

# Enabling Sustainability @REC

ESG REPORT 2023-24



NET  
ZERO



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# MESSAGE FROM OUR CHAIRMAN AND MANAGING DIRECTOR

**Dear Stakeholders,**

The energy sector is witnessing a significant shift towards green energy, and we are proud to be one of the pioneers in supporting India's clean energy transition. We at REC recognize the importance of prioritizing environmental, social, and governance (ESG) considerations in our operations. We are resolute in our pledge to promote green and clean energy through our financing practices and are dedicated to implementing and overseeing effective ESG policies and procedures.

Sustainability and ESG space has been evolving rapidly and policy and regulatory framework is being churned periodically which help in sensitizing the market players on the criticality of ensuring that their operations are sustainable. The Securities and Exchange Board of India (SEBI) has introduced the updated BRSR framework in July 2023, compliance of which is mandatory for the top 1000 listed entities (by market capitalization) from FY24. Further top 150 listed entities have to mandatorily undertake reasonable assurance of the BRSR Core. In compliance to SEBI Guidelines, REC has been compiling BRSR report in the prescribed format from FY 2022-23 and this year BRSR report is included in our Annual Report after reasonable assurance.

This year, we have made significant progress on our ESG strategy and REC has adopted its ESG policy for guidance to concerned department, in consultation with sectoral experts, we conduct including conducting an ESG gap assessment and developing an ESG action plan. We have conducted our first ever ESG Materiality Assessment exercise to identify and prioritize ESG issues that are relevant to our operations. We have started measuring and reporting our greenhouse gas (GHG) emissions and have initiated various measures like adoption of electric vehicles, Rain water harvesting, utilization of water discharge, sufficient training of our manpower on various aspects including National Guidelines on Responsible Business Conduct principles. Additionally, we conducted extensive capacity-building workshops on NGRBC principles and ESG practices including our Board Members.



**Vivek Kumar Dewangan, IAS**  
Chairman and Managing Director, REC Limited

We are dedicated to conducting our activities with minimal impact on the environment while maximizing positive societal impact. We have integrated ESG considerations into our overall business strategy, recognizing that sustainable practices are essential for long-term value creation. Moreover, we are fostering a culture of sustainability and social responsibility within our organization by raising awareness and promoting ESG values among our employees.

I am delighted to publish our first sustainability report, which provides a comprehensive overview of our ESG performance and ongoing initiatives.

We express our heartfelt gratitude to our stakeholders for their unwavering support as we embark on this journey towards a more sustainable future. With renewed confidence, we are poised to make a meaningful and lasting impact as we continue to push towards a sustainable future.

Sincerely,

**Vivek Kumar Dewangan**  
Chairman and Managing Director, REC Limited.

# MESSAGE FROM OUR DIRECTOR (PROJECTS)

## Dear Stakeholders,

As I reflect on our journey, I am thrilled to announce a milestone for REC Limited: the release of our inaugural sustainability report in reference with the GRI framework. This report is more than a document; it stands as a testament to our steadfast commitment to Environmental, Social, and Governance (ESG) principles and offers insight into our ongoing pursuit of a sustainable future.

Our endeavors towards ESG journey started in January 2023, where we introduced our ESG policy to address the growing climate concerns and comply with evolving sustainability regulations. This policy forms the foundation of our comprehensive approach to sustainability. Each division has set short to mid term, measurable targets for its implementation. Recognizing the importance of third-party assessment, we partnered with an ESG advisory service provider to conduct an in-depth ESG gap assessment which led to many critical insights.

We thoroughly reviewed our existing ESG policy with renewed annual action plan after aligning with industry standards. Our commitment to the environment led us to conduct a Greenhouse Gas (GHG) assessment across REC's corporate office, 21 regional offices, and our subsidiary RECPDCL, establishing essential control centers to manage and reduce emissions effectively. We have started measuring and reporting our greenhouse gas (GHG) emissions, including Scope 1, Scope 2, and select categories of Scope 3 emissions. It is delighted to mention that REC is working on our emission reduction targets and a roadmap to achieve those, demonstrating our commitment to reducing our carbon footprint.

We aim to increase our clean energy portfolio to 30% of our loan book by FY 2030, up from the current 8%, as part of our commitment to advancing India's Panchamrit goals. In FY 2023-24, we made significant progress, achieving an impressive 533% growth in sanctions for renewable energy projects. We remain dedicated to reaching our target and expanding our clean energy portfolio.



**Vijay Kumar Singh**  
Director (Projects), REC Limited.

REC also partners with various international agencies, Multilateral Development Banks and Development Financial Institutions to make available affordable credit to the emerging sustainable commercial activities. REC deploys the Lines of Credit (LoCs) availed from these institutions to fund projects that help create a positive environmental and social impact.

This journey is not just about meeting targets; it is about making a meaningful difference. Thank you for your unwavering support as we move forward toward a more sustainable and brighter future.

Sincerely,

**Vijay Kumar Singh**  
Director (Projects), REC Limited.



# MESSAGE FROM OUR DIRECTOR (FINANCE)

## Dear Stakeholders,

The release of our first-ever sustainability report marks a significant milestone in REC's journey towards a more sustainable future. At REC, we understand the vital role that financial institutions play in confronting global environmental challenges. Our commitment to sustainable finance is more than just a pledge; it reflects our strong dedication to promoting economic development while safeguarding the mother earth.

We are unwavering in our resolve to integrate environmental, social, and governance (ESG) considerations into every aspect of our business—be it in our lending practices, investment strategies, or corporate policies. In light of the growing climate concerns and the rapidly evolving regulatory landscape, addressing ESG risks in a comprehensive manner has become essential. This understanding led our Board to approve an ESG policy that now serves as the bedrock of our holistic approach to sustainability.

As part of our sustainable financing initiatives, REC has established a Green Finance Framework. This framework serves as the foundation for issuing green bonds, loans, and other financial instruments, which will be used to finance and/or refinance eligible green projects. The goal of this framework is to ensure a consistent methodology for all future green financing endeavours, fully aligned with REC's core sustainable values. Our Green Finance Framework is in accordance with the Climate Bonds Standard version 3.0, the Green Bond Principles 2021 published by ICMA, and the Green Loan Principles 2021 published by LMA, APLMA, and LSTA. In drafting this framework, we ensured alignment with the four core components of the GBP's/GLP's, Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting.

This report not only underscores our commitment to sustainability but also signals our proactive approach to integrating ESG considerations into our core operations. We believe that by doing so, we can contribute meaningfully to a more sustainable and resilient future for all.



**Harsh Baweja**  
Director(Finance), REC Limited.

**Harsh Baweja**  
Director(Finance), REC Limited.

# ABOUT THE REPORT

## Reporting Approach



This Report has been prepared in reference to the Global Reporting Initiative (GRI) Universal Standards 2021 and focuses on the material aspects of sustainability that are best suited for our business.

This report also aligns with the Business Responsibility and Sustainability Reporting (BRSR) requirements of the Securities and Exchange Board of India (SEBI) and includes our contribution towards the diverse objectives delineated in the United Nations Sustainable Development Goals (UN SDGs).

## 17 PARTNERSHIP FOR THE GOALS

## SUSTAINABLE DEVELOPMENT GOALS



REC's first Sustainability Report for the Fiscal Year 2023-24 has been primarily prepared with the objective of providing our stakeholders with a concise, complete, and transparent assessment of our ESG practices.

## Report Boundary and Scope

This report is prepared on a Consolidated basis. This comprehensive report offers a panoramic view of REC's sustainability journey, celebrating achievements and setting ambitious future goals.

## Reporting Period

The information disclosed in the report pertains to the period 1st April 2023 – 31st March 2024. In specific scenarios, to provide a holistic perspective to the stakeholders, we have conducted trend analysis of data for some key parameters. The trend analysis presented in this report will help us benchmark our progress over the medium and long term. The stakeholders may reach out to Shri Vijay Kumar Singh, Director (Projects) [directorprojects@recindia.com](mailto:directorprojects@recindia.com) provide feedback and recommendations to enhance our report.



## ABOUT REC LIMITED

# ABOUT REC LIMITED

REC Limited is a leading Maharatna Central Public Sector Enterprise and one of India's largest Non-Banking Financial Company. Presently throughout the power sector value chain, REC has been a partner in every stage of India's transformation journey with its innovative financial solutions. Giving further impetus to the country's growth, REC has now forayed into financing Non-Power infrastructure and logistics sector. At REC, we are not just building sound infrastructure, we are enriching the quality of life of every citizen.



**Net Profit**  
**₹ 14,019** Crore



**Net Worth**  
**₹ 68,783** Crore



**Loan Book**  
**₹ 5.09** Lakh Crore



*Lighting every 4th Bulb in India*

## Enabling Energy transition through REC

REC being the stepping stone for India's energy transition, our lending strategies are tailored to align with India's commitment to harnessing clean and green energy sources. We are committed to expanding our green lending by 8 times to Rs 3 lakh crore by 2030 from present level of Rs 38,971 crore.



**Generation**



**Renewable**



**E-Mobility**



**Distribution**



**Infrastructure**



**Energy Transition**

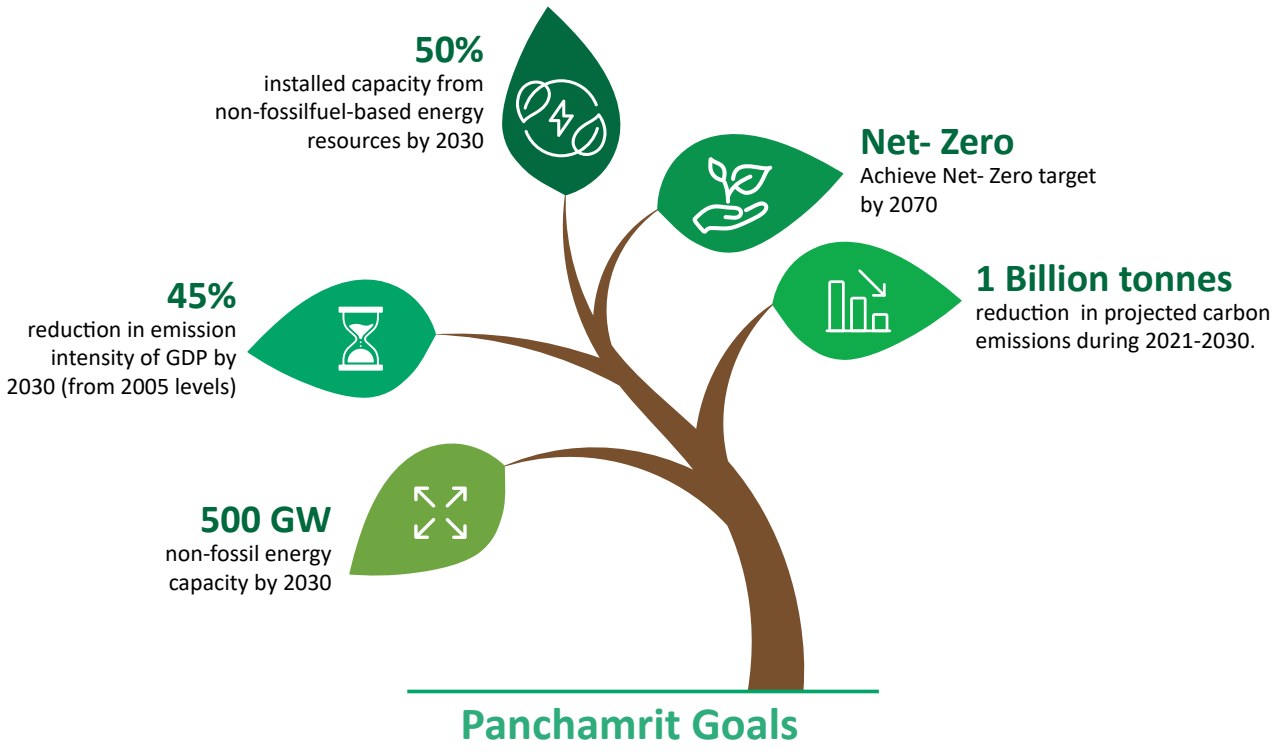


**Transmission**

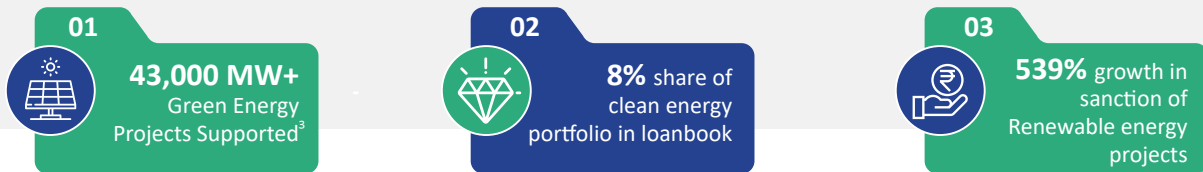


**Others**

## REC's Contribution to Panchamrit Goals

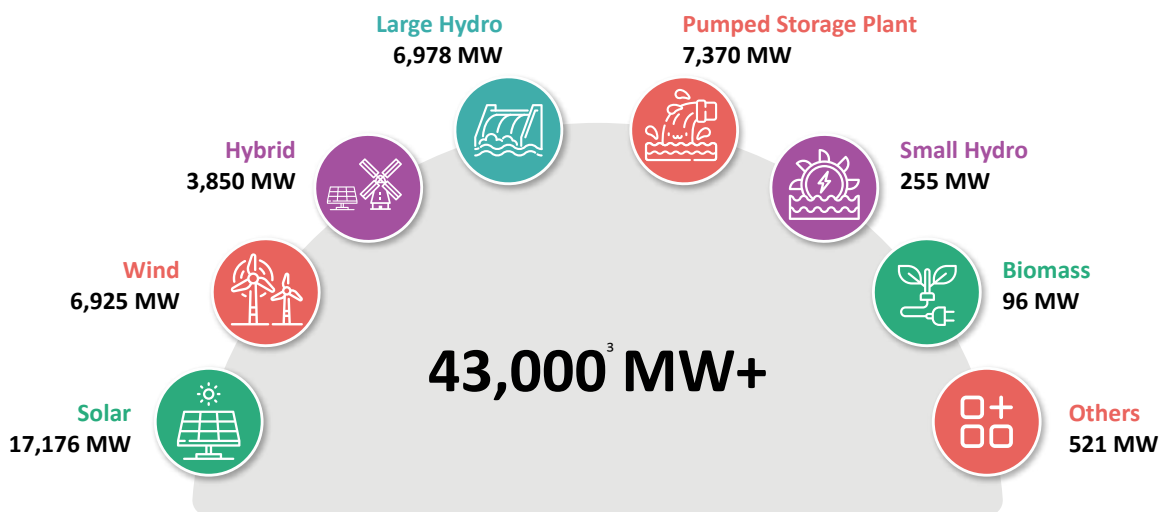


### REC's progress so far



## REC's Contribution for Clean Energy Projects

The Renewable capacity REC has supported has emission avoidance potential of 528 Lakh Tonnes CO<sub>2</sub> per year<sup>1</sup>, equivalent to the amount of CO<sub>2</sub> absorbed by 203 Crore trees in a year<sup>2</sup>



<sup>1</sup> PLF/CUF Assumptions for estimation of CO<sub>2</sub> emission avoidance potential based on India Climate and Energy Dashboard by Niti Aayog

<sup>2</sup> Assuming 25kg CO<sub>2</sub> absorbed by a tree a year (EcoTree International)

<sup>3</sup> Based on sanctions



## Our Diversification Strategies

We have expanded our loan portfolio by diversifying our investments to include up to 33% of our loans in the infrastructure and logistics sector.



Metro



Road & Highways



IT Infra/Fiber Optics



Ports Waterways



Steel Infra



Airport



Social & Commercial Infra



Oil Refinery

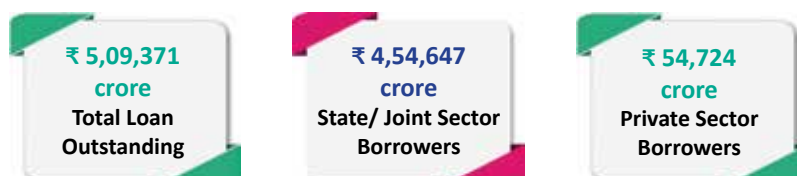
## Our Products

REC's short-term and long-term financial solutions have been designed keeping our customers at the forefront. We offer the following products

1. **Long-term loans:** Long-term loans to State, Centre and Private Companies for projects.
2. **Short / Medium Term Loans:** Loans are offered to borrowers to power utilities to meet their immediate working capital requirements, Including purchase of fuel for power plants, systems and network maintenance etc., for a tenure of 1 to 3 years.
3. **Financing of Equipment Manufacturing:** Term loans to manufacturers of equipment or materials in the power sector.
4. **Debt Refinancing:** Debt refinancing scheme for borrowers to reduce their interest costs. This facility is available generally for commissioned projects.
5. **Revolving Bills Payment Facility (RBPf):** Available for Discoms for payment to power purchase dues and transmission charges of Gencos & Transcos, Private Transcos, IPPs and RE Generators.
6. **Others:** REC also offers non-fund-based products like Letter of Understanding, in lieu of Bank Guarantee etc.

## Loan Assets

We hold a diverse portfolio of loan assets, primarily aimed at financing power sector projects across India. Our strategic lending supports infrastructure development in both renewable and conventional energy sectors, fostering nationwide electrification and sustainability.



## Partner to Government of India

REC has been a crucial player in the Government of India's efforts to strengthen the power sector and bring light to every corner of the nation. By electrifying villages and households, revamping the power distribution sector, and implementing the rooftop solarization scheme, REC has been instrumental in implementing a wide range of schemes and policies aimed at promoting development and prosperity. As the Government's trusted arm in the power sector, REC has been instrumental in fulfilling its targets and taking the light of development to every corner of the nation.

### GOVERNMENT'S TRUSTED ARM



## Examples of Some of the Renewable Energy Projects Supported by REC

*There are many number of renewable energy projects financed by REC. Following are examples of some of the renewable energy projects supported by REC*

### REC's financing for 438 MWp/ 300 MW Solar PV project developed by M/s ACME Raisar Solar Energy Pvt Ltd (ARSEPL)

REC is instrumental in facilitating the development of the 438 MWp/300 MW Solar PV project being developed by M/s. ACME Raisar Solar Energy Pvt Ltd (ARSEPL) in Sanawada Village, Tehsil Pokhran, Rajasthan. The project company has secured the project through a tariff-based competitive bidding process and has received a Letter of Award (LoA) from Solar Energy Corporation of India (SECI). ACME Raisar Solar Energy Pvt Ltd (ARSEPL) has entered into a long-term PPA with SECI to generate power at a tariff of INR 2.44 per kWh for 25 years. REC is closely monitoring the project's progress and committed to supporting the project company in achieving timely commissioning and power delivery to SECI.



### REC's financing for 4x125 MW Kundah Pumped Storage Hydro Electric Project

REC has sanctioned a term loan to TANGEDCO for the Kundah Phase VII Underground Pumped Storage Hydro Electric Project in Tamil Nadu. The project has an installed capacity of 500 MW (4x125 MW) and will utilize surplus energy during off-peak hours to generate power during peak hours, reducing the cost of power production. The existing Porthimund and Avalanche-Emerald reservoirs will be used as the upper and lower reservoirs, respectively. REC's financing of the project aligns with its commitment to supporting the development of renewable energy projects in India.

### REC's financing for 540 MW Wind Energy Project developed by JSW Renew Energy Ltd

REC has sanctioned a term loan to JSW Renew Energy Ltd for the development of a 540 MW wind farm in Tuticorin District, Tamil Nadu. The project involves the installation of 200 wind turbines, as well as the establishment of a 33/230 kV pooling substation for the evacuation of power. The wind mills are located in and around Tuticorin District, with some wind mills also located in adjoining districts.



## Our Financial Performance

During the financial year 2023-24, we delivered an impressive performance across all aspects. We witnessed remarkable growth in the sanctioning of loans, which increased from ₹2,68,461 crore in the previous year to ₹3,58,816 crore in 2023-24, representing a remarkable increase of 34%. This growth was evident across all segments, including conventional power generation, renewable energy, transmission and distribution, electrification and modernization, and liquidity infusion scheme.

### Overview of last 5 years





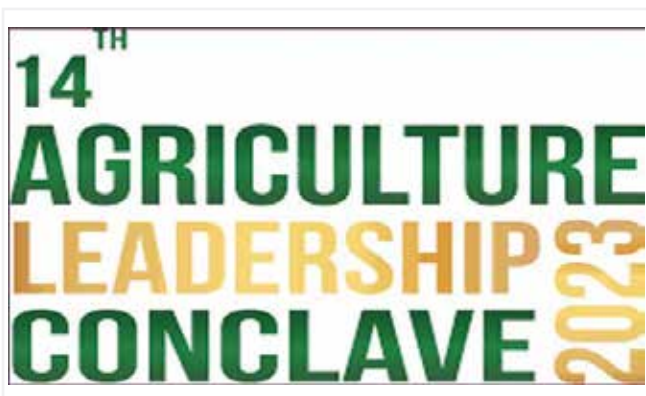
# AWARDS AND ACCOLADES IN THE FY 2023-24



**SKOCH ESG Award 2024 in Renewable Energy  
Financing Category**



**'Innovative Technology Development Award'  
at IIT Madras**



**'CSR Leadership Award 2023' at 14th Agriculture Leadership  
Award 2023**



**'CSR & Sustainability' Award  
at XIII PSE Excellence Awards**



**'Best Employer in Diversity & Inclusion' Award by ASSOCHAM**



**Golden Peacock Award for Risk Management**



Excellence in Financial Reporting 2022-23 in the financial service sector by ICAI



'Best Green Bond - Corporate Award' at The Asset Triple A Awards for Sustainable Finance



'Operational Performance Excellence' Award & 'Corporate Governance' Award at XIII PSE Excellence Awards



Dun & Bradstreet Award for 'Best Central PSU' - Financial Services category



'Issuer of the Year' award at the 6th National Summit for corporate bond market by ASSOCHAM



Mahatma Award for CSR, Sustainability SER & ESG for Corporations and Public Sector Enterprises



Scope Excellence Award in Special Institutional Category (Digitalization)



"Most Sustainable Maharatna Leader" Award at World Sustainability Congress



Golden Award by GeM in 'highest value single bid procurements in FY2022-23



First Prize among power PSUs for implementing official language by Hindi Advisory Committee





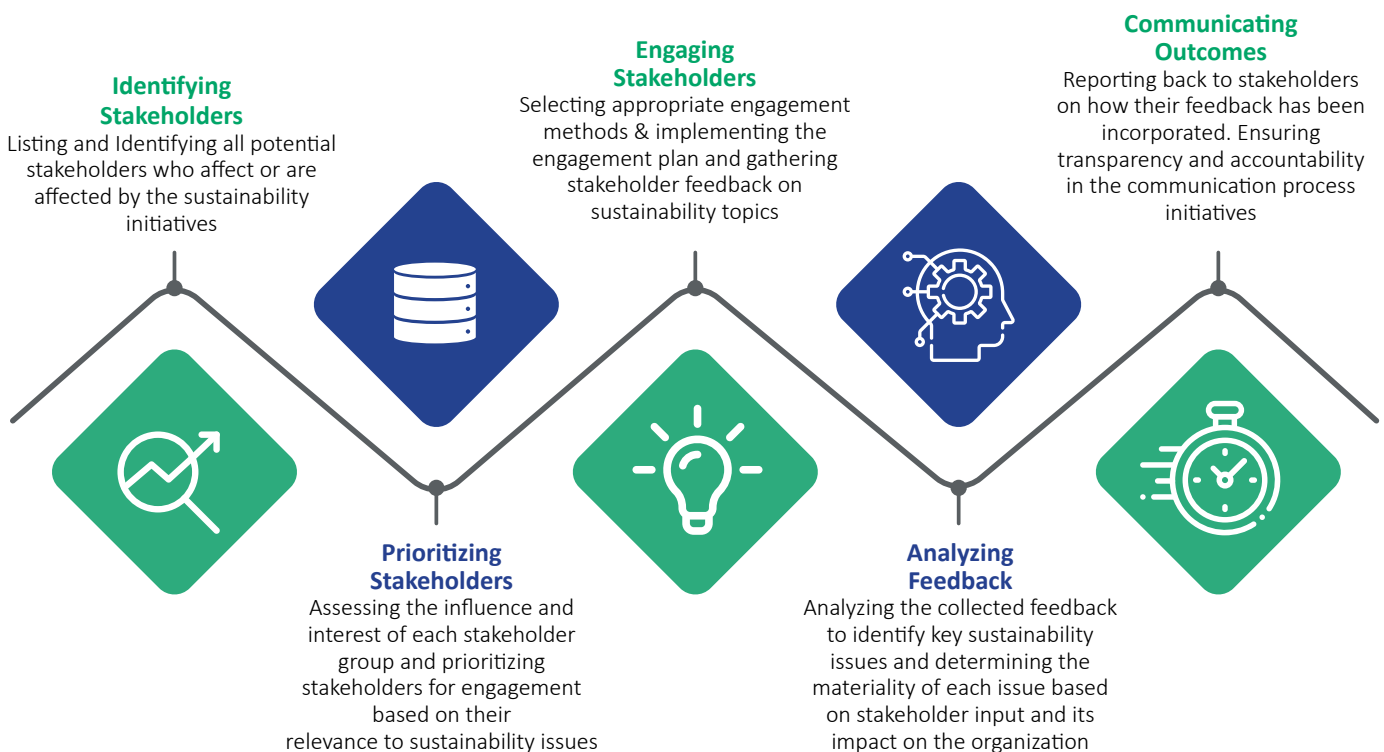
## STAKEHOLDER ENGAGEMENT & MATERIALITY ANALYSIS

# STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS







In the spirit of collaboration and inclusivity, REC engages in continuous dialogue with a diverse range of stakeholders, staying attuned to their expectations, preferences, and concerns. These invaluable insights form the foundation for shaping REC's strategies, refining products, and services, and guiding corporate social responsibility initiatives. Our stakeholder engagement transcends mere formality; it is a dynamic interaction facilitated through both formal and informal channels of communication. The image below outlines the mechanisms employed for engagement and the overarching purpose and scope that drive these meaningful interactions.

