DIGAMBER CAPFIN LIMITED

CLIMATE-RELATED FINANCIAL DISCLOSURES

Financial Year 2025–26 | 1 April 2025 – 31 March 2026

Prepared with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

GOVERNANCE / STRATEGY / RISK MANAGEMENT / METRICS & TARGETS

1. Introduction and Reporting Approach

Digamber Capfin Limited recognises climate change as an emerging consideration for long-term financial resilience, operational continuity and responsible lending.

As a Non-Banking Financial Company – Microfinance Institution serving predominantly rural and semi-rural communities, the Company acknowledges that climate-related developments may affect its operations, borrowers' livelihoods, repayment capacity and the broader economic environment.

This inaugural climate-related disclosure presents the Company's existing governance arrangements, potential climate-related risks and opportunities, environmental performance and priorities for strengthening climate risk assessment. Financial Year 2025–26 serves as the baseline reporting period. The disclosure follows the four pillars of the TCFD framework.

2. Governance

Board Oversight

The Board of Directors provides overall strategic direction and oversight of the Company's business sustainability, material risks and long-term institutional resilience.

The Environmental, Social and Governance Committee coordinates sustainability-related initiatives and reviews environmental priorities, performance indicators and areas requiring improvement.
The Risk Management Committee supports oversight of material financial and non-financial risks, including emerging environmental considerations.

Management Responsibility

The Chief Compliance Officer, Head – Environmental, Social and Governance, Risk Management function and relevant departmental heads contribute to sustainability reporting, risk identification, environmental data collection and implementation of applicable controls.

The Company intends to progressively strengthen climate-specific reporting within its existing governance structure.

3. Strategy

Climate-related Risks

The Company recognises the following potential climate-related risks arising from the nature of its lending activities and geographical operations.

Risk Category	Potential Impact
Physical Risks	Floods, extreme heat, droughts and other severe weather events may disrupt branch operations, damage borrowers' assets and affect livelihoods.
Credit Risks	Climate-related disruption to agriculture, livestock, trading and other income-generating activities may affect borrowers' repayment capacity and portfolio quality.
Transition Risks	Changes in environmental regulations, energy costs, technology requirements and market practices may increase operational or compliance expenditure.
Operational Risks	Extreme weather conditions may affect employee mobility, customer servicing, collections, infrastructure and business continuity.

These represent potential risk exposures. Their financial materiality has not yet been established through a dedicated quantitative climate risk assessment.

Climate-related Opportunities

The Company recognises opportunities in digital loan processing, energy-efficient infrastructure, responsible resource consumption and the progressive development of environmentally sustainable lending products.
Technology-enabled operations and reduced dependence on physical documentation can support operational efficiency and resource conservation.

Strategic Resilience

The Company's approach to responsible lending, prudent credit assessment, geographical diversification, liquidity management and business continuity provides a foundation for addressing emerging risks.

Climate-specific scenario analysis, including assessment under different warming pathways, has not been reported for Financial Year 2025–26. The Company intends to progressively develop its capability to evaluate the potential implications of climate-related developments for its lending portfolio and operations.

4. Risk Management

The Company's established risk management framework addresses credit, liquidity, operational, technology and other material business risks.

Climate-related considerations are expected to be progressively integrated into this framework through:

Identification of geographical exposure to floods, droughts, extreme temperatures and other climate-related hazards.

Assessment of potential effects on borrower livelihoods, business continuity and repayment capacity.

Evaluation of operational vulnerabilities affecting branches, employees and critical infrastructure.

Monitoring of relevant climate-related developments through existing risk management and governance processes.

Development of suitable indicators and reporting mechanisms as climate risk assessment capabilities mature.

During the baseline year, the Company had not reported a separately quantified climate-related portfolio risk assessment or climate stress-testing exercise.

5. Metrics and Targets

The following environmental indicators are drawn from the Company's Sustainability Report for Financial Year 2025–26.

Environmental Indicator	FY 2025–26
Purchased electricity	630,677 kWh
Purchased electricity – energy equivalent	2,270.44 GJ
Total reported energy consumption	16,550.73 GJ
Energy intensity	13.16 GJ per employee
Renewable energy consumption	Nil
Scope 1 greenhouse gas emissions	Preliminary estimate: 1,065.47 tCO_2e
Scope 2 greenhouse gas emissions	Preliminary estimate: 517.16 tCO_2e
Scope 3 greenhouse gas emissions	Not quantified
Paper consumption	2,014 reams
Water consumption	554,000 litres

The Scope 1 and Scope 2 figures are preliminary and subject to further strengthening of emission-source classification, methodology and supporting records. The reported energy information also includes estimates derived from available expenditure and operational records.

Targets and Priorities

The Company has identified the following environmental priorities:
Pursue a 5% reduction in back-office paper consumption.
Strengthen location-wise electricity and fuel consumption monitoring.
Improve greenhouse gas emissions accounting and data reliability.
Continue energy conservation and the use of energy-efficient equipment.
Strengthen water conservation, waste management and responsible electronic waste disposal.
The Company has not reported a quantified greenhouse gas emissions reduction target or net-zero commitment for Financial Year 2025–26.

6. Way Forward

Digamber Capfin Limited intends to progressively strengthen climate-related governance, risk identification, environmental measurement and reporting.

Particular emphasis will be placed on improving the reliability of environmental data, understanding potential climate-related credit exposures and developing suitable monitoring mechanisms within the Company's existing risk management framework.

The enhanced environmental data recording initiated from 1 April 2026 will support this process.

7. Reporting Statement

This report represents the Company's inaugural disclosure prepared with reference to the TCFD recommendations. It is based on information available in the Sustainability Report for Financial Year 2025–26.

The disclosure is not a declaration of full compliance with all TCFD recommendations. Quantitative climate scenario analysis, climate-related financial impact assessment, financed emissions and comprehensive climate risk metrics remain areas for progressive development.

The report has not been externally assured.

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