

SEC-1/187(2)/2025/ 2377

Dated: August 1, 2025

लिस्टिंग विभाग नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड एक्सचेंज प्लाजा, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - ४०० ०५१	कॉर्पोरेट संबंध विभाग बीएसई लिमिटेड पहली मंजिल, फीरोज जीजीभोय टावर्स दलाल स्ट्रीट, फोर्ट, मुंबई - ४०० ००१
स्क्रिप कोड—RECLTD	स्क्रिप कोड—532955
Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.	Corporate Relationship Department BSE Limited 1 st Floor, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai – 400 001.
Scrip Code—RECLTD	Scrip Code—532955

Sub: Business Responsibility and Sustainability Report (BRSR) for the financial year 2024-25.

महोदय / महोदया,


Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the BRSR for the financial year 2024-25, along with Independent Reasonable Assurance Report provided by M/s. Corporate Professionals, New Delhi.

The BRSR also forms part of the Annual Report of the Company for the financial year 2024-25, submitted to the stock exchanges vide letter dated August 1, 2025.

यह आपकी जानकारी के लिए है।

धन्यवाद,

भवदीय,



(जे. एस. अमिताभ)

कार्यकारी निदेशक और कंपनी सचिव

संलग्न : ऊपरोक्त अनुसार



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L40101DL1969GOI005095
2.	Name of the Listed Entity	REC Limited
3.	Year of incorporation	1969
4.	Registered office address	Core 4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003
5.	Corporate office address	Plot no. I-4, Sector 29, Gurugram-122001
6.	E-mail	complianceofficer@recindia.com
7.	Telephone	+91-124-444 1300
8.	Website	https://recindia.nic.in/
9.	Financial year for which reporting is being done	April 1, 2024 to March 31, 2025
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) BSE Limited (BSE)
11.	Paid-up Capital	₹2,633.22 crore
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri Harsh Baweja (DIN: 09769272) Director (Finance) +91-124-4441319 df@recindia.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures are made in this report on a consolidated basis
14.	Name of assurance provider	M/s. Corporate Professionals
15.	Type of assurance obtained	Reasonable Assurance

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of the main activity	Description of business activity	% of the turnover of the entity
1	Financial and Insurance Service	Financial and Credit leasing activities	99.88%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Product/Service	NIC Code	% of Total Turnover contributed
1	Other Financial Services and Activities - Other Credit Granting	64920	98.88%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	33*	33
International	0	0	0

*This encompasses the REC Corporate Office including our subsidiary and REC regional offices, which are situated in 23 locations throughout the country. A detailed list of these locations is provided in the Annual Report. Additionally, we have the RECPDCL offices operating in 10 locations across India.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not Applicable

c. A brief on types of customers

REC Limited, recognized as a prominent public sector Non-Banking Financial Company (NBFC) in India, plays an integral role in driving the nation's Power sector and broader infrastructure development initiatives. Established to support the growing energy and infrastructure demands, REC has developed a comprehensive suite of financial products tailored to meet the diverse needs of various stakeholders. These offerings include long-term, medium-term and short-term loans specifically designed to finance a wide range of projects, encompassing both conventional and renewable energy sources, as well as the critical infrastructure for power transmission and distribution.

In alignment with India's commitment to expanding access to electricity, REC actively supports rural electrification projects, which are essential for improving the quality of life and economic opportunities in underserved communities. Additionally, the Company is at the forefront of financing the development of e-mobility infrastructure, crucial for facilitating the transition towards sustainable transport solutions.

Recognizing the dynamic and growing infrastructure

landscape in India, REC has strategically diversified its portfolio beyond the power sector. This expansion includes financing for a variety of crucial infrastructure projects such as airports, metro rail systems, major roadways and highways, ports and other essential infrastructure developments that contribute to national economic growth and connectivity.

Key customer segments served by REC include:

- Government Entities:** This segment encompasses both state governments and central/state power utilities, which are the primary recipients of REC's financial assistance. These entities undertake various power and infrastructure projects that are vital for public well-being and economic stability.
- Independent Power Producers (IPPs):** REC recognises the importance of private sector involvement in the energy landscape. As such, independent power producers-private companies engaged in the generation of electricity-form a significant portion of REC's customer base, benefiting from tailored financing solutions that enable project initiation and execution.
- Private Sector Borrowers:** This category includes a broad spectrum of private enterprises participating in infrastructure and power projects, showcasing REC's commitment to fostering partnerships with diverse stakeholders to enhance overall infrastructure development.

In summary, REC Limited serves as a pivotal financial backbone for India's power and infrastructure sectors. By delivering essential funding and support across a wide array of clients and projects, it plays a crucial role in spurring economic growth and helps the nation to achieve its sustainability goals.

IV. Employees

20. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	573*	490	85.51	83	14.49
2.	Other than Permanent (E)	580	506	87.24	74	12.76
3.	Total employees (D + E)	1153	996	86.38	157	13.62
WORKERS						
4.	Permanent (F)					
5.	Other than Permanent (G)		Not Applicable			
6.	Total workers (F + G)		Not Applicable			

*Two employee who are on deputation is included in the category of other than permanent employees.

Note: Although our recent hiring efforts have focused on improving gender diversity, the overall women's ratio has seen a slight decrease due to a combination of factors, including a higher number of retirements among female employees. We are committed to improve ratio of our female workforce.



b. Differently abled Employees and Workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	14	13	92.86	1	7.14
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	14	13	92.86	1	7.14
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)					
5.	Other than Permanent (G)					
6.	Total differently abled workers (F + G)			Not Applicable		

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.66
Key Management Personnel	5	1	20.00

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	6.06%	6.21%	6.08%	6.35%	4.23%	6.03%	10.57%	10.37%	10.54%
Permanent Workers	Not Applicable								

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.

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Sl. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Power Finance Corporation Limited (PFC)	Holding	52.63 (PFC is holding 52.63% shares in REC)	Yes
2	REC Power Development and Consultancy Limited	Subsidiary	100	Yes
RECPDCL Subsidiaries				
3	Shongtong Power Transmission Limited	Subsidiary	100	No
4	Chandil Transmission Limited	Subsidiary	100	No
5	Dumka Transmission Limited	Subsidiary	100	No
6	Koderma Transmission Limited	Subsidiary	100	No
7	Mandar Transmission Limited	Subsidiary	100	No
8	Luhri Power Transmission Limited	Subsidiary	100	No
9	Kankani Power Transmission Limited	Subsidiary	100	No
10	WRNES Talegaon Power Transmission Limited	Subsidiary	100	No
11	Tuticorin Power Transmission Limited	Subsidiary	100	No
12	Rajgarh III Power Transmission Limited	Subsidiary	100	No
13	Jejuri Hinjewadi Power Transmission Limited	Subsidiary	100	No
14	Velgaon Power Transmission Limited	Subsidiary	100	No

V. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (in ₹): 56,367 crore*

(iii) Net worth (in ₹): 78,376 crore*

* Figures are on consolidated basis.

VI. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place, Yes/No (If yes, then provide web link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Communities	Yes https://recindia.nic.in/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-050525.pdf	180	4	As of May 1, 2025, no complaint is pending for resolution	88	12	12 complaints pending at the end of financial year 2023-24 have also been subsequently resolved
Investors (other than shareholders)	Yes https://recindia.nic.in/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-050525.pdf	272	0	-	494	0	-
Shareholders	Yes https://recindia.nic.in/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-050525.pdf	21	0	Apart from these complaints, the Company has received 1,590 requests/clarifications/queries from equity shareholders which were resolved/responded during the financial year 2024-25, except two requests/clarifications/queries which were resolved post March 31, 2025.	30	0	Apart from these grievances, the Company has received 363 requests/clarifications/queries from equity shareholders which were resolved during the financial year 2023-24, except seven requests/clarifications/queries which were resolved post March 31, 2024.
Employees and workers	Yes https://recindia.nic.in/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-050525.pdf	0	0	-	1	0	-



Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place, Yes/No (If yes, then provide web link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at the close of the year	Remarks
Customers	Yes https://recindia.nic.in/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-050525.pdf	0	0	-	0	0	-
Suppliers	Yes https://recindia.nic.in/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-050525.pdf	1	1	The complaint raised by the supplier has been resolved.	3	0	2 claims under Vivad Se Vishwas, 1 by the Independent External Monitor of GeM.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications as per following format:

Sl. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate change	Opportunity	Climate change allows REC to diversify its loan portfolio, improve the quality of assets in the long term and tap new types of capital like green bonds - and sustainability-linked instruments. REC can be an important force for funding next-generation infrastructure such as green ammonia, carbon capture and smart grids. It provides a strategic window for diminishing risk from carbon-intensive exposures and creating a stable, future-proof loan portfolio. By driving green financing forward, REC can access low-cost ESG capital, get ahead of regulatory requirements and reinforce its position in India's clean energy transformation-converting a global risk into a competitive strength.	-	Positive: Embracing green finance, REC can diversify its loan portfolio, reduce carbon risk and access low-cost ESG capital. This positions REC to fund future-ready infrastructure, meet regulatory demands and lead India's clean energy transition-turning climate risk into a strategic advantage.

Sl. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Energy and Emissions Management	Opportunity	India's ambitious climate targets, create a massive, expanding market for green and energy-efficient financing. REC, as a leading power sector financier, is ideally positioned to capture a substantial share of this growth.	-	Positive: Boosts REC's financial health by enabling substantial loan book growth in high-demand green sectors and diversifying its funding through access to cheaper, specialized green capital markets. This also improves asset quality by financing resilient projects, leading to reduced NPAs and enhanced long-term profitability.
3	Community Development	Opportunity	Community engagement and development can impact the company's social license to operate, reputation and long-term sustainability. By engaging with local communities, REC fosters positive relationships, address community concerns and promote economic development, enhancing project acceptance and minimizing social risks. Additionally, investing in community development initiatives can contribute to social stability, talent retention and overall business success.	-	Positive: Managed risks and ensure smooth project execution. Investments in local development enhance its social license to operate, support talent retention and strengthen brand reputation, driving long-term value and sustainable growth.
4	Customer satisfaction	Opportunity	Customer satisfaction is a fundamental driver of REC reputation, market position and bottom line. In a competitive and changing infrastructure finance environment, responsiveness, transparency and service quality are essential to institutional client retention and new client acquisition. Customer relationship building is not merely a matter of service delivery, it has a direct effect on deal continuity, portfolio stability and long-term client trust. By incorporating customer-focused practices within its operations, REC promotes loyalty, minimizes friction in project cycles and supports its position as a trusted financial partner in the power and infrastructure markets.	-	Positive: Customer satisfaction through responsiveness, transparency and service quality, REC enhances client retention, strengthens its market reputation and ensures portfolio stability. This approach fosters long-term trust, reduces project friction and supports sustained growth, positioning REC as a trusted partner in the infrastructure finance sector.



Sl. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Diversity and Inclusion	Opportunity	<p>Diversity and inclusion are not only corporate values, but strategic assets that have a direct impact on organizational performance and resilience. For REC, building a diverse employee base ensures access to a broader range of views, skills and experiences and this makes for greater innovation and decision-making. Inclusion extends beyond representation; it leads to employees at all levels feeling empowered, respected and engaged. This results in better collaboration, increased productivity and lower attrition. As REC is operating in an increasingly fast-changing business climate, integrating diversity and inclusion in the culture is key to capturing best talent, catalysing adaptive thinking and sustaining a competitive advantage.</p>	-	<p>Positive: Integrating diversity and inclusion into REC culture opens access to a broader talent pool, which fosters innovation and enhances decision-making through diverse perspectives. It promotes higher employee engagement, reduces attrition and strengthens brand reputation, making REC a more attractive and trusted employer. By prioritizing diversity, REC improves collaboration and ensures adaptability and resilience in the face of a rapidly changing business environment, ultimately securing a sustained competitive advantage.</p>
6	Human Capital Development	Opportunity	<p>Human capital is a core driver of REC's long-term performance and institutional resilience. A firm's ability to attract, retain and build talent directly impacts operational effectiveness, innovation and service delivery. A high-performing engaged workforce is not an accident of good culture, it is an intended consequence of strategic investments in employees' wellbeing, capability development and inclusive leadership. Mental and physical well-being support initiatives minimize absenteeism and turnover and targeted training enables staff to change to meet changing industry needs. Aligning workforce development with business objectives not only enhances productivity but also ensures that REC's human capital continues to be a primary driver of sustainable growth and competitiveness.</p>	-	<p>Positive: REC's investment in human capital is a strategic move to stay competitive in a rapidly evolving industry. Upskilling ensures a future-ready workforce, while well-being initiatives and inclusive leadership drive productivity and reduce attrition. These are not just positive outcomes they are critical to sustaining long-term performance and adaptability.</p>

Sl. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Sustainable Supply Chain Management	Opportunity	Sustainable procurement is a key strategic tool for REC in managing environmental and social risks intrinsic to its value chain. Embedding ESG factors in purchasing decisions, REC can ensure compliance with responsible standards among vendors and service providers to lower exposure to compliance, reputation and operations risks. Additionally, by embracing preferential procurement strategies in favour of MSMEs and disadvantaged business segments, REC not only promotes economic inclusion, but it also establishes viable local supply chains. Such a strategy strengthens stakeholder trust, facilitates regulatory compliance and generates long-term shared value-making REC a responsible and forward-looking institution.		Positive: REC's sustainable procurement strategy mitigates environmental and social risks, ensures regulatory alignment and minimizes reputational and operational vulnerabilities. By integrating ESG criteria and leveraging preferential sourcing from MSMEs and underrepresented sectors, REC enhances supply chain resilience, fosters inclusive growth and generates long-term stakeholder value.
8	Digital Transformation and Innovation	Opportunity	Digitalization is a key driver for REC to promote efficiency, enhance delivery of services and compete effectively in an evolving infrastructure finance landscape. Adopting technology allows for more streamlined operations, quicker decision-making and a more individualized customer experience. Innovation enhances REC's resilience to change in borrower needs, regulation and market disruption. It also opens up the possibility of creating new financing schemes and enhancing risk management. Through investing in digital capacities, REC not only enhances operational resilience but also strengthens its position as a forward-thinking, modern institution within sustainable finance.		Positive: For REC, digitalization will streamline operations, enhance customer service and boost profitability. With automation and analytics, IT systems will improve loan origination, underwriting, collections and customer onboarding, driving efficiency and reducing costs. This will strengthen REC's competitive position and ensure smoother, more responsive services.
9	Economic Development	Opportunity	Economic development presents a significant opportunity for REC by driving demand for infrastructure, particularly in the power sector. As India grows, increased energy consumption and industrialization necessitate more generation, transmission and distribution projects, directly expanding REC's financing avenues. Furthermore, the Government's focus on sustainable and inclusive growth creates demand for smart grids and rural electrification, solidifying REC's role as a key financial enabler of national progress.		Positive: This opportunity directly leads to loan book growth and stronger financial performance due to increased demand for REC's core financing services in a growing economy.



