Task Force on Climate-Related Financial Disclosures ("TCFD") Report 2023

Contents

Summary of TCFD Responses

The table below summarises our approach in response to the TCFD recommendations.

We note that the TCFD recommendations have been superseded by the recently released International Sustainability Standards Board (*"ISSB"*) Standards, and we have started assessing our readiness of reporting under the ISSB Standards published in June 2023. We aim to align future disclosures to the ISSB Standards in a phased manner over time.

TCFD Recommendations	Seviora Capital's approach in FY2023
Governance Seviora Capital's governance around climate-related risks and opportunities	• Seviora Capital's Board adopts the sustainability and responsible investment strategy developed by Seviora Holdings as our head office, which covers the consideration of ESG- and climate-related risks and opportunities in our investment portfolio. • Seviora Holdings' management team, which includes the Head of ESG, is responsible for implementing and overseeing the management of the overall sustainability strategy at Seviora Capital, including the integration of sustainability practices into Seviora Capital's business operations. • In FY2023, we reviewed and updated our ESG Policy to incorporate learnings based on progress in our ESG practices. ESG updates at Seviora Capital were provided to Board members at each quarterly Seviora Holdings Board meeting. All Seviora Holdings and Seviora Capital employees were also required to complete an ESG training programme, with the objective of ensuring a baseline understanding of how ESG and sustainability can impact a business' operations.
Strategy Actual and potential impacts of climate-related risks and opportunities on Seviora Capital's businesses, strategy, and financial planning	• In FY2023, Seviora Capital reassessed the climate risks and opportunities that may be material to our investment portfolio and our business. We will continue to consider the overall impact and time horizons of these identified risks and opportunities in our investments and business strategy. • Seviora Capital also conducted a quantitative stress test and scenario analysis exercise on its end-FY2023 investment portfolio. The results suggest that our portfolio may experience a greater valuation impact in the NGFS Net Zero 2050 scenario as compared to the NGFS Current Policies scenario, with direct carbon costs being identified as a key factor for this result. This analysis will help us formulate our climate strategy and enable us to implement mitigation actions in time to come.
Risk Management How Seviora Capital identifies, assesses, and manages climate-related risks	• The consideration of climate risk is an important component of Seviora Capital's ESG due diligence and monitoring within our investment processes. In FY2023, we conducted an internal audit on our ESG integration processes, and have since implemented all recommendations provided by the internal audit team. • This year, our portfolio consisted primarily of fund investments, which limits our level of influence in direct engagement of underlying companies. While we continue to monitor and support our fund managers in their own responsible investment journeys, we also

	expanded on external stewardship initiatives, contributing to several consultation papers published by regulators and other stakeholders. • Seviora Capital participates in initiatives put in place by Seviora Holdings to reduce our carbon footprint in our operations and continues to monitor regulatory developments to ensure continued compliance to relevant regulations. • In FY2023, we completed our inaugural TCFD report, and also submitted our inaugural PRI report as a PRI signatory,
Metrics and Targets Metrics and targets that Seviora Capital uses to assess and manage relevant climate-related risks and opportunities	• This year, we disclose our financed emissions as a new metric (i.e. Scope 3 Category 15 as defined by the GHG Protocol). This covers emissions associated with and allocated to our investment portfolio based on an equity ownership approach, and amounted to 23,417.3 tCO_2e in FY2023. • We continue to disclose the weighted average carbon intensity (*"WACI"*) as another carbon metric this year, as it provides insight into a company's carbon efficiency per dollar of revenue earned and is a useful metric for comparing companies within sectors. This value amounted to 33.2 tCO_2e/\$M revenue for our total portfolio[1] in FY2023. • Seviora Capital's operational emissions amounted to 464.5 tCO_2e in FY2023. This increase from 155.6 tCO_2e in the previous year[2] is largely attributed to the increased headcount and expanded office space. • Seviora Capital is currently carbon neutral in its operations, having offset all Scope 1, 2 and 3 operational emissions in FY2023 through the purchase of carbon credits that support the financing into climate action projects. • Due to the complexity behind developing meaningful targets, especially so given the context of our relatively nascent portfolio, we will continue to assess the feasibility of doing so.

[1] Given that a significant portion of Seviora Capital's portfolio comprised cash and other short-term liquidity management instruments at end-2023 which may understate our portfolio carbon exposure, we have chosen to disclose an additional data point of total portfolio WACI excluding short-term liquidity management instruments, which has a value of 165.6 tCO_2e/\$M revenue for FY2023. Please see page 21 for more details.

[2] Last year, we disclosed emissions on a combined basis for both Seviora Holdings and Seviora Capital. This year, we disclose only Seviora Capital's emissions for the purposes of this report, but continue to track both entities' emissions in order to identify meaningful areas for emissions reduction in our operations.

2023 Highlights

Having established a strong foundation for our ESG processes last year, the focus for Seviora Capital in 2023 was to continually improve upon these processes as we ramped up investments, expanded on stewardship and engagement efforts, and further developed our ESG capabilities as an organisation.

Enhancements to ESG integration processes

In 2023, we took additional steps to improve how we incorporate ESG throughout the investment cycle, and conducted an internal audit against the Guidelines on Environmental Risk Management for Asset Managers set out by the Monetary Authority of Singapore (*"MAS Guidelines"*), providing an objective assessment over the robustness of our ESG integration practices. We also contributed to several public consultations as part of our commitment to good stewardship practices; a summary of our views is provided in this report.

Continued focus on climate-related activities

The consideration of climate-related risks and opportunities is integral in the work that we do, and we formally highlighted climate change as a key systemic issue in our ESG Policy this year. As with last year, we continue to conduct climate scenario analysis on an annual basis, enabling us to gain valuable insights to the resilience of our investments against the complexities of a changing climate. We are also pleased to disclose our financed emissions, relating to the emissions attributed to our investment portfolio, for the first time in this report. We continue to track all emissions-related metrics on a yearly basis as an assessment of our contribution to global emissions and identify potential emissions reduction opportunities in our business.

Seviora Capital remains cognisant of the existence of other environmental risks as part of our ESG strategy and will progressively assess the materiality of these risks in line with the emergence of relevant standards and methodologies.

Commitment to transparency in disclosure

In 2023, there was an increasing regulatory focus on sustainability disclosures globally. Notably, Singapore has introduced mandatory climate-related reporting requirements in alignment with the International Sustainability Standards Board (*"ISSB"*) Standards in phases, starting with listed companies from 2025.

Seviora Capital prioritises transparency in our practices, and we completed our inaugural TCFD and PRI reports in 2023 as part of our commitment to disclose our ESG practices and performance to our stakeholders on a regular basis. Additionally, while Singapore's ISSB reporting requirement does not yet directly apply to Seviora Capital, we strive to stay ahead of the game, and will transition to ISSB alignment in a phased manner in the coming years.