In today's rapidly evolving financial landscape, stakeholder engagement and materiality assessment are crucial pillars for fostering sustainability in operations. As a responsible company, we are committed to understanding and addressing the needs, expectations, and concerns of our stakeholders. This chapter details our approach to engage with stakeholders and conducting materiality assessments to ensure our sustainability initiatives align with our priorities and strategic goals.

## Our Stakeholder Engagement Process



## Mechanism for engaging with stakeholders

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders 	No	Email/SMS/Website/ Letters/Telephone/ Newspaper etc.	Quarterly	<ul style="list-style-type: none"> <li>Communication of financial results</li> <li>Adoption of financial statement and transaction of ordinary and special business from time to time</li> <li>Addressing requests/grievances of shareholders from time to time</li> </ul>
Bondholders 	No	Email/Website/ Dissemination of information  through Stock Exchange Mechanism	Need based	<ul style="list-style-type: none"> <li>Allotment, Interest Servicing Redemption Payment, Bond Certificate/Demat Credit.</li> <li>Addressing requests/ grievances of bondholders from time to time.</li> </ul>
Employees 	No	Emails/Notice Board/ Website	Need based	<ul style="list-style-type: none"> <li>Inform the employees of the key developments within the organization</li> <li>Sharing company's progress both on operational and financial front, etc.</li> <li>Discussion on ESG aspects, NGRBC principles, employee wellbeing and development, human rights, health, and safety etc.</li> </ul>
Community 	No	Surveys/Impact assessment/CSR Activities/Personal interactions/ Project-based discussions	Need based	<ul style="list-style-type: none"> <li>Community development and wellbeing</li> <li>CSR projects</li> </ul>
Vendors 	No	Email/SMS Meetings Letters/Telephone	Need based	<ul style="list-style-type: none"> <li>Procurement of goods/services through tendering/ GeM Portal process, redressal of their grievances</li> <li>Vendor Development Programs are also organized from time to time.</li> </ul>
Customers 	No	Email/SMS/Website/ Letters/Telephone	Need based	<ul style="list-style-type: none"> <li>Customer satisfaction surveys</li> </ul>

*Note: While majority of stakeholder groups listed here are not classified as Vulnerable or Marginalized, there are segments within these groups that are deemed as Vulnerable or Marginalized. This includes individuals from economically disadvantaged sections, lower income groups, women, children, people with disability, MSME enterprises, enterprises owned by SC/ST and women entrepreneurs. REC is committed to uplifting these marginalized segments of society by providing them trainings and equal opportunities.*

## Material ESG Topics

Identifying and prioritizing material Environmental, Social, and Governance (ESG) topics is crucial for effective sustainability reporting and strategic planning. We use materiality assessment to identify, prioritize, address and report topics that are material to our business operations as well as to our stakeholders. Identification of these material topics and our action plan to address them forms the core of our sustainability strategy. The key material ESG topics for our operation include,

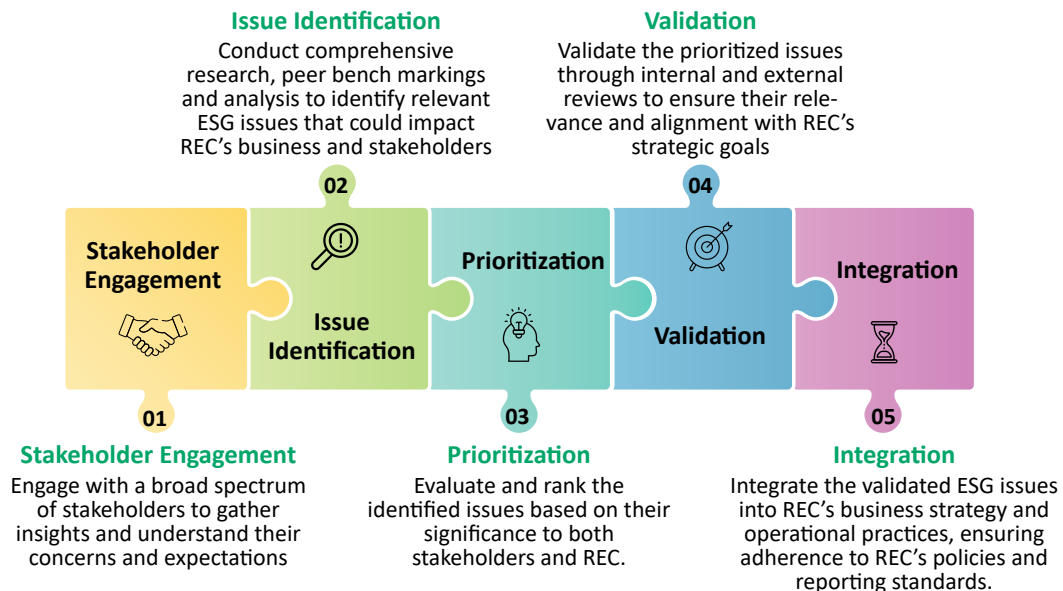
The material topics are identified based on review of industry trends, risk and opportunity analysis, Stakeholder engagement and review of global sustainability frameworks/ standards, along with peer practices in Indian markets.



## Approach to Materiality

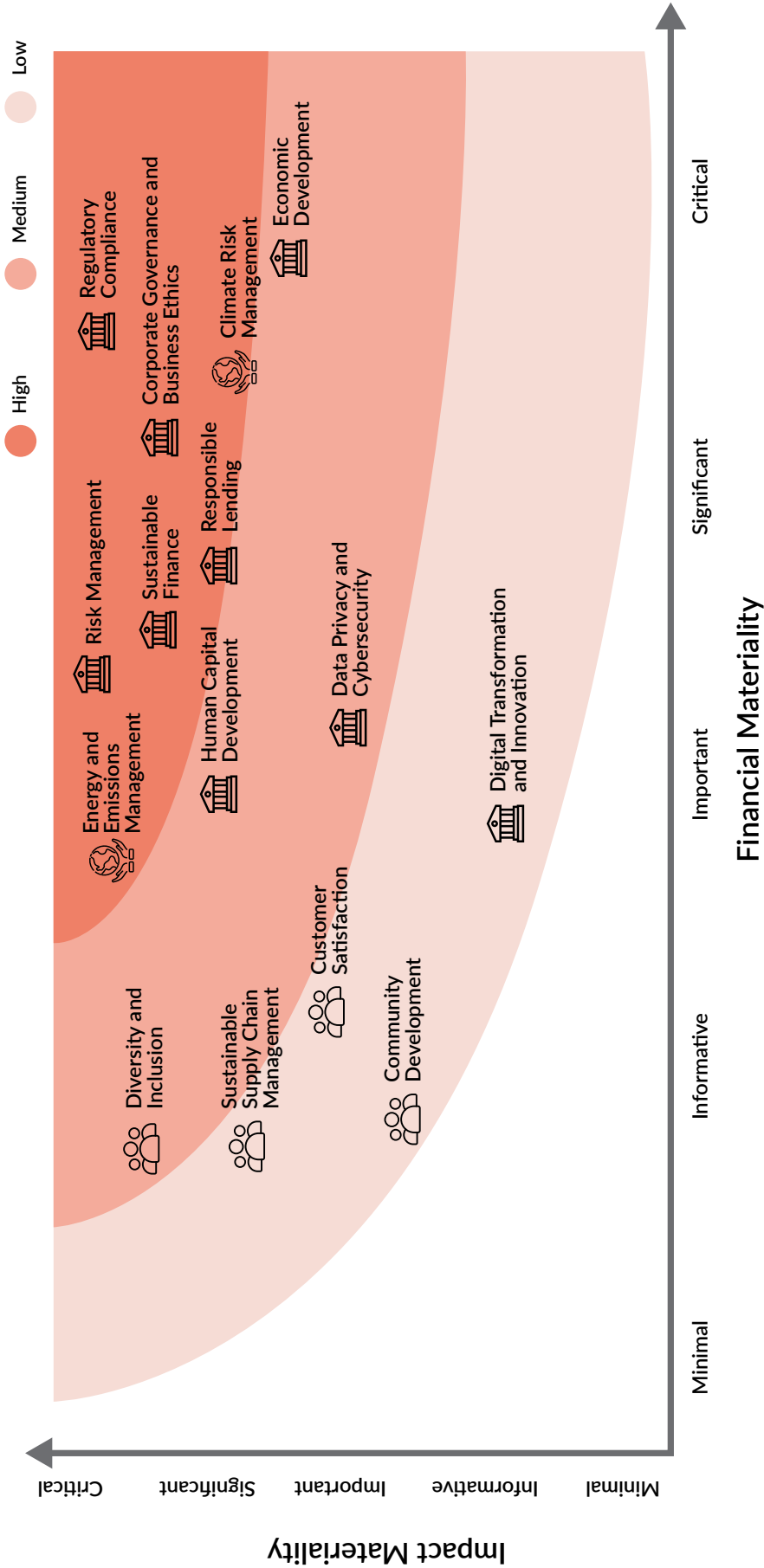
Identification of issues that are of material importance to the organization is crucial for determining our priorities for Environmental, Social, and Governance (ESG) goals. With a diverse array of stakeholders, it is essential to stay aware of the issues that matter most, ensuring that our efforts are meaningful and have a lasting impact. Our materiality assessment process involves a systematic approach to identify, prioritize, and validate the most significant ESG topics for REC.

*The methodology encompasses the following key steps:*











## REC's Materiality Matrix








**High Priority:** Issues that significantly impact business operations, financial performance, and stakeholder interest, requiring immediate and strategic attention.





**Medium Priority:** Issues that have a moderate impact on the business and stakeholders, require proactive management and monitoring.

**Low Priority:** Issues with minimal impact on the business and stakeholders, addressed through management and periodic review.

Material issue identified	Description
<b>Climate Risk Management</b> 	<p>Physical risks such as floods, drought, water stress, cyclones, temperature extremes and wildfires, and transitional risks such as carbon taxation, mandatory use of renewable energy regulations, shifting preference towards green and sustainable alternatives can impact the financial performance of the borrowers. Thus, increasing the credit risk. Reputational risk could also arise in case REC is unable to meet stakeholder expectations on climate related disclosures.</p> <p>While climate change poses a risk, increased awareness about climate change has accelerated adoption of renewable energy, thereby creating an opportunity to finance these projects. REC has formulated &amp; implemented an ESG policy covering the focus areas inter alia including climate change strategy.</p> <p>REC is positioning itself to ensure that transition to greener energy is at the core of its business growth objectives. During FY 2023-24, while the company's overall sanction has grown by 34% Y-o-Y basis, sanction in renewables projects has seen a massive growth of 533% Y-o-Y. Going forward REC endeavours to increase the share of clean energy portfolio from current about 8% to 30% of its loan book by FY 2030.</p>
<b>Energy and Emissions Management</b> 	<p>REC acknowledges the importance of transitioning towards a low carbon economy and thus plans to work towards carbon neutrality in near future. Efficient energy use and emissions reduction not only help in mitigating climate change but also lead to cost savings and enhanced corporate reputation.</p> <p>India's updated Nationally Determined Contribution (NDC) and aim to achieve net-zero emissions by 2070 also serve as an opportunity for REC to increase the share of green projects in its portfolio. REC can explore initiative for actively supporting environmentally favourable projects in sectors like renewable energy, electric vehicles, Green Hydrogen etc. As global and national policies increasingly favour green investments, REC is well positioned to capitalize these trends. REC's proactive approach in financing projects that align with environmental goals not only helps in mitigating climate related risks but also enhances its reputation.</p>
<b>Community Development</b> 	<p>Community engagement and development can impact the company's social license to operate, reputation, and long-term sustainability. By engaging with local communities, REC fosters positive relationships, address community concerns, and promote economic development, enhancing project acceptance and minimizing social risks. Additionally, investing in community development initiatives can contribute to social stability, talent retention, and overall business success.</p>
<b>Customer satisfaction</b> 	<p>Customer satisfaction directly impacts the company's reputation, competitiveness, and hence, financial performance. By prioritizing customer satisfaction, REC can build long-term relationship which is essential for REC's continued success and growth.</p>
<b>Diversity and Inclusion</b> 	<p>Diversity and inclusion promote a culture of respect, equity, and innovation within the organization. Embracing diversity in workforce enables us to tap into a broader range of perspectives, experiences, and talents, fostering creativity and problem-solving. Inclusion ensures that all employees feel valued and empowered to contribute their best, enhancing morale, productivity, and employee retention.</p>
<b>Human Capital Development</b> 	<p>Human capital is a major pillar for the success of the organization as it influences productivity, retention, and organizational success. By fostering a positive work environment and promoting employee engagement, REC can enhance morale, job satisfaction, and loyalty. Investing in employee wellbeing initiatives, such as health and wellness programs, promotes physical and mental health, reducing absenteeism and improving overall productivity. Moreover, providing continuous training and development opportunities empowers employees to acquire new skills, adapt to changing job requirements, and contribute effectively to REC's mission and goals.</p>









Material issue identified	Description
<b>Sustainable Supply Chain Management</b> 	<p>By focusing on sustainable procurement practices, REC can ensure that the goods and services procured do not cause any negative impact to the environment and the society. Furthermore, preferential procurement practices help REC in providing opportunities to disadvantaged business groups such as MSMEs, thus promoting shared value creation.</p>
<b>Corporate Governance and Business Ethics</b> 	<p>Strong governance and business ethics are crucial for maintaining investor and stakeholder trust, ensuring regulatory compliance, and mitigating legal and reputational risks. Unethical practices and instances of bribery/corruption can damage brand reputation. Ensuring strong governance practices and communicating the same across all levels in the company is important to build a culture that ensures business outcomes are delivered in the right manner and with responsibility. Effective governance ensures sound decision-making, compliance with laws and regulations, and alignment with stakeholder interests, ultimately safeguarding the company's reputation and long-term success. Prioritizing corporate governance and ethics also enhances REC's credibility as a responsible corporate, essential for sustaining trust and fostering sustainable growth.</p> <p>We have a well-defined governance framework and code of conduct. The management abides by the prescribed rules, practices, and processes. REC management takes responsibility for ensuring compliance with all applicable rules and regulations.</p> <p>Furthermore, we provide comprehensive ethics training for employees, ensure transparent and accountable reporting practices, and regularly review and update governance policies.</p>
<b>Data Privacy and Cyber Security</b> 	<p>Data privacy and cybersecurity are critical as REC handles confidential financial and project related information of clients while processing the financing requests. Protecting data and ensuring compliance with data privacy regulations is essential for maintaining trust and avoiding legal and reputational risks. Cybersecurity measures are necessary to safeguard against data breaches and cyberattacks, which could disrupt operations and harm stakeholders. By prioritizing data privacy and cybersecurity, REC can mitigate risks, preserve reputation, and demonstrate its commitment to protecting stakeholders' information, crucial for sustaining trust and business continuity.</p> <p>We have implemented robust cybersecurity measures, strong governance around information security and data privacy. We conduct regular audits and provide frequent trainings.</p>
<b>Digital Transformation and Innovation</b> 	<p>Digital transformation and innovation drive efficiency, competitiveness, and growth in an increasingly digitalized world. Embracing digital technologies enables REC to streamline processes, enhance customer experience, and develop new business models. Innovation fosters agility and adaptability, allowing REC to respond effectively to changing market dynamics and customer needs. By investing in digital transformation and innovation, REC can unlock new opportunities, improve operational performance, and stay ahead of the curve in the rapidly evolving infrastructure finance landscape, essential for long-term success and sustainability.</p>
<b>Economic Development</b> 	<p>Given its role in infrastructure finance and development, REC's ability to withstand economic fluctuations, market volatility, and external shocks is essential for maintaining financial stability and fulfilling its mandate effectively. By focusing on economic resilience, REC can support sustainable growth, job creation, and infrastructure development, build its brand image and reputation, while contributing to overall economic stability and prosperity. Moreover, resilience ensures continuity in providing financing solutions and support to clients, bolstering confidence, and building trust in the organization's ability to weather economic challenges and deliver long-term value.</p>



Material issue identified	Description
<b>Regulatory Compliance</b> 	<p>Regulatory compliance ensures adherence to laws, regulations, and industry standards governing operations. By complying with regulatory requirements, REC can mitigate legal and financial risks, maintain trust with stakeholders, and uphold reputation as a responsible company. Failure to comply with regulations could result in penalties, legal disputes, and reputational damage, negatively impacting REC's operations and financial performance. Therefore, prioritizing regulatory compliance is essential for sustaining REC's license to operate, fostering investor confidence, and supporting long-term growth and success.</p> <p>We ensure rigorous compliance programs, provide regular training for employees on regulatory requirements, proactively monitor regulatory changes, and implement compliance audits.</p>
<b>Sustainable Finance</b> 	<p>By promoting sustainable finance instruments such as green bonds and loans, REC can mobilize capital for sustainable infrastructure development and support projects that have positive impacts. Under REC Green bond Framework, REC finances the projects related to renewable energy, energy efficiency, pollution prevention and control, and clean transportation. REC can also explore expanding the portfolio of sustainable finance instruments in future to help generate positive environmental and social impacts alongside financial returns.</p>
<b>Responsible Lending</b> 	<p>ESG evaluation has become increasingly important as stakeholders demand more sustainable and responsible business practices. Integrating ESG factors into risk assessment processes helps to better understand the long-term viability of potential borrowers. It also helps to identify potential environmental, social and governance risks. This helps in making more informed decisions about companies or projects to finance. Integrating ESG considerations into investment decisions not only enhances risk management, but also attracts responsible investors, promotes sustainable development, and contributes to long-term value creation.</p>
<b>Risk Management</b> 	<p>Risk management involves identifying, assessing, and mitigating risks that affect the entire organization or industry, rather than just specific projects or investments. By effectively managing risks, REC can safeguard financial stability, reputation, and long-term viability. Implementing robust risk management processes ensures resilience in the face of uncertainties, enhances decision-making, and preserves stakeholder trust. It also captures REC's ability to absorb shocks arising from financial and economic stress and meet stricter regulatory requirements related to the complexity and interconnectedness of companies in the industry.</p>




# REC'S CONTRIBUTION TO SDGS

REC is dedicated to promoting sustainable development and supporting the United Nations Sustainable Development Goals (UNSDGs). The 17 SDGs established by the United Nations provide a comprehensive framework for fostering global efforts towards a sustainable future. REC fully embraces this transformative agenda, committing to actively advancing these essential goals. Through a multifaceted approach to environmental stewardship, REC aims to contribute significantly to several SDGs. Our initiatives and strategies reflect our commitment to fostering economic growth, social inclusion, and environmental sustainability.




UNSDGs	REC's Contribution
 <p><b>01</b> NO POVERTY</p>	<p>REC is dedicated to alleviating poverty through CSR activities. Our initiative aims to empower underserved communities, providing them with the tools and resources needed to achieve financial independence and improve their quality of life.</p> <ul style="list-style-type: none"> <li>• <b>Community Development Programs:</b> REC invests in various community development programs that focus on enhancing the living standards of impoverished communities. These programs include vocational training, skill development workshops, and infrastructure improvements.</li> <li>• <b>Access to Basic Necessities:</b> REC collaborates and partners with various organizations to ensure access to necessities such as clean water, sanitation, healthcare, education etc., for underserved communities, thereby improving their overall well-being and reducing poverty.</li> </ul>
 <p><b>02</b> ZERO HUNGER</p>	<p>REC supports initiatives to reduce hunger and improve nutrition through Corporate Social Responsibility (CSR) activities.</p> <ul style="list-style-type: none"> <li>• <b>Nutritional Support Programs:</b> Provide fortified milk through NDDB Foundation for Nutrition to 30,000 government school children in Gajapati, Odisha and Muzaffarpur, Bihar.</li> <li>• <b>LPG Gas Connection:</b> Upgradation of 1175 Anganwadis by equipping them with LPG connection, antenatal care corners and grain storage and develop 50 of them as model anganwadis.</li> </ul>
 <p><b>03</b> GOOD HEALTH AND WELL-BEING</p>	<p>REC is deeply committed to ensuring employee wellbeing and enhancing healthcare services through various CSR Activities aimed to upgrading medical facilities &amp; public wellbeing.</p> <p><b>Employee Wellbeing:</b></p> <ul style="list-style-type: none"> <li>• REC follows the best policies relating to the health, safety and well-being of its employees and their family members. REC conducts regular health check-ups for employees, onsite medical facilities and provides creche &amp; day care facilities to boost employee productivity.</li> <li>• To facilitate recreation and healthy life, Gymnasium is available for employees in the premises, various Yoga programs and Health Camps were organized regularly for the employees for better well-being.</li> </ul> <p><b>Upgradation of Medical Infrastructure/provision of medical supplies through CSR:</b></p> <ul style="list-style-type: none"> <li>• Upgrading and installing advanced medical facilities in hospitals, primary health centers (PHCs), medical colleges, and blood banks.</li> <li>• Providing hearing implants, aids, and other assistive devices to people in need.</li> <li>• Offering specialized training for doctors and nurses, with a focus on maternal care.</li> <li>• Collaborating with TATA Memorial Centre to conduct medical tests, ensuring early detection of cervical, throat &amp; breast cancer.</li> </ul>




