

2nd
ESG
Report
FY2024-25



**SHAPING A SUSTAINABLE
& INCLUSIVE FUTURE**

ESG REPORT



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Message from Chairman and Managing Director

Dear Stakeholders,

In an era defined by increased climate risks and global commitments, the word “sustainability” is more than a buzzword—it is a fundamental necessity. The energy sector, as a significant contributor to global greenhouse gas emissions, bears a profound responsibility to spearhead the transition to a sustainable future. At REC, we firmly believe that progress must be intrinsically linked with inclusivity and sustainability—this core principle guides every facet of our operations.

This sustainability report, our second, serves as a testament to the significant strides we have made in the financial year 2024-25. I am particularly proud to announce a remarkable 49% year-on-year growth in our renewable energy loan book with disbursements increasing by an impressive 63%. This achievement powerfully underscores our unwavering commitment to advancing the Government of India’s ambitious Panchamrit goals.

Beyond our direct financial contributions, we are actively embedding Environmental, Social, and Governance (ESG) principles into our core business model. Since January 2025, we have been assessing our private sector borrowers on their ESG performance as well as developing a framework to rate and incentivize those who demonstrate strong ESG compliance. We recognize that meaningful change requires collective effort, accordingly we are collaborating with premier institutions like IITs, IIMs to provide our valued borrowers with training on emerging technologies and sustainable practices.

Our commitment to social upliftment is long-standing and deeply embedded in our ethos. Through REC



Jitendra Srivastava, IAS
Chairman and Managing Director, REC Limited

Foundation, we have been actively engaged for years in Corporate Social initiatives, working to reach the last mile and support underprivileged communities in areas like health, education, sanitation and empowerment. In the past year, our Corporate Social Responsibility (CSR) initiatives have resulted in a total expenditure of ₹289 crore. Looking ahead, we are committed to significantly expanding our impact with a CSR budget of ₹338 crore for the upcoming year.

We are profoundly grateful for your continued trust and support as we champion sustainable and inclusive growth for our nation.

Jitendra Srivastava, IAS
Chairman and Managing Director, REC Limited



Message from Director (Finance)

Dear Stakeholders,

The publication of our second Sustainability Report is a testament to REC's unwavering commitment to transparency and responsible stewardship. As a Maharatna Central Public-Sector Enterprise, we recognize that our role in financing India's growth is inseparable from the need to protect our natural environment and strengthen the resilience of our communities.

Our mandate is deeply aligned with national priorities. REC is at the forefront of delivering on the Government of India's power sector programs, from modernizing our nation's grid to accelerating the deployment of clean energy assets. To ensure our operations reflect this momentum, our Board has adopted a comprehensive ESG Policy. This policy embeds environmental, social and governance considerations into our core processes including credit appraisal and vendor engagement. This proactive approach allows us to anticipate new regulations, effectively manage climate-related financial risks and seize the opportunities presented by India's green growth agenda.

A key pillar of our strategy is REC's Green Finance Framework. This framework, which is aligned with international best practices guides our issuance of thematic financial instruments such as green bonds and sustainability-linked loans. It provides our investors with the assurance that every rupee channeled through REC is directly contributing to India's transition toward a net-zero economy.

This report is more than just a summary of a year's progress; it is a clear roadmap for our future. By integrating ESG principles into every aspect of our business, aligning our financial instruments with both global best practices and India's ambitious climate



Harsh Baweja
Director(Finance), REC Limited

goals, REC is dedicated to catalyzing sustainable and inclusive growth while safeguarding our planet for generations to come.

Thank you for your continued support and trust.

Harsh Baweja
Director(Finance), REC Limited.



Year in review:

Our ESG Journey FY2024-25

At REC, we believe that progress is not measured by profits alone, but by the positive impact we create for people and the planet.

REC is redefining the future of India's energy landscape, one that prioritises green, is inclusive, and resilient. In an era marked by pressing climate challenges, social fairness, and trust in governance, ESG at REC is not merely a formality-it serves as a blueprint for sustainable value generation.

Building a Culture of Accountability and ESG Consciousness

The fiscal year 2024-25 marked an important milestone in REC's sustainability journey. Inline with the Board approved comprehensive ESG Policy Framework, we successfully integrated ESG principles into our organizational processes across various functions. A highlight of this transformative period was the inaugural ESG Awareness Week held in December 2024 where employees, leadership, and value chain partners came together to promote sustainability within and beyond our organization.

Environmental Action: From Compliance to Climate Leadership

In alignment with India's ambitious Panchamrit goals and our unwavering commitment to the global climate agenda, REC has made meaningful strides - both in scaling up our green financing initiatives and advancing our internal decarbonization strategies:

- Our renewable energy loan portfolio witnessed remarkable growth, expanding by 49% Even more significantly, disbursements surged by 63%, reinforcing REC's position as a leader in financing India's clean energy.
- Recognizing that electricity emissions account for a significant 85% of our Scope 1 & 2 emissions. REC is doubling the capacity of our in-house solar installations to accelerate our clean energy generation and from FY 2025-26, REC's Corporate Office is poised to draw 100% of its power requirement from the the green energy facility of DHBVN. To further optimize our footprint, REC has implemented smart energy management systems and are actively exploring innovative technologies to reduce energy consumption across our operations.
- Beyond this, our commitment also extends to clean mobility. In FY 2024-25, REC successfully achieved a 76% conversion of its conventional fleet to electric vehicles, significantly reducing its reliance on fossil fuels and promoting sustainable mobility.

Social Impact: Lighting Lives and Strengthening Communities

As a public sector enterprise, our role in delivering social value is as critical as our financial performance. We finance projects that empower communities, improve livelihoods,

and advance equity - especially in underserved areas. In FY 2024-25, REC:

- Embedded social safeguards in project due diligence-covering community rights, labour standards and inclusion.
- Delivered 18,935 man-days of training on well-being, human rights, workplace safety and skill development.
- Expanded its CSR footprint with programs in education, healthcare, skill development and energy access.
- Continued to operate with integrity and inclusivity.

Governance with Purpose: Strengthening Structures, Driving Trust

At REC, governance is more than policy - it is our operating principle. In FY 2024-25, decisive steps were taken to enhance transparency, board oversight, and ESG integration across business processes:

- Two Independent Directors were appointed, moving closer to our goal of 50% board independence, improving balance & accountability.
- ESG criteria are now embedded in loan appraisals and vendor selection in procurements, aligning financial decisions with long-term sustainability.

Our commitment to transparency was recognized with the 'Golden Peacock Award for Corporate Governance' and the 'Green Financing Award by Network 18'.

The Road Ahead: From Intent to Impact

As we look ahead, REC remains steadfast in its mission: to finance not just infrastructure, but a sustainable and inclusive future for India by positioning itself to be a national leader in ESG-driven infrastructure finance. Our strategic priorities are clear:

- Scale up clean and green energy financing
- Achieve net-zero operational emissions
- Strengthen internal ESG capacity and data systems
- Continue to lead with integrity, inclusion & innovation

Let this be our collective commitment: to shape a future where energy access, economic progress, and environmental protection are no longer trade-offs but shared, scalable & achievable outcomes.

"REC is not only powering India's infrastructure, it is helping to build a development model rooted in sustainability, equity, and accountability".

Rajesh Kumar
Executive Director (ESG)

Awanish Kumar Bharati
General Manager (ESG)



01. About the Report

1.1 Reporting Framework and Cycle

This is the second ESG report developed with the aim of objectively and fairly presenting the Environmental, Social, and Governance (ESG) performance of REC Limited (hereinafter referred to as “REC”). The content has been developed in accordance with the latest GRI standards and aligned with the United Nations (UN) Sustainable Development Goals (SDGs). Key principles include stakeholder inclusiveness, materiality, clarity, and accuracy. This report outlines the company’s progress in integrating Environmental, Social, and Governance (ESG) considerations into its operations, portfolio, and overall value chain during the financial year 2024-25. Additionally, it highlights the company’s economic and ESG performance across the material issues identified by its key stakeholders.

1.2 Scope of This Report

We aim to provide a transparent overview of our sustainability performance and demonstrate our dedication to sustainable practices. This Report covers the period from April 1, 2024, to March 31, 2025 (“this year” or “the reporting period”). It presents information over a wider time frame, spanning before or after FY 2024-25, to enhance data comparability and continuity. This encompasses REC Corporate Office, as well as Regional Offices which are situated in 23 locations throughout the country. Additionally, our subsidiary i.e., REC PDCL office operates in 10 locations across India.

1.3 Purpose of the Report

The 2025 Sustainability Report is a companion piece to our Annual Report, Business Responsibility and Sustainability Report and Accounts 2024. It aims to provide our key stakeholders, including employees, suppliers/vendors, customers, partners, and the community, with a detailed account of our performance on key sustainability topics.

1.4 Restatement of Information

No significant changes in the organisation’s size, structure, or ownership occurred during the reporting period.

1.5 Contact Information:

For questions or other information about this report, please contact esg.pol@recindia.com

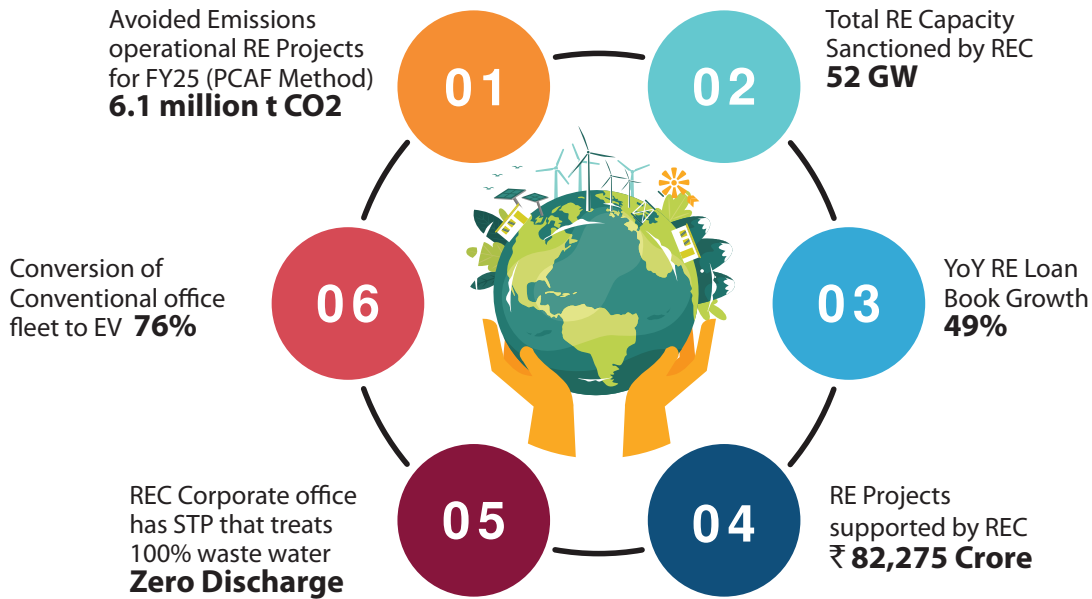
1.6 Cautionary Statement

This material might contain forward-looking statements. Forward-looking statements describe the company’s current expectations or projections for future events. An investor can identify these comments since they do not precisely refer to historical or present facts. In any discussion of future operating or financial performance, they utilise phrases like ‘anticipate’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘plan’, ‘project’, ‘goal’, ‘will’, and others with similar meanings. In particular, these include statements about future actions, potential goods or product approvals, future performance or outcomes of existing and projected products, sales activities, costs, and the outcome of contingencies such as legal proceedings, dividend payments, and financial results. Except for its legal or regulatory requirements, the Group has no responsibility to update any forward-looking statements, whether due to new information, future events, or otherwise. However, investors should check any further disclosures that the Company may provide in any papers it publishes and/or files with the Securities and Exchange Board of India (SEBI). All investors, regardless of location, should be aware of these disclosures. As a result, no guarantee can be provided that any specific expectation will be reached, and investors are warned not to place excessive reliance on forward-looking statements. Forward-looking statements are subject to assumptions, inherent risks, and uncertainties, many of which are related to variables beyond the Company’s control or accurate estimation. The Company advises investors about various critical factors, including those discussed in this report, may cause actual results to vary materially from those stated or implied in any forward-looking statement.

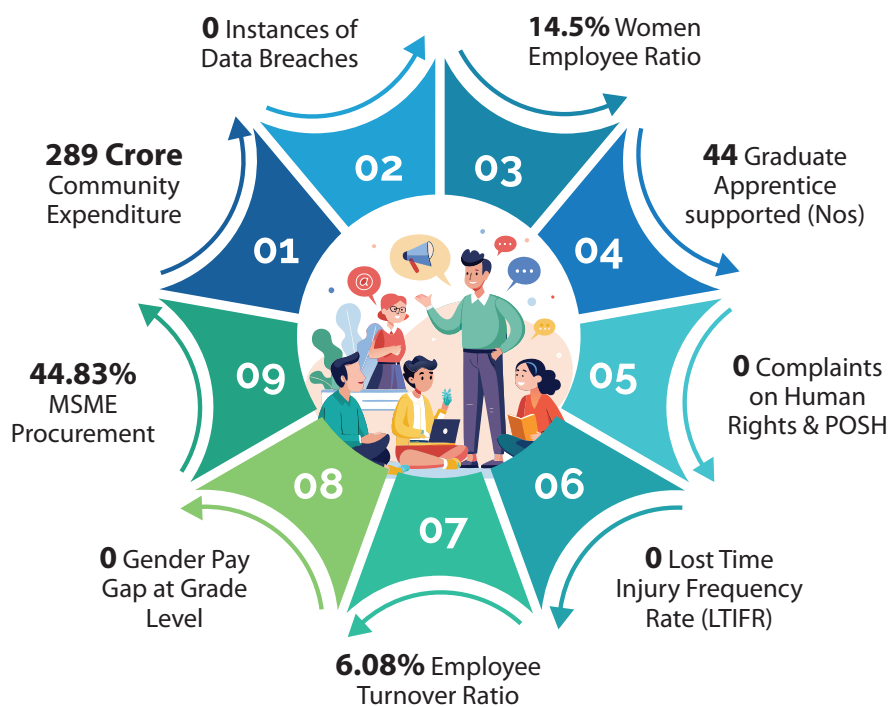


02. ESG Highlights

ENVIRONMENT



SOCIAL





GOVERNANCE & ECONOMIC PERFORMANCE

₹55,980 crore
Revenue

₹15,713 crore
Highest ever Annual Profit

₹77,638 crore
Highest Net worth

₹5.67 lakh crore
Asset Under Management (AUM)

18,935 Training man-days to Stakeholders and employees stakeholders by RECIPMT

100% Training on NGRBC and ESG to BoD & KMP

15 Total Board Meetings

ISO 31000 for Risk Management





Key ESG Initiatives of the Year

ENVIRONMENTAL

Evaluation of the emission avoidance of all operational renewable projects that REC has financed, quantifying our positive environmental impact.

Approval received from DHBVN to supply 100% green power to REC's Corporate Office for FY 2025-26.

Signed an MoU with NVVNL for the installation of rooftop solar at REC-owned offices.

Significant progress achieved in the EV transition of REC's office fleet, moving towards a low-carbon transport solution.

Implemented an automatic lighting management system at our corporate office, enhancing energy efficiency.

Fugitive emissions significantly reduced through periodic checks of our AC systems.

SOCIAL

ESG assessment of suppliers began, integrating our values throughout the supply chain.

Mandatory trainings conducted on Human Rights, Ethics, and Health & Safety for all employees.

Electrical safety and technical trainings sponsored for state utilities through RECIPMT.

Mandatory feedback collected from all first-time fund-disbursal projects.

An employee satisfaction survey conducted and necessary measures taken to improve workplace culture.

Awareness sessions expanded on health, safety, data privacy, and ethics for all staff.

Multiple free health camps organized in collaboration with major hospitals.

In-house wellbeing facilities expanded, providing access to a Yoga trainer, Ayurvedic doctor, dietician, and nursing station.

GOVERNANCE

Integrated ESG assessment of private sector borrowers, strengthening our due diligence process.

100% of the Board of Directors completed training on the National Guidelines on Responsible Business Conduct.

ISO 31000 Certification for Risk Management obtained, validating our robust risk framework.

Seven new policies introduced, including those on Human Rights, Occupational Health & Safety, and Data Privacy.

Vendors sensitized on ESG (BRSR Core) parameters through our Vendor Development Program.

Responses submitted to the CDP and S&P CSA reporting frameworks, enhancing our public transparency.

A three-month integrity drive organized as part of our vigilance awareness program.

Cyber Security Awareness Month observed to strengthen our data security culture.

The first-ever ESG Awareness Week organized, engaging all employees in our commitment.



03. About REC

3.1 Corporate Snapshot

REC Limited is a leading Maharatna Central Public Sector Enterprise under the administrative control of the Ministry of Power, Government of India and one of India's largest Non-Banking Financial Companies. 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 expanded its operations to finance non-power infrastructure and logistics (I&L) sector. At REC, we are not just building sound infrastructure; we are enriching the quality of life of every citizen.

3.2 Geographical Presence



3.3 Our Vision and Mission



To facilitate availability of electricity for accelerated growth and for enrichment of quality of life of rural and urban population.



To act as a competitive, client-friendly and development-oriented organisation for financing and promoting projects covering power generation, power conservation, power transmission and power distribution network in the country.

3.4 Products & Portfolio

Products Portfolio

- 1. Long-term loans:** Long-term loans to State, Centre and Private Companies for projects.
- 2. Short / Medium Term Loans:** Loans are offered 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 of power purchase dues, transmission charges of CPSU 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.

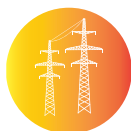


3.5 Diversified Loan Assets

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.



Generation



Transmission



Distribution



Infrastructure



Renewable



E-Mobility



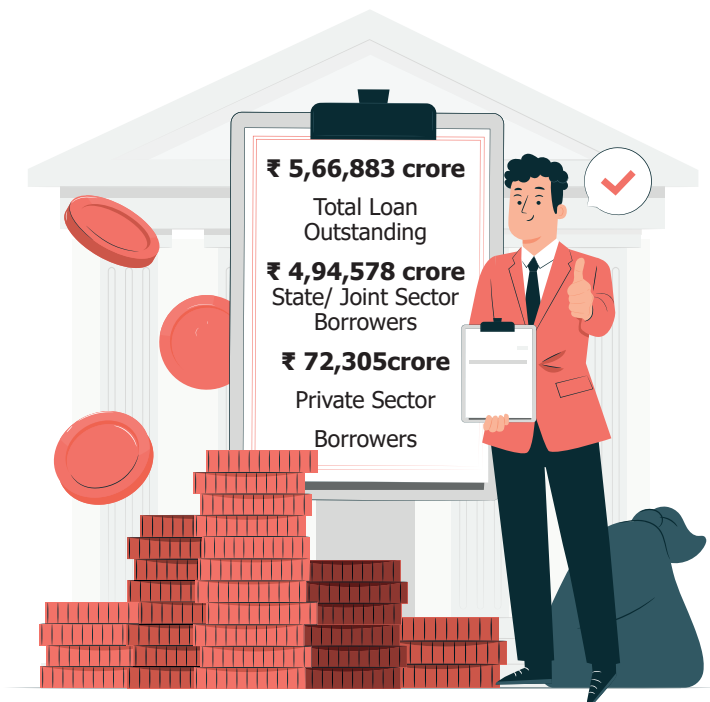
Energy Transition



Others

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.



3.6 REC's Strategic Role in Powering India's Development – Partnership with the Government of India

REC has consistently been a key player in supporting Government of India's efforts to strengthen the nation's power infrastructure and achieve universal access to energy. As a vital agency under the Ministry of Power, REC has made a significant contribution to transforming India's power sector by enabling rural electrification, upgrading power distribution networks, Rooftop Solar Programme under Pradhan Mantri Surya Ghar Muft Bijli Yojana. Through its active involvement in Government of India's flagship schemes—such as Pradhan Mantri Surya Ghar Muft Bijli Yojana(Roof



Top Solar), Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), SAUBHAGYA and the Revamped Distribution Sector Scheme (RDSS)—REC has facilitated the electrification of remote villages, enhanced last-mile connectivity, and ensured dependable, sustainable power for millions of households across the Country

Additionally, the corporation has played a crucial role in supporting the government's clean energy goals by financing and coordinating rooftop solar projects nationwide. In its capacity as a trusted financial and strategic partner to the Government, REC continues to fulfil ambitious national targets, bridging the energy access gap while contributing to inclusive socio-economic development. Its efforts reflect not just infrastructure expansion but also a broader commitment to lighting up lives and empowering communities across every corner of the nation.



PM Surya Ghar Muft Bijli Yojana:

REC Limited is proud to be the designated National Implementing Agency for the prestigious PM Surya Ghar Muft Bijli Yojana, a flagship initiative by the Government of India. Our involvement ensures the successful execution of this scheme, which is pivotal for India's renewable energy goals.

Key highlights and progress of the program include:

- **Pioneering Implementation:** REC is spearheading the implementation of the PM Surya Ghar Muft Bijli Yojana, a scheme with a massive outlay of ₹75,021 crore. This program aims to install rooftop solar systems for 1 crore residential households, providing free or low-cost electricity of up to 300 units per month.
- **Achieving Environmental Targets:** This initiative directly supports India's Nationally Determined Contributions (NDCs) by targeting 30 GW of residential rooftop solar capacity by FY 2026-27. The project is expected to generate 1,000 billion units of renewable electricity, leading to a significant reduction of 720 million tons of CO2 equivalent emissions over a 25-year period.
- **Driving Rapid Progress:** Through our dedicated efforts, the program has shown remarkable momentum. As of March 31, 2025, a total of 48.8 lakh applications have been received. Out of these, 11.05 lakh installations were successfully completed, contributing a total installed capacity of 3.3 GW.

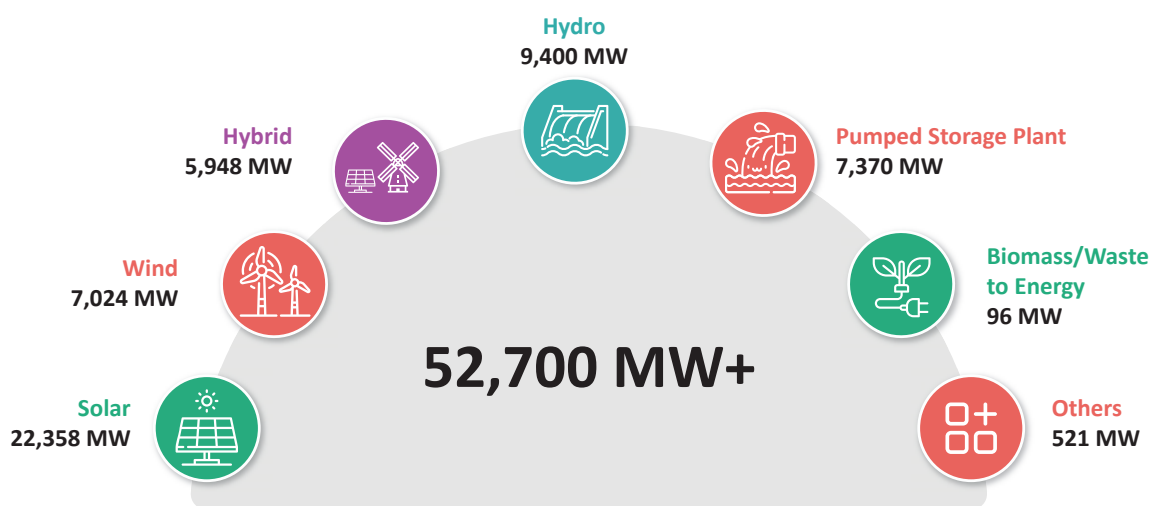
This data reflects our commitment to empowering households and advancing the nation's sustainable energy transition.



3.7 Enabling Energy Transition through REC

REC is a leader in India's energy transition, playing a crucial role in supporting nation's ambitious "Panchamrit" objectives. We have proactively developed and implemented lending strategies that are specifically designed to accelerate the growth of renewable energy sources.

REC's sanctioned clean energy financing portfolio has now surpassed 52.7³ GW, with these projects estimated to mitigate over 60¹ million tonnes of CO₂ emissions annually. This significant reduction is equivalent to the carbon sequestration capacity of approximately 2.4² billion mature trees. Furthermore, REC is strategically financing pumped storage projects to ensure grid stability and reliability as renewable energy integration increases.



¹ PLF/CUF Assumptions for estimation of CO₂ emission avoidance potential based on India Climate and Energy Dashboard by Niti Aayog

² Assuming 25kg CO₂ absorbed by a tree a year (EcoTree International)

³ Based on sanctions

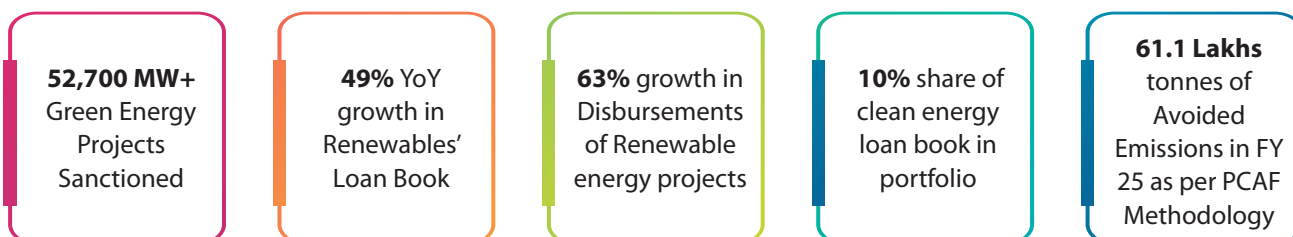
Renewable Energy Progress for FY 2024-25

Our steadfast commitment to green financing has resulted in significant achievements in FY 2024-25:

- REC has approved ₹1,05,259 crore funding for various renewable energy projects, a strong indicator of our commitment towards green energy.
- As of March 31, 2025, our renewable loan portfolio reached ₹57,994 crore, representing 10% of our total loan book.
- The cumulative operational capacity of projects financed by REC reached 8.64 GW as of March 31, 2025. These strategic investments have led to a cumulative reduction of approximately 10,728,074 tonnes of CO₂ emissions.

REC's contribution to these has avoided emissions of 6.11 million tonnes of CO₂, calculated using the Partnership for Carbon Accounting Financials (PCAF) methodology. This marks a significant increase from the 4.14 million tonnes of CO₂ avoided in the previous fiscal year (2023-24).

These figures not only reflect REC's successful financial year but also its unwavering commitment to driving the future of India's energy landscape. By strategically financing a diverse range of renewable projects and actively supporting the 'Panchamrit' goals, REC is paving the way for a stable, reliable, and sustainable power sector.