Seviora Capital is committed to building a resilient, sustainable future that supports our business objectives and drives long-term value for our stakeholders. We welcome any feedback regarding our sustainability and climate strategy as disclosed in this report, and will continue to work together with our stakeholders to drive sustainable value.

1. About Seviora Capital

Seviora Capital Pte. Ltd. (*"Seviora Capital"*) is a wholly owned subsidiary of Seviora Holdings Pte. Ltd. (*"Seviora Holdings"*), a Singapore-based asset management group that provide investors with unparalleled access and attractive risk-adjusted returns through a broad range of liquid and illiquid strategies. These include long-only fixed income and equity, absolute returns strategies, private debt, private equity, and venture capital.

Seviora Capital, as an asset manager and investor, uses deep networks and extensive market knowledge to build bespoke solutions sourced from across its Group investment platform. In addition, it is capable of building fund products in partnership with Temasek and using significant balance sheet capital to deliver investor alignment, via substantial commitments across underlying Group funds.

Seviora Capital, as signatory and supporter of several industry leading ESG initiatives, is committed to investing both its investor and balance sheet capital responsibly and sustainably. It is actively involved in collaborative ESG related engagements with all stakeholders, with these contributions used to build on Seviora Capital's existing knowledge, experience, and skills in this area.

Signatory of:

2. About the Report

Seviora Capital looks to provide our stakeholders with insight into how we manage material environmental and climate risks and opportunities present in our business.

This report has been prepared for the financial year 2023 (*"FY2023"*), referring to the period 1 January to 31 December 2023, in alignment with the recommendations of the TCFD. This report also addresses the requirements under the MAS Guidelines.

Some parts of this report refer to Seviora Capital's ESG Policy, which details the organisation's governance and standard risk management processes in relation to our climate strategy. This report should be read in conjunction with the ESG Policy for full alignment to the TCFD recommendations and MAS Guidelines.

3. Governance

At Seviora Capital, we recognise that strong governance oversight is critical in ensuring we achieve our climate goals. Clearly defining our environmental and climate risk management expectations from the top creates a good foundation for Seviora Capital to develop and implement a sound climate strategy via our responsible investment processes and business operations.

The diagram below summarises Seviora Capital's governance structure for managing ESG- and climate-related issues. The management of Seviora Capital's ESG function is delegated to Seviora Holdings as our head office.

Further information regarding the responsibilities of the various functions is detailed under the Governance section in our ESG Policy.

Board of Directors

Adopts the overall sustainability strategy that has been developed by Seviora Holdings as our head office

Management Team of Seviora Holdings (*includes Head of ESG)*

Responsible for implementing and overseeing the management of the overall sustainability strategy at Seviora Capital and integration of sustainability practices into business operations

3 lines of defence as part of climate risk

1st

ESG Team

Develops specific ESG strategies and actions to mitigate climate risk in our investments and business operations

Promotes ESG considerations in corporate activities

Supports capacity building

Investment Team

Responsible for managing climate risks across the investment cycle on a day-to-day basis

2nd

Risk

Compliance

3rd

Internal Audit

Key: Seviora Holdings | Seviora Capital | Outsourced

3.1 Board oversight

Seviora Capital's Board adopts the sustainability and responsible investment strategy developed by Seviora Holdings as our head office, which covers the consideration of ESG- and climate-related risks and opportunities in our investment portfolio.

In 2023, Seviora Capital's ESG Policy was revised to incorporate several improvements we made to our ESG integration processes over the year. ESG matters were raised at each quarterly Board meeting in 2023, where Seviora Holdings' Board was kept updated of key ongoing initiatives in Seviora Capital. ESG matters discussed include the Board's endorsement of our refreshed ESG Policy, and disclosure of Seviora Capital's operational emissions, with commitment for financed emissions to be progressively scoped in for measurement and disclosure.

3.2 Responsibilities of management

The responsibility of implementing and overseeing the management of the overall sustainability strategy at Seviora Capital is delegated to the management team of its sole direct shareholder ("*Management Team*"), Seviora Holdings, and led by the Head of ESG at Seviora Holdings.

In managing ESG and climate risks in our investments, one of the members of each fund's investment committee (*"Investment Committee"*) will comprise the Head of ESG or their delegate, who is responsible for considering ESG and climate risk factors in the Committee's approval of investment decisions.

3.3 Other supporting functions

The development of specific ESG strategies and actions to mitigate climate risk at Seviora Capital is outsourced to the ESG team at Seviora Holdings ("*ESG Team*") and overseen by the Management Team. The ESG Team supports Seviora Capital's investment team (*"Investment Team")* in their day-to-day management of climate-related risks in our investments across the investment lifecycle, which includes assessing material risk factors, monitoring of ESG risks, as well as engaging with fund managers and/or portfolio companies over climate-related issues. The ESG Team is also responsible for keeping abreast of climate-related developments in the market, reporting any climate issues assessed to be material to Seviora Capital's investment activities to the Management Team on an ad-hoc basis, and supporting capacity building across the organisation.

In FY2023, the ESG and Investment Teams undertook a detailed ESG course with a recognised provider. The course focused on identifying and incorporating ESG factors in investment decision making. A similar foundational ESG course was rolled out across all other supporting functions to ensure all employees have a baseline understanding of ESG and its impacts to the business.

4. Strategy

4.1 Identification of risks, opportunities and time horizons used

Climate risks consist of both transition risks that occur as society shifts towards a low-carbon economy and physical risks that result from negative changes in climate patterns. On the other hand, efforts to mitigate and adapt to the changing climate may allow for organisations to capture new opportunities through resource efficiency and cost savings in its operations. As an asset manager, our climate-related risks and opportunities (*"R&Os"*) are largely concentrated in our portfolio activities. Given that our portfolio consisted of sector-agnostic funds in FY2023, these R&Os are spread across the underlying portfolio companies and securities managed by each external fund manager. As such, we mitigate our potential R&Os in our fund investments through regular monitoring in line with our risk management approach. That being said, we recognise the potential impact of such R&Os in our operations as detailed below, and will also continue to mitigate these impacts where practicable.

Seviora Capital assesses our climate-related R&Os using a climate risk taxonomy developed with reference to TCFD guidance, considered over the following time horizons:

- Short term: <5 years
- Medium term: 5-10 years
- Long term: >10 years

The results of this assessment help inform mitigation measures we can take for each identified issue to minimise the risk or realise the opportunity.

The following sections highlight key R&Os identified based on our climate risk assessment.

4.2 Risks and opportunities (R&Os) identified at the investment level

As an investor of both funds and companies, Seviora Capital is potentially exposed to climate-related R&Os in its investment portfolio, as detailed in the following table.

