

Climate Policy

True North
2025

<i>Document Control</i>		
1	Document Title	Climate Policy
2	Date of Release	24-Sept-25
3	Document Version No	V3.0
4	Document Approver(s)	ESG & CC Governance Committee

1. True North's Climate Policy

Effective climate action is integral to our strategic decision making and underpins commitment to driving sustainable business practices. 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. In alignment with our responsible investment commitment, the Paris Agreement, and India's Nationally Determined Contributions (NDC), we commit to taking climate action.

We have achieved carbon neutrality in our operations since inception. We are committed to remain carbon neutral through continued efforts towards significant reduction in our carbon footprint.

We have incorporated climate change aspects in screening and due-diligence processes of all our potential investments. We conduct periodic Climate Risk Assessment (CRA) based on the TCFD Framework to assess physical and transition climate risks of our portfolio. The latest CRA has been carried out in 2025 under Shared Socio-economic Pathways (SSP) 2 and 5 scenarios for 2040 and 2060 time horizons.

We understand the importance of stewardship and collaboration to pursue collective efforts towards a low carbon future. Our initiative to join Initiative Climat International (ICI) is a step in that direction. We believe that being part of this network shall enable better understanding of climate risks and hence help us manage climate risks effectively. We shall ensure that learnings from our collaborative efforts as also from implementation benefit us and the community of investors in policy consultations at different levels.

1.1. Policy Scope and Coverage

The Climate Policy has been approved by the ESG & CC Governance Committee. The Policy is applicable to True North's own operations and its investing activities.

The Policy shall be reviewed annually.

1.2. Applicable Frameworks and Standards

This Policy has been developed with reference to all the relevant national and global guidelines, frameworks and standards:

- The Firm and its partner companies will comply with the applicable national laws and regulations and adhere to the National Guidelines for Responsible Business Conduct (NGRBC) of Government of India. The Policy, therefore, also aligns our commitments to the Business Responsibility and Sustainability Reporting (BRSR) Framework of the Securities and Exchange Board of India (SEBI);
- United Nations-supported Principles for Responsible Investment (UN PRI);
- United Nations Sustainable Development Goals (SDGs);
- We commit to the Paris Agreement on Climate Change and are progressively working towards managing climate risks according to the International Financial Reporting

Standards (IFRS), more specifically guidelines as laid down in IFRS S2 – Climate-related disclosures;

- Global Reporting Initiatives (GRI) - GRI 102: Climate Change and GRI 103: Energy; and
- India's Net Zero commitments and guidelines on Nationally Determined Contributions (NDCs)

2. Our Vision and Commitments

2.1. Vision for True North

Our vision is to be a climate responsible leader in investments and asset management by supporting our partner companies remain climate responsive and resilient.

2.2. Commitments

We are committed to extend our responsible investment practices by including climate action in all our investing activities. We support the global transition to a low-carbon economy. Our climate strategy has been aligned to TCFD and we undertake to progressively adopt the guidelines as enshrined in IFRS S2 (climate-related disclosures) Standard.

Our goal is to:

- Remain carbon neutral in own operations and progressively include financed emissions in our GHG reduction strategy;
- Collaborate with our partner companies to make their business climate risk resilient through periodic Climate Risk Assessment;
- To collaborate with partner companies on GHG estimation and reduction strategy;
- To ensure awareness of risk and opportunities from climate change through training and capacity building programs;
- To regularly monitor progress on climate action;
- To enable adoption of measures and processes for effective climate governance in both own operations and those in our partner companies.

2.2. Commitments

Governance	Strategy	Risk Management	Metrics and targets
Roles and responsibilities of Partnership and senior leadership	Assess impacts of climate-related risk and opportunities in True North's strategy and business planning	Progressive integration of climate risk integration in investment strategy	Remain carbon neutral in our own operations
Build capacity and skillset	Encourage and enable partner companies 1. to identify, assess impacts and report climate-related risks and opportunities 2. to conduct climate scenario and risk analysis	Enable partner companies to integrate climate risks into their overall risk management framework	Encourage partner companies to measure, monitor and report their emissions and work towards emission reduction
Adequate resources to action various climate related initiatives	Recognize and incentivize climate action by partner companies		Monitor climate related Key Performance Indicators (KPIs) and progress reported by partner companies

3. Climate Governance

The commitment to effective climate action flows from the top leadership at the Firm. The ESG&CC Governance Committee headed by the CEO & Managing Partner of the Firm is responsible for climate action in own operations as well as in investments.