Sl. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Sustainable Finance	Opportunity	Encouraging sustainable finance tools, like green loans and bonds, provides REC with a strong vehicle for linking capital to climate and development priorities. Through its Green Bond Framework, REC directs financing toward high-impact sectors of renewable energy, energy efficiency, clean transportation and pollution control, enabling both national climate objectives as well as sustainable infrastructure development. These tools not only broaden REC's capital base but also improve access to global ESG capital at competitive prices. Most importantly, having a larger portfolio of sustainability linked financial products enables REC to go beyond compliance and proactively take the lead in financing the green shift, giving environmental and social value as well as robust financial returns.	-	Positive: Stronger alignment with climate and development goals, broader access to global ESG capital and a leading role in sustainable infrastructure financing. By leveraging green finance tools, REC enhances its financial strength, supports national climate initiatives and delivers both social impact and solid financial returns.
11	Responsible Lending	Opportunity	Incorporating ESG considerations into lending provides REC with a competitive advantage in risk management and stakeholder alignment. Investors, regulators, communities and partners increasingly expect lenders to take long-term environmental and social considerations into account. Credit decisions that are informed by ESG enable REC to identify risks such as regulatory change, environmental expenditure, or local resistance earlier, lowering the risk of delays, losses and reputational damage. This strategy not only enhances portfolio robustness but also enhances REC's reputation as a socially responsible lender, in accordance with international sustainability objectives and appealing to impact-driven capital.	-	Positive: Improved risk management, enhanced portfolio resilience and a stronger reputation as a socially responsible lender. By integrating ESG considerations into lending, REC gains a competitive edge, aligns with global sustainability goals and attracts impact-driven capital while minimizing potential project delays, losses and reputational risks.
12	ESG governance and board Oversight.	Opportunity	Sustainable implementation of environmental, social and governance (ESG) principles at the most level of decision-making, REC optimizes its capacity to foresee regulatory changes, comply with investor expectations and process long-term risks better.	-	Positive: Enhanced strategic foresight and stronger long-term risk management, decision-making. REC aligns with investor expectations and reinforces its commitment to sustainable and responsible growth.

Sl. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
13	ESMS (Environmental and Social Management System) Focus	Opportunity	ESMS allows the Company to mainstream sustainability in its lending process so that the projects it finances with REC meet national regulatory requirements and international best practices in environmental and social governance. The ESMS is indicative of REC's responsibility towards its financing and promoting inclusive and sustainable infrastructure development.		Positive: Enables REC to embed sustainability into its core lending practices, ensuring that financed projects comply with both national regulations and global ESG standards. This strengthens REC's commitment to responsible financing, enhances project credibility and supports inclusive, environmentally and socially sound infrastructure development.
14	Climate change	Risk	Climate change introduces physical risks (floods, droughts, cyclones), transition risks (carbon tax, clean energy standards) and reputational risks associated with ESG expectations. These have the potential to interrupt projects, raise credit risk and affect REC's ability to access capital. REC is responding to this by incorporating climate risk into project appraisals, matching regulatory requirements and green financing upscaling.	REC is advancing its ESG Journey and integrated E&S assessment in the loan appraisal process of private borrowers. We are in the process of aligning disclosures with draft RBI's framework on Climate-related Financial Risks. REC aims to expand its clean energy portfolio underscoring its commitment to India's energy transition. In the financial year 2024-25, the Company has achieved a YoY growth of renewable loan book by 49% and renewable disbursements by 63% which is the testimony of our commitment.	Negative: Potential possibility of asset stranding due to climate risk.
15	Operational eco-efficiency	Risk	As a major financier in India's power sector, REC's financial health and reputation are tied to the environmental performance of the projects it funds. Poor eco-efficiency in financed assets can lead to reputational damage, increased regulatory scrutiny, potential stranded assets and limited access to green finance.	To mitigate this, REC has adopted a comprehensive ESG Policy guiding its investments and operations. This policy enhances ESG due diligence in project appraisal, prioritizes funding for renewable and energy-efficient projects and develops green financial products. It also builds internal capacity and promotes borrower awareness of eco-efficient technologies, ensuring sustainable growth and alignment with national environmental goals.	Negative: Potential fines/ penalties in case of violations.



Sl. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
16	Data Privacy and Cyber Security	Risk	<p>As a PSU with sensitive financial and project-related information, REC has huge risks in case of breach of data privacy and cybersecurity. Any cyberattack or data breach may cripple operations, invite regulatory penalties and dent stakeholder trust. As there is more and more digitalization taking place, the threat level is also on the rise, so it becomes critical to implement stringent security protocols and adhere to regulations. Neglecting it, risks not only the continuity of business but also invalidates REC's credibility and accountability as a public sector organization.</p>	<p>REC, as a prominent Government of India Company, prioritizes Data Privacy and Cybersecurity with utmost diligence to protect sensitive information and maintain operational resilience.</p> <p>The Company has implemented a robust Information Security Management System (ISMS) to ensure the confidentiality, integrity and availability of its information assets, aligning with national cybersecurity frameworks and global best practices. Led by its Chief Information Security Officer (CISO), REC actively promotes a culture of cybersecurity awareness through continuous trainings, informative sessions, internal messages, social media campaigns and even desktop wallpapers.</p> <p>This commitment is further solidified by a comprehensive data privacy policy that rigorously safeguards the personal and sensitive data of all stakeholders, complemented by regular security audits and the adoption of advanced technologies to mitigate evolving cyber threats, thereby reinforcing trust and securing its vital financial and operational infrastructure.</p>	<p>Negative: Potential fines/ penalties in case of violations.</p>

Sl. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
17	Corporate Governance and Business Ethics	Risk	For REC, poor corporate governance and ethical misconduct are not only reputational risks-they are systemic risks that can compromise strategic decision-making, investor confidence and long-term value creation. In the current regulatory climate any case of corruption or non-compliance can lead to legal sanctions and damage stakeholder trust. Moreover, without robust governance ingrained at all levels, there is a danger of misalignment between corporate behaviour and stakeholder expectations. Thus, a culture of accountability and integrity is not a luxury, it is a necessity for REC's sustainable development.	<p>REC's corporate governance framework is a cornerstone of its operations, reflecting its status as a Government of India company.</p> <p>The Company adheres rigorously to the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises (DPE), alongside the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Furthermore, the vigilance division of REC functions independently under the Central Vigilance Commission, ensuring vigilance activities as per CVC Guidelines. This commitment to transparent, accountable and ethical practices, overseen by a Board with Government nominated Directors, builds trust among all stakeholders and ensures the company's long-term sustainability as a public entity.</p>	Negative: Potential fines/ penalties in case of violations.
18	Regulatory Compliance	Risk	REC, being a government-owned enterprise, is under strict legal and regulatory compliance. Failure to comply with respective laws, financial regulations, or industry regulations can subject the company to penalties, lawsuits and business losses. Aside from fiscal impacts, regulatory violations can substantially erode REC's reputation as a credible and compliant organization. Within a strongly regulated ecosystem, stringent compliance is not just legally required but strategically imperative-vital to maintaining stakeholder trust, guaranteeing smooth operations and ensuring REC's future growth and credibility.	As a Central Public Sector Enterprise (CPSE) under the Ministry of Power, Government of India, REC's approach to regulatory risk is intrinsically linked to its public mandate. It maintains a highly vigilant compliance division that proactively monitors all governmental directives, policies and statutory changes from entities like the Ministry of Power, RBI and SEBI. This ensures not only strict adherence to extant regulations but also agile adaptation to new norms, safeguarding its critical role in national power sector development and financial stability.	Negative: Potential fines/ penalties in case of violations.



Sl. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
19	Risk Management	Risk	Risk Management involves identifying, assessing and mitigating risks that affect the entire organization or industry, rather than just specific projects or investments. By effectively managing risks, REC can safeguard financial stability, reputation and long-term viability.	Implementing robust risk management processes ensures resilience in the face of uncertainties, enhances decision making and preserves stakeholder trust. It also captures REC's ability to absorb shocks arising from financial and economic stress and meet stricter regulatory requirements related to the complexity and interconnectedness of companies in the industry.	Negative Implications.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Please refer to Annexure of the report								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/ labels/ standards adopted by your entity and mapped to each principle.	ISO 27001: 2013								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>As a Central Public Sector Enterprise, REC's operational and financial aims for financial year 2024-25 are determined by the MoU Guidelines of the Department of Public Enterprises (DPE), Government of India.</p> <p>The MoU framework has 12 parameters with marks assigned to each, for a total of 100 marks. Several compliances are also outlined in the MoU, with negative scores for non-compliance. Guidelines governing MoU framework can be accessed from DPE website: https://dpe.gov.in</p> <p>The MoU document is available at the following link https://recindia.nic.in/mou</p>								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>REC has a Memorandum of Understanding (MoU) with its holding company, PFC, according to the structure defined in MoU Guidelines released by the DPE. The MoU establishes important performance metrics for the Company, which are developed in conjunction with the Ministry of Power, Government of India and the Company's performance is evaluated in relation to these parameters.</p> <p>REC was rated as "Excellent" by DPE due to its excellent financial performance for financial year 2023-24 and the firm is projected to be rated as Excellent again for the financial year 2024-25, subject to final evaluation by MoP/DPE.</p>								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements

At REC, sustainability is not an after thought but a strategic priority embedded across our operations. As India progresses on its path of rapid economic growth, we are committed to ensuring that development goes hand in hand with environmental protection, social inclusion and strong governance. REC Board approved policy guides us all the way to systematically integrate Environmental, Social and Governance (ESG) principles into our core decision-making enables us to create long-term value for stakeholders while supporting the country's sustainable development goals.

Challenges and Strategic Goals

Implementing ESG at scale presents key challenges such as infrastructure gaps, technology adoption, stakeholder alignment and the need for continuous compliance and monitoring. Despite these hurdles, REC has set clear targets most notably, increasing the share of renewable energy in our loan portfolio. Our commitment extends to greening our operations through renewable-powered facilities, electric vehicle adoption and best practices in water and waste management. Furthermore, our Corporate Social Responsibility initiatives are expanding our positive impact in rural and underserved communities.

Key Achievements

REC significantly advanced its ESG commitments, making substantial progress towards Net Zero with a 1 MWp captive solar plant underway and 76% of its vehicle fleet now electric. REC has agreed with DHBVN for supplying 100% green power to our corporate office for FY 2025-26 by which it is estimate that around 85% of Scope 1 & 2 emissions will be avoided in commitment to advance India's Panchamrit goals, renewable loan disbursements grew by an impressive 63% YoY and the loan book increased by 49%, consequently avoiding an estimated 6.1 million tonnes of CO₂ emissions. Socially, REC introduced a new Occupational Health and Safety Policy and achieved zero data breaches and zero customer grievances. Governance was strengthened by integrating ESG into loan appraisals and procurement.

Governance and the Road Ahead

Governance remains the foundation of our sustainability agenda. We ensure transparency, ethical procurement and ESG aligned value chain engagement, reinforcing integrity across our value chain. With a strong governance structure and clear ESG roadmap, REC is positioned not just as a financier of India's energy and infrastructure sectors, but as a proactive enabler of the country's green and inclusive transformation. Going forward, we aim to scale our impact by embracing innovation, deepening stakeholder engagement and advancing our ESG commitments.

(Also may refer to CMD message section for Broad overview on ESG at REC)

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability-related issues? If yes, provide details	Yes. Shri Harsh Baweja (DIN: 09769272) Director (Finance) +91-124-4441319 df@recindia.com

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes, review was undertaken by the Committee of the Board									On quarterly and annual basis
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Yes, review was undertaken by the Committee of the Board									On quarterly and annual basis

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
The Board of Directors reviews all policies and processes and Senior Management reviews these processes from time to time.								

Note: The relevant explanation/information/links are mentioned in the Annexure to this Report



12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									Not Applicable
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership.” While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	9	<ol style="list-style-type: none"> 1. National Guidelines on Responsible Business Conduct (NGRBC) by Industry expert at SCOPE office, New Delhi. 2. "Directors Certification Master Class" conducted by Indian Institute of Corporate Affairs at Ooty, Tamil Nadu. 3. "Effective Risk Governance and Boards Program" organized by the Indian Institute of Corporate Affairs at IIM Bangalore. 4. Various Sessions at World Energy Council at Rotterdam. 	100
Key Managerial Personnel	7	<ol style="list-style-type: none"> 1. National Guidelines on Responsible Business Conduct (NGRBC) at SCOPE Office, New Delhi. 2. "Directors Certification Master Class" conducted by Indian Institute of Corporate Affairs at Ooty, Tamil Nadu. 3. The Role of Climate Co-Benefit Methodologies for Strengthening Climate Action by Indian Public Sector Enterprises (PSEs) at Kolkata. 4. Various Sessions at World Energy Council at Rotterdam. <p>In addition to above topics, many awareness sessions on health & Safety, POSH, Risk Management etc. been attended.</p>	100