These R&Os are broadly reviewed as part of our portfolio construction and due diligence processes for both direct and fund investments. As part of our mitigating actions for climate risks identified in our investments, Seviora Capital will ensure transparency in our products and disclosures as far as practicable and continue to enhance our approach in line with stakeholder expectations. Further details of the ESG risk assessment process conducted are provided under Risk Management on page 17.

Risks	Potential Impact	Time Horizon	Mitigation Measure(s)
Policy and Legal			
Carbon pricing schemes and rising carbon prices across the world may adversely impact the financial performance of our investments	Lowered revenue	Medium term	• Conduct scenario analysis (using a third-party vendor), which considers the impact of carbon pricing, to identify potential impact to our portfolio
Increasingly strict environmental laws and climate disclosure requirements may increase our investees' compliance costs and risks of financial penalties, thus affecting their financial performance	Lowered revenue	Short term	• Request ESG data from portfolio companies and fund managers and require investees to report serious ESG issues, as part of our monitoring process • Continue to stay updated on evolving ESG regulatory requirements
Market and Reputation			
Investors and other stakeholders may have greenwashing concerns about investees who are not transparent about their climate risk mitigation activities	Lowered revenue	Short to medium term	• Integrate ESG considerations across the investment lifecycle, including due diligence and ongoing monitoring • Regularly review our ESG processes and disclose relevant information to stakeholders
Technology			
Companies that are unable to successfully pivot towards the adoption of upcoming climate-related technological advancements may risk being left behind the pack and experience adverse impacts to their business.	Lowered revenue	Medium to long term	• As part of our monitoring and engagement processes, we assess how GPs address such risks in the fund's investments, and will engage investees to understand how they plan to respond to such developments in the market where relevant

Physical Risks			
Extreme weather events and chronic risks may disrupt the operations of our portfolio companies, thus impacting our portfolio's financial performance	Lowered revenue	Long term	• For direct investments where physical risks are deemed to be material, engage with investees to consider physical risks and adaptation/mitigation measures in their operations • For fund investments, monitor fund managers' investment processes to ensure they adequately consider physical risks in the investment process

Opportunity	Potential Financial Impact	Time Horizon
Products and Services		
As investors increasingly demand for climate-friendly solutions, we can launch products suited toward their preferences.	Increased competitiveness, which leads to increased revenue	Medium to long term
Markets		
We can seek to adapt our investment strategy in response to the creation of new climate-related products and opportunities, e.g. energy transition opportunities.	Increased revenue	Medium to long term

4.3 Risks and opportunities (R&Os) identified at the corporate level

The following table details climate-related R&Os identified in our operations and the resultant potential financial impact.

Transition Risk	Potential Financial Impact	Time Horizon	Mitigation Measure(s)
Policy and Legal			
Rising carbon prices may lead to an indirect cost impact via the emissions associated with our operations (e.g. electricity consumed in our office as well as throughout our business' value chain)	Increased operational costs	Medium term	• Our office is located in DUO Tower, which is Green Mark Platinum-certified • We track and actively manage our operational carbon emissions, the details of which can be found in the Metrics & Targets section on Page 24
The growing number and fast-changing nature of ESG-related requirements today in many jurisdictions increases the possibility of unintentional non-adherence	Fines or penalties imposed by regulators	Short to medium term	• The ESG Team monitors the development of emerging standards and keeps the relevant parties apprised of any material updates
Market and Reputation			
Stakeholders such as Seviora Capital's shareholder and clients may be wary of greenwashing risks in our operations, which leads to reputational damage	Increased costs	Medium to long term	• The Management Team oversees the development of ESG strategies that mitigate climate risk, and business functions at both Seviora Capital and Seviora Holdings embed the ESG Policy into their operating procedures where relevant
Physical			
Though unlikely, the occurrence of adverse climate events may disrupt telecommunications systems and our ability to work from the office	Increased costs	Long term	• We have in place business continuity plans, including remote working contingency plans • Limited financial impact as we lease our office space from a commercial building and our physical assets are insured against such risks

Opportunity	Potential Financial Impact	Time Horizon
Reducing our Operational Emissions		
The use of energy-efficient systems can reduce operating costs relating to energy use. DUO Tower, in which our office is located, actively adopts energy-efficient systems, and we participate in sustainability roundtables by the building management to obtain insights on how we can further reduce our environmental impact.	Reduced operational costs	Short term
We aim to reduce travel emissions by encouraging the adoption of technological advancements, such as utilising virtual meeting platforms, where practicable.	Reduced operational costs	Short term

4.4 Scenario analysis

Recognising the potential significance of climate risks to our investment portfolio, we leverage climate scenario analysis to provide a forward-looking assessment of the business implications of the climate R&Os present in our portfolio.

Similar to the analysis conducted last year, we quantified the impact of climate on the value of our portfolio using analytic tools developed by Planetrics[3], a specialist third-party provider. This analysis serves to estimate the potential impact of climate change on the financial performance of our investments, including climate-related R&Os. As with last year, we selected two fundamentally different scenarios: the NGFS Net Zero 2050 and Current Policies scenarios. Climate impacts at the portfolio, sector and company levels were modelled, thus supporting us in identifying sources of climate R&Os across and within sectors.

Further details regarding the scenarios selected and the methodology of analysis are explained in Appendix A.

4.4.1 Portfolio coverage

The scenario analysis conducted this year captures portfolio exposure for the majority of our listed and private equity, corporate and sovereign debt holdings. For this analysis we assume cash and other short-term liquidity management instruments to have zero climate risk. This asset class is not directly exposed to physical damage or transition risks (e.g. policy shifts) tied to climate-related events; additionally, their short-term nature lends to an inherent low climate risk as such risks tend to intensify over time. This represents 83% of our total portfolio.

In FY2023, a small proportion of our portfolio is invested into private debt, which has not been covered in our quantitative climate scenario analysis work this year. Conducting climate scenario analysis for this asset class presents its own unique set of challenges. Unlike in private equity where the use of proxies is generally accepted, this approach would not work for private debt, as applying a singular approach for assessing the potential impact of climate R&Os on their value fails to consider the debt characteristics that are often tailored for each individual investment. As such, we assessed the climate risk of this asset class qualitatively, details of which are provided in the following section.

Our investments into hedge funds are excluded from analysis, broadly due to the nature of such investments. Hedge funds often employ dynamic strategies, utilise a variety of underlying assets, and practise frequent trading activities, all of which make modelling their behaviour a challenge. While there is limited industry guidance available today to address some of these complexities, we will continue to explore means to overcome the inherent challenges present in this asset class.

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[3] This section has been created by Seviora Capital drawing on selected data provided by Planetrics, a McKinsey & Company solution (which does not include investment advice). This section represents Seviora Capital's own selection of applicable scenarios selection and/or and its own portfolio data. Seviora Capital is solely responsible for, and this section represents, such scenario selection, all assumptions underlying such selection, and all resulting findings, and conclusions and decisions. McKinsey & Company is not an investment adviser and has not provided any investment advice.