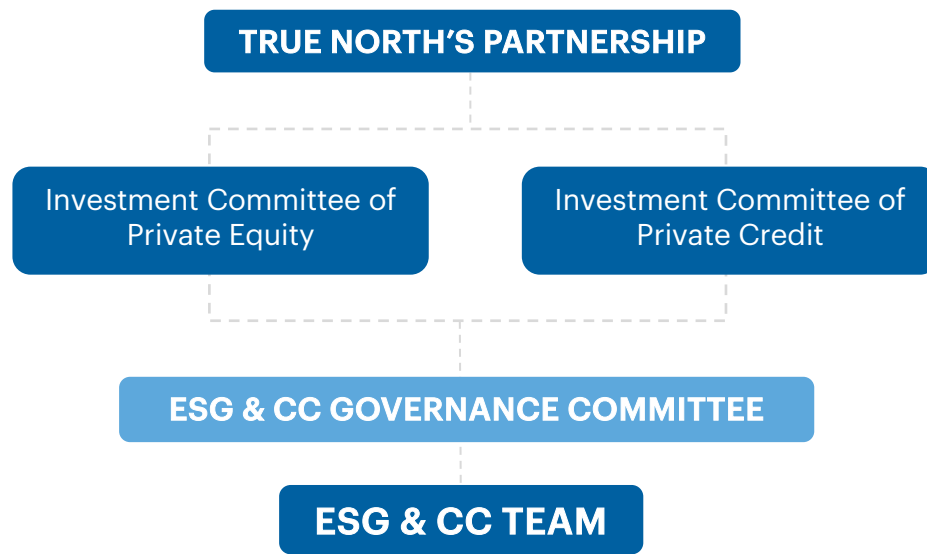
The Committee meets quarterly to discuss climate-related performance updates at the Firm and partner companies. It also discusses any challenges faced and provides strategic guidance to overcome them. All external reports, communications, and policy amendments are subject to Committee approval to ensure consistent alignment with our Responsible Investment (RI) objectives.

The responsibility for climate action permeates all organizational levels, fostering a culture of shared responsibility towards these goals.

Roles and Responsibilities:

- The Investment Management Team assesses ESG and climate risks during screening and due diligence, working with the ESG & Climate Change team to create action plans.

- ESG & Climate Change team works collaboratively with partner companies towards building climate risk resilience, institutionalizing policies and processes to address climate risks.
- To enhance accountability, bi-annual Partnership review meetings are conducted, offering a structured platform for discussing ESG & Climate performance of the Firm and partner companies.



4. Approach for integrating climate considerations

We consider climate risk resilience in our investments as integral to our responsible investment approach. The climate action efforts are targeted towards identifying climate risks in investments and taking appropriate measures for resilience. Our climate integration approach varies based on asset class and the level of influence.

4.1 For equity investments

Our climate action efforts are targeted towards identifying climate risks in all investments. The stewardship efforts for appropriate climate action depend on the level of influence that we exercise.

The climate action considerations are incorporated in the screening and due-diligence process for all our potential investments. Upon investment, we engage with the partner companies to build climate consciousness through capacity building, sharing knowledge, tools and resources, to start with.

Further, we focus on preparedness for climate impacts through conducting climate risk assessment, developing GHG inventories and reduction plans, and developing a framework for monitoring and reporting progress.

Investment Phase	Ownership Phase	Exit Phase
Deal sourcing and screening through Exclusion List	Climate Policy/ Action Plan	Value creation for climate action during ownership phase
Two-step ESG & CC Diligence	Management systems for monitoring performance	
Investment Decision	Quantifying GHG emissions and building climate resilience	
	GHG emission reduction strategy	
	Capacity building	

4.2 For Private Credit

Climate considerations are integrated in the ESG Risk and Maturity Tool for Private Credit. The Tool evaluates critical climate related risks in the screening phase and evaluates the climate risks facing the business. It provides a final assessment comprising non-compliance flags, policy score and risk rating to assist in investment/ lending decision making.

5. Policy Implementation Plan

5.1 Implementation plan for True North

The implementation plan has been designed to drive our goals and commitments for climate action. It reflects our implementation experience of over the past ~5 years. The climate risk and regulatory landscape have also been evolving necessitating commensurate action.