3.8 ESG Ratings and Certifications



Rated as 'low-risk' in 2024 with a score of 17.1 and a banking industry ranking 179 out of 1020



ISO 27001 Certification for Cyber Security



ISO 31000 Certification for Risk Management



REC Scored 77 out of 100 in NSE ESG Rating



3.9 Membership of Associations and Commitments

1

World Energy Council (WEC), India

2

Standing Conference of Public Enterprises (SCOPE)

3

Central Board of Irrigation & Power (CBIP)

4

Press Club of India

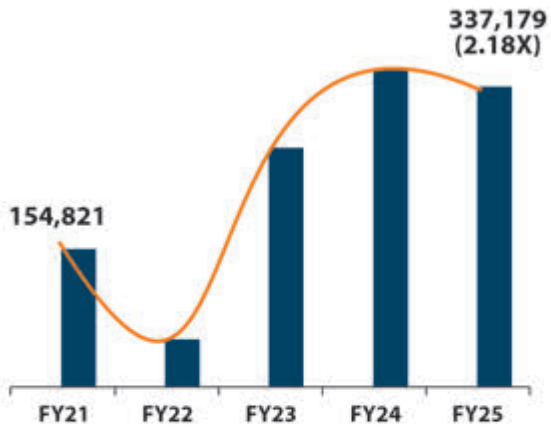
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World Economic Forum (WEF)

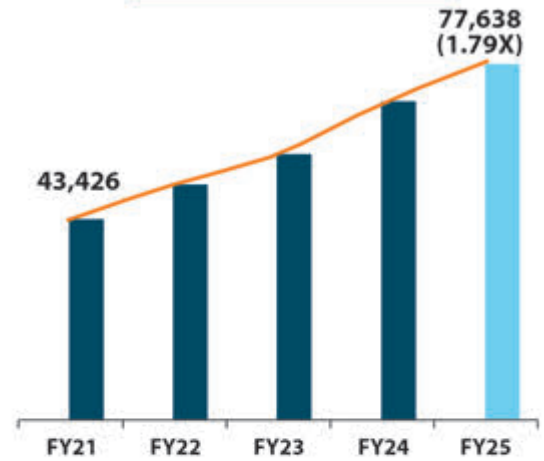


3.10 Operational & Financial Overview of last 5 years

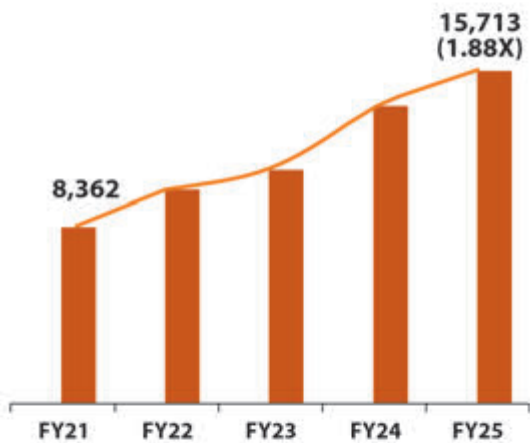
SANCTION



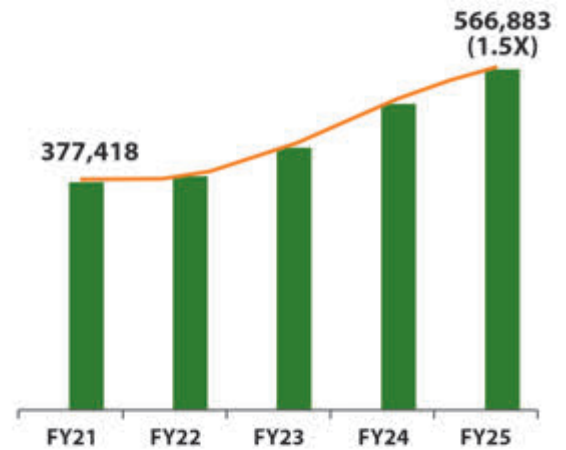
NET WORTH



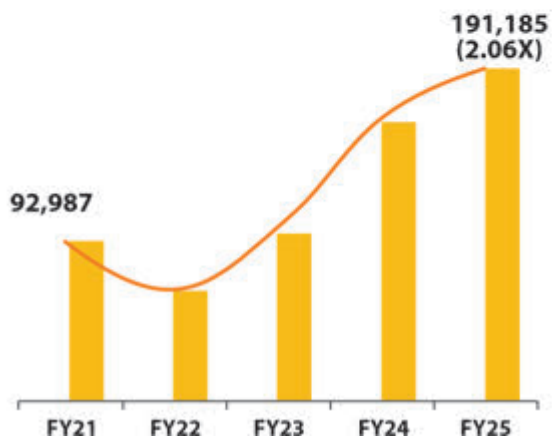
PAT



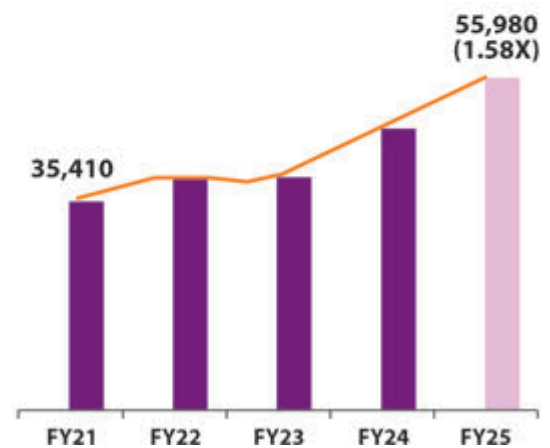
LOAN OUTSTANDING



DISBURSEMENT



TOTAL INCOME





3.11 Awards & Recognitions 2024-25



Golden Peacock Award 2024 for Excellence in Corporate Governance



CSR Award from National Culture Fund, Ministry of Culture on 17 Jan 2025



Excellence in Green Financing' Award at the Green Ribbon Champions 2024 organized by Network 18



CEO of the Year' Award at 24th National Management Summit by the Top Rankers Management Club



ASSOCHAM award' for 'Best CSR contribution in challenging aspirational districts'



Sustainability Champion - Editors Choice Award' at the Outlook Planet Sustainability Summit Awards 2024



Adam Smith Awards ASIA 2024 for 'Best Funding Solution' by Treasury Today Group



REC Ltd. becomes first Indian Public Sector NBFC to get ISO 31000:2018 for Risk Management-Guidelines.



'Certificate of Merit' for 2023 Annual Report in 'Financial Services Sector' category by South Asian Federation of Accountants



Gold Shield in ICAI Award for Excellence in Financial Reporting for the Financial Year 2023-24



Best Corporate Film Award at 8th National Media Conclave 2024



Technology Excellence Award' for 'Generative AI Implementation in REC' at the Elets India AI Summit 2024



Distinguished Fellow Award for 2024' from the Institute of Directors



Nodal Agency of the Year' Award at Bharat Electricity, Powering India Awards 2024 by Bharat Electricity, POWERGEN India & Indian Utility Week



04. REC's Contributions to UN SDGs

In 2015, the United Nations established the 2030 Agenda for Sustainable Development. This plan is built around 17 Sustainable Development Goals (SDGs) and 169 supporting targets, all with the shared mission to end poverty, protect our planet, and create prosperity for everyone.

4.1 Our Priorities

We are committed to making meaningful contributions to the United Nations' Sustainable Development Goals (SDGs), a set of 17 global targets designed to create a more sustainable and better future for everyone. After careful review, we have identified eight SDGs where our efforts can make the most significant difference.

To achieve these goals by 2030, we know it is vital to encourage collaboration among diverse stakeholders, including local communities, governments, and international agencies. We invite our stakeholders and partners to join us on this important journey as we work toward these ambitious aims. Internally at REC, we prioritise sustainability by engaging in ongoing discussions across all levels of our organisation. The RMC, chaired by an Independent Director, is the apex body that reviews the ESG performance against SDG targets quarterly, and ensures ESG considerations are integrated across all business functions. In the pages ahead, we will outline specific goals that support the SDGs. Together, we can make a difference and create a more sustainable future.

4.2 UN Sustainable Development Goals (17 SDGs)

SUSTAINABLE DEVELOPMENT GOALS







17 PARTNERSHIP FOR THE GOALS





4.3 Our Aspirations

Pillars	ESG Commitment	ESG Area		Aspirations	UN SDGs
Environment	Continuously minimize direct environmental impact and carbon footprint	Environmental footprint - Climate change - CO2	Reduce CO2 emissions scope 1, 2 and 3	REC is actively working to lower its greenhouse gas emissions from operations, identifying climate-related risks and opportunities. Additionally, the company is working on calculating its financed emissions. REC has committed to achieving Net-Zero emissions by 2035.	 13 <small>CLIMATE ACTION</small>
		Environmental footprint - Climate change – Natural resource management in operations and supply chain	Make sure to utilize renewable energy in operations and reduce the environmental impact of the supply chain.	REC aims to enhance energy efficiency and is actively moving towards using renewable energy in its operations. Additionally, REC is committed to measuring and reducing emissions across its entire value chain.	 07 <small>AFFORDABLE AND CLEAN ENERGY</small>
		Environmental footprint - Waste	Reducing waste and using recyclable products minimizes harm to the environment and society as a whole.	<p>REC aims to reduce waste to conserve energy, resources, and landfill capacity.</p> <p>The company will significantly increase its focus on the circular economy across all its operations. Its goals include recycling all waste, attaining actual zero waste to landfill, and using only recycled or renewable materials.</p>	 13 <small>CLIMATE ACTION</small>
		Environmental footprint – Supply chain	Monitoring environmental risks and adverse effects of substances used in raw materials.	We are integrating ESG factors during the onboarding of new suppliers and conducting ESG due diligence across our entire value chain to mitigate environmental impacts, such as those associated with sourcing.	 12 <small>RESPONSIBLE CONSUMPTION AND PRODUCTION</small>







Social	Ensure a safe working environment and a diverse culture for our employees.	Health and Safety	Safe working environment (OHS) for REC employees	REC aims to foster a company-wide culture that consistently upholds best-in-class safety practices. Our goal is to achieve zero injury across our operations.	03 GOOD HEALTH AND WELL-BEING
		Human Rights	Diversity and Inclusion at REC	REC collaborates to foster an environment where individuals feel appreciated and can leverage their diverse backgrounds, experiences, skills, and perspectives in support of its mission. The organisation aims to maintain a balanced mix of people, regardless of caste, religion, gender, or sex, promoting maximum inclusivity and diversity. REC strictly adheres to both national and international labour and human rights laws, never engaging in child labour or supporting forced labour.	05 GENDER EQUALITY 10 REDUCED INEQUALITIES
		Human capital	Talent attraction and retention, alignment between employee competencies and company needs	Cultivating diverse talent through the recruitment and hiring process, learning and development, and the advancement and retention of people with wide-ranging backgrounds and experiences.	08 DECENT WORK AND ECONOMIC GROWTH
	Consolidate REC's ESG leadership position by engaging with influential NGOs	Employee Volunteering/ CSR	Commitments with external stakeholders to improve well-being in local communities via partnerships with associations, NGOs & sponsoring activities	To broaden REC's reach, we will forge strategic partnerships with organisations and groups aligned with its vision to empower the communities where we work. REC will identify and support organisations that have proven their ability to generate social impact.	17 PARTNERSHIPS FOR THE GOALS





Governance	Nurture diversity and inclusion at the Board level to continuously improve decision-making and company attractiveness.	Diversity in Leadership	Board Diversity and Independence	REC will continue to cultivate and sustain an environment that actively encourages diversity and inclusion at the leadership level. At REC, board diversity and inclusion are fundamental strategic priorities because they drive financial growth and performance.	<div>05</div> <div>GENDER EQUALITY</div> 
	Foster ethical behavior by providing training and robust compliance programs.	Corruption and bribery	Ethics and Anti-Corruption	REC's thorough ethics and compliance program features proactive risk assessments, training, and communication efforts designed to prevent fraud and policy violations.	<div>17</div> <div>PARTNERSHIPS FOR THE GOALS</div> 
	Foster ethical behavior by providing training and robust compliance programs. Select and engage with suppliers based on recognised ESG standards	Transparency, Accountability & Reporting	Provide transparent and comparable business and sustainability information in a clear and accessible manner.	REC supports a range of transparency and reporting initiatives worldwide, ensuring that information is shared with proper context, clearly and understandably. It aims to collaborate with policymakers, industry partners, and key stakeholders to align strategies that achieve these goals.	All SDGs
	Promote a sustainable development mindset to motivate employees throughout our organisation	ESG priority for Board & Management	ESG Oversight	The ESG Roadmap is reviewed annually by the board and MT	All SDGs








4.4 Our Contribution

UN SDGs	REC's Contribution
 01 NO POVERTY	<ul style="list-style-type: none"> REC channels a material share of its CSR budget to India's poorest districts: in FY 25 alone the Company spent more than ₹60 million across six "Aspirational Districts", including Banka, Muzaffarpur and Sukma, to lift local incomes through better health, education and livelihoods. Parallel "Learn & Earn" scholarships are financing three-year bachelor's degrees in garment manufacturing for 300 marginalised youth, ensuring poverty alleviation is anchored in long-term employability rather than one-off relief.
 02 ZERO HUNGER	<p>REC supports projects focused on reducing hunger and improving nutrition through its Corporate Social Responsibility (CSR) initiatives.</p> <ul style="list-style-type: none"> Nutrition interventions focus on the first-1,000-days window. REC's upgrade of 1,125 Anganwadi centres included the addition of LPG kitchens, grain storage facilities, antenatal corners, directly improving food safety and maternal nutrition in rural blocks across four states. In Chhattisgarh, the Company backed a programme that revives millet-based culinary traditions, coupling dietary diversity with new livelihood opportunities for tribal farmers.
 03 GOOD HEALTH AND WELL-BEING	<p>REC is deeply committed to ensure employee well-being and enhancing healthcare services through various CSR Activities aimed at upgrading medical facilities & public well-being.</p> <p>Employee Wellbeing:</p> <ul style="list-style-type: none"> 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, provides on-site medical facilities, and offers creche and daycare facilities to boost employee productivity. To facilitate recreation and a healthy life, a Gymnasium is available for employees on the premises. Various Yoga programs and Health Camps were organised regularly for employees to promote better health and well-being. Preventive and curative care make up the largest single share of REC's CSR outlay. The "Healing Little Hearts 2.0" initiative financed life-saving surgery for 1,090 children born with congenital heart disease, while a new ambulance for Washim Women's Hospital now guarantees emergency obstetric transport for an estimated 644,000 women. Similar equipment upgrades in Barmer's community health centres extended diagnostics and cold-chain capacity to more than one million residents.
 04 QUALITY EDUCATION	<ul style="list-style-type: none"> REC is transforming government schools into technology-enabled learning hubs. Three hundred "JIGYASA" solar-powered smart classrooms were rolled out in Siddharthnagar district, reaching nearly 8,800 pupils in one financial year. Elsewhere, sixty conventional classrooms were converted into digital labs and outfitted with science equipment across Hyderabad's municipal schools, while physical infrastructure upgrades—from new classrooms in Wardha to hostel towers in Kanpur—close the rural-urban learning gap.
 05 GENDER EQUALITY	<ul style="list-style-type: none"> REC has implemented a board-approved equal opportunity policy that emphasises diversity and inclusion within the organisation. As part of its commitment to social responsibility, REC is actively funding targeted community programs aimed at addressing critical issues, including a notable initiative in the cities of Mysuru and Bareilly. This two-city project focuses specifically on combating gender-based violence, providing vital support through comprehensive counselling services, legal assistance, and economic empowerment strategies for over 11,000 women and girls. Internally, REC is committed to fostering a diverse workforce, with women comprising 14.5% of the permanent employee base. This commitment is reflected at the highest levels of the organisation, as women are represented on both the Board and the senior management team. REC has established transparent recruitment and retention goals designed to enhance female representation, particularly in response to challenges posed by retirement-related declines in numbers. This proactive approach not only promotes gender equality but also strengthens the overall leadership and operational effectiveness of the organization.
 06 CLEAN WATER AND SANITATION	<p>Sanitation initiatives are rapidly expanding through strategic partnerships with uniformed services and urban local government bodies. One notable achievement is the installation of 500 toilet blocks, designed specifically for Border Security Force personnel, which has significantly improved hygiene conditions for approximately 34,000 soldiers. Additionally, a comprehensive slum adoption scheme has been implemented in Delhi, aiming to improve living conditions for underserved communities. This scheme provides essential services, including access to potable water, waste collection systems, and the construction of household latrines, for 500 families. These efforts collectively contribute to better health and sanitation outcomes in the region.</p>



<p>07 AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"> REC's commitment far beyond CSR. On the financing side, the Company sanctioned ₹1.05 trillion of new renewable-energy loans in FY 2024-25, principally utility-scale solar, wind, pumped hydro and green-hydrogen projects—while renewable disbursements surged 63 % year-on-year. This pushed the green-loan book up CAGR 49 % YoY, confirming that REC's core balance-sheet is now a significant lever for India's 500 GW clean-power ambition. To crowd in international capital, REC repeatedly tapped the global market with dedicated Green Bonds, ring-fencing proceeds for "Eligible Green Projects" under its Green Finance Framework. CSR grants - Installed 1,000 solar street-lights across five districts in Arunachal Pradesh, giving 325,000 villagers safe night-time mobility, and a 0.25 MW rooftop PV array now powers Sambalpur University's campus lighting and laboratories.
<p>08 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> REC's preferential-procurement policy now directs 44.82 percent of all purchases—almost double the statutory requirement—to micro and small enterprises, many owned by women, Scheduled Castes or Scheduled Tribes. Price-matching privileges, fee waivers and Vendor Development Programmes help these suppliers scale up and compete on merit, creating a demonstrably more inclusive supply chain. At the grassroots, livelihood academies and the "Learn & Earn" scholarship channel have skilled more than 5 000 unemployed youth in jute processing, solar-lantern assembly and advanced garment manufacturing, linking trainees to credit lines so that the learning translates into real jobs or micro-enterprises
<p>09 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> As an RBI-recognised Infrastructure Finance Company, REC is using concessional, long-tenor debt to modernise India's grid: it is the national nodal agency for the Revamped Distribution Sector Scheme across 19 states, financing smart meters, loss-reduction investments and feeder monitoring that collectively upgrade consumer experience and system reliability. The same policy role extends to the PM-Surya Ghar rooftop-solar programme, where REC's implementation work has already enabled one million households—equivalent to 3 GW of distributed capacity—to generate their own electricity.
<p>10 REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> Beyond the procurement percentages, REC's policy mandates a price-preference window of 15 percent for small suppliers and full exemptions from bid-bond requirements, removing the capital barriers that typically exclude marginal entrepreneurs. The recycled-plastic initiative, which donates bunk beds and rPET T-shirts to government schools, illustrates how social inclusion dovetails with circular-economy principles in the company's broader CSR portfolio. These additions confirm that REC's contribution is systemic: the loan sanctions, bond issuances and policy roles shift entire markets, while the procurement reforms, skills academies and community infrastructure ensure that economic value reaches people who have historically been left out.
<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<ul style="list-style-type: none"> The Reserve Bank of India recognises REC as an Infrastructure Financing Company. It extends long-term debt to state utilities, IPPs, and private sponsors across the power, transport, and social infrastructure sectors. CSR complements this financing with hard assets, including 25 community halls in Varanasi and a new pedestrian bridge in Badrinath, which modernises local civic infrastructure while creating short-term construction jobs.
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> REC approaches responsible consumption through three mutually-reinforcing levers: minimising the material footprint of its own offices, anchoring circular-economy principles in supply-chain and waste contracts, and directing finance to technologies that cut pollution and resource use in the broader power sector. Lean internal operations. As an NBFC, REC generated just 42.13 tonnes of waste in FY 2024-25, driving its waste intensity down to 0.00075 t per crore of revenue, an improvement on the previous year. E-waste is segregated and channelled exclusively to CPCB-authorised recyclers, allowing 100% of the 1.5 t discarded last year to be recovered rather than landfilled. Office canteens and gardens produce the bulk of the remaining non-hazardous waste; here, REC recycles 19.8 tons and composts 20.9 tons, achieving closed-loop utilisation for virtually all organic material. The corporate headquarters in Gurugram is designed for zero-liquid discharge: every litre of greywater and treated RO reject is reused for HVAC, toilet flushing, or horticulture, eliminating off-site effluent entirely. Digital-first, paper-light culture. A company-wide E-Office platform, complemented by secure remote-working systems, has significantly reduced paper consumption; the same digital architecture underpins a procurement module that tracks supplier ESG declarations in real-time. Complementary retrofits—an automatic lighting management system, energy-efficient façade panels, and radiant cooling slabs—trimmed the HVAC load of the headquarters by about 30%, further lowering embedded resource demand. Rooftop solar arrays (979 kWp at HQ and 40 kWp at RECIPMT) now generate 1,379 MWh a year, avoiding 1,002 t CO₂ and demonstrating that consumption reduction is inseparable from clean-energy generation



<p>13 CLIMATE ACTION</p> 	<ul style="list-style-type: none"> By scaling the green-finance engine described above, REC's portfolio is already delivering measurable abatement. All renewable projects funded to date are expected to avoid ~10.7 million t CO₂ each year, of which 6.1 million t are directly attributable to REC under the PCAF methodology. These avoided emissions significantly exceed the Company's own operational footprint and underscore its catalytic role in India's decarbonization pathway. The company also supports decarbonisation inside the existing thermal fleet, sanctioning ₹ 5,441 crore for flue-gas-desulphurisation retrofits and ₹ 11,755 crore for ultra-super-critical units that raise plant efficiency and lower fuel burn. Internally, rooftop solar panels generated 1,379 MWh and avoided 1,002 tonnes of CO₂, while a 76 per cent transition to an electric-vehicle fleet offset additional Scope 1 emissions, even as the grid factor ticked up. Moreover, REC's policy influence—e.g., acting as National Project Implementing Agency for the PM-Surya Ghar rooftop-solar scheme, enabling 1 million household systems and 3 GW of distributed capacity—shows how finance and programme execution combine to accelerate climate goals.
<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<ul style="list-style-type: none"> Enterprise-wide risk is governed through a formal Risk Management Policy administered by a Board Risk Management Committee and executed by dedicated Chief Risk and Compliance Officers. The policy emphasises proactive identification, assessment and mitigation of financial, operational and regulatory risks to preserve stability and stakeholder confidence At the transaction level, an Environmental & Social Management System (ESMS) has been embedded in loan appraisal so that every sanctioned project meets national regulations and international ESG good practice, preventing stranded-asset and reputational risks A culture of integrity is reinforced through 100 % annual training coverage—Board, KMPs and employees alike—on ethics, NGRBC, risk governance, POSH, cyber-security and related topics. These programmes complement a comprehensive suite of policies: Conduct-Discipline-Appeal Rules, a Fraud-Prevention Policy, CVC-aligned anti-corruption guidance and a Whistle-blower mechanism that guarantees anonymity and protection for complainants No Director, KMP or employee faced bribery- or corruption-related disciplinary action in FY 2024-25, underscoring policy effectiveness Data privacy and cyber-security resilience is anchored in an ISO 27001-certified Information-Security Management System, led by a Chief Information Security Officer, supported by periodic CERT-In-audited drills, and underpinned by a robust Data Privacy Policy Business-continuity and disaster-recovery plans are rehearsed through regular external-audited drills, with findings reported to management and the Board for continual improvement
<p>17 PARTNERSHIPS FOR THE GOALS</p> 	<ul style="list-style-type: none"> Vendor-development programmes bring the opportunity for the micro-suppliers to engage with REC, bolstering supply-chain inclusivity and knowledge transfer. On the policy side, REC collaborates with ministries and state utilities to mainstream green-finance frameworks, demonstrating how a non-bank lender can convene multi-stakeholder solutions at a national scale. REC uses its voice in policy forums to strengthen sectoral governance—for example, advising the Ministry of Power on DISCOM performance ratings and AI-driven loss-reduction tools under programmes such as POWERTHON 2024. Such responsible advocacy initiatives illustrate how REC couples rigorous internal governance with sector-wide capacity building, thereby advancing SDG 17's vision of partnership.



05. Materiality Analysis & Stakeholder Engagement

5.1 Process of Materiality Assessment

REC is committed to fostering inclusion, facilitating economic growth, and ensuring sustainable development for all its stakeholders. To achieve these goals, we continually strive to strengthen our relationships with both external and internal stakeholders, thereby upholding responsible business practices. Engaging with these stakeholders is vital for aligning our strategies, growth plans and the changing behaviours of our customers. We believe that consistent communication with stakeholders allows us to remain aware of their evolving needs and presents opportunities for creating value in an increasingly dynamic macroeconomic environment. Additionally, this engagement helps us to identify potential operational risks and understand their repercussions.

Our materiality review and analysis are designed to pinpoint and assess key sustainability risks and opportunities, thereby aiming to achieve the following objectives:

- Identify critical sustainability risks and opportunities relevant to REC's operational activities, financial processes, legal or regulatory requirements, and access to financing;
- Enhance and integrate our sustainability strategy with our business objectives;
- Supply sustainability data that supports REC's overall business strategy, emphasising sustainable growth;
- Recognise key issues that require focus within our risk management, sustainability initiatives, and annual operations;
- Engage both internal and external stakeholders to gather a range of perspectives;
- Anticipate sustainability challenges that could impact REC's growth trajectory; and
- Establish targets to improve REC's commercial performance and advance our efforts in sustainable development.

Stakeholder Engagement

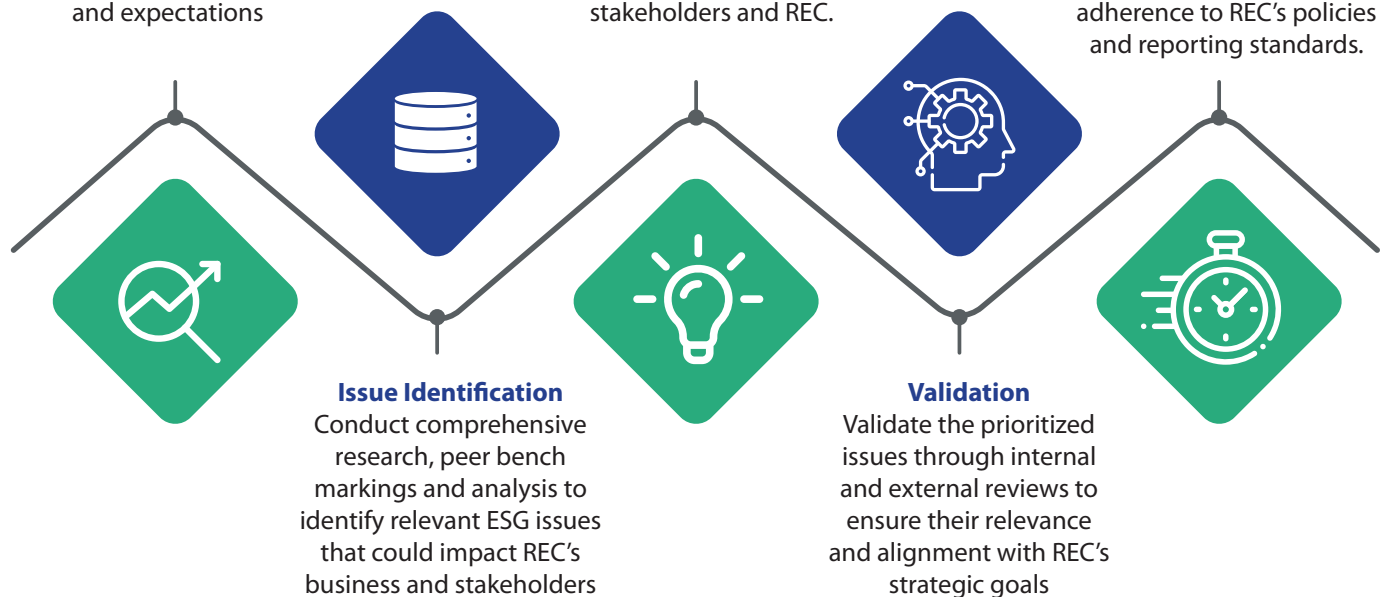
Engage with a broad spectrum of stakeholders to gather insights and understand their concerns and expectations

Prioritization

Evaluate and rank the identified issues based on the significance to both stakeholders and REC.

