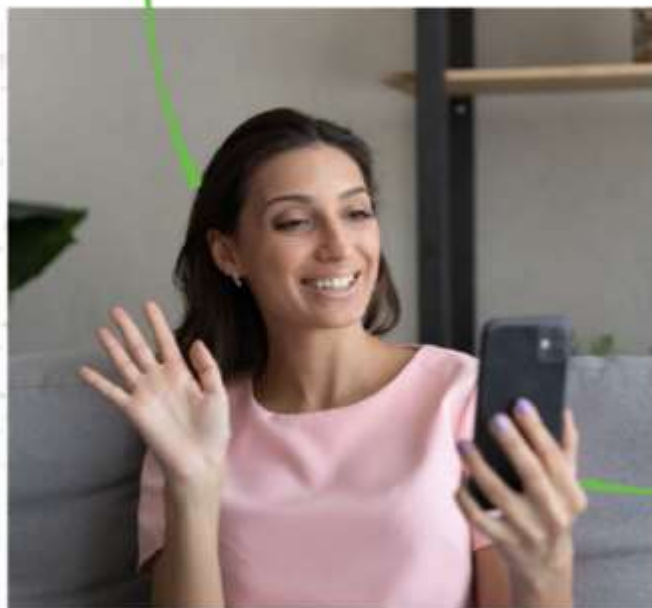


# Scalable **impact** Sustainable **solutions** Secure **ecosystems**



**Sustainability-Linked Loan Framework**

**2024**



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## 1. About Tata Communications

Tata Communications (the Company or We) is a digital ecosystem enabler that powers today's fast-growing digital economy. The Company enables the digital transformation of enterprises globally, including 300 of the Fortune 500 – unlocking opportunities for businesses by enabling borderless growth, boosting product innovation and customer experience, improving productivity and efficiency, building agility, and managing risk.

With its solutions orientated approach, proven managed service capabilities and cutting-edge infrastructure, Tata Communications drives the next level of intelligence powered by cloud, mobility, Internet of Things (IoT), collaboration, security, and network services.

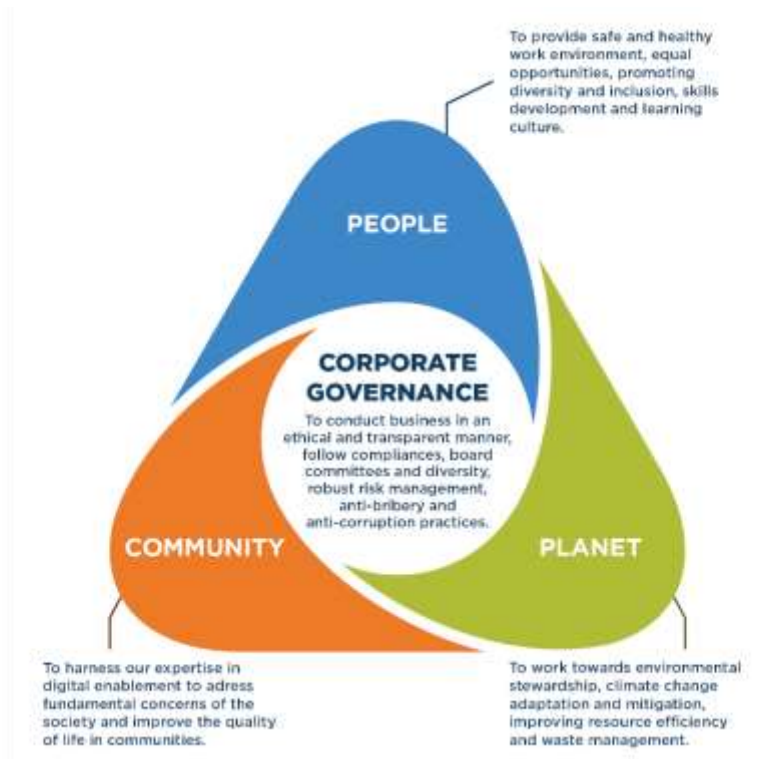
Tata Communications carries around 30% of the world's internet routes and connects businesses to 80% of the world's cloud giants and 4 out of 5 mobile subscribers. The Company's capabilities are underpinned by its global network, the world's largest wholly owned subsea fibre backbone and a Tier-1 IP network with connectivity to 190+ countries and territories around the world.

