

## Second Party Opinion on TVSM Sustainable Finance Framework (Version 1.1) By BDO India Services Private Limited

### Company Description

TVS Motor Company (TVSM) is the flagship of the over 100-year-old TVS Group, one of India's most diversified conglomerates with operations spanning across automotive, finance, logistics, and technology sector. As one of the top three two-wheeler manufacturers in India and top ten globally, TVSM plays a pivotal role in shaping the future of global mobility. Headquartered in Chennai and listed on the NSE and BSE, TVSM operates state-of-the-art manufacturing facilities in India and Indonesia, with a combined annual capacity of over 4 million units. Its dynamic product portfolio includes motorcycles, scooters, mopeds, and next-generation electric vehicles like the TVS iQube and TVS X. TVSM exports to more than 60 countries, supported by a network of global partnerships and innovation hubs.

Sustainability is considered by TVSM in an appropriate manner. With 93.2% of its energy sourced from renewables, TVSM is advancing toward its RE100 target by 2030 and aims to achieve net-zero Scope 1 and 2 emissions by 2040, and full Scope 1–3 net-zero by 2060. Key initiatives at the firm include battery recycling programs, zero liquid discharge (ZLD) facilities, and investments in green infrastructure. TVSM aligns with leading ESG frameworks such as CDP, BRSR, and TCFD, and is widely recognized as an ESG leader in India and across the Asia-Pacific region.

### Evaluation Summary

BDO India Services private Limited (BDO India) has independently reviewed TVSM's Sustainable Finance Framework (SFF) and finds it to be aligned with international and domestic standards, including the ICMA Green, Social, Sustainability, and Sustainability-Linked Bond Principles, the Green and Social Loan Principles, and SEBI's circular on issuance of ESG Debt securities. The Framework is guided by governance mechanisms—co-led by the Chief Financial Officer and Chief Sustainability Officer via the Sustainable Finance Working Committee, with strategic oversight from the Board level Committee on ESG. TVSM's ambitious Sustainability Performance Targets (SPTs)—notably its Net Zero commitments (Scope 1 & 2 by 2040 and Scope 3 by 2060) reflect its long-term commitment to decarbonization and ESG integration. Further, transparency is ensured through annual allocation and impact reporting, backed by external assurance, which enhances investor confidence and accountability.

The Framework's environmental pillars are robust, with well-defined eligibility criteria and outcome-based KPIs across clean mobility and water stewardship. Lifecycle assessments and alignment with India's Net-Zero roadmap and the EV30@30 vision further strengthen its environmental rationale. In the social domain, the Framework prioritizes inclusion through initiatives targeting women and persons with disabilities (PwDs); however, current metrics emphasize output (e.g., hiring ratios, accessibility infrastructure) more than long-term outcomes such as advancement to leadership roles, income generation, or social mobility. Additionally, expanding the inclusion lens to encompass groups such as LGBTQ+ individuals and broader intersectional representation could further enhance the Framework's equity impact. Overall, the SFF is well-structured, transparent, and forward-looking, with meaningful opportunities to deepen social outcome orientation in future iterations.