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	105	<p>REC is committed to continuous learning and development, with training programs designed to enhance employee skills, foster a responsible business culture and address key ESG considerations.</p> <p>Broad categories of training undertaken during the financial year, aligning with the spirit of the National Guidelines on Responsible Business Conduct (NGRBC) principles is highlighted below :</p> <ol style="list-style-type: none"> I. Ethical Conduct, Governance and Risk Management (P1: Ethics, Transparency & Accountability; P2: Sustainable & Safe Products; P4: Stakeholder Responsiveness; P7: Responsible Policy Engagement) <p>Corporate Governance & Compliance: Training on NGRBC, Directors' Certification, REC Conduct Rules (including anti-corruption & bribery) and legal compliances related to employment and public procurement.</p> <p>Ethics & Integrity: Sessions dedicated to ethical conduct, vigilance awareness and the prevention of corruption.</p> <p>Risk Management: Comprehensive training on enterprise-wide risk management (including ISO 31000), market and operational risk, cybersecurity and data privacy.</p> <p>Sustainable Business Practices: Training on integrating sustainability into procurement, product lifecycle and overall business operations.</p> II. Employee Well-being, Human Rights and Inclusivity (P3: Employee Well-being; P5: Human Rights; P8: Inclusive Growth & Equitable Development) <p>Health & Safety: Regular awareness sessions on occupational health and safety.</p> <p>Human Rights & Diversity: Training on human rights, Prevention of Sexual Harassment (POSH) and policies promoting reservation and inclusivity for various groups (SC, ST, OBC, Ex-Servicemen, PwBDs, EWS).</p> <p>Employee Development & Welfare: Programs focused on well-being, stress management, work-life balance, emotional intelligence and leadership development.</p> <p>Diversity & Inclusion: Workshops specifically addressing inclusivity for different employee groups.</p> III. Environmental Stewardship and Climate Action (P6: Environmental Responsibility) <p>Climate Change & Sustainability: Training on climate co-benefit methodologies, carbon management, GHG accounting, carbon foot printing and green climate finance facilities.</p> <p>Energy Transition & Smart Systems: Sessions on smart distribution systems, renewable energy and hydrogen.</p> <p>Environmental Remediation: National conferences and programs focusing on sustainable practices for environmental protection.</p> IV. Business Operations, Finance & Digital Transformation (General Business Acumen & Efficiency) <p>Financial Acumen: Training on financing infrastructure projects, lending to corporates and finance for non-finance executives.</p> <p>Advanced Analytics & AI: Sessions on advanced Excel, data analytics and the application of Artificial Intelligence (AI) in the workplace.</p> <p>Operational Excellence: Programs covering strategic sourcing, contract management, e-procurement and internal audit based on risk.</p> <p>Communication & Leadership: Training in business presentations, public speaking and administrative leadership.</p> <p>In addition to above, REC celebrated ESG Awareness Week in 2nd week of December 2024. This impactful event featured expert-led sessions, active engagement from senior leadership, interactive competitions, compelling street plays (Nukkad Natak), Quiz & Essay writing competitions and a dynamic social media campaign. The initiative significantly enhanced awareness and fostered the adoption of sustainable practices among our employees and stakeholders.</p>	99
Workers		Not Applicable	



2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine*	None	None*	None	None	None
Settlement	None	None	None	None	None
Compounding fee	None	None	None	None	None

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	None	None	None	None
Punishment	None	None	None	None

*Note: For the financial year 2024-25, NSE & BSE has imposed fine of ₹29,02,800/- for non-compliance with the provisions with respect to composition of the Board and various Board level committees as stipulated under Listing Regulations due to non-availability of requisite number of Independent Directors on the Board of the Company. It is pertinent to mention that the power to appoint Directors on the Board of the Company vests with the President of India, acting through the administrative ministry i.e. Ministry of Power (MoP). The Company has been requesting the appointing authority i.e. MoP for appointment of requisite number of Independent Directors and the Company has no role in the appointment of Directors or maintaining the Composition of its Board, as it is beyond the control of the Company.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
None	None

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, REC has policies and Guidelines in place to address social issues such as bribery and corruption. The REC's Conduct, Discipline and Appeal (CDA) Rules specify the code of conduct for all workers, recognizing acts of bribery, corruption and other misconduct as criminal offences if proven. The Company also has a Fraud Prevention Policy, which addresses the prevention, detection and reporting of all acts of fraud, bribery and corruption. Furthermore, REC follows CVC rules and Guidelines for anti-corruption and anti-bribery, including the PIDPI Resolution (GoI Resolution on Public Interest Disclosure and Protection of Informers relating to complaints for disclosure on any allegation of corruption or misuse of office wherein CVC is the Designated Agency). Aside from the aforementioned, REC has also adopted a Whistle blower Policy. The policy documents of REC can be found on the link <https://recindia.nic.in/policies>. The following are the links for these policy documents:

<https://recindia.nic.in/uploads/files/co-fin-coord-rec-fraud-prevention-policy-dt011223.pdf>.

https://recindia.nic.in/uploads/files/Whistle_Blower_Policy.pdf.

<https://recindia.nic.in/uploads/files/co-cs-Code-of-Business-Conduct-Policy-10032025.pdf>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024-25	FY 2023-24
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	Not Applicable	Not Applicable

6. Details of complaints with regard to conflict of interest:

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024-25	FY 2023-24
Number of days of accounts payables	24*	11#

* The increase of number of days accounts payable compared to last year is primarily due to two factors related to our role as a nodal agency for government programs like RDSS. Firstly, there was a significant ~40% decrease in procurement volume (the denominator), specifically for smart metering. Secondly, accounts payable (the numerator) increased due to payments awaiting disbursement from the Government of India for these projects. These timing differences are inherent to government-led schemes and do not reflect any inefficiency. We maintain rigorous financial management, ensuring prompt payments upon receipt of funds, aligning with our robust governance and ESG objectives.

Figures are regrouped/reclassified.

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from Top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealer/ distributors as % of total sales	Not Applicable	Not Applicable
	b. Number of dealers / distributors to whom sales are made	Not Applicable	Not Applicable
	c. Sales to top 10 dealer/ distributors as % of total sales to dealer/distributors	Not Applicable	Not Applicable
Share of RPTs in	a. Purchases (Purchases with related parties /Total Purchases)	0	0
	b. Sales (Sales to related parties / Total Sales)	Not Applicable	Not Applicable
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	0*	0*
	d. Investments (Investments in related parties/Total Investments made)	0	0

* Total loans and advances with related party for the financial year 2024-25 is ₹13 lakh and for the financial year 2023-24 is ₹30 lakh: These amounts represent employee advances provided to Directors/KMP under the company's standard policy, which is available to all employees. These transactions are not of a business or commercial nature.

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	REC actively conducted Focused Vendor Development Programs during the financial year to enhance the capacity and participation of Micro and Small Enterprises (MSEs) in public procurement. A key component of these programs included dedicated ESG sessions. These sessions aimed to sensitise vendors on BRSR principles, REC's sustainability procurement policy and REC's specific ESG expectations from its vendor partners.	100
2	Through RECIPMT, a total of 18,935 man-days of training were achieved during the financial year 2024-25 for our employees and stakeholders, as well as other private participants. This covers all clients of REC and in the financial year 2024-25, most of the state/ joint sector borrowers have taken the training on REC-sponsored trainings on electrical safety, best practices for power utilities, change management, leadership and team building.	87*

* Approximated based on loan book ratio of state/joint sector borrowers as on March 31, 2025, as these borrowers only availed REC-sponsored trainings.



2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

The REC Code of Business Conduct and Ethics for Board Members and Senior Management addresses the process of managing conflicts of interest. According to the code of conduct, board members and senior management must:

- Not participate in decision-making on matters where a conflict of interest exists or may arise.
- Disclose to the Board any material financial and commercial transactions in which they have a personal interest that could potentially conflict with the interests of the Company.
- Abstain from discussions, voting, or otherwise influencing decisions on matters before the Board that involve a conflict or potential conflict of interest.
- Avoid engaging in any activities-such as providing consulting services, running a business, or accepting employment-that may interfere with their duties or responsibilities to the Company without prior approval. They should also refrain from investing in or associating themselves.

The code is available at <https://recindia.nic.in/uploads/files/co-cs-Code-of-Business-Conduct-Policy-10032025.pdf>

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and CAPEX investments made by the entity, respectively.

	Amount	Percentage	Details of improvements in environmental and social impacts
R&D	0	0	Not applicable
Capex	0	0	Not applicable

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

REC is committed to a robust and comprehensive sustainable procurement policy that aligns seamlessly with our core values. This policy not only outlines our dedication to upholding exemplary standards across various domains such as economic, social, ethical and environmental, but also emphasises the importance of recognising and addressing the potential risks associated with our procurement processes.

In our efforts to cultivate Environmental, Social and Governance (ESG) awareness, we actively engage with our suppliers, encouraging them to embrace sustainable practices. We believe in the power of collaboration and aim to support our suppliers through training programs focused on skill enhancement and the adoption of sustainable methods. To ensure a consistent commitment to sustainability, we require all our suppliers to comply with our sustainable procurement policies. We also expect adherence to our supplier code of conduct, which outlines the ethical standards we uphold. Suppliers are encouraged to provide relevant ESG data to REC upon request, fostering transparency and accountability in our supply chain.

Our senior management team plays a crucial role in this endeavour, taking an active interest in overseeing the implementation of our sustainable procurement policy. This involvement ensures that our commitment to sustainability is not just a statement but a proactive approach integrated into our operational practices.

The policy is available at <https://recindia.nic.in/uploads/files/CO-BDM-Sustainable-Procurement-policy-060624.pdf>.

b. If yes, what percentage of inputs were sourced sustainably?

100% inputs sourced sustainably. ESG mandatory declaration is taken from all respective suppliers.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Type of waste	Mechanism
Plastics (including packaging)	Due to the nature of our business and operational processes, we are proud to report that we do not produce significant amounts of plastic waste, electronic waste (e-waste), or other types of waste. Our operations are designed to minimise the generation of hazardous waste. In instances where e-waste and plastic waste are produced, they are managed responsibly and in accordance with environmental standards. we partner with authorised recyclers to ensure sustainable waste management.
E-waste	
Hazardous waste	
Other waste	

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, Extended Producer Responsibility (EPR) is not applicable to REC, as the Company operates solely as a Non-Banking Financial Company (NBFC). Its business activities are limited to providing financial services and do not involve the production, handling, or distribution of consumer goods that fall under the scope of EPR regulations. Hence, compliance with EPR-related provisions is not required for REC's operations.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details:

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
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Not Applicable. REC does not perform Life Cycle Assessments (LCA) for its financial products in the same manner that a manufacturing company would for physical products.

However, REC actively incorporates Environmental, Social and Governance (ESG) considerations into its project appraisal and financing processes. This strategy serves a similar purpose to that of an LCA by evaluating and mitigating the environmental impacts of the projects they finance throughout their lifecycle.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
---------------------------	-----------------------------------	--------------

REC operates in a capacity that inherently avoids significant social or environmental risks typically associated with manufacturing or physical production. As a financial entity, the Company does not engage in activities that would directly contribute to ecological degradation or social harm.

Nonetheless, REC is deeply committed to maintaining responsible financing practices that prioritize environmental integrity. During its thorough project appraisal process, the Company undertakes a systematic evaluation of the environmental risks linked to the power projects it chooses to finance. This evaluation involves meticulous due diligence, which includes a comprehensive review of all relevant environmental compliance regulations and necessary clearances to ensure that projects align with sustainability goals.

In addition to these practices, REC actively supports government initiatives aimed at enhancing environmental protection. The company plays a pivotal role in promoting the adoption of advanced pollution control technologies within thermal power plants. This encompasses financing for the installation of critical systems such as Flue Gas Desulphurization (FGD), Selective Catalytic Reduction (SCR) and Electrostatic Precipitators (ESP). These technologies are essential for significantly reducing harmful emissions, thereby contributing to improved air quality and a healthier environment for communities surrounding these power facilities.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25	FY 2023-24

Not Applicable. There are no primary input materials used since the nature of operations is focused on lending; furthermore, the percentage of recycled or reused input material used by the Company is negligible

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled and safely disposed:

	FY 2024-25			FY 2023-24		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable, as REC does not manufacture any products, hence, there is no product or packaging material to be reclaimed.					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
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Not applicable, REC does not manufacture any products; hence, there are no product or packaging materials reclaimed.



PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)	
Permanent employees											
Male	490	490	100	490	100	NA	NA	490	100	490	100
Female	83	83	100	83	100	83	100	NA	NA	83	100
Total	573	573	100	573	100	83	100	490	100	573	100
Other than Permanent employees											
Male	506	506	100	506	100	NA	NA	0	0	0	0
Female	74	74	100	74	100	74	100	NA	NA	0	0
Total	580	580	100	580	100	74	100	0	0	0	0

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)	
Permanent workers											
Male	Not Applicable										
Female	Not Applicable										
Total	Not Applicable										
Other than Permanent workers											
Male	Not Applicable										
Female	Not Applicable										
Total	Not Applicable										

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2024-25	FY 2023-24
Cost incurred on well- being measures as a % of total revenue of the Company	0.023	0.023

2. Details of retirement benefits

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
Provident Fund	100	NA	Yes	100	NA	Yes
Gratuity	100	NA	Yes	100	NA	Yes
ESI	NA	NA	NA	NA	NA	NA
Others-NPS/ PRMS etc	100	NA	Yes	100	NA	Yes

Note: Above data corresponds to Permanent Employees.

3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

REC has taken significant steps to ensure that its premises are fully accessible to employees with disabilities. The facilities feature spacious elevators designed to accommodate wheelchairs, as well as accessible restrooms equipped with features such as grab bars and ample manoeuvring space. Additionally, braille signage is strategically placed at key locations throughout the building to facilitate independent navigation for individuals with visual impairments.

Beyond physical accessibility, REC's corporate website exemplifies a commitment to inclusivity by adhering to the Web Content Accessibility Guidelines (WCAG) 2.0, Level AA, as established by the World Wide Web Consortium (W3C). This dedication guarantees that individuals with visual disabilities can effectively interact with the website using various assistive technologies, including advanced screen readers like JAWS, NVDA, SAFA, Supernova and Window-Eyes. By ensuring compatibility with this range of software, REC promotes a digital environment where all users are empowered to navigate its online resources with ease and confidence.

Further information about the same can be accessed at <https://recindia.nic.in/screen-reader-access>.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has an Equal Opportunity policy. The policy is available at <https://recindia.nic.in/uploads/files/co-hr-equal-opportunity-policy-dt230424.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%		
Female		NA*		Not Applicable
Total	100%	100%		

*No Female employee has a due to return to work after taking parental leave in the financial year 2024-25.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes/No (If yes, then give details of the mechanism in brief)	
Permanent Workers	
Other than Permanent Workers	Not Applicable
Permanent Employees	Yes, REC has a grievance redressal mechanism in place to address employee concerns. Employees can initially raise their grievances with their reporting manager. The reporting manager will attempt to resolve the issue within 7 days. If the employee is not satisfied with the resolution, they can escalate the grievance to the Head of Department (HoD) within 15 days. The HoD will then try to resolve the grievance within 7 days.
Other than Permanent Employees	If the employee remains dissatisfied with the HoD's decision or does not receive a response within the specified time frame, they can escalate the matter to the Grievance Redressal Committee. The committee will communicate its decision to the employee within 45 days. In exceptional cases, if the employee is still unsatisfied, they may appeal to the Chairman and Managing Director (CMD) within 10 days of receiving the committee's decision. The CMD will decide and inform the employee within 30 days. All grievances received are tracked and monitored regularly and decision notes are maintained for future reference.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Yes, REC has recognized a union of its non-supervisory permanent employees and an association of its executives. Membership details is as below:

Category	FY 2024-25			FY 2023-24		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
Male	490	490	100	434	434	100
Female	83	83	100	78	78	100
Total	573	573*	100	512	512**	100



Category	FY 2024-25			FY 2023-24		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Workers						
Male						
Female						Not Applicable
Total						

8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	996	980	98	969	97	833	799	96	725	87
Female	157	153	97	151	96	147	142	97	132	90
Total	1,153	1,133	98	1,120	97	980	941	96	857	87
Workers										
Male										
Female										Not Applicable
Total										

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	490	490	100	434	434	100
Female	83	83	100	78	78	100
Total	573	573	100	512	512	100
Workers						
Male						
Female						Not Applicable
Total						

Note: Details pertain to Permanent employees.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system:

REC has established a robust occupational health and safety management system for its 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.