Tata Communications Limited is listed on the Bombay Stock Exchange and the National Stock Exchange. Tata Communications has been a part of the rich heritage of the internet in India. Enterprise-enabled services have been essential to the adoption of digital services in the country. From utility to transformation, connectivity is an essential fabric of sustenance for the economy. Tata Communications is committed to enabling Industry leaders in this New World of Communications™, with our unique promise of delivering secure connected digital experiences.

## 2. Tata Communications' Sustainability Strategy

Tata Communications' sustainability strategy is based on Environmental, Social and Governance (ESG) framework, stakeholder engagement, and materiality process. It is also closely aligned with the United Nations Sustainable Development Goals (UN SDGs) to contribute toward a meaningful change around the world. We aim to create long-term stakeholder value and sustainable growth for our business by managing risks and embracing opportunities, implementing robust governance practice, and optimization of the economic, environmental, and social performance. We have confidence that digital technology and sustainability go hand-in-hand as it brings proficiencies and growth with considered utilization of resources while changing how we develop and use technologies.







Our sustainability strategy sits and corresponds to three key pillars - People, Planet and Community, around robust Corporate Governance:



### Alignment with UN SDGs

Our programmes are aligned with the UN SDGs in policy and practice. The SDGs recognise information and communications technology (ICT) as a ‘means of implementation’ for all the 17 SDGs. We have prioritized and mapped direct and in-direct SDGs, based on the risk, relevance, and our contribution as an organization, and are working diligently towards achieving these goals.

SDG	Focus Areas
	Our focus is to develop healthier workspaces and stronger relationships by ensuring safe working conditions for workers and access to health services, which has a beneficial influence on productivity
	We strive to ensure access to quality education for all and our goal is to bridge the gaps within the education system through our CSR activities
	At Tata Communications, we strongly believe in gender equality and building a community where people are not differentiated based on gender. Our CSR activities emphasize on training young girls and women to build a more inclusive society

	<p>At Tata Communications, our focus is to accelerate the transition to an affordable, reliable, and sustainable energy system by investing in renewable energy resources, prioritizing energy efficient practices, and adopting clean energy technologies and infrastructure</p>
	<p>Our focus is to create decent work opportunities that contribute to our business and society. We uphold labour laws across our operations and value chains and hence, have a lower risk of reputational damage and legal liability. Our CSR programs emphasize activities that promote employability and sustainable livelihood options for the communities we work with</p>
	<p>Our primary operation is to enhance connectivity, and therefore, help to promote innovation across operations. We contribute to development efforts in regions in which we operate through investments in communications technologies, through proactive collaborations with internal and external stakeholders and building innovative and sustainable solutions with scalable impact</p>
	<p>Through communication systems, we aim to play a vital role in providing specific infrastructure, technology, services, and solutions to build a more sustainable and safer society</p>
	<p>We strive to find innovative solutions that enable sustainable consumption. We continue to enhance our understanding of environmental and social impacts of products and services and use innovations to design appropriate solutions that to lead more sustainable lifestyles, reducing environmental impacts and improving well-being</p>
	<p>We contribute to this SDG by decarbonizing our operations and supply chains through continuously improving energy efficiency, reducing the carbon footprint of our offerings, services, and processes, and setting ambitious emission reduction targets in line with climate science, as well as scaling up investment in the development of innovative low-carbon products and services</p>

## 2.1 Key Sustainability Pillar – Planet

At Tata Communications, we are committed to a low carbon future. For us, sustainable environmental stewardship that leaves a better world to the next generation is the foundational requirement of our business practices.