4.4.2 Results and next steps

The following table[3] summarises the calculated impact on the value of our portfolio as of end-FY2023 for two scenarios: a high-transition risk NGFS Net Zero 2050 and a high-physical risk NGFS Current Policies scenario.

Scenario	Impact of climate on portfolio value (%) in FY2023
NGFS Net Zero 2050	-0.6%
NGFS Current Policies	-0.1%

Key findings:

- Our portfolio as of end-FY2023 experiences a **greater valuation impact in the Net Zero 2050 scenario** as compared to Current Policies. This is similar to our findings from last year's climate scenario analysis assessment.
    - While the impact on value under the NGFS Current Policies Scenario is lower, we also note that this scenario is a gradual worsening of climate conditions and does not include impacts from potential irreversible tipping points. Further physical risk modelling limitations are detailed in Appendix A.3.
- Under the NGFS Net Zero 2050 scenario,
    - **Direct carbon costs have been identified as a key impact channel** as a result of our portfolio exposure, though this is slightly offset by abatement activities, where companies act to reduce emissions, reducing their direct carbon costs.
    - **The Energy and Non-Energy Materials sectors contribute significantly to these results**. Larger transition risks lie in these sectors due to the demand destruction channel for fossil fuels, result in increasing costs in proportion to the total emissions generated by these companies.
    - **The Utilities sector offsets the impact on value.** Our portfolio in this sector consists of some companies that operate in the renewable energy space. From our analysis, these companies may see an increase in value in the face of higher carbon pricing, as consumers switch away from emissions-intensive energy providers that are priced out of the market.
- Under the NGFS Current Policies scenario,
    - **Physical risks continue to be the key contributing factor, across most sectors**, to this calculated impact on value.
    - This suggests that the chronic and acute impacts of rising temperatures may result in lowered productivity or increased annual damages to the assets of underlying holdings due to some exposure to capital-intensive industries and regions exposed to extreme weather events.

Qualitative assessment of climate risk for private debt assets

Based on our analysis of our private debt holdings, we believe that the nature of private debt inherently lends to a low level of climate risk for two main reasons:

- Relatively short investment and holding periods
    - Private debt typically consist of loans with maturities ranging from a few months to a few years. In contrast, given that transition and physical risks typically become significant only after the next decade or so, their impact on the value of the loan is limited.
    - Having said this, we recognize the potential for these to present risks in the future if these loans are continuously rolled over. We will continue to regularly assess our risk exposure in this asset class.
- Higher recovery values in the event of default
    - In contrast to the public bond market where securities are typically unsecured, private debt is more frequently secured by specific assets. Additionally, private debt agreements typically include stricter covenants and more rigorous monitoring by lenders to reduce potential for default.
    - In the unlikely event of a default, there is greater flexibility to work collaboratively with borrowers to maximise recovery values.

Additionally, using a sector analysis approach, we concluded that climate risks with respect to this asset class are likely low based on the sectors we are exposed to.

Our climate scenario analysis work this year has allowed us to develop a broad understanding of how climate-related R&Os can potentially impact our portfolio against selected scenarios, and identify specific asset classes or securities to conduct a deeper review on where necessary. As we expand our portfolio, we will also continue to keep updated on latest developments in the field (e.g. using latest climate scenarios) and incorporate our learnings to better understand and manage climate-related financial risk.

Climate scenario analysis is still a relatively nascent field, and significant estimations and assumptions are relied upon to derive the conclusions discussed in this report; as such, we consider the results of this analysis alongside other assessments to manage the overall environmental risk of our portfolio.

5. Risk Management

Seviora Capital adopts the principles of the three lines of defence in our approach towards risk management, which is executed by a multi-disciplinary team at Seviora Capital and Seviora Holdings whose members are assigned specific responsibilities relating to internal controls. This is illustrated in the governance diagram on page 7, and further detailed in Seviora Capital's ESG Policy.

In 2023, we conducted an internal audit on Seviora Capital's process in managing ESG strategy and risks. All observations were assessed to be of low risk. We have since addressed these and will look to continually improve upon our risk management systems.

5.1 Identifying and managing climate risks in investments

For the investment management operations that we perform, ESG considerations are incorporated throughout the investment cycle for all assets under management.

The following diagram illustrates our processes for identifying, assessing, and managing climate-related risks in overall ESG risk management in our investments. Further information regarding our standard ESG risk management processes is detailed under the Implementation Approach section of our ESG Policy.

Pre-investment	Investment Decision	Monitoring and Stewardship	Reporting
Negative screening based on a set of exclusionary criteria Use of due diligence questionnaires to understand maturity of target's ESG processes	ESG analysis to be documented within Investment Committee's paper and considered in addition to other parameters when forming investment decision	Regular monitoring through ESG monitoring questionnaire which is to be completed at least annually Engagement with investees and non-investee stakeholders to maximise overall long-term value	Reports of ESG practices and progress to be provided to our investors as part of our regular reporting

Investment lifecycle

5.1.1 Identifying risks

Climate action is a priority issue for Seviora Capital and we seek to understand how investees identify, assess, and manage their climate-related risks, and whether they provide relevant climate disclosures in line with the TCFD recommendations. Where available, climate-related metrics, such as Scope 1, 2 and 3 emissions, are collected from investees. Further, we conduct climate risk assessments where possible and endeavour to enhance our toolkit to better evaluate and monitor our investment's climate risk exposures over various time horizons.

For fund investments, the focus is on assessing the maturity of fund managers' approach to managing and monitoring climate risks material to their business and investments. As we expand our portfolio coverage across various fund strategies, we recognise that the maturity of managers' ESG practices generally differs across asset classes. For example, for hedge fund strategies, its heterogenous nature results in a wide variety of techniques, instruments or operational structures which makes it difficult or even infeasible to consistently apply ESG considerations in all investment decisions. In such cases, we supplement our due diligence questionnaires with discussions with the manager to understand their stance towards ESG integration. Our assessment considers the reasonableness of the explanation and aims to ensure that any potential ESG risks can be sufficiently mitigated.

For direct investments, in addition to understanding the portfolio company's approach to managing climate risks, we assess the materiality of climate risks in their business with reference to the SASB Standards.

5.1.2 Monitoring and managing risks

Seviora Capital monitors its investees' commitment to managing climate risk on a minimally annual basis. In the event where a serious climate risk arises, Seviora Capital requires such instances to be reported in a timely manner. While engagement with the investee or fund manager will be prioritised to understand if an appropriate action has been taken to rectify the issue and prevent a repeat, divestment, redemption, or reassessment of our involvement with the investee or fund manager may be required as a last resort.

