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# Climate Policy

This is the abridged Climate Policy.  
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# TRUE NORTH'S CLIMATE POLICY

At True North, we recognize that climate change poses a significant and real threat to the global economy which presents both risks and opportunities for investments. As per the Paris Agreement, urgent global action is needed to hold global average temperature increase to ***“well below 2°C above preindustrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels”***. In alignment with the Paris Agreement and India's Nationally Determined Contributions, we commit to taking climate action and understand that we are strategically positioned to support the global transition to a low-carbon economy.

Our climate strategy incorporates the frameworks of the United Nations Principles for Responsible Investment (UNPRI) and adopts the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations to identify areas where we can take further action to reduce our own GHG footprint while enhancing climate resilience of our investments.

**At True North, we have estimated the carbon footprint of our own operations and have achieved carbon neutrality since inception.** We are committed to United Nations Sustainable Development Goals (SDGs) and aim to achieve and maintain carbon neutrality by investing in high quality credits from projects focused on sustainable development and community well-being. We have incorporated Climate Change aspects in Screening and Diligence process of all our potential investments. We have also prepared a Climate Risk Assessment Tool based on the TCFD framework to conduct preliminary climate risk screening of our partner companies. We have successfully carried out climate risk assessment in our partner companies of Fund V & VI\*.

\*Companies with influence

# OUR VISION

Our vision is to be a climate responsible leader in investments and asset management by taking steps to reduce GHG emission of our own operations and supporting our partner companies remain climate responsive and resilient.



# OUR COMMITMENT

## GOVERNANCE

- › Define roles and responsibilities at the Board and Management levels to ensure oversight on climate related matters both at the firm level as well as partner companies
- › Build capacity and skillset through trainings and awareness sessions on climate-related aspects
- › Set aside adequate budget at True North to remain carbon neutral, build capacity for climate risk assessment, support climate risk mitigation in partner companies (e.g., tools and templates for GHG inventorization, target setting etc.)

## STRATEGY

- › Encourage partner companies to identify, assess and report climate-related risks and opportunities
- › Assess impacts of climate-related risk and opportunities on True North's strategy and business planning
- › Encourage partner companies to conduct climate-scenario risk analysis as appropriate
- › Recognize and incentivize climate action by partner companies

## RISK MANAGEMENT

- › Encourage partner companies to assess their climate risk using the Climate Risk Assessment tool on a regular basis
- › Gradually integrate climate related risk management aspects into our core investment strategy including climate risk due diligence for prospective investments

## MATRICES & TARGETS

- › Remain carbon neutral in our own operations through decarbonization and offsetting of residual emissions and continuously work towards reducing carbon footprint of our own operations
- › Encourage partner companies to measure, monitor and report their emissions and work towards emission reduction
- › Monitor climate related Key Performance Indicators (KPIs) and progress reported by partner companies

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