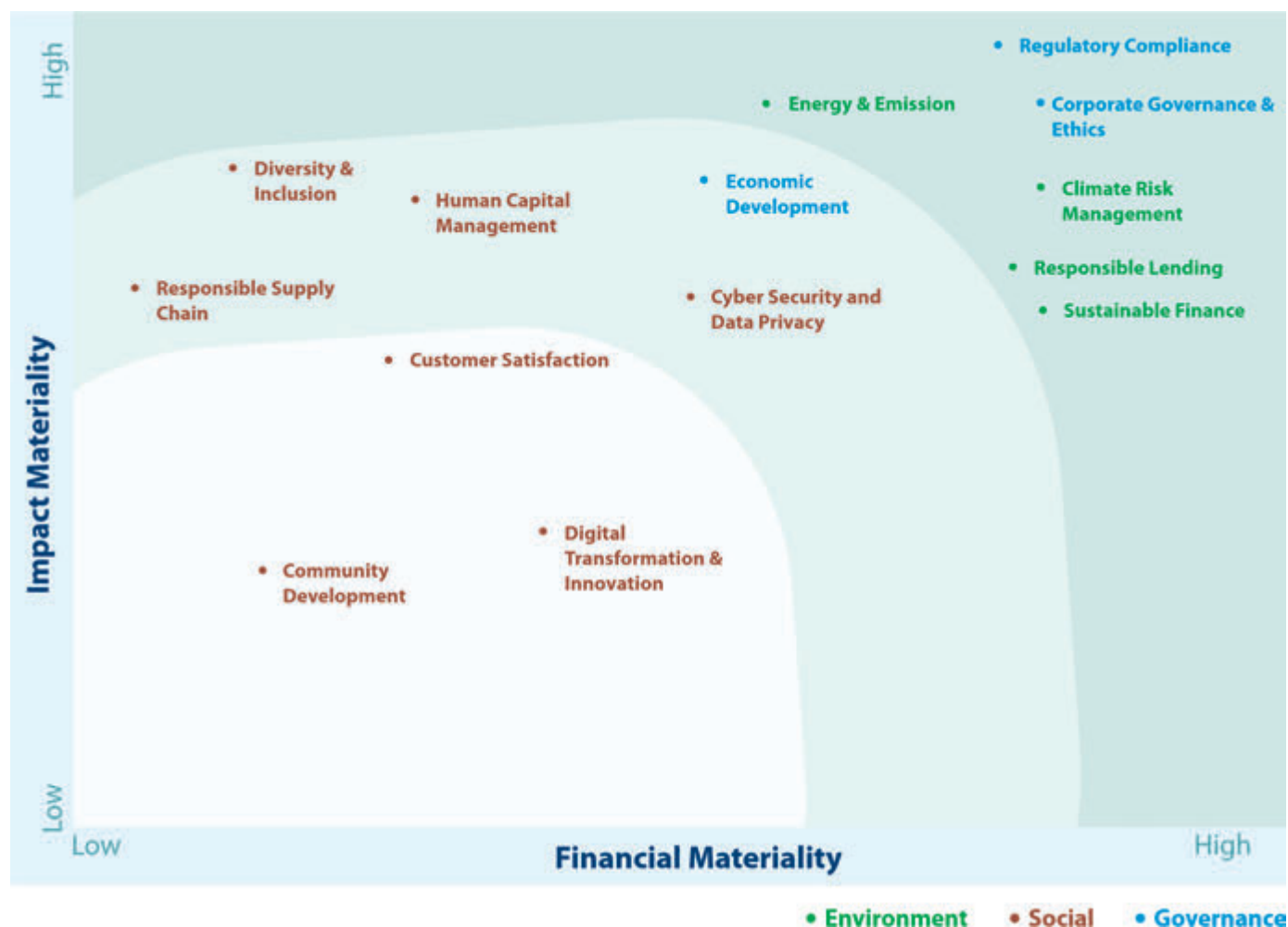
Integration

Integrate the validated ESG issues into REC's business strategy and operational practices, ensuring adherence to REC's policies and reporting standards.





5.2 Materiality Matrix














5.3 Material Topics

Our list of material topics is aligned with the GRI Standards topics, our purpose pillars, the United Nations Global Compact (UNGC) Principles, and the United Nations' Sustainable Development Goals (SDGs) to demonstrate consistency with the most widely used sustainability frameworks. The list of all material aspects identified in this process is as follows:

Material issue identified	Description	Equivalent GRI Std. topic	Purpose pillar*	UNGC Principles	SDGs mapping
Climate change	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 2024-25, the sanction in renewables projects has seen a massive growth of 49% 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.	GRI 201-2: Financial implications and other risks and opportunities due to climate change GRI 301: Materials GRI 302: Energy GRI 305: Emissions		Principles 7, 8, 9	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div> <div>15 LIFE ON LAND</div>



Material issue identified	Description	Equivalent GRI Std. topic	Purpose pillar*	UNGC Principles	SDGs mapping
Community Development	Community engagement and development can impact the company's social license to operate, its 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.	GRI 203: Indirect economic impacts GRI 413: Local communities		Principle 1	<div>02 ZERO HUNGER </div> <div>08 DECENT WORK AND ECONOMIC GROWTH </div> <div>17 PARTNERSHIPS FOR THE GOALS </div>
Employee safety, health & well-being	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, promoting physical and mental health, reducing absenteeism and improving overall productivity, 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.	GRI 403: Occupational health and safety		Principle 10	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION </div> <div>17 PARTNERSHIPS FOR THE GOALS </div>
Diversity and Inclusion	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	GRI 102-8: Information on employees and other workers GRI 202: Market presence GRI 401: Employment GRI 404: Training and education GRI 405: Diversity and equal opportunity GRI 406: Non-discrimination		Principle 6	<div>05 GENDER EQUALITY </div> <div>08 DECENT WORK AND ECONOMIC GROWTH </div> <div>17 PARTNERSHIPS FOR THE GOALS </div>



Material issue identified	Description	Equivalent GRI Std. topic	Purpose pillar*	UNGC Principles	SDGs mapping
Sustainable Supply Chain Management	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.	GRI 102–9: Supply chain GRI 204: Procurement practices GRI 308: Supplier environmental assessment GRI 407: Freedom of association and collective bargaining GRI 408: Child labour GRI 409: Forced or compulsory labour GRI 412: Human rights assessment GRI 414: Supplier social assessment		Principle 1, 2, 4, 8, 10	<div>02 ZERO HUNGER </div> <div>08 DECENT WORK AND ECONOMIC GROWTH </div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION </div> <div>15 LIFE ON LAND </div> <div>17 PARTNERSHIPS FOR THE GOALS </div>
Customer satisfaction	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.	-		-	<div>13 CLIMATE ACTION </div> <div>07 AFFORDABLE AND CLEAN ENERGY </div>
Digital Transformation and Innovation	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, which is essential for long-term success and sustainability.	-		Principles 8 and 9	<div>17 PARTNERSHIPS FOR THE GOALS </div>



Material issue identified	Description	Equivalent GRI Std. topic	Purpose pillar*	UNGC Principles	SDGs mapping
Corporate Governance and Business Ethics & Regulatory Compliance	REC management takes responsibility for ensuring compliance with all applicable rules and regulations. Furthermore, we provide comprehensive ethics training to employees, ensure transparent and accountable reporting practices, and regularly review and update governance policies.	GRI 102–11: Precautionary Principle or approach GRI 102–16: Values, principles, standards, and norms of behaviour GRI 102–17: Mechanisms for advice and concerns about ethics GRI 102–18: Governance structure GRI 205: Anti-corruption		Principle 10	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>17 PARTNERSHIPS FOR THE GOALS</div>
Sustainable Finance	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	GRI 302: Energy GRI 305: Emissions		Principle 8	<div>13 CLIMATE ACTION</div> <div>07 AFFORDABLE AND CLEAN ENERGY</div>
ESG governance and board oversight.	At REC Limited, robust ESG governance is embedded within our enterprise-wide risk management and corporate governance frameworks. The Board of Directors, through its Risk Management Committee, exercises direct oversight of ESG strategy, policies, and performance, ensuring alignment with national priorities, including India's Net Zero commitments, and international best practices. ESG-related risks and opportunities are integrated into strategic decision-making, with quarterly updates to the Board on ESG implementation progress, key metrics, and regulatory developments.	GRI 102–18: Governance structure		Principles 7	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>17 PARTNERSHIPS FOR THE GOALS</div>



Material issue identified	Description	Equivalent GRI Std. topic	Purpose pillar*	UNGC Principles	SDGs mapping
Data Privacy and Cyber Security	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. We have implemented robust cybersecurity measures, strong governance around information security and data privacy. We conduct regular audits and provide frequent trainings to our employees to ensure data privacy & cyber security.	GRI 418: Customer Privacy 2016		-	17 PARTNERSHIPS FOR THE GOALS



Senior officials from REC held a meeting with leading bankers and fund mobilizers to discuss new ways to raise funds domestically at competitive prices.

5.4 Stakeholder Engagement

Building and maintaining strong relationships with our stakeholders is essential for reaching our business objectives. We focus on seven key stakeholder groups that support our decision-making, strategic planning, and operational efficiency. Ongoing, open, transparent, and constructive communication with these groups enables us to identify issues, assess risks, capitalise on opportunities, and refine our sustainability strategy as needed.

Stakeholder Group	Engagement Methods	Stakeholder Expectations	How We Respond
Shareholders	Email/SMS/Website/ Letters/Telephone/ Newspaper etc.	Return on investment, ongoing business growth, effective governance, risk mitigation, high service quality, and positive societal impact.	Communication of financial results, adoption of financial statements, and the transaction of ordinary and extraordinary business as needed. Addressing shareholder requests and grievances as necessary.
Bondholders	Email, Website Dissemination of information through the Stock Exchange Mechanism/Telephone/ Letters	Allotment, interest servicing, redemption payment, bond certificate, and demat credit. Addressing requests and grievances of bondholders as necessary.	Our processes prioritise the prompt allotment of bonds, on-schedule interest servicing, and seamless redemption payments. We maintain dedicated channels to address bondholder requests and grievances, ensuring clarity, accuracy, and responsiveness in all interactions.
Employees	Emails/Notice Board/ Website/SMS	Communicate key developments within the organization, highlighting the company's progress on both operational and financial fronts. Discuss ESG aspects, NGRBC principles, employee well-being and development, as well as human rights, health, and safety.	We foster an open culture through regular team meetings, leadership town halls, and various feedback mechanisms, including employee surveys. Our HR policies emphasise equal opportunities, diversity, and a safe workplace in compliance with all applicable regulations.
Community	Surveys/Impact assessment CSR Activities Personal interactions Project-based discussions	Community development and wellbeing, CSR projects	We engage with local communities through need-based CSR programs focused on education, healthcare, skill development, and environmental conservation. Our partnerships with NGOs and local authorities enable the effective implementation of community initiatives aligned with regional needs.
Vendors	Email/SMS/Meetings Letters/Telephone	Vendors expect fair, transparent, and timely procurement processes, clarity on quality and compliance requirements, prompt payment cycles, and long-term, collaborative relationships.	We engage with vendors to address their grievances, share tender results, and conduct Vendor Development Programs.
Customers	Email/SMS/Website/ Letters/Telephone	Customers expect high-quality, reliable products and services, transparent information, competitive pricing, timely support, and protection of their data privacy.	Through proactive communication on our website, via email, and on social media, we provide clear and accurate information about our products and services. We regularly gather feedback through surveys and interactions, using the insights to improve our offerings and enhance the user experience.



STAKEHOLDER ENGAGEMENT



Promoting Responsible and Sustainable Finance

Our Approach to Sustainable Finance
ESG Integration in Lending
Case Studies

SDGs Impacted

07 AFFORDABLE AND CLEAN ENERGY 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 
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06. Sustainable Finance

6.1 Our Approach to Sustainable Finance

At REC Limited, our commitment to sustainable finance is foundational to our business strategy. We define “responsible” finance as the strategic allocation of capital towards projects and technologies that not only combat climate change but also drive the nation’s progress, particularly by ensuring reliable power reaches the last mile.

We lend money to companies that are:

Focused on sustainability and the transition to a low-carbon economy.

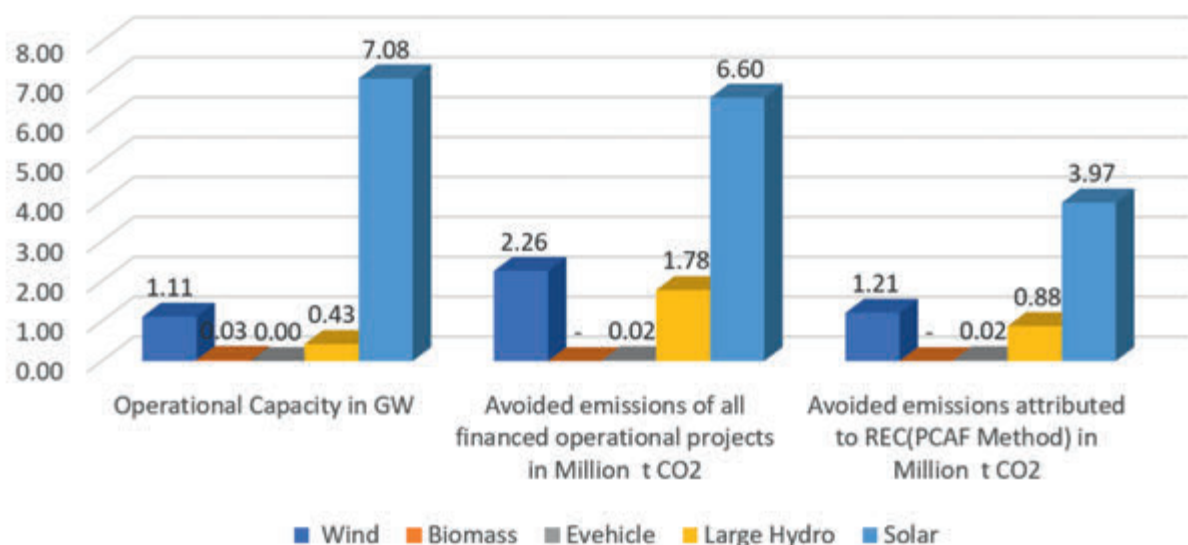
Renewables
 Electric Vehicles
 Pollution Prevention and Control
 Green Infrastructure
 Loss reduction and Network Improvement

In FY25, we significantly accelerated our support for clean energy, disbursing ₹26,186 crore towards renewables, including large hydro. This represents a remarkable 63.4% year-on-year growth from ₹16,024 crore in FY24. As a result, our renewable loan book grew to ₹59,994 crore from ₹38,971 crore reflecting our firm commitment to India’s energy transition.

Avoided emissions by renewable projects financed:

Operational renewable capacity as on 31st March 2025 is 8.64 GW and the cumulative avoided emissions soar to an astounding approximately 10,728,074 tonnes of CO₂, equivalent to 0.1 billion tonnes. Utilising the PCAF (Partnership for Carbon Accounting Financials) methodology for more precise attribution, REC’s direct contribution to these avoided emissions stands at 6.11 million tonnes of CO₂ for FY 2024-25 while for FY 2023-24 being 4.14 million tonnes.

Avoded financed emissions in FY 2024-25





6.2 REC Green Finance Framework:

Our Green Finance Framework was developed in accordance with the guidance of the United Nations Sustainable Development Goals (SDGs). The Framework is aligned with the Climate Bonds Standard version 3.0, The Green Bond Principles 2021, published by the International Capital Market Association (ICMA), The Green Loan Principles 2021, published by the Loan Market Association (LMA), the Association of Pensions and Life Insurance of Asia (APLMA), and the Loan Syndications and Trading Association (LSTA). The Green Bond Framework of REC is drafted in alignment with the GBP's and GLP's four core components: Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting, all of which aim to establish standard methodologies and best practices across capital markets. Given the evolving guidance and best practices in sustainable finance, we are committed to updating our strategy as needed over time to ensure it remains rigorous and aligned with market standards.

Exclusion List

Our Green Finance Framework guides our philosophy and approach towards evaluating ESG factors within our lending platform. ESG factors are a crucial input into our credit analysis, decision-making, we believe that effective management of ESG matters reduces credit risk and enhances loan opportunities. In accordance with our Green Finance Framework, the following industries and activities will be considered for green financing, along with the exclusion list of the activities that will not be considered for funding green:

Under the 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 100 gCO₂e/kWh.
- Nuclear power generation assets

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)



6.3 Leveraging Green Bonds for Low-Carbon Growth

REC Limited has issued four major series of green bonds till date: ECB-25, ECB-59, ECB-66, ECB-79 as part of its commitment to financing India's clean energy transition and sustainable infrastructure totaling to ₹16,681.65 Cr and the proceeds has been fully allocated across 40 projects. Impact assessments have been completed for 21 projects, while the remaining projects are still under construction and have not yet undergone impact assessment.

S.No.	Bond Series Reference	Year of Raising	Underlying Currency	Amount FX (million)	Amount INR (₹Cr)
1	ECB-25	2017	USD	450	2,915.49
2	ECB-59	2023	USD	750	6,144.12
3	ECB-66	2024	JPY	61100	3,437.19
4	ECB-74	2024	USD	500	4,184.85

These funds have been deployed across a wide range of green and sustainable initiatives including: Solar Energy, Wind Energy, Solar-Wind Hybrid Projects, Biomass, Hydro, Low-Carbon Transport Solutions, Electric Mobility Infrastructure. The financed projects are spread across India, engaging across different geographies/company regions and climatic zones, thereby supporting region-specific renewable potential and development goals. These initiatives align with national priorities outlined in India's climate commitments and energy transition roadmap.



Green Bond allocation details of operationalized projects

- The funds raised through bonds have been allocated to solar, wind, and mixed renewable energy projects as per the REC Green Bond framework.

Sr No	Name of the Bond	Amount allocated (in Cr.)	Consolidated Generation (MWh)	Cumulative CO2 Emission Abated (Metric Ton CO ₂ e)
1	ECB-25	2,915.49	9,64,898	7,01,481
2	ECB - 59	6,135.15	NA	NA
3	ECB-66	3,437.16	4,58,554	3,33,368
4	ECB-74	4,184.85	13,42,867	9,76,264
	Total	16,672.65	27,66,319	20,11,114

*Out of the four bonds series, Impact Assessment for the ECB 59 bond is yet to be carried out as the project is still under construction.



Methodology

To calculate abated emissions, we have referred to weighted average emission factor (0.727 TCO₂/MWh) provided by Central Electricity Authority. This factor is combined with the energy generation data from renewable sources to arrive the specific CO₂-equivalent (CO₂eq) for power generation in India. Emission abated data is estimated on an annual basis.

Third Party Verification

REC Green Bond framework is published on its website (<http://www.recindia.nic.in>). REC engages climate bond initiative (CBI) approved verifier to provide a verifier's report on the conformance of Green Financing Instruments with pre and post-issuance requirements of the Climate Bond Standard. REC also get post issuance reviewed by such verifier, on the basis of which certification will be obtained from the CBI to assure that the use of proceeds allocation, ongoing eligibility of the projects and assets, adequacy and output of the Issuer's internal control and systems and use of funds allocated are as per the framework established.

6.4 ESG Integration In Lending

REC plays a critical role in identifying and evaluating the potential environmental risks associated with various projects by effectively integrating Environmental, Social, and Governance (ESG) considerations into its operational framework. To mitigate its exposure to ESG-related risks, REC employs a comprehensive approach in evaluating both projects and entities. This includes the development of a detailed ESG checklist and conducting thorough due diligence processes, which encompass site visits and a meticulous review of applicable compliance standards as part of the appraisal procedure. <https://recindia.nic.in/long-term-loan-private-sector>

In the loan appraisal process, REC performs a rigorous analysis to determine if there are any significant ongoing litigations involving the borrower, promoters, or the directors of the borrowing company. Additionally, the qualifications and experiences of the directors associated with the promoter company are evaluated to ensure they possess necessary expertise to manage the responsibilities effectively. The company adheres to a well-defined ESG Policy framework, which serves as a crucial guiding document for all ESG initiatives and activities undertaken by REC. This framework clearly articulates the company's strong commitment to ESG principles by embedding environmental impact assessments into its operational strategies, financial decisions, and risk management processes.

Moreover, REC is committed to incorporating sustainability into its financial decision-making. To facilitate the financing of clean energy projects, REC incorporates specific conditions related to Environmental, Health, Safety, and Social (EHSS) aspects into its loan agreements and sanctions ensuring that such projects align with its sustainability objectives and comply with best practices in environmental stewardship.



- Lending teams utilize REC's proprietary ESG Due Diligence Toolkit to evaluate material ESG topics in the context of a prospective borrower's unique business, operations, and industry.
- A detailed ESG checklist and conducting thorough due diligence processes, which encompass site visits and a meticulous review of applicable compliance standards as part of the appraisal procedure.

6.5 Financing to State Discoms and Transmission:

REC Limited provides essential financial support to Distribution Companies (Discoms) through schemes such as the Revamped Distribution Sector Scheme (RDSS). By funding Discoms' counter-fund contributions for RDSS projects, REC helps them implement key system upgrades such as smart metering and infrastructure modernization. This targeted funding directly addresses the issue of high Aggregate Technical & Commercial (AT&C) losses, thereby enhancing the reliability and quality of the power supply. Moreover, REC is instrumental in strengthening the country's transmission network by financing critical lines that facilitate the evacuation and integration of green energy. This combined effort to enhance both distribution and transmission infrastructure improves grid stability and advances India's climate and sustainability goals by promoting a greener energy future.



6.6 Renewable Energy Financing & Transmission and Distribution Modernisation financed by REC

1. Electrifying Bengaluru's Bus Network

REC is instrumental in facilitating the transition to zero-emission public transport in Karnataka by backing the deployment of fifty electric buses for the Karnataka State Road Transport Corporation. Developed by Evey Trans (BLR) Private Limited, the project was competitively tendered and reached commercial operation in May 2023. REC's involvement extends beyond funding: it monitors route optimisation, energy consumption data, and debt service reserve adequacy to ensure the fleet delivers reliable, clean mobility for Bengaluru's commuters.



2. Harnessing Kutchh's Wind Corridor

REC is enabling the harnessing of Gujarat's strong wind corridor through its support for a 130 MW wind power project promoted by Adani Wind Energy Kutchh Five Limited in Dayapur, Bhuj. Secured through a tariff-based bidding process, the plant commenced generation in May 2023 and supplies electricity to the Solar Energy Corporation of India (SECI) under a long-term power purchase agreement. REC continues to track capacity utilisation factors, blade pitch optimisation, and the project's fully funded debt service reserve to help the developer maintain stable, low-carbon power delivery.

3. Gigawatt-Scale Solar at Khavda Renewable Park

REC is helping to realise India's Khavda Renewable Energy Park by financing a 900 MW solar photovoltaic project implemented by Adani Green Energy Twenty-Four A Limited in Kutch. The installation—commissioned ahead of its revised schedule in March 2025—combines a 500 MW PPA with SECI and a 400 MW merchant component, demonstrating the viability of hybrid offtake structures at scale. Through stringent covenants, an entirely created debt-service reserve and regular performance reviews, REC is supporting the project company in sustaining a capacity-utilisation factor above its P90 forecast while strengthening local employment and skills programmes.



4. FGD at Sagardighi Thermal Power Station in West Bengal

Recognising that coal-based capacity will continue to anchor grid stability during the transition, REC has developed dedicated loan products for pollution control retrofits. A flagship example is the wet-limestone flue-gas desulphurisation (FGD) programme underway at the 1.6 GW Sagardighi Thermal Power Station in West Bengal. In October 2023, WBPDC awarded a "Significant" EPC order (₹1,000–2,500 crore range) to Larsen & Toubro for three absorbers serving four units (2 × 300 MW + 2 × 500 MW); REC is backing the project with a sustainability-linked loan tranche within an overall commitment of roughly ₹1,800 crore

5. Counter funding under RDSS to Chhattisgarh State Power Distribution Company Limited

REC Limited's loan to Chhattisgarh State Power Distribution Company under the RDSS scheme targeting loss reduction in rural and semi-urban grids—separating farm feeders, replacing bare conductors with theft-proof cable, and deploying high-voltage distribution systems. These upgrades slash technical and commercial losses that silently inflate coal-based generation, turning hidden waste into immediate carbon savings. Strengthened voltage profiles and smart capacitor banks enhance reliability for farmers while reducing transformer stress, minimising diesel backup use, and mitigating its associated emissions. The project shows how REC converts finance into tangible climate action at the distribution edge, advancing India's net-zero ambition through everyday power flows.

Making A Positive Impact on The Environment

SDGs Impacted



07
AFFORDABLE
AND CLEAN ENERGY



12
RESPONSIBLE
CONSUMPTION AND
PRODUCTION



13
CLIMATE ACTION



07. REC's Environmental Footprint

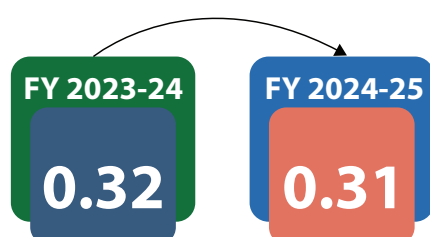


REC is committed to supporting the Government of India's goal of becoming Net Zero by 2070

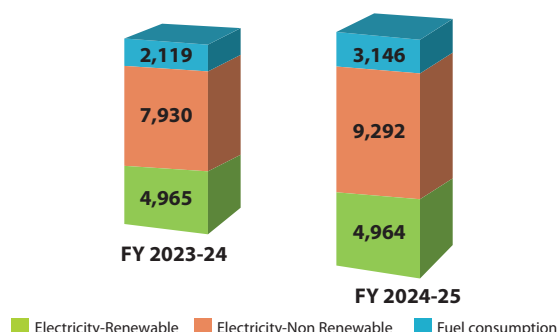
A thriving economy and resilient communities are inextricably linked to the health of the ecosystems that sustain them. Yet today, the intertwined crises of climate change, biodiversity loss and resource depletion threaten to erode those very foundations. At REC, we view these environmental imperatives not as peripheral considerations but as central to our mandate of advancing inclusive, long-term growth. By channelling capital toward clean energy generation, grid modernisation and climate-smart infrastructure, we help India decouple development from emissions while safeguarding natural capital. Our approach aligns with national priorities, global frameworks such as the Paris Agreement and SDG 7, and the expectations of stakeholders who rightly demand responsible stewardship. In championing low-carbon financing, promoting circular resource practices and embedding rigorous ESG due diligence across our financing decisions, REC is committed to catalysing a just energy transition that delivers enduring social prosperity within the planet's ecological limits.

7.1 Energy management

Energy intensity in GJ per INR crore of turnover



Electricity and Fuel Consumption (in GJ)



Despite ongoing measures to improve energy efficiency, such as automated lighting and routine AC maintenance, REC's electricity consumption increased compared to the previous year. This rise is mainly due to our sustainability-focused decision to bring a fleet of 48 electric vehicles (EVs) in-house, replacing traditional third-party cars. Installing charging stations for these EVs which uses about 400 MWh (1440 GJ) of electricity. Although this led to higher power usage, it significantly reduced overall scope 3 business travel emissions, helping REC achieve its long-term decarbonization targets and adhere to its ESG commitments.

Our in-house EV transition and charging infrastructure added about 400 MWh (1440 GJ) to our electricity consumption.

7.2 GHG Emissions

7.2.1 GHG Emissions by Scope (Scope 1 & 2)

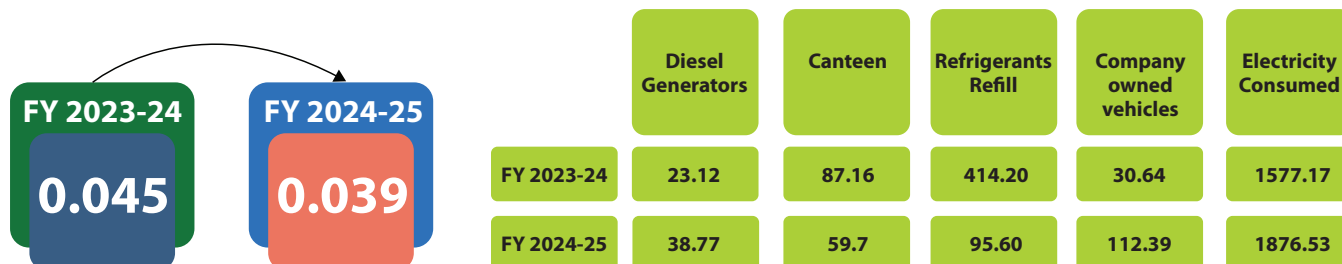
A baseline assessment of Scope 1 and 2 Greenhouse Gas (GHG) emissions was completed in FY 2023–24, establishing the foundation for targeted emissions reduction initiatives, with an emphasis on minimising and managing the most significant sources of our GHG emissions and the categories that are most within our control. We made good progress towards our 2025 targets, with absolute total direct (Scope 1) emissions decreasing by 248.91 tonnes. The evolution of absolute total Scope 1 GHG emissions in 2025 compared to 2024 was a 45% decrease.