UNSDGs	REC's Contribution
<b>04</b> QUALITY EDUCATION 	<p>REC firmly believes that education is the cornerstone of sustainable development. Under our CSR initiatives, REC is dedicated to ensuring inclusive and equitable quality education for all. Our efforts to enhance the quality of education include the following key initiatives:</p> <ul style="list-style-type: none"> <li>• 265 schools equipped with Smart Classes and science labs.</li> <li>• 450 schools provided with improved infrastructure.</li> <li>• 2362 teachers empowered with training.</li> <li>• 270+ libraries digitalized.</li> <li>• Over 650 students and teachers were sent on exposure visits.</li> <li>• 500 Anganwadi converted into preschools.</li> <li>• Constructed hostels for tribal children in Kumbhalgarh &amp; Kohima.</li> <li>• 26 Nos of Hostel and housing to be built for teachers.</li> <li>• Super 30 program to increase grades of government school children.</li> <li>• 462 School children to be educated through the National Institute of Open Schooling.</li> </ul>
<b>05</b> GENDER EQUALITY 	<p>REC is dedicated to promoting gender equality and empowering women through various initiatives.</p> <p><b>Gender Diversity at REC</b></p> <ul style="list-style-type: none"> <li>• REC provides equal opportunities to women employees and was awarded with 'Best Organization for Women Empowerment' at Women Achievers Awards, 2022 by Exchange4Media.</li> <li>• REC has formed Women's Cell to look after welfare and all-round development of the women employees.</li> <li>• Achieved a workforce composition with 15% female employees and implemented policies to ensure equal opportunity.</li> </ul> <p><b>Women Entrepreneurs Programs</b></p> <ul style="list-style-type: none"> <li>• About 10,000 women trained in last 5 years in diverse skill sets (70% of the women trained are employed or running their own enterprise).</li> <li>• Women linked through partner agencies to avail loans.</li> <li>• Training of 3000 women for manufacturing affordable sanitary napkins and awareness generation.</li> </ul>
<b>06</b> CLEAN WATER AND SANITATION 	<p>Access to clean water and proper sanitation is fundamental to human health and well-being. REC is dedicated to improving water infrastructure and promoting sanitation through CSR activities. Our efforts focus on providing clean water and sanitation facilities to underserved rural communities, ensuring a healthier and more sustainable future.</p> <p><b>Water Supply Projects</b></p> <ul style="list-style-type: none"> <li>• REC has initiated numerous water supply projects in rural areas to ensure that communities have access to safe and clean drinking water. REC has installed more than 300 RO Water Plants, 14 Arsenic treatment plants, over 1000 handpumps, and over 1000 water harvesting structures constructed for dry land agriculture.</li> <li>• Every city where REC has its presence, adoption of slum is underway, wherein clean drinking water is ensured.</li> <li>• Safe drinking water through filters/ ROs in over 600 schools.</li> </ul> <p><b>Sanitation Infrastructure &amp; Hygiene</b></p> <ul style="list-style-type: none"> <li>• REC has constructed over 12500 sanitation facilities in government schools across the country facilitating improved public health and reducing the prevalence of waterborne diseases.</li> <li>• Over 500 toilets were constructed at the work force of BSF troops in Punjab.</li> <li>• Every city where REC has its presence, adoption of slum is underway, wherein proper sanitation is ensured.</li> <li>• 6 E-rikshaws provided for picking up garbage in New Delhi.</li> <li>• STP installed at Tata Memorial Centre</li> </ul>

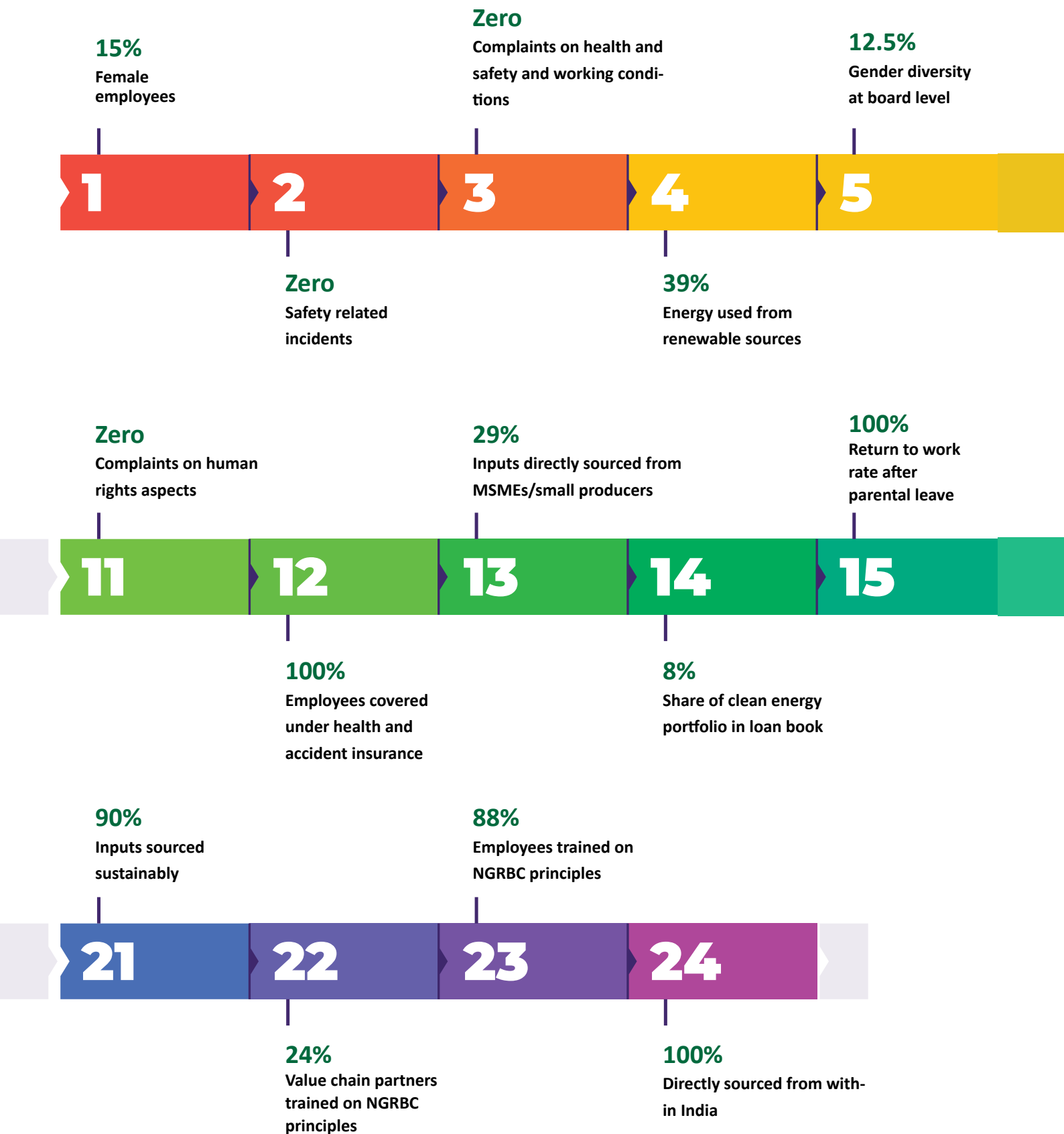
UNSDGs	REC's Contribution
<p><b>07</b> AFFORDABLE AND CLEAN ENERGY</p> 	<p>REC recognizes the importance of sustainable energy solutions and are committed to promoting affordable and clean energy,</p> <p><b>Initiatives through financing:</b></p> <ul style="list-style-type: none"> <li>• REC is poised to expand its loan book under the renewable energy portfolio to INR 2400 - 3000 billion by 2030.</li> <li>• REC raises Green Loans/Green Bonds to finance Eligible Green Projects in India to alignment with the REC's Green Finance Framework.</li> <li>• Sanctioned over 43000MW of Renewable Energy Infrastructure.</li> <li>• REC supports in achieving India's net-zero target by 2070 by financing renewable energy and renewable infrastructure, aiming for 500 GW capacity and a one-billion-ton carbon reduction by 2030.</li> </ul> <p><b>Clean Energy through CSR Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Established solar microgrids providing electricity to households in various villages.</li> <li>• Established solar roof tops in various residential schools, hostels in rural area,</li> <li>• Distributed more than 150,000 solar lanterns.</li> <li>• Installation of solar roof tops on various premier institutions.</li> <li>• Installation of solar streetlights across India.</li> </ul>
<p><b>08</b> DECENT WORK AND ECONOMIC GROWTH</p> 	<p>REC contributes to economic growth by providing quality jobs and fostering a culture of innovation and inclusivity.</p> <p><b>Employment Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Under "Mission Recruitment" launched by the Government of India REC has recruited 111 officers across domains during financial year 2023-24, to enhance its professional capacity for meeting the corporation's ambitious growth and diversification plans. The total manpower strength of the Company as on March 31, 2024, stood at 512 employees, which includes 468 On-roll and 44 Off-roll employees.</li> <li>• REC provides Job oriented &amp; Skill Development training to over 5000 unemployed youths belonging to SC/ST/OBC/Women/Minority/ EWS/Underprivileged.</li> <li>• REC further provides training to over 10,000 candidates to access job opportunities.</li> </ul> <p><b>MSME Support:</b></p> <ul style="list-style-type: none"> <li>• As an endeavor to foster the Government's ambitious initiatives for the promotion of MSME sector, REC has already made it mandatory to procure 100% of certain common use goods and services valuing up to ₹10 lakh from MSE vendors. Further, REC ensures the percentage of input material sourced from MSMEs increases year by year, promoting entrepreneurship and economic growth.</li> <li>• REC continues to align its procurement policy for Micro and Small Enterprises (MSEs) Order to ascertain minimum 25% procurement from MSE's and timely payment. REC makes efforts to procure products which are recycled, environment friendly, energy efficient and locally sourced.</li> </ul>

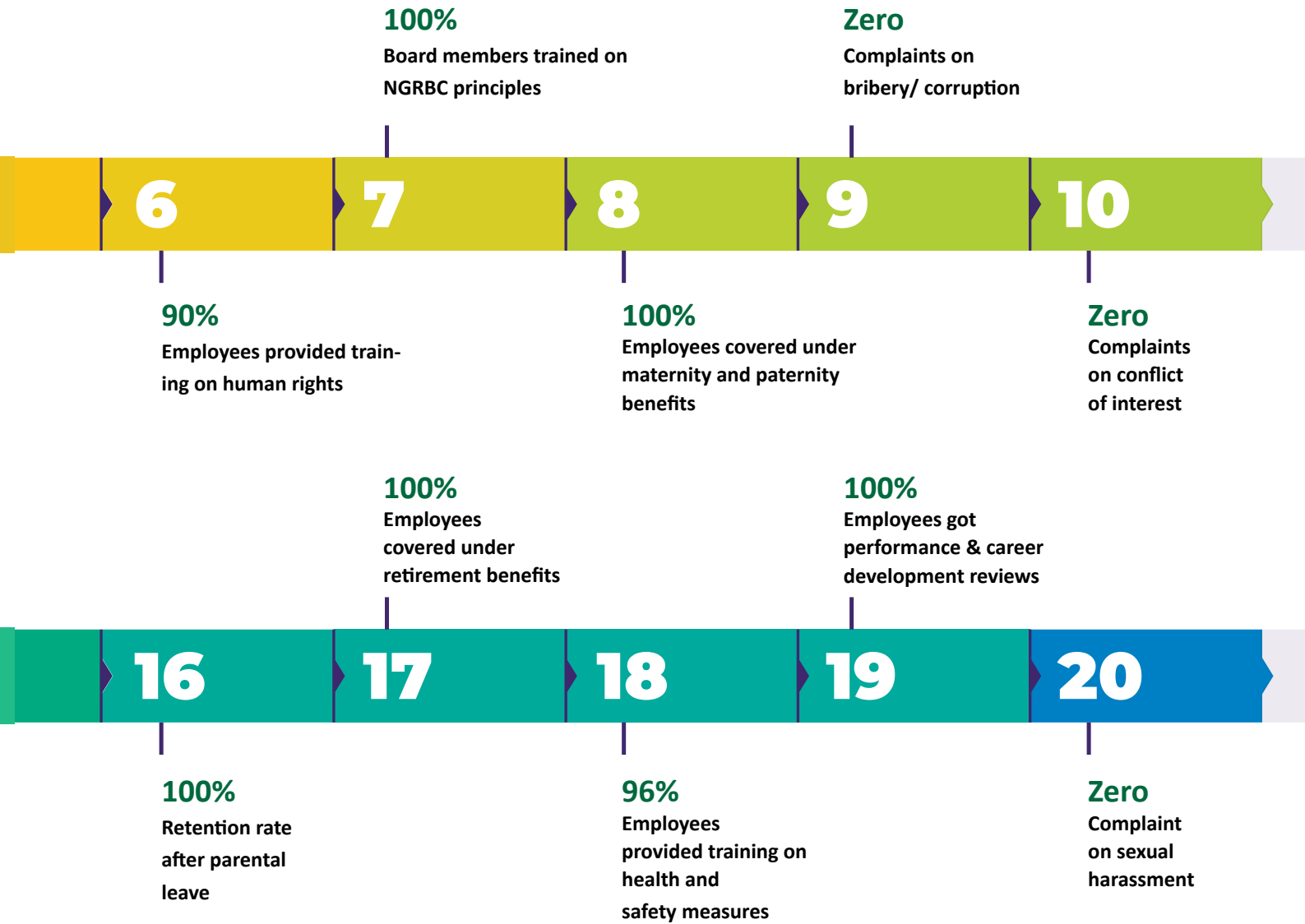
UNSDGs	REC's Contribution
<p><b>09</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>Investing in infrastructure and fostering innovation are critical to sustainable development,</p> <p><b>Infrastructure Development</b></p> <ul style="list-style-type: none"> <li>• In addition to other registrations and accreditations, REC is registered with RBI as Infrastructure Financing Company (IFC). REC provides long terms loans and other financing products to State, Central, and Private Companies for creation of infrastructure assets in the country.</li> <li>• REC envisions developing the power Sector and creating infrastructure by extending cheaper cost of funds to Power Utilities and endeavor to reduce interest spread in financing operations.</li> <li>• As a Nodal Agency for flagship programs of Government of India for the Power Sector REC aims to develop rural electricity infrastructure by its responsible lending.</li> <li>• To enhance national infrastructure development, REC has broadened its mandate to include financing a diverse range of non-power infrastructure projects. This includes funding for coal mines, equipment manufacturing facilities for various heavy industries, and large-scale infrastructure projects such as airport and port development, and railway corridors. Additionally, REC supports critical public utilities like sewage treatment, water supply schemes, and irrigation systems. The expanded mandate also encompasses debt refinancing for housing and other vital infrastructure sectors.</li> </ul> <p><b>Digital Banking Innovations</b></p> <ul style="list-style-type: none"> <li>• REC has deployed systems as part of its IT initiative to achieve better e-governance, Single-sign-On solution, Centralized scanning solution, digitization of physical records etc., have been implemented. Further, REC in its day-to-day activities promotes digital and go green initiatives.</li> <li>• REC shifts to paperless environment to further the sustainability.</li> </ul>
<p><b>10</b> REDUCED INEQUALITIES</p> 	<p>REC strives to mitigate inequalities through the implementation of the following initiatives,</p> <ul style="list-style-type: none"> <li>• Committed to reducing inequalities by providing support to marginalized communities, aspirational districts and promoting inclusive growth.</li> <li>• Promotes a diverse, inclusive, and equitable workplace where all employees and stakeholders with fair, equal employment, and advancement opportunities.</li> <li>• Achieved a workforce composition with 15% female employees and implemented policies to ensure equal opportunity.</li> <li>• Bunkbeds and T-Shirts made from plastic wastes being provided to 38 government institutions.</li> </ul>
<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>REC contributes to the advancement of sustainable cities and communities through the following initiatives,</p> <ul style="list-style-type: none"> <li>• REC is determined to contribute to India's journey towards achieving net-zero emissions by 2070 by continuing to finance power sector and renewable energy projects (solar, wind, biomass, hydro), funding of solar parks, solar SEZ, solar pump-sets, energy storage systems, EV's / charging infrastructure etc.,</li> <li>• REC is contributing significantly to renewable energy financing to contribute Government's ambitious target of 500 GW installed renewable energy capacity by 2030, amounting to ₹3 lakh crore, reduction of carbon emission by one billion tons by 2030.</li> </ul>



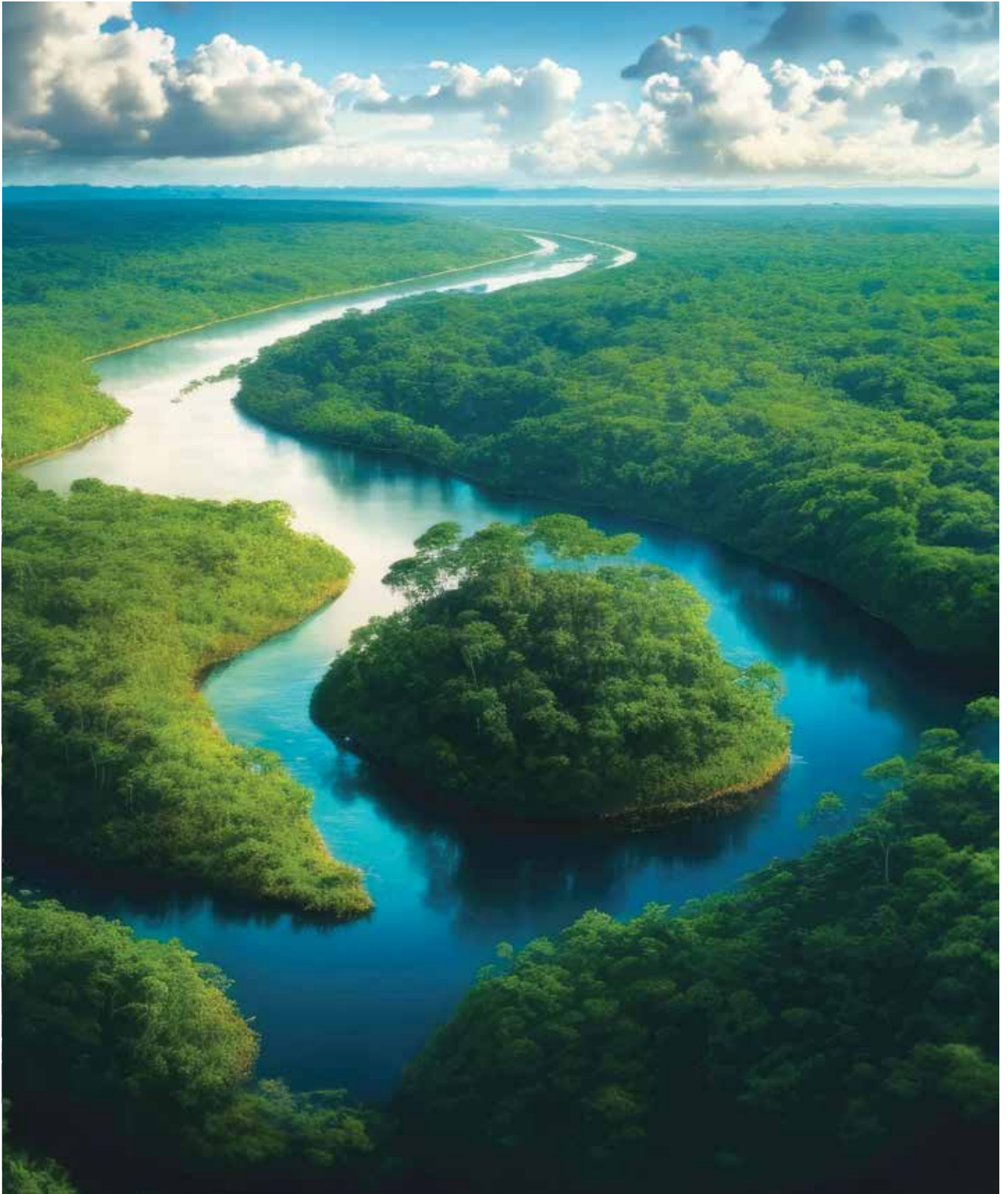
UNSDGs	REC's Contribution
<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>Although REC does not directly engage in manufacturing or production, we recognize the critical importance of responsible consumption and production patterns. Our commitment is reflected in our investment strategies, risk assessment activities, and internal practices, all designed to promote sustainability and eco-friendly operations.</p> <ul style="list-style-type: none"> <li>REC limits its exposure to ESG risks by integrating ESG factors in project and entity appraisal processes by preparing an ESG checklist as a part of the appraisal process. REC's entity appraisal process scrutinizes if there are any significant litigations pending against Borrower/ Promoter/Directors of Borrower Company and assess the experience and qualifications of the directors of the promotor company.</li> <li>As a part of appraisal process for all the power projects it finances, REC identifies and assess the potential environmental risks of the projects through due diligence, site visits and review of applicable compliances etc.,</li> <li>REC strives to integrate sustainability while making financing decisions to contribute to the Sustainable Development Goals, and relevant national and international frameworks.</li> <li>REC ensures that borrower complies with Environmental, Health, Safety and Social (EHSS) aspects by stipulating suitable conditions in the loan agreements/ sanctions for various facilities in clean energy financing.</li> </ul> <p>Further, as a responsible corporate REC is committed to protecting the environment for the betterment of living, healthier and more sustainable planet. REC practices the following to ensure sustainability,</p> <ul style="list-style-type: none"> <li>REC disposes off old, unserviceable &amp; obsolete IT equipment, and other e-waste through registered recyclers/ re-processors under CPCB/SPCB/PCC.</li> <li>REC strives to reduce the use of all forms of plastic in all its offices and other events. REC plans to phase out single use plastic water bottles from all its offices pan-India by 2024.</li> <li>REC works closely with suppliers to reduce waste, improve efficiency, reduce carbon footprint, and engages to understand their commitment towards human rights and labor practices thus working towards greater integration of E&amp;S considerations in procurement practices.</li> </ul>
<p><b>13</b> CLIMATE ACTION</p> 	<p>Addressing climate change is a key priority for REC. We are committed to reducing our environmental impact and promoting climate resilience.</p> <p><b>Energy Efficiency Initiatives</b></p> <ul style="list-style-type: none"> <li>To combat climate change and to transitioning to a low carbon economy, REC takes initiatives to monitor and reduce energy consumption by adopting solar energy in office premises, incorporating energy efficient building designs and automated energy management solutions, Integrated Building Management System (IBMS), bioclimatic glass façade with motorized blinds, retrofitting existing high energy consuming devices and equipment to maximizing performance while consuming less electricity. Further, the corporate office building is a zero liquid discharge building designed to reuse wastewater after treatment in HVAC / Chillers and for Horticulture purpose.</li> <li>REC is conscious of paper usage and pushes to go digital across service and products, thereby reducing paper waste.</li> <li>To reduce carbon emission and In line with Government Policy to promote Electric Vehicles, REC has invited tender to lease 44 Nos of EVs for all REC Offices and IPMTs for a period of 60 months.</li> </ul>
<p><b>14</b> LIFE BELOW WATER</p> 	<p>While REC's operations have minimal direct impact on marine life, we recognize the importance of protecting life below water. REC is committed to taking proactive steps towards promoting sustainable practices that safeguard the health and well-being of marine ecosystems. Moving forward, REC is ready to support and collaborate on initiatives aimed at preserving marine biodiversity and promoting the sustainable use of ocean resources.</p>

UNSDGs	REC's Contribution
<p><b>15</b> LIFE ON LAND</p> 	<p>Though REC's operations have limited direct effects on terrestrial ecosystems, we understand the crucial need to protect biodiversity. REC is dedicated to implementing sustainable practices that ensure the conservation and health of terrestrial habitats. We are committed to supporting and partnering on projects focused on preserving wildlife, combating deforestation, and promoting the sustainable management of land resources. In this regard, REC has established biodiversity and wildlife conservation lab &amp; training center in Kashmir and Ladakh.</p>
<p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<p>REC is dedicated to promoting peace, justice, and strong institutions through robust governance frameworks and ethical business practices. REC believes that strong institutions are the backbone of sustainable development and social stability.</p> <ul style="list-style-type: none"> <li>• <b>Governance Frameworks:</b> REC has established various committees to oversee several aspects of the operations. The committees ensure transparency, accountability, and ethical conduct across all levels of the organization.</li> <li>• <b>Ethical Business Practices:</b> REC believes that high standards of corporate governance combined with ethical and transparent business processes leads to greater effectiveness and efficiency, and superior business outcomes. REC adheres to the highest standards of corporate governance, guided by a strong code of ethics policy and various associated policies. REC conducts regular training programs to reinforce ethical practices among employees.</li> <li>• <b>Risk Management:</b> REC has a comprehensive Risk Management Policy, covering credit risk, operational risk, liquidity risk and market risk. REC further has a Risk Management Committee to identify and monitor various risks of and to suggest mitigation of the same. REC also has a Chief Risk Officer (CRO) and Chief Compliance Officer (CCO) to ensure stability and resilience.</li> <li>• <b>Monitoring:</b> REC has established ESG Target Booklet 2023-24 by setting targets, action plans, and outcomes. These targets and their monitoring underscore REC's proactive approach to address key challenges and maintaining the highest standards of governance.</li> <li>• <b>Anti-corruption Measures:</b> REC has implemented stringent Anti-corruption/ Anti-Bribery policy and procedures to prevent fraud and corruption, thereby promoting integrity and trust in all dealings. Guided by a robust Anti-Corruption and Anti-Bribery Policy, REC ensures adherence to the highest ethical standards. Additionally, Whistleblower Policy strengthens our commitment to transparency and accountability by providing a secure channel for reporting unethical practices.</li> <li>• <b>Stakeholder Engagement:</b> We actively engage with stakeholders, including customers, employees, investors, and regulatory bodies, to ensure that our operations align with their expectations and contribute to the broader social good.</li> </ul>
<p><b>17</b> PARTNERSHIPS FOR THE GOALS</p> 	<p><b>Partnership through Responsible Advocacy Policy</b> REC's Responsible Advocacy policy ensures ethical and transparent engagement in policy dialogues, promoting financial inclusion, environmental sustainability, and social equity. Through strategic partnerships and community engagement, we drive impactful initiatives aligned with the UNSDGs.</p> <p><b>Partnership for CSR Initiatives</b> REC Partners with anyone who shares the dream of creating an equitable and sustainable society. REC has helped many people to improve their quality of life. By working with partners, REC has reached many people and helps improve their quality of life.</p> <ul style="list-style-type: none"> <li>• REC partners with various district authorities to improve physical infrastructure and quality of service in education, healthcare, sanitation, and lighting.</li> <li>• Partnered with various district hospitals/community health centers in establishing medical facilities.</li> <li>• Partnered with various governmental and non-governmental and academic institutions in enabling them to use green energy by providing support to establish solar PV systems, differently abled and combating rare diseases.</li> </ul>





## REC'S ESG HIGHLIGHTS FOR FY 2023-24



# ENVIRONMENTAL STEWARDSHIP



# OUR AREAS OF FOCUS



Energy and Emissions Management



Biodiversity



Water Management



Waste Management



Climate Risk Management

As a leading renewable energy company, REC recognizes the critical importance of environmental stewardship in our mission to create a sustainable future. We believe that managing energy and emissions, protecting biodiversity, mitigating climate risk, and effectively managing water and waste are essential to ensuring a healthy planet for generations to come. Our commitment to environmental stewardship is reflected in our focus on energy & emissions management, biodiversity, climate risk management, water management, and waste management.