To prioritise employee wellness, REC hosts annual health check-ups and medical camps, providing employees with opportunities for health assessments and access to healthcare professionals. These initiatives are part of a broader commitment to fostering a culture of health within the organisation.

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.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

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.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/ No)

Yes. REC has a process to report work-related hazards.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No).

Yes, REC conducts regular health check-ups, medical camps and sessions with healthcare professionals to promote employee wellness. The Company undertakes various awareness initiatives focused on critical health issues, including heart disease, diabetes, cancer and other lifestyle-related conditions. Additionally, all employees and their dependents are covered under a comprehensive health insurance policy, providing access to quality medical care and financial support for their healthcare needs.

11. Details of safety related incidents:

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
	Workers	NA	NA
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	NA	NA
No. of fatalities	Employees	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

REC acknowledges the significance of ensuring a healthy and safe working environment for all of its employees and contractors. We have adopted measures to ensure periodic electrical and fire safety parameters are checked and necessary action is taken in a timely manner. In order to provide improved health care facilities to the employees, part-time services of doctors are engaged to provide onsite medical facilities. We conduct sessions with expert speakers and encourage employees to adopt a healthy lifestyle. To facilitate recreation and a healthy lifestyle, a Gymnasium is available for employees on the premises. Various Yoga programs and Health Camps are also organized by the Company regularly for the employees.

13. Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	No complaints	0	0	No complaints
Health & Safety	0	0	No complaints	0	0	No complaints

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	REC strives to keep the workplace environment healthy, safe and hygienic, upholding the dignity of the employees. All offices are internally assessed periodically through internal audits for various aspects of health and safety measures and related working conditions.
Working conditions	



15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Not Applicable. REC implements various measures to ensure safety within its premises. No significant risks or concerns have emerged from the internal assessments of health and safety practices and working conditions.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) Employees: The Company offers a rehabilitation package in case of death or permanent disability for the employee and/or their declared family members.

(B) Worker- Not Applicable.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

As a Non-Banking Financial Company (NBFC), REC incorporates specific terms and conditions within the loan agreements granted to its borrowers. These terms explicitly outline essential obligations, including the timely payment of statutory dues and the acquisition of necessary statutory clearances. Additionally, borrowers are held accountable for fulfilling other similar obligations in accordance with applicable statutory requirements. To ensure compliance throughout the loan period, borrowers must provide REC with proof of adherence to these conditions at various stages of their agreement. This systematic approach not only reinforces the borrowers' responsibilities but also aligns with REC's commitment to regulatory standards and operational integrity.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	0	0	0	0
Workers	Not applicable			

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, REC offers a robust and multifaceted framework that actively supports the career development and overall well-being of its employees, both as they approach retirement and during their post-retirement phase. As a Central Public Sector Enterprise (CPSE), REC is committed to adhering meticulously to the employment Guidelines set forth by the DPE, particularly concerning the processes of retirement and the termination of employment.

While REC does not have a formalised program specifically labelled as a "transition assistance program" for enhancing employability after retirement, the organisation places a strong emphasis on continuous skill enhancement throughout an employee's career. Each year, employees partake in a variety of training opportunities, both through in-house resources and external institutions, aimed at ensuring their skills remain current and relevant. This ongoing commitment to professional development not only fosters individual growth but also enhances adaptability during their active years of service.

In addition to career development, REC deeply values the well-being of its retired employees. The Company provides a range of significant post-retirement benefits designed to support their health and welfare. Among these are comprehensive post-retirement medical benefits and various welfare programs, demonstrating REC's dedication to caring for its workforce even after their active employment has concluded.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Starting in January 2025, REC has begun integrating Environmental, Social and Governance (ESG) assessments into its loan appraisal process for private sector borrowers. This strategic move ensures that borrowers are rigorously evaluated against essential ESG criteria, allowing REC to effectively identify and address potential risks while aligning these assessments with its broader sustainability objectives. In addition to this significant development for borrowers, REC has also expanded the scope of its ESG evaluations to include its vendors and service providers. Currently, about 30% of its value chain partners are undergoing these crucial assessments, reinforcing REC's commitment to fostering sustainability throughout its operations and partnerships.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

REC has developed a thorough and well-structured stakeholder engagement policy designed to streamline the process of identifying, engaging with and managing its various stakeholders. This policy is rooted in several key components:

Definition of Stakeholders: In the context of REC, stakeholders encompass a diverse range of individuals and groups who may be directly or indirectly affected by the company's operations. This includes not only those who have a direct stake in REC's activities but also those who possess a vested interest in its success or have the capacity to influence its outcomes.

Key Stakeholder Groups: REC acknowledges a wide array of stakeholders as vital to its ongoing business endeavours. These groups are categorised into two main categories: internal stakeholders, primarily comprised of employees who contribute to the company's culture and productivity and external stakeholders, which include various business associates. External stakeholders encompass suppliers, vendors, partners and service providers, as well as shareholders and investors, including bondholders and creditors. Additionally, borrowers and banking institutions, regulatory bodies and government agencies—such as state governments, the Reserve Bank of India (RBI), the Ministry of Corporate Affairs (MCA), the Securities and Exchange Board of India (SEBI) and stock exchanges (i.e. NSE and BSE) are also recognised. Customers and neighbouring communities play a crucial role in REC's stakeholder network as the company's activities directly impact them.

Ongoing Stakeholder Identification: Identifying stakeholders is not a one-time event, but a continuous and evolving process. REC is committed to maintaining an adaptive approach that allows it to stay attuned to the changing needs and expectations of its stakeholders. This proactive attitude ensures that the company remains aligned with the interests of those it serves and interacts with.

Engagement and Relationship Building: Recognising the importance of open communication, REC actively engages with stakeholders to gain a deeper understanding of their concerns and expectations. The company prioritises addressing these issues, which in turn helps mitigate potential risks. By fostering strong, long-term relationships with its stakeholders, REC aims to cultivate an environment that contributes to its overall success.

Through its commitment to continually monitoring and responding to the diverse needs of stakeholders, REC aspires to enhance its business operations, mitigate risks and establish mutually beneficial and sustainable partnerships. This comprehensive approach not only strengthens the company's position but also supports the broader community and economic environment in which it operates.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Email / SMS / Website / Letters / Telephone / Newspaper etc.	Quarterly	Communication of financial results, adoption of financial statements and the transaction of ordinary and special business as needed. Addressing requests and grievances of shareholders as necessary.
Bondholders	No	Email / Website / Dissemination of information through Stock Exchange Mechanism	Quarterly	Allotment, interest servicing, redemption payment, bond certificate and demat credit. Addressing requests and grievances of bondholders as necessary.
Employees	No	Emails / Notice Board / Website	Regularly (Need based)	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.



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Community	Yes	Surveys/Impact assessment CSR Activities Personal interactions Project-based discussions	Need based	Community development and wellbeing, CSR projects
Vendors	No	Email/SMS Meetings Letters/Telephone	Need based	Goods and services procurement are conducted through tendering and the GeM Portal process, along with addressing vendor grievances. Additionally, Vendor Development Programmes are organized periodically.
Customers	No	Email/SMS/Website/ Letters/Telephone	On day-to-day basis (Regional Offices as well as Corporate Office)	Customer satisfaction surveys

Although the majority of the stakeholder groups mentioned are not typically categorised as Vulnerable or marginalised, there are specific segments within these larger groups that do fall into these classifications. This includes individuals from economically disadvantaged backgrounds, those belonging to lower income brackets, as well as women, children and people with disabilities. Additionally, Micro, Small and Medium Enterprises (MSMEs) and businesses owned by members of Scheduled Castes (SC) and Scheduled Tribes (ST), along with women entrepreneurs, are also represented among these marginalised segments. REC is dedicated to supporting and uplifting these vulnerable portions of society by offering comprehensive training programs and fostering equal opportunities for their advancement.

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

REC is committed to fostering transparent and effective communication with all of its stakeholders while rigorously adhering to the relevant regulatory frameworks that govern its operations. The Company emphasises the importance of providing timely and pertinent information regarding decisions that could significantly affect its stakeholders. At the same time, REC ensures that sensitive business strategies and proprietary information are kept confidential to protect its competitive edge.

To uphold its commitment to responsible governance, REC has established several Board-approved policies that comprehensively address essential economic, environmental and social dimensions of its operations. These policies are carefully crafted in consultation with key stakeholders, ensuring they resonate with their expectations and address any concerns. A cornerstone of this endeavour is the comprehensive Environment, Social & Governance (ESG) Policy, which has been ratified by REC's Board. This policy serves as a foundational framework guiding the company's ESG-related initiatives, ensuring they are well-aligned with overarching strategic objectives.

Stakeholder engagement is not merely a one-time event at REC, it is an integral component of the Company's business processes and is approached as an ongoing effort. The leadership of these engagements primarily rests with various business units, although senior management actively participates when necessary. The outcomes of these engagements are systematically reported to the Board of Directors, facilitating informed oversight and assisting in crafting strategic directions that consider the interests and concerns of stakeholders effectively.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

REC actively engages in comprehensive dialogues with a diverse array of stakeholders including employees, borrowers, government entities and local communities when addressing environmental and social challenges. The organization firmly believes that by actively listening to these varied perspectives, it can better align with public expectations and foster sustainable development practices.

In response to these insightful discussions, REC has developed an intricate Environment, Social and Governance (ESG) Policy. This policy acts as a guiding framework, enabling the Company to make informed decisions that prioritize environmental stewardship and social responsibility. For instance, during the preliminary stages of project reviews, REC meticulously evaluates the potential environmental impacts of the projects it finances. This assessment plays a crucial role in shaping its operational strategies, financial planning and risk management frameworks. To enhance its commitment to responsible lending, REC incorporates specific provisions within its loan agreements designed to safeguard the environment, protect public health and safety and support local communities.

This is particularly emphasized in projects related to clean energy and infrastructure, where REC exercises heightened diligence to adhere to applicable environmental and social standards.

By maintaining open lines of communication with stakeholders and actively responding to their feedback, REC ensures that its operations remain meaningful, responsible and reflective of the evolving needs of the society.

3. Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

REC is deeply committed to fostering an inclusive environment for vulnerable and marginalised stakeholders through a combination of thoughtful policies, responsible business practices and proactive outreach efforts. A considerable emphasis is placed on empowering small businesses, particularly Micro and Small Enterprises (MSEs) and women-led businesses. To facilitate transparency, efficiency and timely payments to vendors, especially those who are smaller suppliers, REC is registered on several government platforms, including GeM (Government e-Marketplace), Sambandh, Samadhan and TReDS (Trade Receivables Discounting System). All REC offices, including their regional branches, consistently utilise these platforms to ensure fair treatment and accessibility for all vendors.

In its procurement process, REC prioritizes MSEs, granting them special preferences and extending various benefits in line with established Guidelines. This initiative is designed to create a more equitable playing field for smaller enterprises, ultimately promoting economic inclusion and sustainable growth for these vital components of the economy.

Beyond vendor engagement, REC actively reaches out to individual investors, including equity shareholders and bondholders, who may be unaware of unclaimed dividends or redemption amounts. The Company takes the initiative to proactively communicate with these stakeholders to assist them in reclaiming their rightful dues, ensuring that no individual is overlooked due to a lack of knowledge or access to the necessary information.

Moreover, REC's Corporate Social Responsibility (CSR) programs are centred on uplifting socially and economically disadvantaged groups. These initiatives are comprehensive and target key areas, including education, healthcare, skill development, sanitation and assistance for persons with disabilities. By directly addressing the diverse needs of poor, underprivileged and differently abled individuals, REC actively promotes social equity and inclusion, making a tangible difference in the communities it serves.

PRINCIPLE 5 Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity in the following format:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	573*	565	98.60	512**	467	91.21
Other than permanent	580	550	94.83	468	414	88.46
Total	1,153	1,115	96.70	980	881	89.90
Workers						
Permanent						
Other than permanent						
Total						

2. Details of minimum wages paid to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	490	0	0	490	100	434	0	0	434	100
Female	83	0	0	83	100	78	0	0	78	100
Other than Permanent										
Male	506	124	24.51	382	75.49	399	19	4.76	380	95.24
Female	74	6	8.11	68	91.89	69	2	2.90	67	97.10



Category	FY 2024-25				FY 2023-24					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Workers										
Permanent										
Male										
Female	Not Applicable									
Other than Permanent										
Male										
Female										

Note: The increase in the percentage of employees at the minimum wage level is driven by our operational need to hire contractual employees for less-skilled tasks, whose remuneration is aligned with the statutory minimum wage.

3. Details of remuneration/salary/wages:

a. Median remuneration/wages

(Amount in ₹)

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors* (BoD)	2	1,02,07,673	1 [^]	0
Key Managerial Personnel	4	93,76,185	1	0
Employees other than BoD and KMP	488	25,67,256	83	28,16,037
Workers	Not Applicable			

* Details of Remuneration submitted include that of only Chairman cum Managing Director & Whole Time Directors. Since non-executive Directors are only paid a sitting fee, which is not considered remuneration as defined.

