

3rd
ESG Report
FY 2025-26



आरईसी
REC

असीमित ऊर्जा, अनन्त संभावनाएँ
Endless energy. Infinite possibilities.
A MAHARATNA COMPANY



ENVIRONMENT SOCIAL AND GOVERNANCE REPORT

FY2025-26

Sustainability Driving Responsible Growth



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Message from Chairman and Managing Director

Dear Stakeholders,

Sustainability today is not a choice—it is an imperative shaped by rising climate risks and global commitments. Harmonizing economic growth, energy security, and climate responsibility is our greatest modern challenge. At REC, we embrace this responsibility with conviction, ensuring that every step of progress is anchored in inclusivity and sustainability. These principles are not just values we uphold; they define the way we operate and the future we strive to build.

As we present our latest sustainability report, our third, we are reminded that our primary responsibility is to leave the world better than we found it. I am particularly proud to announce a remarkable 69% year-on-year decrease in total scope 1 & 2 emissions. We have not only sourced 100% green power for our Corporate Office operations & installed combined roof top solar capacity of 54 kWp across 3 regional offices but also achieved 100% EV/Hybrid transition for our official vehicle fleet. This achievement powerfully underscores our unwavering commitment to the fact that sustainability is woven into our DNA. We are not just adapting to the future; we are actively shaping it.

With our constant endeavour to innovate, adapt, and lead, we are actively embedding Environmental, Social, and Governance (ESG) principles into our core business model. Since April 2026, REC has started incentivization of ESG compliant Renewable Energy borrowers. REC has also put in place Sustainable Procurement Policy for purchasing processes, to push the boundaries of what a responsible business can achieve.

Social upliftment is deeply woven into our ethos. REC registered remarkable 44% year-on-year growth in procurement from MSMEs, demonstrating our commitment towards responsible sourcing. For our Corporate Social initiatives, we have committed an



Jitendra Srivastava, IAS
Chairman and Managing Director, REC Limited

enhanced budget of ₹384 crore for upcoming year to further expand our reach and deepen our positive social impact.

We extend our deepest gratitude for driving this progress. Together, we are building a more sustainable and inclusive future for our country.

Jitendra Srivastava, IAS
Chairman and Managing Director, REC Limited



Message from Director (Projects)

Dear Stakeholders,

The global landscape is undergoing a profound transformation with climate change and sustainability taking center stage. As a Maharatna CPSE, we view sustainability not as a secondary initiative, but as a core pillar of our long-term business strategy. True corporate value is built by serving our planet, our people, and our shareholders simultaneously.

Through our innovative financial solutions that promote green investments, renewable energy projects and responsible business practices, REC aims to be a driving force for sustainable industry practices in the corporate sector. We support industries in their decarbonization efforts through transition finance, including financing for low-carbon technologies and energy efficiency improvements thereby facilitating our clients to achieve their sustainability goals while delivering long-term value for all stakeholders.

We recognize that the journey toward sustainability is continuous and extends beyond market performance to the long-term stewardship of our planet. Our commitment to the environment led us to conduct a Greenhouse Gas (GHG) assessment across REC's Corporate Office and Regional Offices.

I am proud to inform the remarkable 30% year-on-year growth in our renewable energy loan book with disbursements made during the year amounting to Rs. 28,896 Cr (10% increase YoY). For commissioned



Thangarajan Subash Chandira Bosh
Director (Projects), REC Limited

renewable projects funded by REC, with total capacity of 6.65 GW, emissions (attributable to REC) to the extent of 7.6 MT of CO₂ annually have been avoided. This achievement powerfully reflects our ongoing dedication towards advancing the Government of India's ambitious Panchamrit goals.

We appreciate the trust and confidence placed in us by our stakeholders. Collaborating with our employees, customers, partners, and regulators, we are dedicated to creating lasting value for all stakeholders and driving India's dynamic growth.

Thangarajan Subash Chandira Bosh
Director (Projects), REC Limited



Message from Director (Finance)

Dear Stakeholders,

Business as usual is no longer enough. The release of REC's third Sustainability Report underscores our steadfast dedication to openness and responsible leadership. From scaling our sustainable lending portfolios to supporting the transition journeys of our clients, our focus remains on generating long-term value that balances economic viability with sustainable habitability.

Our mission is firmly aligned with the country's priorities. REC continues to drive the Government of India's energy programs—whether through modernizing the grid or accelerating clean energy adoption. By aligning our lending, investment, and operational practices with comprehensive ESG framework, we aim to mitigate climate risk, foster an inclusive workplace, and uphold the highest standards of corporate integrity.

REC accelerated support for clean energy, disbursing ₹28,896 crore towards renewables, including large hydro, thereby increasing REC's renewable energy share from 10% to 13% of overall loan book, on the assets side. Designed in line with global standards, REC's Green Finance Framework guides the issuance of thematic instruments such as green bonds, on the liabilities side. This framework assures investors that every investment through REC directly supports India's transition toward a net-zero future.



Rajesh Kumar
Director (Finance), REC Limited

This report is not merely a record of achievements—it is a forward-looking blueprint. By embedding ESG values into every aspect of our operations and aligning with both international best practices and India's climate ambitions, REC is committed to driving sustainable, inclusive growth while protecting the planet for generations ahead.

Thank you for your continued support and trust. The journey we have started is not about meeting targets; it is about making a meaningful difference.

Rajesh Kumar
Director (Finance), REC Limited



Shri Jitendra Srivastava, CMD, REC, presenting REC's initiatives to Shri Manohar Lal, Hon'ble Minister of Power and Housing & Urban Affairs.



Shri Pankaj Agarwal, IAS, Secretary, Ministry of Power addressed REC employees at a Corporate Event.



Members of Board of Directors as on July 31st, 2026



01

About the Report



1.1 Reporting Framework and Cycle

REC Limited presents its Environmental, Social, and Governance performance in a clear and unbiased manner, reflecting our commitment to transparency and accountability. This publication marks the company's third ESG report, with the aim of objectively and fairly presenting Environmental, Social and Governance performance of REC Limited. The disclosures presented in this report are prepared in accordance with the latest GRI standards and the United Nations Sustainable Development Goals (SDGs). Key principles include stakeholder inclusiveness, materiality, clarity, and accuracy. This report outlines the company's progress in integrating Environmental, Social, and Governance (ESG) considerations into its operations, portfolio, and overall value chain during the financial year 2025-26. Additionally, it highlights the company's economic and ESG performance across the material issues identified by its key stakeholders.

1.2 Scope and Boundary

The non-financial disclosures presented in this report cover REC's activities and progress of sustainability performance and demonstrate REC's dedication to sustainable practices. The disclosures presented in the report covers REC's activities and progress for the period FY2025-26 i.e. April 1, 2025 to March 31, 2026 ("this year" or "the reporting period"). It presents information over a wider time frame, spanning before or after FY 2025-26, to enhance data comparability and continuity. The report covers REC's Corporate Office in Gurugram, as well as subsidiary and Regional Offices which are situated in 22 locations throughout the country. Additionally, our Subsidiary i.e., REC PDCL office operates in 9 locations across India.

1.3 Purpose of the Report

The 2026 Sustainability Report is a companion piece to our Annual Report, Business Responsibility and Sustainability Report. REC has a robust ESG policy framework, which guides its overall ESG initiatives. REC has implemented mechanisms to identify and manage significant risks. The report has been primarily prepared with the objective of providing our stakeholders including employees, suppliers/vendors, customers, partners and the community with a concise, complete and transparent assessment of our ESG practices.

1.4 Restatement of Information

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

1.5 Contact Information:

REC maintains open channels of communication and welcomes feedback and suggestions from its stakeholders. For any queries, questions or information related to this report, stakeholders can contact esg.pol@recindia.com

1.6 Cautionary Statement

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

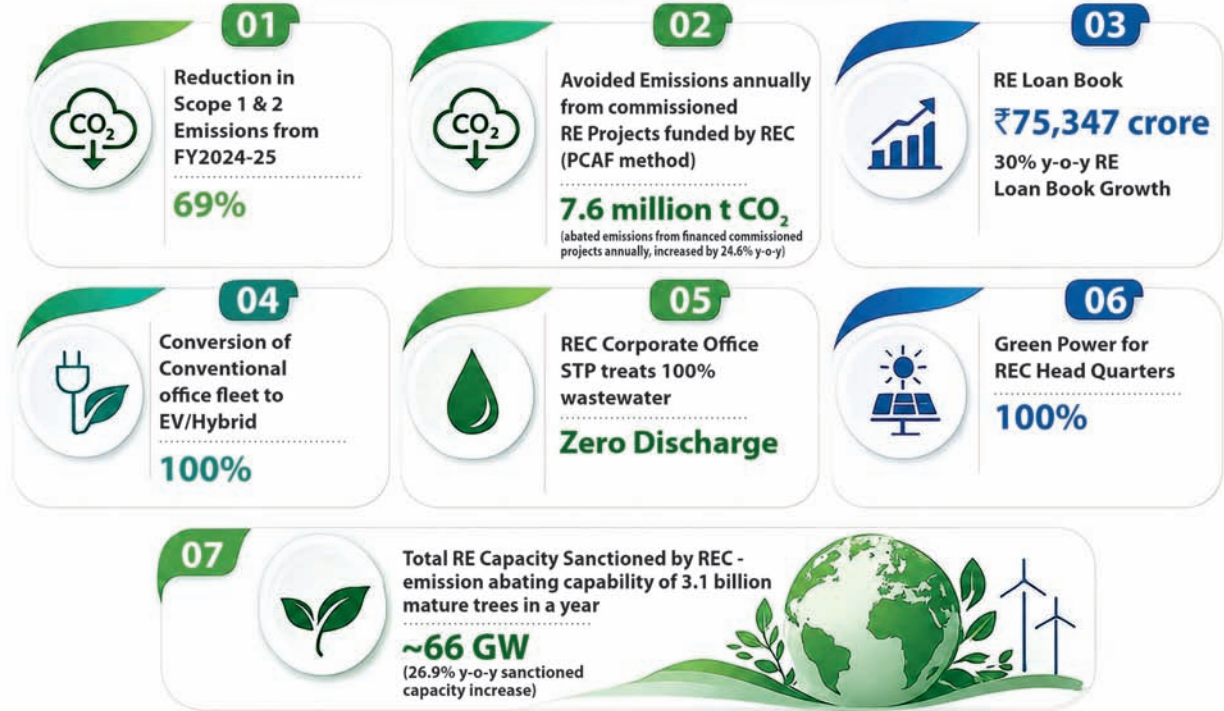


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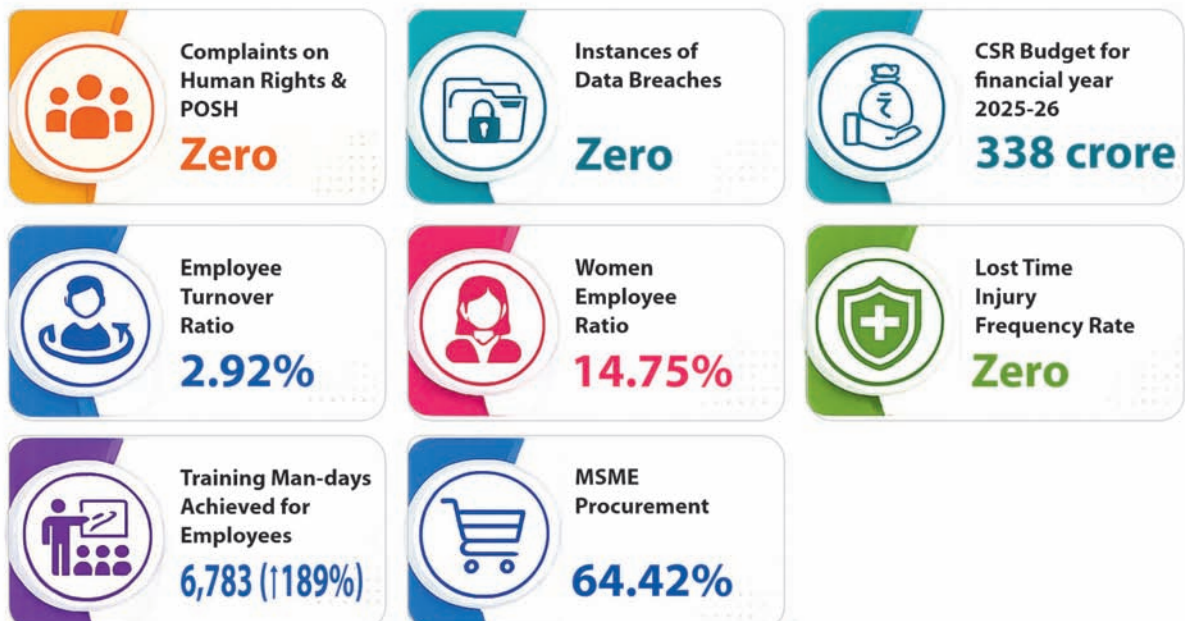
ESG Highlights



ENVIRONMENT



SOCIAL





GOVERNANCE & ECONOMIC PERFORMANCE





Key ESG Initiatives of the Year

ENVIRONMENTAL

69% reduction in Scope 1 & 2 emissions from FY2024-25

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

100% Green Power sourced for REC Corporate Office from DHBVN during FY2025-26 resulting in reduction of Scope 1&2 emissions

Significant progress (100%) achieved in the EV/ Hybrid transition of REC's office fleet, moving towards a low-carbon transport solution.

New Rooftop Solar of 54 kWp combined capacity installed across 3 ROs. (Panchkula, Lucknow and Vadodara) in addition to 979 kWp at Corporate Office and 40 kWp RTS at RECIPMT

Green Power sourcing by RECIPMT, RO Thiruvananthapuram, RO Panchkula, RO Mumbai and RO Jaipur

SOCIAL

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

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

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

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

Humanitarian initiative "NEKI KI DIWAR" organized to assist the needy and economically weaker sections by providing food and beverages, along with everyday essential items.

Multiple free health camps organized in collaboration with major hospitals.

GOVERNANCE

Integrated ESG assessment of private sector borrowers and onboarded vendors, strengthening our due diligence progress.

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

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

Recertified with the ISO 27001:2022 standard - the international benchmark for ISMS

Introduced a comprehensive POSH policy in strict alignment with the statutory POSH Act, 2013

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

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

Incentivization of ESG compliant Renewable Energy Borrowers.



03

About REC



3.1 Corporate Snapshot

REC Limited, a Maharatna Central Public Sector Enterprise under the Ministry of Power, Government of India, is among India's leading Non-Banking Financial Companies (NBFCs). With a strong presence across the entire power sector value chain, REC has been instrumental in financing India's energy transition and infrastructure development through innovative financial solutions.

Building on this legacy, REC continues to drive sustainable growth and contribute meaningfully to the nation's economic progress. Giving further impetus to the country's growth, REC has broadened its scope by entering the Infrastructure & Logistics (I&L) sector financing, marking a significant step in diversifying beyond the power sector.

At REC, we are not just building sound infrastructure; we are enriching the quality of life of every citizen.

3.2 Geographical Presence



31

Offices
(including 9 offices
of subsidiary company)

Business in

28 States



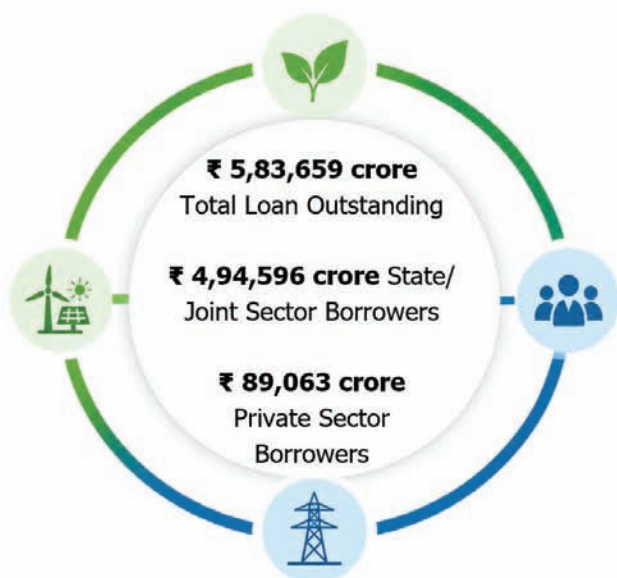
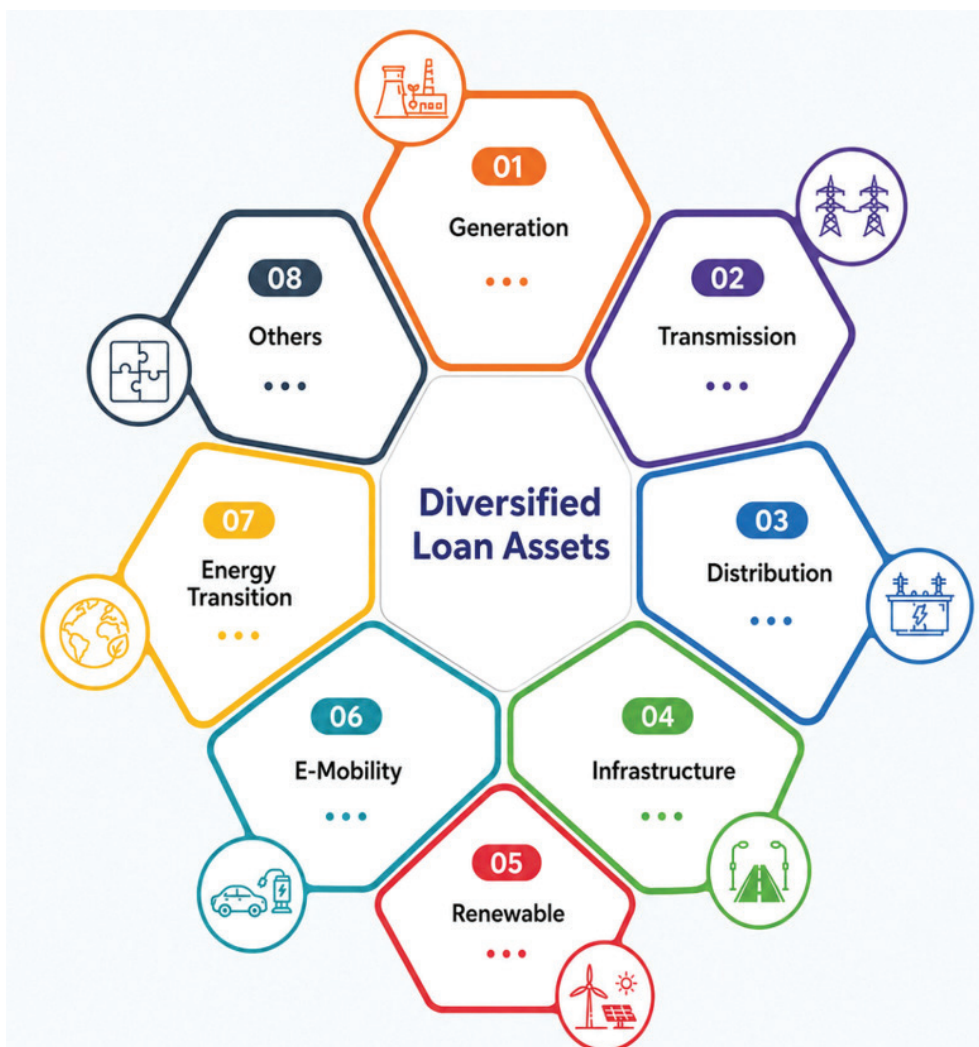
3.3 Products & Portfolio

