructure damage, related employee H&S incidents, operational efficiency reduction, revenue reduction) • Water consumption and intensity reduction

ANNEXURE-IV: DISASTER MANAGEMENT AND BUSINESS CONTINUITY PLAN FOR PHYSICAL CLIMATE RISKS – RESPONSIBILITIES & CHECKLIST

OBJECTIVE

To ensure standardized preparedness, response, and recovery procedures across Vivriti’s offices in India in the occurrence of any climate-related physical risks/hazards, ensuring:

- Safety and wellbeing of employees and customers
- Continuity of business operations
- Protection of physical and digital assets

SCOPE

Applicable to Vivriti’s office locations in India, and applies to all employees, facilities, service providers, and visitors at offices (in the event of climate emergencies and hazards).

ROLES AND RESPONSIBILITIES

Role	Responsibility
Admin Head and S&I Head	<ul style="list-style-type: none"> ▪ In-charge of location-wide disaster preparedness and response (in the event of any trigger event)
Admin/ Facilities and Maintenance (F&M) Team	<ul style="list-style-type: none"> ▪ Support implementation ▪ To ensure presence of emergency equipment, infrastructure checks, physical safety
HR Team	<ul style="list-style-type: none"> ▪ Staff communication, wellbeing, documentation
IT Helpdesk	<ul style="list-style-type: none"> ▪ Maintain IT backup, power supply, cybersecurity readiness
S&I Team	<ul style="list-style-type: none"> ▪ Support monitoring and reporting of disaster preparedness, response, and recovery processes and adaptation measures adopted

- In case of any climate-related emergency that would directly impact our office locations or employees, emergency communication to be handled by the Admin/Facilities teams, with necessary reporting (based on the reporting templates given below) to the Managing Director, HR and S&I Head.

• Reporting Requirements & Templates

General checklist - infrastructure, equipment and employee readiness	Do’s & Don’ts Checklist (trigger event specific)	Daily Situation Report (during the duration of the event)	Staff Health and Attendance Log (for insurance/welfare)	Post-Incident Damage and Safety Assessment (within 48-60 hrs)
To be circulated among all locational level building F&M Team for their comments & signoff. Frequency: Bi-annual	To be filled in by the Admin/HR Team during the occurrence of any trigger/climate emergency event.			

➤ **GENERAL CHECKLIST - INFRASTRUCTURE, EQUIPMENT AND EMPLOYEE READINESS**

Initiatives (for all office locations)	Yes/No	Comments
Presence of fire extinguishers, first-aid kits, emergency exit signage		
To have a stock of flashlights, emergency power backup, battery-operated lights		
Elevated placement of IT assets		
Install and test emergency alarms (where applicable)		
Maintain a hard copy of emergency contact list and place in an easily visible area: Local police, fire brigade, NDMA/NDRF, head office, etc.		
Conduct regular training on: Evacuation procedures, First-aid basics, Fire and flood safety		
Keep staff informed about current extreme weather alerts from IMD, etc. (via mail or WhatsApp groups)		

➤ **DO'S & DON'TS CHECKLIST (trigger event specific)**

1. During the event of Heat Waves

Physical Climate Risk and Hazard: Heat Waves		
Trigger: IMD Red/Orange alert for high temperatures		
Pre-Disaster Actions	Yes/No	Comments
• Ensure air conditioning is functional and regularly serviced		
• Distribute oral rehydration salts (ORS) to employees		
• WFH advisory and email communication		
During Event	Yes/No	Comments
• Monitor indoor temperatures; avoid excessive AC use during power stress		
• Encourage hydration and provide shaded rest areas		
• Record any health incidents (e.g. heatstroke symptoms)		

2. During the event of Extreme Precipitation

Physical Climate Risk and Hazard: Extreme Precipitation		
Trigger: IMD forecast for >50 mm rainfall in 24 hours		
Pre-Disaster Actions	Yes/No	Comments
• To check with the building's F&M team to ensure drainage systems are not blocked		
• Move important items to higher ground		
During Event	Yes/No	Comments
• Inform staff of safe travel advisories and WFH through mail communication		
• Immediate office closure policy/mail once rainfall exceeds critical levels		
• No physical meetings to be scheduled with external guests		
• Shut down power supply to prevent short circuits		
Post Event	Yes/No	Comments
• Check for electrical hazards or water damage before reopening the office		

3. During the event of Floods

Physical Climate Risk and Hazard: Floods		
Trigger: Local flood warning / IMD + waterlogging above entry level		
Pre-Disaster Actions	Yes/No	Comments
• Seal low-lying electrical outlets		
• Elevate servers, computers, electronic appliances, and storage		
• Pack key documents in waterproof bags		
During Event	Yes/No	Comments
• Ensure immediate evacuation if floodwater enters office premises/building		
• Turn off power supply to avoid electrocution		
• Contact local emergency responders if trapped		
Post Event	Yes/No	Comments
• Ensure premises are properly dried and sanitized before reoccupation		
• IT equipment to be checked before booting up		
• File insurance/damage to be reported within 48 hours		

4. During the event of Cyclones and Storm Surge

Physical Climate Risk and Hazard: Cyclones and Storm Surge		
Trigger: IMD cyclone warning in zone (Yellow/Red)		
Pre-Disaster Actions (to be taken 24-48 hours prior to the event)	Yes/No	Comments
• Board up windows, secure loose items (signages, AC units, etc.)		
• Move important documents to a watertight box or transfer to the Head Office		
• Relocate critical assets/data to secure data center		
• Close office and send employees home 24 hours before expected landfall		
During Event	Yes/No	Comments
• No operations. Pre-emptive shutdown 24–48 hours before cyclone landfall		
• WFH mail communications		
• Maintain communication with the building’s Facilities & Maintenance Team		
Post Event	Yes/No	Comments
• Conduct building inspection with the building’s Facilities & Maintenance Team		
• Begin operations only after safety clearance post inspection		
• IT systems to be rebooted under supervision		

➤ **DAILY SITUATION REPORT (DURING THE DURATION OF THE EVENT)**

Trigger Event	Event Date	Severity* (Low, Medium, High)	Mail communications and advisory sent out (Yes/No)	Work From Home Applicability (Yes/No)	Relevant checklist followed (Yes/No)	No. of employees affected	Immediate remediation/aid provided

*Severity of the event depends on IMD alerts and broadcasts.

➤ **STAFF HEALTH AND ATTENDANCE LOG (FOR INSURANCE/WELFARE)**

Trigger Event	Affected Employee's Name	Type & Severity of injury/incident /accident	Type of remediation/ aid given	Current condition of the affected employee	No. of days of absence due to the injury/incident /accident

➤ **POST-INCIDENT DAMAGE AND SAFETY ASSESSMENT (WITHIN 48-60 HRS)**

Damage to Office Infrastructure	
1. Has there been any damage to any of the office's infrastructure? Please specify the details.	
If Yes:	
- What part of infrastructure has been damaged?	
- Costs incurred to renovate/fix the damaged infra (in INR)	
- Time taken to renovate/fix the damage (in days or months)	

Damage to Office Items	
2. Has there been any damage to any of the office's equipment and supplies? Please specify the details.	
- Please list the items that have been damaged	
- Costs incurred to fix the damage (in INR)	
- Time taken fix the damage (in days or months)	
Health & Safety Hazards	
3. Has any employee health & safety related hazards been identified post the trigger event? Please specify the details	
If Yes:	
- Please specify the measures taken to mitigate the hazards	