


ANNEXURE-III TO BOARD'S REPORT

Business Responsibility & Sustainability Report

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 address	REC World Headquarters, Plot no. I-4, Sector 29, Gurugram-122001
6.	E-mail	complianceofficer@recl.in
7.	Telephone	+91-124-444 1300
8.	Website	www.recindia.nic.in
9.	Financial year for which reporting is being done	FY 2022-23
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited BSE Limited
11.	Paid-up capital	₹2,633.22 crore (As on March 31, 2023)
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 V.K. Singh (DIN: 02772733) Director (Projects) +91-124-271 5517 dtsectt@recl.in
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 standalone basis.

II. Products/services
14. Details of business activities (accounting for 90% of the turnover):

Sl. no.	Description of main activity	Description of business activity	% of turnover of the entity
1.	Financial and Insurance Service	Financial and Credit leasing activities	99.89%

15. 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	99.57%

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

Location	Number of plants	Number of offices	Total
National	-	24	24
International	-	-	-

Note: Addresses of REC offices are appearing separately in this Annual Report.

17. Markets served by the entity
a. Number of locations

Location	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?

The Company is a Non-Banking Financial Company (NBFC) categorized as Infrastructure Finance Company (IFC) by the Reserve Bank of India. The contribution of exports to the turnover of the Company was Nil for the financial year 2022-23.

c. A brief on types of customers

REC's principal products are interest-bearing loans to state utilities, private sector borrowers etc. The Company's business activities involve financing projects in the entire power sector value chain, be it power generation (both conventional and renewable energy), transmission, distribution, rural electrification, e-mobility, financing equipment manufacturing for power sector and activities having forward / backward linkage with power projects.

Further, during the year, Ministry of Power has permitted REC to lend to Infrastructure and Logistics sector as well. As

a result, REC has actively started financing/exploring sub-sectors like Airports, Metro Rail, Roads and Highways, Green Hydrogen/Green Ammonia, Irrigation/Water resources, Multi-Modal Logistics Parks, Cold Chains, Railway Stations Redevelopment, Ports, Healthcare Infrastructure etc. Various infrastructure & logistics projects aggregating ₹85,735 crore were approved during the year under review.

The key products of the Company include long term loans, medium term loans, short terms loans, debt refinancing, revolving bill payments etc. for the entire of power and infrastructure & logistics sector value chain. Customers of the Company include State Governments, Central/State utilities, independent power producers, rural electric cooperatives, joint ventures, private sector borrowers etc.

IV. Employees

18. Details as at the end of 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)	417	353	84.65%	64	15.35%
2.	Other than Permanent (E)	2	2	100%	-	-
3.	Total employees (D + E)	419	355	84.73%	64	15.27%
Workers						
4.	Permanent (F)		Not Applicable			
5.	Other than Permanent (G)					
6.	Total workers (F + G)					

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)	13	12	92.30%	1	7.70%
2.	Other than Permanent (E)	Not Applicable				
3.	Total differently abled employees (D + E)	13	12	92.30%	1	7.70%
Differently Abled Workers						
4.	Permanent (F)	Not Applicable				
5.	Other than Permanent (G)					
6.	Total differently abled workers (F + G)					

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	2	22.22%
Key Management Personnel	4	0	0

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

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees (%)	9.32	1.86	11.18*	8.25	7.00	15.25*	9.70	12.00	21.70*
Permanent Workers	Not Applicable								

*including superannuation



V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (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 at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Power Finance Corporation Limited	Holding company	52.63%	Yes
2	REC Power Development and Consultancy Limited	Subsidiary	100%	Yes
3	Chandil Transmission Limited	Subsidiary	100%	Yes
4	Dumka Transmission Limited	Subsidiary	100%	Yes
5	Mandar Transmission Limited	Subsidiary	100%	Yes
6	Koderma Transmission Limited	Subsidiary	100%	Yes
7	Bidar Transmission Limited	Subsidiary	100%	Yes
8	Ramgarh II Transmission Limited	Subsidiary	100%	Yes
9	Sikar Khetri Transmission Limited	Subsidiary	100%	Yes
10	Beawar Transmission Limited	Subsidiary	100%	Yes
11	Luhri Power Transmission Limited	Subsidiary	100%	Yes
12	Khavda II- D Transmission Limited*	Subsidiary	100%	Yes
13	Meerut Shamli Power Transmission Limited	Subsidiary	100%	Yes
14	NERES XVI Power Transmission Limited	Subsidiary	100%	Yes
15	KPS1 Transmission Limited**	Subsidiary	100%	Yes

*Striking off the name of project specific SPV i.e. Khavda II-D Transmission Limited is under process as the related inter-state Transmission Project is de-notified by Central Electricity Authority, Ministry of Power.

**KPS1 Transmission Limited was transferred on April 20, 2023.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No): Yes
- (ii) Turnover (in ₹): ₹39,208.06 crore
- (iii) Net worth (in ₹): ₹57,679.67 crore

VII. Transparency and Disclosures Compliances

23. 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 redressal policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://recindia.nic.in/grievances	59	1	-	98	1	-
Investors (other than shareholders)	Yes https://recindia.nic.in/bonds-grievances	1,217	0	-	18,042	0	-
Shareholders	Yes https://recindia.nic.in/investors-contact	2,464	6	The pending cases have since been resolved	4,670	3	-



Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redressal policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and workers	Yes Available on intranet	-	-	-	-	-	-
Customers	Yes https://recindia.nic.in/uploads/files/co-cs-contact-griev-redresl-offic-undr-fair-practice-code-dt020523.pdf	-	-	-	-	-	-
Value Chain Partners	Yes https://recindia.nic.in/independent-external-monitor-iem-for-rural-electrification-corporation-ltd	-	-	-	-	-	-
Other (please specify)	-	-	-	-	-	-	-

24. 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 the following format:

Sl. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	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.	Gradual shift from conventional power sources to renewable power sources	Opportunity	Thrust for cleaner power shall provide additional financing avenues for the corporation.	-	REC shall experience positive financial implication due to additional revenues because of financing towards cleaner power.
2.	Shift to paperless environment to further the sustainability	Opportunity	Shift to digital means of communication & record management shall enhance speed, accuracy, efficiency, cost saving, accountability & preservation of records.	-	REC shall experience positive financial implication due to cost saving & increase in swiftness of operations.
3.	Climate conscious measures to ensure the sustainability	Risk	Growing climate concerns may pose a threat to operations of the Company.	REC has taken an "Adapt" approach to address the climate concerns. REC has built a climate conscious "Green" building for its corporate office. Further, REC has focused on financing towards cleaner & environment friendly projects.	REC shall experience positive financial implication due to cost saving & additional revenues.