[^] As of March 31, 2025, the female director serves as the Chairman cum Managing Director, with an additional charge given to the CMD of Power Finance Corporation and no remuneration is paid during her tenure.

b. Gross wages paid to females as % of total wages paid by the entity

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages paid by the entity	13.37	14.18

Note: The shift in the proportion of wages paid to women stems from a temporary reduction in female workforce representation, primarily due to a higher-than-expected number of female retirements. Our compensation practices remain strictly gender-neutral, with remuneration determined by role and experience in full compliance with our commitment to equal opportunity. We are proactively implementing targeted recruitment and retention strategies to restore and enhance gender diversity, underscoring our dedication to fair employment practices and alignment with ESG best practices.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

REC is deeply committed to upholding human rights across all dimensions of its operations, establishing a comprehensive policy that applies to every stakeholder connected to the company. This includes not only our full-time and contractual employees but also external contractors, suppliers, partners and consultants. We hold the firm belief that all stakeholders must adhere to fundamental human rights principles in their interactions with REC. To maintain a just and ethical environment, REC strictly prohibits any incidents of human trafficking, forced labor and child labor within its operations and throughout its entire value chain. Furthermore, our commitment extends to ensuring that all individuals receive equal pay for work of equal value, fostering a workplace free from discrimination. We actively prohibit any forms of discrimination based on gender, age, religion, disability, sexual orientation or any other characteristics that are legally protected.

To effectively address any allegations or reports of human rights violations, REC has established a robust grievance redressal mechanism. This system is designed to be efficient, fair, transparent and accessible, ensuring that all stakeholders can voice their concerns. It allows for the systematic monitoring and prompt response to grievances, providing effective remedies for those affected. Individuals wishing to report any human rights issues can easily reach out to the designated grievance redressal officer following REC's stated procedures.

Our grievance redressal mechanism offers a well-structured and equitable process for both internal and external stakeholders to express their grievances, concerns and complaints. To maintain accountability and compliance with our policy, REC conducts regular audits and assessments of its practices as well as those of its value chain partners, ensuring that all parties remain aligned with established human rights standards. Through these measures, REC strives to create a workplace and community that prioritizes respect and dignity for all.

6. Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Human Rights Issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

REC is dedicated to fostering a safe, respectful and inclusive work environment where all individuals are treated fairly, regardless of their role, background or identity. The Company places a strong emphasis on ethics, respect for human rights and providing equal opportunities in the workplace. Career advancement at REC is based solely on talent, performance and merit.

To ensure that concerns related to discrimination or harassment are addressed appropriately, REC has established clear and secure mechanisms to protect the rights and well-being of those who come forward with complaints. In cases of sexual harassment, REC adheres to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Such cases are handled with the utmost sensitivity and confidentiality. Dedicated internal committees are in place to investigate complaints promptly and fairly, while ensuring that the identity and dignity of the complainant are safeguarded throughout the process.

Furthermore, the Company strictly prohibits any form of retaliation against individuals who report discrimination, harassment or other violations in good faith. This protection includes safeguarding employees from threats, dismissal, demotion, or any form of professional disadvantage. To reinforce this commitment, REC has implemented a Whistle blower Policy that allows employees and stakeholders to raise concerns confidentially and without fear of negative consequences. This policy ensures that complaints are reviewed by an independent committee and that appropriate corrective actions are taken when necessary. Additionally, where needed, extra measures are taken to protect the complainant's identity and prevent any form of victimisation. The Whistle Blower Policy is available at https://recindia.nic.in/uploads/files/Whistle_Blower_Policy.pdf.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	Not Applicable



11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable as no concerns identified.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Throughout the reporting year, we did not encounter any grievances or complaints related to human rights violations. However, our commitment to human rights extends far beyond merely responding to issues as they arise. We take a proactive stance by rigorously implementing ongoing due diligence practices aimed at upholding the highest standards of human rights across all facets of our operations. This includes seamlessly integrating our human rights policy into our everyday business practices and cultivating robust relationships with our stakeholders. By doing so, we strive to identify and address potential risks before they develop into significant issues, thereby fostering an environment of respect and dignity for all individuals.

2. Details of the scope and coverage of any human rights due diligence conducted.

REC places a strong emphasis on upholding human rights throughout all aspects of its operations and in its interactions with stakeholders. We have developed a thorough human rights policy that not only delineates our commitments but also applies to all individuals and organisations we engage with, including employees, clients, vendors and community partners.

To ensure that these standards are met consistently, we require our vendors to provide formal declarations attesting to their compliance with established human rights principles. This initiative is part of our larger effort to foster an ethical supply chain and promote responsible business practices. Additionally, beginning in January 2025, we expanded our commitment by incorporating human rights assessments into our evaluation processes for both borrowers and vendors. This integration is a key component of our broader Environmental, Social and Governance evaluations, emphasising our dedication to socially responsible investment and lending practices.

Internally, we are equally committed to maintaining stringent human rights compliance within our corporate offices. This is achieved through regular assessments and ongoing monitoring conducted by our dedicated ESG division. Our monitoring efforts are guided by clearly defined internal quarterly targets, which not only help to evaluate our progress but also ensure that we continuously improve our human rights practices. By setting these targets, we aim to hold ourselves accountable and reinforce our commitment to fostering a culture of respect for human rights throughout our organisation.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The corporate office facilities are designed to be accessible for visitors with disabilities, featuring elevators, restrooms suitable for wheelchair users and directional signs in braille at multiple locations. Additionally, REC's corporate website meets the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0 level AA. This compliance allows individuals with visual impairments to navigate the website using assistive technologies like screen readers. The website can be accessed using various screen readers, including JAWS, NVDA, SAFA, Supernova and Window-Eyes. More information regarding this can be found at <https://recindia.nic.in/screen-reader-access>.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	REC has commenced the integration of Environmental, Social and Governance (ESG) assessments into its loan appraisal process for private sector borrowers, effective January 2025. This initiative ensures that borrowers are assessed based on essential ESG criteria, thereby effectively addressing potential risks and aligning their practices with REC's overarching sustainability principles. Additionally, REC has broadened the application of these critical ESG assessments to its vendors and service providers, with approximately 30% of its value chain partners undergoing evaluation.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable.

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (GJ) and energy intensity:

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A) (GJ)	4,964	4,965
Total fuel consumption (B) (GJ)	0	0
Energy consumption through other sources (C) (GJ)	0	0
Total energy consumed from renewable sources (A+B+C) (GJ)	4,964	4,965

Parameter	FY 2024-25	FY 2023-24
From non-renewable sources		
Total electricity consumption (D) (GJ)	9,292*	7,930
Total fuel consumption (E) (GJ)	3,146	2,119
Energy consumption through other sources (F) (GJ)	0	0
Total energy consumed from non-renewable sources (D+E+F) (GJ)	12,438	10,049
Total energy consumed (A+B+C+D+E+F) (GJ)	17,402	15,014
Energy intensity per crore of turnover (Total energy consumed in GJ / Revenue from operations in crore)	0.31	0.32
Energy intensity per crore of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed GJ/ Revenue from operations in Crore adjusted for PPP)	6.38	6.45
Energy intensity in terms of physical output	15.09	15.32
Energy intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable

*Despite ongoing energy efficiency measures, including automated lighting systems and regular AC maintenance, REC's electricity consumption rose YoY. This increase is primarily attributable to our sustainability-driven decision to in-house a fleet of 48 electric vehicles (EVs), replacing third-party conventional vehicles. The transition required installing charging infrastructure, which consumed approximately 400 MWh (1440 GJ) of electricity.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable.

3. Provide details of the following disclosures related to water:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	27,565.48	38,121.17
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (I + ii + iii + iv + v)	27,565.48	38,121.17
Total volume of water consumption (in kilolitres)*	20,176.48	31,771.17
Water intensity per crore of turnover (Total water consumption in KI / Revenue from operations in crore)	0.36	0.80
Water intensity per crore of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption in KI / Revenue from operations in crore adjusted for PPP)	7.40	13.66
Water intensity in terms of physical output (FTE)	17.50	32.42
Water intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable

*Based on the Central Pollution Control Board (CPCB) report dated December 24, 2009, it is assumed that 80% of the total water withdrawn is discharged at the regional offices, with the remaining 20% considered as water consumed.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

4. Provide the following details related to water discharged:

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	Nil	Nil
No treatment		
With treatment – please specify level of treatment		



Parameter	FY 2024-25	FY 2023-24
(ii) To Groundwater	Nil	Nil
No treatment		
With treatment – please specify level of treatment		
(iii) To Seawater	Nil	Nil
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third parties	Nil	Nil
No treatment		
With treatment – please specify level of treatment		
(v) Others (Sewage discharge) *	7,389*	6,350*
No treatment		
With treatment – please specify level of treatment		
Total water discharged (in kiloliters)	7,389	6,350

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

* For Regional offices, it is assumed that 80% water is discharged through the lavatory sewers.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, REC, being a NBFC, is not obligated to implement a zero liquid discharge mechanism. However, the Corporate Office Building of REC, located in Gurugram, is a zero liquid discharge building designed to utilise wastewater drained after Reverse Osmosis (ROs) and rainwater used for solar cleaning, HVAC chillers, toilets, floor washing and water bodies. Furthermore, the building is designed to use water treated through STP for horticulture and flushing purposes.

6. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	Tonnes	0.006175	0.004833
SOx	Tonnes	0.000794	0.000670
Particulate matter (PM)	Tonnes	0.001105	0.000856
Carbon Monoxide	Tonnes	0.001547	0.000766

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2024-25		FY 2023-24*	
Total Scope 1 emissions	Metric tonnes of CO ₂ equivalent	306.46		555.37	
(Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂	209.74		tCO ₂	140.03
	CH ₄ - tCO ₂ e	0.74		CH ₄ - tCO ₂ e	0.68
	N ₂ O - tCO ₂ e	0.38		N ₂ O - tCO ₂ e	0.46
	HFCs - tCO ₂ e	95.60		HFCs - tCO ₂ e	414.20
Total Scope 2 emissions	Metric tonnes of CO ₂ equivalent	1876.53		1577.17	
(Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂	1876.53*		tCO ₂	1577.17
	CH ₄ - tCO ₂ e	0		CH ₄ - tCO ₂ e	0
	N ₂ O - tCO ₂ e	0		N ₂ O - tCO ₂ e	0
	HFCs - tCO ₂ e	0		HFCs - tCO ₂ e	0
Total Scope 1 and Scope 2 emission intensity per crore of turnover	Metric tonnes of CO ₂ equivalent/ in ₹ crore	0.0387		0.045	
(Total Scope 1 and Scope 2 GHG emissions in MT / Revenue from operations in crore)					

Parameter	Unit	FY 2024-25	FY 2023-24*
Total Scope 1 and Scope 2 emission intensity per crore of turnover adjusted for Purchasing Power Parity(PPP)	Metric tonnes of CO ₂ equivalent/ USD	0.800	0.92
(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations in crore adjusted for PPP)			
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO ₂ equivalent/ FTE	1.893	2.175
Total Scope 1 and Scope 2 emission intensity (optional)			Not Applicable
– the relevant metric may be selected by the entity			

*Despite energy efficiency initiatives such as automated lighting systems and regular AC maintenance, Scope 2 emissions increased compared to last year. This rise is primarily due to: (1) the in-house leasing of 48 Electric Vehicles (EVs), which added approximately 400 MWh (1,440 GJ) of electricity consumption for charging; and (2) an increase in the grid emission factor from 0.716 to 0.726, which contributed to higher calculated emissions.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, REC is significantly involved in reducing Greenhouse Gas (GHG) emissions through its core business operations and internal initiatives.

REC's primary contribution stems from its role as a major financier of India's transition to a clean energy power sector. REC provides substantial loans for a wide range of renewable energy projects, including solar, wind and other non-fossil fuel-based power generation sources. This directly displaces electricity generated from conventional, emission-intensive sources. For instance, in the financial year 2024-25, REC sanctioned an impressive ₹1,05,259 crore renewable energy projects, also renewable energy loan disbursements witnessed a substantial increase of 63% YoY during the financial year 2024-25.

Issuance of Green Bonds: To further support green initiatives, REC regularly issues international Green Bonds. The funds raised from these bonds are exclusively channeled into "Eligible Green Projects" that meet stringent environmental criteria, directly contributing to carbon emission reductions as per REC Green finance framework.

Enhancing Energy Efficiency: Beyond renewables, REC also supports projects aimed at improving the efficiency of the power grid, such as smart metering and distribution reforms. While not direct GHG reduction projects, these initiatives lead to reduced energy losses and, consequently, lower emissions from the power sector.

REC also focuses on minimizing its own carbon footprint: REC operates rooftop solar plants at its premises, which generated 1,379 MWh of electricity in the financial year 2024-25, avoiding 1,002 tonnes of CO₂ emissions.

Pursuing Net Zero Operations: REC is committed to achieving Net Zero emissions in its direct operations. As part of this commitment, it has agreed with its power discom for 100% green power supply, which is projected to avoid 85% of its internal emissions.

In essence, REC actively enables large-scale GHG reductions across India by financing the green energy transition, while simultaneously implementing robust measures to decarbonize its own operations.

9. Provide details related to waste management by the entity:

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0.55
E-waste (B)	1.50	0.53
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H).	40.68	35.45
Total (A+B + C + D + E + F + G + H)	42.18	36.53



Parameter	FY 2024-25	FY 2023-24
Waste intensity per crore of turnover (Total waste generated in MT / Revenue from operations in crore)	0.00075	0.00077
Waste intensity per crore of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated in MT / Revenue from operations in crore adjusted for PPP)	0.01544	0.0157
Waste intensity in terms of physical output (FTE)	0.036	0.037
Waste intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste: E-waste		
(i) Recycled	1.50	0.53
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	1.50	0.53
Category of waste - Other Non-hazardous waste generated		
(i) Recycled	19.80	16.20
(ii) Re-used	-	-
(iii) Other recovery operations – Composting	20.88	19.80
Total	42.18	36.53
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Landfilling	We have hired a government-authorized third-party waste management vendor for all our office waste management, in accordance with government Guidelines.	
(iii) Other disposal operations		
Total		

Note: As an NBFC, the waste generated primarily originates from our office operations, encompassing both general office waste and horticultural waste from our premises. The recent increase in waste generation is a direct outcome of a higher employee presence, along with a seasonal rise in garden waste. We have partnered with a registered waste management vendor and are actively striving to achieve our goal of zero waste to landfill.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As a Non-Banking Financial Company (NBFC), REC's establishments primarily consist of a corporate office and potentially smaller regional offices. It does not manufacture products or engage in processes that typically involve the large-scale generation or usage of hazardous and toxic chemicals, as a manufacturing industry.