We are dedicated to reducing our own carbon footprint and promoting sustainable practices throughout our operations. This includes investing in renewable energy sources, such as wind and solar power, to minimize our reliance on fossil fuels and lower our emissions. We also work closely with our suppliers and partners to ensure that their practices align with our environmental values and standards.

In addition to our own operations, we recognize the critical role that biodiversity plays in maintaining a healthy planet. We are committed to protecting and preserving ecosystems, including forests, wetlands, and wildlife habitats, and work to minimize the impact of our projects on local biodiversity.

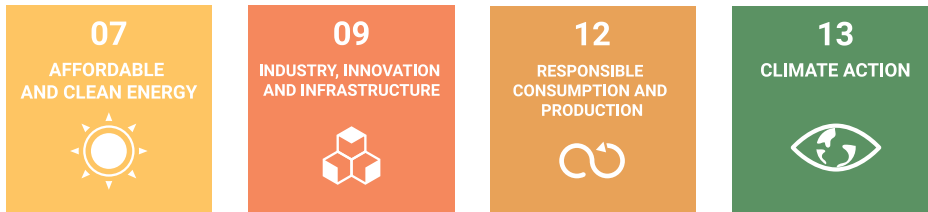
Climate risk management is another key area of focus for REC. We understand the potential impacts of climate change on our operations and work to identify and mitigate these risks through a range of strategies, including investing in resilient infrastructure and developing climate-resilient business models.

Water management is also a critical area of focus for REC. We recognize the importance of responsible water use and work to minimize our water footprint throughout our operations. This includes implementing water-saving technologies and practices, as well as working to protect and restore water ecosystems.

Finally, we are committed to responsible waste management practices. We work to minimize waste generation and maximize recycling and reuse, and work closely with our suppliers and partners to ensure that waste is managed in a responsible and sustainable manner.

Throughout our environmental stewardship efforts, we are committed to transparency and continuous improvement. We work closely with stakeholders, including local communities, NGOs, and government agencies, to identify areas for improvement and implement best practices in environmental management. By prioritizing environmental stewardship in all aspects of our operations, we are confident that we can create a sustainable future for all.

## UN SDGs impacted



# CLIMATE RISK MANAGEMENT

At REC, we recognize the crucial role we play in the global efforts to combat climate change and manage environmental impacts. As a leading financial institution, we are deeply committed to minimizing our environmental footprint and promoting sustainable practices across all areas of our operations.

In recent years, there has been a dramatic increase in concerns over global warming, underscoring the necessity for both immediate actions and long-term solutions. The scale and disruption caused by recent climate events have highlighted the imperative of industry leadership and broad cross-sector collaboration in tackling the climate crisis. REC recognizes its critical role in spearheading the transition to a low-carbon economy and implementing substantial solutions at scale.

Our climate risk management provides a comprehensive framework for our actions, outlining our commitment to the global shift towards a low-carbon economy. As the urgency of global warming intensifies, the importance of enduring solutions becomes increasingly clear. By reducing our environmental impact, prioritizing climate action, and fostering collaborations, we aim to make a meaningful difference to the environment and contribute to a sustainable future. REC has formulated & implemented an ESG policy covering the focus areas inter alia including climate change strategy. REC is positioning itself to ensure that transition to greener energy is at the core of its business growth objectives. During FY 2023-24, while the company's overall sanction has grown by 34% Y-o-Y basis, sanction in renewables projects has seen a massive growth of 533% Y-o-Y. Going forward REC endeavors to increase the share of clean energy portfolio from current about 8% to 30% of its loan book by FY 2030.

REC has adopted an array of measures to cut our carbon footprint. These include retrofitting our facilities with energy-efficient lighting and cooling systems and incorporating smart building technologies to optimize energy consumption. We are investing in on-site renewable energy projects and are in the process of identifying requirements for PPAs.

Through our holistic climate strategy, which encompasses efficient practices, the use of alternative fuels, the adoption of renewable energy, continuous monitoring, and innovative solutions, we strive to make a significant contribution to the global fight against climate change and the advancement of a sustainable future.





# ENERGY AND EMISSIONS MANAGEMENT

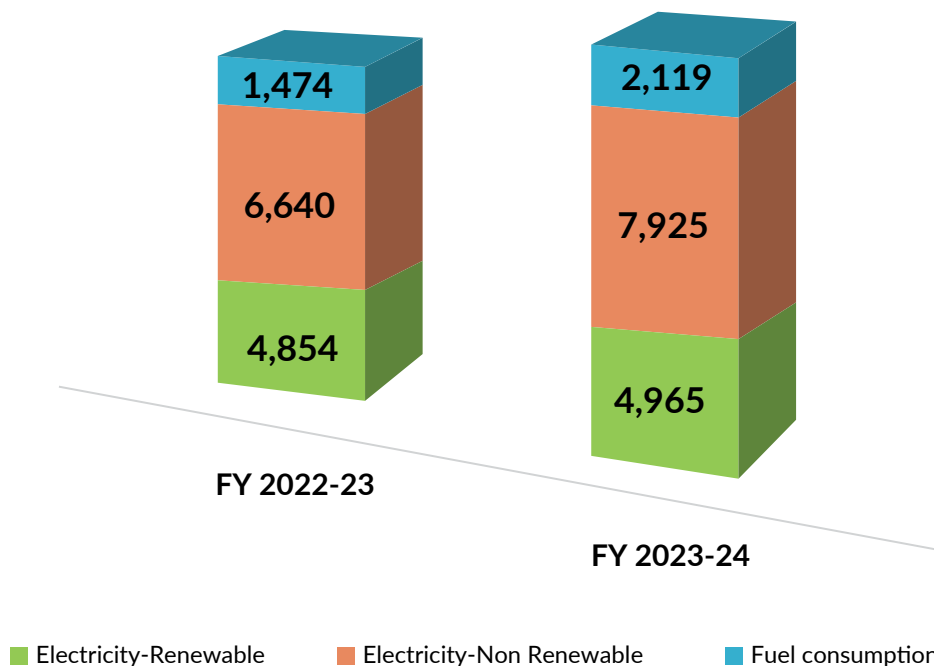
REC recognizes the significance of effective energy management in promoting sustainability and reducing environmental impact. We acknowledge the importance of transitioning towards a low carbon economy and thus plan to work towards carbon neutrality in the near future. We strive to achieve this target by reducing our energy use and finding ways to reduce our environmental impact. We aim to operate facilities that consume fewer resources and improve the quality of the environment.

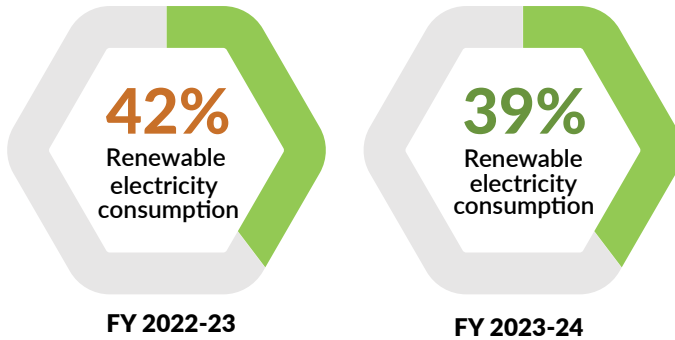
India's updated Nationally Determined Contribution (NDC) and goal to achieve net-zero emissions by 2070 presents a significant opportunity for REC to expand its green project portfolio. With global and national policies shifting towards environmentally friendly investments, REC is well-positioned to capitalize on these trends and enhance its reputation by financing projects that align with environmental goals. To achieve this, REC can explore initiatives that actively support environmentally favorable projects in sectors such as renewable energy, electric vehicles, and Green Hydrogen. By doing so, REC can not only mitigate climate-related risks but also position itself as a leader in the transition to a low-carbon economy.

## Energy Consumption

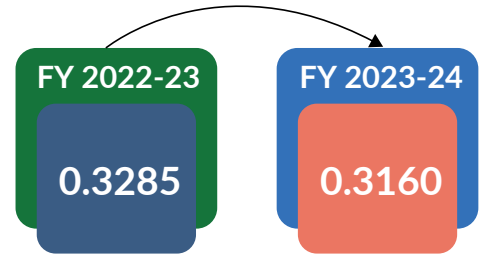
At REC, we are dedicated to reducing our energy consumption and enhancing sustainability across our operations. The following table provides a detailed overview of our energy consumption metrics, reflecting our commitment to monitoring and improving our environmental performance.

Electricity and Fuel Consumption (in GJ)



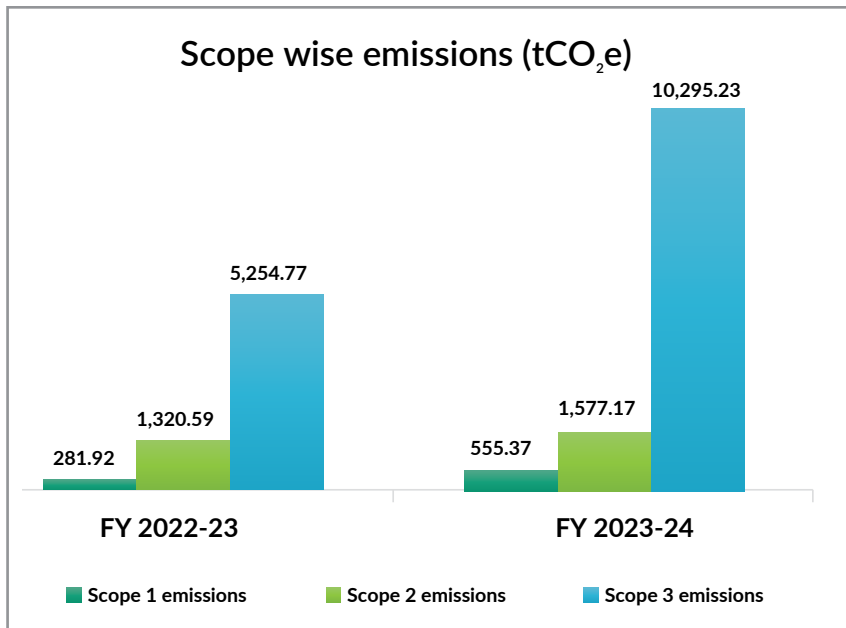


Energy intensity per INR crore of turnover

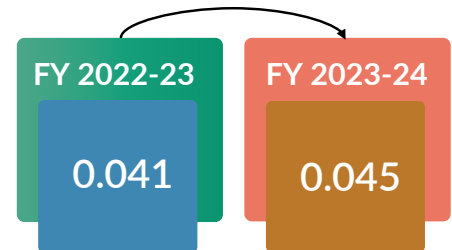


*In FY 2023-24, we have achieved a 3.81% reduction in Energy Intensity per crore of turnover as compared to previous year.*

## GHG Emissions



Emissions intensity (Scope 1 and 2) per INR crore of turnover



In recent years, climate change has emerged as one of the most pressing issues. Although REC's business operations do not contribute significantly to GHG emissions, we acknowledge that our actions play a significant role in establishing industry standards and exemplifying best practices. To support our environmental goals, we are tracking our emissions and implementing best practices in our management. We have computed GHG emissions as per GHG Protocol.



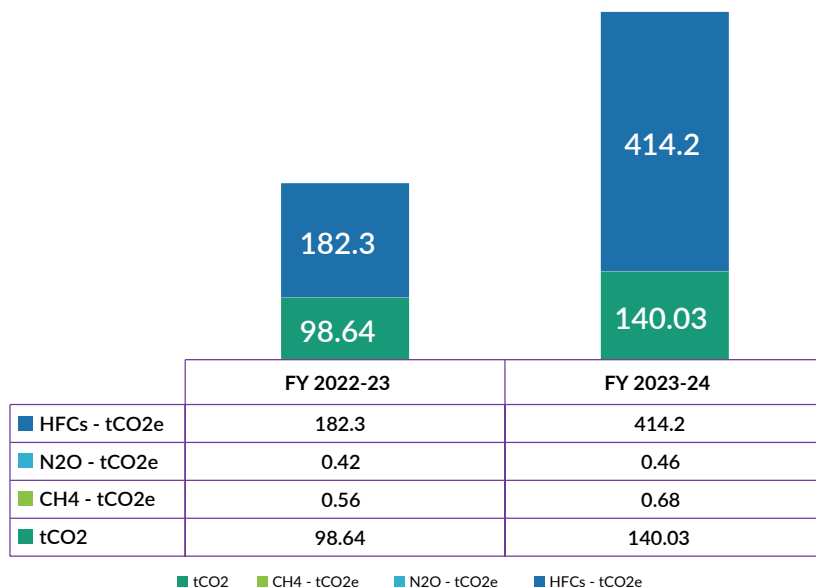
## Scope 1, Scope 2 & Scope 3 Emissions

### Scope 1 Emissions

Scope 1 emissions are direct emissions from our operations, including use of company vehicles, refrigerant refueling, and on-site fuel combustion. To reduce these emissions, we are investing in Fleet Optimization by introducing electric vehicles (EVs) for company's operations.

Scope and Category	FY 2023-24	FY2022-23
<b>Scope 1 – Stationary emissions</b> Emissions from fuel burnt / combusted in stationary sources e.g. fuel combusted in DG sets etc.	110.28 tCO <sub>2</sub> e	70.49 tCO <sub>2</sub> e
<b>Scope 1 – Mobile emissions</b> Emissions from fuel burnt / combusted in company owned vehicles	30.64 tCO <sub>2</sub> e	28.87 tCO <sub>2</sub> e
<b>Scope 1 – Fugitive emissions</b> Emissions from refilling of CO <sub>2</sub> type fire extinguishers, HFCs from air-conditioning equipment	414.45 tCO <sub>2</sub> e	182.56 tCO <sub>2</sub> e
<b>Total Scope 1 emissions</b>	<b>555.37 tCO<sub>2</sub>e</b>	<b>281.92 tCO<sub>2</sub>e</b>

### Breakup of Scope 1 Emissions



## • Scope 2 Emissions

Scope 2 emissions are indirect GHG emissions from the consumption of purchased electricity. We focus on reducing these emissions through several strategies:







- a) **On-site Renewable Energy Generation:** We have installed a rooftop solar plant at our Corporate Office and RECIPMT, for harnessing renewable energy to meet electricity requirements, thus reducing our carbon footprint. Onsite renewables cover 39% of our electricity requirements.
- b) **Renewable Energy Procurement:** Plans are underway to expand renewable energy procurement over the years.
- c) **Energy Efficiency Programs:** Implemented energy-saving technologies such as LED lighting and other energy efficient equipment, reducing our electricity usage.

Scope and Category	FY 2023-24	FY 2022-23
Scope 2 - emissions	1,577.17 tCO <sub>2</sub> e	1,320.59 tCO <sub>2</sub> e

## • Scope 3 Emissions

Scope 3 emissions include all other indirect emissions that occur in our value chain. These are more challenging to manage but are critical to our sustainability efforts. At REC, we have conducted thorough assessment and have identified the following scope 3 categories for reporting for this year. We strive to improve GHG accounting and reporting practices going forward.

### Break up of Scope 3 emissions (tCO<sub>2</sub>e)

	 Purchased Goods and Services	 Capital Goods	 Fuel and Energy related activities	 Waste generated in operations	 Business travel	 Employee Commuting
FY 2022-23	2,704.35	192.16	642.05	2.25	769.58	944.39
FY 2023-24	7,088.95	74.22	694.26	2.17	1,211.45	1,224.19

## Using Renewable Energy to lower our emissions

Transitioning to renewable energy is a cornerstone of our environmental strategy. We are actively engaged in the adoption of renewable energy (RE) to minimize harmful emissions and protect the environment. In fiscal 2024, the renewable electricity usage at REC was 4.96 terajoules (TJ) comprising of 39% of total electricity consumption. We are continuously enhancing the usage of renewable energy at all our premises.



### Power Purchase Agreements

To ensure a reliable and sustainable long-term supply of renewable energy, we are in the process of identifying power purchase agreements (PPAs). These agreements will help us to minimize our non renewable electricity usage, while supporting the growth of clean energy.



### On-site generation

We have installed a 979 kWp rooftop solar plant at our corporate office and 40 kWp roof top solar plant at RECIPMT, for harnessing renewable energy to meet electricity requirements, thus reducing our carbon footprint. Plans are underway to expand on-site generation capacity over the years.



### Building design

REC's Corporate Office Building located in Gurugram is designed and constructed by using energy efficient facade and radiant cooling slabs to lower about 30% HVAC load requirement in the building to conserve energy.



### Energy Monitoring & Management

We plan to monitor our real-time energy consumption across our facilities to identify high-consumption areas and inefficiencies across operations.



### Emission Reduction Targets

We are in progress of setting targets to reduce emissions. These targets will be supported by specific energy saving initiatives such as upgrading to energy-efficient lighting, optimizing HVAC operations, building design and promoting energy-saving behaviors among employees.



### Behavioral change Programs

Employee engagement programs encourage energy-saving practices, such as turning off lights and equipment when not in use.

## Using Electric Vehicles to lower emissions

To further our commitment to sustainability and support the Indian government's policy on electric vehicles, REC has taken a significant step towards transitioning its office fleet to electric vehicles (EVs). REC issued a circular to all its offices to transition to EVs for their office fleets wherever EV charging facilities are available. To start with our EV journey, we introduced 6 Nos Electric Vehicles for CMD, Directors, CVO & other senior dignitaries during FY 2023-24. Additionally, REC offers its employees a 3% lower interest rate on loans for purchasing electric vehicles compared to those for conventional fuel vehicles as part of its conveyance advance facilities

Recognizing the potential and benefits of EVs, we have expanded our vision and issued a tender to lease an additional 44 electric vehicles for a period of 5 years. This bold move is a significant step towards transitioning our entire office fleet to EVs, underscoring our commitment to a greener future.

To support this transition, we have established charging infrastructure at our key locations. By 31st March 2024, we have installed 3 slow charging stations at our Scope Office in New Delhi, and our REC CO office in Gurugram is equipped with 4 slow charging stations and 1 60 KW fast charging station. This infrastructure will enable us to conveniently charge our electric vehicles and contribute to a cleaner and more sustainable environment.

Our commitment to sustainability and the transition to EVs is a significant step towards reducing our carbon footprint and contributing to a greener future. By leveraging the benefits of electric vehicles, we aim to create a more sustainable and environmentally friendly workplace, and we will continue to explore opportunities to expand our EV fleet and charging infrastructure in the future.



## Air Emissions

Following are the details of air emissions resulting from use of DG sets in our premises

Parameter	Parameter
NOx	0.004833261 Tonnes
SOx	0.000670596 Tonnes
Particulate matter (PM)	0.000856466 Tonnes
Carbon Monoxide	0.000766082 Tonnes

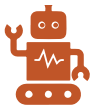
## Other initiatives to lower emissions

At REC, our commitment to sustainability is also reflected in our robust operation and maintenance practices. We continually strive to enhance the efficiency of our facilities and minimize our environmental impact through innovative strategies and careful management. We deploy advanced technologies and energy-efficient processes to keep our operational emissions in check. We also organize multiple employee engagement activities to make them aware about our sustainability practices and environmental goals.

Some of our initiatives include, but not limited to:



**Regular Equipment Maintenance:** Scheduled inspections and maintenance of HVAC systems, lighting, DG Sets, and other energy-consuming equipment ensure optimal performance and energy efficiency



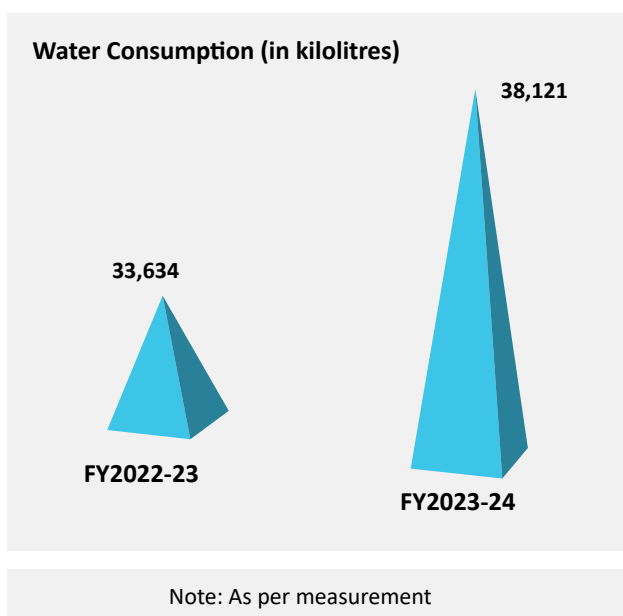
**Building Automation Systems:** REC has built a climate conscious “Green” building for its corporate office. The building also has radiant cooling for slabs, Integrated Building Management System (IBMS), automated sensor-controlled lighting, bioclimatic glass facade with motorized blinds, etc., resulting in minimizing significant energy consumption.



**Employee Engagement:** Raising environmental awareness about sustainability practices and how employees can contribute to REC’s environmental goals.

## WATER MANAGEMENT

### Water Consumption



At REC, we are deeply committed to sustainable practices and environmental stewardship. Recognizing the critical importance of water as a vital resource, we have implemented comprehensive measures to reduce our water consumption across our operations. Our efforts align with our broader sustainability goals, ensuring that we contribute positively to the communities we serve and the environment at large.

REC being an NBFC, our water discharge is very minimal, however REC Corporate office is designed to have zero water discharge, as water collected from rainwater and third party is being fully utilized in the building, including re-cycling of wastewater (Sewage water) through STP and again utilizing the same in Horticulture and flushing.

By investing in water-efficient technologies, optimizing our facility operations, and raising awareness among our employees, we have achieved notable reductions in water usage.



## Water Consumption

### Water-saving fixtures

Installation of low-flow faucets, aerators, and sensor-based taps in toilets at our Corporate Office has led to a significant reduction in water use.

### Leak detection & repair

We regularly conduct inspections and implement leak detection systems to identify and address water leaks promptly to minimize water losses and conserve this precious resource.

### Sewage treatment system

REC Corporate office have zero water discharge, as water collected from rainwater and third party is being fully utilized in the building incl. re-cycling of wastewater (Sewage water) through STP and again utilizing the same in Horticulture and flushing, reducing our demand for freshwater.

### Recycled water usage

Reverse Osmosis (RO) reject water and Rainwater collected from rainwater harvesting system are used for Solar cleaning, HVAC / Chillers, Toilets & floor washing.