### 3C Sustainability Strategy and Net Zero Commitment

Tata Communications, a global digital ecosystem enabler, has announced its commitment to be Net Zero by 2035 across its global operations. We aim to ‘Invest in our Planet’ in its drive to accelerate and make a stronger sustainability promise for the Earth. As part of this, the Company outlines the 3Cs for environment protection and empowering enterprises through:



- **Climate Action** – By enhancing energy efficiency and deploying renewable energy measures globally. With this, the Company is set to become Carbon Neutral in scope 1 and 2 by FY 2030 and Net Zero in scope 1, 2 and 3 by FY 2035. The action plan and strategy to implement Carbon Neutral and Net Zero Goals is detailed out (below) in Climate Action Strategy. To reach our FY 2035 Net Zero target, we will prioritize decarbonization measures to reduce emissions. Carbon offset will be used as a last resort. The Company has established short-term emissions reduction targets and has got its targets validated with Science Based Targets Initiative. More information regarding the specific short-term targets can be found in sections 3.1 and 3.2 of this Framework
- **Customer GHG (Green House Gas emission) Savings** – By developing and delivering green or low carbon solutions via IoT solutions, Media & Entertainment Services, Cloud, Business Collaboration platforms helping customers’ supply chains to be environmentally friendly and increasing their competitiveness. For this, the potential of its customer GHG emissions reduction potential is 20 times that of Tata Communications’ own scope 1, 2 and 3 emissions by FY 2027.

**Circular Economies in India** – By deploying its own IoT solutions including smart metering to track real-time water usage and leakages at key facilities as well as implementing rainwater harvesting and increasing water and waste recycling across the Company’s key campuses in India. With this, the Company aims to reduce 20% freshwater consumption by FY 2030 (compared to FY 2020). In addition, the Company is committed to zero waste to landfill by 2027 in India whereby the waste is either reused, recycled, or composted.

Additionally, we have also identified short term targets from FY 2024 to FY 2026, which not only supports the identified long-term goals but encompass our goals and objectives related to other key ESG aspects. More information on these [targets](#) can be found in our latest [Sustainable Development Report or microsite](#).

**Climate Action Strategy**

Immediate focus	Near-term focus	Medium-term focus	Long-term focus
a. Improve energy intensities for our facilities and data centers by energy efficiency improvements	c. Develop low-carbon products and solutions for our customers.	e. Reduce upstream, downstream and supply chain-based emissions	g. Decarbonize scope 1 (diesel based) emissions



<p>b. Improve emission intensities by switching to renewable sources of energy</p>	<p>d. Develop Community based carbon offset programs</p>	<p>f. Reduce employee and business commute related emissions by introducing EV's and other cleaner fuel options</p>	<p>h. Take an active and constructive role in evolving climate change policy, solutions with governments, industry association and communities</p>
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**a. Improve energy intensities for our facilities and data centers by energy efficiency improvements**

The target is to save 7% Y-o-Y with energy efficiency projects. In FY 23, 130 energy-saving opportunities identified. Projects on Heating, Ventilation and Air Conditioning (HVAC), Switched-Mode Power Supply (SMPS) and Uninterruptible Power Supply (UPS) efficiency enhancement / Optimization and consolidation, Smart Lighting (Conversion of conventional lighting into LED), and usage of IoT. Completed 118 out of 130 projects which resulted in 6.56 million kWh in energy savings (cumulative) and ₹ 6.38 (or USD \$0.79 million equivalent) crores energy cost savings.

**b. Improve energy intensities for our facilities and data centers by energy**

Tata Communications have consumed 173 million KWH of energy during FY 2022-23, procured from the national grid. Almost 30.6 million units (~18%) out of 173 million units consumed were produced from solar and wind energy. We have completed procurement of 8.4 million units' solar power at Dighi Pune campus. On the international front, Tata Communications signed a contract to purchase renewable energy certificates from Portland General Electric Company for our Portland and Hillsboro facilities, totaling around 6 million units. Furthermore, we recently completed the first solar power operating expense (OPEX) model project in Seixal, Portugal, where solar energy power generation is equivalent to approximately 44% of the site capacity. Tata Communications expect to finish the project RFS and its implementation in the first quarter of the fiscal year 2023-24. Furthermore, we have also planned to add 60 MU of renewable energy by FY 30 leading to RE capacity of ~49% by FY 2030.

**c. Develop low-carbon products and solutions for our customers**

Tata Communications develop and deliver green solutions that help our customers become more competitive and greener in their supply chains. We continue to provide and develop a variety of low-carbon products and services from our network, IoT, MES, cloud, and business collaboration streams to enable our customers to conserve energy and reduce GHG emissions. Examples of low-carbon products and services include smart utility meter, smart energy monitoring, CISCO – video as a service (VaaS), CISCO powered solutions – UcaaS, voice solutions, remote working solutions, managed cloud services, etc. The company further plans to reassess the benefits and identify new solutions again this year.