## Alignment Summary

Principle / Standard	Scope of Alignment	TVS Framework Implementation Summary	BDO India's Opinion
<b>ICMA Green Bond Principles (GBP) – 2025</b>	<ul style="list-style-type: none"> <li>&gt; Use of Proceeds</li> <li>&gt; Project Evaluation &amp; Selection</li> <li>&gt; Management of Proceeds</li> <li>&gt; Impact &amp; Allocation Reporting</li> </ul>	<ul style="list-style-type: none"> <li>✓ Proceeds directed toward clean mobility (EVs, hybrids), Waste and water management, socio-economic advancement.</li> <li>✓ Projects evaluated by a cross-functional Sustainable Finance Committee (SFC) with Board-level oversight.</li> <li>✓ Transparent fund tracking through internal tagging, with full allocation aimed within 12–24 months.</li> <li>✓ Reporting includes quantified KPIs (e.g., emissions avoided, EVs deployed), supported by third-party assurance.</li> </ul>	<p><b>Aligned</b></p> <p>Meets all 4 pillars of GBP with defined eligible categories, governance, and disclosures.</p>
<b>ICMA Social Bond Principles (SBP) – 2025</b>	<ul style="list-style-type: none"> <li>&gt; Social Use of Proceeds</li> <li>&gt; Target Populations</li> <li>&gt; Impact Reporting</li> </ul>	<ul style="list-style-type: none"> <li>✓ Supports workforce inclusion of women and PwDs through capacity building and workplace accessibility.</li> <li>✓ Clear identification of beneficiaries and impact areas in line with SDGs 5, 8, and 10.</li> <li>✓ Social KPIs include gender diversity ratio, inclusion workshops, and PwD representation.</li> <li>✓ Oversight by ESG and Sustainability function ensures periodic reporting.</li> </ul>	<p><b>Aligned</b></p> <p>Maps social projects with identified beneficiaries and measurable impacts.</p>
<b>ICMA Sustainability Bond Guidelines (SBG) – 2021</b>	<ul style="list-style-type: none"> <li>&gt; Integration of Green and Social Objectives</li> <li>&gt; Combined Impact Reporting</li> </ul>	<ul style="list-style-type: none"> <li>✓ Framework integrates dual-purpose projects such as clean transport with diversity hiring.</li> <li>✓ Co-benefits are tracked via both environmental and social KPIs.</li> <li>✓ Designed for flexibility in raising sustainability-focused capital instruments.</li> </ul>	<p><b>Aligned</b></p> <p>Structured to support sustainability bonds with dual impact dimensions.</p>
<b>ICMA Sustainability-Linked Bond Principles (SLBP) – 2024</b>	<ul style="list-style-type: none"> <li>&gt; KPI Selection</li> <li>&gt; Sustainability Performance Target (SPT) Calibration</li> <li>&gt; Financial Characteristics</li> <li>&gt; External Verification</li> </ul>	<ul style="list-style-type: none"> <li>✓ Incorporates 11 performance-linked KPIs aligned with Net Zero, Water Positivity, Zero Waste, and DEI goals.</li> <li>✓ SPTs benchmarked to national/international frameworks (e.g., EV30@30, India Net Zero 2070).</li> <li>✓ Includes fallback mechanisms and correction clauses in case of underperformance.</li> <li>✓ Third-party verification planned for all SPTs and KPIs.</li> </ul>	<p><b>Aligned</b></p> <p>KPI-SLI design is verifiable and transparent — meets SLBP best practices.</p>

<b>Principle / Standard</b>	<b>Scope of Alignment</b>	<b>TVS Framework Implementation Summary</b>	<b>BDO India's Opinion</b>
<b>LMA / LSTA / APLMA - Green Loan Principles (GLP) – 2025</b>	<ul style="list-style-type: none"> <li>&gt; Loan Structure</li> <li>&gt; Green Eligibility</li> <li>&gt; Fund Tracking &amp; Reporting</li> </ul>	<ul style="list-style-type: none"> <li>✓ Same principles applied across green loans and green bonds.</li> <li>✓ Proceeds used exclusively for eligible green projects with clear traceability.</li> <li>✓ Consistent reporting obligations and oversight across instruments.</li> </ul>	<p style="text-align: center;"><b>Aligned</b></p> <p>Suitable for green loans with robust control and transparency systems.</p>
<b>LMA / LSTA / APLMA - Social Loan Principles (SLP) – 2025</b>	<ul style="list-style-type: none"> <li>&gt; Eligibility of Social Projects Risk Management</li> <li>&gt; Monitoring Mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>✓ Social inclusion investments (e.g., gender equity, PwD accessibility) aligned with measurable outcomes.</li> <li>✓ Projects undergo ESG risk screening and benefit from structured monitoring.</li> <li>✓ Embedded within ERM and ESG governance architecture.</li> </ul>	<p style="text-align: center;"><b>Aligned</b></p> <p>Meeting borrower obligations for transparency and social impact assurance.</p>
<b>SEBI Circular on ESG Debt Securities- 2025</b>	<ul style="list-style-type: none"> <li>&gt; Compliance with Part I-III of Annexures A &amp; B</li> <li>&gt; Disclosure &amp; Reporting under Chapter IX</li> </ul>	<ul style="list-style-type: none"> <li>✓ Framework addresses all SEBI-mandated components: Use of Proceeds, Impact KPIs, Reporting, and Exclusions.</li> <li>✓ Commitment to public disclosures and regular audits.</li> <li>✓ Exclusion list based on IFC criteria is explicitly applied.</li> </ul>	<p style="text-align: center;"><b>Aligned</b></p> <p>Adherence to SEBI rules for ESG-labelled instruments.</p>

**Scope of Second Party Opinion (SPO) from BDO India**

BDO India was engaged by TVSM to provide an independent Second Party Opinion (SPO) on its Sustainable Finance Framework (SFF). The review assessed the Framework’s alignment with key sustainable finance standards, including ICMA Principles, LMA/APLMA Guidelines, SEBI’s ESG Debt Securities Framework (2025).