5.1.3 Stewardship and engagement

On an ongoing basis, Seviora Capital engages with its investees to raise awareness and improve ESG practices where possible. Our engagement approach may be tailored for each investment as we recognize that our level of influence may differ for each investment. While the selected ESG topics of engagement with investees are driven by materiality, we aim to ensure that relevant climate-related risks and opportunities (or in the case for fund managers, their approach towards managing climate-related risks and opportunities in their portfolio) are considered as an engagement topic, in line with the investee's ability and readiness to do so.

In our broader stewardship activities, Seviora Capital engages with various non-investee stakeholders through our membership in industry associations and other public consultations in ESG issues we deem to be relevant to our investment mandate and/or our organizational strategy.

The following tables summarise the consultations and statements we contributed to in 2023.

Consultations	Organisation	Description and summary of views
Feedback on v0.3 and v0.4 of the Taskforce for Nature-related Financial Disclosures ("*TNFD*")	TNFD	We provided feedback regarding the overall draft v0.3 and v0.4 frameworks, as well as some feedback specific to the financial institutions' guidance and metrics. While overall supportive of the proposed framework, we provided some suggestions regarding the suggested disclosure metrics for financial institutions in the context of our portfolio mandate.
ESG Ratings and Data Products	MAS	The proposed Code of Conduct (*"CoC"*) aims to establish baseline industry standards of transparency in methodologies and data sources, governance, and management of conflicts of interest. We are overall supportive of the draft CoC, and provided feedback specific to certain aspects of the CoC.
Consultation on Agenda Priorities	ISSB	We submitted a public response regarding the ISSB's strategic direction and balance of its activities for the two-year period of the ISSB's next workplan. We are supportive of the implementation of ISSB standards and believe that this is of high priority. In addition, we highlighted several issues, including biodiversity loss and human capital risks, as important research and standard-setting topics.
Listed issuers adoption of ISSB standards[4]	Sustainability Reporting Advisory Committee (*"SRAC"*)	We submitted our response to the consultation paper, and are broadly agreeable to the SRAC recommendations of mandating the adoption of ISSB in Singapore, starting with listed issuers and expanding to other businesses in a phased manner. Even if these mandatory reporting and assurance requirements are not directly applicable to Seviora Capital today, these recommendations will support our journey towards reporting in alignment with ISSB standards. We also acknowledged the need for capacity building ramping up significantly for smaller companies newer to climate reporting.
Proposed Guidelines on Transition Planning (*"TPG"*) for Asset Managers	MAS	We submitted our views regarding the proposed TPG. In summary, we find the TPG quite comprehensive, and can potentially serve as a useful guide for us to manage our climate-related risks in a forward-looking manner. However, we noted that some of the expectations the TPG expects asset managers to place on their investee companies may not be widely applicable to all types of asset managers, and raised these comments where relevant for consideration.
Statements	**Organisation**	**Description**
Championing the ISSB's climate global baseline	ISSB	Seviora Capital demonstrated our support to the following ISSB statement: *"Climate risks are increasingly having a real effect on companies and capital. Therefore – in response to calls for*

[4] Submitted under Seviora Holdings

		climate action at COP28 – we support the establishment of market infrastructure to enable consistent, comparable climate-related disclosures at a global level. We are committed to advancing the adoption and use of the ISSB's Climate Standard as the climate global baseline."

5.1.4 Reporting

Seviora Capital regularly discloses developments in our ESG journey to stakeholders. In 2023, along with the publication of our inaugural TCFD report, we also submitted our inaugural PRI report as a PRI signatory.

We have also started assessing our readiness of reporting under the ISSB Standards published in June 2023. We aim to align future disclosures to the ISSB Standards in a phased manner over time.

5.2 Managing risks at the corporate level

On the corporate level, the ESG Team monitors regulatory developments in the climate space to ensure that we meet all compliance requirements on a timely manner. Our participation in relevant organisations such as the PRI also provides us with the latest industry insight and trends across different regions and asset classes. More information on how we mitigate our climate risks at the corporate level can be found in the Strategy section of this report on page 12.

6. Metrics & Targets

The disclosure of climate-related metrics promotes transparency around our climate-related processes and ensures accountability to our stakeholders. We have been reporting our operational emissions (as part of the Seviora Group) to our shareholder annually since the incorporation of Seviora Capital in 2022 and continue to assess the relevance of other carbon metrics for tracking of progress in our climate action plans. In 2023, we undertook an assurance preparedness assessment over our carbon metrics[5], where it was concluded that we have implemented appropriate methodologies for the calculation of these metrics and have sufficient processes in place for data collection and reporting. We will continue to assess the feasibility of performing assurance over selected information presented in this report in future years.

The establishment of climate-related goals and targets remains a topic for deliberation given the relative nascency of Seviora Capital and the complexity behind developing meaningful targets. Nonetheless, we recognise the importance of working towards set targets and will continue to assess the feasibility of doing so.

6.1 Investment level: WACI and financed emissions

As part of Seviora Capital's due diligence and monitoring processes, we ask investee companies and fund managers to share available information on GHG emissions. Specifically, we request for emissions metrics from our investees, such as absolute emissions (from both companies and GPs) as well as the weighted average carbon intensity (*"WACI"*) of the fund (from our GPs).

This year, we report two carbon metrics:

- **Portfolio WACI[6]:** While this is in part due to the WACI being a core metric for disclosure as recommended by the TCFD, we also recognise the WACI as a useful indicator of our exposure to emissions-intensive assets.
    - Two data points are disclosed: (1) WACI using all assets with available data and (2) WACI using all assets with available data excluding non-emissions generating assets comprising mainly of short-term liquidity management instruments, as well as certain macro hedge funds.
- **Financed emissions (i.e. Scope 3 Category 15 of the GHG Protocol)[7]:** Also recommended by the TCFD, this metric provides information about the absolute carbon footprint of our portfolio in line with the GHG Protocol.

[5] Operational emissions and WACI metrics
[6] We calculate WACI by aggregating the carbon intensity of each underlying holding based on its portfolio weight. More details regarding this methodology and coverage of the metric can be found in Appendix B.1 of this report.
[7] We reference the PCAF methodology in calculating our financed emissions. More details regarding this methodology and coverage of the metric can be found in Appendix B.2 of this report.

Emissions metric	Description	FY2023 Value	FY2022 Value	Unit
Total portfolio WACI	WACI value of our total portfolio for all assets with available data.	33.2[8]	44.6 [9]	tCO_2e/USDm revenue
Total portfolio WACI (excluding short-term liquidity management instruments)	WACI value of our total portfolio for all assets with available data (as above), excluding non-emissions generating assets comprising mainly of short-term liquidity management instruments, as well as certain macro hedge funds.	165.6	185.8	tCO_2e/USDm revenue
Financed emissions (Scope 3 Category 15)	Scope 1 and 2 GHG emissions allocated to our investments based on our proportionate share of lending or investment in the borrower or investee.	23,417.4[8]	Not measured	tCO_2e

As we ramp up our investments and diversify into different asset classes, we will look to improve our data collection methodology and processes in line with industry standards and expectations.