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



3.4 Diversified Loan Assets

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

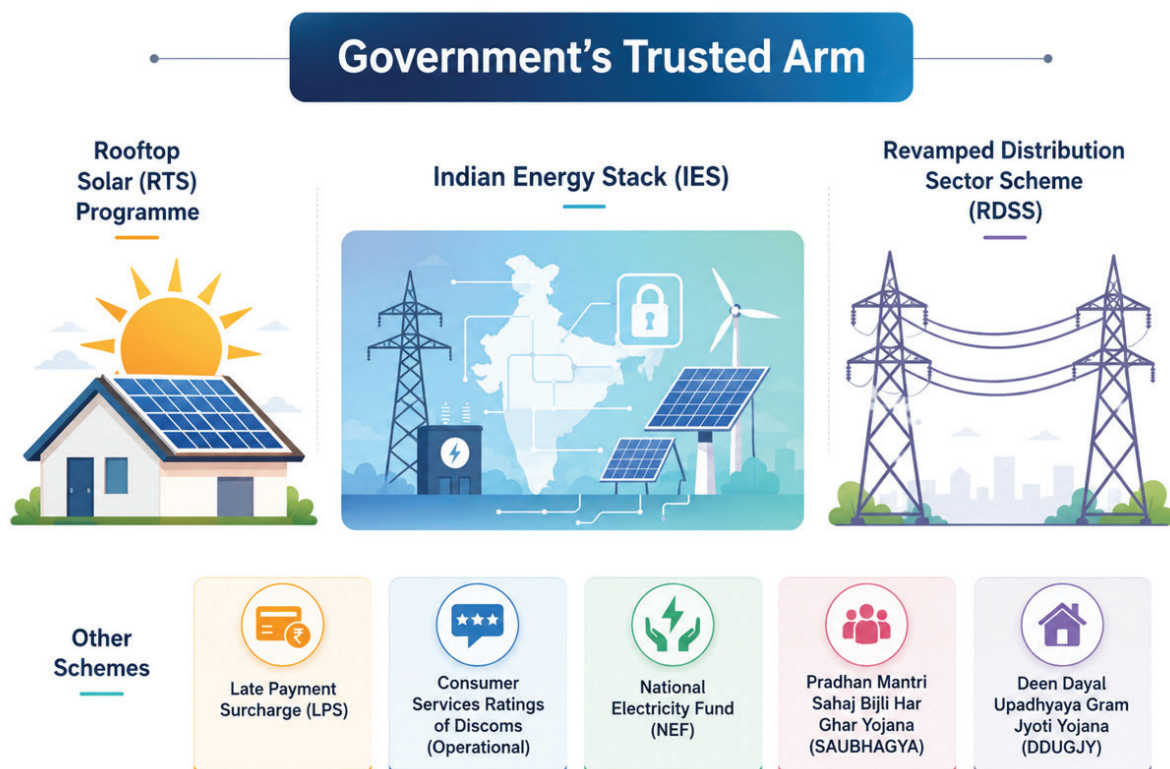




3.5 REC's Strategic Role in Powering India's Development – Partnership with the Government of India

REC has played a leading role in strengthening India's power infrastructure and helping achieve universal access to energy. As an important agency under the Ministry of Power, REC continues to drive transformation across the nation's power sector by enabling rural electrification, upgrading power distribution networks, Rooftop Solar Programme under Pradhan Mantri Surya Ghar Muft Bijli Yojana. Through its active involvement in Government of India's flagship schemes—such as Pradhan Mantri Surya Ghar Muft Bijli Yojana(Roof Top Solar), Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), SAUBHAGYA and the Revamped Distribution Sector Scheme (RDSS)—REC has facilitated the electrification of remote villages, enhanced last-mile connectivity, and ensured dependable, sustainable power for millions of households across the Country. Further, REC has been appointed as Nodal Agency for India Energy Stack (IES), a national digital infrastructure initiative to enable secure, interoperable and data-driven integration across the power sector. It aims to improve transparency, efficiency and innovation while supporting renewable energy, EVs and distributed energy systems.

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



PM Surya Ghar Muft Bijli Yojana:

REC Limited is honored to serve as the National Implementing Agency for the PM Surya Ghar Muft Bijli Yojana, a flagship program of the Government of India. Through this role, REC is helping drive India's renewable energy mission and ensure the scheme's effective rollout.



PM SURYA GHAR MUFT BIJLI YOJANA

Har Ghar Surya, Har Ghar Bijli



Total applications
received

68.81
lakhs



Installations
completed

33.64
lakhs



Total installed
capacity

9.92
GW



Key highlights and progress of the program include:

- **Pioneering Implementation:** REC is spearheading the implementation of the PM Surya Ghar Muft Bijli Yojana, a scheme with a massive outlay of ₹75,021 crore. This program aims to install rooftop solar systems for 1 crore residential households, providing free or low-cost electricity of up to 300 units per month.
- **Achieving Environmental Targets:** This initiative directly supports India's Nationally Determined Contributions (NDCs) by targeting 30 GW of residential rooftop solar capacity by FY 2026-27. The project is expected to generate 1,000 billion units of renewable electricity, leading to a significant reduction of 720 million tons of CO₂ equivalent emissions over a 25-year period.
- **Driving Rapid Progress:** Through our dedicated efforts, the program has shown remarkable momentum. As of March 31, 2026, a total of 68.81 lakh applications has been received under the PM Surya Ghar Muft Bijli Yojna. Out of these, 33.64 lakh installations were completed (including RWA households covering 6.51 lakh houses), contributing a total installed capacity of 9.92 GW.

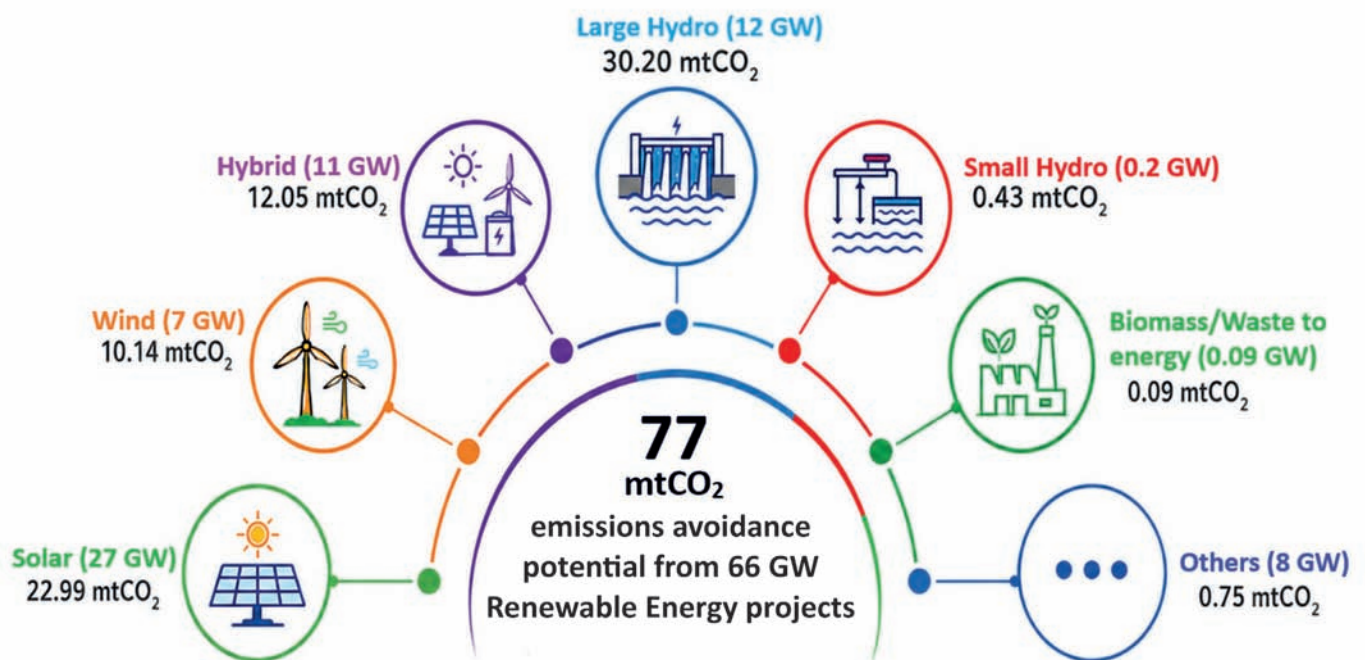
This data reflects our commitment to empowering households and advancing the nation's sustainable energy transition.

3.6 Cumulative Renewable Energy sanctions at 66GW with estimated emissions avoidance potential of 77 mtCO₂ annually

Continuing on our focus to play a leading role in India's energy transition REC sanctioned renewable capacity aggregating 13,354 MW thereby playing a crucial role in supporting the nation's ambitious "Panchamrit" objectives.



With this, RECs cumulative sanctioned clean energy capacity stands at 65,651 MW, with these projects estimated to mitigate over 77 million tonnes of CO₂ emissions annually which is equivalent to the carbon sequestration capacity of approximately 3.1 billion mature trees. Furthermore, REC is strategically financing pumped storage projects to ensure grid stability and reliability as renewable energy integration increases.



1 PLF/CUF assumptions for estimation of CO₂ emission avoidance potential based on India Climate & Energy dashboard by NITI Aayog

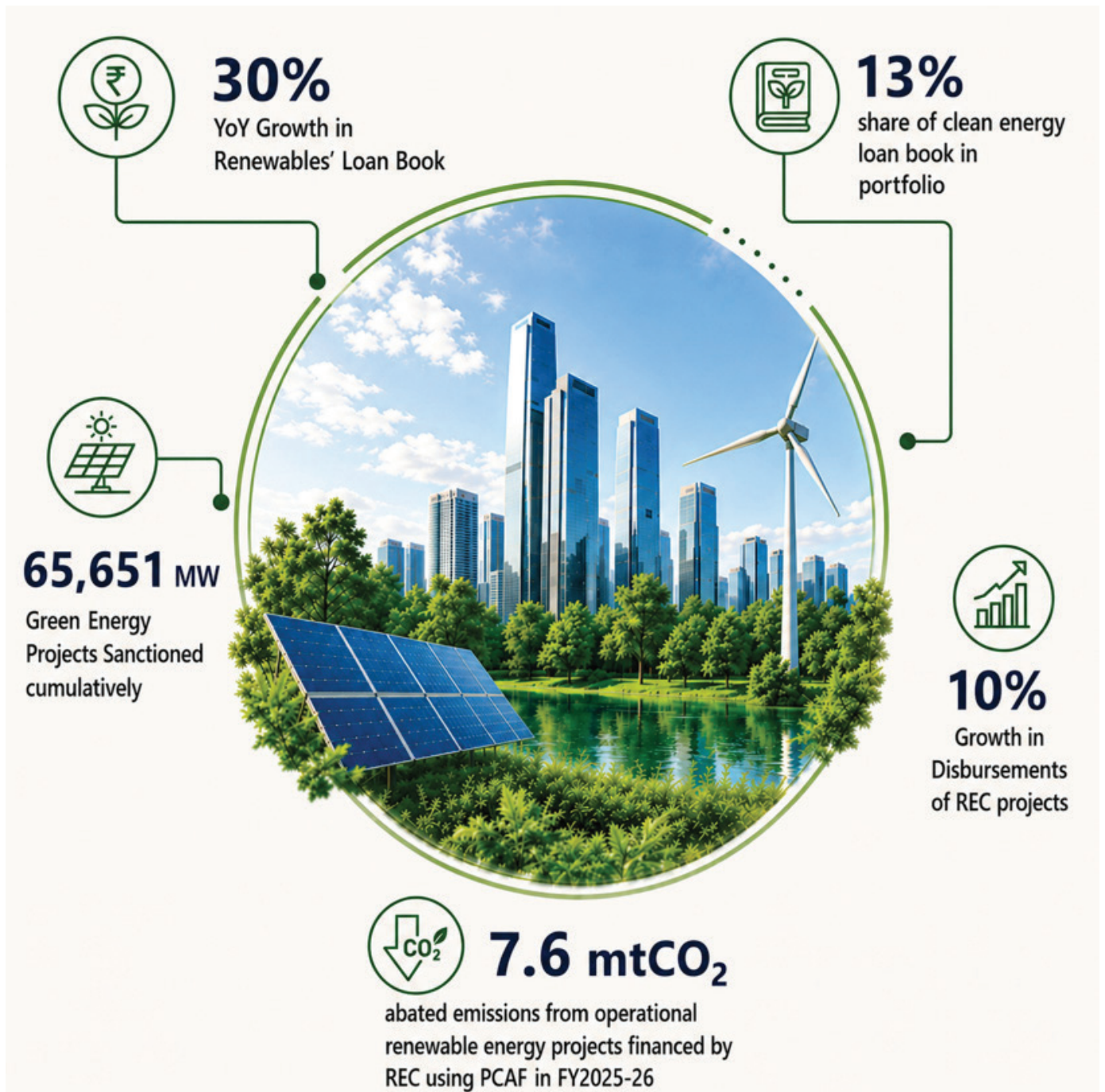
2 Assuming 25 kg CO₂ absorbed by a tree a year (EcoTree International)

3 Estimated emissions avoided from cumulative sanctioned renewable projects.

Renewable Energy Progress for FY 2025-26

Our steadfast commitment to green financing has resulted in significant achievements in FY 2025-26:

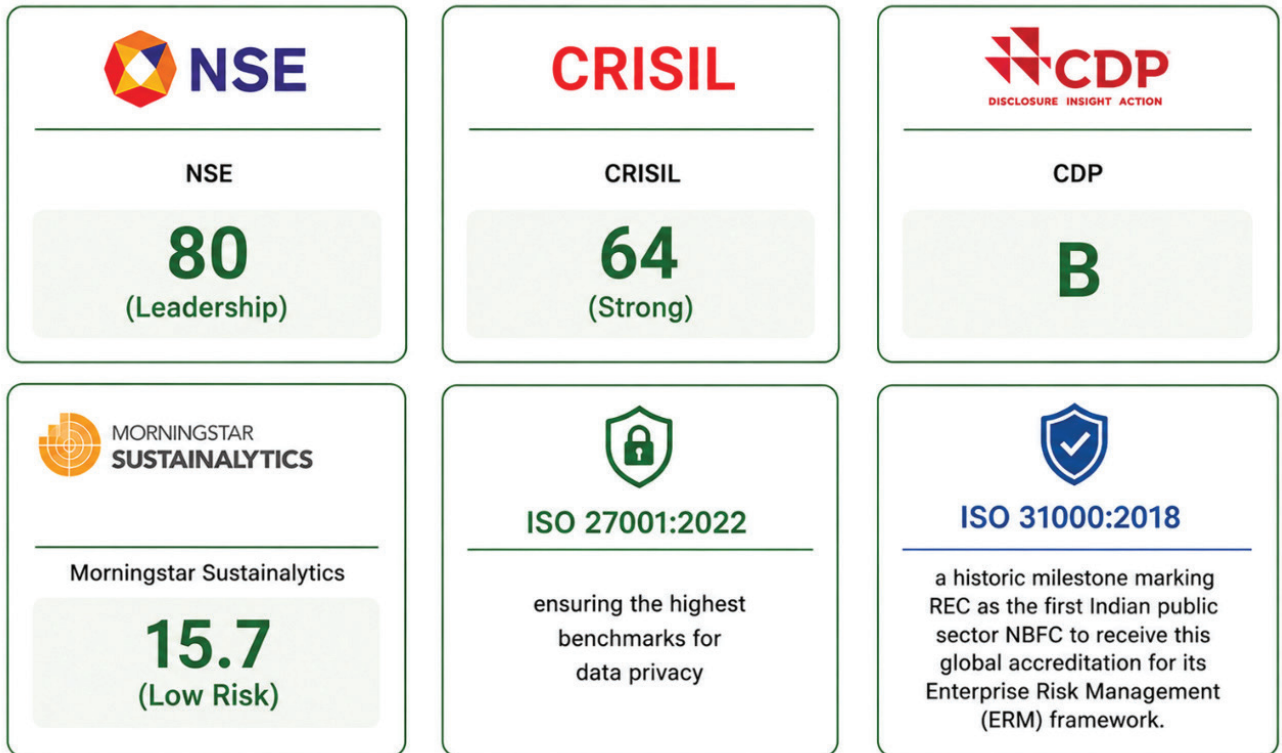
- As of March 31, 2026, our renewable loan portfolio increased from **₹57,994 crore to ₹75,347 crore**, representing 30% y-o-y growth.
- Our total loan book stands at **₹5,83,659 crore** with 13% share of clean energy loan book in portfolio.
- During FY2025–26, REC sanctioned renewable energy projects with an aggregate capacity of **13,354 MW** amounting **₹85,009 crore**, thereby raising its cumulative sanctioned capacity to **65,651 MW**.
- **7.6 mtCO₂** abated emissions from operational Renewable Energy projects financed by REC using PCAF method in FY2025-26.