Absolute total direct (Scope 1) emissions decreasing by 248.91 tonnes. 45% i.e. decrease in 2025 compared to 2024



Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Emissions Breakup: Diesel, LPG, PNG, CO2 refill, Petrol, and Other Refrigerant Gases)	Metric tonnes of CO ₂ equivalent	306.46	555.37
Total Scope 2 emissions (Purchased Electricity)	Metric tonnes of CO ₂ equivalent	1876.5	1577.1

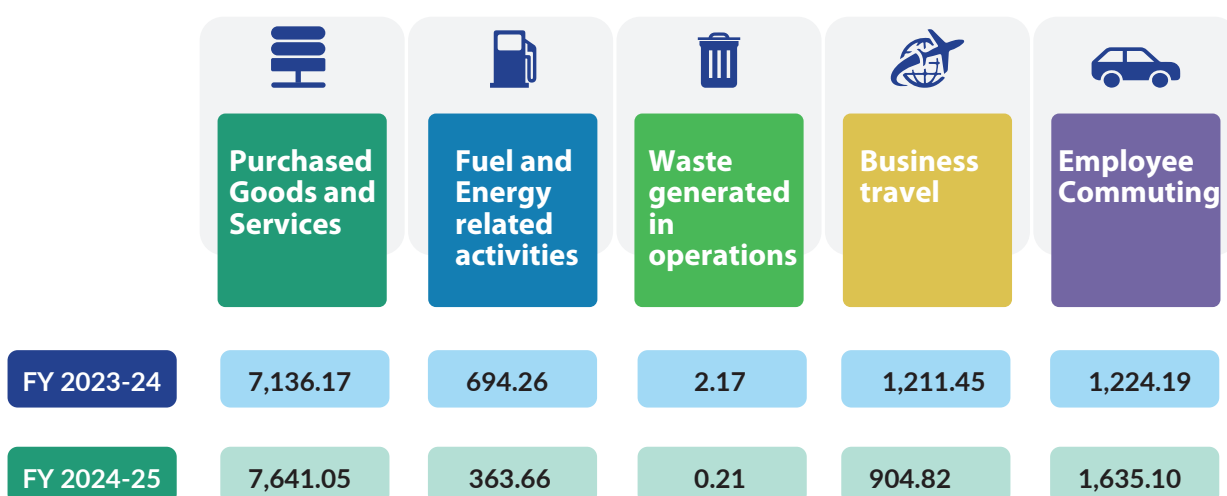
Emission intensity in t CO₂ per INR crore of turnover



7.2.3 GHG Emissions by Source – Scope 3

Scope 3 emissions encompass those arising from activities within our value chain that are outside our direct operations. Our business comprises a range of activities, including the Purchase of goods and services, commuting, business travel, transportation, and waste management. The most considerable contribution comes from sourcing goods and services, especially office procurement. While we focus on the direct effects of our operations, we also take responsibility for all activities related to our business across the entire value chain. To achieve our goals, we participate in multiple initiatives aimed at reducing scope 3 emissions. Analysing our overall carbon footprint shows that the majority of impacts originate upstream, closely linked to our suppliers. Therefore, collaborating with suppliers is essential in efforts to reduce our scope 3 emissions.

Break up of Scope 3 emissions (tCO₂e)



We are evaluating the Scope 3 greenhouse gas (GHG) emissions associated with our financing activities, in alignment with the Partnership for Carbon Accounting Financials' recommendations



To build a more comprehensive understanding of our environmental impact, we are evaluating the Scope 3 greenhouse gas (GHG) emissions associated with our financing activities, in alignment with the Partnership for Carbon Accounting Financials' recommendations. In 2025, we formalised our long-term strategy to reduce our overall carbon footprint, with an emphasis on minimising and managing the most significant sources of our GHG emissions and the categories that are most within our control. These categories include purchased goods and services, business travel, commuting and energy consumption.

7.3 Our Environmental Sustainability Strategy

We hold the view that managing energy use and emissions, safeguarding biodiversity, addressing climate risks, and properly handling water and waste are crucial for maintaining a healthy planet for future generations. Our commitment to environmental responsibility is evident in our emphasis on managing energy and emissions, protecting biodiversity, mitigating climate risks, and overseeing adequate water and waste management. We aim to support our clients in achieving their environmental goals and contribute to the advancement of a sustainable global economy.



7.3.1 Our Roadmap to Becoming Climate Positive

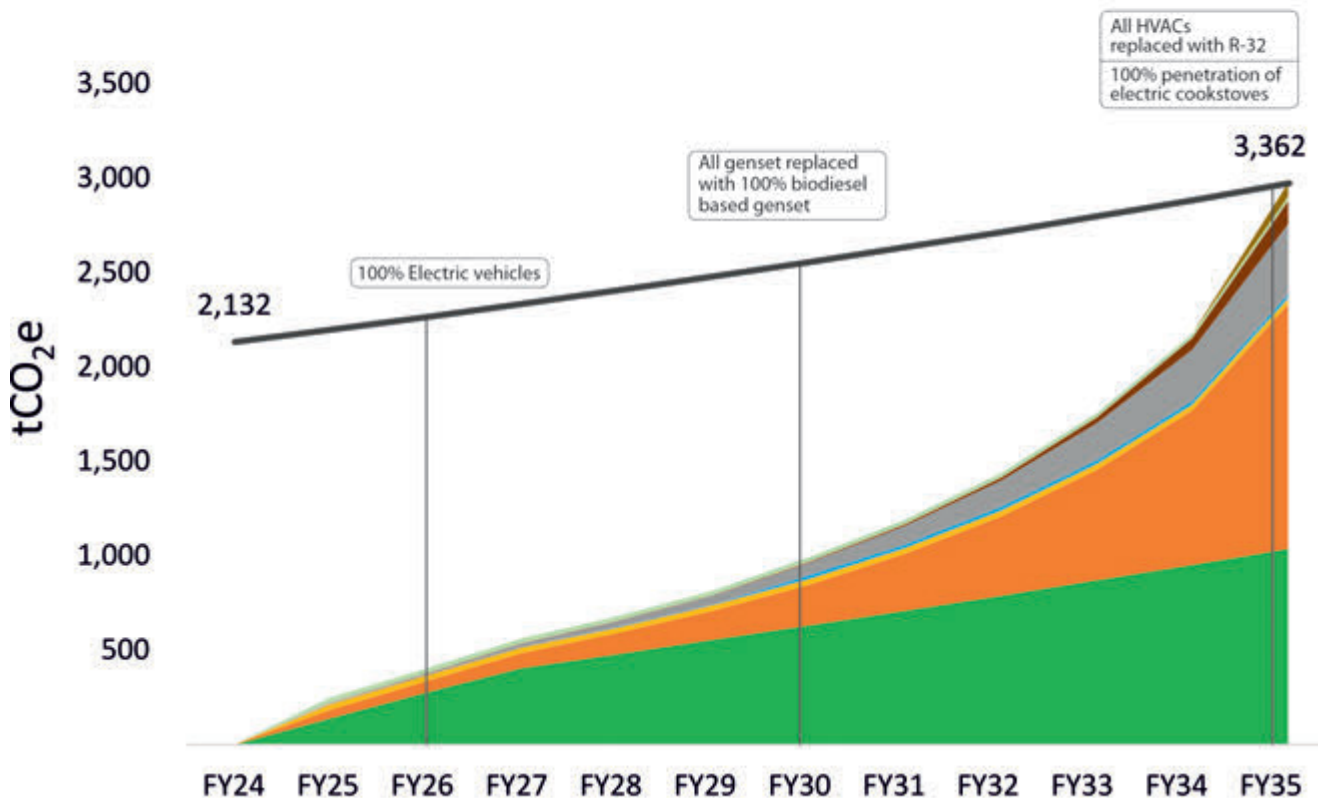
The latest climate science says that the temperature increase must not exceed 1.5°C compared to pre-industrial levels if we are to avoid the most catastrophic effects of climate change. Reaching this goal requires that emissions be reduced by half by 2030 and that we achieve net-zero emissions by no later than 2050. We are committed to becoming climate positive – removing more greenhouse gases from the atmosphere than we emit – before 2050, as part of our purpose. One key aspect of this is that REC aims to achieve climate-positive operations by 2035.





REC commits to reduce Scope 1 and 2 emissions by more than 90%, by FY35 from a FY24 base year

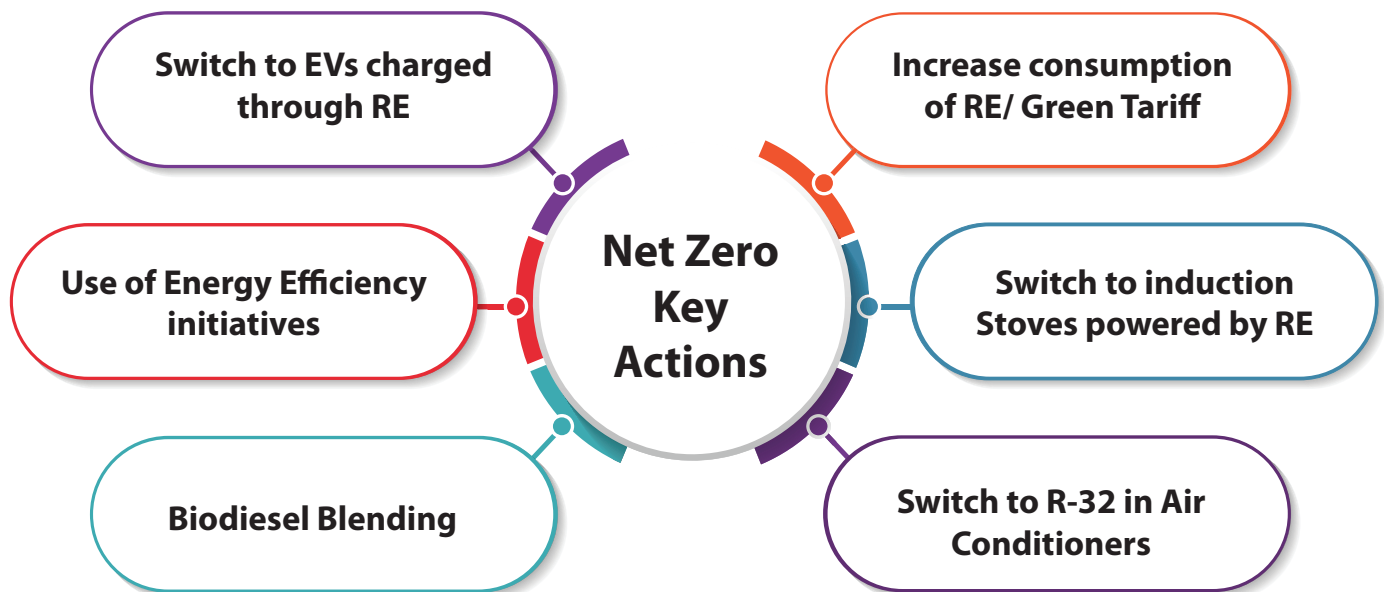
REC Net Zero Pathway (Scope 1 and 2)



- Emission reduction due to offsets
- Emission reduction due to energy efficiency
- Emissions reduction due to use of dual fuel system in DG set
- Emission reduction due to switching to induction cookstoves powered by RE
- Emission reduction from switching to R-32 in Air Conditioners
- Emission reduction from use of Biodiesel blend in DG Sets
- Emission reduction from switching to EVs charged through RE
- Emission reduction from use of RE/ green tariff
- Emission reduction as a result of reduction in grid emission factor
- BAU Scope 1+ Scope 2 emissions



Environment: Net Zero Plan with following broad pathways



7.3.2 Sustainable sourcing

REC is deeply committed to sustainability, a principle that permeates our policies and operational practices. Our approach to sourcing is particularly noteworthy, as we incorporate specific metrics that quantify sustainable sourcing, showcasing our unwavering commitment to responsible procurement. In addition to our sourcing methods, REC has established a comprehensive Environmental, Social, and Governance (ESG) policy. This policy underscores our commitment to enhancing our environmental performance across all facets of our operations. We believe that fostering a culture of ecological responsibility extends beyond our immediate organization to influence our employees and the broader community, encouraging everyone to contribute positively to environmental stewardship.

The ESG policy and sustainable procurement policy are available at <https://recindia.nic.in/policies>

In FY 2024-25, 100% of REC's inputs were sourced sustainably and ESG declaration is taken from respective suppliers.

7.3.4 Minimizing Our Operational Impact

At REC, we are committed to minimising our impact on the planet. In 2025, we continued working to reduce GHG emissions across our operations, maintained carbon neutrality in our operations, and formalised our long-term GHG emissions reduction strategy. To effectively track and accurately report on our progress, we engage a third-party consultant to measure our Scope 1 (direct GHG emissions) annually, Scope 2 (indirect GHG emissions from our purchased energy), and Scope 3 emissions (indirect GHG emissions from our value chain, including employee commuting, business travel, remote working, purchased goods and services, capital goods, fuels and energy related activities, and waste).

Across our measurement, management, and reporting processes, we adhere to the framework established by the Greenhouse Gas Protocol (GHG Protocol), the internationally recognised standard for corporate GHG emissions accounting. Building on our environmental performance in 2025, we continued taking a holistic approach to minimising our carbon footprint. Our efforts included transitioning to greater renewable energy use, investing in projects that protect the environment and offset our operational greenhouse gas (GHG) emissions, and participating in various energy-saving initiatives.



7.3.5 Shifting to Renewable Energy

We continue to shift electricity usage to renewable sources where ever possible. In line with India's Panchamrit commitments and the Nationally Determined Contributions (NDCs), REC is actively working to decarbonise its operations and expand its green financing footprint.



Opting green energy premium

We have secured approval from Dakshin Haryana Bijli Vitran Nigam (DHBVN) to supply 100% renewable electricity for REC's Corporate Headquarters, marking a significant step towards reducing grid-related carbon emissions. We are now working to expand this initiative to all regional offices where it is possible.



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. REC signed an agreement with NVVNL for the installation of rooftop solar across five of our regional offices. Also REC, along with its subsidiary RECPDCL, is developing a 1 MWp captive solar power facility to complement the existing rooftop solar plant at REC's corporate office.



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

REC has committed for Net Zero in its operations and has defined 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.

Our Corporate Headquarters now runs on 100% renewable electricity following the approval from DHBVN for green power supply. This initiative will avoid approximately 75% of overall Scope 2 emissions of REC.



REC signed an agreement with NVVNL for the installation of rooftop solar across five of our regional offices.

7.3.6 Using Electric Vehicles to lower emissions

REC is committed to transitioning its entire office fleet, including third-party vehicles to electric as part of its emission avoidance efforts. By the end of FY 2024-25, we achieved a significant 76% conversion rate, with 60 EVs across our offices. As of July 31st, 2025 our progress accelerated to a 93% conversion rate, which includes both fully electric and hybrid vehicles.





7.4 Water Management

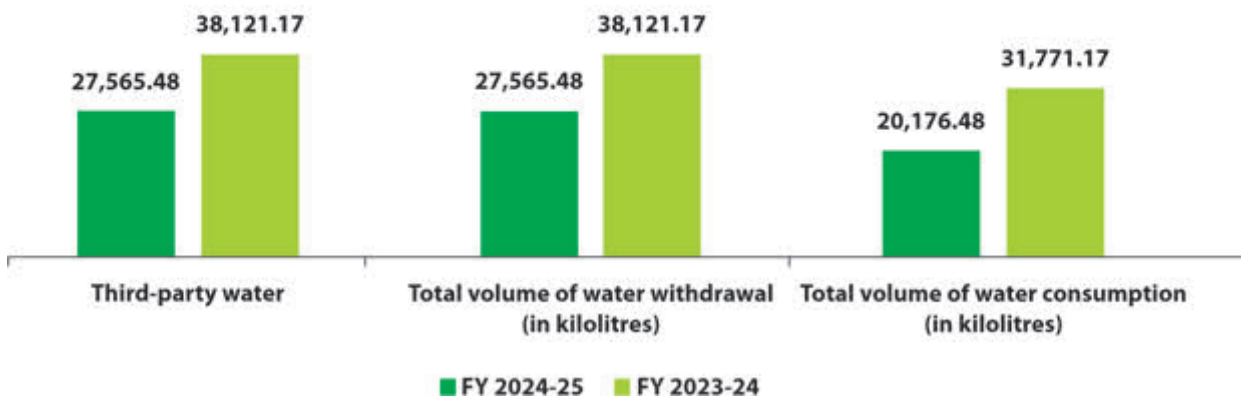
REC recognises that water is a vital resource that sustains life, and we are deeply committed to its sustainable management. To achieve this goal, we engage in thorough monitoring of our water usage, adhering to the 3R principle: reduce, reuse, and recycle, by leveraging the latest technologies and performing regular maintenance.

We maximize every drop of water through efficient fixtures, on-site rainwater collection, and recycling. The water treated through our Sewage Treatment Plant (STP) is repurposed for essential activities like horticulture and flushing. Additionally, we collect and treat rainwater and water from purifiers to use in our HVAC system.



20,176.48 kl
Water Consumed

Water Consumption and Withdrawal



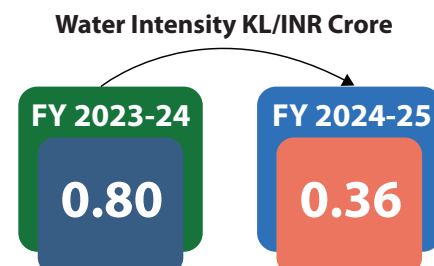
7.4.1 Sewage Treatment Plant (STP)

We have embraced a zero-liquid discharge (ZLD) policy at the REC corporate office. This commitment ensures that our current water discharges, including treated effluents and runoff, comply meticulously with all established regulations and standards, thereby preventing any adverse impact on local water bodies or their surrounding ecosystems. Our Corporate office equipped with efficient closed-loop system that support our Zero Liquid Discharge (ZLD) initiative, resulting in significantly reduced water withdrawal and minimal discharge of effluent into natural water bodies. Through these practices, we actively protect biodiversity and the ecosystems that support it.



In instances where we operate non-Liquid Discharge (ZLD) offices, we strictly follow all regulatory standards for wastewater discharge, safeguarding environmental integrity. We meticulously calculate our freshwater consumption by measuring the water sourced from third parties and subtracting the volume that is safely returned to the environment.

In the fiscal year 2024-25, we are proud to report a reduction in specific water usage compared to the previous fiscal year, 2023-24





7.4.2 Our Rainwater Harvesting Initiatives

REC has been a leader in promoting rainwater harvesting, an essential initiative aimed at conserving and effectively utilising this vital natural resource. Through various projects, REC addresses water scarcity and supports sustainable water management practices. The organisation's rainwater harvesting systems are decentralised and cost-effective, enabling the capture and use of rainwater at the point it falls, contributing to water security for communities.

The collected rainwater undergoes treatment using filters and is repurposed for various uses throughout the building, including supplying water to the HVAC (heating, ventilation, and air conditioning) system. Approximately 7500 kiloliters of rainwater are utilised in this manner every year.

500 **KL** centralized storage of rainwater through two stormwater systems within the building premises



Storm water connection outside building premises



Rainwater tank at Basement 3



Sewage Treatment Plant (STP)



7.5 Waste Management

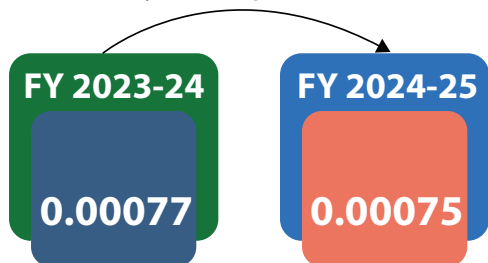
Effective waste management is a critical component of our sustainability strategy. We are committed to reducing the waste generated by our operations, promoting recycling, and ensuring the responsible disposal of waste. Our waste management policies are designed to minimize environmental impact and support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



42.18 MT

Total Waste Generated

Waste Intensity in tonnes per INR crore of turnover



7.5.1 Recycling Electronic Waste



In 2025, we continued to recycle 100% of the E-waste.

According to the United Nations, the world produces approximately 50 million tons of electronic waste (e-waste) annually, yet only 20% of this total is recycled correctly. Our information technology (IT) department maintains equipment that is no longer useful, functional, or obsolete through our certified vendor. To support future e-waste recycling efforts, we hosted a session for employees focused on how to dispose of their electronics responsibly. Also at REC Corporate office, we have established a e-waste collecting unit where all employees can dispose their e-waste or unused electronic waste.

7.5.2 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 significantly reduced our paper consumption. Our goal is to achieve a fully paperless environment over the years, further minimizing our waste footprint.

Waste Disposal and Treatment

We adhere to strict protocols for the handling and disposal of hazardous waste. REC partnered with 3rd party registered vendor for responsible waste management. All hazardous materials are collected, stored, and disposed of by the vendor 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.



7.5.3 Swachhata Pakhwada and Plantation Drive at REC

REC observed the Government of India's Swachhata Pakhwada from 16 to 31 May 2025, mobilising every office and project site around a simple idea: cleanliness is a core value, not an annual ritual. The fortnight opened with the Swachhata Pledge, administered by CMD Shri Jitendra Srivastava, who reminded staff that India's sanitation journey "from open defecation to dignity" owes its success to sustained behavioural change and community engagement.



Launch day activities translated those words into action. Employees attended back-to-back awareness talks—one by grassroots conservationist Ramveer "Pondman" Tanwar on the public health dividends of clean water, another by Sultanpur's award-winning sarpanch Jasmer Singh Chauhan on village-level leadership—before unveiling a full-scale "Waste to Art" charkha fashioned from 200 kilograms of recycled scrap. The day concluded with a free health and financial literacy camp for housekeeping staff, underscoring the campaign's social inclusion lens.

Cleanliness drives were paired with greenery drives. Immediately after the inaugural ceremony, the CMD, Functional Directors and Chief Vigilance Officer led a tree planting session on the Gurugram campus; Regional Offices conducted parallel clean up and plantation activities, using geo-tagged photographs under the hashtags #RECSwachhataPakhwada2025 and #GoGreenGoClean to track participation and sapling survival.



A workshop on sanitation and waste management under the Cleanliness Action Plan 2024-25 was organised at REC's headquarters in Gurugram.

Plantation work continues year-round through the nationwide 'Ek Ped Maa Ke Naam' initiative that invites citizens to dedicate a sapling to their mothers. REC teams have integrated the campaign into their CSR calendar, expanding corporate and regional green belts and submitting geo-tagged pits for quarterly survival audits, mirroring the best practices outlined in the Government's 2025 plantation guidance.



7.6 Biodiversity

At REC, we deeply understand that biodiversity is essential for a thriving environment and is fundamental to achieving sustainable development. This recognition shapes our approach to environmental stewardship, guiding us to actively protect and enhance biodiversity through a range of initiatives and responsible practices that underpin our Sustainable Operations.

Our dedication to preserving biodiversity is an integral part of our everyday activities. We take pride in ensuring that none of our operations or offices are situated in or near ecologically sensitive areas, safeguarding these vital ecosystems from potential disruption. To further undermine our commitment to conserving biodiversity, we implement a series of proactive measures designed to protect local habitats, promote ecological balance, and foster biodiversity in all aspects of our work.





SOCIAL RESPONSIBILITY

SDGs Impacted

01 NO POVERTY 	02 ZERO HUNGER 	03 GOOD HEALTH AND WELL-BEING 	04 QUALITY EDUCATION 	05 GENDER EQUALITY 	06 CLEAN WATER AND SANITATION 	08 DECENT WORK AND ECONOMIC GROWTH 	09 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
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08. Social

The ongoing success of our business relies on a variety of critical factors; yet, at its heart, our people are the foundation. As we navigate through a strategic transformation, it becomes imperative that we regularly evaluate the skills and competencies necessary for our future growth. Equipping our team with the right tools and knowledge is essential for propelling us forward. Consequently, capability-building has become a cornerstone of our approach to people development. We recognise that fostering talent and driving business transformation are interconnected processes, with each one enhancing the potential for career advancement and organisational success.

8.1 Human Resource Policies & Strategy

While our current policies and strategies have proven successful in the past, we acknowledge that the market landscape has undergone significant changes. We now operate in an increasingly unpredictable world where clients seek greater flexibility, a broader range of options, and faster services. At REC, we are launching an ambitious transformation initiative centred on our people, grounded in our core values of respect for individuals, dedication to innovation, and effective technology utilisation. We prioritise the development and well-being of our employees, fostering a culture that promotes continuous learning and personal growth. Our goal is to foster a vibrant and dynamic work environment where every team member is encouraged to make meaningful contributions, excel in their roles, and feel genuinely valued for their unique contributions.

Moreover, we are committed to creating workplaces that are inclusive and accessible to all. We believe in nurturing a culture of empathy and acceptance where we celebrate each other's differences and identities, recognising that this diversity is a strength that enhances our collective creativity and problem-solving capabilities. By investing in our people and promoting an inclusive culture, we aim to build a resilient organisation poised to thrive in the face of an ever-changing market landscape.

Total Rewards

We are focused on two key objectives under Total Rewards i.e. streamlining payroll operations and enhancing HR service delivery.

HR Automation

Introduced automation initiatives, leading to significant digitization of HR Services. This has Improved efficiency, reduced costs, and allowed for customizable HR services, providing a uniform employee experience.

Standardized Payroll System

In alignment with the Department of Public Enterprises (DPE) guidelines and our commitment to good governance, REC has implemented a centralized and integrated payroll system across the organization. This initiative has streamlined HR processes, ensured compliance with statutory and regulatory requirements, and significantly strengthened data security and transparency—reinforcing our ESG objectives related to operational efficiency, accountability, and responsible management of employee information.

Policies

To foster continuous talent growth, we have several employee-centric policies in place. Our HR policy focuses on finding, evaluating, and developing a steady stream of talent, particularly for key roles crucial to our business success.

The Recruitment Policy

outlines specific standards for hiring and deputation within the company, adhering to the guidelines from the Department of Personnel and Training (DoPT).

We strictly forbid child labor, forced or coerced labor, and the retention of employees' original government-issued identification and travel documents, except where mandated by law.

Learning and Development (L&D) Policy

underscores our dedication to offering L&D opportunities. All full-time employees and non-permanent staff qualify for training, which is based on both the needs of the company and the individual's performance and potential. Training options may consist of, but are not limited to, in-house training, competency-based programs, technical training, work assignments, and temporary internal transfers.

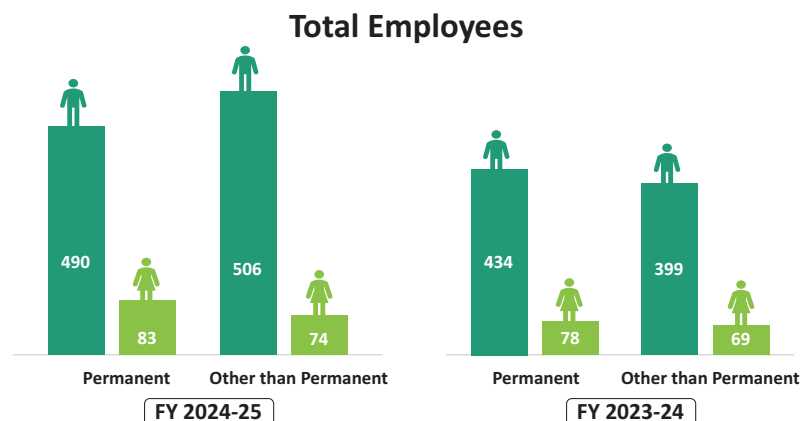
In line with our Cyber Security Policy,

we are committed to protecting personal data. The policy outlines clear guidelines and procedures for handling personal information while adhering to data privacy laws. This policy is created, executed, sustained, and consistently improved in accordance with the legislation and applicable standards of the Government of India.