The assessment included:

- Review of the Sustainable Finance Framework (Version 1.1 dated 11/11/2025).
- Validation against ICMA’s Four Pillars and select relevant standards
- Evaluation of KPIs, governance structures, and reporting practices.

**Overview Of TVS Motor’s Sustainable Finance Framework**

TVSM has established its SFF as a strategic tool to finance its transition toward low-carbon, resource-efficient, and socially inclusive growth. The Framework aims to mobilize capital through instruments such as Green, Social, and Sustainability Bonds, as well as Green and Sustainability-Linked Loans, in line with global and domestic market practices. It ensures that 100% of net proceeds are allocated to eligible green and social projects delivering

measurable environmental or social benefits. To enhance investor confidence, TVSM commits to annual allocation and impact reporting, supported by independent third-party assurance. The Framework also aligns with leading global standards, including ICMA Principles, LMA/APLMA Loan Principles, and SEBI's ESG Framework.

### Strategic Sustainability & Materiality

The Framework is rooted in TVSM's long-term sustainability strategy and India's policy commitments. Key contextual drivers include India's EV Mission & Net-Zero Commitment, renewable energy transition, water stewardship, and resource efficiency.

#### Framework Architecture (ICMA Four Pillars):

1. **Use of Proceeds** – Defined categories include clean transportation, sustainable water & wastewater management, and Socio-economic advancement.
2. **Project Evaluation & Selection** – Oversight provided by the Board level Committee on ESG, supported by a cross-functional ESG Working Group.
3. **Management of Proceeds** – Proceeds managed by the Treasury Department, with sustainability-linked tagging in systems.
4. **Reporting** – Annual allocation and impact reporting with external verification, covering metrics such as tCO<sub>2</sub>e avoided, renewable electricity generated, water recycled, waste diverted and % EV revenue.

The Framework is underpinned by material issues identified in TVSM's Business Responsibility & Sustainability Report (BRSR), ensuring relevance and credibility. Key focus areas include climate change mitigation, resource efficiency, responsible supply chain, and employee & community well-being.

### Material Sustainability Factors: TVS Motor Company Ltd.

#### Climate Change Mitigation



Climate action is a top material priority for TVSM. TVSM targets a 90% reduction in Scope 1 & 2 GHG emissions by 2040 and Scope 3 by 2060, driven by investments in EVs, hybrids, hydrogen technologies, and green manufacturing. By embedding climate strategy into its operations, TVSM mitigates regulatory, operational, and reputational transition risks.

#### Resource Circularity & Water Stewardship



TVSM practices circular practices through remanufacturing, recycling, and energy-efficient upgrades, supporting SDG 12. Simultaneously, it maintains Net Water Positive operations with rainwater harvesting, ZLD systems, and aims to extend these efforts across its value chain by 2040, aligning with SDG 6. Together, these measures enhance operational efficiency, resource resilience, and environmental performance.

#### Responsible Supply Chain Management



With a vast supplier network, TVSM prioritizes Scope 3 emissions, ethical sourcing, and labor practices through ESG due diligence and stewardship programs. This supports transparency, mitigates compliance risks, and aligns with global investor expectations around value chain sustainability.



### **Inclusive, Safe & Equitable Workplace**

TVSM targets 35% gender diversity by 2035 and 5% PwD representation by 2027. It promotes inclusive hiring, workplace accessibility, employee sensitization, and safety programs. Health and safety are tracked via incident rates and proactive risk assessments, fostering a motivated, secure, and equitable workforce aligned with SDGs 5, 8, and 10.



### **Community Engagement & Social Impact**

TVSM's inclusive development programs in housing, education, health, and livelihoods near its operations strengthen community ties and contribute to SDGs 3, 4, and 10. These efforts reduce the risk of social unrest and support long-term, trust-based relationships with local stakeholders.

### **Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs)**

The Framework integrates KPIs and SPTs to support sustainability-linked financing instruments, ensuring accountability to measurable targets on emission reductions, water positivity in operations and value chain, diversity within the workplace aligning with its material factors and Impact themes.