Objective	Required action
Governance	
i. Responsibilities of senior leadership for climate governance	Partnership Bi-annual Partnership review meetings, to provide strategic direction and periodic review of climate action and performance of the Firm and partner companies. ESG & CC Governance Committee a) Provide guidance on climate related action in own operations as well as investments b) Quarterly review of progress made towards climate goals and targets in own operations as well as in partner companies. c) Review and approve various climate related reports like Climate Action Report (formerly TCFD Report), Carbon Neutrality Report etc. d) Ensure adequate resourcing and budget for climate action to support transition to low carbon operations.
ii. Build capacity and skillset through trainings and awareness sessions on climate-related aspects	a) Conduct annual training needs assessment on climate related aspects b) Identify relevant trainings and map them across the organisation to build employee skillset. (e.g., Training for investment teams to build their capacity to integrate climate aspects in their analysis) c) To take steps for capacity building and awareness creation of the leadership teams and Boards of partner companies.
iii. Ensure adequate resourcing and budget for climate action	a) Allocate estimated towards yearly costs for carbon neutrality - emissions inventorisation, carbon credit purchase, assurance b) Support partner companies in:

	- estimating Scope 1 and 2 emissions and developing framework for estimating Scope 3 emissions - building climate resilience (mitigation measures) - building capacity, skillset and awareness to understand and manage climate risks
Strategy and Risk Management	
i. Identification and assessment of impacts of climate-related risk and opportunities on an on-going basis for strategy and business planning	a) Review the Climate Risk Assessment Tool every 5-7 years to revalidate the assumptions/scenarios taken b) Periodically (every 3-5 years) review Climate Risk Assessment of partner companies c) Conduct climate risk assessment of all new investments (with influence)
ii. Encourage partner companies to take follow-up action for climate risk mitigation	a) Engage with management of high-risk scoring companies to define an action plan b) Conduct in-depth analysis/revise strategy wherever impact is material
iii. Integrate climate related risk aspects into our screening/ investment process	a) Integrate climate risk related questions in the screening and due diligence processes
Metrics and Targets	
i. Remain carbon neutral in own operations through decarbonization and offsetting of residual emissions	a) Continued implementation of monitoring, reporting and verification framework every financial year to assess Scope 1,2,3 emissions b) Conduct verification and assurance of emissions inventory c) Identify possible reduction opportunities and carbon offsetting projects
ii. Encourage partner companies to measure, monitor and report their emissions and work towards emission reduction	a) Support and collaborate with partner companies in estimating GHG emissions b) Enabling and encouraging commitment towards GHG emission reduction in alignment with SBTi
iii. Monitor climate related key performance indicators (KPIs) and progress reported by partner companies	a) Define KPIs b) Prepare tool/templates to monitor and track progress

5.2 Implementation plan for partner companies

Partner companies are encouraged to build climate consciousness and capacity in the first three years of their onboarding. This means devising climate strategy, setting governance structures, baselining emissions, and implementing steps towards adaptation and mitigation measures basis the findings in the Climate Risk Assessment Tool. Following this, companies are better prepared for climate action and are encouraged to take up emission reduction targets, climate scenario analysis (physical and transition) and disclose climate-related risks and opportunities.

Objective	Required action
i. To encourage partner companies to devise a climate action strategy/policy as appropriate to their business and operations	a) Conduct Materiality assessment b) Conduct Peer benchmarking c) Conduct Stakeholder consultations d) Review sector-specific good practices
ii. To encourage partner companies to define governance structures on climate related aspects	a) To guide partner companies in developing governance structure, flow of information and responsibilities across the Board and Executive management (Detailed guidelines as per True North's ESG Policy) b) Establish ESG&CC Executive Governance Committee if not already present and ensure cross-functional representation c) Work towards establishing process for periodic Board review on Climate Action
iii. To encourage partner companies to inventorize their GHG emissions and plan for emission reduction	a) Establish baseline emissions b) Identify emission reduction measures for meaningful reduction in carbon emissions c) Develop a Monitoring, reporting and verification framework to calculate Scope 1, 2 and (Scope 3 wherever possible) emissions every year
iv. To encourage partner companies to integrate climate risk considerations into their overall risk management framework	a) Complete required information for Climate Risk Assessment (CRA) tool as part of risk management strategy b) Based on risk score, identify gaps, and find improvement areas
v. Support partner companies to set carbon reduction targets and adopt emission reduction measures	a) Assess emission reduction requirements and define targets wherever possible b) Engage key stakeholders to shortlist feasible options
vi. Collaborate with partner companies to evaluate	a) Identify measures to reduce exposure to physical climate risks as identified in CRA tool b) Evaluate impact of transition risks on company's business planning, strategy

exposure to climate risks and opportunities	c) Identify potential opportunities in the overall value chain d) Engage with key stakeholders to build climate resilience
vii. Encourage partner companies to report in accordance with climate-related disclosures (e.g., CDP, IFRS)	a) Identify relevant disclosures and investor requirements b) Determine performance indicators to best express climate change performance results c) Prepare data templates, collect data and report d) Determine need for verification and assurance