8.2 Recruitment and Employment

Our employees are the cornerstone of our success. At the end of FY 2025, we have proudly employed 573 dedicated permanent professionals, 580 other than permanent professional across various regions in India. REC focuses on creating an inclusive environment, facilitating professional development, and maximising the potential of its diverse talent pool, ensuring unique skill sets and perspectives that contribute to our innovative and customer-focused approach.



Total employee headcount in FY 2024-25 (as on 31st March 2025)								
Sr. No.	Category	Unit	Age Group					
			<30		30-50		>50	
			Male	Female	Male	Female	Male	Female
A	Permanent Employees							
1	Management Staff	Nos.	55	11	353	62	66	7
2	Non- management Staff	Nos.	0	0	7	0	9	3

Total employee headcount in FY 2023-24 (as on 31st March 2024)								
Sr. No.	Category	Unit	Age Group					
			<30		30-50		>50	
			Male	Female	Male	Female	Male	Female
A	Permanent Employees							
1	Management Staff	Nos.	63	14	271	49	78	10
2	Non- management Staff	Nos.	0	0	7	0	16	5

Note: This report provides a detailed classification of permanent employees only, as non-permanent employees are managed under the contractor. However, we ensure that all facilities, well-being initiatives, and career progression measures are equally extended to non-permanent employees.

At REC, we believe in recruiting for attitude and training for ability. Furthermore, we use personality evaluations as appropriate to gain insight into job applicants' work preferences and behaviours, ensuring that they align with our values. Our objective is to connect top professionals from diverse sectors and improve the efficacy of matching opportunities with qualified candidates. Our culture and people are crucial to our approach.

8.3 Attracting and Retaining Employees

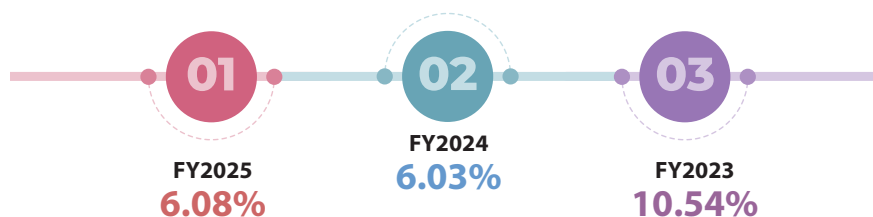
Our business is about our people and their talent. It is their passion that continues the Company's long history of delivering excellence and ensures the best possible customer experience. We insist on fair compensation, employee rights, and good employee-management relations, as well as the continuous development of our talented workforce's skills.

8.4 Employees turnover

Our approach results in an engaging and inspiring environment for employees, allowing them to realise their career aspirations. We foster proactive talent development, offer targeted technical and functional support and work to strengthen our leadership capabilities. We also support the growth of a strong workforce by nurturing a pipeline of industry experts and future leaders, developing skills for sustained success. Similarly, we seek to attract local talent and industry experts to support growth in all our markets.



Employee Turnover in



Note: During the financial year 2024-25, a total of 33 employees separated from the Company, out of which 27 separated due to superannuation and 6 separated due to other reasons.

8.5 Parental Leave

Driven by our aspiration to cultivate an environment where we enjoy working and growing together, and in line with Sustainable Development Goal 8, which aims to promote decent work, we are committed to fostering a supportive workplace for our employees and their families. Our goal is to contribute to a more fulfilling and healthier life, particularly for new parents and their little ones. REC offers paid parental leave in line with government regulations to all qualified staff. This initiative helps ensure a healthy beginning for their children and supports the well-being of working parents. REC aims to align its HR practices with top industry standards and, in accordance with other Maharatna CPSEs, includes Flexible Work Hours, study leave, sabbatical policy, employee reward systems, and more.

Paternity leave	15 days for male employees
Maternity leave	180 days
Child care leave	730 days
No. of employees availed in FY25	38
Total no of days availed in FY25	1374 days
Driven by our aspiration to cultivate an environment where we enjoy working and growing together, and in line with Sustainable Development Goal 8	
REC aims to align its HR practices with top industry standards and, in accordance with other Maharatna CPSEs, includes Flexible Work Hours, study leave, sabbatical policy, employee reward systems, and more	

8.6 Diversity, Equity & Inclusion (DEI)

At REC, we believe a diverse and inclusive workforce strengthens decision-making, problem-solving, and innovation. Reflecting the communities we serve, our teams benefit from a wide range of experiences and perspectives, which are essential in navigating a complex business environment.

Gender diversity remains a key focus, and we are committed to ensuring equal opportunities, including equal pay and leadership pathways for women. Empowering women is not only the right thing to do—it also drives economic growth and social progress beyond our organization. While recent hiring has aimed to improve gender balance, the overall ratio of women in our workforce has slightly declined, partly due to a higher number of female retirements. We remain committed to reversing this trend and increasing female representation across all levels.

Information on employee diversity

Employee count in diversity category in FY 2024-25										
S. No	Category	Unit	Employees in FY 2024-25							
			Age Group						Gender	
			<30		30-50		>50		Male	Female
			Male	Female	Male	Female	Male	Female		
1	Number of employees within the organization's governance bodies (Board)	Count	0	0	1	0	6	1	7	1
2	Number of employees in senior management	Count	0	0	2	0	16	2	18	2
3	Number of employees in junior management	Count	55	11	360	62	59	8	474	81



Women Ratio:
14.5%



8.7 Inclusivity for People with Disabilities

We are proud to be an inclusive employer for people with disabilities, and to date, we have hired 14 permanent employees with disabilities. We have implemented several initiatives to support these employees, including creating accessible work environments, providing tailored training programs, and assigning dedicated support personnel.

Our strategy for diversity and inclusion focuses on eradicating all forms of discrimination and ensuring that individuals from diverse backgrounds have the opportunity to thrive. We strive to attract local talent and industry specialists to foster growth in all our markets and segments. We value diversity throughout our organisation and recruit to establish a workforce that is both representative and inclusive. We enforce policies and initiatives that ensure equal opportunities for all individuals, free from discrimination. We ensure that REC respects human rights by exercising due diligence, as outlined in the UN Guiding Principles for Business and Human Rights, which include the right to non-discrimination.

We are proud to be an inclusive employer for people with disabilities and to date we have hired 14 permanent employees with disabilities

8.8 Non-discrimination

Candidates with strong qualifications are more likely to consider employment with a company if they perceive opportunities for financial advancement as they prove their worth, regardless of gender or nationality. Organisations that offer equal compensation to both men and women, as well as individuals from diverse backgrounds, will have a broader talent pool during the recruitment process and are more likely to keep these skilled professionals. We are committed to fostering and supporting a workplace that is built on mutual respect and free from harassment.

Incidents of discrimination and corrective actions taken

We expect our employees to comply with all local laws against discrimination; however, REC's ethical values extend beyond legal requirements. All our employees have a responsibility to support and promote our Principles of Conduct. We take all allegations very seriously and conduct appropriate investigations. This process is managed locally in all locations where REC operates.

ZERO incidents were reported during FY 2024-25

8.9 Equal Pay

Ratios of standard entry-level wages by gender compared to the local minimum wage

At REC Limited, we are committed to promoting gender equality and pay equity as key priorities within our ESG strategy. We conduct annual compensation assessments to identify and address disparities, ensuring fair and inclusive remuneration practices throughout our workforce.

REC continues to strengthen its initiatives around equitable pay, including transparent salary benchmarking and targeted programs to support gender diversity. These efforts demonstrate our commitment to continuous improvement and alignment with global ESG best practices, reinforcing our dedication to fairness and inclusion.

With our commitment to an empowered workforce comes our commitment that all employees are paid at least, and in most cases, well above the minimum salary stipulated by law or collective agreements. Compensation is managed in accordance with the guidelines of the Department of Public Enterprises, Ministry of Finance, to ensure equal pay to males and females and adherence to regulations. In all cases, REC pays wages above the minimum stipulated by law or applicable collective agreements.

8.10 Training and Education

We provide an engaging and inspiring environment for employees to realise their career aspirations. This involves proactive talent development, targeted technical and functional support and work to strengthen leadership capabilities. We also foster the growth of a strong workforce by nurturing a pipeline of industry experts and future leaders, developing skills for sustained success. We focus on employee development to enhance skills and productivity, continually adapting abilities to meet requirements and offering the best opportunities to our people. Talent development involves developing leadership capabilities and ensuring we have the people who can deliver on the needs of tomorrow.



It also enables us to retain and motivate qualified people. Our internal programmes focus on proactive talent development and nurturing a well-balanced workforce. All programmes offer challenging and inspiring learning environments where employees are encouraged to explore and experience new ways of thinking and working. This often involves a blend of digital tools, self-reflection, coaching, classroom sessions, and virtual teamwork, providing a safe environment in which employees can apply and test what they have learned.



Training session on risk management, led by a senior industry expert. The session provided a broad overview of different risk categories and mitigation strategies, using key case studies to demonstrate how even simple measures can effectively manage risk.



As part of the REC's ESG Awareness Week, a special session on ESG was conducted at our REC corporate office in Gurugram. Officials from regional offices also attended the session through video conferencing.

ESG Awareness Week 2024-25 (16 – 20 December 2024)



REC Limited hosted a five-day ESG Awareness Week, bringing together senior leadership, executives, and over 100 employees—both permanent and contractual—to deepen the organisation's understanding of environmental, social, and governance priorities. Kicking off on Day 1, the CMD chaired an opening session that reviewed past milestones, the Net-Zero Plan, and forthcoming targets, signaling a top-level commitment to a broader sustainability objective. A lively quiz on REC's ESG Report immediately followed, engaging staff across functions and locations.

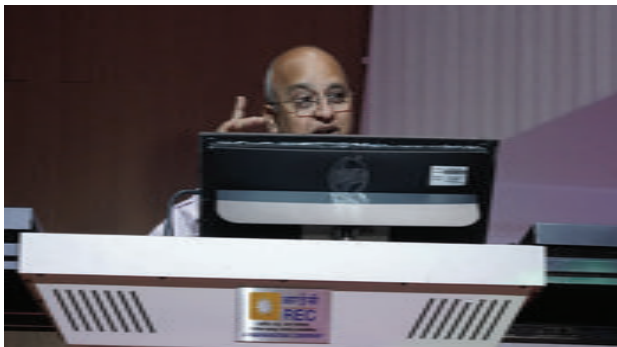


Day 2 focused on capacity-building, with external expert Ms Harsha Ramnani delivering a comprehensive briefing on emerging regulatory trends, best practices, and the growing valuation of ESG performance. Her session illustrated how individual, day-to-day choices aggregate to strengthen REC's enterprise-level ESG outcomes, reinforcing the message that responsibility is both personal and collective.

To translate learning into reflection and action, Day 3 featured an essay-writing competition on "How One Can Contribute to ESG," while Day 4 tested knowledge through an online quiz on the REC Net-Zero Plan and current regulatory guidelines—each activity drawing more than 100 participants and surfacing practical ideas for workplace sustainability.

The week concluded with a Day 5 nukkad natak on "Save Environment-Save Life" and "Corruption and Governance," followed by an awards ceremony.

In his closing remarks, the Executive Director (ESG) emphasised that ESG represents a return to traditional, ethical business values, urging staff to integrate sustainability into their daily habits for the benefit of future generations.



This annual programme has reinforced cross-departmental collaboration, strengthened cultural ownership of REC's Net-Zero roadmap and provided a replicable model for ongoing ESG engagement.

Our Learning and Development program consists of the following trainings

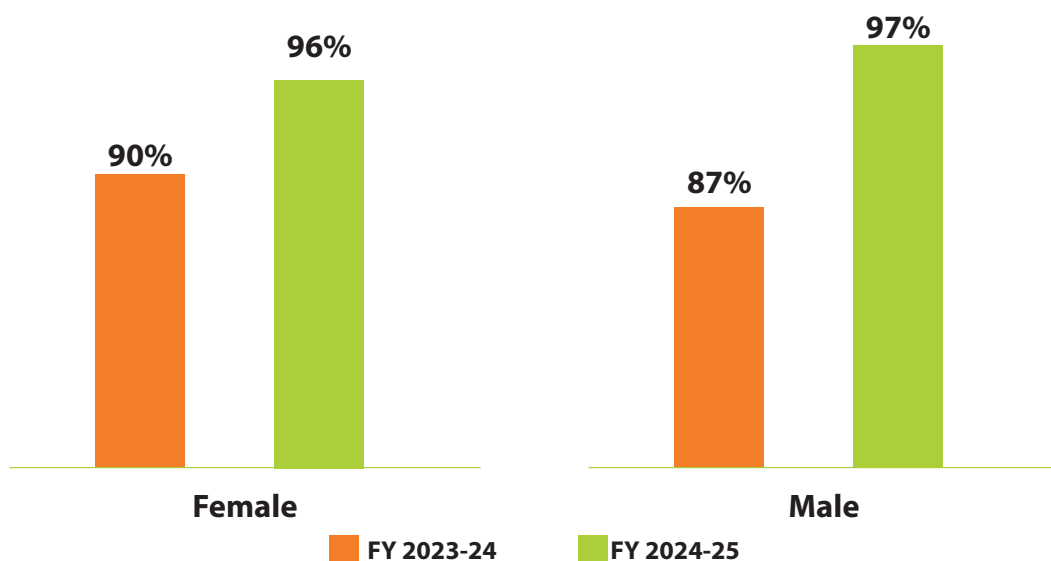
REC prioritises the professional development of its employees through several key initiatives:

- **Structured Training Programs:** REC's Human Resources division proactively identifies training needs through performance appraisals and consultation with senior management. They then curate a training calendar that includes programs from leading institutes across India and abroad. Employees are nominated for these programs based on both organisational requirements and individual willingness.
- **Dedicated Training Institute:** The REC Institute of Power Management and Training (RECIPMT) plays a crucial role. It publishes an annual calendar of diverse training programs, including online webinars and classroom sessions. These programs are accessible to REC employees, other power sector professionals nationwide, and even REC-sponsored trainees from their borrower utilities.
- **Exposure to Best Practices:** REC actively facilitates domestic and international exposure for its employees. They regularly send staff to various institutes to gain technical expertise and learn about global best practices and emerging technologies. The goal is to ensure every employee receives training and to diversify their skill sets by avoiding repeat participation in the same programs.
- **Job Rotation Policy:** To foster versatility and a holistic understanding of the company's operations, REC implements a job rotation policy. Employees are encouraged to work in various divisions, including finance, banking, commercial, and loan management. This broadens their exposure and enhances overall efficiency.
- **Employee-Driven Participation:** While training is organised by management, REC encourages employees' willingness and initiative in participation. This ensures that individuals are engaged and motivated throughout their learning journey.

Total training man-days for FY25 for REC employees: 2346 (90.99% increase)
Further various awareness sessions and common training programmes were held at the REC auditorium.



Training on Skill Upgradation



Integrated Learning & Development Framework – FY 2024-25

During the year, REC issued a consolidated Training Calendar that integrates three newly codified HR instruments: The Policy for Training of Board of Directors, the Guidelines for Implementation of the Mentorship Programme, and the refreshed REC Training Policy. Together, they create an enterprise-wide learning ecosystem that addresses not only sustainability imperatives but also the full spectrum of technical, managerial, and behavioural skills demanded by a rapidly evolving power-finance landscape.

The calendar begins with a structured induction and continuous education track for Board members and Key Managerial Personnel. Beyond climate-risk oversight and green-finance stewardship, the curriculum now encompasses advanced treasury management, cybersecurity governance, emerging power-sector regulations, and insolvency jurisprudence, ensuring that both ESG considerations and core financial prudence inform strategic decisions.

Complementing this top-tier focus, the Mentorship Programme pairs senior domain experts with high-potential executives for six-month “learn-apply-reflect” cycles. Mentees rotate through live assignments, ranging from transmission project appraisal and debt syndication modelling to AI-enabled credit analytics and grid modernisation site visits. At the same time, mentors transfer tacit knowledge on stakeholder negotiation, policy advocacy, and ethical leadership. The approach accelerates succession planning and nurtures a culture of continuous improvement.

At the organisational level, the Training Policy cascades learning across five interlocking tracks:

- **Core Functional Excellence** – Certifications in project finance, tariff analysis, risk-weighted capital adequacy, GST and corporate-tax reforms, and the latest Central Electricity Authority (CEA) guidelines equip employees to deliver on REC’s mandate with technical rigour.
- **Digital & Innovation** – Hands-on labs in data analytics, cloud architecture, Robotic Process Automation, and cyber-defence build digital fluency, while workshops on emerging technologies such as battery-energy-storage and green hydrogen keep teams ahead of the innovation curve.
- **Health, Safety & Well-being** – Programmes on electrical-safety audits, occupational health, mental-wellness, and pandemic-response readiness foster a safe, resilient workplace in line with national OSH Codes.
- **Leadership & Behavioural Skills** – Executive-presence coaching, diversity-and-inclusion sensitisation, strategic communication, and negotiation labs strengthen human capital and reinforce REC’s values of integrity and accountability.
- **Sustainability & Governance** – The ESG stream remains integral, covering BRSR compliance, TCFD-aligned climate-scenario analysis, human-rights due diligence and green-bond impact reporting, thereby aligning professional competence with stakeholder expectations.



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 organised numerous training programs and workshops on Information Technology, Financing of Infrastructure, Leadership and Communication skills, Behavioural skills, Team Building, Software skills, Enterprise Resource Planning, General Management, and energy conservation topics related to the power sector. These programs cover a wide range of themes, including modernisation 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, as well as renewable energy sources.

As part of our social-impact strategy and stewardship of the power ecosystem, REC Limited offers a suite of fully funded classroom trainings to all borrower-utilities through the REC Institute of Power Management & Training (RECIPMT). These programmes remove financial barriers for participants and focus on the practical skills and behavioural competencies most requested by state power companies, thereby strengthening the resilience, safety and operational excellence of the grid. Key offerings this year include:

- 1. Electrical Safety Programme for Power Utilities (3 days)** – A hands-on course that familiarises middle and junior level executives with the latest CEA Safety Regulations (2023), safe work procedures, earthing techniques and first aid protocols, directly addressing the sector's most frequent cause of lost time incidents.
- 2. Best Practices for Power Utilities (3 days)** – A benchmarking-focused workshop that distils proven domestic and global practices for technical efficiency, loss reduction and customer-centric operations, empowering utilities to deliver affordable, reliable and sustainable power.
- 3. Change Management, Leadership & Team Building (3 days)** – A behavioural leadership module that equips executives to navigate sector reforms, foster agile teams and embed a high-performance culture aligned with India's energy transition goals.

During FY 2024-25, RECIPMT has achieved a total of 18,345 training man-days with more than seventy thousand participants (Engineers) and Managers from various Power Utilities, like Generation, Transmission, & Distribution Companies, Electricity Departments, Rural Electric Cooperatives, Regulatory Commissions, Rural Development Agencies, Banks, CPUs, etc.

Cultivating Tomorrow's Power Sector Professionals – Apprenticeships & Internships

REC Limited deepened its commitment to inclusive skill development during FY 2024 25 by combining formal apprenticeships under the Government of India's National Apprenticeship Promotion Scheme (NAPS) with an expanding, project based industrial internship programme.

Graduate Trainee/Apprenticeships under NAPS

In FY 2024 25, 44 young professionals—26 graduates and 18 technician apprentices—completed a 12-month, fully structured apprenticeship at REC. Trainees rotated through project appraisal desks, ESG cell and field inspection teams attached to borrower utilities. Under the NAPS framework, REC registered each apprentice on the national portal, enabling automatic execution of the tripartite contract.



44 young professionals—26 graduates and 18 technician apprentices—completed a 12-month, fully structured apprenticeship at REC

Industrial Internship Support

Complementing NAPS, REC hosted 62 paid interns (from engineering, finance, data science, and CSR streams) for 8–12-week mid-course internships required by AICTE/UGC curricula. Interns worked on real-time assignments across various business operating divisions including. Their work and reflections were showcased in a new social media series, InternDiary, underscoring REC's culture of "learning by doing."

REC hosted 62 paid interns (from engineering, finance, data science, and CSR streams) for 8–12-week mid-course internships required by AICTE/UGC curricula

8.11 Performance Management

Effective performance management is a cornerstone of human capital development within our organisation. Our performance management system is meticulously designed to ensure that individual employee goals are closely aligned with the company's overarching strategic objectives. This alignment is essential for fostering both personal and organisational growth.

Goal Setting: We emphasise a collaborative approach to goal setting, where employees work together with their managers to establish clear, measurable, and achievable goals. This process encourages open communication, ensuring that employees have a clear understanding of expectations and how their contributions impact the company. Managers are encouraged to facilitate discussions that not only clarify workplace objectives but also resonate with employees' career aspirations.

Regular Feedback: Our system incorporates continuous feedback mechanisms that foster an environment of recognition and improvement. Employees receive ongoing feedback that highlights their achievements and celebrates their successes while also identifying areas where they can grow and develop further. This regular interaction enables timely adjustments and fosters a culture of transparency and open dialogue.

Performance Reviews: We conduct comprehensive performance reviews on an annual or bi-annual basis. These reviews serve as a formalized opportunity to assess individual progress against set goals, provide constructive feedback, and evaluate overall performance. During these reviews, managers collaborate with employees to reflect on their accomplishments and challenges, setting clear and actionable objectives for the upcoming period. This process not only fosters accountability but also encourages continuous professional development.

Career Development Plans: We believe in nurturing our employees' talents and ambitions through personalized development plans tailored to each individual's career goals. These plans are crafted collaboratively and focus on identifying the skills and competencies necessary for career advancement. By offering resources such as training programs, mentorship opportunities, and professional development workshops, we aim to support employees as they navigate their career paths within REC, ultimately leading to greater job satisfaction and retention.

Through these structured processes, our performance management system not only enhances individual performance but also significantly contributes to the strategic growth of our organisation as a whole.

100% of the employees received performance appraisal during the year FY 2024-25 & 2023-24





8.12 Employee Satisfaction Survey

An organisation-wide pulse check of 472 employees reveals a broadly positive workplace climate at REC Limited. Overall, workspace satisfaction is high, with 86% of respondents being satisfied with their working environment. A near-universal 97% say they feel safe and comfortable at work, and 88 % report feeling motivated and engaged in their roles. Recognition and growth signals are also strong—81% feel their achievements are acknowledged, 81% see a clear career path within REC, 84% confirm that they receive active support for their career goals. Team dynamics score particularly well with 93% praising collaboration and 90% finding the leadership approach to be both approachable and supportive. Meanwhile, 87% believe the culture aligns with their values and promotes diversity and inclusion effectively.



8.13 Employee Safety, Health & Wellbeing

Ensuring the safety, health, and well-being of our employees is an essential part of being a responsible company and employer; we actively promote safe and secure working environments for all. At REC, ensuring the well-being 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 comprehensive employee benefits and wellbeing practices to create a supportive work environment that promotes work-life balance, fosters strong connections to the company's vision and values, maintains open lines of communication with management, and offers career development opportunities.





Occupational health and safety management system

REC Limited has established a robust occupational health and safety management system, underscoring its commitment to fostering a safe and healthy work environment for all employees. While the nature of REC's operations as a Non-Banking Financial Company does not typically pose significant occupational health and safety hazards, the organisation takes proactive steps to ensure the safety and well-being of its workforce. To promote workplace safety, REC has implemented a range of measures, including comprehensive inspections and diligent maintenance of essential fire safety equipment. This encompasses regular checks on fire extinguishers, ensuring that fire exits are unobstructed and accessible, and verifying that first aid kits are fully stocked and readily available. Additionally, rigorous routine inspections are conducted to confirm adherence to electrical and fire safety standards, with any identified concerns addressed swiftly to mitigate risks.

To bolster awareness and preparedness among its employees, REC organises periodic internal communications that emphasise safety protocols, alongside conducting informative safety training sessions. These training sessions encompass a range of critical topics, including fire safety procedures and first aid techniques, ensuring employees are well-equipped to handle emergencies. To further enhance preparedness, the company also conducts mock evacuation drills that simulate potential emergency scenarios.

Moreover, REC has instituted a comprehensive medical policy designed to support its employees' health needs. This policy offers medical expense coverage and facilitates access to medical leave, further reinforcing the company's commitment to the health and well-being of its workforce. Employees can find detailed information about this policy readily available for their reference.



On February 13, 2025, a fire mock drill was conducted at REC's headquarters in Gurugram, in which the personnel were told in detail about the important aspects related to rescue and fire safety in emergency situations. Also, a film was also shown to increase awareness about fire safety, in which fire prevention techniques and precautions were explained in an effective manner.

Employee participation, consultation, communication on occupational health and safety

We believe that open communication is key to a safe workplace. By actively listening to and addressing concerns, we show our dedication to everyone's well-being. We have established internal and external communication systems to ensure a steady flow of information about occupational health and safety. This approach not only raises awareness and shares vital information but also empowers employees, leading to continuous improvement and a stronger safety culture.

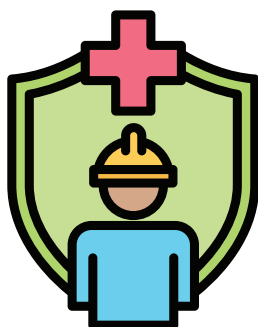
Initiatives are in place that allow employees to pose questions about the organisation, voice their opinions, and encourage dialogue while addressing concerns and disseminating information. Sharing knowledge with colleagues, both inside and outside the organisation, across all levels, is vital to our success and is actively encouraged. The decisions, actions, and results of all evaluations are documented and shared with all stakeholders who are involved or affected by the review or incident. If necessary, regulatory or legal authorities are also notified.



Employee training on occupational health and safety

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 of our operational excellence and sustainability strategy.

We actively involve our employees in promoting health and safety. Our programs, which include workshops, awareness campaigns, and training sessions, help everyone adopt safe habits both at work and at home. We prioritize our employees' well-being by implementing strong safety protocols and conducting regular training to embed a strong culture of health and safety.



**99% Employees
Trained on
Health & Safety**



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.

Continuous

Improvement: Our commitment to constant improvement involves regularly reviewing and refining our health and safety protocols. We actively seek feedback from employees and incorporate their suggestions into our safety initiatives.

Audits & Procedures:

Regular audits are conducted to assess 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.



Hazard Identification, Risk Assessment, and Incident Investigation

Although this may not be directly applicable due to the nature of our business, REC conducts routine workplace inspections. Additionally, we have established a comprehensive procedure to address electrical and fire hazards, which includes regular testing and training for emergency response activities. We conduct regular audits to assess electrical and fire safety parameters, including daily inspections of emergency exits and related equipment. Moreover, we conduct quarterly mock fire drills and first-aid training.