### **Exclusions**

Aligned with the IFC Exclusion List (2007) and its ESG principles, TVSM will not allocate proceeds to activities involving illegal or banned products such as certain pharmaceuticals, pesticides, ozone-depleting substances, PCBs, and CITES-listed wildlife. It also excludes financing for weapons, munitions, tobacco, and alcoholic beverages (except beer and wine), as well as gambling, casinos, and radioactive materials unless medically or industrially safe. Projects involving unbonded asbestos fibers (except bonded materials with less than 20% asbestos) and drift net fishing with nets exceeding 2.5 km are similarly prohibited. These exclusions reaffirm TVSM's commitment to responsible and sustainable financing.

### **Framework Assessment**

#### **A) Use of Proceeds**

TVSM SFF outlines that proceed from green, social, or sustainability-linked instruments will be exclusively directed toward projects that deliver clear environmental and social benefits. Eligible categories include clean transportation (EVs, hydrogen, hybrid, CNG, and fuel-efficient technologies), wastewater management, and socio-economic advancement (workforce inclusion of women and persons with disabilities). Projects are aligned with global frameworks like ICMA GBP/SBP/SBG, LMA/APLMA GLP and SLLP, and SEBI's circular on issuance of ESG debt securities. Each category has measurable outcomes tied to relevant SDGs (e.g., SDG 5, 6, 7, 10, 13), and supports Scope 1, 2, and 3 decarbonization, responsible resource use, and inclusive employment across TVSM's operations and value chain.

#### **BDO India's Independent Opinion**

Use of Proceeds section reflects a balanced integration of TVSM's business strategy and sustainability priorities with clear exclusion criteria based on IFC guidelines. BDO India notes the framework's strengths in selecting impactful areas—particularly in clean mobility and gender and disability inclusions supported by transparent eligibility criteria and defined KPIs. The inclusion of advanced low-emission technologies and circular resource management positions TVSM's green and social investments at the forefront of India's low-carbon and inclusive development agenda. Alignment with both international standards and domestic policy enhance credibility and investor confidence.

**Eligible Categories & Impact Potential**

**Clean Transportation - Electrification of Mobility & Low-Carbon Transition Technologies (GBP Category)**

**Materiality**  
EV deployment, especially 2-wheelers in India, has a direct and large impact on reducing transport-related GHGs.

**Scalability**  
Urban and peri-urban markets can rapidly adopt EVs with minimal infrastructure compared to 4-wheelers with arrival of low carbon transition technologies.

**Additionality**  
TVS adds new EV capacity beyond baseline trends, delivering true additionality.

**Co-benefits**  
Reduces noise pollution, fuel import dependency, and promotes green employment.

High

Electrification of 2W and 3W vehicles supports decarbonization, especially in urban and peri-urban markets. TVSM's investment in EV-R&D, hydrogen feasibility, and value chain Scope 3 reduction strengthens India's EV30@30 goal. A focus on lifecycle emissions, including energy source greening, could have been included to further enhance credibility.

**Clean Transportation - Supply Chain Decarbonization (SLLP Category)**

**Behavioural Change**  
Vendor ESG programs are crucial but slow to influence.

**Innovation Enabler**  
Builds supplier maturity and transparency in sustainability.

**Financing Relevance**  
Linked to SLLs; financially material for sustainability-linked financing.

Medium

Decarbonizing a multi-tiered supplier base is ambitious but impactful. Positive potential lies in ESG-aligned procurement, supplier sustainability scorecards, and onboarding of MSMEs to capacity-building platforms. The category shows high relevance for sustainability-linked lending mechanisms.

**Water & Wastewater Management (GBP Category)**

**Environmental Risk Mitigation**  
Vital in water-stressed areas to prevent legal or social risks.

**Circular Water Use**  
Promotes recycling and reuse, aligning with circularity goals.

**Community Impact**  
Enhances community goodwill and water access.

Medium

Net Water Positive operations position TVSM as a sector leader. Expansion to value chain by 2040 is visionary. Further gains can come from advanced monitoring systems, basin-level water risk mapping, and partnerships on shared water stewardship with communities.