In FY 2023, the potential GHG emission reductions through our Company's low carbon products and solutions were around 33,54,004 metric tonnes of CO2e. This works out to an estimated carbon



savings of 16 times the emissions produced by the operations of Tata Communications in FY 2022-2023.

**d. Develop Community based carbon offset programs**

We remain steadfast in our commitment to mitigating the risks of climate change and kindling a positive change within the communities in which we operate. We have undertaken an extensive baseline and community needs assessment to identify viable carbon offset projects. Through this approach, we have identified projects that have been evaluated on a financial and operational level and are aimed at improving cook stoves and plantations. Our unwavering focus on these initiatives underscores our role as a socially conscious corporate entity. For example, the programs include the smart cookstove program in Meghalaya, Odisha, and Jharkhand and an afforestation/reforestation project in Maharashtra. We plan to generate 95,000 tonnes of Community based carbon credits by FY 2030.

**e. Reduce Upstream, Downstream and Supply Chain based emissions**

As part of our Scope 3 emissions accounting, we have assessed that emissions from our suppliers constitute a significant portion of our carbon footprint. Our top suppliers, who account for 60% of our procurement budget, have been identified as key contributors to these emissions. To address this concern, we have developed a Sustainable Supply Chain Framework and are currently exploring additional avenues to engage.

We are considering several strategies to reduce emissions from our suppliers such as campaigns to educate them about climate change and the measures they can implement to reduce their carbon footprint. Additionally, we intend to drive innovation that can lessen the carbon footprint of our suppliers and urge them to respond to the yearly CDP questionnaire. We also intend to collaborate with our suppliers to create new products, processes and technologies that can contribute to our shared objective of achieving net-zero emissions.

**f. Reduce employee and business commute related emissions by introducing EV's and other cleaner fuel options**

Recognizing the environmental impact of our diesel-based vehicle fleet, we are actively transitioning towards cleaner travel alternatives such as electric and CNG vehicles to reduce our Scope 3 emissions. We have introduced electric vehicles for business travel in India, leading to a 64% reduction in GHG emissions. To further support this, we are working on installing more charging stations at our facilities. Moreover, we are strategizing to cut short-haul flight emissions in the UK and EU by promoting rail travel, which can decrease emissions by 97%. Additionally, we are collaborating with partner airlines to purchase Sustainable Aviation Fuel (SAF) to contribute towards cleaner aviation fuel usage.

**g. Decarbonize scope 1 (diesel based) emissions**

We use diesel generators as power backup to ensure a continuous supply of energy in case of grid energy outages, which contributes to these emissions. To fulfil our objectives of decarbonization, we are seeking alternatives that are both energy efficient and emission-free. Alternatives include battery energy storage systems, supporting decarbonization objectives by eliminating diesel usage and



enabling on-site grid energy storage, reducing environmental impact, and supporting facilities. This approach assists us in accomplishing our ambition of providing a better and more efficient energy source for operating our facilities and supporting infrastructure while also reducing our environmental impact.

**h. Take an active and constructive role in evolving climate change policy, solutions with governments, industry association and communities**

We nurture our advocacy relationships to successfully address regulatory and institutional challenges, particularly those affecting the renewable energy sector. At Tata Communications, our climate action teams have envisaged comprehensive roadmaps and have several initiatives in the pipeline. We are actively seeking partnerships and expert opinions to bolster our endeavors. These interventions will undoubtedly augment the capabilities of our internal teams, resulting in the expansion of our climate action pursuits.

**Environment Management**

Our commitment towards environmental sustainability is guided by the company's Environmental Policy. We implement our environmental strategy through the Environmental Management System (EMS) that is in conformance to the ISO 14001:2015 standard. These standard guidelines help us to track, manage and continuously improve our environmental systems. We have institutionalised programmes that identify and mitigate the environmental impact of our operations and services. The review of our EMS ensures that the company's policy commitments are upheld in our operations. Furthermore, it has proved helpful in the evaluation of compliance with environmental laws in India and globally. Our system also helps us to review environmental objectives and targets, needs and expectations from our stakeholders, and training requirements in a comprehensive manner.