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



3.7 ESG Ratings and Certifications



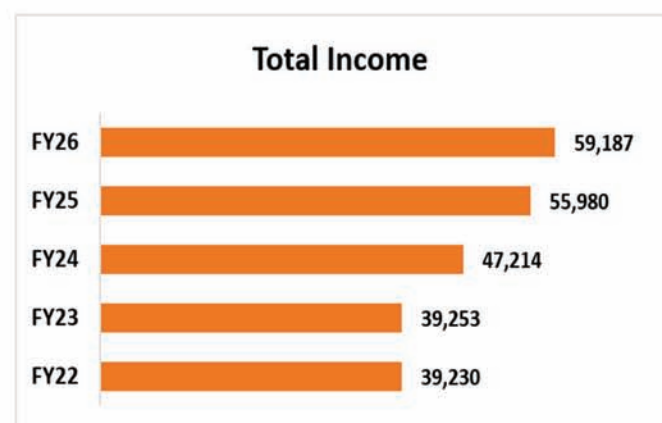
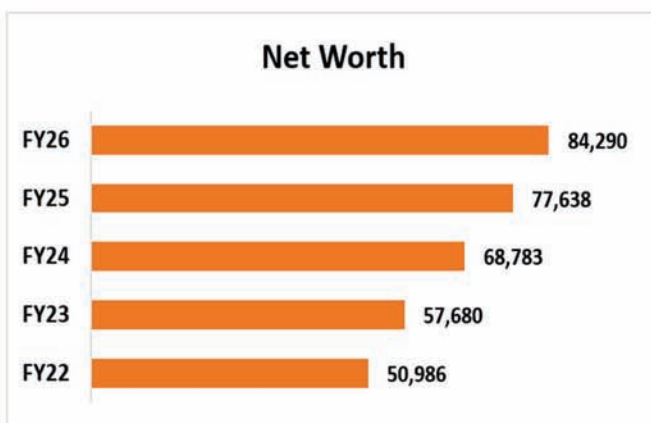
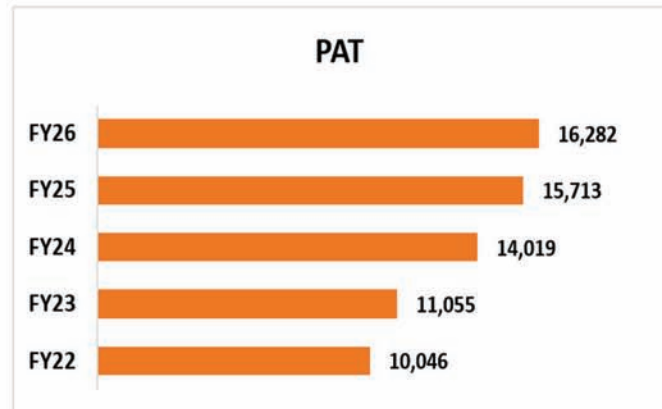
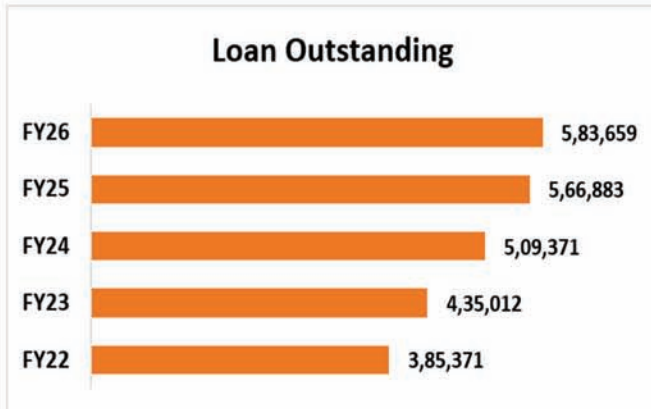
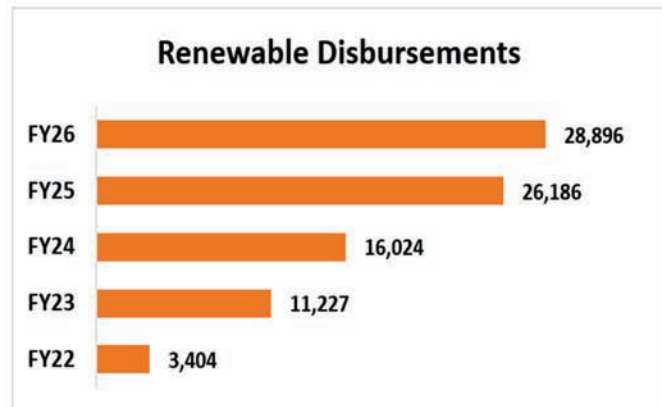
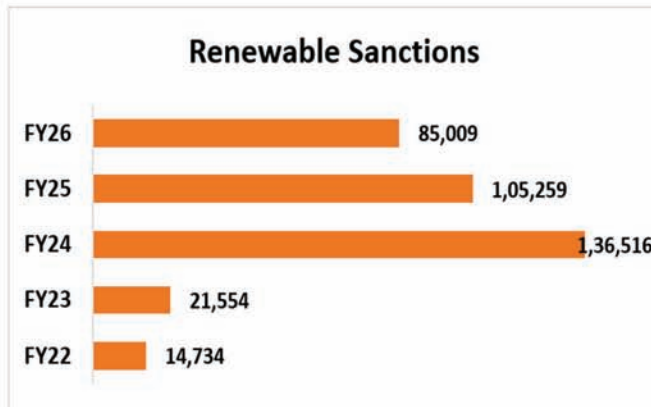
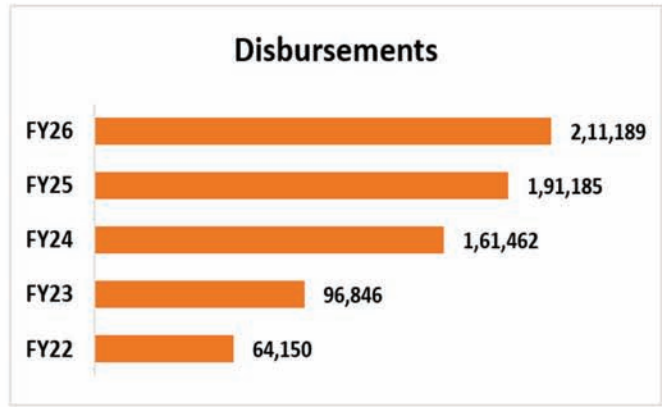
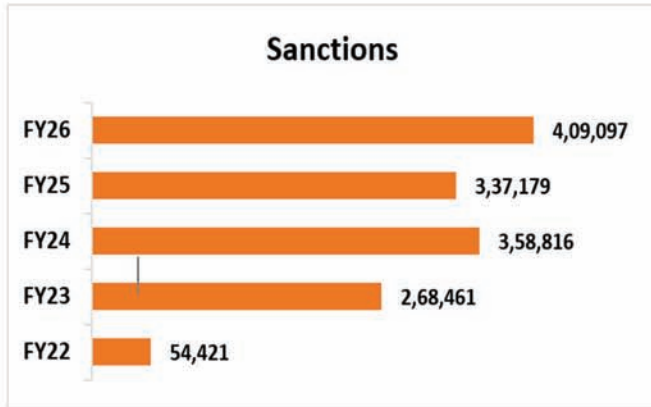
3.8 Membership of Associations and Commitments

Name of the trade and industry chambers/ associations		
1	Standing Conference of Public Enterprises (SCOPE)	 National
2	Press Club of India	 National
3	World Economic Forum (WEF)	 International



3.9 Operational & Financial Overview of last 5 years

(Rs. in Cr.)





3.10 Awards & Recognitions 2024-25



"NBFC of the Year" award at the 3rd Annual Bharat NBFC & FinTech Summit & Awards 2026



"Legal and Compliance Summit & Awards 2025"



"Sustainability Icons Award 2025" for its excellence in Environmental, Social, and Governance (ESG) initiatives.



"Best Financial Services Company in the Central PSU category", award by Dun & Bradstreet (D&B) 17th PSU & Government Summit 2025.



"The Economic Times Infra Leadership Awards 2025" for Landmark Green Financing Projects



"CISO of the Year" Award at the Insights CXO Awards 2025



"SKOCH Award 2025" for Corporate Net Zero Transition



"Green Urja and Energy Efficiency Award" by Indian Chamber of Commerce (ICC) under the category "Excellence Award for Financial Institutions in Green Energy and Energy Efficiency."



"Global CSR Excellence & Leadership Awards" under the Best CSR Projects in PSUs



"ESG and Responsible Business Award" at the Net Green Foundation Earth Awards 2026



"5th PSU Transformation Awards 2025" across four prestigious categories (operational resilience, sustainability, robust governance and digital transformation)



04

REC's Contributions to UN SDGs



In 2015, the United Nations established the 2030 Agenda for Sustainable Development, a global blueprint centered on 17 Sustainable Development Goals (SDGs) and 169 associated targets. Together, they provide a comprehensive framework to guide international efforts toward a more sustainable future, with the overarching aim of ending poverty, protecting the planet, and ensuring prosperity for all.

4.1 Our Priorities

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

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

4.2 UN Sustainable Development Goals (17 SDGs)





4.3 Our Aspirations

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





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





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





4.4 Our Contribution to UN SDGs

As a premier financial institution in India, REC is committed to driving sustainable and inclusive progress in alignment with the United Nations Sustainable Development Goals. The Company's growing emphasis on green financing, digital transformation, and community development reflects its resolve to foster long-term social, environmental, and economic impact while supporting resilient growth.

UN SDGs	REC's Contribution
01 NO POVERTY 	REC channels a material share of its CSR budget to India's poorest districts: in FY 26 alone the Company spent more than ₹188 million across seven "Aspirational Districts", i.e. Banka, Gadchiroli, Gajapati, Muzaffarpur, SiddharthNagar, Udham Singh Nagar and West Sikkim to lift local incomes through better health, education and livelihoods. Parallel "Learn and Earn"- A REC Initiative to impart bachelor's degrees to 300 youths in garment manufacturing and entrepreneurship over the period of three years.
02 ZERO HUNGER 	REC supports projects focused on reducing hunger and improving nutrition through its Corporate Social Responsibility (CSR) initiatives. - Renovation of Aanganwadi Centers (AWCs), containers for storing food grains, LPG gas connection and setting up of Antenatal care corners in AWCs in Muzaffarpur, Bihar. - Revival of Millet Based Culinary Tradition to address Nutritional Security and Livelihood Creation in Chhattisgarh, implemented by Chhattisgarh Swami Vivekanand Technical University Foundation for Rural Technology and Entrepreneurship (CSVTU-FORTE).
03 GOOD HEALTH AND WELL-BEING 	REC is deeply committed to ensuring employee well-being and enhancing healthcare services through various CSR Activities aimed at upgrading medical facilities & public well-being. Employee Wellbeing: - REC follows the best policies relating to the health, safety and well-being of its employees and their family members. REC conducts regular health check-ups for employees, provides on-site medical facilities, and offers creche and daycare facilities to boost employee productivity. - To facilitate recreation and a healthy life, a Gymnasium is available for employees on the premises. Various Yoga programs and Health Camps were organised regularly for employees to promote better health and well-being. - Preventive and curative care make up the largest single share of REC's CSR outlay. "Healing Little Hearts 2.0" initiative has provided free of cost medical support to 1,100 children with congenital heart disease (CHD). - Procurement, Installation & Commissioning of Medical Equipment in Surgical Department of GSVM Medical College Kanpur shall benefit 15,000 people. - Installation & commissioning of medical equipment for mental health lab in Bhaktivedanta University, Mathura, Uttar Pradesh shall benefit 30 researchers and 300 patients.
04 QUALITY EDUCATION 	- REC is transforming government schools into technology enabled learning hubs. Three hundred solar powered smart classrooms were rolled out in Siddharthnagar district, benefiting nearly 6,000 children. - Installed ICT, smart class rooms and laboratory equipment/ instruments, books, E-books & E-journals (learning resource library)' at Arts, Science and Commerce Collage, Chikhaldara, Amravati, Maharashtra which will benefit 500 students.
05 GENDER EQUALITY 	- REC has implemented a board-approved equal opportunity policy that emphasises diversity and inclusion within the organisation. As part of its commitment to social responsibility, REC is actively funding targeted community programs aimed at addressing critical issues, like - Kishori Vikas Kendra Project: Adolescent Girl Child Empowerment Program. - Internally, REC is committed to fostering a diverse workforce, with women comprising 14.75% of the permanent employee base. This commitment is reflected at the highest levels of the organisation, as women are represented on both the Board and the senior management team. REC has established transparent recruitment and retention goals designed to enhance female representation, particularly in response to challenges posed by retirement-related declines in numbers. This proactive approach not only promotes gender equality but also strengthens the overall leadership and operational effectiveness of the organization.
06 CLEAN WATER AND SANITATION 	Sanitation initiatives are rapidly expanding through strategic partnerships with uniformed services and urban local government bodies. One notable achievement is the construction of 500 toilet blocks, designed specifically for Border Security Force personnel, which has significantly improve hygiene conditions for approximately 5,000 soldiers. Additionally, Solar plant and RO Water Purification Systems were installed in Kaziranga National Park, Assam which will provide safe, reliable drinking water to nearly 500 local residents. These efforts collectively contribute to better health and sanitation outcomes.



07 AFFORDABLE AND CLEAN ENERGY	- REC's commitment goes far beyond CSR. On the financing side, the Company sanctioned ₹ 850 billion of new renewable energy loans in FY 2025 26, principally utility-scale solar, wind, hybrid, pumped storage, BESS and large hydro projects and also renewable disbursements surged 10 % year on year. This pushed the green loan book to Rs. 75,347 crore, confirming that REC's core balance sheet is now a significant lever for India's 500 GW clean power ambition. To crowd in international capital, REC repeatedly tapped the global market with dedicated Green Bonds, ring-fencing proceeds for "Eligible Green Projects" under its Green Finance Framework. - CSR grants - Installed 1,000 solar street lights across five districts in Arunachal Pradesh and 500 LED street-lights in Lucknow providing villagers safe night time mobility, and setting up of a 1 MW ground-mounted grid connected solar PV power plant in Gandhigram Rural Institute, Dindigul, Tamil Nadu benefiting 600 students.
08 DECENT WORK AND ECONOMIC GROWTH	REC's preferential procurement policy now directs 64.42 percent of all purchases—almost double the statutory requirement—to micro and small enterprises, many owned by women, Scheduled Castes or Scheduled Tribes. Price matching privileges, fee waivers and Vendor Development Programmes help these suppliers scale up and compete on merit, creating a demonstrably more inclusive supply chain. REC established skill development centers to train 1,800 individuals from economically weaker backgrounds.
09 INDUSTRY, INNOVATION AND INFRASTRUCTURE	As an RBI recognised Infrastructure Finance Company, REC is using concessional, long tenor debt to modernise India's grid: it is the national nodal agency for the Revamped Distribution Sector Scheme across 19 states, financing smart meters, loss reduction investments and feeder monitoring that collectively upgrade consumer experience and system reliability. The same policy role extends to the PM Surya Ghar rooftop solar programme, where REC's implementation work has already enabled 3.3 million households—equivalent to 10 GW of distributed capacity—to generate their own electricity.
10 REDUCED INEQUALITIES	- Beyond the procurement percentages, REC's policy mandates a price preference window of 15 percent for small suppliers and full exemptions from bid bond requirements, removing the capital barriers that typically exclude marginal entrepreneurs. The recycled-plastic initiative, which donates bunk beds and rPET T-shirts to government schools, illustrates how social inclusion dovetails with circular-economy principles in the company's broader CSR portfolio. - These additions confirm that REC's contribution is systemic: the loan sanctions, bond issuances and policy roles shift entire markets, while the procurement reforms, skills academies and community infrastructure ensure that economic value reaches people who have historically been left out.
11 SUSTAINABLE CITIES AND COMMUNITIES	The Reserve Bank of India recognises REC as an Infrastructure Financing Company. It extends long-term debt to state utilities, IPPs, and private sponsors across the power, transport, and social infrastructure sectors. CSR complements this financing with hard assets like 25 community halls in panchayats of Varanasi, 100 bedded waiting hall for the attendants of patients, multipurpose hall and incubation center at Sadar Hospital and 5 nos. of incubators at District Hospital, Muzaffarpur.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	- REC approaches responsible consumption through three mutually reinforcing levers: minimising the material footprint of its own offices, anchoring circular economy principles in supply chain and waste contracts, and directing finance to technologies that cut pollution and resource use in the broader power sector. - Lean internal operations. As an NBFC, REC generated just 35.18 tonnes of waste in FY 2025 26, driving its waste intensity down to 0.00059 t per crore of revenue, an improvement on the prior year. E-waste is segregated and channelled exclusively to CPCB-authorised recyclers, allowing 100% of the 0.88 t discarded last year to be recovered rather than landfilled. Office canteens and gardens produce the bulk of the remaining non-hazardous waste; here, REC recycled 18.7 tons and composted 15.6 tons, achieving closed-loop utilisation for virtually all organic material. The corporate headquarters in Gurugram is designed for zero-liquid discharge: every litre of greywater and treated RO reject is reused for HVAC, toilet flushing, or horticulture, eliminating off-site effluent entirely. - Digital first, paper-light culture. A company-wide E-Office platform, complemented by secure remote-working systems, has significantly reduced paper consumption; the same digital architecture underpins a procurement module that tracks supplier ESG declarations in real-time. Complementary retrofits—an automatic lighting management system, energy-efficient façade panels, and radiant cooling slabs—trimmed the HVAC load of the headquarters by about 30%, further lowering embedded resource demand. Rooftop solar arrays (979 kWp at HQ, 40 kWp at RECIPMT, 30 kWp at RO Panchkula, 18 kWp at RO Lucknow and 6 kWp at RO Vadodara) now generate 3,167 MWh a year, avoiding 2,248 t CO₂ and demonstrating that consumption reduction is inseparable from clean energy generation



13 CLIMATE ACTION 	- By scaling the green finance engine described above, REC's portfolio is already delivering measurable abatement. All renewable projects funded to date are expected to avoid ~12.2 million t CO₂ each year, of which 7.6 million tCO₂ are directly attributable to REC under the PCAF methodology. These avoided emissions significantly exceed the Company's own operational footprint and underscore its catalytic role in India's decarbonization pathway. - The company also supports decarbonisation inside the existing thermal fleet, sanctioning ₹22,228.25 crore for ultra super critical units that raise plant efficiency and lower fuel burn. Internally, rooftop solar panels generated 1,309 MWh, 1,858 MWh from Green Power sourced for Corporate Office together avoided 2,248 tonnes of CO₂, while a 100 per cent transition to an electric vehicle fleet offset additional Scope 1 emissions. - Moreover, REC's policy influence—e.g., acting as National Project Implementing Agency for the PM Surya Ghar rooftop solar scheme, enabling 3.3 million household systems and 10 GW of distributed capacity—shows how finance and programme execution combine to accelerate climate goals.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	- Enterprise-wide risk is governed through a formal Risk Management Policy administered by a Board Risk Management Committee and executed by dedicated Chief Risk and Compliance Officers. The policy emphasises proactive identification, assessment and mitigation of financial, operational and regulatory risks to preserve stability and stakeholder confidence. - At the transaction level, an Environmental & Social Management System (ESMS) has been embedded in loan appraisal so that every sanctioned project meets national regulations and international ESG good practice, preventing stranded-asset and reputational risks - A culture of integrity is reinforced through 100 % annual training coverage—Board, KMPs and employees alike—on ethics, NGRBC, risk governance, POSH, cyber-security and related topics. These programmes complement a comprehensive suite of policies: Conduct-Discipline-Appeal Rules, a Fraud-Prevention Policy, CVC-aligned anti-corruption guidance and a Whistle-blower mechanism that guarantees anonymity and protection for complainants - No Director, KMP or employee faced bribery- or corruption-related disciplinary action in FY 2025-26, underscoring policy effectiveness - To mitigate digital risks, REC has systematically upgraded its infrastructure to the ISO 27001:2022 certification standard. Institutional data privacy and cyber-security protocols are directed by the Chief Information Security Officer, underpinned by an enterprise-wide Data Privacy Policy, and routinely evaluated through formal CERT-In-audited operational drills. - Reached a historic milestone by becoming the first Indian public sector NBFC to secure the global ISO 31000:2018 accreditation for its Enterprise Risk Management (ERM) framework. - Business-continuity and disaster-recovery plans are rehearsed through regular external-audited drills, with findings reported to management and the Board for continual improvement
17 PARTNERSHIPS FOR THE GOALS 	- Vendor development programmes bring the opportunity for the micro suppliers to engage with REC, bolstering supply chain inclusivity and knowledge transfer. On the policy side, REC collaborates with ministries and state utilities to mainstream green finance frameworks, demonstrating how a non-bank lender can convene multi-stakeholder solutions at a national scale. - REC uses its voice in policy forums to strengthen sectoral governance—for example, advising the Ministry of Power on DISCOM performance ratings and AI-driven loss reduction tools under programmes such as POWERTHON 2024. Further, India Energy Stack (IES) - a landmark Digital Public Infrastructure (DPI) initiative, enabling transparent data exchange and seamless connectivity among stakeholders and assets for transparent, reliable, inclusive, efficient, and affordable access to energy. Such responsible advocacy initiatives illustrate how REC couples rigorous internal governance with sector-wide capacity building, thereby advancing SDG 17's vision of partnership.