**Women in Workforce (SBP Category)**

**Strategic Relevance**  
Gender diversity is core to TVSM's inclusive strategy and workforce development.

**Execution Capacity**  
TVSM drives inclusion through diversity programs, leadership support, and policy integration.

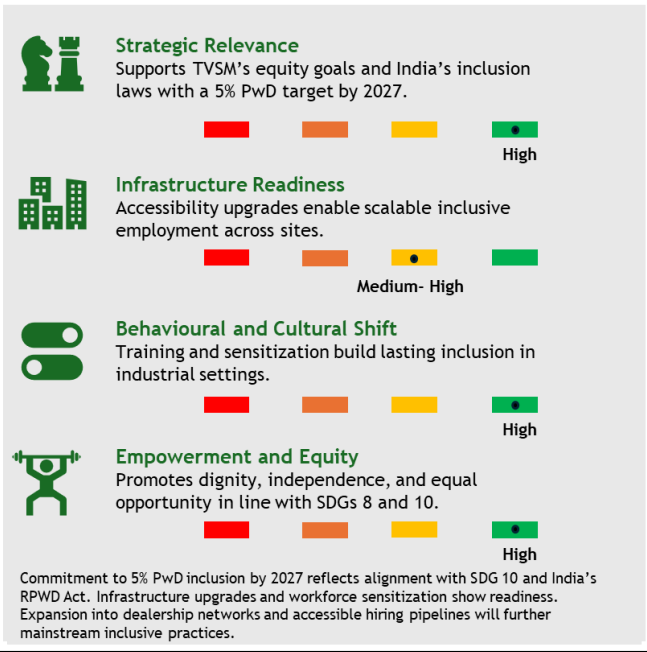
**Systematic Barrier Reduction**  
Targets, hiring, and skilling help break barriers for women in manufacturing and R&D.

**Long-Term Social Values**  
Improved income, education, and empowerment align with SDGs 5, 8, and 10.

High

TVSM's 35% gender diversity target by 2035 is ambitious and industry leading. Current execution capacity through inclusive policies and skilling is commendable. Embedding diversity KPIs across functions and supplier engagement can scale systemic inclusion.

**PwD in Workforce**  
(SBP Category)



**B) Project Selection & Evaluation**

TVSM has established a comprehensive and governance-driven Project Selection and Evaluation process to ensure that proceeds raised under its SFF are allocated to projects delivering environmental and social outcomes. Oversight lies with the Sustainable Finance Committee (SFC), a cross-functional body comprising senior representatives from Finance, ESG/Sustainability, Product, and Compliance, chaired by the CFO and supported by the CSO. The SFC conducts eligibility screening and due diligence based on the Framework's defined criteria. The selection process includes evaluating environmental and social risks through TVSM's Enterprise Risk Management (ERM) framework, ensuring compliance with national regulations, stakeholder priorities, and best market practices. Projects are reviewed annually and are required to demonstrate quantifiable contributions to TVSM's sustainability pillars—clean transportation, resource efficiency, and inclusive growth.

**BDO India's Independent Opinion**

TVSM's project selection and evaluation framework demonstrates strong governance integrity, transparency, and alignment with international leading practices. The process reflects high-level board oversight through the Board level Committee on ESG, ensuring accountability and credibility in project approvals and monitoring. BDO India highlights that the integration of the BRSR's materiality matrix into project selection strengthens the framework's relevance to both business risks and stakeholder expectations. The presence of a cross-functional ESG working group, periodic eligibility reassessments, and structured E&S risk mapping within the ERM framework illustrates a mature and forward-looking approach. Overall, BDO India concludes that TVSM's process is robust, data-driven, and consistent with investor expectations, effectively linking sustainability performance with financial decision-making while promoting measurable climate and social impact.

### **C) Management of Proceeds**

TVSM has instituted a disciplined and transparent process for the management of proceeds under its Sustainable Finance Framework. The objective is to ensure that net proceeds from green, social, or sustainability-linked instruments are efficiently and exclusively allocated to eligible projects aligned with the framework. The Treasury department is responsible for managing the proceeds, while the Board level Committee on ESG oversees adherence to the framework, with periodic updates provided to the ESG Working Group to ensure cross-functional governance. TVSM applies a sustainability tagging mechanism to track fund allocation at the project level, with annual reviews continuing until full allocation is achieved. If any project is cancelled, delayed, or deemed ineligible, reallocation procedures are in place to redirect proceeds to other qualifying initiatives. Unallocated proceeds are managed in line with TVSM's Treasury Investment Policy, which restricts investment to short-term, liquid, ESG-compliant instruments, and aims for full allocation within 24 months from issuance. Transparency is further enhanced through annual public disclosures, including the breakdown of proceeds into allocated vs. unallocated, sector-wise distribution (e.g., EVs, renewables, water), and external verification to uphold accountability and mitigate reputational risks.