**Resource Management & Environmental Conservation**

Our operations and facilities are aligned with the '3R's of resource management – Reduce, Reuse and Recycle. Water is a necessary component in the operation of our facilities and an indispensable part of the daily life of our communities. Therefore, it's critical to manage the resource carefully for our communities and operations, as well as for future generations. We are committed to minimizing the use of fresh water in our operations. Technology has enabled us to monitor and control water consumption more efficiently. Interventions such as sensor-based taps and aerators have been undertaken in various facilities which reduce our domestic water consumption. In a water-stressed country like India, the recycling and efficient use of water becomes essential. Hence, we have installed Sewage Treatment Plants (STP) at our major facilities for water recycling and reuse.

Effective waste management across facilities is an integral part of our sustainability strategy. We focus primarily on waste minimization to reduce our overall waste generation. We emphasize efficient and environmentally friendly end-of-life disposal methods to minimize the waste generated; thereby, reducing waste that enters landfills. Waste management not only generates savings but is an opportunity for value-creation through improved process efficiency, higher savings through resource conservation, and optimal reuse of raw materials.

## 2.2 Key Sustainability Pillar – People

Our employees are at the heart of our success. We are committed to creating a workplace that acts as a fertile ground on which our employees can discover the limits of potential.

### **Diversity and Inclusion**

At Tata Communications, we attract diverse talent from everywhere. We are proud to uphold diversity of thought and culture while making sure everybody feels equally valued. We do not discriminate based on race, caste, religion, color, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, or disability. In addition, we ensure adherence to relevant statutory labour compliance across different regions of the globe while providing a flexible working environment and respecting diversity and inclusion at the workplace.

### **Employee Health & Safety**

We strive towards creating a zero-harm environment for all. Our approach to occupational health and safety centers around proactive strategies that ensure the health and safety of our employees and contractors. We have introduced safety standards on key operational activities aimed at eliminating workplace accidents. We carry out regular audits to assess adherence to these standards. Furthermore, we have also launched various behavior-based awareness campaigns and training sessions to help our people to build a safer workplace. An automated reporting tool is used to document safety observations and incidents. By aligning to the Tata Group Health and Safety Management System, as well as ISO 45001 Standard requirements, we at Tata Communications have successfully developed our H&S management system.

### **Employee Engagement and Development**

Our success and market leadership can be attributed largely to the skills and capacity of our talented workforce. We provide several benefits for our employees such as provident (retirement) fund, leave management, medical benefits, talent management, diversity mix, training and skill development, freedom of association and collective bargaining, etc. Each of these policies has been designed to provide our employees with a comfortable work environment that maintains high morale. By providing real, tangible benefits, we ensure that our employees are happy and satisfied in the workplace. Our leadership consistently provides effective skill development opportunities for employees through various learning and development programs. The focus areas encompass a wide range of initiatives, including personalized training, mentoring and career development programs.

### **Respecting Human Rights**

We, at Tata Communications, are committed to ensuring that the fundamental rights of people engaged in our operations across the value chain are never violated. The Company has zero-tolerance for illegal and immoral practices such as child labour, forced labour, and modern slavery, including human trafficking. As a company, we have instituted a range of policies and programs to establish our commitment to human rights and ethical behavior in our work environment. We are also committed to building a just and equitable workplace with zero-tolerance towards any form of harassment, whether

sexual, physical, verbal, or psychological, in our organization. The central framework that outlines our Company's values and approaches towards Human Rights is the Tata Code of Conduct (the "Code"). The Code addresses how we expect everyone in our work environment to be treated and how we expect everyone in our workplace to treat others. Tata Communications also expects all its contractors, suppliers, and other business partners to adhere to the standards outlined in the Code.

### 2.3 Key Sustainability Pillar – Community

At Tata Communications, we believe that our role as a Digital Ecosystem Enabler calls on us to grow with the communities in which we operate. Tata Communications believes that the spread of technology and digital connectivity is critical to accelerating human progress.

#### Education

We are committed to promoting access to quality education and lifelong learning for all. We do this through long-term, multi-stakeholder partnerships which aim to transform public education through digital enablement, educators training, mentorship and scholarships for learners, and engagement of youth leaders. Our marquee education programs, implemented by a diverse range of NGO partners, are ongoing in Delhi NCR, Maharashtra, Karnataka, and Tamil Nadu. Taking our commitment beyond the national boundaries is our partnership in Singapore to provide experience-based entrepreneurship education to young learners under the Network for Teaching Entrepreneurship (NFTE).