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)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Being a Central Public Sector Enterprise, the operational and financial targets for REC for financial year 2022-23 are fixed under the MoU guidelines of the Department of Public Sector Enterprises (DPE), Government of India. The MoU framework contains 12 parameters with marks allocated to each, aggregating a maximum of 100. A number of compliances are also spelt out as part of the MoU, which carry negative marks for non-compliance. Total score achieved above 90 results in excellent rating. The MoU document is available at the following link https://recindia.nic.in/mou								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>REC enters into Memorandum of Understanding (MoU) with its holding company, PFC, under the framework prescribed in MoU Guidelines issued by the Department of Public Enterprises (DPE). The MoU demarcates key performance parameters for the Company finalized in consultation with the Ministry of Power, Government of India and the performance of the Company is evaluated vis-à-vis the MoU parameters.</p> <p>The performance of the Company in terms of MoU signed under the guidelines of the DPE, Government of India for the financial year 2023 is likely to be excellent, subject to final evaluation by DPE. For the financial year 2021-22 MoU rating of REC has been "Very Good", primarily due to a newly introduced parameter of stock price performance.</p>								

Governance, leadership and oversight

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**
- REC is striving towards developing frameworks and methodologies to effectively assess and integrate ESG factors into its decision-making processes. To counter these challenges, Company has already adopted Board approved ESG Policy.
- REC has made notable achievements in the realm of ESG initiatives, showcasing its commitment to sustainability and responsible practices. The company has undertaken extensive plantation activities, contributing to environmental conservation and biodiversity. Additionally, REC has implemented a 979 kWp rooftop solar plant at its corporate office, harnessing renewable energy to meet its electricity requirements, thus reducing its carbon footprint. The procurement of electric vehicles (EVs) and the establishment of EV charging stations further demonstrate the company's efforts to promote clean transportation and reduce emissions. These achievements exemplify REC Limited's dedication to integrate ESG principles into its operations and fostering a more sustainable future. REC aspires to be a major lender for large grid connected Renewable Energy projects, thus enabling the energy transition of the country towards green energy. REC appraisal process for loans ensures that the required pollution and environmental clearances are obtained by its borrowers. REC ensures that it is compliant with all the statutory and regulatory requirements and the appropriate reporting / filings in this regard are done timely without any lapse. REC follows a well defined procurement policy for procurement of goods and services. The IT infrastructure security and management systems are well deployed including disaster recovery. The HR Policies of the Corporation ensure holistic employee well being and benefits, career progression, adequate training, safety and encouragement for women employees and well defined grievance redressal mechanism, thus ensuring proper governance.



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? (Yes / No). If yes, provide details.	Yes. Shri V.K. Singh (DIN: 02772733) Director (Projects) +91-124-271 5517 dtsectt@recl.in																	
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	P1	P2	P3	P4	P5	P6	P7	P 8	P9
Performance against above policies and follow up action		Y	Y	Y	Y	Y	Y	Y	Y	Y	On quarterly and annual basis								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances		Y	Y	Y	Y	Y	Y	Y	Y	Y	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	Y	Y	Y	Y	Y	Y	Y	Y	Y

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.

Not applicable.

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	4	Familiarization programme of Independent Directors to acquaint the Directors with business and operations of the Company, industry structure, nature of services offered.	33.33%
Key Managerial Personnel	3	Experiential Learning Programme, Solar power conference and training programme on Public Procurement.	53.85%
Employees other than BoD and KMPs	19	Various technical and financial topics including experiential learning and personal effectiveness which are relevant for day to day work.	50.91%
Workers	N.A.	N.A.	N.A.



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 INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Principle 1	SEBI (LODR) National Stock Exchange of India Limited BSE Limited	₹43,07,000/- including GST (₹21,53,500/- each including GST).	For the financial year ended on March 31, 2023, the Company has complied with all requirements of SEBI LODR Regulations, the Companies Act, 2013 and rules made thereunder, applicable Secretarial Standards issued by ICSI and DPE Guidelines on Corporate Governance, as amended from time to time, except compliance related to composition of Board of the Company. Due to such non-compliances, NSE and BSE have imposed a total fine of ₹43,07,000/- including GST (₹21,53,500/- each including GST) by each stock exchanges, for all the four quarters of FY 2022-23.	Yes.
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case		Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

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
<p>In connection with fine levied by NSE and BSE for non-appointment of Independent Director, as stated in the previous question, since 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), Government of India, therefore the Company has been requesting the appointing authority, i.e. MoP, for appointment of requisite number of Independent Director. Accordingly, the Company has no control in the appointment of Directors.</p> <p>In view of the same, the Company had requested / is requesting the stock exchanges to waive off the said fines. It is pertinent to mention, that BSE has already waived off the fine imposed on the Company for earlier quarters ended on September, 2020 and December, 2020. The Company is following up with the Stock Exchanges for waiving off the balance fine(s) as well.</p>	1. National Stock Exchange of India Limited (NSE) 2. BSE Limited (BSE)

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 of the policy.

REC follows procedures and norms of CVC regarding anti-corruption and anti-bribery and also 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 Designated Agency. Apart from the above, REC also adopted Whistle Blower Policy.



Further, the Company's *Conduct, Discipline and Appeal (CDA) Rules* define the code of conduct for all employees and recognizes acts of bribery, corruption, etc. as misconduct.

The Company also has a Policy for Prevention of Frauds, which sets forth obligation on part of every employee of the Company for prevention, detection and reporting of any act of fraud, bribery or corruption.

enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law

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

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

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.

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
2	Vigilance Division of REC conducted training program/ workshop for employees of REC including Regional Offices, Subsidiary & Training Centre, on following topics: <ul style="list-style-type: none"> Procurement and Contracts Management Preventive Vigilance 	Nil

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 Company has a Code of Conduct for Board members and senior management, which covers *inter-alia* the process of dealing with conflict of interests. The Policy is available at https://recindia.nic.in/uploads/files/Code_Business_Conduct_Ethics.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 product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	-	₹12.22 crore	REC has installed a 979kWp roof top solar plant in its corporate office, to cater to its electricity requirement. The solar plant is functional and connected to grid and has generated 13.19 lakh units of electricity, which has catered to around 50% of the total load requirement of Corporate Office. The building also has radiant cooling for slabs, Integrated Building Management System (IBMS), automated sensor controlled lighting, bio-climatic glass façade with motorized blinds, etc. for energy saving.



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

Considering the business activities of the Company, this question has limited applicability. As a NBFC, REC's resource use is mainly limited to electricity, office supplies and communication or IT equipment.

Being a NBFC, REC is less resource-intensive in terms of material requirements. Despite the limited scope, REC ensures responsible sourcing of all its material requirements. The Company promotes GeM portal (Government e-Marketplace) in its procurements and also promotes sourcing from MSE vendors. All procurement / sourcing of material and services is done as per the procedure defined in the Procurement Guidelines of the Company.

Further, REC required its borrowers of conventional energy projects, to follow all applicable environmental norms, as a part of its loan disbursement conditions. REC also finances renovation and modernization of old thermal power plants and installation of pollution control equipment, with the overall objective of safeguarding the environment and reducing emission of harmful oxides and particular matter.

