

Statement of Support for Paris Agreement

The Paris Agreement is a landmark international accord that was adopted by nearly every nation in 2015 to address climate change and its negative impacts. The agreement aims to substantially reduce global greenhouse gas emissions in an effort to limit the global temperature increase in this century to 2 degrees Celsius above preindustrial levels, while pursuing the means to limit the increase to 1.5 degrees. The agreement includes commitments from all major emitting countries to cut their climate pollution and to strengthen those commitments over time. The pact provides a pathway for developed nations to assist developing nations in their climate mitigation and adaptation efforts, and it creates a framework for the transparent monitoring, reporting, and ratcheting up of countries' individual and collective climate goals.¹

Implementation of the Paris Agreement requires economic and social transformation, based on the best available science. Countries have expressed their commitments for climate action through Nationally Determined Contributions (NDCs). In their NDCs, countries communicate actions they would take to reduce their Greenhouse Gas emissions in order to reach the goals of the Paris Agreement. Countries also communicate through NDCs actions they would take to build resilience to adapt to the impacts of rising temperatures.

SBIFMPL whole heartedly supports the goals and objectives of the Paris Commitment and is committed to playing the role of a responsible and climate conscious investor in this journey towards sustainability. SBIFMPL does and will continue to align itself with India's NDCs. To this effect, SBIFMPL not only engages with corporates, policy makers, think tanks, associations, other investors and experts regularly on climate related issues, but also mainstreams climate in its own ESG based investments. SBIFMPL is a very active member of Climate Action 100+². We support the TCFDs and have also signed the Statement of Investor Commitment to Support a Just Transition on Climate Change³. We do the following to ensure our participation in India's transition journey:

- 1) Act as an active climate steward:** SBIFMPL engages regularly with companies on climate issues. We also provide best practice documents, landscape studies and share knowledge on climate related initiatives in the sectors. We encourage high quality climate disclosures on best available frameworks like TCFD and aggressive target setting on SBTi frameworks.
- 2) Undertake market transformation activities to mainstream climate discussions:** SBIFMPL is a part of numerous domestic and international task forces and sub-groups where sustainable/green finance is getting discussed. We are contributing to the creation of a framework for India's sustainable finance taxonomy and mainstreaming ESG based finance for green activities.
- 3) Risk mitigation in future investments:** SBIFMPL believes that strong investment returns would not be achieved in the future without incorporating the likely risks and opportunities associated with the energy transition as well as climate change itself, into our investment decision-making process

SBIFMPL realises that Climate change is one of the defining issues of our time. It can only be arrested if all stakeholders act and work together towards a common goal. We are committed to playing a constructive role in the transition of the Indian economy and serving the long-term interests of our clients.

¹ <https://www.nrdc.org/stories/paris-climate-agreement-everything-you-need-know#:~:text=The%20pact%20provides%20a%20pathway,individual%20and%20collective%20climate%20goals>

² https://www.climateaction100.org/whos-involved/investors/?investor_topic=india

³ <https://www.unpri.org/download?ac=10382&adredir=1#:~:text=The%20just%20transition%20is%20a,investors%20can%20play%20important%20roles.>