6.1.1. Portfolio coverage

Both metrics cover Seviora Capital's listed and private equity and fixed income holdings (where data is available), presented in aggregate.

Some asset classes are excluded from both metrics:

- Sovereign debt:
    - WACI: Cannot be aggregated due to the use of different carbon intensity denominators (e.g. purchasing power parity (PPP) -adjusted GDP for sovereign debt as opposed to revenue for corporates)
    - Financed emissions: Cannot be aggregated due to high potential for double-counting between a country's emissions and those of its corporates
- Derivatives and hedge fund investments:
    - These tend to be associated with high turnover strategies, leaving the fund manager with little influence to affect real economy emissions. As a result, point-in-time data we can obtain from these managers is not meaningful.

Excluded asset classes make up a small proportion of our overall portfolio in FY2023. We will explore the feasibility of expanding our coverage of financed emissions as data availability increases and in line with market standards.

[8] Covers 82% of our total portfolio based on holding value as of 29 December 2023
[9] Covers 98% of our total portfolio based on holding value as of 30 December 2022

Consideration of non-emissions generating assets in our portfolio

At the end of our reporting period in 2023, a significant portion of our portfolio comprised of cash, short-term liquidity management instruments, as well as a subset of macro hedge funds. These assets are likely to have negligible real-economy decarbonisation influence, and are assumed to have zero emissions attributed.

Given that the inclusion of these "zero emissions" assets may understate the carbon exposure of our portfolio, we have disclosed an additional data point – total portfolio WACI excluding short-term liquidity management instruments and certain macro hedge funds – for comparison.

For the same reason, as the financed emissions metric is not a normalised value, we note that our absolute financed emissions will likely rise in the future as we expand our investment activities. However, we believe that this metric is a good starting point for further engagement activities with our investees (company or GP) as they work towards addressing their climate-related R&Os.

Despite the limitations we face in integrating ESG considerations in a portfolio with a significant proportion of cash and cash-equivalent holdings, we consistently aim to identify greener alternatives to manage such assets. For example, we placed some green and sustainable term deposits with UOB in 2023, which were used to support the financing of green buildings in several geographies.

6.2 Corporate level

As a steward of the environment, Seviora Capital seeks to reflect our ESG beliefs and expectations in our own operations, endeavouring to minimise ESG impacts from our business.

6.2.1 Environmental initiatives

The following table details the initiatives we have implemented in our operations. We continue to explore new and innovative ways to reduce our environmental impact where practicable.

Goal	Initiatives
Reduce electricity consumption	• Use of 100% LED lighting in our offices, which is more energy efficient • Adjustment of default thermostat temperatures based on user feedback • Turning off the electricity in unused office spaces when fewer employees are present
Minimise waste	• Participation in Nespresso's coffee pod recycling programme • Recycling of e-waste via DUO Tower's quarterly e-waste collection programme • Installation of recycling bins within office premises • Employees are encouraged to practice low-waste habits such as printing in duplex mode and reducing the use of disposables
Incorporate sustainability into procurement processes	• Expansion of due diligence and monitoring questionnaires to include sustainability considerations, so that potential and existing suppliers are assessed based on ESG-related areas, including their climate-related risk management processes

Tracking additional environmental metrics

- Water consumption in Seviora Capital's office amounted to 11 m^3 in FY2023[10]. While this is not a sizeable number, we continue to encourage employees to practise water saving habits.
- We have also started to track the amount of waste generated in our office and will assess the feasibility of disclosure in future years.

6.2.2 Operational emissions

At an operational level, Seviora Capital's carbon footprint in FY2023 is 464.5 tCO_2e. The increase from 155.6 tCO_2e in FY2022 is due to a few reasons:

- Larger total headcount from FY2022 to FY2023, which resulted in increase in overall emissions
- Increase in electricity consumption: Due to Seviora Capital expanding its office space in late 2022
- Increase in business travel in 2023: Due to the lifting of COVID-19 related travel restrictions and the inclusion of land-based travel information this year

For more consistent year on year comparability, we have also disclosed our emissions intensity by the number of full-time employees.

Seviora Capital has been operating on a carbon neutral basis since our incorporation in 2022, which means that we have offset all Scope 1, 2 and 3 operational emissions through the purchase of carbon credits that support the financing into climate action projects. We ensure that selected projects have been verified by an internationally-recognised carbon standard, and seek to adhere to current best practices in evaluating the credibility of the carbon credits generated. In addition, we aim to select projects that align with Seviora Capital's sustainability objectives through the Sustainability Development Goals (*"SDGs"*) they support and the co-benefits they offer.

This year, we will be purchasing credits in support of a water purification programme in Cambodia [Gold Standard ID: 4269]. This project aims to replace the use of firewood or fossil fuels to boil and purify water by installing low greenhouse gas-emitting small-scale water treatment stations. In addition to the climate-related benefits, the project also improves health outcomes for local people, creates jobs and supports families, whilst also reducing fuel costs needed for water boiling.

[10] Includes water consumed from the office pantry. Excludes water usage from the common washrooms shared with other tenants in our office building.

Seviora Capital's operational emissions, covering all relevant scopes and categories (in line with the GHG Protocol) are disclosed in the below table; unmentioned Scope 3 categories are not applicable to our operations.

The methodology and emission factors used in our calculations are detailed in Appendix C on page 31.

Scope	Category	GHG emissions (tCO_2e)		Emissions intensity (tCO_2e/FTE)	
		FY2023	FY2022[11]	FY2023	FY2022
Scope 1	Direct emissions	N/A[12]			
Scope 2 (location-based)	Purchased electricity, heating/cooling, or steam	12.0	3.2	1.0	0.5
Scope 3	1: Purchased goods and services	294.2	111.1	24.5	15.9
	2: Capital goods	28.5	32.1	2.4	4.6
	3: Fuel and energy-related activities	3.3	0.9	0.3	0.1
	4: Upstream transportation and distribution	Covered in the emissions factors we used in our Cat 1/2 operations (cannot be easily disaggregated)			
	5: Waste generated in operations	To be reported in future years			
	6: Business travel	119.9	6.1	10.0	0.9
	7: Employee commuting	4.2	1.4	0.3	0.2
	8: Upstream leased assets	2.5	0.8[13]	0.2	0.1
	Total Scope 3	452.6	152.4	43.8	29.3
Total		**464.6**	**155.6**	**44.8**	**29.8**

[11] Last year, we disclosed emissions on a combined basis for both Seviora Holdings and Seviora Capital. This year, we disclose only Seviora Capital's emissions for the purposes of this report, but continue to track both entities' emissions, given that the operations of both entities are closely intertwined, in order to identify meaningful areas for emissions reduction in our operations.