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

In terms of material requirements, REC has made it mandatory to procure common use goods & services

available on GeM (Government e-Marketplace) portal, with purchase preference to MII/MSEs as per Government directives. During the financial year 2022-23, REC not only achieved but exceeded its target for procurement from GeM. The procurement from GeM portal was 89.28% in respect of MoU and procurement from MSEs was 55.01%.

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.

Given the nature of business and operations, the Company does not have material plastic waste, e-waste and other waste. Further, the Company does not have any hazardous waste.

Further, the Company has such mechanism in which most of the products are used made of recycled plastic and also reduced plastic use to very minimal and encourages use of substitutes such as jute bags, cloth bags etc.

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.

Not Applicable, since REC is a NBFC and is not involved in manufacturing of any kind of product.

LEADERSHIP INDICATORS

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

Being a NBFC categorized as IFC, the main products offered by REC include rupee term loans, short-term and medium-term loans etc. to borrowers for schemes and projects in the entire power and infrastructure & logistics sector value chain. Further, as nodal agency for various programmes of the Government of India, REC contributes towards the overall development of power sector.

The loan products are developed in line with the market norms, borrower requirements and applicable statutory and regulatory provisions of RBI and/or any other regulators. Details of loan products offered by the Company are available at the website at <https://recindia.nic.in/financial-products>.

REC has prepared Environmental Social Impact Analysis (ESIA) report, under Official Development Assistance - KfW-III, which is applicable for financing renewable energy projects. The same serves as the roadmap for REC to address environmental & social issues in financing renewable power projects.

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
Other Financial Services and Activities - Other Credit Granting	No significant social or environmental concern / risk is envisaged from production or disposal of the Company's products / services.	<p>REC is not a manufacturing Company. However, as a part of its appraisal process for all the power project it finances, REC identifies and assess the potential environmental risks of the projects. Environmental issues, if any, are identified through due diligence, site visits and review of applicable compliances etc.</p> <p>REC is also financing installation of pollution control equipment in thermal power plants, in line with Government directives. This includes installation of Flue Gas Desulphurization (FGDs), Selective Catalytic Reduction (SCR) and Electrostatic Precipitators (ESP), which contribute towards curbing of harmful emissions and particulate matter. During the financial year, REC has sanctioned 7 projects for installation of pollution control equipment, with total loan amount of ₹1,647.08 crore.</p>



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).

Considering the nature of business and operations, 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, as per the following format:

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste*	-	-	140	-	-	140
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

* Denotes number of IT units safely disposed which were identified last year i.e. FY 2021-22 for disposal.

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

Not Applicable

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	Total (A)	% of employees covered by									
		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	353	-	-	353	100	-	-	353	100	353	100
Female	64	-	-	64	100	64	100	-	-	64	100
Total	417	-	-	417	100	64	15.35	353	84.65	417	100
Other than Permanent employees											
Male	2	-	-	-	-	-	-	2	100	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total*	2	-	-	-	-	-	-	2	100	-	-

*On deputation from other organization/entity.

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

Category	Total (A)	% of employees covered by									
		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											
Total											
Other than Permanent Workers											
Male	Not Applicable										
Female											
Total											



2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits		FY 2022-23			FY 2021-22		
		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.)
PF		100%	N.A.	Yes	100%	N.A.	Yes
Gratuity		100%	N.A.	Yes	100%	N.A.	Yes
ESI		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Others - please specify	NPS	100%	N.A.	Yes	100%	N.A.	Yes
	PRMS	100%*	N.A.	Yes	100%*	N.A.	Yes

* subject to eligibility conditions prescribed by DPE

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.

Yes, the premises are accessible to differently abled employees, with elevators and ramps, wheel chair accessible restrooms and direction signs in braille at various points.

Further, the corporate website of REC complies with World Wide Web Consortium (W3C) Web Content Accessibility

Guidelines (WCAG) 2.0 level AA. This will enable people with visual impairments access the website using assistive technologies, such as screen readers. The information of the website is accessible with different screen readers, such as JAWS, NVDA, SAFA, Supernova and Window-Eyes. 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 and the same is available on intranet of the Company.

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%	Not Applicable	
Female	100%	100%		
Total	100%	100%		

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	Not Applicable
Other than Permanent Workers	
Permanent Employees	Yes. A detailed grievance redressal mechanism is in place. It is available on the intranet of the Company.
Other than Permanent Employees	

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. Regular employees of the Company are members of either the Employee Union or the Executive Association of REC.



8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	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	255	8	3.14	247	96.86	188	25	13.30	163	86.70
Female	60	1	1.67	59	98.33	36	02	5.56	34	94.44
Total	315	9	2.86	306	97.14	224	27	12.05	197	87.95
Workers										
Male	Not Applicable									
Female										
Total										

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

	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	100	76	76.00%	71	27	38.03%
Female	21	16	76.19%	13	10	76.92%
Total	121	92	76.03%	84	37	44.05%
Workers						
Male	Not Applicable					
Female						
Total						

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 of such system?
- Yes, coverage system includes the safety management in work planning, process & in execution while handling chemicals, machine & cleaning equipment.
- In order to identify work related hazards, checklist & list of reported incident are taken into account on routine & regular training are organized for staff to mitigate the worked related risk.
- Further, prior commencement of any new work, safety officer do safety audit of the work site, tools & ensure additional safety measures if required, to carry out the work safely.
- Also, medical camps are organized where all workers have opportunity to avail the benefits of free medical camp. Annual health check-ups are conducted by entity of all employees on their rolls.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
- Not applicable
- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)
- Not applicable
- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
- Yes, in order to provide improved health care facilities to the employees and their dependent family members, part-time services of doctors were engaged to provide onsite medical facilities. To facilitate recreation and healthy life, Gymnasium is available for employees in the premises. Various Yoga programs and Health Camps were organized by the company regularly for the employees for better well-being.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Not Applicable	
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		



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

Yes, in order to provide improved health care facilities to the employees and their dependent family members, part-time

services of doctors were engaged to provide onsite medical facilities. To facilitate recreation and healthy life, Gymnasium is available for employees in the premises. Various Yoga programs and Health Camps were organized by the company regularly for the employees for better well-being.

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

	FY 2022-23			FY 2021-22		
	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	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

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	-
Working Conditions	-

- (A) Employees-Yes, the Company provides rehabilitation package in case of death or permanent disability to the employee and/or his/her family member.
- (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.

Being NBFC, the Company includes in the terms & conditions of loans granted to its borrowers, necessary conditions stipulating timely deposit of their statutory dues, obtaining of statutory clearances and meeting such other similar obligations as per statutory requirements etc. The borrowers are also required to furnish compliance of the same to the Company at various stages.

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, as such, no restricted area in the corporate building of REC in respect of safety related incident.

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).

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 are 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 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	-	-	-	-
Workers	-	-	-	-

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)

The Company is a CPSE, which follows employment norms of DPE in cases of retirement or termination of employment. The Company also provides post-retirement medical benefits and other welfare measures to its retired employees.

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	-
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.