## Our Rainwater Harvesting Initiatives

REC has been at the forefront of promoting rainwater harvesting, a crucial initiative to conserve and utilize this precious natural resource. Through various projects, REC aims to address water scarcity and promote sustainable water management practices. Rainwater harvesting systems are decentralized and cost-effective, and by harnessing the power of rainwater, REC is working towards a future where every drop of water is caught where it falls, ensuring water security for all. Some of our notable initiatives at REC Office Gurugram are,

Rainwater is collected and stored centrally at a capacity of 250 kiloliters (02 in number) through a storm water system installed within the building premises. The rainwater is then treated using filters and used for various purposes in the building, including supplying the HVAC (heating, ventilation, and air conditioning) system. Approximately 7500 kiloliters of rainwater is utilized in this manner every year.



Storm water connection outside building premises



Rainwater tank at Basement 3

# WASTE MANAGEMENT

Effective waste management is a critical component of our sustainability strategy. We are committed to reducing the waste generated by our operations, promoting recycling, and ensuring the responsible disposal of waste. Our waste management policies are designed to minimize environmental impact and support a circular economy.

## Waste Generation

At REC, we are dedicated to enhancing our waste management practices as part of our broader commitment to sustainability. By implementing robust waste reduction strategies, increasing our recycling efforts, and fostering a culture of environmental responsibility, we aim to significantly reduce our environmental footprint. Our focus includes promoting digital solutions, setting ambitious targets and engaging with our community and stakeholders to drive meaningful change and contribute to a more sustainable future.

Waste generated in FY 2023-24

**35.53 tonnes**

Note: As per measurement

Given the nature of business and operations, we do not have material plastic waste, e-waste, and other waste. Further, the operations do not generate any hazardous waste. For E-waste and plastic waste generated in daily business activities, we partner with authorized recyclers for ensuring sustainable waste management. Given the nature of our business activities, we do not manufacture any products; hence, there are no products or packaging materials reclaimed.

## Waste Reduction Strategies



### Paperless initiatives

Transitioning to digital processes has been a significant focus in our waste reduction efforts. By adopting electronic documentation and workflows, we have reduced our paper consumption significantly. Our goal is to achieve a fully paperless environment over the years, further minimizing our waste footprint.



### Sustainable Procurement

We prioritize sustainable procurement practices to ensure that our supply chain supports our environmental goals. This includes sourcing eco-friendly products, working with suppliers committed to sustainability, and incorporating green criteria into our procurement processes. Further REC has formulated a Sustainable Procurement Policy, which serves as an extension of its core values. Further, REC works closely with suppliers to reduce waste, improve efficiency, reduce carbon footprint, and engages to understand their commitment towards human rights and labour practices thus working towards greater integration of E&S considerations in procurement practices.



### Waste Disposal and Treatment

We adhere to strict protocols for the handling and disposal of hazardous waste. All hazardous materials are collected, stored, and disposed of in compliance with regulatory requirements. Our commitment to Waste Disposal ensures that these materials do not harm the environment or public health. Further, REC plans to phase out single use plastic water bottles from all its offices pan-India by 2024.

# BIODIVERSITY

At REC, we recognize the vital role biodiversity plays in maintaining a healthy environment and supporting sustainable development. As part of our environmental stewardship, we are committed to protecting and promoting biodiversity through various initiatives, responsible practices, and Sustainable Operations. Our commitment to biodiversity extends to our daily operations.

Currently, none of our operations / offices are in/around ecologically sensitive areas. We take following steps to strengthen our commitment towards conserving biodiversity,



## Sustainable Operations

We strive to minimize our ecological footprint by adopting electronic documentation and by reducing paper consumption to ensure that our business activities do not harm local ecosystems.



## Sustainable Sourcing

Prioritizing suppliers who adhere to sustainable and biodiversity-friendly practices.



## Green Spaces

Incorporating green spaces and native plantings in all our office landscapes to support the local ecosystem.



## Partnerships

REC is committed to supporting and partnering with projects focused on preserving wildlife, combating deforestation, and promoting the sustainable management of land resources.



## Conservation Centers

REC has established biodiversity and wildlife conservation lab & training center in Kashmir and Ladakh.

***In FY 2023-24, 90.21% of REC's inputs amounting to INR 152.96 crores were sourced sustainably and ESG declaration is taken from respective suppliers.***







Our Water Management initiatives



Our Waste Management initiatives



Our efforts to preserve biodiversity

# GREEN FINANCE

## REC's Commitment to Green Finance

At REC, we recognize the critical role that financial institutions play in addressing global environmental challenges. Our commitment to sustainable finance reflects our dedication to fostering economic development while ensuring the health of our planet for future generations. We are dedicated to integrating environmental, social, and governance (ESG) considerations into our lending practices, investment strategies, and corporate policies. During FY 2023-24, while the company's overall sanction has grown by 34% Y-o-Y basis, sanction in renewables projects has seen a massive growth of 533% Y-o-Y.

## Green Finance Framework

As a part of sustainable financing initiative, REC has established Green Finance Framework as the basis to issue green bonds, loans, and any other financial instruments ("Green Financing Instruments") which are used to finance and/or refinance Eligible Green Projects. The purpose of this Framework is to have a single methodology in place for all future Green Financing, that is consistent with REC's sustainable values. The Framework is aligned with the Climate Bonds Standard version 3.0; The Green Bond Principles 2021 published by ICMA, and The Green Loan Principles 2021 published by the LMA, APLMA, and LSTA. The Green Bond Framework of REC is drafted aligning with the GBP's/GLP's four core components: Use of Proceeds; Process for Project Evaluation and Selection; Management of Proceeds; and Reporting

### Eligibility Criteria for Green Projects

The following are the Eligible Green Project categories:

01



#### Renewable Energy Projects

Solar (>85% electricity from solar resources), wind, hydropower, biomass, geothermal, sea & ocean-derived energy sources, energy distribution & management, energy storage, financial assistance for Power Utilities, etc

02



#### Energy Efficiency Projects

Projects aiming to promote energy efficiency and reducing electricity grid losses, thermal heat storage, communal heating systems (excluding coal-fires resources)

03



#### Sustainable Water Management

Investment in water collection, treatment, recycling, re-use, technologies and infrastructure and sewage treatment facilities using recycled water

04



#### Sustainable Waste Management

Financing of waste minimization, collection, management, transportation, disposal, re-use and recycling, including waste-to-energy power plants.

05



#### Pollution prevention and control

Waste-to-energy facilities for generation of electricity and/or heat

06



#### Clean transport

Low energy consuming/low emission transportation including electric and hybrid vehicles, and charging infrastructure for electric vehicles)



## Exclusion List

Under Green Finance Framework, REC affirms that it will explicitly exclude funding towards any projects associated with

- Coal or gas fired power generation assets.
- Landfill operations and any incineration of any unsorted waste assets.
- Exploration and development of new oil and gas fields
- Coal mining and transportation
- Fossil fuel related activities including refining and transportation of fossil fuel as well as underlying investments in research and development.
- Heat or Power facilities with emissions intensity above 100gCO<sub>2</sub>e/kWh.
- Nuclear power generation assets

## Impact Reporting

REC aims to report on the estimated environmental benefits arising from the implementation of the Eligible Green Projects. The impact report may cover the following impact reporting metrics listed below by taking reference from the relevant indicators suggested in the ICMA Harmonized Framework for Impact Reporting,

Eligible Green Project Categories	Impact Reporting Metrics
<b>Renewable Energy</b>	<ul style="list-style-type: none"> <li>• Capacity of renewable energy plant(s) constructed or rehabilitated in MW.</li> <li>• Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy).</li> </ul>
<b>Energy Efficiency</b>	<ul style="list-style-type: none"> <li>• Number of energy efficiency equipment and appliances installed</li> </ul>
<b>Pollution Prevention and Control</b>	<ul style="list-style-type: none"> <li>• Waste reduced/ avoided (tons)</li> </ul>
<b>Clean Transportation</b>	<ul style="list-style-type: none"> <li>• Type of clean transportation infrastructure built.</li> <li>• Number of EVs produced.</li> </ul>

## Third Party Verification

REC Green Bond framework is published on its website (<http://www.recindia.nic.in/>). REC's Green Bond Framework is reviewed by KPMG and certified by Climate Bonds Initiative for the Green Bond issues.

# ESG INTEGRATION IN LENDING

REC identifies and assesses the potential environmental risks of projects by integrating ESG Consideration in its operations. REC limits its exposure to ESG risks by integrating ESG factors in project and entity appraisal processes by preparing an ESG checklist or through due diligence, site visits and review of applicable compliances as a part of the appraisal process. REC's entity appraisal process scrutinizes if there are any significant litigations pending against Borrower/Promoter/Directors of Borrower Company and assess the experience and qualifications of the directors of the promotor company. Environment, Social & Governance (ESG) Policy framework of company serves as a guiding document for all ESG initiatives and activities undertaken by REC. It articulates the Company's commitment to ESG by incorporating environmental impact considerations in its operational, financial and risk management linked decision-making. REC strives to integrate sustainability while making financial decisions to contribute to the Sustainable Development Goals, and relevant national & international frameworks. To ensure the financing of clean energy, suitable conditions related to Environmental, Health, Safety and Social (EHSS) aspects, are being added to the loan agreement/sanction.



## WORKING FOR THE PEOPLE

# SOCIAL DEVELOPMENT

## Employee Wellbeing and Development

### Our Employees

Our employees are the cornerstone of our success. At the end of FY 2024, we have proudly employed 980 dedicated professionals across various regions in India. REC focuses on creating an inclusive environment, facilitating professional development, and maximizing the potential of its diverse talent pool ensuring unique skill set and perspectives, contributing to our innovative and customer-focused approach. REC strives to create an environment where every employee feels valued and empowered to achieve their best. We continue to grow our presence, ensuring that we have the right talent to meet our strategic goals.

### Diversity and Inclusion

At our core, we believe in fostering a diverse and inclusive workplace. Our diversity initiatives ensure that every employee feels seen, heard, and valued. REC is committed to providing opportunities for employment and advancement to qualified applicants and employees on an equal basis, regardless of an individual's race, caste, creed, gender, age, religion, disability, or any other protected characteristic. All stakeholders internal as well as external are given due respect and dignity irrespective of their position

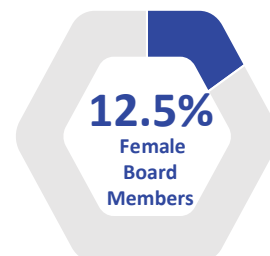
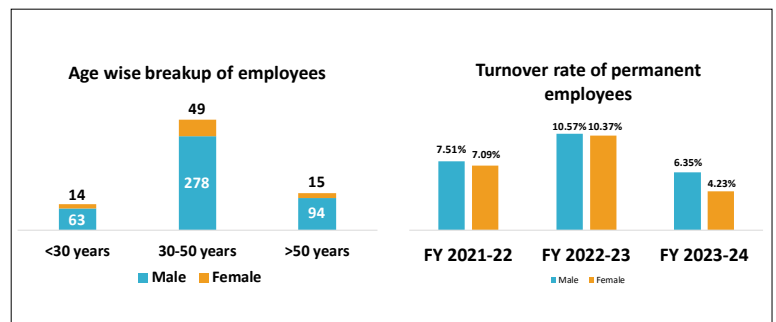
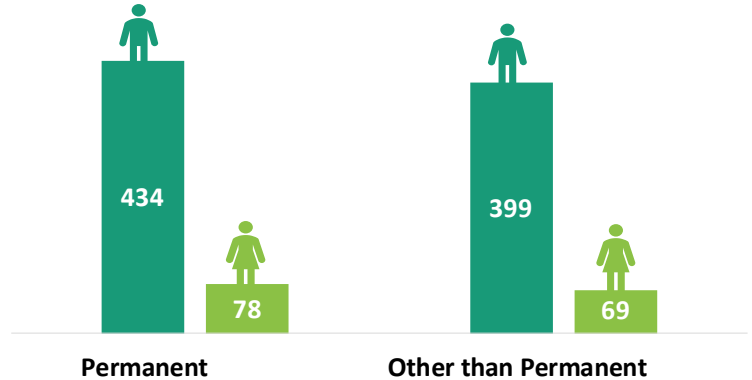
### Gender Diversity

At our core, we believe in fostering a diverse Our workforce is composed of 15% women employees and 12.5% in leadership is held by women, with a continuous commitment to increasing this percentage.

### Inclusivity for People with Disabilities

We take pride in being an inclusive employer for individuals with disabilities, we have employed 14 disabled permanent employees. We have implemented various measures to support these employees, including accessible workplaces, specialized training programs, and dedicated support staff.

### Total Employees



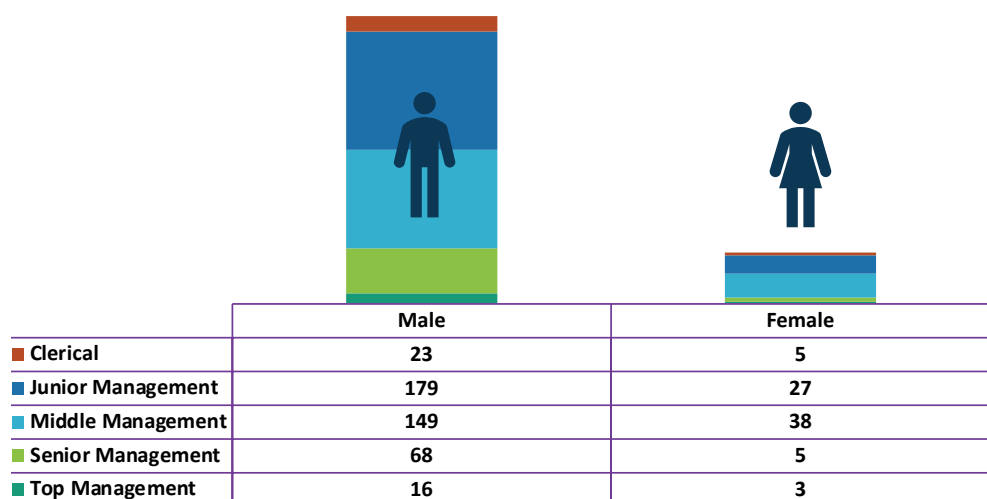
## Annual Compensation Details

Management Category	Male		Female	
	Number	Median remuneration (in INR)	Number	Median remuneration (in INR)
Board of Directors (BoD)	2*	6,604,915.00	0*	0
Key Managerial Personnel	3	9,194,056.36	0	0
Employees other than BoD and KMP	433^	2,726,527.8	78^	2,860,655.05

\* Details of Remuneration submitted include that of only Chairman and Managing Director & Whole-time Director(s).

^ Permanent employees

## Employee split by position



**100%**  
Employees and workers paid more than minimum wages



**14.18%**  
Gross wages paid to females as % of total wages paid by REC

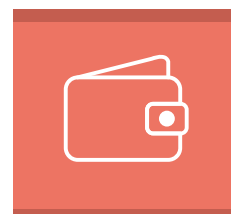
■ Top Management ■ Senior Management ■ Middle Management ■ Junior Management ■ Clerical

## Employee Wellbeing

At REC, ensuring the wellbeing of our employees is the cornerstone of our commitment to fostering a supportive and productive workplace. We believe that a healthy, engaged, and motivated workforce is essential to our success. Our approach to employee wellbeing encompasses a comprehensive employee benefits and wellbeing practices to enhance a supportive work environment that promotes work-life balance, fostering strong connections to the company's vision and values, maintaining open relationships with management, and offering career development opportunities.

## Employee Benefits

Our benefits are designed to provide social and economic security for our employees and their families. We offer a broad array of benefits that address health, financial stability, and overall quality of life. To ensure financial security and support for our employees, we provide numerous benefits.



**100%**  
**Employees**  
**covered for**  
**Gratuity, Provident**  
**Fund, ESI**

## Employee Wellbeing

Long-term savings plan with employer contributions to secure employees' financial future.

## Provident Fund

Financial reward for long-term service, providing a lump-sum payment upon retirement or resignation.

## Gratuity

Generous allocation of vacation, sick leave, and personal days to support work-life balance.

## Incentives

Performance-based bonuses and rewards to motivate and recognize employee achievements.

## National Pension Scheme

Retirement savings plan offering additional financial security with tax benefits.

## Post Retirement Medical Facilities

Continued healthcare support for employees after retirement.

## Other Defined Retirement Benefits

Various retirement plans ensuring comprehensive financial support post-retirement.

## Loans to Employees at Concessional Rates

Affordable loan options to assist employees with personal financial needs.

## Other employee benefits

Long service award, settlement allowance, economic rehabilitation scheme, etc.



## ● Wellbeing Practices

REC is committed to follow best policies of industry relating to health, safety and well-being of its employees and their dependent family members and continue to take steps to promote a safe and conducive work environment, to provide guidance on occupational health and safety, appropriate healthcare benefits and medical cover etc., to all its employees. Beyond traditional benefits, we have implemented a variety of wellbeing practices aimed at enhancing the physical, mental, and emotional health of our employees. These initiatives promote a holistic approach to wellbeing and support our employees in achieving their best, we create an environment where our employees feel supported, valued, and empowered to thrive. Our commitment to employee wellbeing is integral to our mission of building a sustainable and inclusive future for all. To boost employee productivity, enhanced work-life balance, and ensure mental peace, REC provides the several wellness benefits that include,



**Regular Health Check-ups**  
Routine health assessments to monitor and maintain employees' health.

**Onsite Medical Facilities**  
Immediate access to healthcare services within the workplace.



**Creche and Daycare Facilities**  
Support for working parents with reliable childcare options.

**Gymnasium**  
Encouragement of physical fitness through on-site gym facilities.



**Yoga Programs**  
Promotion of mental relaxation and stress relief through yoga sessions

**Health Camps**  
Organization of specialized medical services and wellness activities for employees.





Employee Engagement at REC

## ● Health and Safety Management

Health and safety management is paramount in ensuring a productive and secure workplace, even in the financial sector where physical hazards might seem less apparent. Our commitment to maintaining the highest standards of health and safety extends beyond regulatory compliance; it is a fundamental part in our operational excellence and sustainability strategy. We prioritize the well-being of our employees by implementing robust safety protocols, conducting regular training, and fostering a culture of health and safety awareness.

**Induction Training:** All new employees undergo comprehensive induction training that includes an overview of our ESG policies and other safe work practices.

**Employee Engagement:** Education and awareness are crucial to maintaining a safe working environment. We engage employees in health and safety through regular communication, training, and involvement in safety meetings. Employees are encouraged to take ownership of their safety and the safety of their colleagues.

**Health Screenings:** Regular health screenings are available to all employees, helping them monitor and manage their health.

**Onsite Medical Facilities:** Our onsite medical facilities provide immediate healthcare services, including consultations with healthcare professionals, vaccinations, and treatment for minor illnesses and injuries.

**Continuous Improvement:** Our commitment to continuous improvement means we regularly review and refine our health and safety protocols. We actively seek feedback from employees and incorporate their suggestions into our safety initiatives.

**Leadership Commitment:** Our leadership teams (ESG Committee and Risk Management Committee) are dedicated to promoting and overseeing culture of safety. They lead by example, prioritize health and safety in decision-making, and allocate resources to support safety initiatives.

**Audits & Procedures:** Regular audits are carried out to assess the electrical and fire safety parameters, including daily checks of emergency exits and related equipment, quarterly mock fire drills and first-aid training. Rigorous procedures are also in place to address electrical and fire hazards, which include regular testing, and training for emergency response activities.

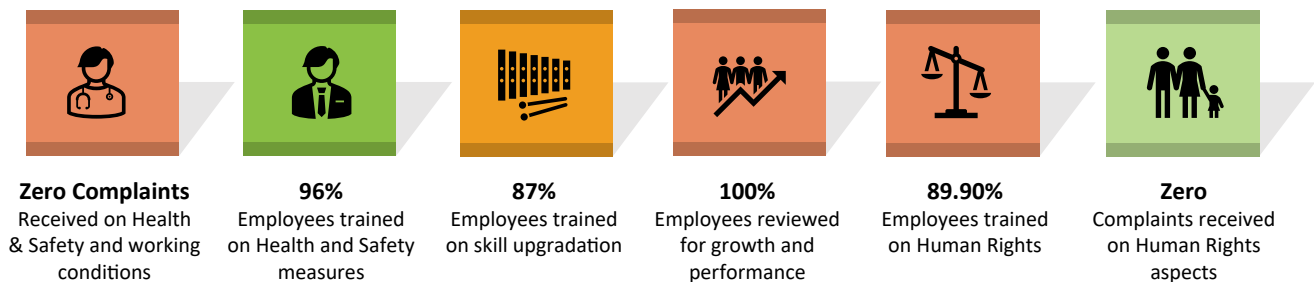
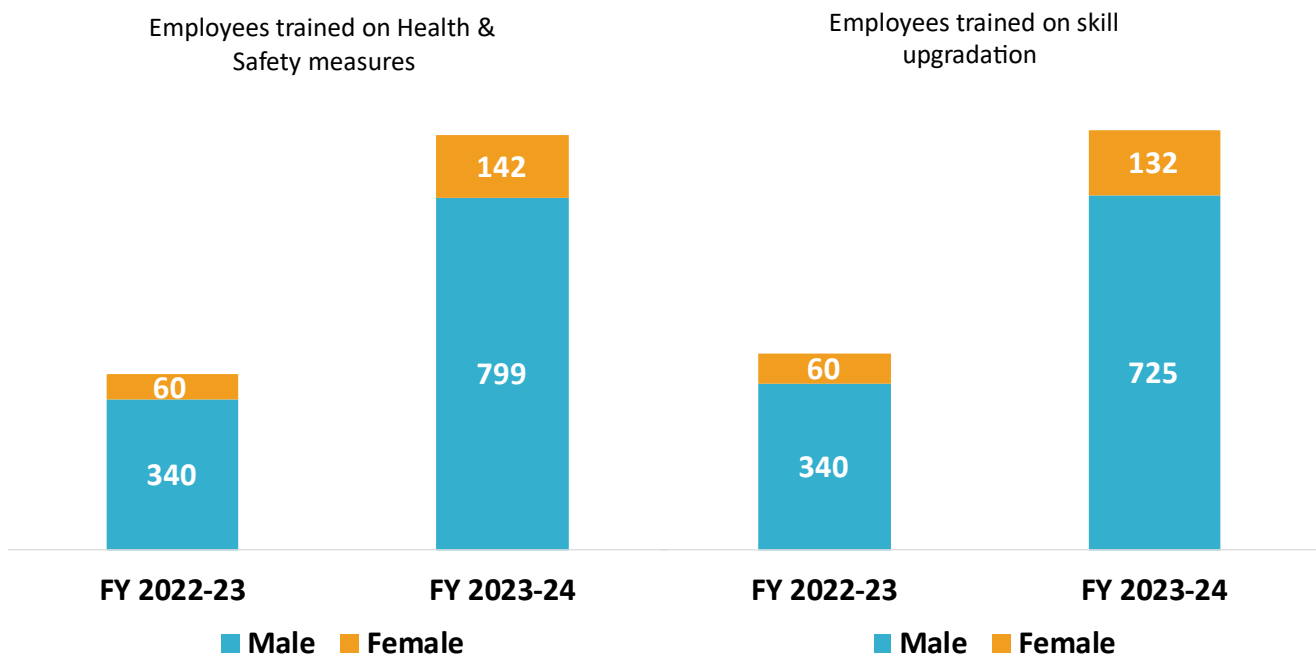
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***There were no safety related incidents/accidents/injuries observed in REC's operational units.***

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## Human Capital Development

Human capital development is a strategic investment in the workforce of REC, as it is a major pillar for the success of the organization as it influences productivity, retention, and organizational success. It encompasses various practices and policies aimed at enhancing the skills, knowledge, and abilities of employees, ensuring they are well-equipped to meet REC's business values and goals. By prioritizing human capital development, we strive to foster a culture of continuous learning, promoting employee engagement, innovation, skill development, and high performance, which is crucial for our long-term success and sustainability, and contributes effectively to REC's mission and goals.



**100% of our employees received career and development reviews for both FY2022-23 and FY2023-24.**



## ● Performance Management

Effective performance management is integral to human capital development. Our performance management system is designed to align individual goals with the company's strategic objectives.

