

# 360 ONE Asset

## Management Limited

### Policy on Environmental, Social, and Governance (ESG) Approach

#### 360 ONE ASSET MANAGEMENT LIMITED

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<b>S. No</b>	<b>Effective Date</b>	<b>Details</b>	<b>Maker</b>	<b>Checker</b>	<b>Approver</b>
1	January 2026	Our Environmental, Social, and Governance (ESG) Policy outlines how sustainability, ethical conduct, and strong governance are embedded into investment processes to manage risk, enhance long-term returns, and promote responsible investing.	AMC ESG & Products Team	Chief Investment Officer	Board of Directors of AMC and Trustee

**Environmental, Social, and Governance (ESG) Approach of 360 ONE Asset Management Company Ltd (360 ONE AMC)**

## 1. Introduction

**360 ONE Asset Management Company Ltd (360 ONE AMC)** is a wholly owned subsidiary of 360 ONE WAM Ltd and stands as a prominent **Indian Asset Manager**. This document outlines 360 ONE AMC's strategy for embedding **Environmental, Social, and Governance (ESG)** considerations into its investment decision-making and active ownership practices.

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## 2. ESG Philosophy

Responsible investing is at the core of 360 ONE AMC's fiduciary duty and its long-term value creation objectives. The firm integrates ESG considerations into its investment evaluation and stewardship practices, where applicable, by combining traditional financial analysis with third-party ESG ratings and research. **While 360 ONE AMC does not conduct independent ESG research or proprietary analysis, company assessments and portfolio decisions are informed by ESG scores assigned by Stakeholders Empowerment Services (SES) ESG Research Private Limited, a wholly owned subsidiary of the not-for-profit Stakeholders Empowerment Services (SES). It is a SEBI-registered, conflict-free ESG Rating Provider (Category II).** The firm believes that companies distinguished by strong governance, transparent disclosures, and constructive engagement with stakeholders are best positioned to deliver sustainable value to shareholders over the long term.

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## 3. SES ESG Model – Core Methodology

SES (Stakeholders Empowerment Services) ESG Research Private Limited is a wholly owned subsidiary of the not-for-profit Stakeholders Empowerment Services (SES). It is a SEBI-registered, conflict-free ESG Rating Provider (Category II), recognized for its independence, regulatory compliance, and robust research. SES ESG was established to comply with SEBI regulations for ESG Rating Providers (ERP), receiving its registration (No.: IN/ERP/Category-II/0002) on April 25, 2024. Its ESG framework incorporates global best practices, rigorous Indian contextual parameters, and statutory mandates.

**The evaluation covers three key pillars:**

- Environmental: Assesses a company's efforts in managing environmental impact, including energy consumption, emissions, waste management, water use, climate-related risks and biodiversity practices.
- Social: Reviews policies and performance related to workforce diversity, labour standards, human rights, employee well-being, Community Development, health and safety, customer welfare, data privacy, and community engagement.
- Governance: Evaluates board composition, executive remuneration, audit quality, shareholder rights, risk management, internal controls, anti-corruption practices, transparency and ethical conduct.

## Key Features of the SES ESG Evaluation Framework

- **Evaluation Criteria:** The model uses over 650 well-researched indicators across three main pillars—Environment, Social, and Governance.
- **Scoring Methodology:** It involves qualitative and quantitative questions to analyze disclosures, policies, performance, and future targets, translating these into numerical scores for each pillar and an overall ESG score or rating.
- **Alignment with Global Standards:** The model incorporates best practices like SASB Standards, GRI, TCFD, UN PRI, and other global frameworks.
- **Evaluation Process:** The model examines policies, targets, disclosures, initiatives, and performance, considering both factual position and planned future actions. It assesses not only compliance but also performance and sustainable practices.
- **Adaptability:** The methodology is regularly updated to incorporate new regulations and best practices.
- **Adjustment:** Negative adjustments are made for controversies or regulatory breaches to ensure accountability.

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## 4. Framework for ESG Integration

### 4.1 Rationale

Combining ESG factors with conventional financial assessments allows for a **comprehensive appraisal of risks and opportunities**, thereby fostering balanced and sustainable investment outcomes.