05

Materiality Analysis & Stakeholder Engagement



5.1 Process of Materiality Assessment

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

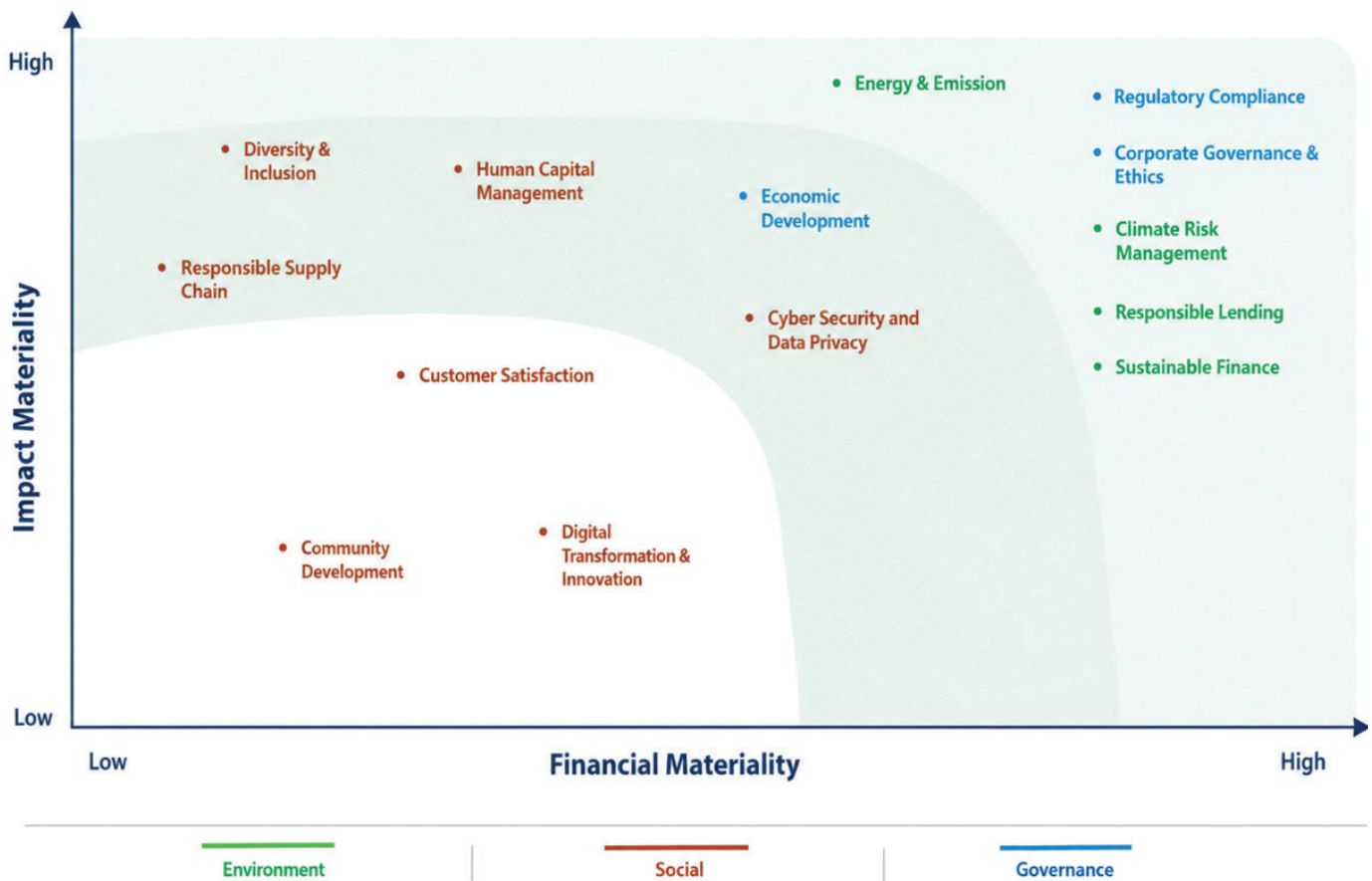
Our materiality review and analysis are designed to pinpoint and assess key sustainability risks and opportunities, thereby aiming to achieve the following objectives:

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





5.2 Materiality Matrix



5.3 Material Topics

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

Material issue identified	Description	Equivalent GRI Std. topic	Purpose pillar	UNGC Principles	SDGs mapping
Climate change	REC has formulated & implemented an ESG policy covering the focus areas inter alia including climate change strategy. REC is positioning itself to ensure that transition to greener energy is at the core of its business growth objectives. During FY 2025-26, the loan portfolio of renewables projects has seen a growth of 30% y-o-y. Going forward, REC endeavours to increase the share of clean energy portfolio from current about 13% to 30% of its loan book by FY 2030.	GRI 201-2: Financial implications and other risks and opportunities due to climate change GRI 301: Materials GRI 302: Energy GRI 305: Emissions		Principles 7, 8, 9	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 15 LIFE ON LAND



Material issue identified	Description	Equivalent GRI Std. topic	Purpose pillar	UNGC Principles	SDGs mapping
Community Development	Community engagement and development can impact the company's social license to operate, its reputation, and long-term sustainability. By engaging with local communities, REC fosters positive relationships, address community concerns, and promote economic development, enhancing project acceptance and minimizing social risks. Additionally, investing in community development initiatives can contribute to social stability, talent retention, and overall business success.	GRI 203: Indirect economic impacts GRI 413: Local communities		Principle 1	02 ZERO HUNGER  08 DECENT WORK AND ECONOMIC GROWTH  17 PARTNERSHIPS FOR THE GOALS 
Employee safety, health & well-being	Human capital is a major pillar for the success of the organization as it influences productivity, retention, and organizational success. By fostering a positive work environment and promoting employee engagement, REC can enhance morale, job satisfaction, and loyalty. Investing in employee wellbeing initiatives, such as health and wellness programs, promoting physical and mental health, reducing absenteeism and improving overall productivity, providing continuous training and development opportunities, empowers employees to acquire new skills, adapt to changing job requirements, and contribute effectively to REC's mission and goals.	GRI 403: Occupational health and safety		Principle 10	12 RESPONSIBLE CONSUMPTION AND PRODUCTION  17 PARTNERSHIPS FOR THE GOALS 
Diversity and Inclusion	Diversity and inclusion promote a culture of respect, equity, and innovation within the organization. Embracing diversity in workforce enables us to tap into a broader range of perspectives, experiences, and talents, fostering creativity and problem-solving. Inclusion ensures that all employees feel valued and empowered to contribute their best, enhancing morale, productivity, and employee retention	GRI 102-8: Information on employees and other workers GRI 202: Market presence GRI 401: Employment GRI 404: Training and education GRI 405: Diversity and equal opportunity GRI 406: Non-discrimination		Principle 6	05 GENDER EQUALITY  08 DECENT WORK AND ECONOMIC GROWTH  17 PARTNERSHIPS FOR THE GOALS 



Material issue identified	Description	Equivalent GRI Std. topic	Purpose pillar	UNGC Principles	SDGs mapping
Sustainable Supply Chain Management	By focusing on sustainable procurement practices, REC can ensure that the goods and services procured do not cause any negative impact to the environment and the society. Furthermore, preferential procurement practices help REC in providing opportunities to disadvantaged business groups such as MSMEs, thus promoting shared value creation.	GRI 102–9: Supply chain GRI 204: Procurement practices GRI 308: Supplier environmental assessment GRI 407: Freedom of association and collective bargaining GRI 408: Child labour GRI 409: Forced or compulsory labour GRI 412: Human rights assessment GRI 414: Supplier social assessment		Principle 1, 2, 4, 8, 10	02 ZERO HUNGER 08 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 15 LIFE ON LAND 17 PARTNERSHIPS FOR THE GOALS
Customer satisfaction	Customer satisfaction directly impacts the company's reputation, competitiveness, and hence, financial performance. By prioritizing customer satisfaction, REC can build long-term relationship which is essential for REC's continued success and growth.	-		-	13 CLIMATE ACTION 07 AFFORDABLE AND CLEAN ENERGY
Digital Transformation and Innovation	Digital transformation and innovation drive efficiency, competitiveness, and growth in an increasingly digitalized world. Embracing digital technologies enables REC to streamline processes, enhance customer experience, and develop new business models. Innovation fosters agility and adaptability, allowing REC to respond effectively to changing market dynamics and customer needs. By investing in digital transformation and innovation, REC can unlock new opportunities, improve operational performance, and stay ahead of the curve in the rapidly evolving infrastructure finance landscape, which is essential for long-term success and sustainability.	-		Principles 8 and 9	17 PARTNERSHIPS FOR THE GOALS



Material issue identified	Description	Equivalent GRI Std. topic	Purpose pillar	UNGC Principles	SDGs mapping
Corporate Governance and Business Ethics & Regulatory Compliance	REC management takes responsibility for ensuring compliance with all applicable rules and regulations. Furthermore, we provide comprehensive ethics training to employees, ensure transparent and accountable reporting practices, and regularly review and update governance policies.	GRI 102-11: Precautionary Principle or approach GRI 102-16: Values, principles, standards, and norms of behaviour GRI 102-17: Mechanisms for advice and concerns about ethics GRI 102-18: Governance structure GRI 205: Anti-corruption		Principle 10	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS
Sustainable Finance	By promoting sustainable finance instruments such as green bonds and loans, REC can mobilize capital for sustainable infrastructure development and support projects that have positive impacts. Under REC Green bond Framework, REC finances the projects related to renewable energy, energy efficiency, pollution prevention and control, and clean transportation. REC can also explore expanding the portfolio of sustainable finance instruments in future to help generate positive environmental and social impacts alongside financial returns	GRI 302: Energy GRI 305: Emissions		Principle 8	13 CLIMATE ACTION 07 AFFORDABLE AND CLEAN ENERGY
ESG governance and board oversight.	At REC Limited, robust ESG governance is embedded within our enterprise-wide risk management and corporate governance frameworks. The Board of Directors, through its Risk Management Committee, exercises direct oversight of ESG strategy, policies, and performance, ensuring alignment with national priorities, including India's Net Zero commitments, and international best practices. ESG-related risks and opportunities are integrated into strategic decision-making, with quarterly updates to the Board on ESG implementation progress, key metrics, and regulatory developments.	GRI 102-18: Governance structure		Principles 7	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS



Material issue identified	Description	Equivalent GRI Std. topic	Purpose pillar	UNGC Principles	SDGs mapping
Data Privacy and Cyber Security	Data privacy and cybersecurity are critical as REC handles confidential financial and project related information of clients while processing the financing requests. Protecting data and ensuring compliance with data privacy regulations is essential for maintaining trust and avoiding legal and reputational risks. Cybersecurity measures are necessary to safeguard against data breaches and cyberattacks, which could disrupt operations and harm stakeholders. By prioritizing data privacy and cybersecurity, REC can mitigate risks, preserve reputation, and demonstrate its commitment to protecting stakeholders' information, crucial for sustaining trust and business continuity. We have implemented robust cybersecurity measures, strong governance around information security and data privacy. We conduct regular audits and provide frequent trainings to our employees to ensure data privacy & cyber security.	GRI 418: Customer Privacy 2016		-	17 PARTNERSHIPS FOR THE GOALS



Workshop on Development of Transmission Projects in Bihar through Tariff-Based Competitive Bidding (TBCB)



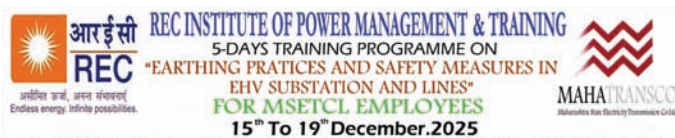
5.4 Stakeholder Engagement

Strong stakeholder relationships are the foundation of our success. We engage with six core groups whose perspectives shape our decisions, guide our strategy, and enhance operational performance. By maintaining open, transparent, and constructive dialogue, we can anticipate challenges, manage risks, seize opportunities, and continuously evolve our sustainability approach.

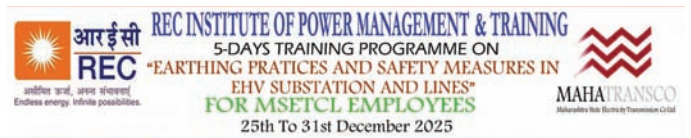
Stakeholder Group	Engagement Methods	Stakeholder Expectations	How We Respond
Shareholders	Email/SMS/Website/ Letters/Telephone/ Newspaper etc.	Return on investment, ongoing business growth, effective governance, risk mitigation, high service quality, and positive societal impact.	Communication of financial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



STAKEHOLDER ENGAGEMENT



RECIPMT, Shivarampally, Hyderabad-500052



RECIPMT, Shivarampally, Hyderabad-500052

Promoting Responsible and Sustainable Finance

Our Approach to Sustainable Finance
ESG Integration in Lending
Case Studies

SDGs Impacted

07

AFFORDABLE
AND CLEAN ENERGY



12

RESPONSIBLE
CONSUMPTION AND
PRODUCTION



13

CLIMATE ACTION





06

Sustainable Finance



6.1 Our Approach to Sustainable Finance

At REC Limited, sustainable finance is a central part of our business strategy. We consider responsible finance to mean directing funds toward projects and technologies that help address climate change while also supporting national development. Our focus is on ensuring that dependable electricity reaches every community, including those at the farthest end of the network.

We lend money to companies that are:

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

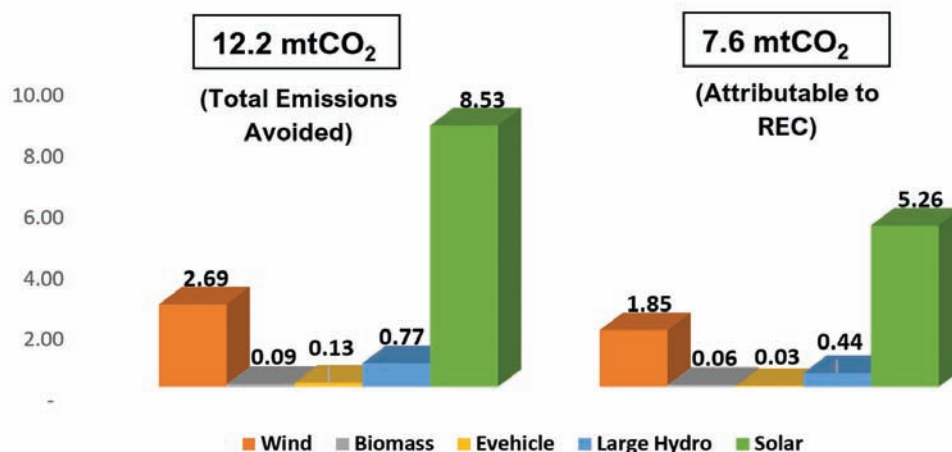


In FY26, we significantly accelerated our support for clean energy, disbursing ₹28,896 crore towards renewables, including large hydro. This represents 10% year-on-year growth from ₹26,186 crore in FY25. REC's renewable energy loan portfolio expanded 30% year-on-year to ₹75,347 crore, increasing its share of the total loan book from 10% to 13%.

Avoided emissions by operational renewable projects in REC loan book:

As on 31st March 2026, the aggregate capacity of commissioned projects on the books of REC was 6654 MW along with a significant capacity under construction. Avoided actual emissions from operational projects work out to approximately 12.2 mtCO₂ during the year. Utilising the PCAF (Partnership for Carbon Accounting Financials) methodology based on REC project loan outstanding with respect to total cost of project; the attribution of REC's direct contribution to these avoided emissions stands at 7.6 mtCO₂—for the year, which is a 24.6% increase over the previous year (stood at 6.1 million tonnes CO₂).

Avoided financed emissions in FY 2025-26 (Operational Renewable projects)





6.2 REC Green Finance Framework:

Our Green Finance Framework is aligned with the United Nations Sustainable Development Goals, ensuring that every initiative contributes to global sustainability priorities. The Framework is aligned with the Climate Bonds Standard version 3.0, The Green Bond Principles 2021, published by the International Capital Market Association (ICMA), and The Green Loan Principles 2021, published by the Loan Market Association (LMA), the Association of Pensions and Life Insurance of Asia (APLMA), and the Loan Syndications and Trading Association (LSTA).

The Green Bond Framework of REC is drafted in alignment with the GBP's and GLP's four core components: Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting, all of which aim to establish standard methodologies and best practices across capital markets. Given the evolving guidance and best practices in sustainable finance, we are committed to updating our strategy as needed over time to ensure it remains rigorous and aligned with market standards.

Exclusion List

Our Green Finance Framework shapes how we integrate ESG principles across our lending operations. We treat environmental, social, and governance factors as core components of risk assessment—knowing that sound ESG practices mitigate credit risks and open up high-quality loan prospects. In accordance with our Green Finance Framework, the following industries and activities will be considered for green financing, along with the exclusion list of the activities that will not be considered for funding green.

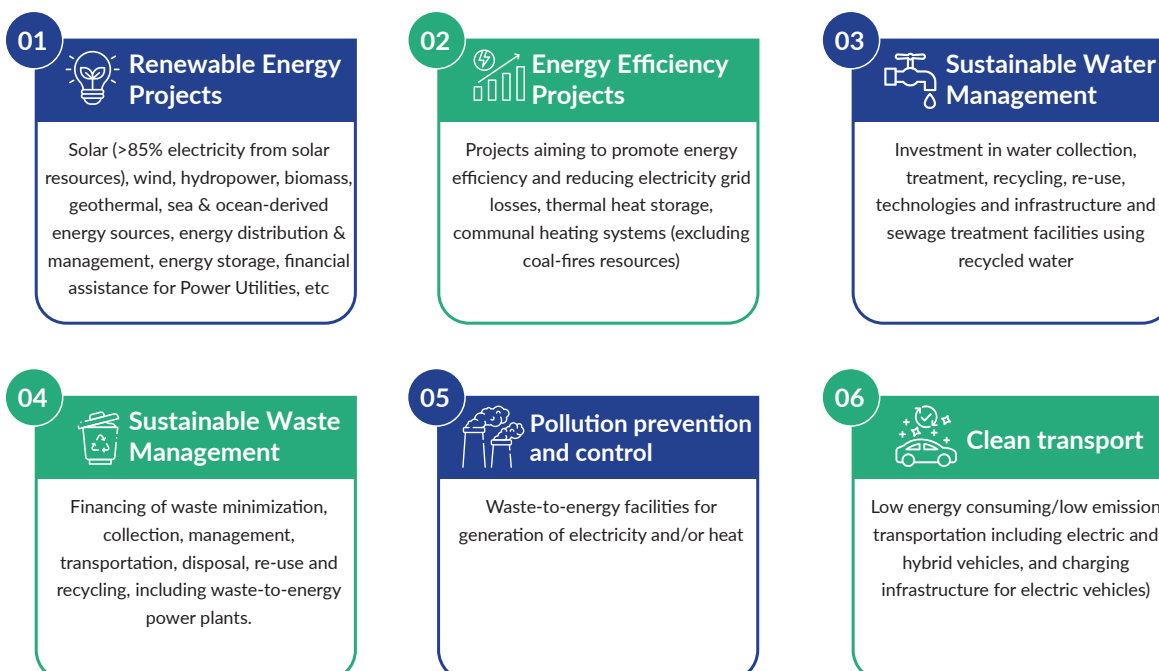
Under the Green Finance Framework, REC affirms that it will explicitly exclude funding towards any projects associated with

- Coal or gas-fired power generation assets.
- Landfill operations and any incineration of any unsorted waste assets.
- Exploration and development of new oil and gas fields
- Coal mining and transportation
- Fossil fuel-related activities, including refining and transportation of fossil fuel, as well as underlying investments in research and development.
- Heat or Power facilities with emissions intensity above 100 gCO₂e/kWh.
- Nuclear power generation assets



Eligibility Criteria for Green Projects

The following are the Eligible Green Project categories:





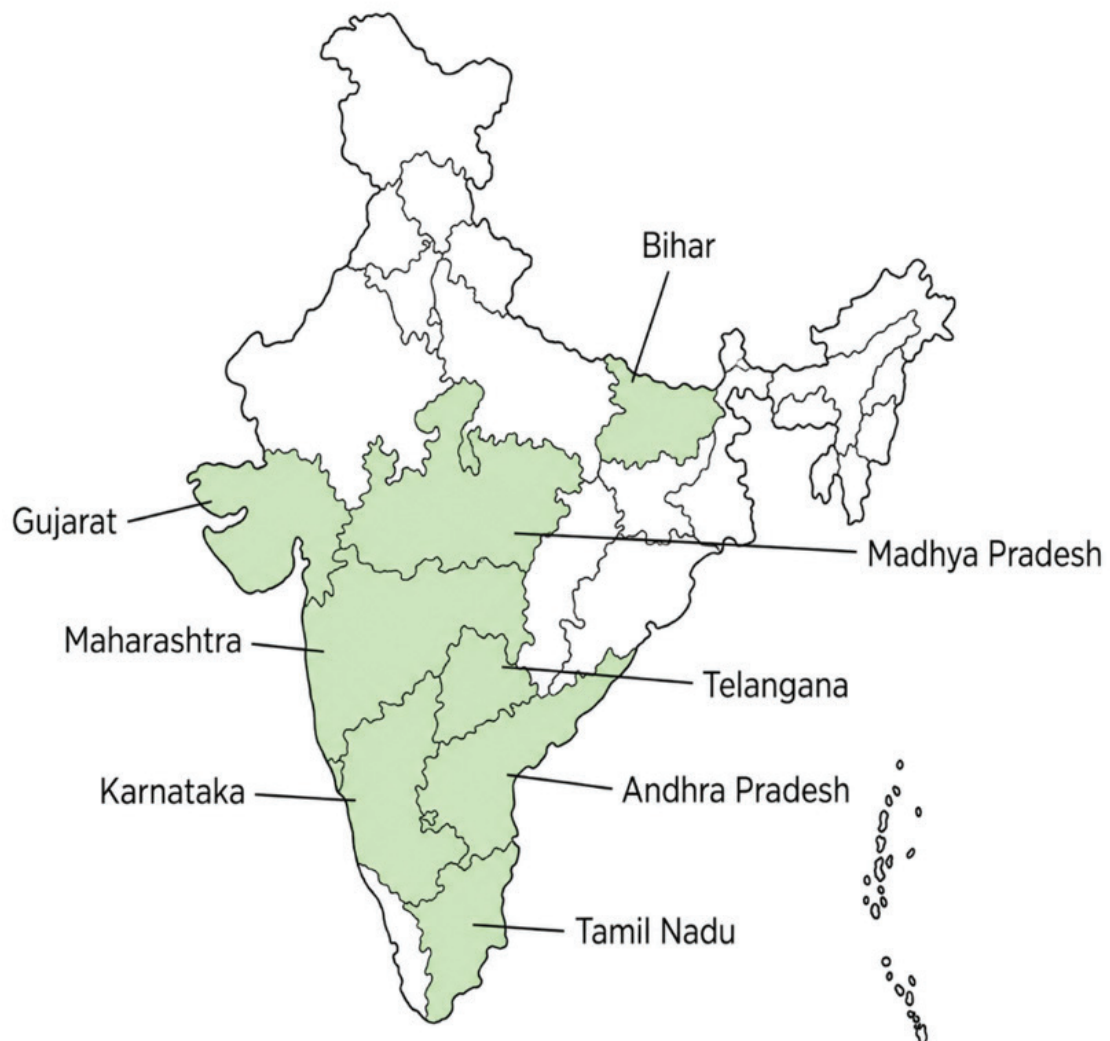
6.3 Leveraging Green Bonds for Low-Carbon Growth

REC Limited has issued four major green bonds till date: ECB-25, ECB-59, ECB-66, ECB-79 as part of its commitment to financing India's clean energy transition and sustainable infrastructure totalling to RS.16,672 Cr and the proceeds has been allocated across 18 projects. The entire amount has been fully deployed. Impact assessments have been completed for 9 projects, while the remaining projects are still under construction and have not yet undergone impact assessment.

S.No.	Bond Series Reference	Year of Raising	Underlying Currency	Amount FX (million)	Amount INR (₹Cr)
1	ECB-25	2017	USD	450	2,915.49
2	ECB-59	2023	USD	750	6,135.15
3	ECB-66	2024	JPY	61100	3,437.19
4	ECB-74	2024	USD	500	4,184.85

These funds have been deployed across a wide range of green and sustainable initiatives, including Solar Energy, Wind Energy, Solar-Wind Hybrid Projects, Low-Carbon Transport Solutions.

The financed projects are spread across India, engaging across different geographies/company regions and climatic zones, thereby supporting region-specific renewable potential and development goals. These initiatives align with national priorities outlined in India's climate commitments and energy transition roadmap.





Third Party Verification

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

6.4 ESG Integration in Lending

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

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

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



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

Borrower ESG Incentivization framework

Starting from April 2026, REC has introduced a Borrower ESG Incentivization Framework for ESG compliant RE Borrowers to strengthen sustainability integration across India's power sector. The framework evaluates both corporate and project-level ESG performance for borrowers in renewable and low-carbon infrastructure segments such as solar, wind, hybrid, hydro/pumped storage, and electric vehicle charging. Its primary objective is to reward ESG-compliant borrowers by linking financial incentives to their sustainability performance, thereby encouraging responsible business conduct and resilience against environmental and social risks.

The scoring system, totalling 100 marks, is divided into two pillars—Borrower/Promoter Metrics (40%) and Project-Specific Metrics (60%)—covering areas such as corporate ESG policies, board diversity, transparent disclosures, resource efficiency, biodiversity management, and climate risk resilience. Based on the final score, borrowers are graded into four tiers: ESG Leader (≥ 85), Strong (65–84), Average (45–64), and Below Average (< 45), with corresponding interest rate incentives ranging from 10 to 0 basis points.

Each project undergoes an annual review to ensure that incentives remain aligned with evolving ESG maturity. The evaluation includes parameters such as board-approved ESG and sub-policies, statutory compliance, independent ESG ratings, sustainability disclosures, environmental and social impact assessments, community engagement, health and safety planning, and climate adaptation measures.



6.5 Financing to State Discoms and Transmission:

REC Limited provides essential financial support to Distribution Companies (Discoms) through schemes such as the Revamped Distribution Sector Scheme (RDSS). By funding Discoms' counter-fund contributions for RDSS projects, REC helps them implement key system upgrades such as smart metering and infrastructure modernization. This targeted funding directly addresses the issue of high Aggregate Technical & Commercial (AT&C) losses, thereby enhancing the reliability and quality of the power supply.

Moreover, REC is instrumental in strengthening the country's transmission network by financing critical lines that facilitate the evacuation and integration of green energy. This combined effort to enhance both distribution and transmission infrastructure improves grid stability and advances India's climate and sustainability goals by promoting a greener energy future.

6.6 Case Studies on Renewable Energy Financing



1. 400 MW Solar Plant at Jaisalmer, Rajasthan

REC financed a 400 MW solar power plant in Jaisalmer, Rajasthan, developed by XL Xergi Power Private Limited (XXPPL). Project was successfully commissioned on June 30, 2025, delivering clean power to NTPC Ltd. Power evacuation is seamlessly facilitated at the 220 kV level from the project's 220/33 kV Pooling Substation (PSS) to the 765/400/220 kV PGCIL Fatehgarh-III Grid Substation, thus REC demonstrating its commitment to decarbonization and renewable energy expansion.

2. Tamil Nadu's Winds, Fueling Tomorrow

REC is unlocking Tamil Nadu's wind potential by backing a 810 MW project that harnesses the state's powerful wind corridor promoted by JSW Renew Energy Limited in Tuticorin. Secured through reverse auction held by Solar Energy Corporation of India. The project was implemented in 2 tranches – Project 1: 540 MW Wind project at Tuticorin & Project 2: 210 MW Wind project at Tirupur. The 540 MW plant commenced generation in April 2025 and supplies electricity to SECI while 270 MW plant is scheduled for commissioning. REC continues to track capacity utilisation factor and blade pitch optimization to enhance efficiency, reliability and overall performance.



3. Gigawatt-Scale Solar at Khavda Renewable Park

REC is powering India's clean energy future by financing a 1,150 MW solar photovoltaic project at Khavda, Kutch, being developed by Adani Renewable Energy Fifty-Six Limited (ARE56L). The installation of 1,150 MW Solar plant commissioned in November 2025—combines a 750 MW plant in phase 1 and 400 MW in phase 2, combining a total to 1150 MW creating thousands of short-term jobs in civil works, electrical installation, logistics, and support services.

Making A Positive Impact on The Environment

SDGs Impacted





07

REC's Environmental Footprint

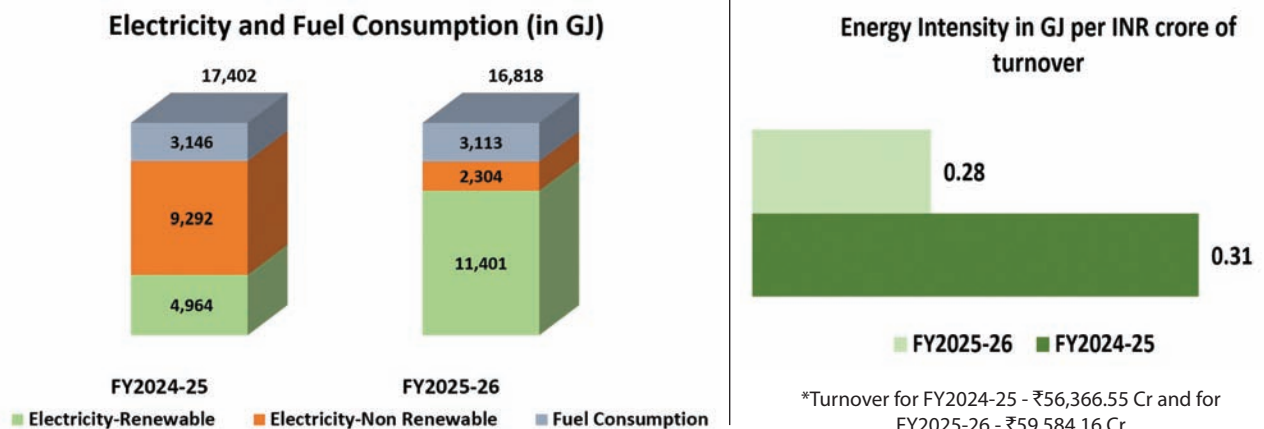


REC is driving India's green transition by supporting the nation's ambitious journey to achieve Net Zero emissions by 2070

Strong economies and healthy communities depend entirely on a healthy planet. However, issues like climate change, species loss, and resource shortages pose a real threat to our future. At REC, protecting the environment is central to how we foster lasting, inclusive growth. By investing in renewable energy, grid modernization, and climate-resilient infrastructure, we help India grow without increasing pollution. Our approach aligns with national priorities, global frameworks such as the Paris Agreement and SDG 7, and the expectations of stakeholders who rightly demand responsible stewardship. In championing low-carbon financing, promoting circular resource practices and embedding rigorous ESG due diligence across our financing decisions, REC is committed to catalysing a just energy transition that delivers enduring social prosperity within the planet's ecological limits.

7.1 Energy management

REC remains dedicated to mitigating its environmental footprint by integrating renewable energy and clean mobility into daily operations. During FY26, the corporation reached significant sustainability milestones by sourcing 100% green power from the local Discom for the Corporate Office operations and installing 54 kWp of cumulative rooftop solar capacity across three regional offices in addition to existing 979 kWp rooftop solar at Corporate Office and 40 kWp at RECIPMT premises. RECIPMT, RO Panchkula, RO Mumbai, RO Jaipur and RO Thiruvananthapuram have also started sourcing green power. Further, achieved 100% EV/Hybrid transition for the official vehicle fleet, completely phasing out internal combustion engine vehicles for corporate transit.



7.2 GHG Emissions

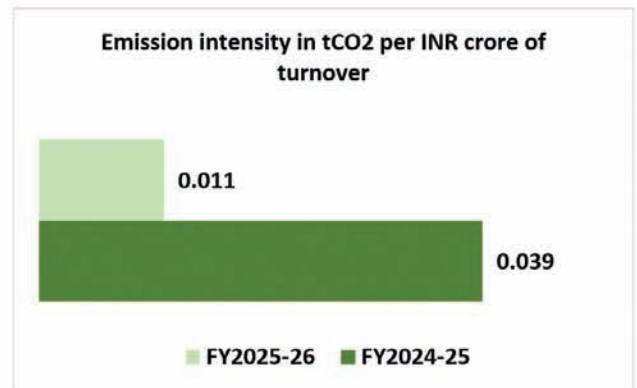
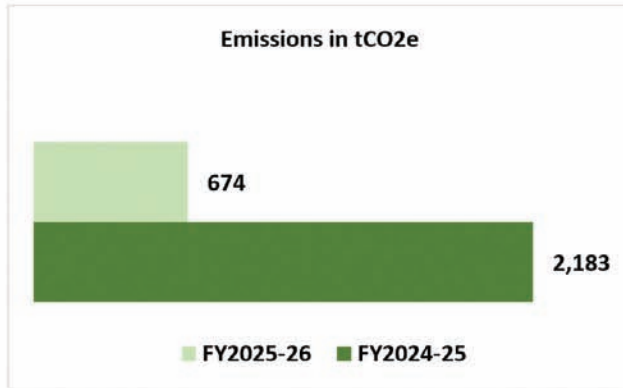
7.2.1 GHG Emissions by Source (Scope 1 & 2)

In FY 2023–24, we completed a baseline assessment of Scope 1 and 2 GHG emissions, laying the groundwork for focused reduction efforts by targeting the biggest sources of emissions that we are most within our control. We made good progress towards our 2026 targets, with absolute total direct (Scope 1) emissions decreasing by 87.10 tCO₂ which is 28% decrease from previous year. Also, Indirect emissions from purchased electricity (Scope 2) emissions were slashed by 1,422.21 tCO₂ which is 76% reduction from the previous year's emissions.

Total Scope 1 & 2 emissions decreased by 69% in FY2025-26 compared to FY2024-25.



Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Emissions Breakup: Diesel, LPG, PNG, CO ₂ refill, Petrol, and Other Refrigerant Gases)	Metric tonnes of CO ₂ equivalent	219.36	306.46
Total Scope 2 emissions (Purchased Electricity)	Metric tonnes of CO ₂ equivalent	454.32	1876.53
Total Scope 1 & 2 emissions	Metric tonnes of CO ₂ equivalent	673.68	2,182.99



Breakup of Scope 1&2 emissions (tCO₂e)

FY2025-26 vs FY2024-25

Particulars	Diesel Generator (tCO ₂ e)	Canteen (tCO ₂ e)	Refrigerants Refill (tCO ₂ e)	Company owned vehicles (tCO ₂ e)	Electricity Consumed (tCO ₂ e)	Total (tCO ₂ e)
FY2025-26	38.14	62.73	12.36	106.13	454.32	673.68
FY2024-25	38.77	59.70	95.60	112.39	1,876.53	2,182.99

Emissions Avoided due to Renewable Energy Usage for FY26 (in MtCO₂e)

2,248

Emissions Avoided due to Renewable Energy Usage for FY25 (in MtCO₂e)

1,002

Emissions avoided due to Green Power through DISCOM for FY26 (in MtCO₂e)

1,319

Emissions avoided due to in-house Rooftop Solar for FY26 (in MtCO₂e)

929

Emissions avoided due to in-house Rooftop Solar for FY25 (in MtCO₂e)

1,002

Avoided emissions from use of renewable energy surged by 124% y-o-y, climbing from 1,002 tCO₂ to 2,248 tCO₂ in FY 2025-26.



7.2.2 GHG Emissions by Source – Scope 3

Scope 3 emissions are generated from activities across our value chain that extend beyond direct operations. These include purchasing goods and services, commuting, business travel, transportation, and waste management. While each of these contributes to our footprint, the largest share comes from sourcing goods and services, with office procurement standing out as the most significant contributor. While we focus on the direct effects of our operations, we also take responsibility for all activities related to our business across the entire value chain. To achieve our goals, we participate in multiple initiatives aimed at reducing scope 3 emissions. Analysing our overall carbon footprint shows that the majority of impacts originate upstream, closely linked to our suppliers. Therefore, collaborating with suppliers is essential in efforts to reduce our scope 3 emissions.

We have formalised our long-term strategy to reduce our overall carbon footprint, with an emphasis on minimising and managing the most significant sources of our GHG emissions and the categories that are most within our control. These categories include purchased goods and services, business travel, commuting and energy consumption.



• Scope 3 GHG Emissions (tCO₂e) •

 Category - (Scope 3)	FY2025-26	FY2024-25
 Purchased goods and services, Capital goods	3,051.78	7,641.05
 Fuel and energy-related activities	154.04	363.66
 Waste generated in operations	0.16	0.21
 Business Travel	871.01	904.82
 Employee Commuting	1,817.95	1,635.10
 Total	5,895	10,545

Scope 3 emissions drastically dropped by 44% from 10,545 tCO₂ to 5,895 tCO₂ in FY2025-26, which is mainly driven by lower procurement during the year compared to previous year.

7.3 Our Environmental Sustainability Strategy

We believe that managing energy use and emissions, protecting biodiversity, tackling climate risks, and responsibly handling water and waste are all vital in keeping our planet healthy for future generations. Our commitment to environmental responsibility is evident in our emphasis on managing energy and emissions, protecting biodiversity, mitigating climate risks, and overseeing adequate water and waste management. We aim to support our clients in achieving their environmental goals and contribute to the advancement of a sustainable global economy.

SCALING GREEN SOLUTIONS

Focusing our efforts to meet client needs and on scaling solutions that India will need for long-term environmental sustainability

MINIMIZING OUR OPERATIONAL IMPACT

Minimizing the environmental impact of our own operations, including in our buildings and fleets by environmental friendly practices

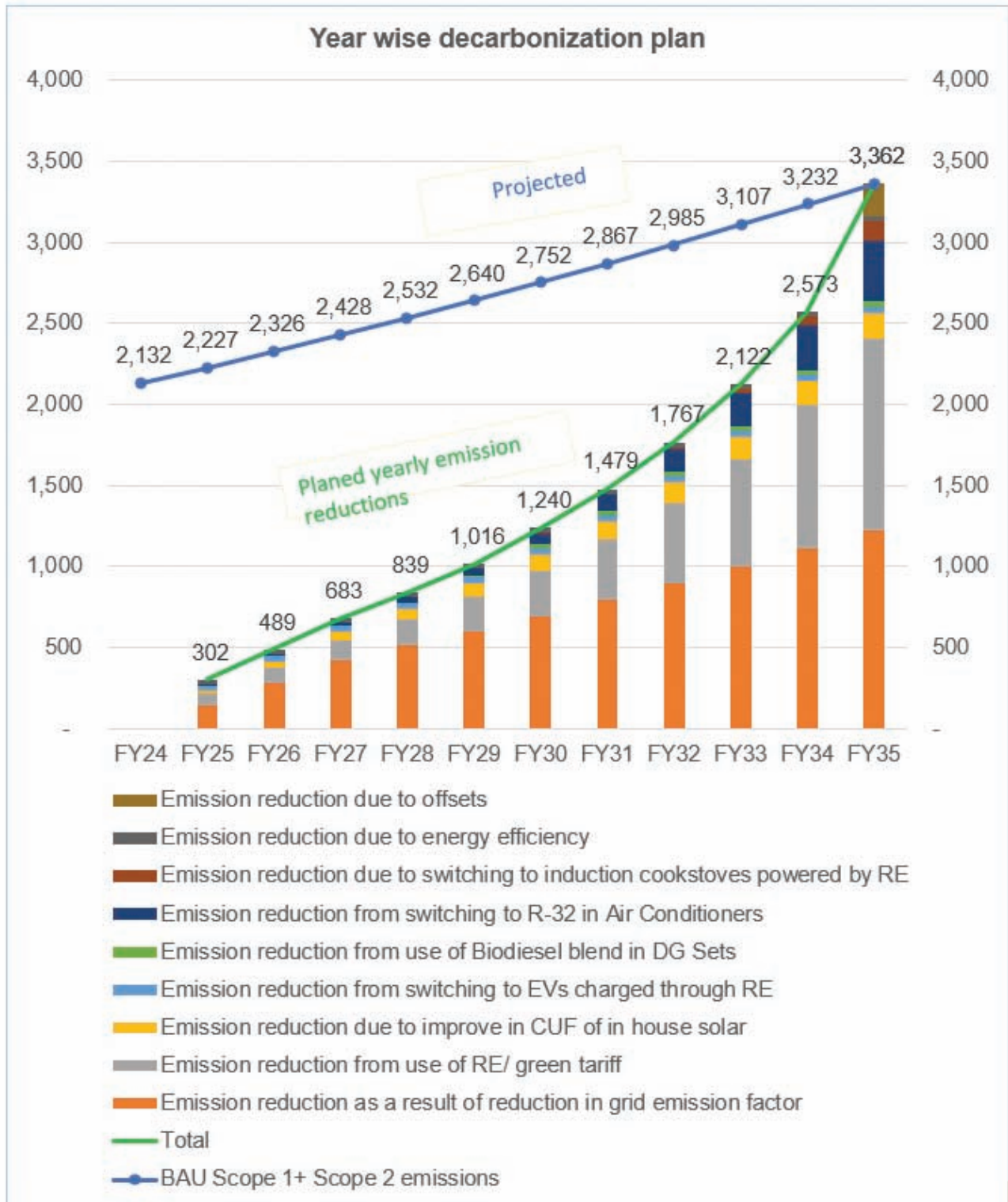
BALANCING ENVIRONMENTAL, SOCIAL AND ECONOMIC NEEDS

Supporting Government of India's efforts towards net zero GHG emissions by 2070 while balancing energy access, reliability, security and affordability



7.3.1 Our Roadmap to Becoming Climate Positive

Latest climate science reaffirms that limiting global warming to 1.5°C above pre-industrial levels is vital to avoid the most severe impacts of climate change. With global average temperatures temporarily touching this threshold in recent years, the focus is now on urgent decarbonisation to avoid a permanent breach and mitigate climate risks. Reaching this goal requires that emissions be reduced by half by 2030 and that we achieve net-zero emissions by no later than 2050. We are committed to becoming climate positive – removing more greenhouse gases from the atmosphere than we emit – before 2050, as part of our purpose. One key aspect of this is that REC aims to achieve climate-positive operations by 2035.