- Goal Setting: Collaborative process between employees and managers to set clear, achievable goals.
- Regular Feedback: Continuous feedback mechanisms to recognize achievements and address areas of improvement.
- Performance Reviews: Annual/Bi-annual performance reviews to assess progress, provide constructive feedback, and set future objectives.
- Career Development Plans: Personalized development plans to help employees progress in their careers within REC.



Training sessions at REC



## ● Training sessions at REC

Our Learning and Development program consists of following trainings:

### Onboarding Training

- Comprehensive sessions for new hires to understand company culture, values, and job-specific skills

### Technical Training

- Trainings focused on equipping our employees with the necessary technical skills within their functional domain to enable them to fulfil their assigned responsibilities and achieve excellence. The technical training program covers a wide range of essential topics, including:
- Ethics and professional conduct, Regulatory compliance and industry standards, Health and safety protocols
- Environmental, Social, and Governance (ESG) principles, Mission LIFE: Lifestyle for Environment and Green Credit
- Business Responsibility and Sustainability Reporting (BRSR), Corporate Social Responsibility (CSR)
- National Guidelines on Responsible Business Conduct (NGRBC) principles
- United Nations Sustainable Development Goals (UNSDGs)
- Advanced Excel and Data Analytics

### Leadership Development Training

- Trainings focused on all managerial position employees to enhance their leadership skills through continuous learning, innovation, and collaboration. The aim is to augment our managerial bench-strength and develop high-quality leaders
- Leadership Development Program for Chief Legal Officers, Leadership and Change Management
- Managerial Effectiveness for Public Enterprises and Government
- Embracing ESG through Responsible Leadership
- Enhancing Leadership Capacities and Potential among Professional Women, etc.

### Financial Training

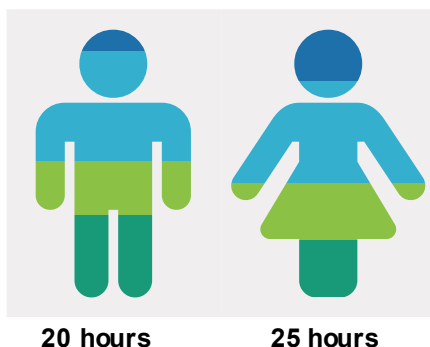
- Trainings focused on equipping our employees with Financial knowledge, mainly focusing on:
- Market Risk Management, Risk-Based Internal Audit, Management of NPA's & Recovery
- Lending to Large and Mid Corporates, Insolvency and Bankruptcy Code (IBC)
- Programme on AML, KYC, Frauds and Trade-Based Money Laundering
- Resolution of Stressed Assets - with Focus on RBI Guidelines, SARFAESI, DRT and Insolvency & Bankruptcy Code, etc.

### Cybersecurity Training

- Trainings focused on making our employees aware of Data Privacy and Security in Financial Services, Information Systems Control and Audit, Security Operation Center, ISO 27001.

### General Training

- Trainings focused on Effective Communication, Personal growth and team building, Work life balance and stress management, Administrative Effectiveness, POSH & RTI, Preventive Vigilance, etc.



In FY23-24, average training duration spent per employee were 21 hours, out of which

## REC Institute of Power Management and Training (RECIPMT)



The REC Institute of Power Management & Training (RECIPMT) is a leading training institute located in Hyderabad, India, established in 1979 under the aegis of REC Limited. The institute's primary objective is to provide comprehensive training programs on various aspects of electricity generation, transmission, and distribution systems, as well as non-conventional/renewable energy sources.

Over the past four decades, RECIPMT has organized numerous training programs and workshops on Information technology, Financing of Infrastructure, Leadership and Communication skills, Behavior skills and Team Building, Software skills, Enterprise Resource Planning, and General Management and energy conservation topics related to the power sector. These programs cover a wide range of themes, including modernization and management of power distribution systems, demand side management and end-use efficiency, metering, billing, and collection, total quality management, project management, power purchase agreements, power sector reforms, project formulation, appraisal, and management of thermal, hydro, and gas projects, including renewable energy sources.

RECIPMT is the nodal agency for the coordination and implementation of the National Training Programs for C&D employees across the country, under the Deen Dayal Upadhyay Gram Jyothi Yojana (DDUGJY) of the Ministry of Power, GoI. The institute has trained 2,91,352 C&D category employees of various DISCOMs throughout the country during 2009-2022. RECIPMT has also trained 41,016 power distribution franchisees during the 11th plan.

As of March 2024, RECIPMT has organized 3,357 training programs, and 74,256 engineers/managers from various power utilities, including generation, transmission & distribution companies, electricity departments, rural electric cooperatives, regulatory commissions, rural development agencies, banks, CPUs, etc., have participated in these programs.

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**During FY23-24, RECIPMT has imparted 17,093 training man days for 5,731 personnel through Classroom and Webinar (Online) mode.**

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## Human Rights

Upholding human rights is integral to our identity as a responsible corporate. Through our comprehensive human rights policies and practices, we aim to create a positive impact on our employees, customers, suppliers, and the broader community. Our commitment to human rights reflects our dedication to ethical conduct, social responsibility, and sustainable business practices. REC prohibits all forms of human trafficking, forced labor, and child labor within its operations and value chain. REC is committed to providing equal remuneration for work of equal value and ensuring non-discrimination in all aspects of employment, including recruitment, hiring, promotion, compensation, and termination. We prohibit discrimination based on gender, age, religion, disability, sexual orientation, or any other protected characteristic.



### ● Policy Framework and Governance

REC has a human rights policy which is extended to all stakeholders involved with the company, including all employees (permanent or contractual), contractors/suppliers, partners, and consultants. REC's human rights policy framework is embedded in the overall corporate governance structure. Key components include:

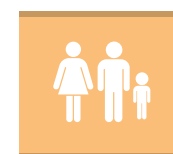


### ● Employee Rights and Workplace Practices

We are committed to creating a workplace that respects and promotes the rights of all employees.



**89.90%**  
Employees trained  
on Human Rights



**Zero**  
Complaints  
received on  
Human Rights

## Human Rights in Our Supply Chain

We recognize the importance of promoting human rights throughout our supply chain. Our actions include:



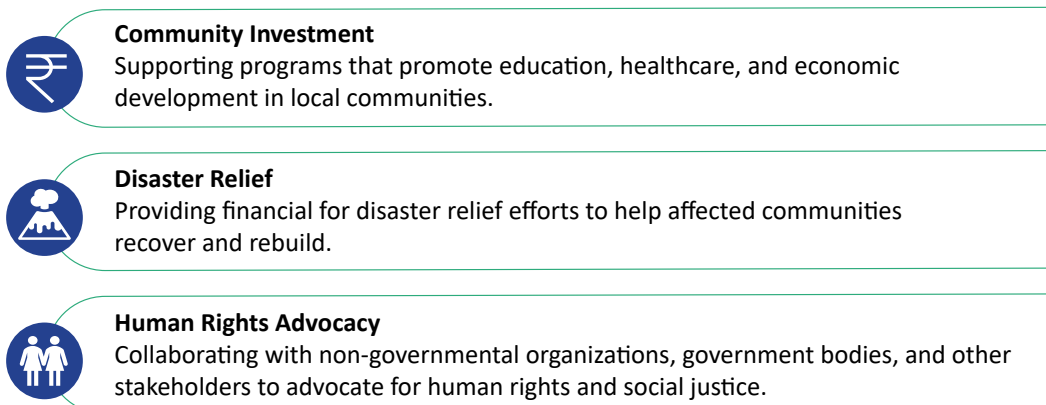
## Customer Rights and Financial Inclusion

At REC, we are dedicated to protecting the rights of our customers and promoting financial inclusion. Our initiatives include:



## Community Engagement and Social Impact

Our commitment to human rights extends beyond our immediate operations to the communities we serve.







Community Engagement events at REC



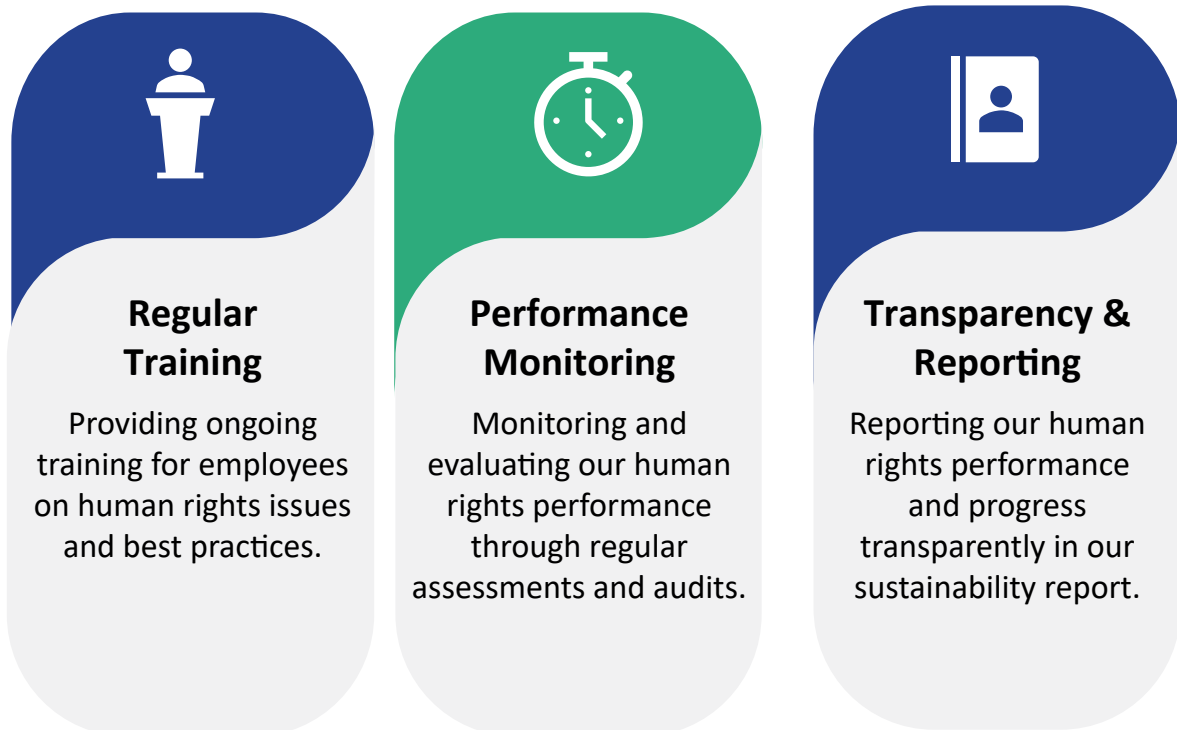
## ● Grievance Mechanisms and Remediation

We have established mechanisms to address human rights concerns and grievances effectively. These include:



## ● Continuous Improvement and Reporting

We are committed to the continuous improvement of our human rights practices.



# CSR INITIATIVES

At REC, we prioritize a balanced approach to economic, environmental, and social imperatives through our Corporate Social Responsibility (CSR) initiatives. We strive to reduce our carbon footprint and promote sustainable growth by supporting socially beneficial projects that align with the national development agenda. Our CSR efforts focus on empowering economically and socially disadvantaged communities, with a particular emphasis on issues of national concern. CSR projects are chosen in activities pertaining to inclusive growth of society, with special attention to the development of weaker sections of society and the backward districts of the country in the given chosen/focus area(s).

**REC broadly focuses on following themes:**



**Skill development**



**Education**



**Health & Wellness**



**Environmental Sustainability**



**Women Empowerment**



**Rural Development**



**Sanitation & Hygiene**

## CSR Projects in FY23-24

During FY 23-24, CSR assistance has broadly been channelized to the following major projects:

1. ₹1.23 crore for procurement and installation of medical equipment to strengthen health care service in B.K. Civil Hospital, Faridabad by District Health & Family Welfare Society (DH & FWS), Faridabad
2. ₹4.36 crore for providing job-oriented skill development training to 2000 nos. of beneficiaries belonging to economically weaker section of the society in Aurangabad, Maharashtra by Maharshi Shikshan Prasarak Mandal (MSPM).
3. ₹3.71 crore for setting up/establishment of khadi spinning, weaving and garment unit in Varanasi district of Uttar Pradesh by Khadi & Village Industries Commission (KVIC)
4. ₹2.57 crore for providing job-oriented skill development training to 1100 nos. unemployed youths belonging to SC / ST / OBC / Women / Minority / EWS / Underprivileged at various location in India by Apparel Training & Design Centre (ATDC)
5. ₹2.50 crore for expanding infrastructure for Swami Sivananda Memorial Institute of Fine Arts & Crafts (SSMI) school in Punjabi Bagh, New Delhi by Swami Sivananda Memorial Institute (SSMI).
6. ₹7.76 crore for installation of 1 MWp Solar Photovoltaic (SPV) System at various location at campus of Madurai Kamaraj University at Madhurai District of Tamil Nadu by Madurai Kamaraj University (MKU), Madhurai
7. ₹9.99 crore for construction of Sewage Treatment Plant in Advanced Centre for Treatment, Research and Education in Cancer (ACTREC) at Tata Memorial Centre, Kharghar, Navi Mumbai by Tata Memorial Centre (TMC), Navi Mumbai.
8. ₹1.46 crore for distribution of 3400 nos. of aids and appliances to especially abled person in 5 locations across the country by Shri Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS), Jaipur, Rajasthan
9. ₹9.14 crore for construction and renovation of Gandhi Memorial Hospital affiliated to Shyam Shah Medical College, at Rewa district of Madhya Pradesh by Shyam Shah Medical College (SSMC), Rewa, Madhya Pradesh.
10. ₹2.46 crore for procurement, installation & commissioning of Neuro Navigation (cranial + spinal) Machine at Neurosurgery Department in SMS Hospital, Jaipur, by Rajasthan Medicare Relief Society (RMRS), SMS Hospital, Jaipur, Rajasthan.
11. ₹5.33 crore for procurement, installation & commissioning of Digital Subtraction Angiography (DSA) Machine in SMS Hospital Jaipur by Rajasthan Medicare Relief Society (RMRS), SMS Hospital, Jaipur, Rajasthan
12. ₹3.99 crore for construction of Multipurpose Hall cum Indoor Stadium in Somdal village of Ukhrul district, Manipur by Ukhrul District Community Resource Management Society (UDCRMS)
13. ₹2.07 crore for providing job-oriented skill development training to 1500 nos. of people belonging to SC/ST/OBC/Women/ Minority/EWS at various locations of India by Confederation of Indian Industry (CII)
14. ₹1.38 crore for job-oriented skill development training to 1000 nos. beneficiaries belonging to economically weaker section of society in Mirzapur Uttar Pradesh by Matrix Society for Social Services (MASS)
15. ₹1.80 crore for installation of solar roof-top power panel and micro grids in 5 villages of Gurgaon and Mewat district of Haryana under smart-gram project by Skill Council for Green Jobs (SCGJ), New Delhi
16. ₹3.50 crore for construction and operation of shelter home with wellness facility (60 Seaters) for the care of the elderly at Shey Village, Leh- Ladakh, Jammu & Kashmir by HelpAge India (HAI), New Delhi
17. ₹4.18 crore for strengthening cancer screening and basic cancer care services in 14 Districts of Bihar by Tata Memorial Cancer Hospital (TMCH), Bihar
18. ₹2.18 crore for procurement, installation and commissioning of 32 Slice CT Scan Machine at New District Hospital, Yadgiri, Karnataka by Arogya Raksha Samithi District Hospital (ARSDH), Yadgiri
19. ₹3.34 crore for installation of 245 kW SPV system and LED lights at various locations at Sambalpur University Campus in Sambalpur, Odisha by Sambalpur University (SU), Odisha
20. ₹1.21 Crores for developing of rural areas of 3 districts of Rajasthan by deepening of wells, renovation & construction of check dams and organizing medical camps by Vanvasi Kalayan Parishad (RVKP), Udaipur

21. ₹5.19 crore for providing better health facilities to leprosy affected and other poor people by constructing and equipping Operation Theatre and Maternity Block in the Leprosy Mission Hospitals at Champa, Chhattisgarh; Faizabad, Uttar Pradesh and Vadathorasalur, Tamil Nadu by The Leprosy Mission Trust India (LMTI), New Delhi
22. ₹1.43 crore for procurement, installation & commissioning of Blood Bank Equipment/Items at Indian Red Cross Society, Warangal district of Telangana by Indian Red Cross Society (IRCS).
23. ₹1.01 crore for installation of 200 nos. of Reverse Osmosis Water Treatment Plant with 500 Liters overhead storage tank and 1 HP electrical pump in 200 nos. of Aanganwadi Kendra / Primary School in Purnea District, Bihar by Society for Advancement of Villagers Empowerment and Rehabilitation of All (SAVERA)
24. ₹15.16 crore for construction of building in SVNIRTAR to establish the Institute as a 'Centre of Excellence for Deformity Correction' in Swami Vivekanand National Institute of Rehabilitation Training and Research (SVNIRTAR), Cuttack, Odisha by Swami Vivekanand National Institute of Rehabilitation Training and Research (SVNIRTAR)
25. ₹2.91 crore for construction of compound walls and providing gates in 24 nos. of Government Schools in Mahbubnagar District of Telangana by District Magistrate(DM), Mahbubnagar.

## Skill Development

Skill development is a key aspect of our CSR strategy, as we believe in empowering marginalized communities through training and upskilling programs. Our initiatives focus on providing vocational training, mentorship, and capacity building opportunities to help individuals acquire new skills and improve their employability. These programs help beneficiaries in creating new jobs and earning a livelihood, development of soft skills, and enhance their living standards. Given below is the case study of how our skill development programs have benefited people.



### Beyond Basic Accounting: Upskilling Leads to Financial Empowerment

Asmita Gore, a 30-year-old married woman who was already employed and had a monthly income of ₹ 10,000 discovered the job-oriented skill development training through a newspaper advertisement. This opportunity piqued her interest and she decided to enroll in the course Account Assistant using Tally. After completing the training, her career took a positive turn. She secured a position as an office accountant at Vidisha Co., where she started earning ₹ 15,000, a significant increase from her previous income. More importantly, this newfound financial security brought a sense of empowerment.

Now, she could contribute to the household by paying the rent, a burden lifted from her family's shoulders. Additionally, she could now comfortably afford her daily expenses, including the commute to work, without having to constantly watch every penny. This newfound independence and the ability to support her loved ones truly improved her quality of life



## Education

Education is a powerful tool for social transformation. Our initiatives in this area aim to enhance educational opportunities for underserved communities. Education is a fundamental right and a key driver of social mobility, economic growth, and sustainable development. At REC, we support education initiatives that provide access to quality learning opportunities for marginalized communities, girls, and women. We also support initiatives for providing training and skill upgradation for teachers. Some of our initiatives to promote Education include expanding infrastructure for SSMI School in Punjabi Bagh, New Delhi.

This project was initiated in response to address the growing demand for quality education in the Punjabi Bagh area from children of disadvantaged backgrounds. These children often hail from environments where quality education is not readily available. The project's goal was to fill this void and equip these children with the necessary knowledge and skills for their growth, by addressing the space limitations in the school premises.

Here is what Neha, a teacher at SSMI and a former student as well, witnessed:

### From Student to Teacher: Witnessing Swami Sivananda Memorial Primary School's transformation to a thriving Learning Hub

Neha, a teacher at Swami Sivananda Memorial Primary School and a former student, has witnessed a significant transformation. Previously, the school had over 30 students in cramped, dilapidated classrooms. Unbearable summer heat necessitated outdoor lessons, while rainy days meant flooded classrooms. However, the construction of a new building has brought about positive changes. Students now exhibit greater enthusiasm for attending school, due to the larger, well-ventilated classrooms facilitating effective learning and extracurricular activities. Moreover, the dedicated library and computer lab provide essential resources, while the improved infrastructure eliminates weather-related disruptions, fostering a conducive learning environment that promotes both academic achievement and well-being.





## Health and Wellness

Promoting health and wellness is crucial for building resilient communities. Our health-related CSR activities focus on improving healthcare access and raising awareness about critical health issues. These initiatives have helped in providing communities with modern equipment for the Operation Theatre, Radiology, Eye OPD, Gynecology, Neonatal Intensive Care Unit (NICU), and Dental Department, better treatment of patients especially in economically weaker sections, improved quality of life of differently abled beneficiaries by enhancing mobility and independence.



### Dental Department B.K Civil Hospital, Faridabad

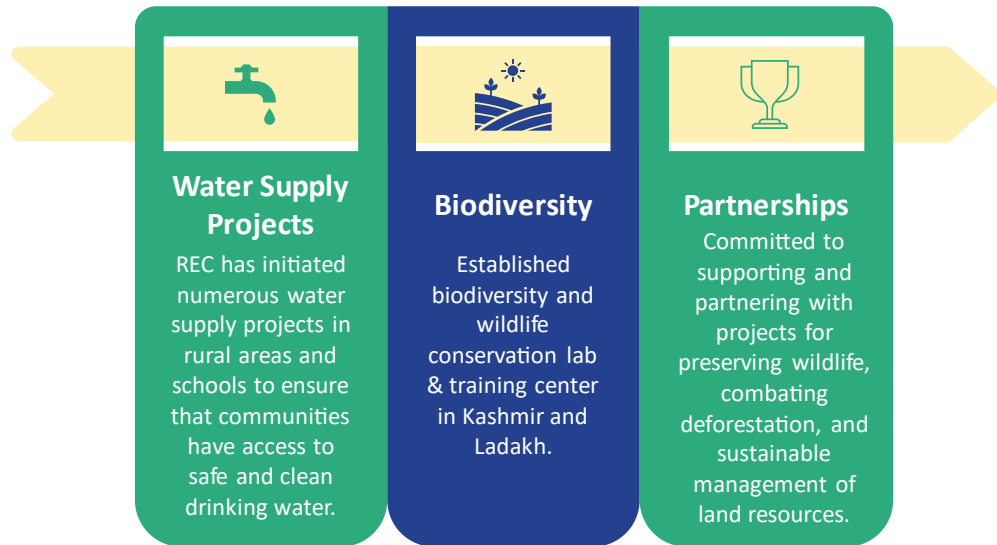
The Dental Department recently incorporated a Dental Orthopantomogram (OPG) machine, courtesy of the REC Limited's CSR Project. This case study aims to assess how this new addition has influenced the department's workflow and the level of patient satisfaction Dr Dheeraj - Dental Surgeon

	<b>02</b>	<b>Previous Situation</b>	Before the installation of the Dental OPG, the department could only perform small X-rays. This limitation often required patients to seek comprehensive imaging services outside the facility, leading to additional expenses and inconvenience.
	<b>03</b>	<b>Current Situation</b>	With the Dental OPG now operational, the department can conduct comprehensive dental imaging in-house. This advancement has significantly reduced the need for patients to go elsewhere, saving them time and money.
	<b>04</b>	<b>Dental OPG Operator Service Improvement</b>	Since the installation of the Dental OPG, the department has been able to provide imaging services to approximately 100 patients per month. This increase in capacity has enhanced the department's ability to diagnose and treat dental issues more efficiently.

## Environmental Sustainability

Environmental sustainability is integral to our CSR strategy. We are committed to minimizing our environmental footprint and promoting sustainable practices. By implementing sustainable practices and reducing their environmental footprint, companies can help mitigate the negative impacts of climate change, preserve natural resources, and create a healthier and more sustainable future for all.

We focus on Water Conservation and Supply projects, conserving biodiversity, deploying renewable sources of energy, and partnering with peers/local communities for wildlife conservation, plantation activities. These initiatives help in reduced dependence on grid electricity, significant cost savings, and a decreased carbon footprint.



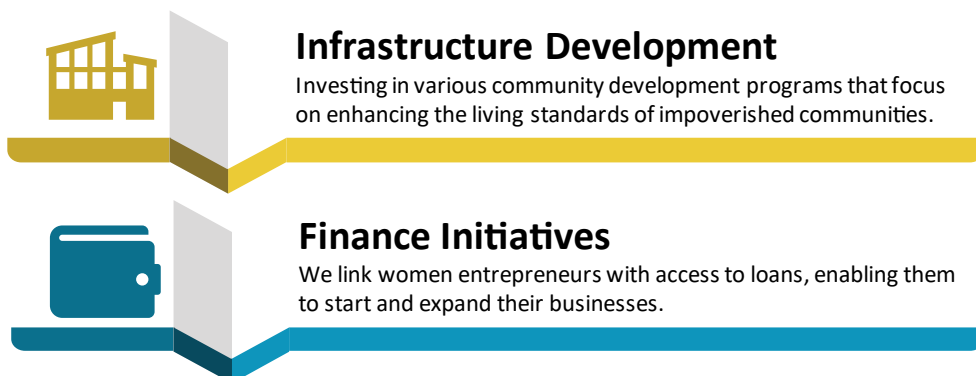
One such initiative was the successful installation of solar panels in Alipur, Dhaula, and Taj Nagar, leading to significant cost savings and reduced grid electricity dependency. Beneficiaries expressed satisfaction with the project, indicating its potential for broader sustainability efforts and energy independence.



