



RESPONSIBLE INVESTMENT POLICY



Name of Policy	Responsible Investment Policy				
Policy ID	BBNPP/EQ/RG/03				
Policy Version	1.0				
Owner	CIO - Equity				
Nature of Policy	Mandatory	✓			
	Internal				
	Recommendatory				
	[Kindly insert a (✓) symbol where applicable]				
Creation date	February 1, 2026				
Effective date	February 17, 2026				
Approver(s)	Board of directors of Baroda BNP Paribas Asset Management India Private Limited (“ AMC ”)	✓			
	Board of directors of Baroda BNP Paribas Trustee India Private Limited (“ Trustee Company ”)	✓			
	[Kindly insert a (✓) symbol where applicable]				
VERSION MONITORING					
Version	Author	Writing date	Part(s) modified or to be updated	Modification(s) reason	Approval date
1.0	CIO - Equity	February 2026	New Policy	NA	AMC – February 12, 2026 Trustee – February 17, 2026
DEPARTMENT(S) INVOLVED					
Equity Investment					
REFERENCE or RELATED PROCEDURE(S) or TEXT(S)					
<ul style="list-style-type: none"> SEBI (Mutual Funds) Regulations, 1996 and circulars issued thereunder SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 					
CIRCULATION LIST					
Nature of circulation		Yes/No			
Public circulation*		Yes			
Internal circulation**		Yes (Proxy Voting Committee, Investment team, Research team, Risk team & Compliance team)			
*Public circulation refers to external circulation policy made available to the public.					
** Internal circulation refers to circulation within the entity.					

Contents

1. **Background**..... 4

2. **Scope**..... 4

3. **Governance** 4

4. **Responsible Investment Strategy** 5

4.1 **ESG Integration**..... 5

4.2 **Responsible Business Conduct (RBC)** 6

4.3 **Stewardship** 6

a. **Voting**..... 6

b. **Engagement** 7

5. **Disclosures**..... 7

6. **Review and Amendments to the Policy**..... 8

1. Background

At Baroda BNP Paribas Asset Management India Private Limited (BBNPP AM), we are committed to generating long-term financial value for our unit holders by integrating environmental, social, and governance considerations into our investment decisions, thereby driving sustainable growth and inclusive development. We inherit the sustainability DNA from both our parent companies, Bank of Baroda and BNP Paribas Asset Management, which are strongly committed to sustainability.

2. Scope

This Responsible Investment Policy (“**Policy**”) applies to our ESG themed equity scheme(s) launched under Baroda BNP Mutual Fund. It outlines our approach to ESG research and integration of environmental, social and governance (ESG) factors into investments, responsible business conduct, investment stewardship, and related governance structure. The approach in this Policy is a combination of both quantitative and qualitative factors.

3. Governance

We have a two-layered governance for our responsible investment practices.



Board of Directors (BoD) have the ultimate responsibility over the oversight and execution of the responsible investment strategy. The Investment Committee (IC) is responsible for monitoring the execution of responsible investment strategy and approach. The IC would govern the ESG methodologies.

BoD responsibility includes discussion and oversight of key components of BBNPP AM’s Responsible Investment strategy. Based on a comprehensive annual internal ESG audit, the IC would review and BoD would certify the compliance of the ESG schemes with the regulatory requirements which will also be included in the disclosures in the annual report of the scheme.

The IC has overall responsibility for approving changes to the responsible investment strategy and related policies and monitoring the implementation of this policy. The Investment Committee is chaired by the Chief Executive Officer (CEO) and is comprised of Chief Investment Officers (CIOs – Equity and Fixed Income), Head - Compliance and Chief Risk Officer (CRO). The ESG analyst(s) is a permanent invitee for agenda items related to the ESG themed schemes.

The quorum and other requirements relating to Investment Committee shall be as provided under the Investment Policy.

4. Responsible Investment Strategy

Responsible investment strategy includes three pillars, all of which are systematically implemented in the ESG themed product. Together, these approaches strengthen the way investments are undertaken in the ESG scheme, including investment idea generation, construct optimal portfolios, control for risk and exercise active ownership.