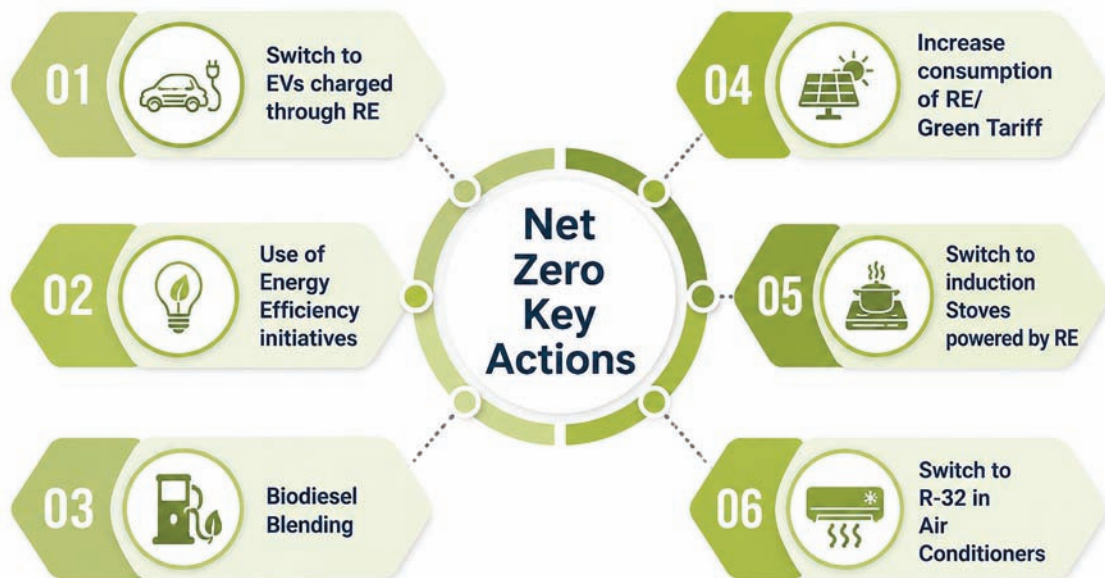


Planned v/s Actual emissions to Net Zero by 2035

Financial Year	Planned/ Projected emissions level Scope 1&2 (tCO ₂)	Actual Achieved Scope 1&2 (tCO ₂)
2023-24	2,132	2,132
2024-25	2,227	2,183 (2%↓)
2025-26	2,326	674 (71%↓)

With the drastic reduction in Scope 1 & 2 emissions in FY2025-26, as in above table, it is expected that REC may achieve its Net Zero target well before the baseline plan of 2035.

7.3.2 Environment: Net Zero Plan with following broad pathways



7.3.3 Sustainable Sourcing

Sustainability is at the heart of REC, shaping both our policies and everyday operations. Our sourcing practices stand out as we use clear metrics to measure sustainable procurement, reflecting our strong commitment to responsible and ethical choices. In addition to our sourcing methods, REC has established a comprehensive Environmental, Social, and Governance (ESG) policy. This policy underscores our commitment to enhancing our environmental performance across all facets of our operations. We believe that fostering a culture of ecological responsibility extends beyond our immediate organization to influence our employees and the broader community, encouraging everyone to contribute positively to environmental stewardship.

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

In FY2025-26, 100% of REC's inputs were sourced sustainably and ESG declaration is taken from respective suppliers.

7.3.4 Minimizing Our Operational Impact

REC works to protect the planet by managing its impact responsibly. In 2026, we continued working to reduce GHG emissions across our operations, maintained carbon neutrality in our operations, and formalised our long-term GHG emissions reduction strategy. To effectively track and accurately report on our progress, we engage an assurance provider to audit our Scope 1 (direct GHG emissions), Scope 2 (indirect GHG emissions from our purchased energy) annually.



While measuring, managing, and reporting our emissions, we follow the Greenhouse Gas Protocol (GHG Protocol), the globally recognised standard for corporate GHG accounting. Building on our environmental performance in 2026, we continued taking a holistic approach to minimising our carbon footprint. Our efforts included transitioning to greater renewable energy use, investing in projects that protect the environment and offset our operational greenhouse gas (GHG) emissions, and participating in various energy-saving initiatives.

7.3.5 Shifting to Renewable Energy

We are steadily moving our electricity use toward renewable sources. Guided by India's Panchamrit commitments and Nationally Determined Contributions (NDCs), REC is working to decarbonise its operations while growing its green financing footprint.



Opting green energy premium

Our Corporate Headquarters now runs on 100% renewable electricity following the approval from DHBVN for green power supply. Marking a significant step towards reducing grid-related carbon emissions as this initiative avoided 76% of overall Scope 2 emissions of REC. Further, RECIPMT, RO Panchkula, RO Mumbai, RO Jaipur and RO Thiruvananthapuram have also started sourcing green power.



On-site generation

We have an 979kWp in-house rooftop solar plant at our corporate office, 40 kWp rooftop solar plant at RECIPMT, 30 kWp rooftop solar at RO Panchkula, 18 kWp rooftop solar at RO Lucknow and 6 kWp rooftop solar at RO Vadodara for harnessing renewable energy to meet electricity requirements, thus reducing our carbon footprints.



Building design

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



Energy Monitoring & Management

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



Emission Reduction Targets

REC has committed for Net Zero in its operations and has defined targets to reduce emissions. These targets will be supported by specific energy saving initiatives such as upgrading to energy-efficient lighting, optimizing HVAC operations, building design and promoting energy-saving behaviors among employees.



Behavioral change Programs

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



7.3.6 Using Electric Vehicles to Lower Emissions

REC took the initiative to transit its entire office fleet, including third-party vehicles to electric as part of its emission avoidance efforts. By the end of FY 2025-26, we achieved a significant 100% conversion of Office vehicle fleet to EV/ Hybrid.





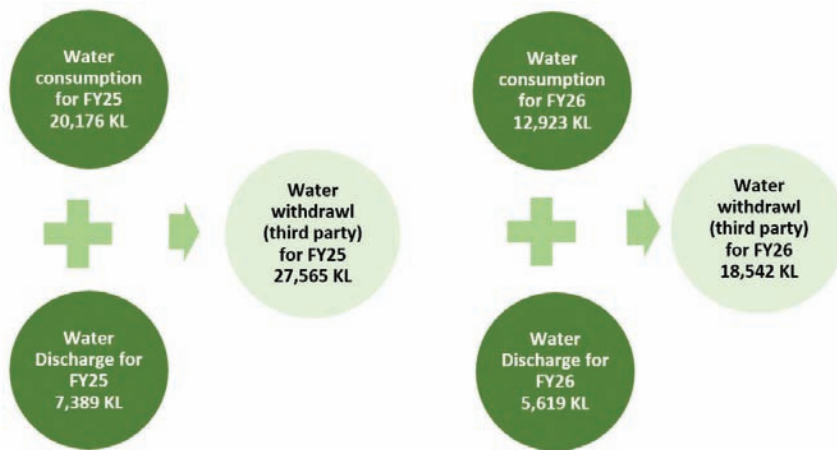
7.4 Water Management

REC recognises that water is an essential resource for life and is committed to managing it responsibly. We closely monitor our usage and follow the 3R principle—reduce, reuse, and recycle. By applying modern technologies and carrying out regular maintenance, we work to ensure sustainable water management

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



12,923 kl
Water Consumed

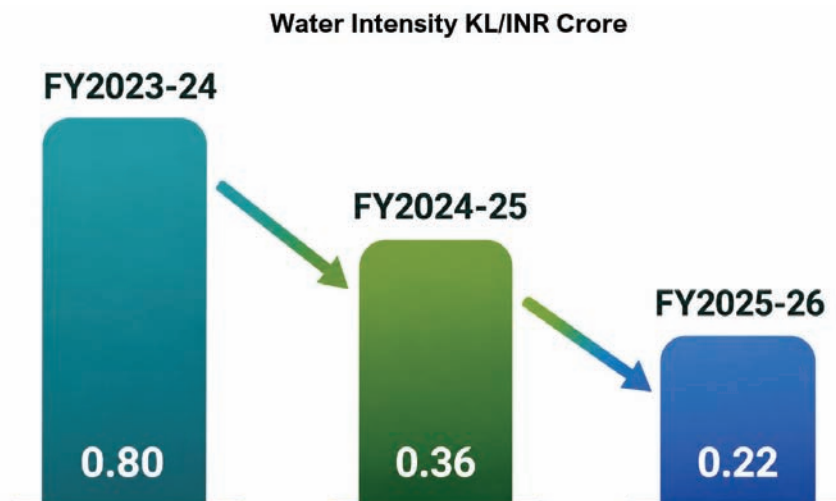


7.4.1 Sewage Treatment Plant (STP)

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



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



In the fiscal year 2025-26, we are proud to report a reduction in specific water usage compared to the previous fiscal year, 2024-25



7.4.2 Our Rainwater Harvesting Initiatives

REC actively promotes rainwater harvesting to conserve and make better use of this vital resource. Through its projects, the company helps tackle water scarcity and supports sustainable management practices. REC's decentralized & cost effective rainwater harvesting systems capture rainwater at the point it falls, strengthening water security for communities.

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

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



Storm water connection outside building premises



Rainwater tank at Basement 3



Sewage Treatment Plant (STP)



7.5 Waste Management

Effective waste management is central to our environmental strategy. Grounded in circular economy principles, we actively work to minimize operational waste, maximize recycling, and ensure responsible disposal of waste. Demonstrating our commitment to circular economy principles and environmental compliance, 35.18 tonnes of total waste - including 0.88 tonnes of e-waste was responsibly managed, treated and recycled by authorized waste management partners throughout FY2025-26.



7.5.1 Recycling Electronic Waste



In 2026, we continued to recycle 100% of the E-waste.

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

7.5.2 Waste Reduction Strategies

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

Paperless initiatives

Waste Disposal and Treatment

We adhere to strict protocols for the handling and disposal of hazardous waste. REC partnered with 3rd party registered vendor for responsible waste management. All hazardous materials are collected, stored, and disposed of by the vendor in compliance with regulatory requirements. Our commitment to Waste Disposal ensures that these materials do not harm the environment or public health. Further, REC plans to phase out single use plastic water bottles from all its offices pan-India.



7.5.3 Swachhata Pakhwada at REC



REC observed the Government of India's Swachhata Pakhwada from 16 to 31 May 2026, mobilising every office and project site around a simple idea: 'Building India's Cleaner & Brighter Future through Swachhata Initiatives'. The fortnight opened with the Swachhata Pledge, administered by CMD Shri Jitendra Srivastava. The pledge affirms REC's continuous commitment towards sustainability and renewed the resolve of every employee to contribute at an individual level towards cleaner India.

Under the Swachhta Pakhwada-2026 at REC Headquarters, Gurugram, a humanitarian initiative named "NEKI KI DIWAR" has been organized outside the campus. Under this initiative, food and beverages, along with everyday essential items have been provided to assist the needy and economically weaker sections. People contributed to this by donating clothes, shoes, books or other unused items through the "Donation Box" to reach those in need. This initiative reflects REC's commitment to cleanliness, service and social responsibility.



A workshop on "Sustainable living and zero-waste to landfill practices" organized at REC headquarter. Session was led by eminent speaker and focussed on how individual actions from waste segregation to mindful consumption habits can significantly reduce the burden on landfills and contribute towards India's Swachh future. The workshop helped people to understand: Less landfill waste means reduced methane emissions and groundwater contamination and encouraging employees to adopt eco-friendly habits in daily life.

Further, cleanliness initiatives and drives were carried out across all regional offices of REC under which various public welfare activities were organized with the objective of promoting cleanliness, better health and effective waste management.



7.6 Biodiversity

At REC, we recognize that biodiversity is the cornerstone of a healthy planet and a vital driver of sustainable development. This understanding shapes our commitment to environmental stewardship, inspiring us to safeguard and enrich ecosystems through proactive initiatives and responsible practices. By embedding biodiversity protection into our Sustainable Operations, we ensure that growth and conservation go hand in hand.

Environmental stewardship is built into the way we work every day. To safeguard vital ecosystems, we ensure that none of our operational sites or offices sit in adjacent to ecologically sensitive areas safeguarding these vital ecosystems from potential disruption. Beyond avoiding negative impacts, we actively take steps to preserve local habitats, promote ecological balance, and promote biodiversity wherever we operate





SOCIAL RESPONSIBILITY

SDGs Impacted

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



08

Social



REC places people at the centre of its transformation journey, recognizing that human capital is the foundation of sustainable growth. In FY 2025–26, our focus on capability-building has strengthened the skills and competencies required for future readiness. Through structured learning initiatives, we empower employees with the tools and knowledge to thrive, while aligning talent development with organizational transformation. This integrated approach not only enhances career progression opportunities but also contributes to inclusive growth, reinforcing our commitment to the Social dimension of ESG. By investing in our workforce, we ensure that business success and social responsibility advance hand in hand.

8.1 Human Resource Policies & Strategy

At REC, we recognize that while our past policies and strategies have delivered strong results, the market has evolved dramatically. Today's environment is more unpredictable, with clients demanding greater flexibility, wider choices, and faster services. In response, we are embarking on a bold transformation journey - anchored in our people and guided by our core values of respect, innovation, and smart technology adoption. We are committed to nurturing our employees' growth and well-being, cultivating a culture of continuous learning and personal development. Our vision is to create a dynamic workplace where every individual feels empowered to contribute meaningfully, excel in their role, and be celebrated for their unique strengths.

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

Total Rewards

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

HR Automation

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

Standardized Payroll System

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

Policies

To nurture ongoing talent development, REC has instituted a range of employee-focused policies. Our human resource framework is designed to identify, assess, and cultivate a steady stream of skilled professionals, with particular emphasis on roles that are pivotal to sustaining business success.

The Recruitment Policy

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

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

Learning and Development (L&D) Policy

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

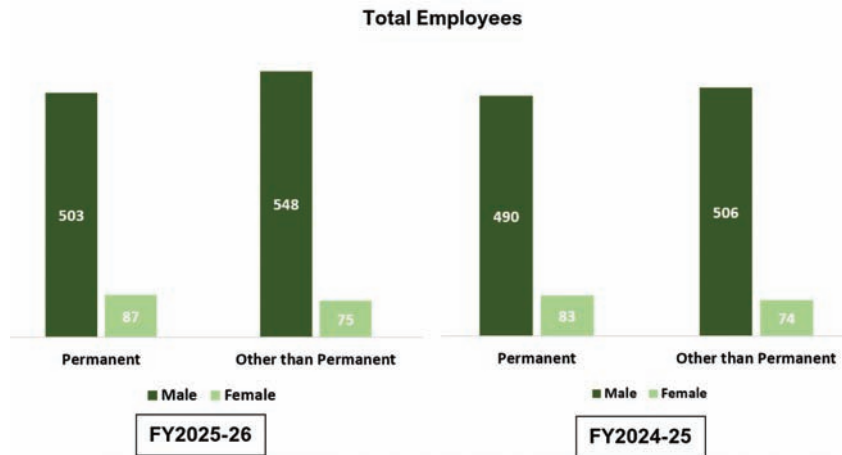
In line with our Cyber Security Policy,

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



8.2 Recruitment and Employment

Our people are the driving force behind everything we achieve. Closing out FY 2026, our team grew to 590 full-time professionals, 623 other than permanent professionals across various regions in India. REC thrives on a culture of inclusion and continuous growth - cultivating a rich blend of backgrounds and expertise that fuels our creative, customer focussed approach.



Total employee headcount in FY 2025-26 (as on 31st March 2026)								
Sr. No.	Category	Unit	Number of Employees in FY 2025-26					
			Age Group					
			<30		30-50		>50	
			Male	Female	Male	Female	Male	Female
Permanent Employees								
1	Management Staff	Nos.	41	3	395	74	58	7
2	Other Employees (Non- management Staff)	Nos.	0	0	5	0	4	3

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

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

To ensure strong alignment with our core values, we integrate personality profiling to better understand each applicant's work style and preferences. Guided by our people-centric culture, our target is to optimize talent matching by connecting top-tier professionals across diverse sectors with the right opportunities

8.3 Attracting and Retaining Employees

Our strength lies in our people and the talent they bring. Their dedication fuels our tradition of excellence and ensures customers receive the highest quality experience. We insist on fair compensation, labour rights, and fostering strong labour management relations. At the same time, we invest in continuous skill development, empowering our workforce to grow and thrive.

8.4 Employees turnover

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



Note: During the financial year 2025-26, a total of 17 employees separated from the company, out of which 15 separated due to superannuation and 2 separated due to other reasons.

8.5 Parental Leave

Guided by our vision of building a workplace where we enjoy working and thrive together, and aligned with Sustainable Development Goal 8 on decent work, REC is dedicated to creating a supportive environment for employees and their families. We aim to enhance quality of life—especially for new parents and their little ones - by offering paid parental leave in accordance with government regulations to all qualified staff. This ensures a healthy start for children while supporting the well being of working parents. In addition, REC aims to align its HR practices with leading industry standards and those of other Maharatna CPSEs. , includes flexible work hours, study leave, sabbatical opportunities, employee recognition programs, and more - each designed to foster growth, balance, and long term engagement.

Employee Leave Benefits



8.6 Diversity, Equity & Inclusion (DEI)

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

Gender diversity remains a key focus, and we are committed to ensuring equal opportunities, including equal pay and leadership pathways for women. Empowering women is not only the right thing to do—it also drives economic growth and social progress beyond our organization.