Our waste management practices are designed to handle waste generated in such an environment, focusing on reduction, segregation and responsible disposal. We promote a "paperless office" via our E-office system and we have partnered with an authorised waste management vendor for the responsible disposal of waste. The disposal of old, unserviceable and obsolete IT equipment, identified as e-waste, is carried out through registered recyclers/re-processors under the Central Pollution Control Board, Government of India and the State Pollution Control Committee/Board for electronic waste, following the procedure defined under REC's Procurement Guidelines.

Our approach ensures minimal environmental impact from our administrative operations.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details:

Sl. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable. None of the operations/ offices are in/around an ecologically sensitive area			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
REC being a NBFC, finances infrastructure projects, but it does not own or execute any of these projects. For renewable energy projects that REC funds, the Company requires borrowers to submit an Environmental and Social Impact Assessment (ESIA) in accordance with applicable rules and regulations.					

13. Is the entity compliant with the applicable environmental law/ regulations/ Guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder. If not, provide details of all such non-compliances in following format:

Sl. No.	Specify the law / regulation / Guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
REC complies with all applicable environmental regulations in respect of its premises and operations. The Company also covers environmental concerns in the due diligence of the projects it finances.				

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:

(i) **Name of the area:** Not applicable

(ii) **Nature of operations:** Other Financial Services and Activities - Other Credit Granting

(iii) **Water withdrawal, consumption and discharge:** Not Applicable

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		Not Applicable
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		Not Applicable
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.



2. Please provide details of total Scope 3 emissions & its intensity:

Parameter	Unit	FY 2024-25	FY 2023-24*
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	10,752.00*	10,295.23
Total Scope 3 emissions per crore of turnover	Metric tonnes of CO ₂ equivalent/INR in crore	0.19	0.22
Total Scope 3 emission intensity (optional)-the relevant metric may be selected by the entity	-	Not Applicable	Not Applicable

* This includes all applicable Scope 3 emissions, excluding Category 15

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - Yes, REC has undertaken reasonable assurance for BRSR core parameters from M/s Corporate Professionals.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives as per the following format:

Sl. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Use of energy efficient façade and radiant cooling slabs	REC Corporate Office Building, located in Gurugram, is designed and constructed with an energy-efficient façade and radiant cooling slabs to reduce the HVAC load requirement by approximately 30% in the building, thereby conserving energy.	~30% reduction in HVAC load requirement
2	Solar plant	The rooftop solar plants are 979 kWp at the REC Corporate Office and 40 kWp at RECIPMT, catering to the REC office's load requirements by using clean and renewable sources of energy.	1,002 t CO ₂ emissions avoided
3	Reducing paper consumption	For minimizing paper consumption, REC uses 'E-office' system in all its offices across the country. REC has actively used remote working methods through secure IT systems and processes, especially after onset of the pandemic, for ensuring business continuity while taking precautions for the health of its employees.	-
4	Conversion of existing Diesel generator to dual fuel generator	Converted the existing 1010 kVA Diesel generator Set at the REC Corporate Office into Dual Fuel (70% PNG and 30% Diesel) to minimise GHG emissions.	Will have negligible air emissions
5	Automatic lighting management System	An automatic lighting management system has been implemented at the REC Corporate Office, which is expected to result in a substantial amount of energy savings	Which will save energy of around 10%-20%
6	Transition to EV fleet	REC has targeted converting the entire traditional fleet of office to an EV fleet, introducing 48 new EVs, which represents 76% conversion rate.	-

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

REC has successfully implemented a comprehensive Business Continuity and Disaster Recovery Plan designed to ensure organisational resilience in the face of unexpected crises. To equip our teams with the skills needed for an effective response, we conduct rigorous training programs that cover various emergency scenarios.

In addition, we regularly organise disaster drill exercises that simulated real-world emergencies, allowing us to evaluate the effectiveness of our established procedures and Guidelines as outlined in the plan. These drills are meticulously audited by external professionals certified by CERT-In, ensuring that our practices meet the industry standards.

The feedback received from these audits is valuable; it forms an integral part of our commitment to continuous improvement, helping us refine our strategies and strengthen our response capabilities. Furthermore, the Business Continuity Plan undergoes periodic reviews to ensure it remains up-to-date with the latest developments. Throughout this process, both management and the board are kept informed of any changes or advancements, ensuring that our approach remains robust and adaptive.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

REC is actively engaged in financing the installation of advanced pollution control technologies in thermal power plants, in accordance with directives set forth by the Government. A significant part of this initiative includes the deployment of Flue Gas Desulphurization (FGD) systems, Selective Catalytic Reduction (SCR) technologies and Electrostatic Precipitators (ESPs). These systems play a crucial role in significantly reducing harmful emissions and particulate matter generated during power generation.

Throughout the financial year, REC has taken substantial steps to support this environmentally responsible approach by sanctioning projects specifically aimed at installing FGDs. The total amount allocated for these projects is an impressive ₹5,441 crore, demonstrating REC's commitment to enhancing air quality and adhering to stringent environmental regulations.

In addition to pollution control measures, REC is also financing Ultra Super Critical Thermal Power Projects. These projects are distinguished by their superior thermal efficiency compared to conventional thermal power plants, which contributes to lower fuel consumption and reduced greenhouse gas emissions. For the financial year 2024-25, REC has sanctioned a total of 5 Ultra Super Critical Projects, amounting to a significant ₹11,755 crore. This investment reflects REC's forward-thinking approach and dedication to sustainable energy development in India.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

REC being a NBFC, does not own or implement projects. For renewable energy projects funded by REC, the Company requires its borrowers to obtain an Environmental and Social Impact Assessment (ESIA) in accordance with applicable rules and regulations.

8. How many Green Credits have been generated or procured:

a. By the listed entity

REC has achieved a remarkable milestone by generating a total of 1,379 megawatt-hours (MWh) of clean solar power from its in-house rooftop solar installations, which have a combined capacity of 1,019 kilowatts peak (kWp). This output, achieved during the financial year 2024-25, has led to a significant reduction in carbon emissions, specifically avoiding 1,002 tonnes of CO₂. This reduction can be quantified as the generation of 1,002 carbon credits, emphasising REC's commitment to sustainability.

To further enhance its environmental impact, REC is actively pursuing its goal of attaining Net Zero emissions across all its direct operations. To support this ambitious target, the Company has agreed with Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL) to obtain a supply of 100% green power for FY 2024-25. This strategic initiative is anticipated to result in a substantial reduction, avoiding approximately 85% of REC's total emissions.

Additionally, REC has made strides in energy efficiency at its Corporate Office by operationalising an automatic lighting management system within the current financial year. This system aims to optimise energy usage by automatically adjusting lighting according to occupancy and natural light levels, contributing further to the organization's sustainability efforts.

b. By the top ten (in terms of value of purchases, sales and value chain partners, respectively)

As the cornerstone of REC's operations lies in project finance, the organization has made significant strides in environmental impact through its portfolio of renewable energy projects. During the financial year 2024-25, the top ten renewable projects that REC financed successfully avoided an impressive total of 48,39,745 tonnes of CO₂ emissions. This remarkable achievement is tantamount to generating 48,39,745 Carbon Credits, which reflect the positive contribution these projects have made to combating climate change.

When expanding the scope to encompass all renewable projects funded by REC, the cumulative avoided emissions soar to an astounding approximately 1,07,28,074 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 61,14,045 tonnes of CO₂. This underscores REC's pivotal role in advancing sustainable development and reducing greenhouse gas emissions through strategic financing in the renewable energy sector.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

- 1. a. Number of affiliations with trade and industry chambers/ associations.** 5 (Five) affiliations



b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	World Economic Forum (WEF)	International
2	World Energy Council (WEC), India	National
3	Standing Conference of Public Enterprises (SCOPE)	National
4	Central Board of Irrigation & Power (CBIP)	National
5	Press Club of India	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Name of authority	Brief of the case	Corrective action taken
No such adverse orders were passed from regulatory authorities.		

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
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REC Limited: Catalysing Public Policy for Sustainable Energy and Infrastructure Development

REC Limited, a "Maharatna" Central Public Sector Enterprise (CPSE), acts as a leading Infrastructure Finance Company under India's Ministry of Power. It's crucial in developing and supporting the nation's energy and infrastructure policies.

As a strategic arm of the Ministry of Power, REC is responsible for implementing government schemes that promote and develop power infrastructure nationwide. In line with its national development goals, REC actively participates in policy advocacy and execution, with a focus on fostering sustainable energy, ensuring equitable access and modernizing infrastructure across the country.

1. Accelerating India's Green Energy Transition and Climate Goals

Policy Objective: Support India's Panchamrit climate commitments under the Paris Agreement, with a focus on renewable energy financing, clean technology promotion and energy efficiency.

Advocacy Methods:

▪ **Demonstration through Strategic Financing:**

REC's renewable energy loan portfolio expanded by 49% YoY, reinforcing the Company's role in financing clean energy solutions and setting benchmarks for sectoral growth.

▪ **Thought Leadership and Industry Engagement:**

REC actively advocates for renewable energy and energy efficiency by participating in key national and international forums, publishing position papers and collaborating with sector stakeholders.

Public Domain: Yes (Reports are available on REC website)

2. Promoting Rooftop Solar Through PM Surya Ghar Muft Bijli Yojana

Policy Objective: Accelerate the adoption of residential rooftop solar systems, improving energy access and affordability for households.

Advocacy Methods:

National Project Implementation Role: REC is a National Project Implementing Agency (NPIA) for the PM Surya Ghar Muft Bijli Yojana (Total outlay: ₹75,021 crore), which aims to:

- Cover 1 crore households
- Provide up to 300 units of free electricity per month

Deployment Milestone: As of financial year 2024–25, REC facilitated over 1 million rooftop solar connections, contributing 3 GW of distributed renewable capacity.

Public Domain: Yes (Reports on REC website and Ministry of New and Renewable Energy releases).

3. Universal Electrification and Grid Modernization

Policy Objective: Achieve universal household electrification and transform power distribution systems for reliability, affordability and sustainability.

Advocacy Methods:

▪ **Implementation Leadership as Nodal Agency:**

Currently, REC has been designated as the nodal agency for flagship Government of India schemes, Revamped Distribution Sector Scheme (RDSS) across 19 states, supporting grid upgrades, loss reduction and smart metering.

▪ **Public Awareness and Outreach Campaigns:**

REC leads public communication for the RDSS, promoting initiatives like smart prepaid metering through mass media and grassroots engagement on behalf of the Ministry of Power.

Public Domain: Scheme documents, REC website and Ministry of Power communications

4. Strengthening Power Sector Governance and Consumer Services

Policy Objective: Enhance governance across the power value chain, improve DISCOM performance and elevate consumer satisfaction.

Advocacy Methods:

▪ **Public Policy Advocated:** Improving the quality, reliability and affordability of power supply to consumers, fostering regulatory compliance and boosting DISCOM performance and consumer satisfaction.

▪ **Method of Advocacy:** Policy Advisory & Research: REC's advises the Ministry of Power on policy formulation and regulatory compliance. This includes:

- Publishing the Consumer Service Rating of DISCOMs (CSRDR) report which is based on 23 preidentified sub parameters across the 4 key parameters namely
 - Operational Reliability
 - Connections and other services
 - Metering, Billing and Collections
 - Fault Rectification and Grievance Redressal

(e.g., in financial year 2024, 6 DISCOMs were A+, 15 in A category) to encourage improvements in operational reliability, connections, metering, billing and grievance redressal. (Web Link: <https://recindia.nic.in/consumer-service-rating-of-discoms>)

▪ Developing frameworks like POWERTHON (Phase I launched Feb 2022), leveraging AI/ML for DISCOM issue resolution (e.g., AT&C losses, load forecasting). Last year Phase II of Powerthon program was launched by the Ministry of Power in which Government grant and support is provided under RDSS.

Salient Features of the program are highlighted below:

- Total 40 Number of Technology Solution Provider (TSPs) are planned for the support under powerthon-2024.
- Each TSPs will be eligible for grant as approved under the programme
- Regional Technology Business Incubators (TBIs) will provide incubation support, along with disbursements of grant to TSPs
- An Expert and Technical committee formed under programme will monitor progress and approve the grant to TSPs

Key Problem areas targeted:

- Accurate Demand/ Load Forecasting/Power Purchase Cost Optimization
- Demand Side Management- Improve Power Quality
- RE Integration in Distribution System
- Energy meter recycling
- Digital Twin
- Smart Metering
- Distribution asset management

(Web Link: <https://recindia.nic.in/uploads/files/co-ursi-Powerthon-2024-dt-050225.pdf>)

▪ For the first time REC published on behalf of Ministry of Power, Distribution Utilities Ranking report wherein inputs are combined from CSRDR, Integrated Report published by PFC and other parameters as prescribed by Ministry of Power. The Ranking is based on the specific weightages to the following 6 nos. of parameters:

- Annual Integrated Rating & Ranking of Discoms released by PFC (35%)
- Consumer Service Rating of Discoms (35%)
- RPO achievement (5%)
- Communicable System Metering (5%)



- Demand Side Response (5%)
- Resource Adequacy (15%)

Report can be accessed here (Web Link: <https://recindia.nic.in>)

- Publishing reports on "Key Regulatory Parameters of Power Utilities." (Web Link: <https://recindia.nic.in/RegulatoryParameters>)
- Implementing MoP Initiatives: Carrying out other Ministry of Power initiatives like Energy Accounting and Auditing.

Public Domain: Yes (Reports on REC website and Ministry of Power releases).

Cross-Cutting Engagement Platforms

Beyond specific programmatic interventions, REC's strategic policy influence is also channelled through the following:

- **World Energy Council (WEC) – India Chapter:**

REC's membership enables participation in high-level dialogues under the leadership of the Secretary, Ministry of Power, contributing insights to global and national energy discourse.

- **Regulatory Consultations:**

REC's Board members and senior management regularly engage in working groups of concerned ministries from time to time and provide inputs to regulatory authorities and ensure sectoral concerns are addressed during policy formulation.

- **REC senior officials sit in the Board of selected Distribution Companies, wherein Government of India policy implementation is ensured and State Policy are shaped.**

- **RECPDCL Field-Level Feedback:**

REC's wholly-owned subsidiary, RECPDCL, implements ground-level projects such as:

- **Smart metering deployments**
- **11 kV Rural Feeder Monitoring Scheme**
- **Ladakh grid infrastructure development**
- **National Feeder Monitoring System (under RDSS)**

These initiatives provide empirical evidence and operational feedback, helping refine policy frameworks based on real-world challenges.