#### Employability and Sustainable Livelihoods

Tata Communications educates and enables underserved youth with employability and life skills training to make them industry ready. We also support the inclusion of young girls and women in the economy by providing entrepreneurship development training and handholding support through enterprise creation. Our key employability and sustainable livelihoods projects, implemented by NGO partners, are ongoing in Delhi NCR, Jharkhand, Maharashtra, Odisha, Uttar Pradesh, Tamil Nadu, and Telangana.

#### Healthcare

Healthcare embodies our aim to extend access to healthcare services, particularly towards prevention and care of non-communicable diseases in rural areas to ensure healthy lives and promote wellbeing. Our focus is on breaking the health-poverty nexus by equipping underserved communities with the necessary equipment, infrastructure, and skills. Presently, we are achieving this through two key projects in Assam and Bihar.

#### Global Employee Volunteering Program

Our Global Employee Volunteering Program (GEVP) is guided by our desire to 'create better work and a better workplace'. Employees contribute their time, skills, and passion throughout the year, in across more than 50 cities globally. Community action by employees occurs either as part of skill-based volunteering, short-term cause-based volunteering (as part of quarterly volunteering campaigns) or long-term weekend volunteering through opportunities such as ProEngage.



## 2.4 Sustainability Governance Structure

To further strengthen Board-level oversight on safety and sustainability affairs, the Board of Directors of Tata Communications Limited expanded the scope and remit of its existing CSR committee and renamed the same to the CSR, Safety and Sustainability Committee. The Committee is chaired by a Non-Executive Director, and includes another Non-Executive Director, along with the MD & CEO as its permanent members. Apart from its other mandates, the Committee reviews and monitors the business risks and opportunities with reference to sustainability and oversees the progress of business sustainability and aspects related to occupational health and safety (OHS), climate change, resource conservation, employee engagement and development, sustainable supply chain management, and human rights (privacy and freedom of expression, etc.).



### 3. Sustainability-Linked Loan Framework

The creation of the Sustainability-Linked Financing Framework (Framework) is a step to further integrate sustainability into Tata Communication's corporate strategy to deliver an inclusive and hyperconnected model that furthers the cause of environmental and social sustainability. As a responsible corporate, we realise the importance of ensuring financial, social as well as environmental sustainability. By setting up the Sustainability-Linked Loan Framework, Tata Communications intends to link its funding with key objectives that are core and material for our long-term sustainability performance.

This Sustainability-Linked Loan Framework has been developed in accordance with the five core components of Sustainability-Linked Loan Principles (February 2023) as jointly published by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association:

- Selection of Key Performance Indicators (KPI)
- Calibration of Sustainability Performance Targets (SPT)
- Financial characteristics
- Reporting
- Verification

Tata Communications' Environment, Occupational Health and Safety (EOHS) & Sustainability and Treasury team jointly validate, approve, and own this framework, and will be responsible for updating it as needed.

Under this Framework, Sustainability-Linked Loan issuances may be undertaken by Tata Communications Ltd or by any wholly owned subsidiary of Tata Communications Ltd.

#### 3.1 Selection of Key Performance Indicators ("KPI")

The selected KPIs have been included for the purpose of this Sustainability-Linked Loan Framework to reflect Tata Communications' ability to further align our climate commitments and values to our financing. The selected KPIs are core, relevant and material to Tata Communications' business. For the details of our initiatives to reduce our GHG emissions, please refer to section 2.1 of this Framework.

#### **KPI 1: Absolute greenhouse gas ("GHG") emissions (scope 1 & 2), calculated as tonnes of CO2 equivalent ("tCO2e")**

##### **Definition:**

- Scope 1: GHG emissions from the consumption of fuels like diesel, the use of refrigerant gases and waste treatment inside the facilities.
- Scope 2: GHG emissions from consumption of grid electricity using market-based approach.

Methodology for calculating KPI: The definitions are aligned with the GHG Protocol Corporate Accounting and Reporting Standard. The emission data currently covers Tata Communications' global operations. Starting from FY 2025 or earlier, we plan to expand the scope of the data to also include emissions from

subsidiaries and any new acquisitions. We expect an independent third-party to provide at least limited assurance on the annual KPI data disclosure, including the baseline data.