4.1 ESG Integration

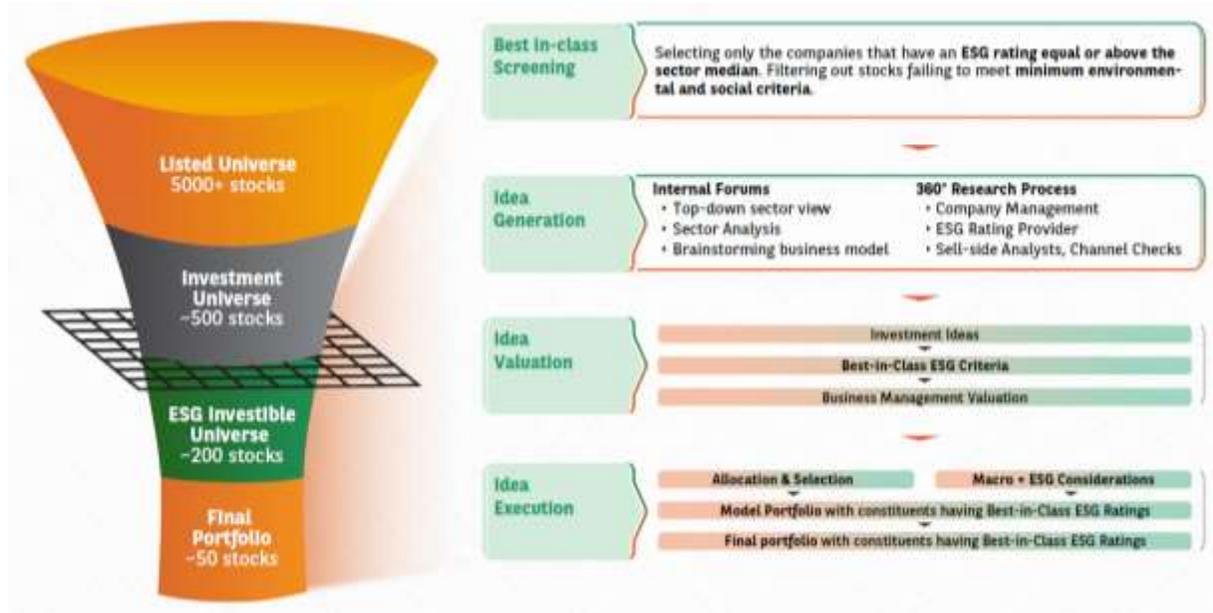
At the core of all investment processes, ESG analyst(s) and fund managers integrate a consideration of relevant ESG factors into their investee company and asset evaluation and investment decision-making processes. As reflected in our investment beliefs, this process allows them to identify and assess areas of risk or opportunity that may not be understood by all market participants, and which provide them with a relative advantage.

The Baroda BNPP ESG Best-in-class strategy scheme will implement an active strategy to have a diversified portfolio focusing on investments in companies with leading performance on ESG factors. ESG assessment will be based on ESG Ratings from a SEBI Registered third-party ESG Ratings Provider, and internal proprietary ESG analysis. The ESG ratings and internal analysis will be based on ESG disclosures by companies in the investment universe. Based on this ESG assessment, companies in each sector group will be ranked into deciles. The ESG scheme would consider investing in companies ranked from the first to fifth decile in its sector group from the investment universe, i.e., companies ranking above sector median.

As per SEBI Guidelines, the Best-in-class ESG scheme will invest a minimum 80% of its net assets in companies in India, that have better performance based on ESG factors than their sector peers. Also, the scheme shall invest at least 65% of its AUM in companies that report on comprehensive Business Responsibility and Sustainability Reporting (BRSR) and are also providing assurance on BRSR Core disclosures. The balance AUM of the Scheme can be invested in companies having BRSR disclosures. The Scheme may also invest a small portion of its corpus in debt, money market instruments, and REITs and InvITs to manage its liquidity requirements.

After using ESG filter of top five decile in each sector group to define the potential investment universe, the following are the broad parameters/factors that shall be considered while building the portfolio of companies.

- a. Business and economic fundamentals driven by in-depth research;
- b. Reputation of the management and track record;
- c. Long term growth prospects;
- d. The financial strength of the companies, as indicated by well recognised financial parameters employing strong stock selection valuation parameters;
- e. Any other factor affecting a company's business prospects



4.2 Responsible Business Conduct (RBC)

We are aware that RBC impacts the ability or license to operate and reputation of entities in which the ESG Scheme invests, which in turn can impact their value. We expect companies to meet their fundamental obligations in the areas of labour rights, protecting the environment and ensuring anti-corruption safeguards, wherever they operate, in line with the relevant regulations. We will aim to engage with companies when they fall short and not invest in the worst offenders.