Conclusion: Advocacy Aligned with National Priorities

REC's public policy engagement model is multi-dimensional anchored in thought leadership, data transparency, direct scheme execution and strategic financing. This integrated approach allows REC to catalyse sectoral reforms, support climate and energy access goals and help realise India's vision of a resilient, sustainable power sector.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

S. NO.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
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Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

In response to the government's initiative for enhancing transparency and efficiency in grievance management, REC has made a significant advancement by integrating its Public Grievance Redressal Cell with the Centralized Public Grievance Redress and Monitoring System (CPGRAMS). This comprehensive national platform, which is managed by the Department of Administrative Reforms & Public Grievances (DARPG), serves as a centralized hub for lodging and resolving grievances across multiple sectors.

Through CPGRAMS, citizens have the opportunity to file complaints regarding various public services, including those directly

related to the operations and services of REC. This integration ensures that all grievances submitted via CPGRAMS are meticulously addressed in accordance with established national standards and within defined timelines, reflecting a commitment to timely and effective resolution.

The Grievance Redressal Cell at REC plays a crucial role in this process by systematically tracking and managing the complaints received. This approach not only streamlines the grievance redressal process but also enhances accessibility for the public. Citizens can easily lodge their complaints, monitor the status of their submissions and receive timely updates on the actions taken to resolve their concerns. Overall, this initiative is a pivotal step towards fostering accountability and improving the overall experience of stakeholders interacting with REC.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	44.83%	29.51%
Directly from within India	100%	100%

Note: The data is available in Sambandh Portal.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25	FY 2023-24
Rural	0%	0%
Semi-urban	0%	0%
Urban	13.84 %	8.53%
Metropolitan	86.16 %	91.47%

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
	Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No.	State	Aspirational District*	Amount spent (In ₹)
1	Maharashtra	Washim	15,76,574
2	Uttar Pradesh	Siddharth Nagar	1,85,95,800
3	Andhra Pradesh	Kadapa	63,83,108
4	Bihar	Muzaffarpur	73,91,368
5	Bihar	Banka	1,84,39,920
6	Chhattisgarh	Sukma	56,61,356

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

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Yes, REC has a policy to support public procurement from MSMEs. The policy is available at <https://recindia.nic.in/uploads/files/RECPolicy-for-MSME-11022022.pdf>

(b) From which marginalized /vulnerable groups do you procure?

REC being a Central Public Sector Undertaking (CPSU), is mandated to adhere to the Government of India's policy on Public Procurement Policy for Micro and Small Enterprises (MSEs), 2012 (Link: <https://dcmsme.gov.in/pppm.htm.aspx>). This policy, which has been amended over time and as per the latest amendments to the policy, all PSEs are required to meet the following targets from MSEs annually:

- 1) 25% of the total annual procurement of goods and services.
- 2) A sub-target of 4% within the 25% for procurement from MSEs owned by Scheduled Caste (SC) and Scheduled Tribe (ST) entrepreneurs.



3) A sub-target of 3% within the 25% for procurement from MSEs owned by women entrepreneurs.

To support these goals, we have aligned our internal policy to exclusively procure commonly used goods and services valued up to ₹10 lakh from MSE vendors. This initiative helps boost their growth and participation in our supply chain.

We've implemented several measures to encourage MSE participation:

- **Price Preference:** If a non-MSE vendor submits the lowest bid (L1), an MSE can still be awarded the contract by matching the L1 price, provided their initial bid was within 15% of the L1 price. This provision applies when an order can be split among multiple vendors.
- **Reduced Financial Barriers:** Registered MSEs receive tender documents for free and are exempt from submitting earnest money deposits, making it easier for them to bid on our contracts.
- **Vendor Development Programs (VDPs):** We organize VDPs to connect MSEs with our buyers, help them understand our requirements and equip them to become competitive suppliers.

By implementing these supportive measures, we are creating a more inclusive and equitable procurement environment that fosters the growth of the MSE sector.

(c) What percentage of total procurement (by value) does it constitute?

REC's procurement from MSEs for the financial year 2024-25 hit a remarkable 44.83%, well beyond the mandated minimum. The company's role in this is limited, though, as it relies on vendors to report their own diversity claims to help REC meet the government's procurement targets.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

Sl. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Name of authority	Brief of the Case	Corrective action taken
No adverse orders were passed in relation to intellectual property related disputes.		

6. Details of beneficiaries of CSR Projects:

Sl. No.	CSR Project(s)	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 7 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.	32,062	80
4	Providing 1,000 school benches, 1,250 bunk beds, 5,000 rPET(recycled polyester) T-shirts made from plastic waste.	7,500	80
5	Setting up 1,650 nos. of Solar Street Lights in rural and tribal areas.	17,57,611	100
6	Contribution towards Armed Forces Flag Day Fund for providing education grant for children of Ex-Servicemen, Martyrs and their Widows.	12,500	100
7	To reduce the prevalence of Gender-Based Violence in the urban slums of Mysore (Karnataka) and Bareilly (UP).	11,028	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 1,000 children with Congenital Heart Disease across India.	1,000	100
10	Setting up innovative jute processing BHAGIDARI model through Biomass-gassifier based decentralized electricity system in Purnia Cluster.	3,500	80

Sl. No.	CSR Project(s)	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
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.	1,041	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.	12,00,000	100
13	Broad basing of Sports and promotion of excellence in sports in India.	5,000+	80
14	Developmental work in the villages of Arrah (and Jagdishpur), Barhara & Koilwar blocks in Bhojpur.	5,000+	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.	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.	37,000	80
19	Rural Development Works like construction of community hall, PCC Road, Conduits, Yatri Shed, installation of LED Lights, RO Plants etc.	10,000	100
20	Repair/Rectification of 1,681 toilets constructed by REC under SVA in tranche-2 constructed during the financial year 2014-15 in 5 States, namely, Uttar Pradesh, Bihar, Rajasthan, Telangana and Madhya Pradesh.	15,000	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 Siddharthnagar district of Uttar Pradesh in 3 phases and each having 100 schools to be implemented by UNISED.	8,779	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.	3,081	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.	2,54,000	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.	1,100	100
29	Rehabilitation of 8,000 nos. of disabled people by providing artificial limbs, callipers and other aids & appliances pan- India.	4,000	100
30	Establishment of biodiversity and wildlife conservation laboratory and training center in Kashmir and Ladakh.	NA	NA
31	Construction of Community Hall at Asufi Punanamei Mao, Senapati District, Manipur.	Entire Village at Asufi Punanamei Mao	100
32	Procurement of equipment for digital English language lab in 18 nos. rural Akal Academies (run by The Kalgidhar Trust) in 5 nos. of districts of Punjab.	12,500	100



Sl. No.	CSR Project(s)	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
33	Procurement for plantation of 54 plants/trees, by REC CO/ROs/SOs at State power utilities/ urban parks, nearby areas etc.	3,000+	100
34	Contribution towards Armed Forces Flag Day Fund for providing education grant for children of Ex-Servicemen, Martyrs and their Widows.	12,500	100
35	Construction of 12 kms road from Yaingangpokpi to Laikoiching in Ukhrul district, Manipur.	10,000+	80
36	Construction of 500 nos. toilets blocks at work place of BSF troops in Gurdaspur, Amritsar, Ferozpur and Abhohar Districts in Punjab.	34,000	80
37	Procurement of 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 / any other expert agency.	98,496	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.	1,000+	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.	61,211	60
44	Installation and commissioning of 1,000 LED Solar Street Light in 5 Districts in Arunachal Pradesh to be implemented in the period of 12 months.	3,25,000	100
45	Assistance of ₹1.74 crore, 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.	1,00,000+	80
46	CSR assistance of ₹14 crore for the procurement of Linear Accelerator machine in Trauma Centre established by Sevarth Sansthan Seth Bimal Kumar Jain Trauma & Physiotherapy Dharmarth Samiti in Firozabad District of Uttar Pradesh, to be implemented by SSB, Uttar Pradesh.	4,00,000	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.	8,000	80
48	Renovation of 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.	2,500	100
49	CSR assistance for creating "REC Foundation-Rupantar Role Model Schools" to align with the New Education Policy in 250 schools of 2 states and 2 union territories in 3 years.	45,000+	80
50	Assistance of ₹4.61 crore 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	NA
51	Construction of 25 community halls in 25 gram panchayats of Varanasi to be implemented by Varanasi Development Authority four phases.	1,16,328	70
52	Construction of Pedestrian Bridge in Badrinath town over Alaknandariver, part of Master Plan for Smart Hill Town, Badrinath, Uttarakhand.	NA	NA

Sl. No.	CSR Project(s)	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
53	Construction of Auditorium of 1,000 seating capacity in district Siddharthnagar, Uttar Pradesh, to be implemented by Jila Civil Social Responsibility Association.	NA	NA
54	Construction of REC waiting lounge at AIIMS - REC Ashraya, New Delhi.	1,09,312	100
55	Contribution to Swachh Bharat Kosh.	NA	NA
56	CSR assistance of ₹6 crore for project "Eye care for all" - an initiative to provide support to 8,000 beneficiaries for Cataract surgery to be implemented by Sankara Eye Hospital, Pammal, Chennai.	8,000	100
57	Distribution of aids & assistive devices to persons with disabilities (25 camps) in various Districts / States in the country.	1,350+	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.	1,250	100
59	Rehabilitation of damaged infrastructure, resettlement etc. in the affected areas of Sikkim.	1,95,050	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 5 nos. of shredder machine in CHC & district hospital.	74,885	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.	13,400	100
62	CSR assistance for Prime Minister 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	50,000	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	75,000	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	30,000	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 Bisnoui 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	30,000	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.

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Being an NBFC, the Company has adopted a Fair Practices Code in line with the statutory requirements. The Fair Practices Code, as prescribed by the Reserve Bank of India (RBI), outlines a comprehensive grievance redressal mechanism designed specifically for consumers. This framework enables individuals to submit any complaints they may have regarding services or practices. The Board of Directors plays a crucial role in this process, as they periodically conduct thorough reviews to assess compliance with the Fair Practices Code. This review includes an evaluation of the grievances that have been filed under this code.

For the financial year 2024-25, it is noteworthy that the organisation did not receive any complaints associated with the Fair Practices



Code, indicating a high level of consumer satisfaction and adherence to the established practices. For those interested in reviewing the Guidelines and protocols outlined in the Fair Practices Code can be accessed at <https://recindia.nic.in/uploads/files/co-hr-GRO-Order-Fair-Practice-Code-30-05-2024.pdf>

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	100%
Recycling and/or safe disposal	Not Applicable

3. Number of consumer complaints in respect of the following:

	FY 2024-25			FY 2023-24		
	Received during the year	Pending resolution at end of year	Remark	Received during the year	Pending resolution at end of year	Remark
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	1	1	Complaint filed in District Consumer Disputes Redressal Commission, Jaipur. REC's reply has been filed.	1	1	Complaint filed in District Consumer Disputes Redressal Commission, Sirsa. REC's reply has been filed.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the policy is available at <https://recindia.nic.in/uploads/files/CO-BDM-Data-Privacy-Policy-060624.pdf>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Nil. The IT Division has actively engaged a Security Agency that is empaneled by the Indian Computer Emergency Response Team (CERT-In). This agency has been tasked with conducting a series of comprehensive cybersecurity audits of the ICT (Information and Communication Technology) infrastructure of REC. These audits are aimed at assessing the security posture, identifying vulnerabilities and recommending improvements to enhance the overall cybersecurity framework of the organization.

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches: Nil
- b. Percentage of data breaches involving personally identifiable information of customers: Nil
- c. Impact, if any, of the data breaches: Nil

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available):

REC provides a diverse and comprehensive suite of financial products and services specifically designed to support the power, infrastructure and logistics sectors. This extensive offering addresses the complete value chain, enhancing the development of essential systems for power generation, transmission and distribution. By focusing on improving operational efficiency, REC plays a crucial role in facilitating the implementation of innovative and sustainable technologies across these industries.

The financing solutions offered by REC are tailored to a wide array of clients. This includes not only State power utilities and State Governments but also public sector undertakings and private sector developers. These financial products are carefully designed

to meet the unique needs and challenges faced by each segment of the market, ensuring that all stakeholders in the energy and infrastructure landscape can access the necessary capital for growth and sustainability.

For more detailed information regarding our product portfolio, including specific interest rates and other related financial information, interested parties are encouraged to visit the official Company website, where resources are readily available for current and potential customers. <https://recindia.nic.in/financial-products>. Details on our business profile can be accessed at <https://recindia.nic.in/business-profile>.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:

REC maintains a comprehensive presence throughout India, with regional offices strategically located in various states across the country. Each regional office is supervised by a Senior Chief Program Manager or Chief Program Manager (CPM), who serves as the primary point of contact for borrowers within the respective state. This position is crucial for addressing any concerns relating to the wide array of products and services offered by the company. For those seeking direct assistance or information, detailed contact information for each regional office and the associated Senior CPMs/CPMs can be found at <https://recindia.nic.in/contact>

To promote consumer awareness and educate the public about its offerings, REC has made a range of consumer awareness literature available on its official website at <https://recindia.nic.in/financial-products>. This initiative is part of the organization's commitment to transparency and consumer engagement.

In addition to these initiatives, REC boasts an in-house training institute known as the REC Institute of Power Management and Training (RECIPMT). This institution is dedicated to fulfilling the training and development needs of engineers and managers from power sector organizations, not only within India but also extending its reach internationally. RECIPMT offers a diverse array of training programs focusing on vital topics such as electrical safety, the techno-commercial improvement of DISCOM performance and the sustainability of power utilities.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:

For REC which is a project finance NBFC and not a direct utility provider, the concept of "consumers" and "essential services" needs to be understood in the context of financing infrastructure, not providing power directly.

The essential service is the financing of power and infrastructure projects. The "consumers" are the large state and private power utilities, not the end-users of electricity.

Therefore, the mechanisms for informing stakeholders of any risk of disruption/discontinuation of its essential service (financing) are primarily focused on transparency, regulatory compliance and direct communication with its institutional borrowers and the financial market. The direct mechanisms in place are Regulatory disclosures, Stock Exchange filings, Direct communication with borrowers, Credit Ratings.

4. Does the entity display product information on the product over and above what is mandated as per local laws? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the entity provides product information that goes beyond legal requirements.