Yes. The Company has mapped its internal and external stakeholders. Internal stakeholders include employees and staff of the Company; and external stakeholders include equity shareholders, bondholders, creditors, bankers, borrowers and customers from both public and private sectors, Governmental bodies and regulatory authorities including State Government(s), Reserve Bank of India, Ministry of Corporate Affairs, Securities and Exchange Board of India, Stock Exchanges etc.

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.	On quarterly basis, through AGM, Postal Ballot and as and when required.	Communication of financial results, adoption of financial statement and transaction of ordinary and special business from time to time. Addressing requests/ grievances of shareholders from time to time.
Bondholders	No	Email/SMS/Website/ Letters/Telephone/ Newspaper etc.	As and when required.	Allotment, Interest Servicing, Redemption Payment, Bond Certificate/Demat Credit. Addressing requests/ grievances of bondholders from time to time.
Vendors	No	Email/SMS/Website/ Letters/Telephone /GeM, Tender Wizard and other portals of Government.	As and when required.	Vendor Development Programmes are organised from time to time.
Customers	No	Email/SMS/Website/ Letters/Telephone	On a regular basis.	Customer Satisfaction Survey, 2022 conducted through Administrative Staff College of India, Hyderabad.

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.

The Company already has various Board-approved policies in place, to address the economic, environmental, and social topics relating to its business. The said policies have been developed over a period of time based on the inputs from relevant stakeholders.

Further, to serve as a guiding document for all ESG initiatives and activities undertaken by REC, the Board of Directors of

the Company in its 498th Board Meeting held on January 30, 2023 have approved Environment, Social & Governance (ESG) Policy of REC.

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.

During the financial year 2022-23, REC had approved its Environment Social and Governance Policy to contribute



towards society. The ESG policy framework of the Company, *inter-alia*, comprises environmental impact considerations in its operational, financial and risk management linked decision-making. Further, to ensure the financing of clean energy, suitable conditions related to Environmental, Health, Safety and Social (EHSS) aspects, are being added in the loan agreement/sanction.

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

REC is registered on GeM (Government e-Marketplace), Sambandh, Samadhan and TReDS (Trade Receivables

Discounting System) portals of the Government of India (GoI) and all offices of REC, including regional offices, are effectively using the same and Company also promotes procurement from MSEs & women entrepreneurs and extends certain facilities in its procurement procedures to registered MSEs. It is also noteworthy, that there was no complaint against REC regarding delay in payments or any other grievance by any MSE vendor, on Government of India's Samadhan portal during the year. The Company also makes efforts on a regular basis to reach out to those equity shareholders and bondholders, who have unclaimed / unpaid dividends amounts/shares or unclaimed redemption amounts lying with the Company, so that such investors do not miss out on getting their rightful dues.

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 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
Total Employees	-	-	-	-	-	-
Workers						
Permanent	Not Applicable					
Other than permanent						
Total Workers						

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	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	Not Applicable									
Female										
Other than Permanent										
Male	Not Applicable									
Female										
Workers										
Permanent										
Male	Not Applicable									
Female										
Other than Permanent										
Male	Not Applicable									
Female										

* all permanent employees are paid remuneration as per the guidelines of DPE which are higher than the minimum wages



3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	1	89,97,197	-	-
Key Managerial Personnel	1	79,85,821	-	-
Employees other than BoD and KMP	332	27,43,211	63	28,59,602
Workers	-	-	-	-

Notes:

- The above schedule includes only permanent employees who have worked for the entire period of 12 months during the financial year 2022-23.
- Remuneration/salary/wages includes allowances exempt u/s 10 of the Income Tax Act, 1961 and Employer contribution towards Pension scheme. Further, it excludes employer's contribution into REC Gratuity Fund, Leave Encashment Provision based on actuarial valuation, various reimbursements given to employees for e.g. uniform, entertainment, conveyance, electricity, water and attendant charges and exempt medical expenses.
- The above remuneration is paid in line with the guidelines issued by the DPE in this regard.
- The Company has not given any stock options during the financial year 2022-23.

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/No)

Yes.

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

Company has a detailed grievance redressal mechanism in place. Any aggrieved employee can sought relief through the said mechanism. The said policy is available to the employees on the intranet.

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

	FY 2022-23			FY 2021-22		
	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						
Discrimination at workplace						
Child Labour						
Forced Labour/Involuntary Labour						
Wages						
Other human rights related issues						

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

Pursuant to the Whistle Blower Policy of the Company, necessary mechanism has been put in place to provide protection to the complainant, wherever required. The Whistle Blower Policy is available at https://recindia.nic.in/uploads/files/Whistle_Blower_Policy.pdf.

REC believes that a sustainable organization rests on the foundation of ethics and respect for human rights. The Company ensures diversity and equal opportunities in

workplace and upholds that career advancement is based on talent and performance.

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

Business agreements and contracts are primarily in nature of loan documentation, which are executed on the basis of specific terms sanctioned to Borrowers. Human right requirements do not form part of said loan documents. To protect the human rights of employees, REC has adopted employee-oriented policies, in line with general laws and sound ethical practices.

9. Assessments for the year:

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



10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above:**

Not applicable.

LEADERSHIP INDICATORS

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

Not applicable.

2. **Details of the scope and coverage of any Human rights due-diligence conducted:**

Not applicable.

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	-
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others - please specify	

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 (in Joules or multiples) and energy intensity, in the following format:**

REC is a NBFC and does not have any production / manufacturing facility, therefore its energy intensity is limited.

However, REC has installed a 979kWp roof top solar plant, which has catered to around 50% of the total load requirement of Corporate Office. The solar plant is functional and connected to grid and has generated 13.19 lakh units of electricity. The building also has radiant cooling for slabs, Integrated Building Management System (IBMS), automated sensor controlled lighting, bio-climatic glass façade with motorized blinds, etc. for energy saving.

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? (Y/N) 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, in the following format:**

REC is a NBFC and does not have any production / manufacturing facility, therefore its water intensity is negligible.

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?**

Yes, the corporate office premises are accessible to differently abled visitors, with elevators and ramps, wheel chair accessible restrooms and direction signs in braille at various points.

Further, the corporate website of REC Limited complies with World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0 level AA. This will enable people with visual impairments access the website using assistive technologies, such as screen readers. The information of the website is accessible with different screen readers, such as JAWS, NVDA, SAFA, Supernova and Window-Eyes. Further information about the same can be accessed at <https://recindia.nic.in/screen-reader-access>.

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

As REC is not a manufacturing Company or a production company. However, the Corporate Office Building of REC, located in Gurugram is zero liquid discharge building designed to use waste water drained after Reverse Osmosis (ROs), Solar cleaning, Toilets & floor washing & water bodies etc. in HVAC / Chillers. Further, Building is designed to use water treated through STP, for Horticulture purpose.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

REC is not a manufacturing or a production company, therefore air emission is negligible. Further, as a part of its appraisal process for all the power projects it finances, REC identifies and assesses the potential environmental risks of the projects. Environmental issues, if any, are identified through due diligence, site visits and review of applicable compliances etc.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Not Applicable.