[12] Due to the nature of Seviora Capital's business as a financial services firm, Seviora Capital does not produce material Scope 1 emissions.

[13] Restated emissions figure due to an error in the initial value provided for the amount of electricity consumed in common spaces in our office building, (We previously reported Category 8 emissions to be 10.1 tCO_2e, of which 2.3 tCO_2e of which would have been attributed to Seviora Capital)

Appendix A: Scenario analysis methodology

Selected climate scenarios

For this analysis, we have selected scenarios developed by the Network for Greening the Financial System (*"NGFS"*), which covers a span of narratives and provides a comprehensive and consistent framework to forecast impact based on plausible futures. For 2023's analysis, we used NGFS scenarios released in September 2022, the third scenario set that NGFS has published. These scenarios are generated using widely adopted Integrated Assessment Models (*"IAMs"*) that model the interaction between economic and climate systems, drawing on the latest scientific evidence on the relationship between emissions and temperature rise. These scenarios are also credible, being widely used by central banks and financial institutions for climate stress testing.

We selected two clearly differentiated scenarios, the NGFS Net Zero 2050 and Current Policies scenarios, to provide contrast between two fundamentally different futures. In the NGFS Net Zero 2050 scenario, global warming is limited to 1.5°C and companies are likely to face significant transition risks from transiting to a low-carbon future. We contrasted these results against those of the NGFS Current Policies scenario where temperatures rise beyond 3°C and companies are likely to face intensifying physical risks from extreme weather events as well as productivity impacts from longer term changes in the climate. The following table[14] provides additional detail on these scenarios used.

	Physical risk	Transition risk			
Scenario	Policy ambition	Policy reaction	Technology change	Carbon dioxide removal	Regional policy variation
Net Zero 2050	1.4°C	Immediate and smooth	Fast change	Medium -high use	Medium variation
Current Policies	3°C	Non-current policies	Slow change	Low use	Low variation

Severity of characteristic from a macro-financial risk perspective

- Higher risk
- Moderate risk
- Lower risk

[14] Referenced from NGFS Climate Scenarios for central banks and supervisors (2022)

Methodology

Seviora Capital leveraged analytic tools provided by Planetrics[3] to run the scenario analysis using the two selected scenarios and calculated the impact of climate on the value of our portfolio, which models the impact of transition risks to 2050 and physical risks to 2080.

Based on the characteristics of these two scenarios, the NGFS provides data input on major climate transition and physical risk stresses, including but not limited to the following:

Transition risks	Physical risks
• Carbon prices • Primary energy demand • Power generation • Emission trajectories	Temperature change associated with the NGFS transition pathways *The Planetrics model then downscales global temperature pathways to regional changes in the physical climate and estimates changes in coastal flood, river flood, tropical cyclone activity, windstorms, wildfire and productivity impacts on land and labour.*

These physical and transition risk stresses are translated into real economic shocks, such as increasing carbon taxes, demand and price changes of relevant commodities and products, and damage to assets or impairments to productivity caused by acute and chronic physical risks.

The overall portfolio valuation impacts can be decomposed into impact channels of physical and transition risks as detailed below, allowing us to identify and interpret the results of scenario analyses accordingly.

Transition risks	• **Demand destruction:** A decline in fossil fuel demand leads to lower prices, reduced profit margins, and the risk of stranded assets for fossil fuel producers. • **Demand creation:** Rising demand for low-carbon products and materials, such as lithium, enhances profitability for the companies involved in these activities. • **Direct carbon costs:** Emissions-intensive companies incur higher costs due to carbon pricing on their unabated emissions. • **Abatement:** Emissions-intensive companies can reduce costs by implementing measures to lower their emissions.
Physical risks	• **Acute risk - Extreme weather damages:** Rising insurance costs, which stem from the heightened probability of extreme weather events. • **Chronic risk - Land productivity and availability:** Revenue declines due to chronic physical impacts including land degradation and altered agricultural productivity resulting from increased precipitation and temperature.

	• **Chronic risk - Labour productivity:** Revenue declines due to chronic physical impacts, such as reduced labor productivity caused by heat stress. • **Adaption:** Costs decrease from actions that mitigate the physical impacts of climate change, such as constructing coastal flood defenses.
Combined risks	• **Market impacts:** Accounts for the share of increased climate costs that companies can pass through to consumers and/or gain market share as emissions-intensive competitors are priced out of the market, this may result to changes in profits for the asset in question.

The financial impact from these economic shocks are modelled for our assets based on their exposure to these shocks.

Results for each asset were then further aggregated on a weighted-average basis to quantify the impact of climate on the value of our portfolio. This value impairment can be defined as the aggregated impact of changes to the value of equity and debt underlying the holdings in our portfolio, otherwise defined as the percentage change in net present value relative to valuation under the baseline scenario (which assumes current policies and current climate).

Limitations

Due to the nature of scenario analysis as a modelling tool, the results we have obtained are subject to a number of limitations, including the following:

- The results are sensitive to the assumption that the market is currently pricing equities (and thereby margin outlooks) based on current policies and the current climate baseline.
- While the modelling accounts for the expected average annual damages and impacts from temperature rise on economies, estimated average physical impacts could obscure changing tail risks, such as changes in the impacts of rare floods or drought events.
- Supply chain interruptions from physical risks are not covered in the standard modelling. Supply chain interruptions from physical hazards could impact in-year earnings.
- The model relies on observed financial and ESG data to model future performance. Unless specified, the model does not reward companies that have set ambitious targets but have not translated them into changes in revenues or assets.
- The model is subject to a continuous update cycle which improves the granularity of results and reflects new developments in climate science, climate policy, company reporting and activity.

Appendix B: Calculation methodology used for portfolio carbon metrics

B.1 Weighted Average Carbon Intensity ("WACI")

This year, we have disclosed two WACI data points, given that a significant portion of our portfolio comprised cash and other short-term liquidity management instruments, as well as a subset of macro hedge funds, at end-2023.

WACI	Description
Total portfolio WACI	WACI value of our total portfolio for all assets with available data.
Total portfolio WACI (excluding short-term liquidity management instruments)	WACI value of our total portfolio for all assets with available data (as above), excluding non-emissions generating assets comprising mainly of short-term liquidity management instruments, as well as certain macro hedge funds.