#### **BDO India's Independent Opinion**

TVSM's management of proceeds process is moderately strong and broadly aligned with international leading practices, including ICMA and SEBI standards. The firm commends TVSM's centralized treasury oversight, which enhances financial discipline and traceability of sustainable finance flows. The use of sustainability tagging and structured annual allocation reviews ensures that funds remain tied to credible and impactful projects throughout the investment lifecycle. BDO India further recognizes TVSM's well-defined approach for handling unallocated proceeds, noting the emphasis on ESG-compliant, low-risk temporary investments as a sound liquidity and reputational risk mitigation strategy. Overall, the proceeds management system supports robust fund governance while reinforcing investor confidence through clarity, control, and transparency.

### **D) Reporting & Monitoring**

TVSM is committed to transparent and periodic sustainability reporting aligned with global best practices, including ICMA's Harmonized Framework for Impact Reporting. TVSM will publish an annual Sustainable Finance Report until full allocation of proceeds and beyond if material changes occur. This report will consist of two key components: Allocation Reporting, which will disclose total and unallocated proceeds, project categories, financing vs. refinancing share, and the management of unutilized funds; and Impact Reporting, which will present qualitative and quantitative KPIs such as EV deployment volumes, product electrification ratio, avoided CO<sub>2</sub> emissions, water intensity per vehicle, and gender/PwD inclusion metrics. The Sustainable Finance Committee (SFC), comprising cross-functional leadership, will oversee the preparation, validation, and disclosure of the report. Internal ESG audits, sustainability tagging systems, and third-party external verification will ensure data integrity, traceability, and alignment with global frameworks.

#### **BDO India's Independent Opinion**








TVSM's reporting and monitoring mechanisms are well-structured, transparent, and aligned with investor expectations and leading sustainability frameworks. Key strengths include the integration of both allocation and impact reporting, the use of externally assured KPIs, and the inclusion of forward-looking and backward-looking performance indicators. TVSM's adherence to global benchmarks like ICMA, and SEBI's ESG debt securities framework ensures robust comparability and credibility. The governance mechanism, particularly the active role of the Sustainable Finance

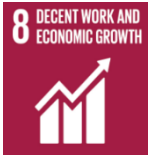


Committee and its coordination with internal audit and external assurance providers, enhances the rigor and transparency of disclosures. BDO India also notes that estimated KPIs and fallback mechanisms for unavailable data reflect a commitment to continuous improvement and accountability over time.

**Contribution To UN SDGs**

TVSM’s SFF is aligned with the UN 2030 Agenda and finances projects in clean mobility, water stewardship, value chain greening and social inclusion. Developed in line with ICMA’s SDG Mapping Guidance (2020), the Framework ensures transparency and global comparability. It supports at least 9 priority SDGs (5, 6, 7, 8, 9, 10, 11, 12, 13), with measurable KPIs and SPTs linked to outcomes such as EV adoption, net-zero emissions, women employment and water neutrality.

**BDO India’s Independent Opinion**

Eligible Category	Relevant SDGs	Target Alignment	Contribution Rationale
<p><b>Clean Transportation (EVs, e-mobility R&amp;D, charging infra, e-fuel development)</b></p>	  	<p>9.4: Upgrade infrastructure to be sustainable.</p> <p>11.2: Provide sustainable transport systems.</p> <p>13.2: Integrate climate action into planning.</p>	<p>Scaling EV platforms, reduce reliance on fossil fuels, cut tailpipe emissions, and promote low-carbon urban mobility solutions.</p>
<p><b>Clean Transportation (Value Chain Decarbonization – Green Procurement, Resource Efficiency etc.)</b></p>	 	<p>12.2 Achieve sustainable management and efficient use of natural resources.</p> <p>9.4 Use efficiency and adoption of clean technologies.</p>	<p>Decarbonizing value chain footprint by engagement and stewardship activities helps in reduction of scope 3 emissions.</p>
<p><b>Water &amp; Wastewater Management (ZLD, recycling, harvesting)</b></p>	 	<p>6.3: Improve water quality and increase recycling.</p> <p>12.4: Environmentally sound waste management.</p>	<p>ZLD and advanced wastewater recycling ensure circular water use, safeguard resources in water-stressed regions, and</p>

<p><b>Socio-economic advancement (DEI, PwD inclusion etc.)</b></p>   	12.5: Reduce waste generation through recycling and reuse.	align with CPCB compliance.
	5.1 End all forms of discrimination against all women and girls.	<p>Increasing the proportion of women and PwDs in the workforce at the firm helps in become more inclusive and</p>
	8.5 Achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities.	
	10.3 Ensure equal opportunity and reduce inequalities of outcome by eliminating discriminatory laws, policies, and practices.	