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

Not Applicable.

REC in line with the Government's outlook for renewable energy sector has been promoting competitive financing for renewable projects. REC has introduced various policies for competitive financing of clean energy projects across the country, including solar, wind, biomass projects and e-mobility. The total sanctions for renewable energy projects during the financial year 2022-23 were ₹21,371.11 crore towards 35 renewable energy projects, with aggregate installed generation capacity of 6,488 MW.

The Company's policies for renewable energy projects are reviewed from time to time, to meet the ever- evolving needs of this dynamic sector. Till date, REC has funded nearly 18.1 GW of renewable energy projects, to support the country's movement towards a greener future for the country. REC's financing norms for renewable energy projects can be accessed from the corporate website at <https://recindia.nic.in/renewables>.

REC is also the first Indian PSU to raise money from the international markets through Green Bonds listed on International Securities Market segment of London Stock Exchange in year 2017, with tenure of 10 years, the proceeds of which are applied for financing or re-financing of eligible green projects as per the Climate Bond Standards.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	180 kg per month	-
E-waste (B)	140 units disposed off as identified in previous year.	140 units identified to be disposed as e-waste.
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G + H)	180 kg per month and 140 units disposed off as identified in previous year.	140 units identified to be disposed as e-waste.
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

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. Denotes number of IT units safely disposed which were identified last year i.e. FY 2021-22 for the disposal.

9. 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.

Disposal of old, un-serviceable & obsolete IT equipment, identified as e-waste, is done through registered recyclers/

re-processors under Central Pollution Control Board, Government of India and State Pollution Control Committee/ Board Electronic waste, by following the procedure defined under REC's Procurement Guidelines.

10. 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 in the following format:

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.
-	-	-	-

The Company is an NBFC with pan-India operations. Its registered office is in New Delhi and corporate office is in Gurugram. The Company has regional/state offices across India, which are located in State capitals. Offices of the Company are not located in ecologically sensitive areas.

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

REC being a NBFC, finances infra projects but does not own or execute/implement any project.

For renewable energy projects funded by REC, the Company requires the borrowers to submit Environmental and Social Impact Assessment (ESIA) as per applicable rules and regulations.

12. 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 (Y/N). If not, provide details of all such non-compliances, in the following format:

REC is not a manufacturing company. Hence, the given question has limited relevance. However, the Company complies with 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. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

REC has installed a 979kWp roof top solar plant in its corporate office, to cater to its electricity requirement. The solar plant is functional and connected to grid and has generated 13.19 lakh units of electricity during the financial year 2022-23, which has catered to around 50% of the total load requirement of Corporate Office. The building also has radiant cooling for slabs, Integrated Building Management System (IBMS), automated sensor controlled lighting, bio-climatic glass façade with motorized blinds, etc. for energy saving.

2. Provide the following details related to water discharged:

Not Applicable.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not Applicable.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Not Applicable.

5. 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.

6. 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:

Since your Company does not own any manufacturing facility, there are less significance of this question. However, REC Corporate Office Building located in Gurugram is designed and constructed by using energy efficient façade and radiant cooling slabs to lower about 30% HVAC load requirement in the building in order to conserve energy. Further, 979 kWp solar plant has been installed at top of the building (supported by solar pergola structure) to cater REC office load requirement by using clean and renewable source of energy. The solar plant has generated 13.19 lakh units of electricity during the financial year 2022-23, which has catered to around 50% of the total load requirement of Corporate Office.

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.

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

Yes, REC has implemented Business Continuity and Disaster Recovery Plan for its data center and disaster recovery operations and the same is also ISO 27001:2013 certified. The Primary Data Centre (PDC) and Disaster Recovery Centre (DRC) of REC are ISO/IEC 27001:2013 certified and also comply with National Cyber Security Policy of Government of India. REC has also implemented Data Leakage & Prevention (DLP) system at DC and DRC for preventing sharing of confidential and critical information outside the corporate network. Further, REC has implemented IT security directives of RBI's Master Direction of IT Framework for NBFCs.

Requisite training programmes have been conducted for the teams to be prepared to respond in a crisis. Disaster drills and table top exercises are conducted at regular intervals to test whether the set procedures are working as defined within the pre-defined RTO and RPO and people understand and follow it appropriately. Such drills are audited through external CERT-In (Indian Computer Emergency Response Team) certified auditors. Observations received from such audits are considered as a part of continuous improvements. The plan is reviewed at periodic intervals and the management and board are kept abreast of any developments or changes in the BCP.



8. 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 also financing installation of pollution control equipment in thermal power plants, in line with Government directives. This includes installation of Flue Gas Desulphurization (FGDs), Selective Catalytic Reduction (SCR) and Electrostatic Precipitators (ESP), which contribute towards curbing of harmful emissions and particulate matter. During the financial year, REC has sanctioned 7 projects for

installation of pollution control equipment, with total loan amount of ₹1,647.08 crore.

9. 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 execute/implement project. For renewable energy projects funded by REC, the Company requires its borrowers to get Environmental and Social Impact Assessment (ESIA) as per applicable rules and regulations.

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:

4 (Four)

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.	Central Board of Irrigation & Power (CBIP)	National
2.	World Energy Council (WEC), India	National
3.	Standing Conference of Public Enterprises (SCOPE)	National
4.	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:

No adverse orders were passed from regulatory authorities.

relating to the power sector through its social media handles.

With dedicated efforts of many years, REC has contributed towards achieving village and household electrification in the country, especially in the far-flung areas. The Company has been the nodal agency for key power sector schemes such as *Deen Dayal Upadhyaya Gram Jyoti Yojana* (DDUGJY), *Pradhan Mantri Sahaj Bijli Har Ghar Yojana* (SAUBHAGYA) and *Ujwal DISCOM Assurance Yojana* (UDAY).

REC is currently playing the role of nodal agency for Revamped Distribution Sector Scheme (RDSS). In this regard, REC's wholly owned subsidiary, REC Power Development and Consultancy Limited (RECPDCL) is doing significant work in the fields of smart metering, 11 kV Rural Feeder Monitoring Scheme and other Government Programs.

A Regulatory Compliance and Monitoring Cell has been established for supporting the distribution utilities for such works. REC has begun publishing a compilation of "Key Regulatory Parameters of Utilities" booklet. Further, Consumer Service Rating of DISCOMs (CSR) report is also being published by REC.

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

REC is a member of World Energy Council (WEC), which functions under the patronage of MoP with the support of energy ministries and leading organizations in the energy sector. It is chaired by Secretary, Power with Secretaries of MoPNG, Coal, MNRE, MEA and CEA, Department of Atomic Energy acting as Vice Chairman of the body. The Board of Directors and Senior Officials of REC contribute towards the formulation of various policies relating to power sector, as part of various committees/working groups constituted by Ministry of Power, Government of India.

The Company has advocated for clean technology, energy efficiency and renewable energy through various platforms from time to time. The Company raises public awareness on matters

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:

Not Applicable.