The general formula used for both data points are the same, as shown below. A description of the inputs is detailed in the following table.

$$WACI = \sum_{n}^{i} ((A) Portfolio\ weight_i \times (B)\ tCO_2e/\ \$m\ revenue_i)$$

Formula input	Description of input
(A) Portfolio weight	Value of the investment as of 29 December 2023 relative to the total portfolio value. The total portfolio value differs between both WACI data points due to the inclusion/exclusion of short-term liquidity management instruments and certain macro hedge funds.
(B) Carbon intensity of asset ($tCO_2e/\ \$m\ revenue$)	Direct investments: Carbon intensity of the asset i.e. issuer's Scope 1 and 2 GHG emissions divided by revenue Fund investments: WACI of the fund In calculating the "Total portfolio WACI" metric, short-term liquidity management instruments and certain macro hedge funds were assumed to be non-emissions generating, with a carbon intensity of zero.

B.2 Financed emissions (Scope 3 Category 15)

Seviora Capital aligns to the guidelines described by the Partnership for Carbon Accounting Financials Global GHG Standard ("PCAF Standard")[15] where possible to calculate the financed emissions for our investment portfolio.

While the PCAF Standard does not currently provide guidelines for calculating emissions for fund investments relating to private equity or debt, we have referenced the PCAF Standard as much as possible to define our calculation methodologies. Specifically, we have adopted the following approach to calculate financed emissions, in which the same general attribution principles are applied across all asset classes covered under the PCAF Standard.

$$Financed\ emissions = \sum_{n}^{i} (A)\ Attribution\ factor_i \times (B)\ Emissions_i$$

A description of the inputs is detailed in the following table.

Formula input	Description of input
(A) Attribution factor	For direct investments, the attribution factor is typically defined as below. $\frac{Outstanding\ amount}{Total\ equity + debt}$ For fund investments, we aim to align to the additional PCAF requirement of attribution, where our share of emissions should be proportional to the share of our exposure relative to the total value of the investee. $\frac{Ending\ market\ value\ of\ fund}{Fund\ size}$ Specific to private market funds, we define the attribution factor as the loan drawdown as a proportion of total capital called by the fund. $\frac{Value\ drawn\ down\ by\ fund}{Capital\ called\ by\ fund}$
(B) Emissions	Direct investments: Scope 1 and 2 GHG emissions of the asset Fund investments: Estimated Scope 1 and 2 GHG emissions of the fund, calculated using the apportioned emissions of the underlying holdings with available data (extracted from a third-party database).

[15] PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition.

Appendix C: Calculation methodology used for corporate emissions

The GHG Protocol Corporate Standard was referenced in the calculation of Seviora Capital's operational emissions, using the operational control approach. For each emissions category, the relevant activity data is multiplied by the respective emissions factors sourced from third-party databases to calculate total emissions (tCO_2e). Improving data quality is an iterative process and we seek to do so over time as higher quality data (e.g. directly from vendors) become available.

<table>
<tr><th>Emissions category</th><th>Calculation methodology</th></tr>
<tr><td colspan="2">Scope 2</td></tr>
<tr><td>Purchased electricity, heating/cooling, and steam (location-based)</td><td>This category relates to the electricity and chilled water used for leased office space under Seviora Capital's operational control.

Electricity consumption data within our leased office space was obtained from electricity bills.

Emissions were calculated using the grid emissions factor (<u>"GEF"</u>) sourced from Singapore's Energy Market Authority's (<u>"EMA"</u>) annual publication on energy statistics in Singapore.

<table>
<tr><th>Emission Source</th><th>GEF ($kgCO_2/kWh$)</th><th>Source</th></tr>
<tr><td>Singapore</td><td>0.4168</td><td>EMA, Average Operating Margin in 2022</td></tr>
</table>
</td></tr>
<tr><td colspan="2">Scope 3</td></tr>
<tr><td>1: Purchased goods and services

2: Capital goods</td><td>Category 1 relates to all upstream emissions from the production of goods and services purchased or acquired by Seviora Capital, that are not otherwise included in the other categories of upstream Scope 3 emissions.
Category 2 relates to all upstream emissions from our fixed assets.

For both categories, data on the economic value of goods and services purchased were multiplied by the relevant emission factors generated from an environmentally-extended input-output model developed by the United States Environmental Protection Agency (<u>"US EEIO"</u>). Certain goods and services that pertain to operational costs of the company were excluded, mainly due to confidentiality reasons (e.g. staff payroll) or prevention of double counting (e.g. office rental). We recognise that using US EEIO data may not give an accurate representation of our operational emissions as these are broad sector averages that only provides indicative results, and are based on economic data from the United States, and therefore may not represent certain nuances. We are exploring the feasibility of collecting relevant data from our suppliers directly as we improve data quality over time.</td></tr>
</table>

	Given that the US EEIO emission factors used cover cradle-to-shelf emissions of the goods and services we have purchased, calculations using this methodology also include emissions generated from the transportation and distribution of these purchases (i.e. Scope 3 Category 4).
3: Fuel and energy-related activities	This category relates to indirect emissions generated from: • The upstream (well to tank) emissions of purchased electricity i.e. emissions associated with the extraction, refining and transportation of fuels for electricity generation prior to the point of combustion • Transmissions and distribution losses i.e. losses that occur in transmission of electricity between the sources of supply and Seviora Capital Emissions were calculated using the relevant emissions factors provided by DEFRA.
4: Upstream transportation and distribution	This category refers to the emissions generated from the transportation and distribution of goods and services purchased in the reporting year. Emissions in this category are covered under Scope 3 Category 1 and 2 (as described above).
6: Business travel	This category relates to indirect emissions generated from employees' business travel, including air-based travel and accommodations booked during the period of travel. In FY2023, we expanded the scope to include road travel. For flights and accommodation, activity data was obtained based on tickets purchased and hotel bookings. For road (taxi and train) travel, employees' reimbursed travel expenses were converted to distance based on distance-based fares charged in the location of travel. Emissions were then calculated using the relevant emissions factors provided by DEFRA, based on destination airports and cities for air travel, distance travelled by taxi/train, and locations of overnight accommodation respectively.
7: Employee commuting	This category relates to indirect emissions generated from employee commute i.e. distance travelled by employees from their homes to their work sites or offices, by various transportation modes. Activity data was obtained via an organisation-wide survey to analyse the average daily commuting patterns of employees. Emissions were calculated using the relevant emissions factors provided by DEFRA, based on primary mode of transport. Emissions disclosed under this category excludes employee teleworking.

8: Upstream leased assets	This category relates to the electricity consumption of the leased areas within DUO Tower not under our operational control, but still paid for as part of rent/maintenance charge and utilised, such as common area lighting. Electricity consumption of the common area under the building management's control is obtained and apportioned to Seviora Capital's office by calculating the leased office space as a fraction of total area of DUO's total floor area. The same GEF value (obtained from EMA) from our Scope 2 calculations was then used to calculate total emissions apportioned to Seviora Capital's operations.

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