### 4.2 Process Outline

ESG considerations are woven into every phase of the investment lifecycle:

- **Materiality Assessment:** Identifying and appraising ESG risks and opportunities that possess the potential to significantly impact a company's financial performance or business model over the long term.
- **ESG Scoring and Forensic Review:** Utilizing impartial **third-party ESG ratings** along with an internal **forensic accounting framework**.
- **Pre-Investment Screening and Monitoring:** Conducting preliminary checks and flagging risks before any investment is made. Companies with low or flagged ESG scores face increased scrutiny and higher hurdle rates. There is continuous monitoring for improvements, controversies, or a decline in the ESG profile. **Portfolio construction aims to maintain ESG scores of portfolios close to or above their respective benchmarks based on SES data, on best effort basis.**
- **Appeals Process:** 360 ONE AMC acknowledges that SES ESG ratings, reviewed alongside fundamental parameters, provide valuable investment insights but are not definitive. During portfolio reviews and construction, analysts and fund managers may use discretion to challenge or disregard specific SES ESG scores when internal assessments, market conditions, or fundamental analysis suggest that alternative measures more

accurately reflect company-specific investment considerations. This mechanism does not involve formal feedback to SES or influence external ratings.

- **Mandate-Specific Requirements:** Recognizing the global shift from shareholder-centric to **stakeholder centric capitalism**, 360 ONE AMC maintains the adaptability to adopt frameworks that suit this evolving paradigm. **We can customize portfolios to align with distinct client mandates, including those focused on generating stronger impact-investing outcomes, ensuring our strategy addresses both financial objectives and broader stakeholder considerations**

#### 4.3 ESG Integration

Based on SES ESG scores, we have established a uniform ESG scoring methodology applicable across portfolios and their respective benchmarks. These scores will be updated and published on the 360 One Listed Equity internal database at predefined intervals. The database will include drill-down functionality, enabling users to view stock-level ESG scores for any portfolio.

The objective is to identify low-scoring stocks within the portfolio. Analysts will be required to review the SES reports and identify the reasons for low ESG scores. They will also be expected to engage with company management to seek clarifications on weak ESG performance, and to document management responses and clarifications under the ESG section of the database.

If an ESG score is not available for a company, it will be excluded from the portfolio ESG score calculation. The portfolio ESG score will then be rebased and computed only using companies with available ESG data.

Collectively, these measures will support the development of a robust and systematic ESG integration within our investment framework.

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#### 5. Stewardship, Proxy Voting, and Engagement

While 360 ONE AMC does not conduct extensive active ownership programs, it exercises limited but focused stewardship responsibilities. Our commitment includes:

- Undertaking proxy voting aligned with ESG and governance principles, taking recommendations from Institutional Investor Advisory Services (IIAS) and Stakeholders Empowerment Services (SES) inform, but do not determine, the ultimate voting decisions.
- Maintaining constructive dialogue with investee companies, primarily to monitor governance standards, corporate disclosures, and adherence to ESG norms.
- Regular engagement with companies occurs mainly to understand material governance issues or to encourage transparency.
- Our stewardship and proxy voting policies formalize these actions within a governance framework to avoid conflicts of interest and ensure aligned investor interests.

## 6. Oversight and Governance

- **ESG Taskforce:** A dedicated ESG Taskforce will be established to reinforce oversight. The taskforce will meet twice a year to examine the firm's top holdings and overall ESG strategy. It will comprise representatives from the economics function, the product team, and the analyst group. The taskforce will oversee the ESG framework, support improvements in disclosures and responsible investment processes, and undertake related responsibilities as required from time to time.
- **Dedicated ESG Reviewer:** An experienced research analyst currently acts as the designated ESG reviewer with inputs from senior leadership to ensure robust monitoring.
- **Training and Capacity Building:** Periodic training sessions are conducted to ensure our team remains up to date with evolving industry standards and leading ESG practices.

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## 7. Reporting and Disclosure

- ESG policy and proxy voting outcomes are published on our website.
- The ESG Policy is formally reviewed at least annually, or earlier in the event of any substantial change or regulatory update, to ensure its continued effectiveness and relevance.

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## 8. Conclusion

By embedding ESG considerations into investment analysis and stewardship, 360 ONE AMC aims to:

- Improve risk management.
- Champion sustainable value creation for clients and stakeholders.
- Support responsible corporate behaviour and sustainable economic development.
- Maintain flexibility in adapting ESG frameworks and policies to support impact-oriented investing and the growing transition toward **stakeholder capitalism** and making the world a better place for all.

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