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

Not Applicable.

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

The Company has a Public Grievance Redressal system for dealing with the grievances of the public at large. The Company has appointed a senior official in this regard as the Chairman, Public Grievance Committee, to ensure prompt redressal of grievances within the stipulated time frame.

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

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	55.01%	36.60%
Sourced directly from within the district and neighbouring districts	-	-

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):

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 crore)
1	Bihar	Muzaffarpur	0.89
2	Bihar	Purnea	0.30
3	Bihar	Khagaria	0.34
4	Manipur	Chandel	0.54
5	Mizoram	Mamit	8.25
6	Nagaland	Kiphire	2.56
7	Uttarakhand	Shrawasti	0.15
8	Sikkim	West Sikkim	5.00
9	Himachal Pradesh	Chamba	0.63
10	Karnataka	Yadgir	0.43
	Total		19.09

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 has made it mandatory to procure 100% of certain common use goods & services valuing upto ₹10 lakh from MSE vendors and also to allow purchase preference upto 25% of the tendered value to MSEs, out of which 4% is reserved for MSEs owned by SC, ST and 3% is reserve MSEs owned by women entrepreneurs for all cases where L₁ vendor is other than MSE vendors by allowing MSE vendors for price matching with L₁ if MSE bidders have quoted price within the band of L₁+15%, wherever splitting is feasible. The Company extends various facilities in its procurement procedures to registered MSEs, such as supply of tender sets free of cost, exemption from payment of earnest money etc.

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

Government mandate is for minimum 25% from MSE out of which 4% is to be from SC/ST vendors and 3% from Woman vendors. For financial year 2022-23, REC has achieved its MoU target set by Government of India for procurement from GeM (achieved 89.28% against the target of 25%) and for MSMEs (achieved 55.01% against the target of 25%). It is noteworthy that the bifurcation of procurements from SC, ST and women entrepreneurs, highly depends on the claims lodged by vendors, on which REC has no control.

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.

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.

No adverse orders were passed in relation to intellectual property related disputes.



6. Details of beneficiaries of CSR Projects:

Sl. no.	Purpose of CSR Funding	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Providing Safe Drinking Water facility in rural areas in 15 villages of three states.	10,000	100%
2	Construction of Building in SVNIRTAR to establish the Institute as a 'REC Centre of Excellence for Deformity Correction'.	2,000	100%
3	Construction of elevator room & installation of elevator at OPD building & Gynaecology building Civil Hospital.	2,000	100%
4	Providing better health facilities to leprosy affected and other poor people by constructing and equipping operation theatre and maternity block in The Leprosy hospitals.	50,000	100%
5	Installation of 275 nos. of hand pumps in district Shrawasti.	2,750	100%
6	Installation of 250 hand pumps in district Allahabad.	2,500	100%
7	Construction & renovation of Gandhi Memorial Hospital (a Government Hospital) affiliated to Shyam Shah Medical College in Rewa (unspent amount refunded).	1,00,000	100%
8	Supporting for installation of 20 nos. of water ATM machines at Kumbh Mela site & at various iconic places in India.	10,000	100%
9	Construction of 12 kms road from Yaingangpokpi to Laikoiching in Ukhrul district, Manipur.	10,000	100%
10	Adopting a slum for ensuring cleanliness of the slum-drinking water, sanitation, toilets, IEC campaigning, etc. under Swachhta Action Plan (SAP).	500	100%
11	Training for manufacturing affordable sanitary napkin and awareness generation on menstrual hygiene amongst rural girls/ adolescents/ women.	1,000	100%
12	Transformation of health by providing nursing training, infrastructure support in district hospital, strengthen hospital staff to improve maternal & child health care, procurement of generators, infrastructure development etc.	10,000	100%
13	Construction / extension of staff quarter for medical department and Modular prefabricated housing (quarter) for teachers.	10,000	100%
14	Installation of 200 nos. of Reverse Osmosis water treatment plant with overhead storage tank and electrical pump in 200 nos. of Aanganwadi Kendra/ primary school.	9,000	100%
15	Construction of Sewage Treatment Plant in Advanced Center for Treatment, Research and Education in Cancer (ACTREC), Tata Memorial Center.	10,000	100%
16	Providing food to migrant labourers/ family members engaged at construction/ sub stations, poor people, daily wage labourers etc. due to lockdown in view of the outbreak of pandemic corona virus COVID-19.	NA	NA
17	Distribution of 3400 nos. of aids and appliances to specially-abled persons across the country.	3,400	100%
18	Procurement, installation & commissioning of blood bank equipment/items at Indian Red Cross Society (IRCS).	5,000	100%
19	Distribution of approx. 9,000 aids & assistive devices to persons with disabilities by conducting camps at 25 locations in various districts in the country.	9,000	100%
20	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.	1,000	100%



Sl. no.	Purpose of CSR Funding	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
21	Strengthening cancer screening and basic cancer care services in 14 districts of Bihar.	1,00,000	100%
22	Repair of the 132 toilets in the Government Schools constructed under REC CSR support.	4,000	100%
23	Construction of 140 bedded home (Block-B & Part Block-C of Anandam) - A home for the homeless sick, destitute, unknown & elderly people.	140	100%
24	Renovation 50 nos. Anganwadi Centers (AWCs) and providing containers for storing food grains, LPG gas connection & setting up of Antenatal care corners in 1,125 nos. AWCs.	18,000	100%
25	Procurement, installation & commissioning of Digital Substraction Angiography machine.	100	100%
26	Installation of oxygen generation plant and DG set at Civil Hospital, Dalhousie.	200	100%
27	Procurement, installation & commissioning of Neuro navigation (Cranial + Spinal) machine.	200	100%
28	Setting up 2 Nos. of electrical cum gas operated (Hybrid) Crematorium.	200	100%
29	Up-gradation of the District Hospital, Mon by procurement of the medical equipment.	2,000	100%
30	Establishment of Oxygen ventilators, ALS Ambulance, and ICU patients beds at Govt. Charak Hospital, Ujjain.	2,000	100%
31	Setting up of 10 Bedded ICU for paediatric and neo natal section, Medical equipment for 20 bedded service in District Hospital.	2,000	100%
32	Procurement, installation and commissioning of 32 slice CT Scan Machine at New District Hospital.	500	100%
33	Upgrading the Uro Science Centre for Kidney Transplant in Sardar Patel (SP) Medical College, Prince Bijay Singh Memorial (PBM) Hospital.	200	100%
34	Improving Screening for Cervical Cancer through Empowering Communities.	4,000	100%
35	Survey and repair of 12,347 toilets constructed during 2014-15 under Swachh Vidyalaya Abhiyan (SVA) by REC in 5 states Uttar Pradesh, Bihar, Rajasthan, Telangana and Madhya Pradesh.	4,00,000	100%
36	To reduce the prevalence of Gender-Based Violence (GBV) in the urban slums of Mysore (Karnataka) and Bareilly (UP).	200	100%
37	Procurement and installation of medical equipment to strengthen health care service in B.K. Civil Hospital, Faridabad.	5,000	100%
38	Procurement of 15 nos. of ambulances to be run in tribal areas of various districts in Madhya Pradesh.	5,000	100%
39	Improving cleanliness and public conveniences in and around 7 Chhath Ghats and ensuring covid appropriate behaviour.	100	100%
40	Setting up of 20 bedded ICU facility in District Hospital and multi gas pipeline facility in the District Hospital.	200	100%
41	Installation of various Medical equipment's at Kamptee Cantt Board Hospital.	500	100%
42	Providing medical equipment at various government hospitals in Alwar.	2,000	100%
43	Modernization and Digitization of Psychiatric Rehabilitation Services.	1,000	100%
44	Procurement, operation and maintenance of 10 nos. of mobile health clinics for primary health care services.	5,000	100%