TVSM SFF makes some direct contributions to the United Nations Sustainable Development Goals (SDGs), particularly SDG 9 (Industry Innovation & Infrastructure), SDG 11 (Sustainable Cities & Communities) and SDG 13 (Climate Action). These are reflected in TVSM's commitment to net-zero pathways, promotion of electric vehicles (EVs), and devoting R&D to the development of low-carbon transition technologies like CNG/E-fuel-powered vehicles.

Additionally, TVS SFF's sustainability efforts extend throughout its value chain and aims to achieve their decarbonization to enable resource efficiency i.e. SDG 12 (Responsible Consumption & Production). SDG 6 (Clean Water & Sanitation) is addressed through circular water stewardship practices such as Zero Liquid Discharge (ZLD). TVSM also supports SDG 8 (Decent Work & Economic Growth) by creating skilled green jobs across the EV, renewables, and R&D sectors. Finally, its initiatives in inclusive employment for women & person with disabilities in workforce reflect alignment with SDG 10 (Reduced Inequalities), and SDG 5 (Gender Equality). Overall, BDO India views TVSM SFF's sustainability efforts as impactful and aligned with global development priorities.

## Framework View

BDO India's independent evaluation concludes that TVSM's SFF is aligned with leading global and Indian sustainable finance standards. The Framework demonstrates strategic integration of sustainability into financing decisions, aligning capital-raising activities with TVSM's long-term decarbonization and resource-efficiency goals.

### The Framework is underpinned by:

Clear Eligible Categories	Robust Governance	Ambitious KPIs & SPTs	Transparent Reporting
Clean transportation, water & wastewater management, value chain decarbonization, and socio-economic advancement.	Board-level oversight through a Committee on ESG, supported by a cross-functional ESG Working Group and Risk Management function.	Material, measurable, and time-bound targets (90% reduction in Scope 1&2 by 2040, and Scope 3 by 2060, 5% PwD in workforce by 2027, and 35% gender diversity by 2035 etc.)	Annual allocation and impact reporting, aligned with ICMA and SEBI requirements, supported by commitments to third-party verification

Together, these elements position TVSM as a key player in sustainable finance within India's mobility sector and a credible issuer for international ESG-focused investors.

## Assessment Conclusion

BDO India conducted an independent review of TVSM's SFF and found it aligned with global and Indian sustainable finance standards. The Framework adheres to ICMA's Green, Social, and Sustainability Bond Principles, LMA/APLMA's Green and Sustainability-Linked Loan Principles, and SEBI's Draft ESG Debt Securities Framework (2024). It reflects strong transparency, governance, and measurable sustainability outcomes.

The Framework underpins Green, Social, and Sustainability-linked financing to fund electric mobility, water stewardship, and socio-economic advancement projects. TVSM positions it among sectoral leading practices, aligning with India's EV30@30 and net-zero goals to drive clean, inclusive mobility.

The Framework strengthens TVSM's appeal to ESG-focused stakeholders through strong governance, clear eligibility criteria, and measurable KPIs. Transparent annual reporting and external assurance enhance credibility, while ESG risk integration, diversified funding avenues, and alignment of capital allocation with long-term sustainability goals position TVSM to access a broad range of sustainable capital markets.

In conclusion, BDO India finds that TVSM's Sustainable Finance Framework is a forward-looking, strategically designed instrument that supports its green transition while aligning with local and international sustainability norms.

### **Disclaimer**

*This Second Party Opinion (“SPO”) has been prepared by BDO India at the request of TVS Motor Company Limited (“TVSM” or “the Company”) and is intended to provide an independent assessment of TVSM’s Sustainable Finance Framework as of the date of issuance. This SPO is based on information provided by TVSM, including documents, representations, public disclosures, and internal materials up to the date of this opinion. Independent verification of the information has not been conducted by BDO India unless explicitly stated.*

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