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) per one million-person hours worked)	Employees	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
No. of fatalities	Employees	Nil	Nil
High-consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil

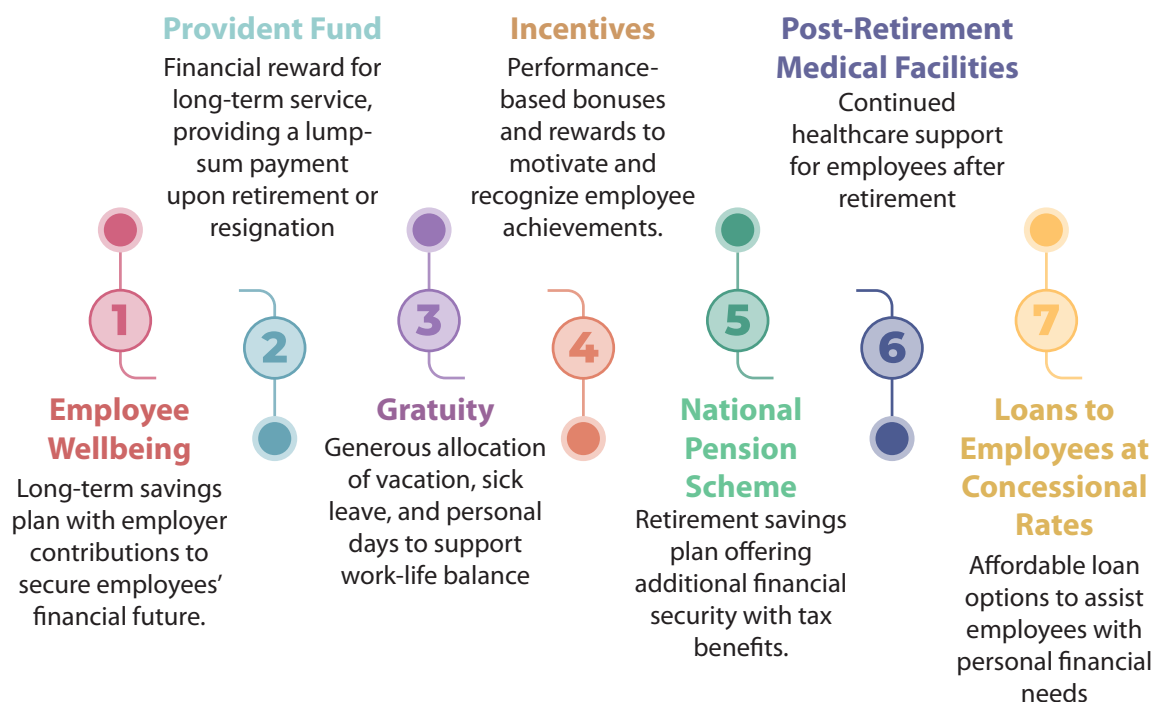
ZERO Lost Time Injury Frequency Rate (LTIFR)



8.14 Employee Benefits

At REC, prioritising the well-being of our employees is fundamental to our dedication to creating a nurturing and efficient workplace. We are convinced that a healthy, engaged, and motivated team is vital to our success. Our strategy for employee well-being encompasses a comprehensive range of benefits and practices designed to create a supportive work environment that promotes a healthy work-life balance, fosters strong connections to the company's mission and values, encourages open communication with management, and provides opportunities for career advancement.

Our benefits are tailored to offer social and financial security for our employees and their families. We offer a comprehensive range of benefits that prioritise health, economic stability, and overall quality of life. To guarantee financial stability and support for our employees, we offer a variety of benefits.



8.15 Wellbeing Practices

REC is committed to adhering to the highest industry standards regarding the health, safety, and well-being of its employees and their family members, continually taking measures to foster a safe and supportive work environment. We offer guidance on occupational health and safety, as well as providing appropriate healthcare benefits and medical coverage for all employees. In addition to conventional benefits, we have introduced various wellbeing initiatives designed to enhance the physical, mental, and emotional well-being of our workforce.





These programs foster a comprehensive approach to wellbeing, enabling our employees to reach their full potential and creating an environment where they feel supported, appreciated, and empowered to succeed. Our commitment to employee well-being is at the heart of our mission to foster a sustainable and inclusive future for everyone. To enhance employee productivity, improve work-life balance, and promote mental tranquillity, REC offers a range of wellness benefits that include

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

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

Onsite Medical Facilities
Immediate access to healthcare services within the workplace

Gymnasium
Encouragement of physical fitness through on-site gym facilities

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



Employee Stock Option Plan

While REC Limited does not have a formal Employee Stock Option Plan (ESOP), the company is committed to fostering a long-term alignment between employees and shareholders. In accordance with SEBI regulations, we have a standing policy to reserve a portion of shares for employees, offering them at a discounted price during public offerings.

This commitment was demonstrated during our 2010 Follow-on Public Offer (FPO), where we successfully offered discounted shares to our employees. This initiative is a key component of our talent attraction and retention strategy. In the event of any future share issuances, we will continue this practice to empower our employees with a direct stake in the company's success.

8.16 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.





Human Rights Due Diligence

REC strongly prioritises the respect for human rights across all facets of its operations and interactions with various stakeholders. We have established a comprehensive human rights policy that clearly outlines our commitments and applies to all individuals and entities with whom we collaborate, including employees, clients, vendors, and community partners.

To ensure that these standards are consistently upheld, we require our vendors to submit formal declarations confirming their adherence to established human rights principles. This effort is part of our broader initiative to cultivate an ethical supply chain and encourage responsible business practices. Furthermore, starting in January 2025, we have enhanced our commitment by integrating human rights assessments into our evaluation processes for both borrowers and vendors. This incorporation is a crucial element of our overall Environmental, Social, and Governance (ESG) evaluations, underscoring our commitment to socially responsible investment and lending practices.

Within our own corporate offices, we are equally dedicated to upholding robust human rights compliance. This is accomplished through regular assessments and continuous monitoring carried out by our specialized ESG division. Our monitoring activities are directed by clearly defined internal quarterly objectives, which not only facilitate the evaluation of our progress but also ensure the ongoing enhancement of our human rights practices. By establishing these objectives, we aspire to hold ourselves accountable and strengthen our commitment to nurturing a culture of respect for human rights throughout our organisation.

The Company's Human Rights policy communicates its respect for human rights and how it extends those rights to employees and business partners. The Company's practice is to preserve and promote the preservation of internationally recognised human rights. The Company prohibits the use of child labour, forced labour, or coercion, including physical punishment, in any of its activities. The Company's Human Rights policy (<http://www.recindia.nic.in/uploads/files/CO-BDM-Human-Rights-Policy-060624.pdf>) commits to the following practices:

The Company's Human Rights policy communicates its respect for human rights and how it extends those rights to employees and business partners.

Human Rights Policy Commits

01

Operate legally and responsibly in all business activities

03

Provide access to grievance procedures, investigate claims, and report known examples of human rights violations to high management

04

Integrate training and accountability for human rights compliance throughout the organisation

02

Conduct business in conformity with the United Nations Declaration of Human Rights and the UNGC's principles, and extend these obligations to all suppliers doing business with the Company

05

Engage internal and external stakeholders in addressing shared issues and advancing human rights practices via continuous improvement



Freedom of Association



100% of Employees Are Part of the Employee Association

We respect every employee's right to freedom of association and collective bargaining, and we follow commonly recognised best practices with all our employees. Our positions concerning freedom of association are highlighted in our Code of Business Conduct & Ethics, a document available on our website. We aim to provide and promote an environment where employer and employee can engage in open dialogue on all work-related aspects, allowing each to understand the other's challenges better and find ways of resolving them.

Minimum Notice Periods Regarding Operational Changes

We honour the local legal notice periods before making changes that might impact our employees. This involves direct communication with employees or their elected representatives, as well as other relevant groups. Notice periods can vary from none to three months, depending on the local laws.

No child labour, no forced labour, compulsory labour or human trafficking

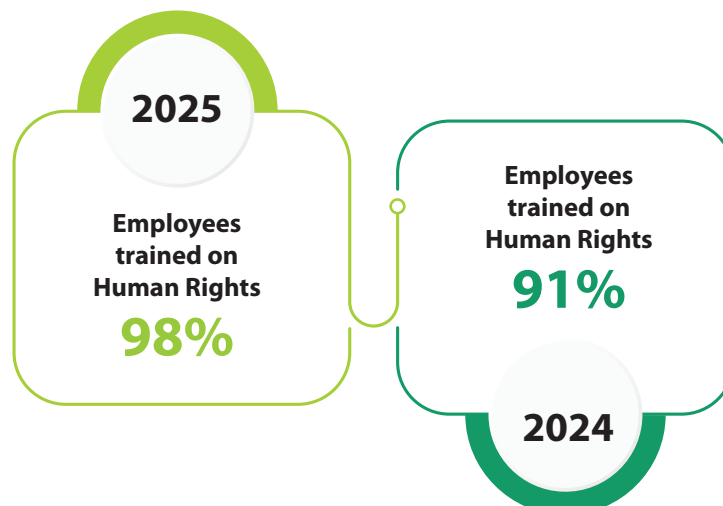
Our positions on child labour, forced labour, compulsory labour and human trafficking are rooted in our Code of Business Conduct & Ethics and our Human Rights policy. These, in turn, reflect initiatives including the United Nations Global Compact, a framework that targets, among other goals, the elimination of forced, compulsory and child labour.

We do not practice or tolerate any form of exploitation or forced or compulsory labour, including prison labour, indentured labour, bonded labour, slave labour or any form of human trafficking

Employee Training on Human Rights Policies or Procedures

We currently offer comprehensive training on human rights to all employees, ensuring they are well-informed about our commitments and responsibilities. This training is designed to foster a deep understanding of human rights issues and the importance of upholding these principles in the workplace and beyond.

In addition, we have created a specialised training and vigilance module that is closely aligned with REC's Human Rights Policy. This module not only reinforces key concepts covered in the basic training but also delves into practical applications and case studies. It aims to equip employees with the tools necessary to identify, report, and address potential human rights violations effectively, thereby promoting a culture of awareness and accountability within our organisation.





Policy Framework and Governance

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



Human Rights in Our Supply Chain

We recognise the importance of promoting human rights throughout our supply chain.



8.17 Responsible Sourcing

A sustainable supply chain is crucial for ensuring our operations and procurement practices are environmentally responsible, socially just, and economically feasible. At REC, we recognise that our supply chain has a significant impact on our sustainability objectives. As a result, we are committed to integrating sustainable practices throughout our supply chain to minimise our environmental impact and enhance social welfare. At REC, we acknowledge the crucial role that effective supply chain governance plays in promoting responsible procurement practices for various essential components, including laptops, desktops and papers. In today's interconnected and fast-paced market, it is necessary to establish robust governance structures that align with industry standards while demonstrating a commitment to sustainability and ethical sourcing.

44.83% Input materials from MSMEs

To this end, REC has established a Sustainable Procurement Policy that incorporates sustainability into our purchasing processes, ensuring that all acquisitions are made with consideration for environmental, social, and economic factors. First, it promotes collaboration with our supply chain partners, allowing us to forge stronger relationships built on transparency and trust. By exchanging information and insights, we can collectively identify challenges and opportunities that benefit all stakeholders. Second, this policy aims to minimise risks linked to supply chain disruptions proactively. By examining trends and potential weaknesses, we can anticipate issues such as shortages well in advance.



Supplier Selection and Assessment

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



Social Responsibility

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

Environmental Responsibility

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

Sustainable Procurement	Waste Management
REC collaborates closely with suppliers to reduce waste, improve efficiency, and minimise their carbon footprint, while also engaging to understand their commitment to human rights and labour practices. This approach aims to enhance the integration of E&S considerations into procurement practices. REC makes efforts to procure products that are recycled, environmentally friendly, energy-efficient, and locally sourced.	Collaborating closely with suppliers to implement effective waste management practices. This includes recycling programs and initiatives designed to reduce packaging waste throughout the supply chain.

Proportion of spending on local suppliers

REC favours sourcing from local suppliers- those based in the same country as its offices. This is reflected in 2025, when all procurement by value was from local sources. Moreover, over half of these suppliers are micro, small, or medium enterprises (MSMEs).

8.18 Data Privacy

Data privacy and cybersecurity are critical to REC's operations. As we manage confidential financial and project-related information during financing requests, protecting this data and ensuring compliance with privacy regulations are paramount. This commitment helps us maintain trust, avoid legal and reputational risks, and ensure business continuity.

REC has implemented stringent cybersecurity measures and robust governance structures around information security and data privacy. Our approach, detailed in REC's Data Privacy Policy, includes regular audits and frequent training. This policy outlines management directives on appropriate security controls and supports addressing cyber threat risks across all departments and business processes.

In FY 2024-25, REC's CISO division undertook various activities to prevent cyberattacks and enhance awareness:

- Awareness Campaigns: Distributed SMS messages, "Dos and Don'ts" wallpapers on cyber hygiene, and digital posters.
- Phishing Simulations: Conducted exercises to test and improve employee vigilance against phishing attempts.
- Training Sessions: Hosted four cyber security awareness sessions for all employees (including non-permanent staff) on July 18, November 8, December 6, and January 21. These sessions were led by both internal and external experts.

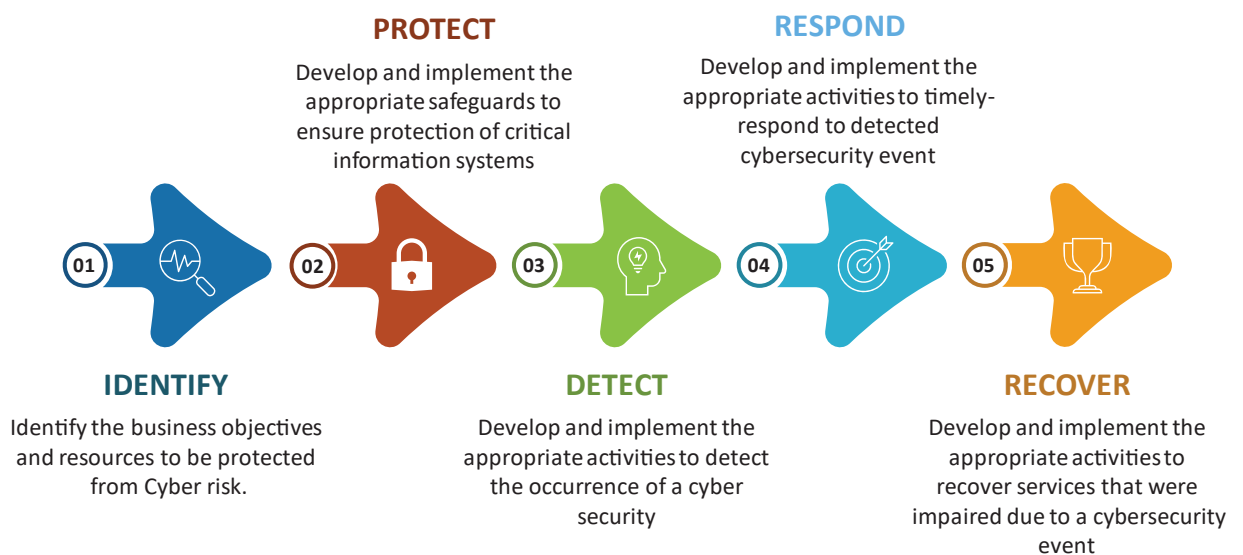


- Cyber Security Awareness Month (Oct-2024): Observed a dedicated month with an awareness session by an external expert, desktop wallpaper campaigns, weekly emails on various topics, quizzes, and posters and standees across all REC offices.

Furthermore, REC successfully completed Surveillance Audit 2 for ISO 27001:2013, demonstrating our adherence to this internationally recognized cybersecurity framework. Our Information Security Management System (ISMS) policies, processes, and guidelines (including backup & recovery, DC DR Plan, and security manual) were comprehensively reviewed and updated on January 1, 2025.

Also has a well established comprehensive framework of technical measures and procedural compliance to secure our IT and cybersecurity management in the event of In the event of cyberattacks.

Key Principles that form the core of the Cybersecurity Policy at REC comprise the following



We continuously monitor our IT systems, promptly responding to any issues to maintain system security, and regularly review and update our data privacy policy to ensure ongoing compliance with evolving regulations.

ZERO Complaints on Data Privacy

ZERO data breaches



8.19 CSR INITIATIVES

At REC, we prioritise 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 addressing national concerns. CSR projects are selected for activities that promote inclusive societal growth, with special attention to the development of weaker sections of society and backward districts in the chosen focus area(s). REC has spent ₹289Cr. In FY 2024-25 for various CSR projects which include:

- **Healthcare and Sanitation:** Promoting healthcare facilities, providing medical equipment, setting up health camps, contributing to public health initiatives (e.g., sanitation facilities, safe drinking water).
- **Education & Skill Development:** Enhancing learning outcomes, developing school infrastructure, providing vocational training for unemployed youth, supporting digital literacy, and offering scholarships.
- **Environmental Sustainability:** Supporting projects that reduce carbon footprint, promote renewable energy (e.g., solar installations), waste management, and environmental conservation.
- **Sports Promotion:** Broad-basing sports and promoting excellence in various disciplines (e.g., boxing, athletics, badminton) to identify and nurture talent.
- **Rural Development:** Infrastructure development in rural and aspirational districts, focusing on basic needs and inclusive growth.
- **Support:** Providing aids and assistive devices, and supporting rehabilitation centers.
- **Disaster Management**
- **Benefits to Armed Forces**



REC Ltd., under its flagship CSR initiative, has committed ₹4.29 crore for the procurement and deployment of four Mobile Medical Units (MMUs) across 4 districts of Punjab.



The CSR arm of REC Ltd., has signed a memorandum of agreement with the Kaziranga Tiger Conservation Foundation to support sustainability measures in Kaziranga National Park and Tiger Reserve.

CSR Projects and their Impact

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Learn and Earn- A REC Foundation Initiative to impart bachelor's degrees to 300 youths in garment manufacturing and entrepreneurship, over the period of three years.	300	100%
2	Modernization and Digitization of Psychiatric Rehabilitation Services at Bengaluru.	170	100%
3	Strengthening of Science and computer laboratories by providing lab equipments, Information & communication technology equipments & refurbishment of infrastructure in 07 nos. for Government schools, conversion of 60 nos. of class rooms into Digital class rooms in 60 nos. of Government schools and installation of 43 nos. of 50 LPH Reverse osmosis water treatment system in 43 nos. of Government schools in Secunderabad, Hyderabad	32062	80%



4	Providing 1000 school benches, 1250 bunk beds, 5000 rPET(recycled polyester) T-shirts made from plastic waste.	7500	80%
5	Setting up 1650 nos. of Solar Street Lights in rural and tribal areas	1757611	100%
6	Contribution towards Armed Forces Flag Day Fund (AFFD Fund) for providing education grant for children of Ex-Servicemen (ESM), Martyrs and their Widows.	12500	100%
7	To reduce the prevalence of Gender-Based Violence (GBV) in the urban slums of Mysore (Karnataka) and Bareilly (UP)	11028	100%
8	Establishment of Rashtrottana Vidya Kendra CBSE School in Malligar Village, Hangal Taluk, Haveri District	728	100%
9	Healing Little Hearts-an REC initiative to provide free of cost medical support to 1000 children with Congenital Heart Disease (CHD) across India.	1000	100%
10	Setting up innovative jute processing BHAGIDARI model through biomass-gassifier based decentralized electricity system in Purnia Cluster	3500	80%
11	Transforming school education by upgrading the infrastructure of 15 Govt. primary schools, 1 Govt. higher school & 1 Govt. senior secondary school by repairing, renovating classrooms, redesigning kitchen, boundary walls, electrical wiring/ providing internet, procurement of water cooler, almirahs, cutlery, converting class rooms into smart class rooms, providing play equipments, school library, science/ mathematics laboratory, Kangra district	1041	100%
12	Strengthening health facilities by providing medical equipment, ambulances, air conditioners, RO water plants, generator set, laptop, projector and office chairs in various Community Health Centres and Primary Health Centres in Barmer	1200000	100%
13	Broad basing of Sports and promotion of excellence in sports in India	5000+	80%
14	Developmental work in the villages of Arrah (and Jagdishpur), Barhara & Koilwar blocks in Bhojpur.	5000+	80%
15	Providing an ambulance for district women hospital, Washim	6,44,270 women (approx.)	100%
16	Adopting a slum for ensuring cleanliness of the slum-drinking water, sanitation, toilets, IEC campaigning etc. under Swachhta Action Plan (SAP).	500	100%
17	REC-Integrity Club under REC Corporate Social Responsibility.	98	100%
18	Organising month-long Sports Talent Identification and Training camps in Balasore	37000	80%
19	Rural Development Works like construction of community hall, PCC Road, Conduits, Yatri Shed, installation of LED Lights, RO Plants etc.	10000	100%
20	Repair/Rectification of toilets constructed by REC under SVA in two tranche-2 being of 1681 toilets constructed during year 2014-15 under Swachh Vidyalaya Abhiyan (SVA) by REC in 5 states, namely, Uttar Pradesh, Bihar, Rajasthan, Telangana and Madhya Pradesh	15000	80%
21	Construction of hostel towers (G+8) for 80 studio apartments with furniture, fixtures, landscaping, external lighting & approach road for post graduate students and installation of grid connected 100 kwp roof top solar PV panel under school of Medical Research and Technology (SMART) in Kanpur district of Uttar Pradesh	72	60%
22	Setting up 300 JIGYASA-(Solar Energy Operated Smart Classes with joyful learning resource lab) in 300 government schools in district Siddharthnagar Uttar Pradesh in 3 phases and each of 100 100 schools " to be implemented by UNISED.	8779	100%



23	Construction of 13 nos. new classrooms in Bharat Secondary & Higher Secondary School and Shrimati Sirekunwardevi Mohata Vidyalaya, Hinganghat, Wardha Maharashtra	NA	NA
24	Construction of Kitchen, dining hall & store room and installation of Reverse Osmosis water treatment plant in 12 nos. of Government high schools in Pulivendula rural, Pulivendula urban, Lingala and Thoundur mandals in Kadapa, Andhra Pradesh,	3081	100%
25	Construction of one indoor badminton court(double) in Govt. Nagarjuna P.G. College of Science, Raipur, Chhattisgarh	150 players every year	80%
26	Procurement of Medical Equipments in the District hospital, Dausa	254000	80%
27	Construction of 17 open Gym Wangoi, Imphal West, Manipur	Resident of Imphal	80%
28	Healing Little Hearts 2.0- an REC initiative to provide free of cost medical support to children with Congenital Heart Disease (CHD)	1090	100%
29	Rehabilitation of 8000 nos. of disabled people by providing artificial limbs, callipers and other aids & appliances pan- India	4000	100%
30	Establishment of biodiversity and wildlife conservation laboratory and training center in Kashmir and Ladakh	NA	NA
31	Construction of Community Hall at Asufii Punanamei Mao", Senapati District, Manipur	Entire Village t Asufii Punanamei Mao	100%
32	Procurement of equipment' for digital English language lab in 18 nos. rural Akal Academies (run by The Kalgidhar Trust) in 05 nos. of districts of Punjab	12500	100%
33	Procurement for plantation of 54 plants/trees, by REC CO/ROs/SOs at State power utilities/ urban parks, nearby areas etc.	3000+	100%
34	Contribution towards Armed Forces Flag Day Fund (AFFD Fund) for providing education grant for children of Ex-Servicemen (ESM), Martyrs and their Widows.	12500	100%
35	Construction of 12 kms road from Yaingangpokpi to Laikoiching in Ukhrul district, Manipur	10000+	80%
36	Construction of 500 nos. toilets blocks at work place of BSF troops in Gurdaspur, Amritsar, Ferozpur and Abhohar Districts in Punjab	34000	80%
37	Procurement four e-buses, two charging stations for transportation of students in the campus of Maulana Azad National Institute of Technology (MANIT), Bhopal	6,000 students (approx.)	100%
38	Installation of 0.25 MW SPV system and LED lights at various locations at Sambalpur University Campus	NA	NA
39	Procurement, operation and maintenance of 100 nos. of MMU for primary health care services' in various districts of across India for a period of three years, to be implemented by Indian Red Cross Society (IRCS)/ any other expert agency	98496	100%
40	Contribution to PM CARES Fund	NA	NA
41	Contribution to Clean Ganga Fund	NA	NA
42	Contribution of ₹20 crore to corpus of Gujarat Foundation for Entrepreneurial Excellence over the period of 3 years i.e. ₹6.66 Crore per year	1000+	100%
43	Procurement, operation and maintenance of 10 nos. of mobile health clinics in all 14 blocks of Bhojpur district, Bihar for a period of over three years. Temporarily operating in Chhattisgarh	61211	60%
44	Installation and commissioning of 1000 LED Solar Street Light in 5 Districts in Arunachal Pradesh to be implemented in the period of 12 months	325000	100%



45	Assistance of ₹1.74 crore (including all taxes), for the project, "Procurement, installation, commissioning and maintenance of 500 nos. of 15-watt LED streetlights in Lucknow, Uttar Pradesh" to be implemented by Lucknow Development Authority.	100000+	80%
46	CSR assistance of ₹14.00 Cr. for the procurement of Linear Accelerator (LINAC) machine in Trauma Centre established by Sevarth Sansthan Seth Bimal Kumar Jain Trauma & Physiotherapy Dharmarth Samiti (SSB) in Firozabad District of Uttar Pradesh, to be implemented by SSB, Uttar Pradesh	400000	80%
47	Procurement and installation of ICT, smart class rooms and laboratory equipment/ instruments, books, E-books & E-journals (learning resource library)' to be implemented jointly by REC Foundation and SIPNA Shikshan Prasarak Mandal (SSPM) for Arts, Science and Commerce Collage, Chikhaldara, Distt. Amravati, Maharashtra	8000	80%
48	Renovation 50 nos. Anganwadi Centers (AWCs) and providing containers for storing food grains, LPG gas connection & setting up of Antenatal care corners in 1125 nos. AWCs	2500	100%
49	Assistance for creating "REC Foundation-Rupantar Role Model Schools" to align with the New Education Policy in 250 schools of 02 states and 02 union territories in 3 years	45000+	80%
50	Assistance of ₹4.61 for the project, "Procurement and setting up Modular General O.T with laparoscopy, anaesthesia workstation and Fully Modular EYE O.T with ophthalmic microscope machines and other essential equipment at Sadar Hospital Banka and Modular General O.T with anaesthesia workstation and other essential equipment Machines at Community Health Centre Dhoraiya and Belhar each of Banka District, Bihar" to be implemented in 12 months by (District Health Society Banka (Civil Surgeon cum Member Secretary District Health Society Banka (Civil Surgeon cum Member Secretary).	NA	70%
51	Construction of 25 community halls in 25 gram panchayats of Varanasi to be implemented by Varanasi Development Authority four phases	116328	70%
52	Construction of Pedestrian Bridge in Badrinath town over Alaknanda river, part of Master Plan for Smart Hill Town, Badrinath, Uttarakhand	NA	NA
53	Construction of Auditorium of 1000 seating capacity in district Siddharthnagar, Uttar Pradesh, to be implemented by Jila Civil Social Responsibility Association (JSRA).	NA	NA
54	Construction of REC waiting lounge at AIIMS - REC Ashraya, New Delhi	109312	100%
55	Contribution to Swachh Bharat Kosh (SBK)	NA	NA
56	CSR assistance of ₹6.00 crore for project "Eye care for all" - an initiative to provide support to 8000 beneficiaries for Cataract surgery to be implemented by Sankara Eye Hospital , Pammal, Chennai	8000	100%
57	Distribution of aids & assistive devices to persons with disabilities (25 camps) in various Districts / States in the country	1350+	100%
58	CSR assistance of ₹4.15 crore for the project "5,000 nos. of PHACO Phacoemulsification, surgery at Bhaktivedanta Hospital, Barsana, Mathura" to be implemented by Shri Chaitanya Health and Care Trust	1250	100%
59	Rehabilitation of damaged infrastructure, resettlement etc. in the affected areas of Sikkim	195050	100%
60	Construction of high school building (G+1) in Jagarmunda, providing 18 nos. of power inverter in PHCs, CHCs, and district hospital, providing Haematology analyser-CBS with reagent at district hospital and procurement of 05 nos. of shredder machine in CHC & district hospital	74885	100%



61	Revival of Millet Based Culinary Tradition to Address Nutritional Security and Livelihood Creation in Chhattisgarh", to be implemented by Chhattisgarh Swami Vivekanand Technical University Foundation for Rural Technology and Entrepreneurship (CSVTU-FORTE)	13400	100%
62	PM Internship Scheme	NA	NA
RECPDCL			
63	CSR assistance to Medical Superintendent for "Enhancement of Health Infrastructure by acquiring Medical Equipment & Renovation work in Govt. SNM Hospital, Leh	50000	80%
64	CSR assistance to CMO, Srinagar for "Improving Health Infrastructure through the Acquisition of Advance Medical Equipment for Health institutions under the administrative control of Health Department, Srinagar, UT of Jammu & Kashmir	75000	70%
65	CSR assistance to The Leprosy Mission Trust India for "Enhancement of Medical Infrastructure with advanced medical equipment at The Leprosy Mission Hospital, Delhi and Maharashtra	30000	60%
66	CSR Assistance of to Block Medical Officer, Bilha, Bilaspur for Enhancement of Health Infrastructure by acquiring medical equipment for M.C.H. Bilha, Bilaspur, Chhattisgarh	360	70%
67	CSR Assistance to Bishnoli Sarvodaya Gramodyog Sewa Sansthan for Eradication of Anaemia among the population of Khora Colony through Rapid Diagnosis & Follow-up Services at Khora Colony, Ghaziabad, Uttar Pradesh	30000	100%
68	CSR assistance to Chetna Himachal Pradesh for "development/ enhancement of special education facility by construction of roof over open terrace at the building of Rehabilitation Centre for differently abled in Bilaspur district, Himachal Pradesh"	160	100%

*NA here means not ascertainable.