Sl. no.	Purpose of CSR Funding	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
45	2-days free Health Camp on Sept 17-18, 2022 in Barhara block, Bhojpur.	1,400	100%
46	Construction of 500 nos. toilet blocks at work place of BSF troops in Gurdaspur, Amritsar, Ferozpur and Abhohar.	5,000	N/A
47	Provide 4,300 nos. of aids and appliances to specially-abled persons.	4,300	100%
48	Construction of 100 bedded 'REC Vishram Sadan' (G+3) at District Hospital.	100	100%
49	Contribution to PM CARES Fund.	NA	NA
50	Expanding infrastructure for SSMI school.	550	100%
51	Construction of compound walls and providing gates in 24 nos. of Government Schools.	1,200	100%
52	Raising young innovators through the conceptual research experience to 1,800 students and 150 teachers.	1,800	100%
53	Transforming school education by providing projectors, water facilities, furniture, white boards & markers, infrastructure support in schools & hostels, improvement of science laboratories, etc.	3,000	100%
54	Transforming school education by providing equipment, teachers' training, increasing female literacy, providing drinking water in Government schools, etc.	5,000	100%
55	Transforming school education by upgrading the infrastructure of 15 Government primary schools, 1 Government higher school & 1 Government senior secondary school by repairing, renovating classrooms, redesigning kitchen, boundary walls, electrical wiring/ providing internet, procurement of water cooler, almirahs, cutlery, converting class rooms in to smart class rooms, providing play equipment, school library, science/ mathematics laboratory, etc.	3,000	100%
56	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.	2,200	100%
57	Job oriented Skill Development training to 1,100 unemployed youths belonging to SC/ST/OBC/Women/Minority/ EWS/ Underprivileged.	1,100	100%
58	Job oriented skill development training to 1,000 nos. of beneficiaries belonging to economically weaker section.	1,000	100%
59	Skill development training and distribution of equipment kit for self-employment to 500 nos. of women belonging to economically weaker section.	500	100%
60	Transforming school education in West Sikkim by strengthening school library, science laboratory, organizing science & technology fair, recruitment of mathematic teachers, providing smart class, renovation of hostel, providing furniture, training of teachers & exposure visit of teachers & students etc.	5,000	100%
61	Construction of auditorium in Government Higher Secondary School.	250	100%
62	Job oriented skill development training to 2,500 nos. of people belonging to SC/ST/OBC/Women/Minority/EWS at various locations.	2,500	100%



Sl. no.	Purpose of CSR Funding	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
63	Job-oriented Skill development training to 360 nos. of beneficiaries belonging to SC/ST/OBC/Women/ EWS etc.	360	100%
64	Improving quality of education through Demonstration Vans and Smart Teaching.	3,000	100%
65	Providing firefighting equipment in a building for providing value education.	500	100%
66	Operating mobile school for imparting free education to 462 children of migrant construction labourers in Gurugram, Haryana and Hardoi, Uttar Pradesh.	462	100%
67	Construction of 2 hostel tower (G+8) with furniture, fixtures, landscaping, external lighting & approach road for post graduate students and installation of grid connected 100kWp roof top solar PV Panel under School of Medical Research and Technology.	NA	NA
68	Construction of hostel building for Scheduled Tribes/ vulnerable/ weaker section of the society in Kelwada (Kumbhalgarh) village.	100	100%
69	Installation of 0.25 MW SPV system and LED lights at various locations at Sambalpur University Campus.	200	100%
70	Installation of solar roof-top power panel and micro grids under Smartgram project.	5,000	100%
71	Installation of 50KWp grid connected solar PV at Information Technology Institute for the Tribes of India (ITITI).	50	100%
72	Installation of 1 MWp SPV system at various locations at campus of Madurai Kamaraj University.	800	100%
73	Setting up 1,650 nos. of Solar Street Lights in rural and tribal areas.	10,000	100%
74	Establishment of biodiversity and wildlife conservation laboratory and training center.	500	60%
75	Setting up 500 nos. of Solar Street Lighting system of 12 Watt with Remote Monitoring System (RMS).	3,000	100%
76	Contribution to Clean Ganga Fund.	NA	NA
77	Development of rural areas by deepening of wells, renovation & construction of check dams and organizing medical camps.	500	100%
78	Construction of multipurpose hall cum indoor stadium in Somdal village of Ukhru district.	100	100%
79	Rural Development Works like construction of community hall, PCC Road, Conduits, Yatri Shed, installation of LED Lights, RO Plants etc.	10,000	100%
80	Construction of 3 community center with toilet complex in 3 villages.	300	100%
81	Construction of 4 nos. of community hall/centre in 4 villages of Patan and Nainwa block of Bundi.	400	100%
82	Construction of Community Hall at Asufi Punanamei Mao.	100	100%
83	Construction and operation of shelter home with wellness facility (60 seaters) for the care of the elderly.	60	100%
84	Construction of REC Motorsports Race Track and Sports Complex.	100	100%
85	Broad basing of Sports and promotion of excellence in sports in India.	2,500	100%



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 a NBFC, the Company has adopted a Fair Practices Code in line with the statutory requirements prescribed by RBI. The Code covers in detail a grievance redressal mechanism for consumers to submit their complaints if any. The Board of Directors periodically reviews the status of compliance of Fair practices code and also grievances received under the same. For the financial year 2022-23, no complaints were received under the Fair Practices Code.

The Fair Practices Code of REC can be accessed at <https://recindia.nic.in/uploads/files/Fair-Practices-Code.pdf>

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

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-		-	-	-
Advertising	-	-		-	-	-
Cyber-security	-	-		-	-	-
Delivery of essential services	-	-		-	-	-
Restrictive Trade Practices	-	-		-	-	-
Unfair Trade Practices	-	-		-	-	-
Other: Consumer Cases	1	0	The said matter was disposed as the same was withdrawn by consumer	4	3	4 Consumer cases were received during FY 2021-22 of which 3 cases, filed by the investors, are pending resolution

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

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

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.

The Company has a comprehensive risk management policy which essentially covers cyber security and related aspects. The policy is an internal document of the Company available on its intranet.

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.