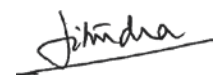
As a wholesale Non-Banking Financial Company (NBFC), the Company primarily offers financial products to state utilities. To ensure transparency, detailed loan terms, conditions and other crucial information are available on its corporate website. In addition to the website, the company actively advertises its products through:

- i. Workshops: For example, a workshop on Advanced Metering Infrastructure (AMI) was held in financial year 2024-25 to educate borrowers.
- ii. Investor and Borrower Meets: These events are organized to provide direct information.
- iii. Regional Office : The state offices of RECs educate small groups of borrowers about available products and services.

Additionally, REC is dedicated to enhancing customer experience by continuously conducting customer satisfaction surveys. These surveys are strategically implemented at multiple touchpoints throughout the loan transaction process, including application, approval, disbursement and closure stages. We actively seek feedback from our borrowers, which serves as a valuable resource for refining our systems and processes. This feedback informs our ongoing efforts to improve service delivery and enables us to focus more effectively on the training and development of our staff, ultimately aiming to provide an exceptional customer experience.

As an NBFC, we rigorously adhere to the Fair Practices Code as mandated by the Reserve Bank of India (RBI). This code outlines the ethical lending practices we follow in our interactions with borrowers, encompassing various stages of the loan lifecycle, including the application process, approval and sanctioning of loans, disbursement, post-disbursement supervision and an established grievance redressal mechanism. The full text of our Fair Practices Code is available at <https://recindia.nic.in/uploads/files/co-hr-GRO-Order-Fair-Practice-Code-30-05-2024.pdf> ensuring that our customers are well-informed about their rights and the standards we uphold.

For and on behalf of the Board of Directors



Jitendra Srivastava
Chairman & Managing Director and
Director (Projects) (Additional Charge)
DIN: 06817799

Place: Gurugram
Date: July 25, 2025



ANNEXURE TO BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

P1	<p>Businesses should conduct and govern themselves with Ethics, Transparency and Accountability</p> <p>REC conducts its business activities with utmost importance to ethics, transparency and accountability. The various policies, codes and rules framed in this regard include: -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of the Policy</th> <th style="text-align: left;">Weblink</th> </tr> </thead> <tbody> <tr> <td>Internal Guidelines on Corporate Governance</td> <td>https://recindia.nic.in/uploads/files/Final--Internal-Guidelines-on-Corporate-Governance.pdf</td> </tr> <tr> <td>Policy for Prevention of Fraud</td> <td>https://recindia.nic.in/uploads/files/co-fin-coord-rec-fraud-prevention-policy-dt011223.pdf</td> </tr> <tr> <td>Whistle Blower Policy</td> <td>https://www.recindia.nic.in/uploads/files/Whistle_Blower_Policy.pdf</td> </tr> <tr> <td>Code of Business Conduct and Ethics</td> <td>https://recindia.nic.in/uploads/files/co-cs-Code-of-Business-Conduct-Policy-10032025.pdf</td> </tr> <tr> <td>Fair Practices Code</td> <td>https://recindia.nic.in/uploads/files/co-hr-GRO-Order-Fair-Practice-Code-30-05-2024.pdf</td> </tr> <tr> <td>Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions</td> <td>https://recindia.nic.in/uploads/files/RPT-Policy-of-REC-dated-150722.pdf</td> </tr> <tr> <td>Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives and for Fair Disclosure</td> <td>https://recindia.nic.in/uploads/files/co-cs-insider-trading-code-submitted-to-stock-exchanges-dt240725.pdf</td> </tr> <tr> <td>Policy on 'fit & proper' criteria of Directors</td> <td>https://recindia.nic.in/uploads/files/Amended--Policy-on-Fit--Proper-Criteria.pdf</td> </tr> <tr> <td>REC ESG policy</td> <td>https://recindia.nic.in/uploads/files/CO-BDM-RECESGPolicy-060624.pdf</td> </tr> </tbody> </table> <p>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.</p>	Name of the Policy	Weblink	Internal Guidelines on Corporate Governance	https://recindia.nic.in/uploads/files/Final--Internal-Guidelines-on-Corporate-Governance.pdf	Policy for Prevention of Fraud	https://recindia.nic.in/uploads/files/co-fin-coord-rec-fraud-prevention-policy-dt011223.pdf	Whistle Blower Policy	https://www.recindia.nic.in/uploads/files/Whistle_Blower_Policy.pdf	Code of Business Conduct and Ethics	https://recindia.nic.in/uploads/files/co-cs-Code-of-Business-Conduct-Policy-10032025.pdf	Fair Practices Code	https://recindia.nic.in/uploads/files/co-hr-GRO-Order-Fair-Practice-Code-30-05-2024.pdf	Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions	https://recindia.nic.in/uploads/files/RPT-Policy-of-REC-dated-150722.pdf	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/uploads/files/co-cs-insider-trading-code-submitted-to-stock-exchanges-dt240725.pdf	Policy on 'fit & proper' criteria of Directors	https://recindia.nic.in/uploads/files/Amended--Policy-on-Fit--Proper-Criteria.pdf	REC ESG policy	https://recindia.nic.in/uploads/files/CO-BDM-RECESGPolicy-060624.pdf
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P2	<p>Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.</p> <p>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</p> <p>Further, CSR Policy of the Company is available at https://recindia.nic.in/uploads/files/REC-CSR-Policy-07-12-2021.pdf</p> <p>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/uploads/files/CO-BDM-Sustainable-Procurement-policy-060624.pdf</p>																				
P3	<p>Businesses should promote the well-being of all employees</p> <p>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.</p> <p>Our ESG policy is available at https://recindia.nic.in/uploads/files/CO-BDM-RECESGPolicy-060624.pdf</p>																				
P4	<p>Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized</p> <p>The Company respects the interest of all its stakeholders, including those who are disadvantaged, vulnerable & marginalized.</p> <p>Our stakeholder engagement policy and stakeholder grievance redressal policy are available at links https://recindia.nic.in/uploads/files/CO-BDM-Stakeholder-engagement-policy-060624.pdf and https://recindia.nic.in/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-050525.pdf, respectively.</p> <p>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/uploads/files/REC-CSR-Policy-07-12-2021.pdf</p>																				
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/uploads/files/CO-BDM-Human-Rights-Policy-060624.pdf.</p> <p>The Company has a Code of Business Conduct & Ethics for its Board Members and Senior Management, which, <i>inter-alia</i>, 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/uploads/files/co-cs-Code-of-Business-Conduct-Policy-10032025.pdf</p>																				

- P6 Businesses should respect, protect and make efforts to restore the environment**
 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/loan-policy-circular>
 Our ESG policy is available at <https://recindia.nic.in/uploads/files/CO-BDM-RECESGPolicy-060624.pdf>
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**
 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/uploads/files/CO-BDM-Responsible-Advocacy-Policy-060624.pdf>
- P8 Businesses should support inclusive growth and equitable development**
 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/loan-policy-circular>) and also CSR policy (<https://recindia.nic.in/uploads/files/REC-CSR-Policy-07-12-2021.pdf>).
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner**
 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/uploads/files/co-hr-GRO-Order-Fair-Practice-Code-30-05-2024.pdf>
 Our Data privacy policy is available at <https://recindia.nic.in/uploads/files/CO-BDM-Data-Privacy-Policy-060624.pdf>

All policies & processes are reviewed by the Board of Directors/Senior Management from time to time.



220kv Single Circuit Transmission Line from Drass to Padum on Double Circuit Tower at Kargil, Ladakh being implemented by RECPDCL



INDEPENDENT REASONABLE ASSURANCE REPORT ON THE DISCLOSURES MADE UNDER BRSR (9) CORE ATTRIBUTES IN THE BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FOR THE FINANCIAL YEAR 2024-25 OF REC LIMITED

To,
The Board of Directors
REC Limited
Core-4, Scope Complex,
7, Lodi Road, New Delhi- 110003, India.

Introduction

We have been engaged by REC Limited (“the Company”) for the purpose of providing an independent assurance of the Company’s disclosures under the BRSR Core Attributes in the Business Responsibility and Sustainability Report (“BRSR”), as per the BRSR Core – Framework for Assurance and ESG Disclosures for value chain provided under SEBI Master Circular No SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 (“SEBI BRSR Core Assurance Circular”), for the reporting period April 1, 2024, to March 31, 2025 (“Financial Year 2024-25”).

Management and Our Responsibility

The Company’s management is responsible for collating, analyzing, authenticating and disclosing the data and other required information in the BRSR and for ensuring the integrity and accuracy of the disclosures so that they are free from any material misstatement or omission. The management is also responsible for providing complete access to the data and other information on which it has relied while preparing the BRSR.

Our responsibility is to perform the necessary procedures and obtain the requisite evidence to express a reasonable assurance on the disclosures made in respect of the BRSR Core Attributes, as provided in the SEBI BRSR Core Assurance Circular, in the Company’s BRSR for financial year 2024-25.

Scope and boundary

Scope

The scope of our engagement includes an independent reasonable level of assurance of the following BRSR Core Attributes as provided in the SEBI BRSR Core Assurance Circular for financial year 2024-25.

S. No.	Attribute	Principle	Key Performance Indicator
1	Greenhouse gas footprint	Principle 6, Question 7	<ul style="list-style-type: none"> Total Scope 1 emissions (Break-up of the GHG into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available) Total Scope 2 emissions (Break-up of the GHG (CO₂e) into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available) GHG Emission Intensity (Scope 1+2)
2	Water footprint	Principle 6, Question 3	<ul style="list-style-type: none"> Total water consumption in Mn Lt or KL Water consumption intensity in Mn Lt or KL/ Rupee adjusted for PPP Water consumption intensity in Mn Lt/ Product or Service
		Principle 6, Question 4	Water discharge by destination and levels of Treatment in Mn or KL
3	Energy footprint	Principle 6, Question 1	<ul style="list-style-type: none"> Total energy consumed in Joules or Multiples % of energy consumed from renewable sources Energy intensity in %age terms Energy intensity in joules or multiples/ Rupee adjusted for PPP Energy intensity in Joules or multiples/ Product or Service
4	Waste Management	Principle 6, Question 9	<ul style="list-style-type: none"> Details related to waste generated by the entity (category wise) Waste intensity Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations For each category of waste generated, total waste disposed by nature of disposal method
5	Enhancing Employee Wellbeing and Safety	Principle 3, Question 1(c)	Cost spent on the measures towards the well-being of employees and workers (including permanent and other than permanent)
		Principle 3, Question 11	Details of safety-related incidents

S. No.	Attribute	Principle	Key Performance Indicator
6	Enabling Gender Diversity in Business	Principle 5, Question 3(b)	Gross wages paid to females as % of total wages paid by the entity
		Principle 5, Question 7	Complaints on POSH
7	Enabling Inclusive Development	Principle 8, Question 4	Input material sourced from MSMEs/ small Producers and from within India as % of total purchases
		Principle 8, Question 5	Job creation in smaller towns –Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost
8	Fairness in Engaging with Customers and Suppliers	Principle 9, Question 7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events
		Principle 1, Question 8	Number of days of accounts payable
9	Open-ness of business	Principle 1, Question 9	<ul style="list-style-type: none"> Concentration of purchases & sales done with trading houses, dealers and related parties Loans & advances and investments with related parties

Assurance Methodology

As part of the assurance process, we have relied upon the following:

Frameworks

- SEBI BRSR Core Assurance Circular.
- Industry Standards on Reporting of BRSR Core issued by SEBI vide Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated December 20, 2024 (“BRSR Industry Standards”).
- Greenhouse Gas Protocol methodology.
- Central Ground Water Board (Central) Guidelines.
- International Standard on Assurance Engagement (“ISAE”) 3000- Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Methodology

As part of the assurance process, we have undertaken the following steps:

- Reviewed the disclosures under BRSR (9) Core Attributes, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under (9) ESG attributes.
- Reviewed the data, documents and other information basis which calculation and reporting have been made.
- Interviewed relevant personnel of management responsible for Sustainability, Environmental Social Governance (ESG) and the consultant and their team for understanding the process of collecting, collating and reporting the data.
- Checked the consolidation for various offices to ensure the completeness of data being reported.
- Conducted on-site audits for data testing and to assess the uniformity in reporting processes. This included assessing records and performing testing including recalculation of sample data.
- Assessed the appropriateness of various assumptions, estimations and materiality thresholds used by the Company.
- Wherever required, we have performed a sample-based review of data and information.

Our Opinion

Based on the information and documents provided to us, procedures we have performed and the evidence we have obtained, we are of the view that the BRSR Core Attributes, as disclosed in the Company's BRSR for financial year 2024-25, have been reported in accordance with the requirements outlined in the SEBI BRSR Core Assurance Circular and BRSR Industry Standards.

Statement of Independence

As per the SEBI BRSR Core Assurance Circular, we hereby confirm that neither we nor any of our associates have provided any non-audit / non-assurance related service(s), including consulting services, to the Company or its group entities during the financial year 2024-25, which would lead to a conflict of interest.

Restriction on use or distribution

This assurance statement, including the conclusion, has been prepared solely at the request of the Company to meet the statutory obligations in respect to disclosures made in the BRSR for financial year 2024-25. Our report should not be used for any other purpose or by any other person other than the Company without our prior written consent. We neither accept nor assume any duty of care or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.



Limitations

Our performance under this assurance engagement is subject to the following limitations:

- i. Based on the agreed scope with the Company, the boundary of reasonable assurance covers the operations of the Company and its subsidiaries across all offices. Further, the assurance is being made only for the disclosures made under BRSR Core Attributes for financial year 2024-25.
- ii. During the assurance engagement, we have relied on the data and information provided by the Company. We have assumed that the Company has provided us with complete and authentic data and other information necessary for the performance of the assurance. In some cases, the Company has relied on third-party data sources, we have not verified the authenticity of that data source.
- iii. The absence of a significant body of established standards on which to evaluate and measure non-financial information allows for different but acceptable measurement techniques, which can affect comparability between entities.
- iv. Preparation of BRSR is the responsibility of the Company. We have not been involved in evaluating or assessing any financial data/performance of the Company. We have solely relied upon the Company's audited financial reports for the correctness of the financial data.
- v. The assurance considers an uncertainty of $\pm 5\%$ based on the materiality threshold for estimation/measurement errors and omissions pursuant to the GHG Protocol.
- vi. The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions of any kind, if any.
- vii. The assurance does not include a review of legal compliance regarding the disclosures made with respect to the BRSR Core Attribute.

For Corporate Professionals

Sd/-

Pavan Kumar Vijay
Founder & Partner

Sd/-

Sukriti Kashyap
Senior Associate- ESG & Sustainability Solutions

Date: June 24, 2025

Place: New Delhi