Significant Indirect Economic Impacts

REC's initiatives have had a profound impact on reducing poverty and enhancing the overall prosperity of the surrounding communities. Through a variety of targeted interventions, we have witnessed remarkable progress in underdeveloped regions, with notable improvements in several key areas. Our efforts have focused on upgrading village infrastructure, which includes the construction and maintenance of essential facilities such as schools and healthcare centres. By enhancing educational offerings, we have increased access to quality learning opportunities for children and adults alike, fostering a culture of lifelong learning.

Moreover, REC is dedicated to enhancing healthcare facilities and ensuring community members can access essential medical services. This health initiative is further supported by projects aimed at providing clean drinking water, which significantly reduces the risk of waterborne diseases and improves residents' overall health. Additionally, we have emphasised improving road networks to ease the transport of goods and services, thereby stimulating local economies and linking communities to broader markets.

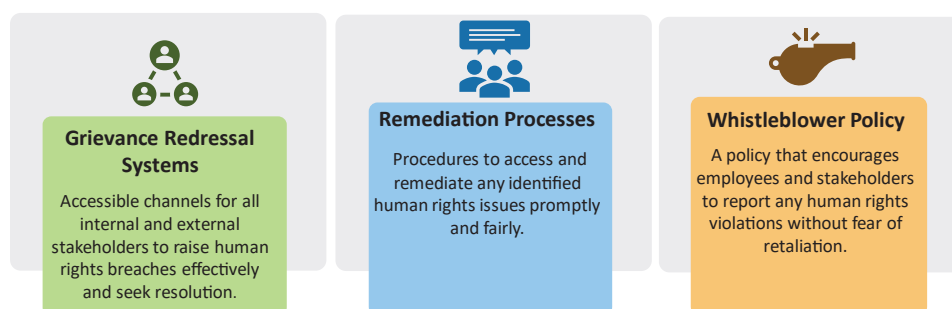


In keeping with our commitment towards a sustainable future, REC, through its CSR arm, the REC Foundation, has committed financial assistance of ₹8.44 Cr. for establishing a 1 MW multi-technology ground-mounted, grid-connected solar photovoltaic power plant for the benefit of students and research scholars at the Gandhigram Rural Institute, Dindigul, Tamil Nadu.



8.20 Customer Satisfaction & Grievance Mechanism

At REC, we've implemented a robust grievance mechanism to ensure the effective redressal of concerns for all our stakeholders. This system is characterized by well-defined timelines and a clear escalation process, and for ease of access, we've consolidated all relevant information into an Integrated Grievance Redressal Document (available at <https://recindia.nic.in/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-050525.pdf>). This central resource empowers investors, customers, community members, vendors, and employees alike to easily submit and address their grievances.



Notably, no customer grievances were reported to the Grievance Redressal Officer (GRO) under the Fair Practice Code during FY24 and FY25.

Our comprehensive Stakeholder Engagement Policy and Grievance Redressal mechanism are designed to guarantee that every voice is acknowledged and concerns are resolved constructively. A key aspect of our strategy is decentralized stakeholder engagement; rather than a single team, we empower our employees to cultivate relationships and meet expectations within their specific areas. This approach fosters greater ownership, leading to more personal and responsive connections with the communities and individuals we serve.

Customer Satisfaction and Net Promoter Score (NPS)

In line with our commitment to fostering strong connections with stakeholders, REC Limited undertook a comprehensive Customer Satisfaction Survey for the fiscal year 2024–25. This structured survey was designed to explore the experiences and perceptions of our key partners, which include state utilities and power corporations. The primary objective was to assess their satisfaction levels across multiple phases of engagement, from initial interactions prior to sanction, through to our support after disbursement and the mechanisms in place for grievance redressal.

To quantify stakeholder perspectives, we employed a standardised rating scale:

- 3 – Satisfied
- 2 – Neutral
- 1 – Dissatisfied

Additionally, to gauge the quality of our relationships and the effectiveness of our services, REC utilised the Net Promoter Score (NPS) framework, tailored specifically for this rating system.

Key Findings:

The results from the survey revealed that institutions such as KPTCL, HPGCL, and DVC demonstrated an overwhelmingly positive response. The majority of participants rated their satisfaction as '3', showcasing a robust confidence in our service delivery, transparency, and responsiveness.

Notably, REC achieved an impressive overall satisfaction score of 95%, signifying high levels of approval from all surveyed entities. Furthermore, the Corporation consistently outperformed other peer financial institutions, especially in critical areas such as procedural simplicity, timely service provision, extensive product offerings, and effective customer grievance resolution. This competitive edge contributed to a notably strong positive Net Promoter Score, indicating that stakeholders hold a high level of trust in REC and are likely to advocate for our services.

Moving forward, REC remains dedicated to providing customer-centric financial solutions. We are focused on improving our institutional interfaces and enhancing service efficiency through ongoing digitisation efforts and capacity-building initiatives. The insights derived from the NPS and customer feedback are being actively integrated into our continuous improvement strategies, which are designed to reinforce our partnerships and support the sustainable transformation of India's power sector.

Notably, REC achieved an impressive overall satisfaction score of 95%, signifying high levels of approval from all surveyed entities



GOVERNANCE

Showcasing progress, performance, and future strategies to drive sustainable growth and long-term success

SDGs Impacted

16

PEACE, JUSTICE AND
STRONG INSTITUTIONS



17

PARTNERSHIPS
FOR THE GOALS





09. Governance

9.1 Overview

Since its founding, REC Limited has played a crucial role in India's energy growth, beginning with funding rural electrification to narrow the urban-rural disparity. As a proactive financial institution, REC directs funds into power infrastructure and other sectors, i.e. logistics Road & Highways, Metro, Ports, Health Sector etc. offering tailored financial solutions that promote progress, innovation, and development efficiency.

The governance at REC exemplifies integrity, based on fairness, transparency, and accountability. As a Government Company, REC manages public funds and pursues national strategic goals which emphasise transparency and integrity. It follows a governance framework aligned with the Companies Act, 2013, the SEBI Listing Regulations, 2015, the Department of Public Enterprises (DPE) Guidelines, the Secretarial Standards issued by the Institute of Company Secretaries of India, the RBI Master Directions, and other relevant government directives, ensuring compliance with all applicable regulations. Moreover, REC exceeds basic requirements by adhering to many non-mandatory SEBI guidelines.

The company aims to generate value for stakeholders, including shareholders, security holders, customers, vendors, employees, communities, and the public at large. Our governance advancements have been recognized externally with REC receiving the prestigious Golden Peacock Award for Corporate Governance in 2024. This recognition underscores our dedication to integrity, transparency, and sustainable practices

9.2 Direct Economic Value Generated and Distributed

Economic Value Generated and Distributed (In ₹ Crores)	
Value generated	
Revenue	56,366.55
Value distributed	
Operating costs	1,403.80
Wages and benefits	268.13
Payment to providers of capital	39,092.90
Payments to governments	4,233.24
Community investments	291.53
Economic value retained	11,076.95

9.3 Board Composition & Expertise

According to the Articles of Association of REC, the Board of Directors must comprise between 3 and 15 members. As of March 31, 2025, it comprised six directors, including CMD, Director (Projects), Director (Finance), a Government Nominee Director from the Ministry of Power (MoP), a Nominee Director from Power Finance Corporation (PFC), and one part-time non-official independent director. By July 1, 2025, the Board expanded to 7 Directors, While the Director (Projects) retired due to superannuation on June 30, 2025 and two new Part-time Non-Official Independent Directors were appointed, one of whom is a Woman Independent Director.

At the start of the 2024-25 financial year, REC's Board complied with regulatory requirements. However, the tenure of three Independent Directors ended on November 14, 2024, and December 26, 2024, resulting in a shortfall. On April 17, 2025, MoP reappointed Dr. Gambheer Singh and Dr. Durgesh Nandini as Independent Directors. The remaining appointments are under consideration by MoP.

REC has policies on Board diversity, senior management criteria, and a "fit & proper criteria" for assessing Directors. These policies are available at <https://recindia.nic.in/policies>



9.3.1 The composition of the Board and other relevant information, are outlined below:

Board Composition as on March 31, 2025							
Sl. No.	Name of the Director	DIN	Position in the Company	Number of Other Directorships Held in Other Companies	Directorships Held in Other Listed Entities & Category of Directorship	Number of Committee Positions Held in Other Companies	
						Chairperson	Member
Whole-time Directors (Executive Directors)							
1	Smt. Parminder Chopra	08530587	Chairperson & Managing Director (Additional Charge) (from March 21, 2025 to April 21, 2025)	4	Power Finance Corporation Limited (Chairperson & Managing Director)	-	-
2	Shri Vijay Kumar Singh	02772733	Director (Projects)	2	-	-	-
3	Shri Harsh Baweja	09769272	Director (Finance) & CFO (w.e.f. May 14, 2024)	3	-	-	-
Non-Executive Directors (Nominee Directors)							
4	Shri Shashank Misra	08364288	Government Nominee Director	1	Power Finance Corporation Limited (Government Nominee Director)	2	-
5	Shri Manoj Sharma	06822395	PFC Nominee Director	7	Power Finance Corporation Limited (Whole-time Director)	-	1
Non-Executive Directors (Independent Directors)							
6	Shri Narayanan Thirupathy	10063245	Independent Director	-	-	-	-

Board Composition as on July 1, 2025			
Sl. No.	Name of the Director	DIN	Position in the Company
Whole-time Directors (Executive Directors)			
1	Shri Jitendra Srivastava	06817799	Chairman & Managing Director (w.e.f. April 22, 2025) & Director Projects (Additional Charge)
2	Shri Harsh Baweja	09769272	Director (Finance) & CFO
Non-Executive Directors (Nominee Directors)			
3	Shri Shashank Misra	08364288	Government Nominee Director
4	Shri Manoj Sharma	06822395	Nominee Director of PFC
Non-Executive Directors (Independent Directors)			
5	Shri Narayanan Thirupathy	10063245	Independent Director
6	Dr. Gambheer Singh	02003319	Independent Director (w.e.f. April 17, 2025)
7	Dr. Durgesh Nandini	09398540	Independent Director (w.e.f. April 17, 2025)



9.3.2 Key Qualifications of the Board

Area of Skill or Expertise	Description
Financial Management	Planning, organizing, directing and controlling the financial activities which include mobilization and utilization of funds, financial accounting and management control systems, financial planning, liquidity & fund management, working capital management, treasury & forex management, tax planning and liaising with financial institutions, etc.
Power Sector Domain Expertise	A significant background in technology and in-depth insight into the various elements of power generation, transmission & distribution, renewable energy sector and the challenges / aspects / nuances of power sector in India and abroad, knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.
Project Appraisal	Systematic and comprehensive review of the technical parameters, social impact, economic, environmental, financial and other such aspects of a project, to determine if it meets its objectives.
Corporate Planning & Strategy	Management activities that are used to set priorities, focus energy and resources, strengthen operations and ensure that employees and other stakeholders are working towards common goals by establishing agreement on intended outcomes / results; and assess and adjust the organization's direction in response to a changing environment.
Risk Management	Forecasting and evaluation of operational risk, credit risk, market risk, interest rate risk, liquidity risk, foreign currency risk and other financial risks, together with the identification of procedures to avoid or minimize their impact. Identifying any potential threats that may occur during the investment / financing process and mitigation of the same. Cybersecurity and mitigation of risks related to IT environment.
Leadership	Extended leadership experience for establishing a clear vision, providing guidance, knowledge and methods to realize that vision, involving setting and achieving organizational goals and taking actions for achievement of such goals.
Board Practices & Governance	Experience in developing insights about maintaining board and management accountability, protecting interests of the shareholders and observing appropriate governance practices.
Business Development	Experience in developing strategies to increase business and market share, build brand awareness and enhance corporate reputation by creating long-term value for borrowers/investors, markets and all other stakeholders.
Environment, Social & Sustainability (ESS)	<p>Sustainability is not just a compliance requirement but a strategic imperative that drives long-term value and resilience.</p> <p>Directors with ESS expertise ensure that the Company integrates sustainable practices into its operations, reducing environmental impact, ecological sensitivity and promoting corporate responsibility. They oversee policies related to climate action, ethical sourcing, carbon footprint reduction and sustainable business models.</p> <p>On the social front, Board members address issues such as diversity, equity and inclusion, as well as ethical labor practices. They champion community engagement and ensure the organization upholds its social responsibilities.</p>
Stakeholder Engagement	It involves actively collaborating with stakeholders rather than just consulting them. Effective engagement improves the Company's reputation and boost investor confidence.
Human Resource Management (HRM)	HRM expertise contribute to key areas such as leadership development, talent acquisition, succession planning and employee engagement. They ensure that the organization fosters a positive workplace culture, attracts top talent and retains key personnel. Additionally, they oversee executive compensation and ethical workplace practices, aligning HR strategies with Corporate Governance.

The Board of Directors of REC comprises of highly qualified individuals who bring a diverse array of skills, educational backgrounds, and professional experiences detailed in 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 endeavours. This competency mapping highlights the specific areas of expertise held by each board member.

9.3.3 Competency Mapping of REC's Board Management

Name of the Director	Area of Expertise										
	Board members as on March 31, 2025										
	Financial Management	Power Sector Domain Expertise	Project Appraisal	Corporate Planning & Strategy	Risk Management	Leadership	Board Practices & Governance	Business Development	Environment, Social & Sustainability	Stakeholder Engagement	Human Resource Management
Smt. Parminder Chopra	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Vijay Kumar Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Harsh Baweja	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Shashank Misra	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Manoj Sharma	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Narayanan Thirupathy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Board members appointed after March 31, 2025											
Shri Jitendra Srivastava	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Durgesh Nandini	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Dr. Gambheer Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Board members whose tenure completed in FY 2024-25 (and not reappointed)											
Dr. Manoj Manohar Pande	✓	✓	✓	✓	✓	✓	✓	✓	✓		

9.3.4 Familiarisation Programs for Independent Directors

To ensure that our Directors are adequately prepared for their roles, we provide induction programs for new Directors and ongoing familiarisation 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 familiarises 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 and ESG updates, providing them with the necessary insights to fulfil their roles effectively and make well-informed, 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.

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

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.

Company structure and governance: Explaining organizational structure, including the roles and responsibilities of different departments and the Board of Directors.

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.

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

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

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.

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

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.

9.4 Appointment Process of BoD & Remuneration

REC Limited (REC) is a Government Company in under the of Companies Act, 2013 and accordingly, the President of India {Government of India (GoI)}, has the power to appoint Directors of the Company. Being CPSE, the functional directors are appointed through selection process guided by the principles of merit, transparency, and compliance with the guidelines set by the Department of Public Enterprises (DPE).

Public Enterprises Selection Board (PESB), a government Agency/Authority, completes the appointment process including issue of advertisement for the vacancy, specifying the eligibility criteria, review of applications, shortlisting of candidates and conducting of interview. After the interview, PESB forwards its recommendations to the Appointments Committee of the Cabinet (ACC), a committee headed by Prime Minister of India for final approval. In certain circumstances, particularly where specific administrative expertise is deemed crucial, functional directors and even Chairmen & Managing Directors (CMDs) of Public Sector Undertakings (PSUs) like REC may be appointed from among experienced Civil Service officers, following due guidelines and the selection processes laid down by bodies such as the Public Enterprises Selection Board (PESB)

Further, the GoI appoints nominee/independent directors on the Board of the Company to act in the best interest of the Company while balancing the government's/stakeholders objectives. Their remuneration is determined as per the extant guidelines on pay, perquisites, allowances etc. issued by the Department of Public Enterprises (DPE) and/or Government of India from time to time.

9.5 Board Tenure

The tenure of Directors on REC Limited's Board is shaped by three overlapping rules sets: The Companies Act, 2013 (the Act), the SEBI (LODR) Regulations 2015 (Listing Regulation) and the Department of Public Enterprises (DPE) guidelines for Central Public Sector Enterprises (CPSEs). These frameworks, together with Ministry of Power (MoP) appointment orders, determine how long each category of Director may serve and the conditions for re appointment or cessation.

REC's whole time (executive) Directors, including the Chairperson & Managing Director (CMD) and the Functional Directors for Finance, Projects are appointed by the Government of India for a maximum of five years or until the incumbent's date of superannuation, whichever is earlier. Recent changes illustrate this arrangement: Shri Vijay Kumar Singh completed his tenure on June 30, 2025 and ceased to be Director (Projects) from July 1, 2025; the MoP simultaneously authorised the CMD, Shri Jitendra Srivastava (IAS), to hold additional charge of that portfolio for three months pending selection of a regular successor.

Government Nominee Directors (typically senior officials from the MoP) sit on the Board at the pleasure of the President of India. Their tenure therefore tracks their posting or until the MoP issues fresh orders, rather than following a fixed statutory term.

Part time Non Official (Independent) Directors are governed by Section 149(10) – (11) of the Companies Act, 2013 and Regulation 17(1A) of the SEBI LODR Regulations, which together cap their service at two consecutive terms of up to five years each (an overall ceiling of ten years), after which requires a three-year cooling-off period. DPE's corporate governance guidelines for listed CPSEs mirror this philosophy, prescribing an initial three-year term that may be extended based on performance, subject to the same ten-year cap for Independent Directors, and a Board composition of at least 50% independent Directors once the CPSE is listed.

In REC's case, Dr. Gambheer Singh and Dr. Manoj Manohar Pande completed their first three-year terms on 14 November 2024, after which their directorships automatically lapsed. Following Board evaluation feedback and MoP approval, Dr. Singh was reappointed for a further one-year term on 17 April 2025, joined by Smt. Durgesh Nandini; the short renewal period reflects REC's plan to refresh its independent bench while staying within the overall ten-year statutory limit.

Overall, REC's approach has remained compliant with statutory and regulatory tenure limits:

- As on 31st March 2025, the Average Tenure of all the Board of Directors at REC stands at 1.5 Years.
- Fulltime Functional Directors rotate on superannuation or at the end of their five-year tenure;
- Government Nominee Directors change when the MoP so directs;
- Independent Directors serve staggered three to five-year terms, with re appointments carefully managed so that no individual exceeds two consecutive terms or ten cumulative years.

9.6 Details of Directors' attendance at Board meetings and Annual General Meeting (AGM) held during the financial year 2024-25.

Sl. No.	Name & Designation of the Director	Meetings held during tenure	No. of meetings attended / % attendance
1	Shri Vivek Kumar Dewangan – Chairman & Managing Director (upto 20 Mar 2025)	14	14 / 100 %
2	Smt. Parminder Chopra – Chairperson & Managing Director (21 Mar 2025 – 21 Apr 2025)	1	1 / 100 %
3	Shri Vijay Kumar Singh – Director (Projects)	15	15 / 100 %
4	Shri Harsh Baweja – Director (Finance) (w.e.f. 14 May 2024)	14	14 / 100 %
5	Shri Shashank Misra – Government Nominee Director	15	13 / 86.67 %
6	Shri Manoj Sharma – PFC Nominee Director	15	15 / 100 %
7	Shri Narayanan Thirupathy – Independent Director	15	15 / 100 %
8	Dr. Gambheer Singh – Independent Director (upto 14 Nov 2024 & re-appointed w.e.f. 17 Apr 2025)	8	8 / 100 %
9	Dr. Durgesh Nandini – Independent Director (upto 26 Dec 2024 & re-appointed w.e.f. 17 Apr 2025)	11	11 / 100 %
10	Dr. Manoj Manohar Pande – Independent Director (upto 14 Nov 2024)	8	8 / 100 %



9.7 Committees of the Board of Directors

The Board of Directors functions as full Board and is constituted through various Committees constituted to oversee specific areas of business and governance. Each Committee is guided by its terms of reference approved by the Board, which define its composition, scope and powers. The Committees meet regularly and as required to make informed decisions within their assigned areas of work, in accordance with the authority delegated to them.

The Board has the following Committees & Composition as on 1st July, 2025:

S. No.	Committee	Composition
1.	Audit Committee	Shri Narayanan Thirupathy (C) Dr. Durgesh Nandini (M) Shri Manoj Sharma (M)
2.	Nomination & Remuneration Committee	Dr. Gambheer Singh (C) Dr. Durgesh Nandini (M) Shri Narayanan Thirupathy (M)
3.	Stakeholders' Relationship Committee	Dr. Durgesh Nandini (C) Director (Projects) (M) Director (Finance) (M)
4.	Risk Management Committee	Dr. Gambheer Singh (C) Director (Projects) (M) Director (Finance) (M) Shri Narayanan Thirupathy (M)
5.	CSR Committee	Dr. Gambheer Singh (C) Director (Projects) (M) Director (Finance) (M)
6.	Committee for Investment / Deployment of Surplus Funds	Shri Jitendra Srivastava (C) Director (Projects) (M) Director (Finance) (M)
7.	Asset Liability Management Committee (ALCO)	Shri Jitendra Srivastava (C) Director (Projects) (M) Director (Finance) (M)
8.	IT Strategy Committee	Shri Narayanan Thirupathy (C) Director (Projects) (M) Director (Finance) (M)
9.	Sub-committee to Ensure Compliance of Gov Directives on "Make in India"	Shri Shashank Misra (C) Director (Finance) (M) Shri Manoj Sharma (M)
10.	Review Committee on Wilful Defaulter	Shri Jitendra Srivastava (C) Dr. Durgesh Nandini (M) Dr. Gambheer Singh (M)

C: Chairperson **M:** Member

Note: Some of the above Committees includes Permanent / Standing / other Invitees

Committees & Composition as on 31st March, 2025

9.7.1 Audit Committee

The Company has constituted an Audit Committee in accordance with the provisions of Section 177 of the Act, Regulation 18 of the Listing Regulations, and the DPE Guidelines on Corporate Governance. The terms of reference of the Audit Committee are as follows:

- To comply with the requirements in accordance with Section 177 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 the Audit Committee as envisaged in Listing Regulations, as amended from time to time;

- c) 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
- d) To comply with any other applicable provisions, as amended from time to time, relating to the Audit Committee.

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

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
Shri Narayanan Thirupathy Independent Director	Chairperson (w.e.f. November 26, 2024)	2	2
Dr. Gambheer Singh Independent Director	Chairperson (upto November 14, 2024)	6	6
Dr. Durgesh Nandini Independent Director	Member (upto December 26, 2024 & again appointed w.e.f. April 17, 2025)	7	7
Shri Manoj Sharma PFC Nominee Director	Member	8	8
Shri Shashank Misra Government Nominee Director	Member (from December 27, 2024 to April 16, 2025)	1	1

9.7.2 Nomination and Remuneration Committee

REC, being a Central Public Sector Enterprise (CPSE), as per the Articles of Association of the Company, the appointment, tenure, remuneration of Whole-time Directors including CMD and other Directors are decided by the President of India and communicated by the Administrative Ministry, i.e., MoP. REC has constituted a Nomination and Remuneration Committee (NRC) in accordance with the provisions of Section 178 of the Act, Regulation 19 of the Listing Regulations, and the 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.

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:

- a) 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;
- b) To comply with the requirements relating to the Nomination and Remuneration Committee as envisaged in the listing Regulations, as amended from time to time; and
- c) 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 the Nomination and Remuneration Committee

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
Dr. Gambheer Singh Independent Director	Chairperson (w.e.f. April 17, 2025 and Member upto November 14, 2024)	2	2
Shri Narayanan Thirupathy Independent Director	Member (upto November 25, 2024 and appointed as Chairperson w.e.f. November 26, 2024 and appointed as Member w.e.f. April 17, 2025)	5	5
Dr. Manoj Manohar Pande Independent Director	Chairperson (upto November 14, 2024)	2	2
Dr. Durgesh Nandini Independent Director	Member (upto December 26, 2024 & again appointed w.e.f. April 17, 2025)	3	3
Shri Manoj Sharma PFC Nominee Director	Member (from November 26, 2024 to April 16, 2025)	3	3
Shri Shashank Misra Government Nominee Director	Member (from December 27, 2024 to April 16, 2025)	2	1

9.7.3 Stakeholders Relationship Committee

The Company has constituted a Stakeholders Relationship Committee (SRC), in accordance with the provisions of Section 178 of the Act, Regulation 20 of the Listing Regulations, and other applicable laws.

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,
- 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 the Stakeholders Relationship Committee

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
Dr. Durgesh Nandini Independent Director	Chairperson (upto December 26, 2024 and again appointed w.e.f. April 17, 2025)	2	2
Shri Manoj Sharma PFC Nominee Director	Member (upto May 14, 2024 and further appointed as Chairperson from December 27, 2024 to April 16, 2025)	1	1
Shri Vijay Kumar Singh Director (Projects)	Member (up to June 30, 2025)	2	2
Shri Harsh Baweja Director (Finance)	Member (w.e.f. May 14, 2024)	1	1

9.7.4 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 organisation. The Risk Committee oversees the company's risk management framework, ensuring that risks are identified, assessed, and mitigated effectively.

Key responsibilities of the committee include:

- To manage integrated risk.
- To identify various risks likely to arise, evaluate overall risks faced by the company, 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 cybersecurity.
- To perform any other function as may be required 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
Smt. Parminder Chopra Chairperson & Managing Director	Chairperson (from March 21, 2025 to April 21, 2025)	0	0
Shri Vivek Kumar Dewangan Chairman & Managing Director	Chairperson (upto March 20, 2025)	4	4
Shri Vijay Kumar Singh Director (Projects)	Member (upto June 30, 2025)	4	4
Shri Harsh Baweja Director (Finance)	Member (w.e.f. May 14, 2024)	3	3
Dr. Manoj Manohar Pande Independent Director	Member (upto November 14, 2024)	3	3
Dr. Gambheer Singh Independent Director	Member (upto November 14, 2024)	3	3
Shri Narayanan Thirupathy Independent Director	Member (w.e.f. November 26, 2024)	1	1
Shri Manoj Sharma PFC Nominee Director	Member (w.e.f. November 26, 2024 to June 25, 2025))	1	1

9.7.5 Corporate Social Responsibility Committee

As per the provisions of Section 135 of the Act. 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).

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 the implementation of the CSR projects/programs/activities undertaken by REC.
- To assist the Board of Directors in formulating strategies on the CSR initiatives of REC.
- To approve the content of the annual report on CSR activities as per the performance given in the Rules, inter alia, covering a responsibility statement that the implementation and monitoring of the CSR Policy follow the 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.

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
Shri Manoj Sharma PFC Nominee Director	Chairperson (from December 27, 2024 to April 16, 2025)	2	2
Dr. Durgesh Nandini Independent Director	Member (upto May 14, 2024 and again appointed as Chairperson from November 26, 2024 to December 26, 2024)	3	3
Dr. Manoj Manohar Pande Independent Director	Chairperson (upto November 14, 2024)	8	8
Shri Vijay Kumar Singh Director (Projects)	Member	12	12
Shri Harsh Baweja Director (Finance)	Member (w.e.f. May 14, 2024)	11	11
Shri Narayanan Thirupathy Independent Director	Member (from December 27, 2024 to April 16, 2025)	2	2

Profile of the Chair: Shri Manoj Sharma has been appointed on the Board of REC Limited as the Nominee Director of Power Finance Corporation Limited (PFC), with effect from July 11, 2023. He is a Chartered Accountant with a degree in law (LLB) and currently working as Director (Commercial) in PFC.