Information on employee diversity

Employee count in diversity category in FY 2025-26										
S. No	Category	Unit	Employees in FY 2025-26							
			Age Group						Gender	
			<30		30-50		>50			
			Male	Female	Male	Female	Male	Female	Male	Female
1	Number of employees within the organization's governance bodies (Board)	Count	0	0	1	0	4	1	5	1
2	Number of employees in senior management	Count	0	0	0	0	14	2	14	2
3	Number of employees in junior management	Count	41	3	400	74	48	8	489	85
Total (excluding Board level employees)									503	87



Women Ratio:
14.75%

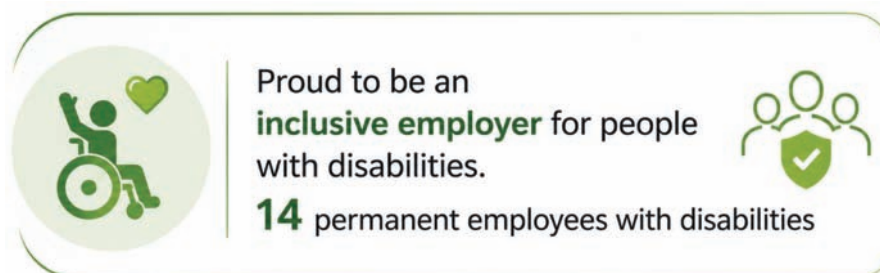
At 14.75% and growing. We are taking deliberate steps to significantly increase female representation and foster true gender diversity across REC.



8.7 Inclusivity for People with Disabilities

At REC, inclusivity is at the heart of our workforce. We take pride in being an employer that welcomes and supports persons with disabilities, with 14 permanent employees already part of our team. To empower them, we have introduced initiatives such as accessible workplaces, providing tailored training programs and dedicated support staff - ensuring they have the tools and environment needed to thrive.

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



8.8 Non-Discrimination

Qualified candidates are most attracted to organizations that reward merit with clear opportunities for financial growth—independent of gender, nationality, or background. Organisations that offer equal compensation and embrace diversity gain access to a wider talent pool and are better positioned to retain skilled professionals. At REC, we are committed to cultivating a workplace built on fairness and mutual respect, where harassment has no place and every individual can thrive.

Incidents of discrimination and corrective actions taken

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



8.9 Equal Pay

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

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

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



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

8.10 Training and Education

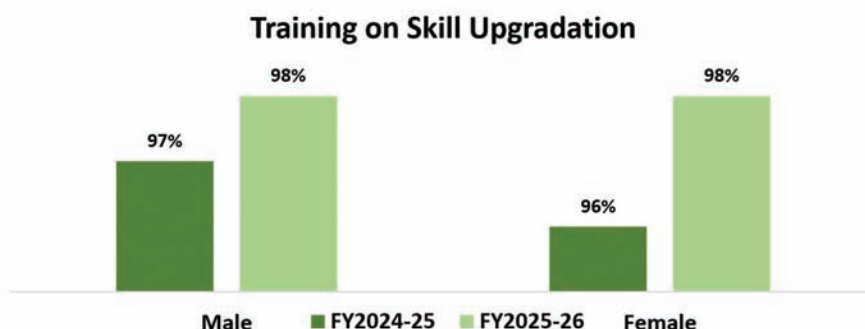
At REC, we strive to create an inspiring workplace where employees can pursue and achieve their career ambitions. Our approach emphasizes proactive talent development, specialized technical and functional support, and the strengthening of leadership skills. By nurturing a pipeline of industry experts and future leaders, we ensure our workforce is equipped for sustained success. We place strong focus on continuous employee development - enhancing skills, boosting productivity, and adapting capabilities to meet evolving business needs. Through targeted initiatives, we provide opportunities that empower our people to grow, excel, and prepare to meet the challenges of tomorrow.

These initiatives also help us retain and inspire talented professionals. Our internal programs emphasize proactive talent development and the creation of a balanced workforce. Each program is designed to provide a stimulating learning environment where employees are encouraged to explore and experience new ways of thinking with new ideas and approaches. Learning experiences combine digital tools, coaching, classroom sessions, self reflection, and virtual collaboration—offering a safe space for employees to apply, practice and refine their skills.

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

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

Total training man-days for FY26 for REC employees: 6,783 (189% ↑increase), including training programs through - the digital learning backbone of the **Government of India's Mission Karmayogi - iGOT Karmayogi Portal**. Further various awareness sessions and common training programs were held at REC auditorium.





Integrated Learning & Development Framework – FY 2025-26

During the year, REC issued a consolidated Training Calendar which included Training Programs for Board of Directors, In-house training programs for REC CO employees, programs on nomination basis at Premium Institutes and Training programs through iGOT Karmayogi Portal. Together, they create an enterprise-wide learning ecosystem that addresses not only sustainability imperatives but also the full spectrum of technical, managerial and behavioural skills demanded by a rapidly evolving power-finance landscape.

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

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

- **Core Functional Excellence** – Training programs on Evolution of Green Hydrogen, Certification Programme on AML & KYC, Infrastructure Financing, Operational Risk Management and Finance for Non-Finance Executives are among the training programs offered to employees
- **Digital & Innovation** – Programmes on Artificial Intelligence and Machine Learning for Business, Advance Excel & Data Analytics, Cyber Hygiene & Security and Cyber Security & Cyber Analytics build digital fluency keep teams ahead of the innovation curve.
- **Health, Safety & Well-being** – Programmes on POSH Act 2013, Yoga Break at Workplace, Worklife balance & Stress Management, Human Rights, Health and Well-being Perspective of Naturopathy stands out as major highlights of the training portfolio.
- **Leadership & Behavioural Skills** – Executive-presence coaching, diversity-and-inclusion sensitisation, strategic communication, and negotiation labs strengthen human capital and reinforce REC's values of integrity and accountability.
- **Sustainability & Governance** – The ESG stream remains integral, covering BRSR compliance, TCFD-aligned climate-scenario analysis, human-rights due diligence and green-bond impact reporting, thereby aligning professional competence with stakeholder expectations.

REC Institute of Power Management and Training (RECIPMT)





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

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

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

- 1. Energy Transition, Promotion of Green Energy and Best Practices (4 days)** – The training program was designed to equip participants from State Utilities with insights into the evolving power sector. It covered critical themes such as growing energy demand, economic considerations, and the impact of climate change, alongside government initiatives, national missions, and policy frameworks. Participants engaged with sustainable technologies—including solar, wind, hydro, green hydrogen, ammonia, and battery storage—while exploring renewable energy projects, net-zero emission targets, carbon neutrality strategies, and the implementation of nationally determined contributions (NDCs). The sessions also emphasized ESG practices, case studies, and global best practices in energy transition
- 2. Tariff Policy, Submission of ARRs and Regulatory Compliances (4 days)** – The training provided participants with a clear overview of tariff provisions and regulatory frameworks in the power sector. It covered key legislative developments including the Electricity Act 2003, subsequent amendments in 2018, 2022, and 2024, along with tariff policy and related regulations. Discussions focused on ARR submissions, tariff fixation in PPAs across generation, transmission, and distribution, the multi year tariff concept, competitive bidding mechanisms, and the critical role of regulators in ensuring transparency and efficiency.
- 3. SCADA, Automation and Distribution Management System (4 days)** – The training familiarized participants with SCADA and automation concepts, standards, and protocols, along with the essential building blocks of advanced distribution management systems such as RTUs, FRTUs, RMUs, FPIs, MFTs, smart meters, and AMI. It highlighted the implementation and functions of ADMS, including outage management, fault location and restoration (FLISR), predictive fault location, power purchase cost optimization, and renewable energy integration—laying the foundation for a smarter, more resilient grid.

During FY 2025–26, **RECIPMT delivered a total of 17,876 training man-days to engineers and managers across diverse power utilities**, including generation, transmission, and distribution companies, electricity departments, rural electric cooperatives, regulatory commissions, rural development agencies, banks, and CPSUs. In addition, **279 training man-days were facilitated for state utility participants through IITs and IIMs, bringing the overall training effort to 18,155 man-days.**

Cultivating Tomorrow's Power Sector Professionals – Apprenticeships & Internships

REC Limited deepened its commitment to inclusive skill development during FY 2025 26 by combining formal apprenticeships under the Government of India's National Apprenticeship Promotion Scheme (NAPS) with an expanding, project based industrial internship programme.

• Graduate Trainee/Apprenticeships under NAPS

In FY 2025 26, 19 young professionals enrolled for 12-months apprenticeship at REC. Trainees are rotated through Finance, HR and Engineering cadre divisions. Under the NAPS framework, REC registered each apprentice on the national portal, enabling automatic execution of the tripartite contract.



• Industrial Internship Support

In addition to NAPS, REC welcomed 32 paid interns across engineering, finance, data science, and CSR disciplines for mid course internships spanning 8–12 weeks, as mandated by AICTE/UGC curricula. Their experiences and insights were highlighted through our new social media series, #InternDiary, reflecting REC's commitment to a culture of learning by doing.

8.11 Performance Management

Effective performance management forms the foundation of our human capital strategy. Our system is carefully structured to align individual goals with the company's broader strategic priorities, ensuring that every employee's efforts contribute meaningfully to organizational success. This alignment not only drives business growth but also supports personal development.

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

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

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

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

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

100% of the employees received performance appraisal during the year FY2025-26 & FY2024-25.

8.12 Employee Satisfaction Survey

REC Limited's organisation-wide pulse survey underscores a healthy and inclusive work environment. Nearly all employees (97%) indicated that they feel safe and comfortable at work, while 88% acknowledged the organisation's commitment to fostering diversity and inclusion. A significant 87% also felt that REC's culture reflects their values, highlighting a strong connection between employees and organisation.

The survey further revealed high levels of engagement, with 88% of employees reporting that they are motivated in their roles. Recognition and growth opportunities also received positive feedback, as 84% felt appreciated for their contributions and 86% believed they have been able to grow professionally within the organisation.

- **97% of employees feel safe and comfortable at work, reflecting a strong culture of trust, well-being, and inclusion.**
- **88% acknowledged the organisation's commitment to fostering diversity and inclusion**
- **86% believed they have been able to grow professionally within the organisation**

8.13 Employee Safety, Health & Wellbeing

Safeguarding the health, safety, and overall well-being of our people is fundamental to our role as a responsible employer. At REC, we place employee welfare at the heart of our workplace culture, striving to create an environment where individuals feel supported, valued, and empowered. We recognize that a motivated, healthy, and engaged



workforce is vital to achieving sustainable success. Our commitment to employee well-being is reflected in a broad range of initiatives and comprehensive benefits designed to encourage work-life balance, strengthen alignment with our vision and values, maintain transparent communication with leadership, and provide meaningful opportunities for professional growth and development

Occupational health and safety management system

REC Limited has built a strong occupational health and safety framework, reflecting its commitment to maintaining a safe and healthy workplace for all employees. While the nature of REC's operations as a Non-Banking Financial Company generally involve minimal occupational hazards, the organisation takes proactive measures to safeguard its workforce. To uphold workplace safety, REC conducts thorough inspections and ensures proper maintenance of critical fire safety equipment. This includes routine checks of fire extinguishers, keeping fire exits clear and accessible, and maintaining fully stocked first aid kits. In addition, regular inspections are carried out to verify compliance with electrical and fire safety standards, with any issues promptly addressed to reduce risks and protect employees.

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

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



A fire mock drill was conducted on March 20, 2026 at REC's headquarters in Gurugram, in which the personnel were told in detail about the important aspects related to rescue and fire safety in emergency situations.

A film was also presented to raise awareness about fire safety, effectively explaining prevention techniques and necessary precautions.

Employee participation, consultation and communication on occupational health and safety

Effective communication demonstrates dedication, addresses concerns and inquiries, raises awareness, conveys information, inspires, and fosters improvement. Communication channels are established, both within the organisation and externally, to ensure an adequate flow of information related to occupational health and safety. Internal communication systems are created and upheld throughout the organisational hierarchy.

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

Employee training on occupational health and safety

Health and safety management is a fundamental pillar of maintaining a secure and productive workplace, including within the financial sector where physical hazards may be less evident. Our commitment to maintaining the highest standards of health and safety extends beyond regulatory compliance; it is a fundamental part of our operational excellence and sustainability strategy.



REC engages employees in advancing health and safety through workshops, awareness campaigns, and training sessions that encourage safe practices at work and at home. Strong safety protocols and regular training reinforce our commitment to employee well being and embed a culture of health and safety across the organization.

Employee Engagement:

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

Continuous Improvement:

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

Audits & Procedures:

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

1

Induction

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

2

Onsite Medical

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

3

4

5

Leadership

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

6



97% Employees Trained on Health & Safety

Hazard Identification, Risk Assessment, and Incident Investigation

While the nature of our business may limit direct applicability, REC conducts routine workplace inspections. We have established procedures to address electrical and fire hazards, supported by regular testing and emergency response training. Electrical and fire safety are assessed through periodic audits and daily checks of emergency exits and equipment. In addition, quarterly mock fire drills and first aid training are also conducted.

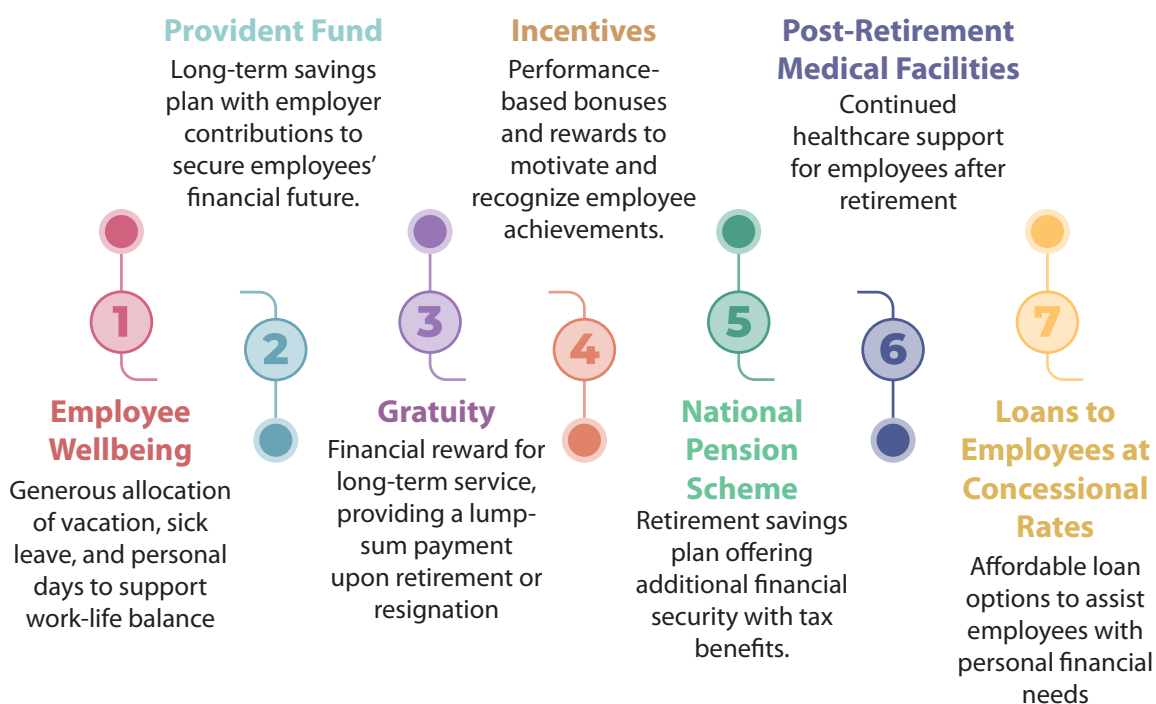
Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) per one million-person hours worked)	Employees	Nil	Nil
	Workers	NA	NA
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	NA	NA
No. of fatalities	Employees	Nil	Nil
	Workers	NA	NA
High-consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

ZERO Lost Time Injury Frequency Rate (LTIFR)

We are proud to report a Lost Time Injury Frequency Rate (LTIFR) of zero for another consecutive financial year. This reflects our unwavering commitment to maintaining a world-class safety culture.

8.14 Employee Benefits

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



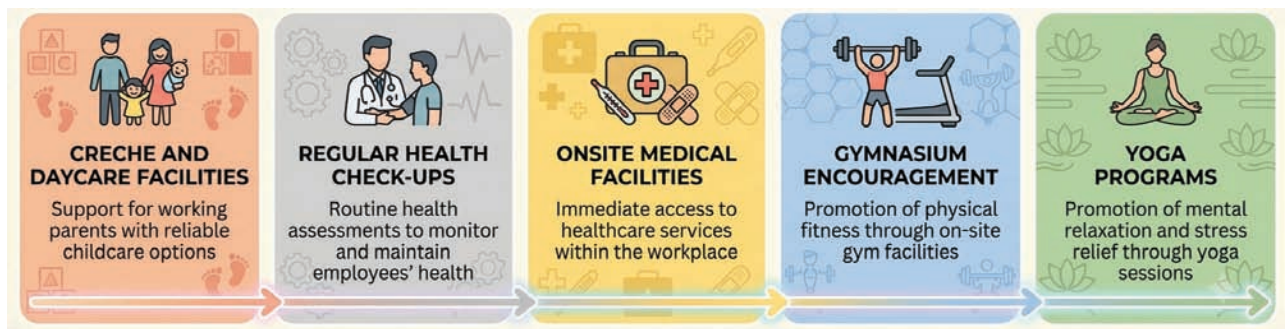


Our benefits are tailored to offer social and financial security for our employees and their families. We offer a comprehensive range of benefits that prioritise health, economic stability, and overall quality of life. To guarantee financial stability and support for our employees, we offer a variety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

8.15 Wellbeing Practices

REC upholds the highest industry standards in safeguarding the health, safety, and well being of its employees and their families. The organization continually implements measures to foster a safe, supportive, and inclusive work environment. Guidance on occupational health and safety is complemented by comprehensive healthcare benefits and medical coverage, ensuring that all employees have access to essential support and protection. In addition to conventional benefits, we have introduced various wellbeing initiatives designed to enhance the physical, mental, and emotional well-being of our workforce.

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





During the financial year 2025-26, REC has strengthened employee wellness initiatives, achieving the targets set by the Administrative Ministry. REC organized 7 General Health Check-up Camps against the target of 5, conducted 5 health awareness sessions against the target of 5, facilitated visits of doctors & yoga sessions on all working days, as per the target.

Employee Stock Option Plan

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

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

8.16 Human Rights

REC is committed to upholding human rights as a core aspect of responsible corporate conduct. Through our comprehensive human rights policies and practices, we aim to create a positive impact on our employees, customers, suppliers, and the broader community. This commitment underscores our adherence to ethical standards, social responsibility, and sustainable business practices.

REC prohibits all forms of human trafficking, forced labor, and child labor within its operations and value chain. REC is committed to ensuring equal remuneration for work of equal value and to maintaining non discrimination across all aspects of employment, including recruitment, hiring, promotion, compensation, and termination. Discrimination based on gender, age, religion, disability, sexual orientation, or any other protected characteristic are strictly prohibited.



Human Rights Due Diligence

At REC, upholding human rights is a fundamental value woven into every aspect of our operations and stakeholder engagement. We have instituted a robust human rights policy that defines our commitments and extends to everyone we work with — employees, clients, vendors, and community partners.