Not Applicable.

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

The products of the Company are mainly loans for the power sector and hence, the necessary terms & conditions and other legally binding clauses etc. are incorporated in the loan documentation in each case.

LEADERSHIP INDICATORS

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

REC offers a gamut of financial services to the entire power and infrastructure & logistics sector value chain, for setting up power infrastructure in generation, transmission & distribution, bolstering operational efficiency and implementing innovative technology solutions, by financing State power utilities, State Governments and private sector power developers. The product portfolio, interest rates and related information for customers is available on the Company's website at <https://recindia.nic.in/financial-products>.

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

REC has a pan-India presence, with regional offices across the country. At each regional office, the Senior Chief Program Manager/Chief Program Manager (CPM) is the single point of contact for all borrowers in the State and for any concern over the products and services offered by the Company. Contact



details of regional offices/Sr. CPMs/CPMs are available at <https://recindia.nic.in/contact>. The Company has also displayed consumer awareness literature on its website at <https://recindia.nic.in/financial-products>.

REC had developed DISCOM Consumer Service Rating based on four key dimensions (operational reliability; connection and other services; metering, billing, collection linked services; fault rectification and grievance redressal) which are central to enhancing level of consumer services. This will enable the DISCOMs to introspect their performance across various service parameters, undertake a comparative performance assessment with peer DISCOMs and take corrective measures. The Key objectives for the Consumer Service Index are:

- To create a minimum set of parameters related to quality and reliability of electricity supply and consumer service
- Track performance of DISCOMs across these aspects over a period of time
- Develop a spirit of healthy competition amongst DISCOMs to enhance consumer experience
- Nudge the DISCOMs to assess the gap areas, share best practices and promote *inter-se* learning.

Further, REC has an in-house training institute REC Institute of Power Management and Training (RECIPMT), which caters to the training and development needs of engineers and managers of power sector organizations across the country and beyond. RECIPMT undertakes various training programmes including on electrical safety, techno commercial improvement of DISCOMs performance, sustainability of power utilities etc.

In order to promote innovation and technology practices in the distribution sector, REC put in place a framework to enable Artificial Intelligence / Machine Learning Use cases in power distribution. Pilot projects are being supported through IITs and Technology Service Providers.

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

REC has implemented Business Continuity and Disaster Recovery Plan for its data center and disaster recovery operations and is also ISO 27001:2013 certified.

Further, under the guidance of Ministry of Power, REC's wholly owned subsidiary, viz. REC Power Development and Consultancy Limited ("RECPDCL") has implemented the *Urja Mitra* App, which provides a Central Outage Management and notification

platform for State power distribution utilities, to disseminate power outage information to urban and rural power consumers across India through SMS, email or push notifications.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) 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)

The Company is a NBFC offering financial products, hence it is ensured that adequate disclosures of all its financial products offered are made to its borrowers/customers and to its investors through the corporate website at <https://recindia.nic.in/financial-products>. Also during the loan approval process we undertake declaration regarding knowing of full details of the type of loan applied.

Being a NBFC, the Company also adheres to Fair Practices Code mandated by RBI, which sets out the fair lending practices to be followed with borrowers, in matters relating to application for loans and their processing, loan sanction, disbursement, post-disbursement supervision and grievance redressal mechanism etc. The Fair Practices Code is available at <https://recindia.nic.in/uploads/files/Fair-Practices-Code.pdf>.

The Corporation continuously conducts customer satisfaction surveys to seek feedback from its borrowers at various stages of the loan transaction such as at the time of the loan application, approval, disbursement and closure. This feedback is used to improve systems, processes and enable better focus on training and development of staff. REC has conducted Customer Satisfaction Survey 2022 of its esteemed customers across the country, comprising of Central and State Government power entities and private players in power space, through Administrative Staff College of India, Hyderabad. The overall Customer Satisfaction Index (CSI) score of the survey was 80%, reposing faith and confidence in the customer-friendly services being extended by REC to its borrowers.

5. Provide the following information relating to data breaches:

- Number of instances of data breaches along-with impact
- Percentage of data breaches involving personally identifiable information of customers

Such instances were Nil for the financial year 2022-23.

For and on behalf of the Board of Directors



Vivek Kumar Dewangan
Chairman & Managing Director
(DIN: 01377212)

Place : Gurugram
Date : August 11, 2023



ANNEXURE TO BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

REC conducts its business activities with utmost importance to ethics, transparency and accountability. The various policies, codes and rules framed in this regard include:-

Name of the Policy	Weblink
Internal Guidelines on Corporate Governance	https://recindia.nic.in/uploads/files/Final--Internal-Guidelines-on-Corporate-Governance.pdf
Policy for Prevention of Fraud	https://www.recindia.nic.in/uploads/files/Revised-Fraud-prevention-policy-of-REC-13082020.pdf
Whistle Blower Policy	https://www.recindia.nic.in/uploads/files/Whistle_Blower_Policy.pdf
Code of Business Conduct and Ethics	https://www.recindia.nic.in/uploads/files/Code_Business_Conduct_Ethics.pdf
Fair Practices Code	https://recindia.nic.in/uploads/files/co-cs-fair-practic-code-dt020523.pdf
Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions	https://www.recindia.nic.in/uploads/files/cs-policy-on-related-party-transactions-dealing-with-rpt-dt230719.pdf
Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives and for Fair Disclosure	https://www.recindia.nic.in/uploads/files/cs-revised-insider-trading-code-submitted-to-stock-exchanges-dt070619.pdf
Policy on 'fit & proper' criteria of Directors	https://recindia.nic.in/uploads/files/Amended--Policy-on-Fit--Proper-Criteria.pdf

In addition to the above, there are other policies and rules, which are internal documents of the Company and are accessible to the employees of the Company on Intranet.

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

The Company is a NBFC offering financial products, which include loans to renewable energy projects for environmental sustainability. Details of the Company's products & services are available at <https://recindia.nic.in/financial-products>

Further, CSR Policy of the Company is available at <https://recindia.nic.in/uploads/files/REC-CSR-Policy-07-12-2021.pdf>

P3 Businesses should promote the well-being of all employees

The Company has adopted various employee-oriented policies in line with the general laws and regulations and sound ethical practices. Such policies are normally approved by the Board of Directors and are accessible to the employees of the Company on the intranet.

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The Company respects the interest of all its stakeholders, including those who are disadvantaged, vulnerable & marginalized. 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>

P5 Businesses should respect and promote human rights

REC strives to safeguard and uphold human rights in all ways possible. The Company has a Code of Business Conduct & Ethics for its Board Members and Senior Management, which, *inter-alia*, casts moral imperative on the members of senior management to keep in mind the safety and protection of human life and environment and also to avoid discrimination on any grounds. The said Code is available at https://recindia.nic.in/uploads/files/Code_Business_Conduct_Ethics.pdf

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/renewables>

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.

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://www.recindia.nic.in/renewables>) 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://www.recindia.nic.in/uploads/files/Fair-Practices-Code.pdf>

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