Installation of solar panels at Alipur, Gurugram

## Rural Development

Strengthening infrastructure in rural areas and fostering economic growth are key components of our CSR efforts. REC is committed to supporting rural development through CSR initiatives that improve the quality of life for marginalized communities, promote sustainable agriculture practices, and create job opportunities in rural areas. By investing in rural development, we not only contribute to the well-being of society, but also ensure the long-term sustainability of our business.





Anju Devi, a 32-year-old from Shivpur, Varanasi, has been working at a Khadi institute for seven years. Coming from a modest background and facing financial struggles, her employment at the institute has been transformative.



She was trained in spinning, weaving, and garment production, and despite initial hesitations, she quickly adapted and became proficient. Her active involvement in the production and sale of Khadi garments has significantly improved her livelihood.



With a steady income, Anju has achieved financial independence, providing stability and security to her household. The job has also facilitated her personal development and empowerment, boosting her confidence and self-esteem.



Moreover, Anju's role has led to increased community engagement and social impact. She participates in community events promoting Khadi products and supporting local artisans, inspiring other women in her community to seek similar employment opportunities.



## Sanitation and Hygiene

REC is committed to improving sanitation and hygiene practices in the communities where we operate. Through partnerships with local organizations, we provide access to clean water and sanitation facilities, promote good hygiene habits, and educate communities on the importance of proper hygiene for better health and well-being. Our initiatives result in significant reduction in use of public distribution water, more sustainable water usage practices, enhanced water quality, awareness to beneficiaries about Water, Sanitation, and Hygiene (WASH)

### Installation of reverse osmosis plants

Before the installation of Reverse Osmosis (RO) systems, schools primarily relied on tap water, hand pumps, or students bringing water from home. There was no standardized water purification method, with many schools using water directly from the source without additional purification. The RO systems were installed to enhance drinking water quality and improve health conditions. The project has effectively improved water quality and health outcomes in schools, and has also increased awareness about Water, Sanitation, and Hygiene (WASH), potentially leading to better hygiene practices.

The example below shows the installation of 200 nos. of reverse osmosis water treatment plant with 500 liters overhead storage tank and 1 hp electrical pump in 200 nos. of Anganwadi Kendra/ primary school in Purnea district, Bihar.





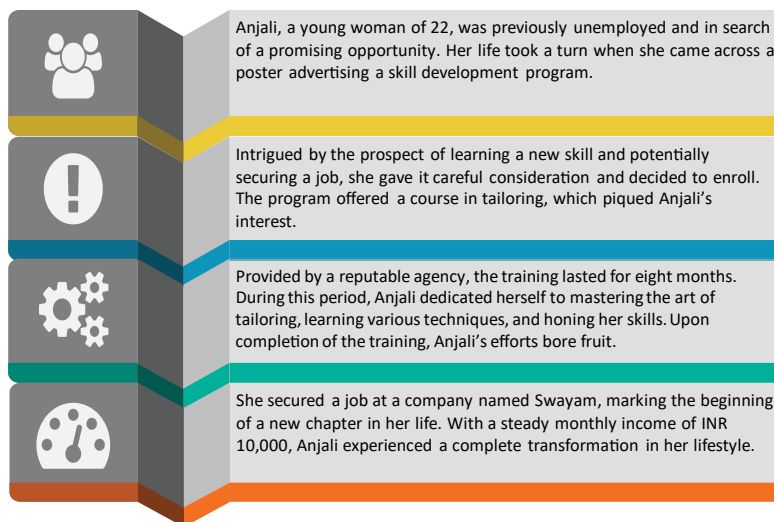
## Women Empowerment

Our company is committed to empowering women through various CSR initiatives, including vocational training programs, mentorship opportunities, and financial support. We believe that empowering women is essential for creating a more equitable and sustainable society, and we are dedicated to helping them achieve their full potential.



Our initiatives for Women Empowerment

The following example of Anjali depicts our commitment to women empowerment and overall community,



## Impact Assessment and Reporting

Our company is committed to empowering women through various CSR initiatives, including vocational training programs, mentorship opportunities, and financial support. We believe that empowering women is essential for creating a more equitable and sustainable society, and we are dedicated to helping them achieve their full potential.

01

### Impact Assessment Report

REC Prepares Impact Assessment Reports to assess the impact created by the CSR projects, identify, and highlight the areas of improvement in different CSR projects to enable better project monitoring and tracking.

02

### Annual CSR Report

Our detailed CSR report highlights our achievements, challenges, and future, providing stakeholders with comprehensive insights into our CSR activities.



## CSR Case Study and Impact Assessment Study

In the FY 2023-24, REC has undertaken numerous impactful CSR projects across healthcare, education, environmental sustainability, and rural development, reflecting our commitment to sustainable development and community welfare. In healthcare, we enhanced medical facilities and provided essential supplies to improve patient care. Our education initiatives were aimed at enhancing the overall educational experience for students and fostering academic excellence. In rural development, we focused on uplifting communities in need through various support programs and awareness initiatives. Our environmental sustainability efforts include provision of sustainable energy systems to institutions and communities, promoting renewable energy and reducing carbon footprints.

CSR Impact assessments are conducted at the end of the financial year for all executed CSR projects to evaluate their effectiveness and benefits. These assessments help us understand the extent to which our initiatives have positively impacted the targeted communities and guide us in improving future projects. Through these ongoing efforts, we aim to create a meaningful and lasting impact, contributing to the overall development and well-being of society. Our commitment to CSR reflects our dedication to not only addressing immediate needs but also building sustainable systems for long-term benefits.

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**REC spent Rs 255.01cr on CSR projects for FY 23-24 (including excess spent of Rs 7.70cr carried forward from the previous year), overall accounting for 2% of the company's average net profit.**

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## CSR initiatives taken by REC in aspirational districts

Sr. no.	State	Aspirational District	Amount spent (In INR)
1	Andhra Pradesh	Kadapa	12,503,012
2	Bihar	Muzaffarpur	97,620,154
3	Himachal Pradesh	Chamba	3,263,645
4	Madhya Pradesh	Chhatarpur	2,311,990
5	Madhya Pradesh	Khandwa	(-)776,944
6	Maharashtra	Gadchiroli	2,560,000
7	Mizoram	Mamit	15,193,266
8	Nagaland	Kiphire	21,473,162

Note: An "Aspirational District" is a designation by the Government of India aimed at improving the socio-economic status (health & nutrition, education, agriculture & water resources, financial inclusion & skill development) of districts that are relatively underdeveloped.

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**In FY2024, our CSR endeavors reached an astounding 7,88,295 beneficiaries, underscoring our unwavering commitment to social progress.**

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# SUSTAINABLE SUPPLY CHAIN

A sustainable supply chain is vital for ensuring that our operations and procurement practices are environmentally responsible, socially equitable, and economically viable. At REC, we recognize that our supply chain has a significant impact on our sustainability goals. Therefore, we are committed to integrating sustainable practices throughout our supply chain, to minimize our environmental footprint and enhance social welfare. In this regard, REC has formulated a sustainable procurement policy designed to integrate sustainability into procurement processes, ensuring that all purchases are made with environmental, social, and economic considerations in mind.

## Supplier Selection and Assessment

Selecting the right suppliers is the first step in building a sustainable supply chain. Our supplier selection process prioritizes sustainability and ethical practices.

- **Sustainability Criteria:** As part of our selection criteria, we place greater emphasis on evaluating suppliers based on their environmental practices, labour practices, and adherence to ethical standards.
- **Supplier Evaluation:** Conducting supplier evaluation to verify that suppliers meet REC's sustainability standards and goals.

## Environmental Responsibility

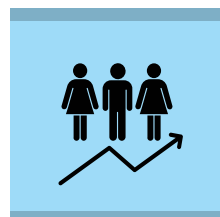
Minimizing the environmental impact of our supply chain is a key priority. Our initiatives focus on reducing carbon emissions, waste, and resource consumption.

- **Sustainable Procurement:** REC collaborates closely with suppliers to reduce waste, improve efficiency, reduce carbon footprint, and engages to understand their commitment towards human rights and labour practices thus working towards greater integration of E&S considerations in procurement practices. REC makes efforts to procure products which are recycled, environmentally friendly, energy efficient and locally sourced.
- **Waste Management:** Collaborating closely with suppliers to implement effective waste management practices. This includes recycling programs and initiatives to reduce packaging waste in the supply chain.

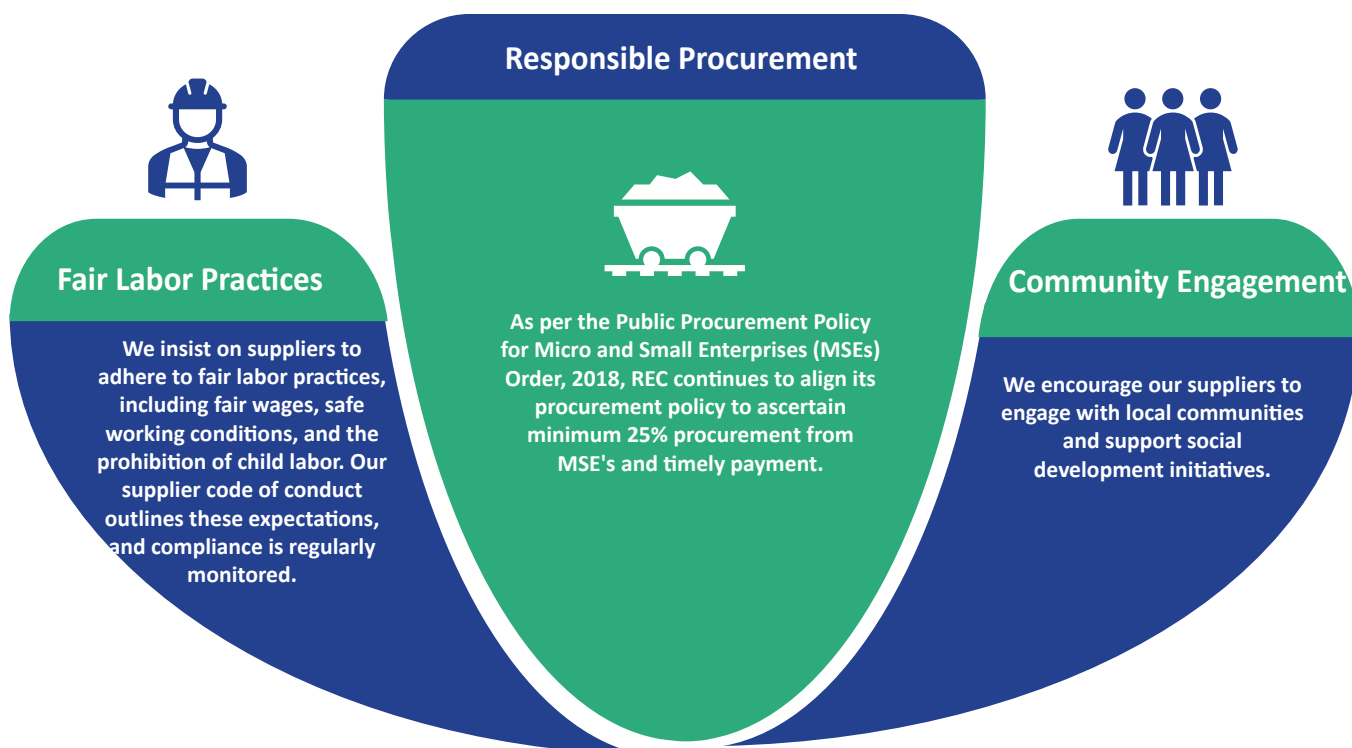


## Social Responsibility

Ensuring fair labor practices and promoting social equity within our supply chain is essential to our sustainability strategy.



**29%**  
Input materials  
from MSMEs



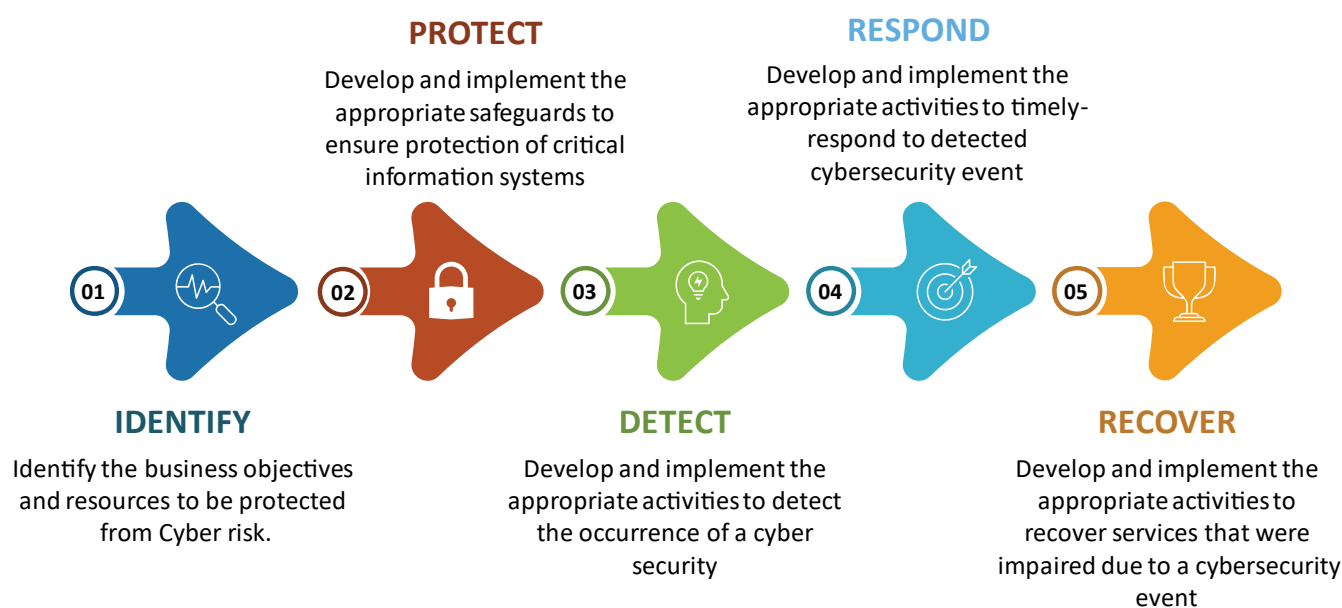
Employee engagement and trainings at REC

# DATA PRIVACY

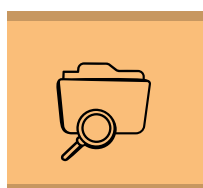
Data privacy and cybersecurity are critical as REC oversees confidential financial and project-related information of clients while processing financing requests. Protecting data and ensuring compliance with data privacy regulations are essential for maintaining trust and avoiding legal and reputational risks. Robust cybersecurity measures are necessary to safeguard against data breaches and cyberattacks, which could disrupt operations and harm stakeholders.

By prioritizing data privacy and cybersecurity, REC can mitigate risks, preserve its reputation, and demonstrate a commitment to protecting stakeholders' information, which is crucial for sustaining trust and business continuity. We have implemented stringent cybersecurity measures and strong governance around information security and data privacy. Regular audits and frequent training are integral parts of our approach, as documented in REC's Cyber Security Policy. This policy outlines management directives on appropriate security controls and provides support for addressing cyber threat risks within departments and business processes. In case of cyber-attacks, REC has established a comprehensive framework of technical measures and procedural compliances to secure our IT and cybersecurity management.

Key Principles that form core of Cyber security Policy at REC comprises of the following,



We regularly review and update our data privacy policy and practices to meet compliance requirements and evolving regulations. Continuous monitoring across our IT systems and prompt responses when necessary have helped us maintain the security of our systems. We also organize training programs, awareness sessions for our employees to keep them updated about company objectives towards cybersecurity.



**Zero**  
Complains  
received on data  
privacy







## FOSTERING RESPONSIBLE DECISIONS

# CORPORATE GOVERNANCE AND BUSINESS ETHICS

Corporate governance is the cornerstone of REC's commitment to maintaining transparency, accountability, and integrity in all our operations. It is a critical aspect that ensures our business is conducted in a manner that protects and enhances stakeholder value, promotes ethical conduct, and complies with legal and regulatory requirements. Our governance framework is designed to foster a culture of good corporate citizenship, operational excellence, and sustainable growth.

REC adheres to all necessary requirements for corporate governance as outlined in the Companies Act of 2013 (the "Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations of 2015 (the "Listing Regulations"), the Department of Public Enterprises' Guidelines on Corporate Governance for Central Public Sector Enterprises (the "DPE Guidelines on Corporate Governance"), and the Institute of Company Secretaries of India's Secretarial Standards (the "Secretarial Standards"). Furthermore, the company goes beyond these minimum requirements by following most of the non-mandatory guidelines set forth by the Securities and Exchange Board of India (SEBI).



## Governance Structure

Our governance structure is robust, ensuring effective oversight and strategic direction for the company. It is designed to support the company's long-term goals and maintain a prominent level of trust with stakeholders. The primary elements of our governance structure include the Board of Directors and its various committees. Each committee plays a critical role in overseeing specific areas of our operations, ensuring that REC adheres to the highest standards of governance. This multi-faceted approach allows us to address diverse aspects of our business, thereby fostering a culture of transparency, accountability, and sustainable growth.

## Board of Directors and Expertise of the Board

REC's Board of Directors comprises a diverse group of experienced professionals who bring a wide range of skills and expertise. The Board of Directors is constituted in compliance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 "Listing Regulations" and is in accordance with best practices in Corporate Governance. As on 31st March 2024, the Board comprised of eight (8) Directors including Four Independent Directors. Our Board is led by a group of highly qualified professionals with a strong background in corporate governance, including expertise in finance, banking, risk management, corporate law, and strategic planning. This diverse skill set ensures comprehensive oversight and strategic guidance for REC.

## Board of Director



**Shri Vivek Kumar Dewangan**  
Chairman and Managing Director



**Shri Vijay Kumar Singh**  
Director (Projects)



**Shri Narayanan Thirupathy**  
Independent Director



**Shri Shashank Misra**  
Government Nominee Director



**Shri Manoj Sharma**  
Nominee Director of  
Power Finance Corporation Limited



**Dr. Gambheer Singh**  
Independent Director



**Dr. Manoj Manohar Pande**  
Independent Director



**Dr. Durgesh Nandini**  
Independent Director









































































Name of the Director	Position	Meetings Held during tenure	Meetings Attended
<b>Shri Vivek Kumar Dewangan</b> (Additional charge as Director (Finance) from Feb 1, 2024- May 13, 2024)	Chairman & Managing Director	13	13
<b>Shri Vijay Kumar Singh</b>	Director (Projects)	13	13
<b>Shri Ajoy Choudhary</b> (upto January 31, 2024)	Director (Finance)	12	12
<b>Shri Shashank Misra</b> (w.e.f August 21, 2023)	Government Nominee Director	9	5
<b>Shri Piyush Singh</b> (upto August 21, 2023)	Government Nominee Director	4	2
<b>Shri Manoj Sharma</b> (w.e.f July 11, 2023)	Nominee Director of PFC	10	8
<b>Smt. Parminder Chopra</b> (upto July 11, 2023)	Nominee Director of PFC	3	1
<b>Dr. Gambheer Singh</b>	Independent Director	13	13
<b>Dr. Manoj Manohar Pande</b>	Independent Director	13	13
<b>Dr. Durgesh Nandini</b>	Independent Director	13	13
<b>Shri Narayanan Thirupathy</b>	Independent Director	13	13

## ● Key Qualifications of the Board

The board of directors of REC is composed of individuals who bring a diverse array of skills, educational backgrounds, and professional experiences to the table. Each board member has a deep understanding and expertise in the areas of climate change and ESG, having gained substantial knowledge and experience in these fields through their various professional endeavors. This competency mapping highlights the specific areas of expertise held by each board member.

Icons	Areas of expertise
	Financial Management
	Power sector domain expertise
	Project appraisal
	Corporate Planning & Strategy
	Risk Management
	Leadership
	Board practices & Governance
	Business Development
	Environment & Social

## ● Competency mapping of REC's board management

Name of the Director	Competencies
<b>Shri Vivek Kumar Dewangan</b> Chairman & Managing Director	        
<b>Shri Vijay Kumar Singh</b> Director (Projects)	        
<b>Shri Shashank Misra</b> Government Nominee Director (w.e.f August 21, 2023)	        
<b>Shri Manoj Sharma</b> Nominee Director of PFC (w.e.f July 11, 2023)	        
<b>Dr. Gambheer Singh</b> Independent Director	        
<b>Dr. Manoj M. Pande</b> Independent Director	        
<b>Dr. Durgesh Nandini</b> Independent Director	        
<b>Shri Narayanan Thirupathy</b> Independent Director	        



## ● Familiarization Programs for Directors

To ensure that our directors are adequately prepared for their roles, we provide induction programs for new Directors and ongoing familiarization programs for existing Directors. These programs are designed to keep them up to date on the latest industry developments, regulatory changes, and company-specific matters.

As part of our commitment to effective governance, we have established a structured orientation program for Independent Directors upon their joining, which familiarizes them with the company's operations, business, and the regulatory environment in which it operates. We also keep Board Members informed of any significant changes in the regulatory environment, ESG updates and provide them with the necessary insights to fulfill their roles effectively, making well-informed and timely decisions that contribute to the company's success. These programs include:

### Introduction to the company's products and services:

Provide an overview of the offerings, including their features, benefits, and target market.

### Company structure and governance:

Explaining organizational structure, including the roles and responsibilities of different departments and the board of directors.

### Financial performance and projections:

Provide an overview of financial performance, including revenue, profitability, and expenses. Discuss the company's financial projections and strategies for growth.

### Risk management:

Explaining REC's approach to risk management, including its risk assessment and mitigation strategies.

### Compliance and regulatory requirements:

Provide an overview of the regulatory framework, including any relevant laws, rules, and standards. Briefing REC's compliance policies and procedures.

### Industry trends and market analysis:

Discuss current trends and developments in the finance industry, including market size, growth prospects, and competition.

### Strategic planning and decision-making:

Detailing the strategic planning process, including how decisions are made and how they are aligned with REC's overall goals and objectives.

### Performance measurement and evaluation:

Briefing how REC measures and evaluates performance, including key performance indicators (KPIs) and performance metrics.

### Board of directors' role and responsibilities:

Explaining the role and responsibilities of the board of directors, including their oversight of REC's operations, financial reporting, and risk management.

### Corporate governance practices:

Discuss REC's corporate governance practices, including its code of conduct, ethics policy, and whistleblower policy.

## ● Independent Directors

Our Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and are Independent of the Management. The independent directors play a crucial role in providing unbiased and objective judgment. They ensure that the interests of all stakeholders are protected and that the company adheres to the highest standards of corporate governance. The independent directors meet regularly to discuss key issues and provide their insights to the Board.

In Compliance with the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on March 16, 2024. As on March 31, 2024, our Board comprised of 50% independent directors.

The Independent Directors of REC met to evaluate the performance of both Independent and Non-Independent Directors, as well as the entire Board, assessed the performance of the Chairman, considering the opinions of both Executive and Non-Executive Directors, and evaluated the quality, quantity, and timeliness of communication between REC's management and the Board.

Director	Meetings Held during tenure	Meetings Attended
Dr. Gambheer Singh	13	13
Dr. Manoj Manohar Pande	13	13
Dr. Durgesh Nandini	13	13
Shri Narayanan Thirupathy	13	13

## Board Level Committees

The Board of Directors of the company functions as a unified body, while also dividing its responsibilities among various committees to oversee several aspects of business and governance. Each committee is established with specific terms of reference approved by the Board, which outline the committee's composition, scope of work, and decision-making authority. These committees meet regularly and as needed to make informed decisions within their designated areas of responsibility, while remaining within the limits of their delegated authority.