The ESG Scheme will avoid investing in companies that fail to meet fundamental obligations in the areas of human and labour rights, protecting the environment and ensuring anti-corruption safeguards. Companies involved in alcohol, tobacco, gambling, and high adverse environmental impact would be excluded. This is to enhance ESG scheme's risk management and avoid reputational, regulatory, and stranded asset risk.

4.3 Stewardship

We use voting and engagement to encourage issuers to improve their performance and accountability on sustainability topics. These activities help us to better manage ESG risks in the near- and long-term, enhance our knowledge and understanding as an investor, and generate positive impact – all of which benefit our unit holders.

a. Voting

We believe that promoting good corporate governance standards is an essential part of our fiduciary responsibilities. Good corporate governance creates the framework that ensures that an investee company is managed in the long-term interest of its stakeholders. Therefore, BBNPP AM expects all investee company(ies) in which the ESG Scheme is invested to comply with high corporate governance standards. Voting at shareholder meetings is a key component of the ongoing dialogue with companies in which we invest on behalf of our unit holders and forms an integral part of BBNPP AM's investment process. The Investment team shall follow the

guidelines for voting on the resolutions of the investee company as specified in the Proxy Voting Policy.

The following principles describe BBNPP AM's expectations of the public companies in which we invest:

1. Focus on long-term sustainable value creation
2. Align incentive structures with long-term interests of shareholders
3. Ensure strong independent presence within board structure
4. Disclose accurate, adequate, and timely information
5. Treat shareholders equitable and protect minority rights
6. Facilitate the execution of shareholders rights
7. Ensure good environmental and social performances

b. Engagement

We believe that meaningful engagement with issuers can enhance our investment processes and better enable us to successfully manage long-term risk for our unit holders. Our fund managers and ESG analyst(s) are in regular contact with investee companies, emphasising long-term value creation. The Investment team shall follow the guidelines for engagement on issues of the investee company as specified in the Stewardship Policy.

We undertake our engagement individually, i.e., on a one-to-one basis with companies, and may also engage collaboratively, i.e., with other institutional investors with aligned interests. We have bilateral meetings with companies on a wide range of ESG issues. These engagements are designed to enhance the long-term value of our shareholdings and to foster the implementation of better corporate ESG practices. Engagements would include sending letters to individual investee companies, one-to-one meetings with the management team, and/ or engagement with specific teams etc. to resolve any concerns including steps to be taken to mitigate such concerns. In such interventions, we shall ensure that a time bound plan to improve, rectify or re-align the business practices or actions are discussed and agreed upon.

In case there is no progress despite the engagement(s), the matter shall be discussed at AMC's Investment Committee meeting for further escalation to the Board of Directors of the investee company. AMC may engage with the Board of the investee company (through a formal written communication) and elaborate on the concerns. Further, AMC may take appropriate steps to resolve the concerns including exiting its investments in the investee company.

5. Disclosures

The ESG scheme disclosures will include the following, based on SEBI's requirements and AMFI requirements:

- Disclosure of the ESG Strategy in ESG fund/scheme
- Monthly portfolio statements will include security-wise BRSR score details, security-wise ESG scores, weighted average fund score and name of the ESG Rating Provider
- Quarterly voting disclosures will include alignment of resolutions to E, S or G pillar, along with details if the company is a holding in the ESG scheme
- Annual report of the ESG scheme will include fund manager commentary. This would *interalia* include how ESG strategy was applied, related corporate engagement case studies and tracking of ESG rating movements in investee companies as well as

percentage of investment made where there is no BRSR disclosure. The engagement disclosure would also include contribution to positive Environmental, Social and/ or Governance change expected based on corporate engagement.

- An independent reasonable assurance will be obtained annually on the ESG schemes being in compliance with the strategy and objective of the scheme. This disclosure will also be available in the Annual Report of the ESG scheme.
- Board certification based on internal ESG audit will form part of the Annual Report of the ESG scheme.

6. Review and Amendments to the Policy

The Board of Directors on its own and/or on the recommendation of the Investment committee can amend this policy as and when required deemed fit. Any or all provisions of Responsible Investment Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time. The policy will be reviewed by the Investment Committee and Boards at least once every year.