#### Rationale:

Climate change is classified as a material issue of high importance to both the company and stakeholders in our materiality assessment. Reducing carbon emissions and responding to climate change have been our mission for over a decade, and our actions establish our position as an industry leader in addressing both, the risks, and opportunities of the energy transition. Scope 1 and 2 emissions represent 39.3% (based on FY 2023 data) of our total GHG emissions.

#### Historical performance in recent 3 years:

Fiscal Year (FY)	FY 2021	FY 2022	FY 2023
GHG Emissions (tCO <sub>2</sub> e) – Scope 1 & 2	104,346	93,052	83,076

#### KPI 2: Absolute greenhouse gas (“GHG”) emissions (scope 3), calculated as tonnes CO<sub>2</sub> equivalent (“tCO<sub>2</sub>e”)

##### Definition:

- Scope 3: GHG emissions from purchased goods (category 1), capital goods (category 2), fuel-and-energy related activities that are not included in scope 1 / 2 (category 3), waste generated in operations (category 5), business travel (category 6), employee commute provided by the company (category 7), upstream leased assets (category 8) and upstream transportation and distribution (category 4)<sup>1</sup>.

Methodology for calculating KPI: The definitions are aligned with the GHG Protocol Corporate Accounting and Reporting Standard. Comprehensive screening was done in FY 22 for scope 3 emissions inventory. Subsequently, all relevant and applicable scope 3 emissions category were covered in the reporting of the scope 3 data. The emission data currently covers Tata Communications’ global operations. Starting from FY 2025 or earlier, we plan to expand the scope of the data to also include emissions from subsidiaries and any new acquisitions. We expect an independent third-party to provide at least limited assurance on the annual KPI data disclosure, including the baseline data.

<sup>1</sup> Certain scope 3 categories are not included as it is not materially relevant to us. For example, being a telecommunications company, we do not have any tangible products and provide services to our customers. The energy use from our services and products have already been calculated in Scope 1 and 2 emissions. Therefore, scope 3 category 11 (use of sold products) is not relevant to us.



**Rationale:**

Climate change is classified as a material issue of high importance to both the company and stakeholders in our materiality assessment. Reducing carbon emissions and responding to climate change have been our mission for over a decade, and our actions establish our position as an industry leader in addressing both, the risks, and opportunities of the energy transition. Scope 3 emissions represent 60.7% (based on FY 2023 data) of our total GHG emissions.

**Historical performance in recent 3 years:**

Fiscal Year (FY)	FY 2021	FY 2022	FY 2023
GHG Emissions (tCO2e) – Scope 3	Scope 3 data is not fully evaluated	97,651	128,251 <sup>2</sup>

**3.2 Calibration of Sustainability Performance Targets (“SPT”)**

The SPT(s) for any specific Sustainability-Linked Loan will vary based on the maturity of the instrument but will be set in line with Tata Communications’ sustainability strategy outlined in this Framework and the below parameters. Applicable SPT(s) will be detailed in the relevant documentation of the specific transaction, as applicable (e.g., facility agreement). The SPTs below contribute to our 3C Sustainability Strategy, which aims to achieve Net Zero by FY 2035.

**SPT 1: Tata Communications will achieve GHG emission (scope 1 and 2) reduction to equal or less than 53,970 tCO2e by 2030, equivalent to a reduction of 42% from a 2022 baseline**

**Baseline (FY 2022):** 93,052 tCO2e

**Target Date:** March 31<sup>st</sup>, 2030

**Trajectory:**

FY	2024	2025	2026	2027	2028	2029	2030
SPTs	81,174	75,817	70,813	66,139	61,774	57,697	53,970

**SPT’s Reference to the Science:** Tata Communications have internally assessed the SPT’s alignment with Science Based Targets initiative (SBTi) and consider the SPT is in line with the SBTi 1.5°C scenario minimum

<sup>2</sup> The rise in scope 3 emissions during FY 2023 can be primarily attributed to an increase in supplier-based emissions, specifically from purchased goods and capital goods. In response, the Company is developing a Supply Chain Climate Action framework focused on suppliers to effectively reduce their emissions.



reduction requirement. This SPT has been validated by SBTi. Carbon offset will not be considered in meeting the SPT.