9.7.6 Committee for Investment / Deployment of Short Term Surplus Funds

The Committee for Investment / Deployment of Surplus Funds has been constituted to approve investment/deployment of short-term surplus funds of ₹1,000 crore and above in a single instance in Certificate of Deposits or ₹2,000 crore and above in Mutual Funds and Fixed Deposits at any time. The Committee comprises of the CMD as Chairperson; Director (Projects) and Director (Finance) as members. The quorum for meetings of the said Committee is two members, including the CMD. Further, total 4 meetings were held on April 26, 2024, July 18, 2024, March 1, 2025 and March 19, 2025 attended by all Directors, during the financial year 2024-25.

9.7.7 Asset Liability Management Committee (ALCO)

In accordance with the RBI guidelines on Asset Liability Management (ALM) systems for NBFCs, the Company has established an Asset Liability Management Committee (ALCO). The ALCO monitors risks related to liquidity, interest rates, and currency rates with the help of the ALM support group, which provides various reports on liquidity gap analysis, interest rate sensitivity analysis, and foreign currency movements, etc. ALCO meets every quarter to review the position of the above risks. ALCO is headed by the CMD, with members including Director (Projects), Director (Finance) and Executive Directors (EDs) / HoDs from the finance and operating divisions of the Company & CRO of the Company.

The composition of the Asset Liability Management Committee (ALCO)

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
Smt. Parminder Chopra Chairperson & Managing Director	Chairperson (from March 21, 2025 to April 21, 2025)	1	1
Shri Vivek Kumar Dewangan Chairman & Managing Director	Chairperson (upto March 20, 2025)	4	4
Shri Vijay Kumar Singh Director (Projects)	Member	5	5
Shri Harsh Baweja Director (Finance)	Member	4	3

Profile of the Chair: She has over 35 years of varied experience in Power and Financial Sector. In PFC, she was heading key finance functions including resource mobilization (domestic & international markets), banking, treasury, asset liability management and stressed asset resolution.

9.7.8 IT Strategy Committee

Following the RBI's Master Directions for NBFCs, the Board of Directors formed a Board-Level IT Strategy Committee (ITSC). This committee was reconstituted on November 26, 2024, with an Independent Director as Chairperson, along with Directors (Projects) and (Finance) as members.

Its responsibilities include guiding the determination of IT resources necessary for achieving strategic goals, providing high-level advice on sourcing and utilising IT resources, ensuring cybersecurity, internal controls, and governance, and approving IT strategies, policies, and best practices as specified by the RBI's directions. During the review period, the ITSC met three times. Details regarding the committee's composition and attendance at meetings for the 2024-25 period are provided below.

The composition of the IT Strategy Committee

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
Shri Narayanan Thirupathy Independent Director	Chairperson	3	3
Dr. Gambheer Singh Independent Director	Member (upto November 14, 2024)	2	2
Shri Vijay Kumar Singh Director (Projects)	Member	2	2
Shri Harsh Baweja, Director (Finance)	Member (w.e.f. November 26, 2024)	1	1

9.7.9 Sub-committee to ensure compliance of GoI directives on 'Make in India'

The Board of REC has constituted Sub-committee to ensure compliance of GoI directives on 'Make in India', comprising of the Government Nominee Director as Chairperson, Director (Finance) and Nominee Director of PFC as its members, to inter-alia, scrutiny/review the tender notices, as and when being floated by REC or its subsidiaries, valuing ₹250 crore or above. Further, no meeting of the said Sub-committee was held during the financial year 2024-25.

9.7.10 Review Committee on Wilful Defaulter

The Board of REC has constituted Review Committee on Wilful Defaulter headed by CMD with two Independent Directors in compliance of the Reserve Bank of India's Master Direction on Wilful Defaulter dated July 1, 2015. During the financial year 2024-25, Review Committee on Wilful Defaulter met 2 (Two) times. The first meeting was held on August 6, 2024 and second meeting was held on October 29, 2024. The meetings were headed by Shri Vivek Kumar Dewangan and Dr. Gambheer Singh & Dr. Durgesh Nandini were present through video conferencing as members of the Committee

9.8 ESG Governance & Board Oversight

Environmental, Social, and Governance (ESG) principles are vital to shaping our corporate growth strategy. By integrating these principles into our operations and management practices, we developed a comprehensive approach that aligns with our long-term objectives. Our dedication to the finance infrastructure sectors reflects our commitment to innovation and excellence, as well as our responsibility to generate safe and sustainable value for society.

We believe that focusing on sustainable growth can help us contribute to a healthier planet and stronger, more resilient communities. This requires us to evaluate our environmental impact carefully, uphold social responsibility in our practices, and implement robust governance structures that promote accountability and transparency. Ultimately, emphasising ESG principles is intended to improve our overall effectiveness and resilience, enabling us to succeed while positively impacting the world.

Governance Structure for ESG





To embed sustainability into every facet of our business, REC operates a three-tier ESG governance structure that creates clear lines of accountability from operational execution to Board-level oversight:

1. Risk Management Committee (RMC) of the Board – Strategic Oversight

- The RMC, chaired by an Independent Director, is the apex body that steers enterprise-wide risk management, including climate- and ESG-related risks.
- It reviews the ESG performance against targets periodically, and ensures ESG considerations are integrated across all business functions to address new and evolving ESG risks effectively.

2. ESG Committee – Management-Level Stewardship

- Members are the Head of Departments of State Operations, Private Sector Projects Management, Renewables, Infrastructure and Logistics, Estate, Admin, PCM, HR, CSR, and IT.
- As per the ESG policy framework, it is the responsibility of the ESG committee to implement the policy overall and review ESG performance, which regular ESG committee meetings will achieve.

3. ESG Division – Operational Execution

- The ESG Division, led by an Executive Director and staffed by a dedicated team, is responsible for implementing the Board-approved ESG Policy.
- The division's core functions encompass gap assessment and target setting, along with meticulous data collection and validation. It's also responsible for reporting to the ESG Committee, Risk Management Committee, and Senior Management, all while ensuring compliance with SEBI LODR regulations and disclosures under global standards.
- The Division prepares detailed quarterly reports and KPIs for the ESG Committee, enabling data-driven decisions and timely escalation of emerging issues.

This tiered architecture ensures that day-to-day ESG actions are rigorously monitored, while strategic direction and risk oversight remain firmly within the Board's purview. It balances operational agility with robust governance, reinforcing REC's commitment to responsible finance and nation-building.

9.9 Board Independence

REC Limited's Board structure is purpose-built to deliver strong, independent oversight while reflecting its mandate as a Central Public Sector Undertaking (CPSU). In line with the Companies Act, 2013 and the DPE Guidelines on Corporate Governance for CPSEs (latest amendment 2023), directors are appointed through a transparent, merit-based process led by the Public Enterprises Selection Board (PESB). This ensures that every appointment—whether Whole-time, Nominee, or Independent—meets objective competency criteria and is free from undue influence. As of 1st July, 2025, the Seven-member Board comprises two Whole-time Directors, two Government Nominee Directors, and three Independent Directors.

In practice, independence is reinforced by a robust committee architecture (Audit, Risk, Nomination & Remuneration, CSR, and Stakeholders' Relationship Committees), each chaired by an Independent Director and operating with clearly defined charters. These committees provide an additional layer of objective scrutiny over strategy, risk, remuneration, and sustainability performance, thereby insulating decision-making from any single interest group.

Chairman and Managing Director at REC Ltd

Companies Act, 2013, Section 203(1)

- Permits one individual to serve as both Chairperson and Managing Director/CEO if allowed by the Articles of Association or approved by shareholders.
- REC's Articles explicitly authorise the CMD model; each appointment is endorsed by the President of India (through the Ministry of Power), satisfying the Act's shareholder-approval requirement.

SEBI (LODR) Regulations, 2015 Reg. 17(1B)

- Since the February 2022 amendment, splitting the Chairperson and MD/CEO roles is voluntary, not mandatory, for the top-500 listed entities.
- REC explains the rationale for retaining a combined CMD in its Annual Report and discloses that the incumbent is a Government appointee with no pecuniary interest in the company.

DPE Corporate-Governance Guidelines for CPSEs (2023)

- Schedule 'A' and 'B' public enterprises may continue with a CMD structure, provided sufficient Board independence and committee oversight exist.



- REC maintains a majority of non-executive directors (five of seven) and has Audit, Risk, Nomination & Remuneration, and CSR Committees chaired by Independent Directors.

Public-Service Ethos and Absence of Conflicts

All Whole-time and Nominee Directors are senior civil servants or domain specialists selected for their expertise in finance, power-sector policy, and public administration. As career public officials, they do not hold any personal financial interest in REC and are bound by the Central Civil Services Conduct Rules, DPE guidelines eliminating typical conflicts of interest that may arise in privately held enterprises. Their mandate is nation-building, ensuring reliable power infrastructure and responsible deployment of public capital rather than personal gain.

Outcome-Focused Governance

REC's independent governance model anchors long-term value creation for stakeholders and society:

- **Transparent decision-making:** All major proposals undergo multi-tier review by functional directors, committees, and the full Board before approval.
- **Enhanced accountability:** Quarterly ESG and risk dashboards are tabled before the Risk Committee and disclosed under SEBI LODR regulations.
- **Alignment with national priorities:** Board deliberations explicitly consider contributions to India's Panchamrit climate commitments, rural electrification goals, and inclusive growth.

9.10 Board Diversity

REC Limited is deeply committed to fostering a diverse and skilled Board, recognizing its fundamental contribution to robust corporate governance and enhanced decision-making. In line with SEBI LODR Regulations and other applicable laws, our policy ensures the Board comprises an optimum combination of Executive and Non-Executive Directors, including Independent Directors and Woman Directors.

We actively seek individuals with varied perspectives, occupational experience, gender, and cultural backgrounds, as this expands the Board's collective competence and balances the skills and judgment exercised by Directors. This includes a preference for Non-official (Independent) Directors from backgrounds such as banking, finance, academia, or seasoned professionals with expertise relevant to the Company's operations. Furthermore, the Company prioritizes the appointment of Board members with knowledge and expertise in critical areas like Financial Management, Power Sector Domain, Risk Management, and Environmental & Social Concerns, ensuring a comprehensive skill set to effectively guide the Company, enhance its competitive position, and ultimately create sustainable value for all stakeholders. To ensure these parameters of diversity and skills are met, matters of suitable nomination, appointment, and reappointment of Directors are taken up with the administrative ministry, the Ministry of Power, Government of India, for their consideration.

9.11 Board Performance Evaluation

The MCA, vide notification dated July 5, 2017, had prescribed that the provisions relating to the review of the performance of Independent Directors and the evaluation mechanism, as specified in Schedule IV of the Act, are not applicable to Government companies. The administrative ministry carried out the performance evaluation of Non-Executive Directors of the Company, i.e. MoP, as per its internal guidelines.

Moreover, the Company enters into a Memorandum of Understanding (MoU) for the financial year with its Holding Company, namely PFC, and the key parameters of which are finalised in consultation with the Ministry of Power (MoP). The performance of the Company is evaluated vis-à-vis the MoU parameters, as per the framework prescribed under the MoU Guidelines issued by the Department of Public Enterprises (DPE)

9.12 Business Ethics and Integrity

At REC Limited, our core commitment is to conduct business with the highest standards of legality and ethics, maintaining a zero-tolerance stance against all forms of corruption and bribery. The Chief Vigilance Officer (CVO) is central to this commitment, actively overseeing ethics and compliance across the organization. This office works to cultivate a workplace culture built on ethical behavior and trust among employees. We strictly adhere to guidelines from the Central Vigilance Commission (CVC), ensuring transparency, fairness, and accountability in all public procurement and government processes. For the wide dissemination of business ethics and to ensure employees are well aware of the code of conduct, the vigilance division, functioning under the CVO, has published a vigilance handbook.

In FY 2024-25, our dedication to these principles was evident through a series of initiatives:

- Vigilance wing conducted 8 training sessions and workshops, engaging 374 employees on critical topics such as Procurement, Ethics, organizational Systems and Procedures, Cyber Hygiene & Security, and CDA Rules.



The periodical inspections of 3 Regional Offices and conducted 1 surprise visit to reinforce compliance.

Site visits were conducted for three CSR projects to ensure adherence to ethical standards.

Annual Property Returns of 126 executives were thoroughly examined.

17 Internal Audit (IA) reports were scrutinized to identify and address any potential concerns.

The CVO collaborates closely with various business units, actively championing legal and ethical practices. This partnership ensures that all company actions align seamlessly with our moral standards and comply with relevant laws and regulations. To support this comprehensive approach, we have established a detailed set of policies and procedures that guide our ethical conduct.

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:** This policy outlines the criteria, process for selecting and compensating directors, senior executives, and ensuring alignment with organisational goals.

Strengthening an Ethical Culture – Vigilance Awareness Campaign 2024

- **Three-month integrity drive.** In the run-up to Vigilance Awareness Week 2024 (28 Oct – 3 Nov; theme – “Culture of Integrity for Nation's Prosperity”), REC's Vigilance Division rolled out a three-month organisation-wide campaign aimed at embedding zero-tolerance for corruption across every function.



- **Widespread employee engagement.** The Vigilance Division administered an online Integrity Pledge to all staff, launched micro-learning modules on conflict-of-interest rules, and set up grievance-redressal kiosks to encourage whistle-blowing
- **Communication and training about anti-corruption policies and procedures**

A total of 8 training sessions and workshops have been conducted, covering 374 employees. These sessions covered topics such as procurement, ethics, organisational systems and procedures, cyber hygiene and security, and CDA rules.

9.13 Enterprise Risk Management Framework

The Company has a Board approved Integrated Risk Management (IRM) Policy, encompassing a spectrum of risks such as Credit Risk, Operational Risk, Liquidity Risk, and Market Risk. It diligently identifies and addresses these risks through appropriate measures. Risk management involves identifying, assessing, and mitigating risks through well-defined processes across all the functions of organisation.

Implementing robust risk management processes ensures resilience in the face of uncertainties, enhances decision-making, and preserves stakeholder trust. Credit risk mitigated is thorough robust appraisal processes and risk assessments. Liquidity risk is managed through resource mobilisation strategies based on projected obligations. An Asset Liability Management Committee regularly reviews positions to address market risk, supported by established policies for Asset Liability Management and Hedging. Operational risks are categorised as 'High', 'Moderate', or 'Low' using a comprehensive risk register.

To address ESG (Environmental, Social, and Governance) risks, the Company has implemented an ESG Policy that focuses on climate change strategy and governance practices.

Risk-Based Internal Audit

REC has a Board-approved Risk Based Internal Audit (RBIA) policy/manual since April, 2022, which links the Company's overall risk management framework and provides an assurance to the Board of Directors, Audit Committee and senior management, on the quality and effectiveness of the organization's internal controls, risk management and governance related systems and processes.

This is in line with the RBI mandate of the RBIA framework for all non-deposit-taking NBFCs with an asset size of ₹5,000 crore and above. RBIA helps the Company to identify the risks and address them based on the risk priority and direction provided by the Board. The activities under the RBIA framework include independent risk assessment of the operation and activities, identification of the audit universe, development of a risk matrix, preparation of the annual RBIA Plan, and execution of internal audits as per the frequency defined in the RBIA policy.

9.14 Tax Strategy

As a Maharatna PSU under the Ministry of Power, Government of India, REC recognizes that responsible tax practices are integral to our Environmental, Social, and Governance (ESG) commitments. We play a crucial role in contributing to government revenues through a range of direct and indirect taxes, including Corporate Income Tax, Goods and Services Tax (GST) and Tax Deducted at Source (TDS).

Through these contributions, REC supports India's fiscal stability and development priorities, aligning our operations with national objectives such as rural electrification, energy access, and infrastructure enhancement. In addition to our tax liabilities, REC acts as a key fiscal intermediary by collecting and remitting statutory taxes across our supply chain, including GST on services rendered and TDS on payments made to employees and vendors.

Our commitment to tax governance is underpinned by robust internal processes, regular training, and a dedicated team of tax professionals who ensure compliance with applicable statutes. These practices foster transparency, minimize tax risks, and support responsible financial management across our operations.

REC takes pride in fulfilling tax obligations promptly and accurately. The Company emphasizes transparency with tax authorities, fostering trust and adherence to best practices and promotes a shared understanding of tax responsibilities across the organization, reinforcing our commitment to accountability and ethical business conduct as part of our ESG strategy.

9.15 Business Continuity and Disaster Management Plan

REC has implemented the Business Continuity and Disaster Recovery Plan. Necessary training programs are conducted to prepare teams for crisis response. Disaster drill exercises are held regularly to assess the effectiveness of the procedures and guidelines outlined in the plan. External CERT-In-certified auditors audit these drills, and feedback from these audits is used for continuous improvement. The plan is reviewed periodically, and management and the board are kept informed of any developments or changes in the business continuity plan.

Included in the disaster recovery plan is a thorough guide that outlines the specific actions to be taken in the event of a disruption. It details the necessary resources that should be mobilised and the procedures that must be followed to restore normal operations quickly. This includes established protocols for data backup to protect vital information, systematic processes for restoring systems to bring services back online, and communication channels for engaging with stakeholders during a crisis.

9.16 Political Contribution

We do not offer any form of support, whether through direct financial contributions or in-kind donations, to any political party, their affiliated members, or associated organisations.



10. REC's Policies mapped to BRSR Principles

BRSR Principles	Description	
P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability. REC conducts its business activities with utmost importance to ethics, transparency, and accountability. The various policies, codes and rules framed in this regard include:	
	Name of the Policy	Weblink
	Internal Guidelines on Corporate Governance	https://recindia.nic.in/policies
	Policy for Prevention of Fraud	https://recindia.nic.in/policies
	Whistle Blower Policy	https://recindia.nic.in/policies
	Code of Business Conduct and Ethics	https://recindia.nic.in/policies
	Fair Practices Code	https://recindia.nic.in/policies
	Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions	https://recindia.nic.in/policies
	Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives and for Fair Disclosure	https://recindia.nic.in/policies
	Policy on ‘fit & proper’ criteria of Directors	https://recindia.nic.in/policies
	REC ESG policy	https://recindia.nic.in/policies
	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	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle. 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 https://recindia.nic.in/financial-products Further, CSR Policy of the Company is available at https://recindia.nic.in/csr-sustainability-policy REC also has a Sustainable procurement policy outlining ESG guidelines and human rights requirements for suppliers. The policy is available at https://recindia.nic.in/policies
P3	Businesses should promote the well-being of all employees. 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 https://recindia.nic.in/policies	
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. The Company respects the interest of all its stakeholders, including those who are disadvantaged, vulnerable & marginalized. Link for our stakeholder engagement policy (https://recindia.nic.in/policies) and stakeholder grievance redressal policy (https://recindia.nic.in/grievances). The Company works towards inclusive growth through its CSR Policy approved by the Board of Directors. The CSR Policy is available at https://recindia.nic.in/csr-sustainability-policy	

BRSR Principles	Description
P5	<p>Businesses should respect and promote human rights.</p> <p>REC strives to safeguard and uphold human rights in all ways possible. REC's human rights policy is available at https://recindia.nic.in/policies</p> <p>The Company has a Code of Business Conduct & 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 https://recindia.nic.in/policies</p>
P6	<p>Businesses should respect, protect, and make efforts to restore the environment.</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 https://recindia.nic.in/financial-products Our ESG policy is available at https://recindia.nic.in/policies</p>
P7	<p>Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.</p> <p>REC plays an active and responsible role in matters concerning public & 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 https://recindia.nic.in/policies</p>
P8	<p>Businesses should support inclusive growth and equitable development.</p> <p>REC has various policies to support inclusive growth and equitable development of all its stakeholders, including public procurement policy for MSMEs (https://recindia.nic.in/uploads/files/RECPolicy-for-MSME-11022022.pdf), equal opportunity policy for its employees (available on REC intranet), attractive lending rates for green-energy projects (https://recindia.nic.in/financial-products) and also CSR policy (https://recindia.nic.in/csr-sustainability-policy).</p>
P9	<p>Businesses should engage with and provide value to their customers and consumers in a responsible manner.</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 https://recindia.nic.in/policies Our Data privacy policy is available at https://recindia.nic.in/policies</p>



1. Appendix

11.1 GRI Index

GRI Standards	Disclosure	Page No.	Omissions
GRI 2: General Disclosures 2021	2-1 Organizational details	9	
	2-2 Entities included in the organization's sustainability reporting	5	
	2-3 Reporting period, frequency and contact point	5	
	2-4 Restatements of information	5	
	2-5 External assurance		REC will engage the Assurance provider for ESG Report in coming years.
	2-6 Activities, value chain and other business relationships	5	
	2-7 Employees	53	
	2-8 Workers who are not employees		Not Applicable
	2-9 Governance structure and composition	80	
	2-10 Nomination and selection of the highest governance body	85	
	2-11 Chair of the highest governance body	80	
	2-12 Role of the highest governance body in overseeing the management of impacts	90	
	2-13 Delegation of responsibility for managing impacts	90	
	2-14 Role of the highest governance body in sustainability reporting	90	
	2-15 Conflicts of interest	90	
	2-16 Communication of critical concerns	90	
	2-17 Collective knowledge of the highest governance body	79	
	2-18 Evaluation of the performance of the highest governance body	92	
	2-19 Remuneration policies	83	
	2-20 Process to determine remuneration	83	
	2-21 Annual total compensation ratio	55	
	2-22 Statement on sustainable development strategy	2	
	2-23 Policy commitments	95	
	2-24 Embedding policy commitments	93	
	2-25 Processes to remediate negative impacts	77	
	2-26 Mechanisms for seeking advice and raising concerns	77	
	2-27 Compliance with laws and regulations	90	
	2-28 Membership associations	14	
	2-29 Approach to stakeholder engagement	25	
	2-30 Collective bargaining agreements	68	



GRI 3: Material Topics 2021	3-1 Process to determine material topics	25	
	3-2 List of material topics	26	
	3-3 Management of material topics	26	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	79	
	201-2 Financial implications and other risks and opportunities due to climate change	26	
	201-3 Defined benefit plan obligations and other retirement plans	65	
	201-4 Financial assistance received from the government		No financial assistance received from the government
GRI 202: Market Presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	55	
	202-2 Proportion of senior management hired from the local community	89	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	22	
	203-2 Significant indirect economic impacts	76	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	70	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	92	
	205-2 Communication and training about anti-corruption policies and procedures	92	
	205-3 Confirmed incidents of corruption and actions taken		No incidents of corruption
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		No incident recorded
GRI 207: Tax 2019	207-1 Approach to tax	92	
	207-2 Tax governance, control, and risk management	92	
	207-3 Stakeholder engagement and management of concerns related to tax	94	
	207-4 Country-by-country reporting	REC is a CPSE, working for nation building and has no international operations.	
GRI 301: Materials 2016	301-1 Materials used by weight or volume		Given the nature of the business, this is not applicable
	301-2 Recycled input materials used		Given the nature of the business, this is not applicable
	301-3 Reclaimed products and their packaging materials		Given the nature of the business, this is not applicable



GRI 302: Energy 2016	302-1 Energy consumption within the organization	39	
	302-2 Energy consumption outside of the organization		Not Applicable
	302-3 Energy intensity	39	
	302-4 Reduction of energy consumption	39	
	302-5 Reductions in energy requirements of products and services		Given the nature of the business, this is not applicable
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	46	
	303-2 Management of water discharge-related impacts	47	
	303-3 Water withdrawal	46	
	303-4 Water discharge	46	
	303-5 Water consumption	46	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	40	
	305-2 Energy indirect (Scope 2) GHG emissions	40	
	305-3 Other indirect (Scope 3) GHG emissions	40	
	305-4 GHG emissions intensity	40	
	305-5 Reduction of GHG emissions	40	
	305-6 Emissions of ozone-depleting substances (ODS)	40	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other	Please refer to our FY 25 BRSR, Principle 6, Q6	
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	46	
	306-2 Waste by type and disposal method	48	
	306-3 Significant spills		Given the nature of the business, this is not applicable
	306-4 Transport of hazardous waste	48	
	306-5 Water bodies affected by water discharges and/or runoff	47	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Please refer to our FY 25 BRSR, Principle 6, Q8(Leadership Indicator)	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	70	
	308-2 Negative environmental impacts in the supply chain and actions taken	70	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	53	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	65	
	401-3 Parental leave	63	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	68	



GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	62	
	403-2 Hazard identification, risk assessment, and incident investigation	64	
	403-3 Occupational health services	62	
	403-4 Worker participation, consultation, and communication on occupational health and safety	62	
	403-5 Worker training on occupational health and safety	63	
	403-6 Promotion of worker health		Not Applicable
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	64	
	403-8 Workers covered by an occupational health and safety management system		Not Applicable
	403-9 Work-related injuries	64	
	403-10 Work-related ill health	64	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	59	
	404-2 Programs for upgrading employee skills and transition assistance programs	58	
	404-3 Percentage of employees receiving regular performance and career development reviews	60	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	92	
	405-2 Ratio of basic salary and remuneration of women to men	55	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	55	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	70	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	70	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	70	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		Not Applicable
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of Indigenous peoples		Not Applicable
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	72	
	413-2 Operations with significant actual and potential negative impacts on local communities	72	



GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	70	
	414-2 Negative social impacts in the supply chain and actions taken		No negative social impact
GRI 415: Public Policy 2016	415-1 Political contributions	92	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		Given the nature of the business, this is not applicable
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		Given the nature of the business, this is not applicable
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling		Given the nature of the business, this is not applicable
	417-2 Incidents of non-compliance concerning product and service information and labelling		Given the nature of the business, this is not applicable
	417-3 Incidents of non-compliance concerning marketing communications		Given the nature of the business, this is not applicable
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	73	

11.2 SASB Index

SASB Topic	Accounting Metric / Disclosure	REC's Response / Page Reference	Comments
Greenhouse Gas Emissions	IF-EU-110a.1: Gross global Scope 1 emissions	p. 40	Data includes direct emissions from REC offices and fleet.
Energy Management	IF-EU-130a.1: Total energy consumed, % grid electricity, % renewables	p. 40	Renewable energy procurement and efficiency initiatives detailed.
Water Management	IF-EU-140a.1: Total water withdrawn, % in regions with high water stress	p. 46	Aligned with CPCB guidelines; REC operations in low-stress areas.
Employee Diversity & Inclusion	IF-EU-330a.1: Gender and racial/ethnic group representation	p. 54	Gender diversity figures, pay equity analysis included.
Business Ethics	IF-EU-510a.1: Total amount of monetary losses from legal proceedings	-	Zero significant cases reported in FY24–25.
Cybersecurity	IF-EU-230a.1: Description of approach to identifying and addressing cybersecurity risks	p. 71	REC has zero complaints on cybersecurity/data fraud.
Community Engagement	IF-EU-240a.1: Programs and practices to manage the impacts on communities	p. 72	REC CSR programs supporting rural electrification and education.
Climate Risk	IF-EU-450a.1: Strategy for managing climate-related risks and opportunities	p. 42	Climate risk assessments are conducted in alignment with national targets.



11.3 UN Global Compact (UNGC) Index Table

UNGC Principle	Description	REC's Response / Reference
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	p. 66: REC's HR policy; Code of Conduct
Principle 2	Make sure they are not complicit in human rights abuses	p. 69: Supplier Code of Conduct; Vendor agreements
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	p.68: Employee Handbook; Labour Compliance
Principle 4	Elimination of all forms of forced and compulsory labour	p. 68: HR & Contractor Management Policies
Principle 5	Effective abolition of child labour	p. 68: Recruitment & Supplier Due Diligence
	Elimination of discrimination in respect of employment and occupation	p. 55: Equal Opportunity Policy; Gender Diversity Programs
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges	p. 39: Environmental Policy; Risk Assessments
Principle 8	Undertake initiatives to promote greater environmental responsibility	p. 43: Energy efficiency, water management, waste reduction programs
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	p. 33: Investments in clean energy and green financing initiatives
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	p. 93: Anti-Bribery & Anti-Corruption Policy; Whistleblower Mechanism

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आरईसी
REC

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