**Audit Committee**

**Nomination and Remuneration Committee**

**Stakeholders Relationship Committee**

**Risk Management Committee**

**Corporate Social Responsibility Committee**

**Committee for Investment/Deployment of Surplus Funds**

**Asset Liability Management Committee**

**IT Strategy Committee**

**Sub-committee to ensure compliance of Govt directives on 'Make in India'**

**Perpetual Debt Instrument Committee**

**Share Transfer Committee**

## ● Audit Committee

REC has constituted an Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013, Regulation 18 of SEBI LODR Regulations and DPE Guidelines on Corporate Governance. The Audit Committee plays a vital role in overseeing the financial reporting process, internal controls, and audit functions. As on March 31, 2024, the committee consisted of 3 members, out of which 2 were independent directors. Key responsibilities of the committee include:

- To oversee and review financial statements and disclosures of REC.
- Monitoring the effectiveness of internal control systems
- Overseeing the internal and external audit processes
- Ensuring compliance with legal and regulatory requirements

**The terms of reference of the Audit Committee are as under:**

- To comply with the requirements in accordance with Section 177 of the Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, amended from time to time;
- To comply with the requirements relating to Audit Committee as envisaged in listing Regulations, as amended from time to time;
- To comply with the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, as notified by the DPE, as amended from time to time; and
- To comply with any other applicable provisions, as amended from time to time, relating to the Audit Committee.

### The composition of Audit Committee

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
<b>Dr. Gambheer Singh</b> (Independent Director)	Chairperson	9	9
<b>Shri Manoj Sharma</b> (PFC Nominee Director, w.e.f July 11, 2023)	Member	7	6
<b>Dr. Durgesh Nandini</b> (Independent Director)	Member	9	9
<b>Smt. Parminder Chopra</b> (PFC Nominee Director, upto July 11, 2023)	Member	2	2

## ● Nomination and Remuneration Committee

REC being a Central Public Sector Enterprise (CPSE), as per the Articles of Association of the Company, the appointment, tenure, and remuneration of CMD, Whole-time Directors and other Directors are decided by the President of India and communicated by the Administrative Ministry i.e., MoP. REC has constituted a Nomination & Remuneration Committee (NRC) in accordance with the provisions of Section 178 of the Companies Act, 2013, Regulation 19 of SEBI LODR Regulations and DPE Guidelines on Corporate Governance. NRC is tasked with ensuring the board and senior management composition is optimal and aligns with the company's strategic objectives. As on March 31, 2024, the committee consisted of 4 members, all of them being independent directors. Key responsibilities of the committee include:

- Identifying and recommending candidates for the Board.
- Evaluating the performance of the Board and senior management.
- Formulating and reviewing remuneration policies.
- Ensuring succession planning for key roles.

The terms of reference of NRC, to the extent applicable to REC, are as under:

- To comply with the requirements in accordance with Section 178 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time;
- To comply with the requirements relating to Nomination and Remuneration Committee as envisaged in listing Regulations, as amended from time to time; and
- To comply with the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 including to decide the quantum of annual bonus, variable pay and policy for ESOP scheme, pension scheme, etc. within the prescribed limits across Whole-time Directors, executive and non-unionized supervisors, as notified by the DPE and as amended from time to time.

### The composition of Nomination and Remuneration Committee

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
<b>Dr. Manoj Manohar Pande</b> (Independent Director)	Chairperson	5	5
<b>Dr. Gambheer Singh</b> (Independent Director)	Member	5	5
<b>Dr. Durgesh Nandini</b> (Independent Director)	Member	5	5
<b>Shri Narayanan Thirupathy</b> (Independent Director)	Member	5	5

### Stakeholders Relationship Committee

REC has constituted a Stakeholders Relationship Committee (SRC), in terms of the provisions of Section 178 of the Companies Act, 2013, Regulation 20 of SEBI LODR Regulations and other applicable laws. As on March 31, 2024, the committee consisted of 3 members, out of which 1 was an independent director. Key responsibilities of the committee include:

- Redressal of requests, complaints or grievances from various security holders including shareholders and debenture holders, such as non-receipt of dividend credit / warrants, non-receipt of interest on debentures etc.,
- Ensuring timely and accurate communication with stakeholders.
- Overseeing the implementation of best practices in stakeholder engagement.
- Reviewing and approving policies related to stakeholder relations.

### The composition of Stakeholder Relationship Committee

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
<b>Dr. Durgesh Nandini</b> (Independent Director)	Chairperson	2	2
<b>Shri Manoj Sharma</b> (Nominee Director PFC, w.e.f March 1, 2024)	Member	0	0
<b>Shri Ajoy Choudhury</b> (Director (Finance), upto January 31, 2024)	Member	2	2
<b>Shri Vijay Kumar Singh</b> Director (Projects)	Member	2	2



## ● Risk Management Committee

The Risk Management Committee (RMC) has been constituted in line with the provisions of Regulation 21 of SEBI LODR Regulations, to manage the integrated risk of the organization. The Risk Committee oversees the company's risk management framework, ensuring that risks are identified, assessed, and mitigated effectively. As on March 31, 2024, the committee consisted of 4 members, out of which 2 were independent directors. Key responsibilities of the committee include:

- To manage integrated risk.
- To identify various risks likely to arise, evaluate overall risks faced by REC including liquidity risk, monitor and review the risk management plan, policies and practices followed by REC from time to time.
- To oversee the mitigation of various risks and to perform all other risk management functions, which shall also cover cyber security.
- To perform any other required function for compliance of applicable statutory provisions issued by RBI, SEBI, MCA and/or any other agencies, from time to time.

### The Composition of Risk Management Committee

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
<b>Shri Vivek Kumar Dewangan</b> (Chairman & Managing Director)	Chairperson	3	3
<b>Dr. Gambheer Singh</b> (Independent Director, w.e.f March 27, 2024)	Member	0	0
<b>Dr. Manoj Manohar Pande</b> (Independent Director)	Member	3	3
<b>Shri Ajoy Choudhury</b> (Director (Finance), upto January 31, 2024)	Member	3	3
<b>Shri Vijay Kumar Singh</b> Director (Projects)	Member	3	2

## ● Corporate Social Responsibility Committee

As per the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder and Guidelines on Corporate Social Responsibility for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, the Board of Directors of the Company has constituted a 'Corporate Social Responsibility Committee' (CSR Committee). As on March 31, 2024, the committee consisted of 3 members, out of which 2 were independent directors. Key responsibilities of the committee include:

- To monitor the CSR Policy of REC from time to time.
- To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) of the Companies Act, 2013.
- To recommend / review CSR projects / programs / proposals, falling within the purview of Schedule VII of the Companies Act, 2013.
- To institute a transparent monitoring mechanism for implementation of the CSR projects / programs / activities undertaken by REC.
- To assist the Board of Directors to formulate strategies on CSR initiatives of REC.
- To approve the content of annual report on CSR activities as per performa given in the Rules, inter-alia covering responsibility statement that the implementation and monitoring of CSR Policy, follows CSR objectives and Policy of REC.
- To periodically submit the reports to the Board of Directors for their information, consideration, and necessary directions.
- To comply with the other requirements of the Corporate Social Responsibility Policy, as amended from time to time.

### The composition of CSR Committee

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
<b>Dr. Manoj Manohar Pande</b> (Independent Director)	Chairperson	9	9
<b>Dr. Durgesh Nandini</b> (Independent Director)	Member	1	1
<b>Shri Ajoy Choudhury</b> (Director (Finance), upto January 31, 2024)	Member	8	8
<b>Shri Vijay Kumar Singh</b> Director (Projects)	Member	9	9

### ● Committee for Investment/Deployment of Surplus Funds

The Committee for Investment / Deployment of Surplus Funds has been constituted for the purpose of approving investment / deployment of short-term surplus funds of ₹1,000 crore and above in single instance in Certificate of Deposits or ₹2,000 crore and above in Mutual Funds and Fixed Deposits at any time.

### The composition of the Committee for Investment / Deployment of Surplus Funds

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
<b>Shri Vivek Kumar Dewangan</b> (Chairman & Managing Director)	Chairperson	No meetings held in FY 2023-24.	
<b>Shri Ajoy Choudhury</b> (Director (Finance), upto January 31, 2024)	Member		
<b>Shri Vijay Kumar Singh</b> Director (Projects)	Member		

### ● Asset Liability Management Committee

In pursuance of the RBI guidelines on Asset Liability Management (ALM) system for NBFCs, the Company has constituted an Asset Liability Management Committee (ALCO). The ALCO monitors risks related to liquidity, interest rates and currency rates with the help of ALM support group, which provides various reports on liquidity gap analysis, interest rate sensitivity analysis and foreign currency movements etc., ensuring financial stability and regulatory compliance.

### The composition of Asset Liability Management Committee

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
<b>Shri Vivek Kumar Dewangan</b> (Chairman & Managing Director)	Chairperson	3	3
<b>Shri Ajoy Choudhury</b> (Director (Finance), upto January 31, 2024)	Member	3	3
<b>Shri Vijay Kumar Singh</b> Director (Projects)	Member	3	3
<b>Executive Director</b> (Resources)	Member	3	3
<b>Executive Director</b> (Private/State Operations)	Member	3	3
<b>ED / CGM</b> (ALM)	Member	3	3
<b>ED &amp; CRO</b>	Member	3	2

### ● IT Strategy Committee

In compliance with RBI's Master Directions for NBFCs, the Board of Directors has constituted an IT Strategy Committee (ITSC). The role of ITSC includes monitoring the methods to determine the IT resources needed to achieve strategic goals and to provide high-level direction for sourcing and use of IT resources & approving IT strategy and policy documents. As on March 31, 2024, the committee consisted of 2 members, both being independent directors.

### The composition of IT Strategy Committee

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
<b>Shri Narayanan Thirupathy</b> (Independent Director)	Chairperson	3	3
<b>Dr. Gambheer Singh</b> (Independent Director)	Member	3	3
<b>Executive Director (IT) (CIO)</b>	Member	3	3
<b>HOD (IT)/ISMS Officer (CTO)</b>	Member	3	3
<b>External Technical Expert</b>	Member	3	3

### ● Sub-committee to Ensure Compliance of Government of India Directives on "Make in India"

The Board of REC has constituted Sub-committee to ensure compliance of Government of India's directives on 'Make in India', to inter-alia, scrutiny/review the tender notices, as and when being floated by REC or its subsidiaries, valuing ₹250 crore or above.

### The composition of this committee

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
<b>Government Nominee Director</b>	Chairperson	One meeting was held in FY 2023-24.	
<b>Shri Ajoy Choudhury</b> Director (Finance)	Member		
<b>Nominee Director of PFC</b>	Member		

### ● Perpetual Debt Instrument Committee

In line with the Board-approved “Perpetual Debt Instrument Policy”, the Company has raised Perpetual Debt Instruments to the tune of ₹558.40 crore in January 2021, which are unsecured, subordinated, non-convertible instruments. In compliance with the said policy, a Committee has been constituted to decide upon the payment/non-payment of coupon on the Perpetual Debt Instruments after considering different factors.

### The composition of Perpetual Debt Instrument committee

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
<b>Shri Vivek Kumar Dewangan</b> (Chairman & Managing Director)	Chairperson	1	1
<b>Shri Ajoy Choudhury</b> Director (Finance)	Member	1	1
<b>Director (Project)</b>	Member	1	1

### ● Share Transfer Committee

The Share Transfer Committee considers requests for transmission, transposition, splitting and consolidation of shares exceeding 500 equity shares per individual in each case under the physical segment and for issue of duplicate share certificates.

### The composition of Share Transfer committee

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
<b>Shri J.S. Amitabh</b> (Executive Director & Company Secretary)	Member	No meetings held in FY 2023-24.	
<b>Shri Daljeet Singh Khatri</b> (Executive Director - Finance)	Member		

## Business Ethics

REC's unwavering commitment to ethical business practices is a hallmark of its organizational culture, which has consistently prioritized high standards of professionalism, growth, and shareholder equity while upholding principles of fairness, ethics, and good corporate governance.

### ● Integrity and Ethical Conduct

Integrity is a cornerstone of REC's business ethics, and we are committed to fostering a culture that upholds the highest ethical standards in all interactions with stakeholders. To maintain these standards, we prioritize building trust and credibility with our stakeholders and protecting our reputation as a responsible and ethical business. To accomplish this, we have established a detailed set of policies and procedures.



#### **Fair Practice Code**

Our Fair Practice Code ensures transparency, fairness, and ethical conduct in all dealings with customers, promoting trust and integrity within the organization.



#### **Whistle Blower Policy**

The Whistle Blower Policy provides a secure and confidential channel for employees to report unethical practices and misconduct, safeguarding the company's integrity.



#### **Code of Business Conduct Ethics for BoD/Senior Management**

Our Code of Business Conduct Ethics outlines the principles and standards that guide Board of Directors and senior management in their decision-making and professional conduct.



#### **Conduct, Discipline, and Appeal Rules**

The Conduct, Discipline, and Appeal Rules establish a framework for maintaining professional discipline, integrity and duty, ensuring a fair and respectful workplace.



#### **Code of Ethics**

Our Code of Ethics defines the core values and ethical standards that all employees must adhere to, fostering a culture of integrity and accountability.



#### **Nomination and Remuneration Policy**

Nomination and Remuneration Policy outlines the criteria, process for selecting and compensating directors, senior executives, ensuring alignment with organizational goals.



#### **Anti-Corruption/Anti-Bribery Policy**

Our Anti-Corruption/Anti-Bribery Policy strictly prohibits any form of bribery and corruption, reinforcing our commitment to ethical business practices and legal compliance.



## ESG Governance

Environmental, Social, and Governance (ESG) governance is a critical aspect of our commitment to sustainable and responsible business practices. Our approach to ESG governance is designed to integrate environmental stewardship, social responsibility, and robust governance practices into all aspects of our operations. By embedding ESG principles into our corporate strategy, we aim to create long-term value for our stakeholders and contribute positively to society and the environment. As we continue to evolve and enhance our ESG governance framework, we remain focused on achieving our sustainability objectives and driving positive change in the communities we serve.



### ● Governance Structure for ESG

Our ESG governance framework is supported by a robust governance structure that ensures effective oversight and accountability. Key elements of this structure include:



#### Board Oversight

The Board of Directors plays a crucial role in overseeing our ESG strategy and performance. The board regularly reviews ESG-related risks and opportunities and ensures that our ESG initiatives are aligned with our overall business strategy.



#### ESG Committee

We have established an ESG Committee responsible for driving our ESG agenda. The committee comprises senior executives from various functions, ensuring a holistic approach to ESG integration across the organization. The committee meets regularly to review ESG performance, set strategic priorities, and monitor progress against our ESG goals.



#### ESG Policies and Procedures

We have developed comprehensive ESG policies and procedures that guide our actions and decisions. These policies cover a wide range of areas, including environmental management, social responsibility, ethical business conduct, and corporate governance. Our policies are regularly reviewed and updated to reflect evolving best practices and regulatory requirements.



#### Training and Awareness

To ensure effective implementation of our ESG governance framework, we provide ongoing training and awareness programs for our employees. These programs enhance our employees' understanding of ESG issues and equip them with the knowledge and skills needed to integrate ESG considerations into their daily work.



#### Performance Monitoring

REC tracks ESG performance through a quarterly report called the Action Taken Report (ATR) of ESG Targets. This report provides a detailed account of progress made towards achieving company's ESG goals, which are aligned with the UN SDGs. By monitoring performance on regular basis, we can identify areas of improvement and take corrective actions to ensure continued commitment to sustainability.



#### Target Setting

REC is committed to proactively addressing key sustainability challenges by setting annual ESG targets, action plans, and outcomes in its ESG Target Booklet. This comprehensive document outlines the specific goals and strategies REC will implement to ensure continuous improvement in ESG performance.

# REC'S POLICIES MAPPED TO BRSR PRINCIPLES

BRSR Principles	Description																				
P1	<b>Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.</b> REC conducts its business activities with utmost importance to ethics, transparency, and accountability. The various policies, codes and rules framed in this regard include:																				
	<table><tr><th>Name of the Policy</th><th>Weblink</th></tr><tr><td>Internal Guidelines on Corporate Governance</td><td><a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a></td></tr><tr><td>Policy for Prevention of Fraud</td><td><a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a></td></tr><tr><td>Whistle Blower Policy</td><td><a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a></td></tr><tr><td>Code of Business Conduct and Ethics</td><td><a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a></td></tr><tr><td>Fair Practices Code</td><td><a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a></td></tr><tr><td>Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions</td><td><a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a></td></tr><tr><td>Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives and for Fair Disclosure</td><td><a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a></td></tr><tr><td>Policy on ‘fit &amp; proper’ criteria of Directors</td><td><a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a></td></tr><tr><td>REC ESG policy</td><td><a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a></td></tr></table>	Name of the Policy	Weblink	Internal Guidelines on Corporate Governance	<a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a>	Policy for Prevention of Fraud	<a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a>	Whistle Blower Policy	<a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a>	Code of Business Conduct and Ethics	<a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a>	Fair Practices Code	<a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a>	Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions	<a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a>	Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives and for Fair Disclosure	<a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a>	Policy on ‘fit & proper’ criteria of Directors	<a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a>	REC ESG policy	<a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a>
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	REC ESG policy	<a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a>																			
	In addition to the above, there are other policies and rules, which are internal documents of the Company and are accessible to the employees of the Company on Intranet.																				
P2	<b>Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.</b> The Company is a NBFC offering financial products, which include loans to renewable energy projects for environmental sustainability. Details of the Company’s products & services are available at <a href="https://recindia.nic.in/financial-products">https://recindia.nic.in/financial-products</a> Further, CSR Policy of the Company is available at <a href="https://recindia.nic.in/csr-sustainability-policy">https://recindia.nic.in/csr-sustainability-policy</a> REC also has a Sustainable procurement policy outlining ESG guidelines and human rights requirements for suppliers. The policy is available at <a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a>																				
P3	<b>Businesses should promote the well-being of all employees.</b> The Company has adopted various employee-oriented policies in line with the general laws and regulations and sound ethical practices. Such policies are normally approved by the Board of Directors and are accessible to the employees of the Company on the intranet. Our ESG policy is available at <a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a>																				
P4	<b>Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.</b> The Company respects the interest of all its stakeholders, including those who are disadvantaged, vulnerable & marginalized. Link for our stakeholder engagement policy ( <a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a> ) and stakeholder grievance redressal policy ( <a href="https://recindia.nic.in/grievances">https://recindia.nic.in/grievances</a> ). The Company works towards inclusive growth through its CSR Policy approved by the Board of Directors. The CSR Policy is available at <a href="https://recindia.nic.in/csr-sustainability-policy">https://recindia.nic.in/csr-sustainability-policy</a>																				

BRSR Principles	Description
P5	<p><b>Businesses should respect and promote human rights.</b></p> <p>REC strives to safeguard and uphold human rights in all ways possible. REC's human rights policy is available at <a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a></p> <p>The Company has a Code of Business Conduct &amp; Ethics for its Board Members and Senior Management, which, inter-alia, casts moral imperative on the members of senior management to keep in mind the safety and protection of human life and environment and to avoid discrimination on any grounds. The said Code is available at <a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a></p>
P6	<p><b>Businesses should respect, protect, and make efforts to restore the environment.</b></p> <p>As a financial institution in the power sector, REC has been increasingly supporting the development of renewable energy space. REC's financing norms for renewable energy are available at <a href="https://recindia.nic.in/financial-products">https://recindia.nic.in/financial-products</a> Our ESG policy is available at <a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a></p>
P7	<p><b>Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.</b></p> <p>REC plays an active and responsible role in matters concerning public &amp; regulatory policy. Further, REC's interactions with public at large can be followed through its various social media handles. Our responsible advocacy policy is available at <a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a></p>
P8	<p><b>Businesses should support inclusive growth and equitable development.</b></p> <p>REC has various policies to support inclusive growth and equitable development of all its stakeholders, including public procurement policy for MSMEs (<a href="https://recindia.nic.in/uploads/files/RECPolicy-for-MSME-11022022.pdf">https://recindia.nic.in/uploads/files/RECPolicy-for-MSME-11022022.pdf</a>), equal opportunity policy for its employees (available on REC intranet), attractive lending rates for green-energy projects (<a href="https://recindia.nic.in/financial-products">https://recindia.nic.in/financial-products</a>) and also CSR policy (<a href="https://recindia.nic.in/csr-sustainability-policy">https://recindia.nic.in/csr-sustainability-policy</a>).</p>
P9	<p><b>Businesses should engage with and provide value to their customers and consumers in a responsible manner.</b></p> <p>REC has a Board-approved 'Fair Practices Code' in place, to ensure that fair and transparent practices are followed by the Company while dealing with customers in its lending operations. The Code is available at <a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a> Our Data privacy policy is available at <a href="https://recindia.nic.in/policies">https://recindia.nic.in/policies</a></p>

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## ABBREVIATIONS

Abbreviation	Full form
ALCO	Asset Liability Management Committee
ALM	Asset Liability Management
APLMA	Asia Pacific Loan Market Association
BoD	Board of Directors
BRSR	Business Responsibility and Sustainability Reporting
CAGR	Compounded Annual Growth Rate
CBIP	Central Board of Irrigation & Power
CCO	Chief Compliance Officer
CH4	Methane
CII	Confederation of Indian Industry
CILT	Chartered Institute of Logistics and Transport (
CMD	Chairman and Managing Director
CO2	Carbon Dioxide
CPCB	Central Pollution Control Board
CPSU	Central Public Sector Undertaking
CRO	Chief Risk Officer
CSR	Corporate Social Responsibility
DDUGJY	Deen Dayal Upadhyaya Gram Jyoti Yojana
E&M	Electro-Mechanical
ESG	Environmental Social Governance

Abbreviation	Full form
ESI	Employee State Insurance
EVs	Electric Vehicles
FY	Financial Year
GBP	Green Bond Principles
GHG	Greenhouse gases
GJ	Gigajoule
GLP	Green Loan Principles
GoI	Government of India
GRI	Global Reporting Initiative
HFC	Hydrofluorocarbons
HVAC	Heating, Ventilation, and Air Conditioning
IBMS	Integrated Building Management System
ICMA	International Capital Market Association
IFC	International Finance Corporation
IFC	Infrastructure Financing Company
IPO	Initial Public Offering
IT	Information Technology
JPY	Japanese Yen
kWh	Kilo watt hour
kWp	Kilo watt peak
LODR	Listing Obligations and Disclosure Requirements
LOU	Letter of Understanding
LSTA	Loan Syndications and Trading Association
MSE	Micro and Small Enterprises
MSME	Micro, Small, and Medium Enterprises
N <sub>2</sub> O	Nitrous Oxide
NBFC	Non-Banking Finance Company
NDC	Nationally Determined Contribution
NGO	Non Government Organization
NGRBC	National Guidelines on Responsible Business Conduct
NICU	Neonatal Intensive Care Unit
NO <sub>x</sub>	Nitrogen Oxides
NRC	Nomination & Remuneration Committee
PFI	Public Financial Institution
PHC	Public Health Center
PM	Particulate Matter
PPA	Power Purchase Agreement
PSU	Public Sector Undertaking
PV	Photovoltaic
RBPF	Revolving Bill Payment Facility



Abbreviation	Full form
<b>RDSS</b>	Revamped Distribution Sector Scheme
<b>REC</b>	Rural Electrification Corporation
<b>RECIPMT</b>	REC Institute of Power Management and Training
<b>RECPDCL</b>	REC Power Development and Consultancy Limited
<b>RMC</b>	Risk Management Committee
<b>RO</b>	Reverse Osmosis
<b>SCOPE</b>	Standing Conference of Public Enterprises
<b>SDGs</b>	Sustainable Development Goals
<b>SEBI</b>	Securities and Exchange Board of India
<b>SEZ</b>	Special Economic Zone
<b>SOx</b>	Sulphur Oxides
<b>SPCB</b>	State Pollution Control Board
<b>SRC</b>	Stakeholders Relationship Committee
<b>STP</b>	Sewage Treatment plant
<b>tCO<sub>2</sub></b>	Metric Tons of Carbon Dioxide
<b>TJ</b>	Terajoule
<b>UN SDGs</b>	United Nations Sustainable Development Goals
<b>USD</b>	United States Dollar
<b>WEC</b>	World Energy Council
<b>Y-o-Y</b>	Year on year



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