PCAF Report
FY'2025

Introduction to PCAF

The Partnership for Carbon Accounting Financials (PCAF) is a global alliance of financial institutions committed to standardizing the assessment and disclosure of Greenhouse Gas (GHG) emissions associated with their loans and investments. Recognizing the sector's role in advancing a low-carbon economy, PCAF promotes transparency around financed emissions—indirect emissions linked to financial backing of companies and projects.

In FY24, Caspian Debt became the first Indian NBFC to join PCAF, reinforcing its commitment to sustainable finance. To implement this, Caspian Debt partnered with the Joint Impact Model[1] (JIM), a tool aligned with PCAF standards, to measure its financed emissions. The company achieved an average data quality score of 4, using economic activity data to estimate GHG outputs.

Beyond these scopes, Caspian Debt is also focusing on tracking and disclosing emissions from its internal operations. This initiative aims to increase transparency, helping the company to identify emission sources more effectively and implement strategies to manage and reduce its carbon footprint. By doing so, Caspian Debt is taking proactive steps toward sustainability and environmental responsibility.

Please note: *Caspian Debt does not hold any financial or operational control over any of the companies it lends to. Consequently, all our financed emissions are categorized under Scope 3 emissions as neither the operational control nor the financial control consolidation approach applies to our investments. As per the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, these emissions are appropriately classified under Scope 3, specifically within category 15 (Investments). This approach ensures transparency and aligns with the reporting requirements.*

[1]The Joint Impact model uses econometric modelling based on Social Accounting Matrices. The results are based on modelled estimates, sectoral data and averages available for the sector and country of operations in addition to the attribution factor as per the PCAF standard. Therefore, the results are estimated figures and should be interpreted as such

GHG accounting report for scopes 1, 2 and 3

Scopes and categories	Baseline year emissions (tCO_2e) (FY24)	FY25 emissions (tCO_2e)
Scope 1 emissions		
Total Scope 1	NA	NA
Scope 2 emissions		
Total scope 2	49.83	124.1
Upstream scope 3 emissions		
Category 1: Purchased goods	-	-
Category 2: Capital goods	-	-
Category 3: Fuel- and energy-related activities	-	-
Category 4: Upstream transportation and distribution	-	-
Category 5: Waste generated in operations	-	-
Category 6: Business travel	78.20	42.03
Category 7: Employee commuting	29.90	27.64
Category 8: Upstream leased assets	-	-
Downstream scope 3 emissions		
Category 9: Downstream transportation and distribution	-	-
Category 10: Processing of sold products	-	-
Category 11: Use of sold products	-	-
Category 12: End-of-life treatment of sold products	-	-
Category 13: Downstream leased assets	-	-
Category 14: Franchises	-	-
Category 15: Investments	54,728	67,431
Total emissions all scopes		
Scope 1 total emissions	0	0
Scope 2 total emissions	49.83	124.1
Scope 3 total emissions	54,836.0	67,501
Overall total emissions	**54,885.90**	**67,624.77**

Note:

- Scope 1 is not applicable as Caspian Debt does not own or control any boilers, furnaces, vehicles, etc. and neither does it control any emissions from chemical production in owned or controlled process equipment.
- FY24 is the first year of disclosure, therefore considered as the baseline year.
- Achieved a Data Quality score of 4 in FY24 and FY25
- 107 portfolio companies covered in FY2025 vs. 96 in FY2024

Absolute Financed Emissions

FY25 Financed emissions in absolute terms

Activity	Total outstanding loan (in $ 1,000)	Scope 1 & Scope 2 emissions (tCO_2e)	Scope 3 emissions (tCO_2e)	Emission intensity (tCO_2e/ $M)[2]	Weighted data quality score (Scope 1 +Scope2)	Weighted data quality score (Scope 3)
Absolute emissions per asset class						
Business Loans[3]						
Food & Agriculture	11,451.08	10,441.57	14,305.54	61,583.87	▪ 4	▪ 4
Small Business Financing	34,595.54	1,937.12	2,217.97	3,997.04	▪ 4	▪ 4
Microfinance	6,854.88	457.99	524.39	1,112.97	▪ 4	▪ 4
Clean Energy & Energy Efficiency	4,611.02	4,230.85	7,885.33	28,991.99	▪ 4	▪ 4
General Impact	6,567.08	10,373.50	8,622.97	27,381.19	▪ 4	▪ 4
Healthcare	1,991.23	664.07	2,768.42	15.242.08	▪ 4	▪ 4
Education	4,055.62	1,031.32	1,969.91	6,541.20	▪ 4	▪ 4
Total	**70,126.4**	**29,136.41**	**38,294.54**	**1,44,850.33**		

Note:

- Caspian Debt has utilized the JIM tool, which aligns with the PCAF standard, to measure its financed greenhouse gas emissions across various scopes based on the economic activity of 107 active portfolio companies.
- Scope 3 here excludes downstream emissions.
- We have one asset class—business loans which include Direct Lending (Wholesale) and Retail Lending.

[2]Emissions Intensity refers to tonnes of CO2 equivalent emissions per million USD of outstanding loans

[3] This covers 107 active companies which comprises of 99% of the total loans outstanding in Portfolio as of March 2025