For the details of our initiatives to reduce our GHG emissions, please refer to section 2.1 of this Framework.

**SPT 2: Tata Communications will achieve GHG emission (scope 3) reduction to equal or less than 73,238 tCO2e by 2030, equivalent to a reduction of 25% from a 2022 baseline**

**Baseline (FY 2022):** 97,651 tCO2e

**Target Date:** March 31<sup>st</sup>, 2030

**Trajectory:**

FY	2024	2025	2026	2027	2028	2029	2030
SPTs	90,694	87,520	84,456	81,500	78,648	75,895	73,238

**SPT’s Reference to the Science:** Tata Communications have internally assessed the SPT’s alignment with Science Based Targets initiative (SBTi) and consider the SPT is in line with the SBTi well-below 2°C scenario minimum reduction requirement. This SPT has been validated by SBTi. Carbon offset will not be considered in meeting the SPT.

For the details of our initiatives to reduce our GHG emissions, please refer to section 2.1 of this Framework.

**3.3 Financial Characteristics**

**The Framework provides a high-level approach to potential Sustainability-Linked Loan issuances. For each Sustainability-Linked Loan, the relevant transaction documents will define the exact KPI(s), SPT(s) and financial characteristics of each Sustainability-Linked Loan transaction.**

The proceeds of any Sustainability-Linked Loan will be used for general corporate purposes, unless otherwise specified in the relevant transaction documentation.

Tata Communications will tie our performance with respect to the KPI to the financial structure of any Sustainability-Linked Loan issued under this Framework. The financial characteristics of Tata Communications’ Sustainability-Linked Loan may vary depending on whether the KPI reaches the predefined SPT(s). They are to be specified in the final terms of each Sustainability-Linked Loan issued. The financial characteristics of Sustainability-Linked Loan Instruments may include margin step-up(s) and / or step-down(s). The magnitude of adjustment(s) and reporting mechanisms will be clearly stated in relevant documentation for each transaction.



### 3.4 Reporting

Tata Communications will at least annually disclose the progress of KPI(s) and performance of SPT(s). The disclosure will be included in our Annual Sustainable Development Report or any other documentation that Tata Communications deem suitable. The reporting will include but not limited to:

- Up-to-date information on the performance of the selected KPI(s), including the baseline and calculation methodology
- A verification report on the SPT(s) of the KPI(s)
- Description of factors resulting in the company not achieving the respective SPT(s)
- Any relevant information enabling lenders to monitor the progress of the SPT(s)

In addition, Tata Communications will provide the lenders participating in the SLL with an annual sustainability confirmation statement with verification report attached, outlining the performance against the SPTs for the relevant year and the related impact, and timing of such impact, on the loan's financial characteristics, until after the last SPT trigger event of the loan has been reached.

### 3.5 Verification

To provide transparency to investors, Tata Communications will ensure that a verification report by a qualified external and independent reviewer of its actual performance level for the KPI is carried out on an annual basis, until after the last SPT trigger event of the loan has been reached. The verification shall be conducted with at least limited assurance by the external reviewer. Tata Communications will publish the verification report in its annual Sustainable Development Report or any other documentation that Tata Communications deem suitable.

### 3.6 Amendments to this Framework

Tata Communications will review the contents of this Framework from time to time, with the aim of adhering to best practices in the market. Over time, new KPIs/SPTs may be proposed.

Tata Communications will also review this Framework in case of significant changes affecting the calculation and/or methodology of the KPIs and/or the SPTs, significant or structural changes to the business model of Tata Communications and/or an amendment to the applicable legal or regulatory framework directly and/or indirectly applicable to the operation of the company.

Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures. The updated Framework, if any, will be published on Tata Communications' website.

### Recalculation Policy

In the event of significant or structural changes in Tata Communications (such as acquisitions, divestiture, or mergers), KPI methodology changes, changes in data reported due to improved calculation methodologies or better data accessibility, or key risks that may impact the ability to meet the target, Tata Communications may, in good faith, make adjustments to the boundary of the KPI, calibration of the SPTs or the baseline of the outstanding Sustainability-Linked Loan, as applicable. Any future adjustments to the KPI or baseline will maintain or increase the proposed level of ambition of the SPTs.