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

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



REC Limited's Human Rights Policy affirms its commitment to respecting and upholding human rights for both employees and business partners. The company is dedicated to safeguarding internationally recognized human rights and actively promoting their preservation. As part of this commitment, REC strictly prohibits child labour, forced labour, and any form of coercion—including physical punishment - across all its operations. The Company's Human Rights policy (<http://www.recindia.nic.in/uploads/files/CO-BDM-Human-Rights-Policy-060624.pdf>) commits to the following practices:

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



Zero
Complaints
received on
Human Rights

We fully respect our employees' rights to freedom of association and collective bargaining, adhering to globally recognized best practices across our workforce. These commitments are formally outlined in our Code of Business Conduct & Ethics, which is publicly accessible on our website. We are dedicated to fostering a workplace culture built on open dialogue, enabling management and employees to mutually understand operational challenges and collaboratively resolve them

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

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

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



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

Employee Training on Human Rights Policies or Procedures

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

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



Policy Framework and Governance

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





Human Rights in Our Supply Chain

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



8.17 Responsible Sourcing

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

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

Supplier Selection and Assessment

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

64.42% Input materials from MSMEs



Social Responsibility

Fair labor standards and social equity within the supply chain form a core element of our sustainability strategy.

Environmental Responsibility

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



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

Proportion of spending on local suppliers

REC favours sourcing from local suppliers- those based in the same country as its offices. This is reflected in 2026, when all procurement by value was from local sources. Moreover, over half of these suppliers are micro, small, or medium enterprises (MSMEs).

8.18 Data Privacy

Data privacy and cybersecurity are vital to REC's operations. In managing confidential financial and project information, safeguarding data and complying with privacy regulations are essential. This commitment preserves trust, mitigates legal and reputational risks, and supports business continuity.

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

In FY 2025-26, REC's CISO division undertook various activities to prevent cyberattacks and enhance awareness:

- **Awareness Campaigns:** Distributed SMS messages, "Dos and Don'ts" wallpapers on cyber hygiene, and digital posters.
- **Phishing Simulations:** Conducted exercises to test and improve employee vigilance against phishing attempts.
- **Training Sessions:** Hosted four cyber security awareness sessions for all employees (including non-permanent staff) on June 5, August 28, November 13 and February 20, 2026. These sessions were led by both internal and external experts. Further, in-house and external expert sessions were also organized during Cybersecurity awareness month apart from these.
- **Cyber Security Awareness Month (Oct-2025):** Observed a dedicated month with an awareness session by an external expert, desktop wallpaper campaigns, weekly emails on various topics, quizzes, and posters and standees across all REC offices.



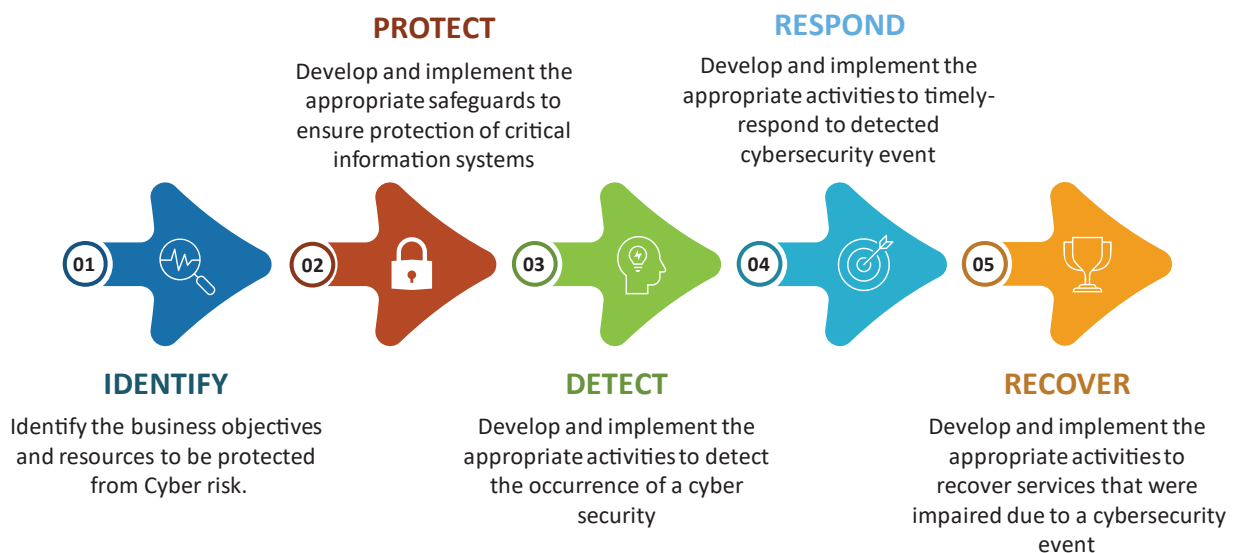


REC operates a Primary Data Centre (PDC) and Disaster Recovery Centre (DRC), both of which have been re-certified during the financial year 2025-26 under the upgraded ISO/IEC 27001:2022 standard, transitioning from the earlier 2013 version. This re-certification reflects REC's continued commitment to information security management and demonstrates implementation of the latest international information security standards. Both data centers maintain real-time synchronization and regular disaster recovery drills are conducted to ensure business continuity in adverse scenarios.

The cybersecurity framework deployed across REC's IT infrastructure includes real-time monitoring and analysis of system logs and security events, enabling timely identification of anomalous activities. The Company has implemented comprehensive threat detection and containment mechanisms, with swift restoration capabilities ensuring minimal operational impact.



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



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

ZERO Complaints on Data Privacy

ZERO data breaches

8.19 CSR INITIATIVES

REC's Corporate Social Responsibility (CSR) initiatives embody its commitment to harmonizing economic progress with environmental stewardship and social equity. We strive to reduce our carbon footprint and promote sustainable growth by supporting socially beneficial projects that align with the national development agenda. Our CSR programs are designed to uplift marginalized communities, focusing on inclusive development in backward districts and weaker sections of society. In FY 2025-26, REC dedicated ₹338 crore towards diverse CSR projects, reinforcing our mission to drive meaningful change at both local and national levels which include

- **Healthcare and Sanitation:** Promoting healthcare facilities, providing medical equipment, setting up health camps, contributing to public health initiatives (e.g., sanitation facilities, safe drinking water).
- **Education & Skill Development:** Enhancing learning outcomes, developing school infrastructure, providing vocational training for unemployed youth, supporting digital literacy, and offering scholarships.



- **Environmental Sustainability:** Supporting projects that reduce carbon footprint, promote renewable energy (e.g., solar installations), waste management, and environmental conservation.
- **Sports Promotion:** Broad-basing sports and promoting excellence in various disciplines (e.g., boxing, athletics, badminton) to identify and nurture talent.
- **Rural Development:** Infrastructure development in rural and aspirational districts, focusing on basic needs and inclusive growth.
- **Support:** Providing aids and assistive devices and supporting rehabilitation centers.
- **Disaster Management**
- **Benefits to Armed Forces**



REC Ltd., under its flagship CSR initiatives, has committed a total of ₹14.30 crore for the procurement and deployment of 51 Mobile Medical Units (MMUs) across various districts of Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Tripura, and Uttarakhand



REC Ltd. has committed ₹20 crore under CSR to the Kendriya Sainik Board as part of 56th Foundation Day Celebration. This contribution underscores our dedication towards empowering the community and affirms our pledge towards fostering a stronger and more resilient community

CSR Projects and their Impact

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Procurement, Installation & Commissioning of Medical Equipment in Surgical Department of GSVM Medical College Kanpur	15,000	90%
2	Procurement, Installation & Commissioning of Medical Equipment and non-clinical equipment for Sankara Eye Hospital, Saharsa, Bihar, implemented by Sankara Eye Hospital, Pammal Chennai.	25,000	80%
3	Procurement of Medtronic Cranial Robot for Robotic Surgery Wing at IISc Medical School, Bangalore, implemented by Indian Institute of Science, Bangalore (IISc)	345 nos. surgeries performed annually	50%
4	Construction of 29 nos. Public Toilet Complex in the states of Uttar Pradesh, Karnataka, Madhya Pradesh, Maharashtra and Telangana, implemented by Sulabh International Social Service Organisation	54,000	40%
5	Procurement, Installation & Commissioning of medical equipment for mental health lab in Bhaktivedanta University, Mathura, Uttar Pradesh, implemented by International Society for Krishna Consciousness (ISKCON)	30 researchers 300 patients	
6	"Eye care for all" - an initiative to provide support to 8000 beneficiaries for Cataract surgery, implemented by Sankara Eye Hospital	8,000	90%
7	Procurement, Installation & Commissioning of medical equipment in Maharshi Vishwamitra Autonomous State Medical College Ghazipur Uttar Pradesh	5,000	80%
8	Procurement & Deployment of 7 nos. Mobile Medical Units for primary healthcare services and free generic medicine distribution in Krishnagiri, Tuticorin, Tirunelveli, Kanyakumari, Nilgiris, Tenkasi, Virudhunagar of Tamil Nadu, implemented by IRCS Tamil Nadu	33,162	100%



S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
9	5000 nos. of Phacoemulsification, surgery at Bhaktivedanta Hospital, Barsana, Mathura, implemented by Shri Chaitanya Health and Care Trust	5,000	90%
10	Renovation and Enhancement of Auditorium at Atal Bihari Vajpayee Institute of Medical Sciences & Dr. Ram Manohar Lohia Hospital, New Delhi	2,391	28%
11	Procurement and setting up Modular General O.T with laparoscopy, anesthesia workstation and Fully Modular EYE O.T with ophthalmic microscope machines and other essential equipment at Sadar Hospital Banka and Modular General O.T with anesthesia workstation and other essential equipment Machines at Community Health Centre Dhoraiya and Belhar each of Banka District, Bihar	1,500	80%
12	Procurement, Installation & Commissioning of medical equipment in Madhav Prasad Tripathi Medical college, Siddharthnagar Uttar Pradesh	3,87,486	100%
13	Procurement, Installation & Commissioning of Linear Accelerator (LINAC) machine in Trauma Centre at Sevarth Sansthan Seth Bimal Kumar Jain Trauma & Physiotherapy Dharmarth Samiti (SSB) in Firozabad, Uttar Pradesh	500	80%
14	Procurement and deployment of 6 nos. Mobile Medical Units for primary healthcare services and free generic medicine distribution in 6 districts of Gujarat, implemented by IRCS Gujarat State Branch, Ahmedabad	31,780	100%
15	Rehabilitation of Divyangjan by providing 8000 nos. of artificial limbs, calipers and other aids & appliances across India, implemented by Shree Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS), Jaipur	6,000	100%
16	Procurement, Installation & Commissioning of Advanced Heart Lung Machine at AIIMS Raipur.	150	90%
17	Screening of TB Patients and providing Nutritional Support to TB Patients in Gajapati district, Odisha, implemented by MAMTA Health Institute for Mother and Child (MAMTA-HIMC)	50,000	70%
18	Procurement & Deployment of 07 nos. of Mobile Medical Units (MMUs) for primary healthcare services and free generic medicine distribution for Indian Red Cross Society (IRCS) in PVP Manyam, ASR Paderu, Dr BR Ambedkar Konaseema, Tirupathi, West Godavari, Nandyal & Palanadu of Andhra Pradesh	31,000	100%
19	Procurement and Deployment of 3 nos. Mobile Medical Units for primary healthcare services and free generic medicine distribution in 3 Sivagangai, Ramanathapuram & Theni of Tamil Nadu, implemented by Indian Red Cross Society (IRCS), Tamil Nadu	22,000	100%
20	Procurement and deployment of 3 nos. Mobile Medical units for primary healthcare services and free generic medicine distribution in South District & Dhalai of Tripura, implemented by Sewa International.	15,100	100%
21	Procurement and deployment of 2 nos. Mobile Medical Units for primary healthcare services and free generic medicine distribution in Mysore & Bangaluru Rural of Karnataka, implemented by Jubilant Bhartia Foundation (JBF)	9,759	100%
22	Procurement and deployment of 3 nos. Mobile Medical Units for primary healthcare services and free generic medicine distribution in Gumla, Lohardaga & Latehar of Jharkhand, implemented by Vikas Bharti Bishunpur.	20,000	100%
23	Procurement and deployment of 4 nos. Mobile Medical Units for primary healthcare services and free generic medicine distribution in Jashpur, Balrampur & Surajpur of Chhattisgarh.	19,300	100%
24	Procurement and deployment of 4 nos. Mobile Medical Units for primary healthcare services and free generic medicine distribution in Gurdaspur, Jalandhar, Barnala & Patiala of Punjab, implemented by Indian Red Cross Society (IRCS), Chandigarh	18,527	100%



S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
25	Procurement & Deployment of 2 nos. of mobile medical units for primary healthcare services and free generic medicine distribution for primary health care services in Gadchiroli, Maharashtra, implemented by CA & FO, Gadchiroli	13,000	100%
26	Procurement and deployment of 5 nos. Mobile Medical Units for primary healthcare services and free generic medicine distribution in Udham Singh Nagar, Tehri Garhwal & Haridwar of Uttarakhand, implemented by CSR Academy.	27,343	100%
27	Procurement and deployment of 5 nos. Mobile Medical Units for primary healthcare services and free generic medicine distribution in Alwar, Khairthal-Tizara & Behror-Kotputli of Rajasthan, implemented by Indian Red Cross Society (IRCS), Alwar	28,913	100%
28	Procurement & Deployment of 10 nos. of mobile health clinics for primary health care services and free generic medicine distribution in Sarangarh & Mohla-Manpur, implemented by Doctors for You.	70,000	100%
29	Construction & Establishment of 17 open gyms Wangoi, Imphal West, Manipur, implemented by District Rural Development Agency (DRDA), Imphal West	5,000	70%
30	Procurement, Installation & Commissioning of medical equipment in Kanchi Kamakoti CHILDS Trust Hospital, Chennai.	5,000	80%
31	Construction of 500 nos. toilets blocks at work place of BSF troops in Gurdaspur, Amritsar, Firozpur and Abhohar Districts in Punjab, implemented by Border Security Force (BSF), Punjab.	5,000	50%
32	Construction of 200 bedded rest room (Vishram Sadan) for patient attendants in Sri Krishna Medical College & Hospital, Muzaffarpur, Bihar, implemented by DC Muzaffarpur	3,000	90%
33	Construction of 100 bedded waiting hall for the attendants of patients, multipurpose hall and incubation center at Sadar Hospital and procurement & installation of 5 nos. of incubators at district hospital and PHCs, implemented by DC Muzaffarpur	2,500	90%
34	Project Shakti Initiative: Clean & Confident Periods for Alwar, Rajasthan – Menstrual Health and Hygiene School Awareness Program, implemented by Sachhi Saheli.	3,000	90%
35	Healing Little Hearts 2.0- an REC initiative to provide free of cost medical support to children with congenital heart disease (CHD), implemented by Sri Sathya Sai Health and Education Trust (SSSHET)	1,100	100%
36	Procurement, Installation & Commissioning of Medical Equipment for various Department in Bhagyoday Hospital, Himmatnagar, implemented by Bhagyoday Charitable trust	1,000	70%
37	Supply and fitment of Cochlear Implants to children with hearing impairments at various locations in India, implemented by Ali Yavar Jung National Institute of Speech and Hearing Disabilities (AYJNISHD), Mumbai	70	100%
38	Renovation of Aanganwadi Centers (AWCs), containers for storing food grains, LPG gas connection and setting up of Antenatal care corners in AWCs in Muzaffarpur, Bihar, implemented by DC Muzaffarpur	10,000	90%
39	Construction of 140 bedded home (Block-B & Part Block-C of Anandam) - A home for the homeless sick, destitute, unknown & elderly people, implemented by Sapna	140	100%
40	Revival of Millet Based Culinary Tradition to Address Nutritional Security and Livelihood Creation in Chhattisgarh, implemented by Chhattisgarh Swami Vivekanand Technical University Foundation for Rural Technology and Entrepreneurship (CSVTEU-FORTE)	15,000	80%



S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
41	Procurement, Installation & Commissioning of CT Scan Machine at Dr. Imkongliba Memorial District Hospital (IMDH) in Mokokchung, Nagaland, implemented by DC Mokokchung.	1,000	90%
42	PARAM Science, Innovation, History & Cultural Centre - Facility Enhancement and Guest Accommodation Development in Bangalore, implemented by Jan Seva Trust.	1,000	50%
43	Contribution towards Armed Forces Flag Day Fund (AFFDF) for providing Education grant for children of Ex-Servicemen (ESM), Martyrs and their widows, implemented by Kendriya Sainik Board (KSB)	16,600	100%
44	Construction of workshop and classroom building in Technical campus at Ramakrishna Mission Vidyalaya, Coimbatore, Tamil Nadu, implemented by Ramakrishna Mission	1,300	100%
45	Transforming school education in West Sikkim, Sikkim, implemented by District Magistrate, West Sikkim.	3,000	80%
46	Setting up 300 nos. Solar Energy Operated Smart Classes with joyful learning resource lab in 300 government schools in district Siddharthnagar, Uttar Pradesh, implemented by Unit of Science and Educational Development .	6,000	100%
47	Establishment of Rashtrrothana Vidya Kendra CBSE School in Malligar Village, Hangal Taluk, Haveri District, Karnataka, implemented by Rashtrrothana Parishat, Bangalore.	500	70%
48	Construction of Infrastructure for Rashtrrothana Vidya Kendra, Malligar Village, Hangal Taluk, Haveri District, Karnataka, implemented by Rashtrrothana Parishat, Bangalore	500	80%
49	Learn and Earn- A REC Initiative to impart bachelor's degrees to 300 youths in garment manufacturing and entrepreneurship over the period of three years, implemented by The Apparel Training and Design Centre.	300	100%
50	REC-Rupantar Role Model Schools to align with the New Education Policy in 250 schools of 02 states and 02 union territories, implemented by Sri Aurobindo Society.	70,000	50%
51	Construction of 13 nos. new classrooms in Bharat Secondary & Higher Secondary School and Shrimati Sirekunwardevi Mohata Vidyalaya, Hinganghat, Wardha Maharashtra, implemented by Progressive Education Society.	700	70%
52	Expansion of School Building and Starting CBSE English Medium Classes, Jaipur Rajasthan, implemented by Prabandh Samiti Adarsh Vidhya Mandir.	5,000	50%
53	Procurement and installation of ICT, smart class rooms and laboratory equipment/ instruments, books, E-books & E-journals (learning resource library) at Arts, Science and Commerce Collage, Chikhaldara, Amravati, Maharashtra, implemented by SIPNA Shikshan Prasarak Mandal (SSPM) for Arts, Science and Commerce Collage.	500	80%
54	Providing 1000 school benches, 1250 Bunk beds, 5000 rPET (Recycled Polyester) T-Shirts made from plastic waste, implemented by Jodhpur City Knowledge and Innovation Foundation (JCKIF), IIT Jodhpur.	5,000	100%
55	Construction of three classrooms, dining hall and a digital classroom in Zila Parishad High School Morzampadu (V), Machavaram Mandal Palnadu, Andhra Pradesh, implemented by Connect to Andhra	1,500	90%
56	Kishori Vikas Kendra Project: Adolescent Girl Child Empowerment Program, implemented by Seva Bharati Purbanchal.	150	90%
57	REC-Integrity Club under REC Corporate Social Responsibility	3,752	100%
58	Installation and commissioning of 1000 LED Solar Street Light in 5 Districts in Arunachal Pradesh, implemented by Arunachal Pradesh Energy Development Agency (APEDA)	5,000	100%



S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
59	Establishment and setting up of ground-mounted, grid connected 1MW (AC), 1.25MW (DC) solar photovoltaic power plant in Gandhigram Rural Institute, Dindigul, Tamil Nadu, implemented by The Gandhigram Rural Institute	600	50%
60	Installation of Solar Plants and RO Water Purification Systems in Kaziranga National Park, Assam, implemented by Kaziranga Tiger Conservation Foundation.	500	70%
61	Installation of Solar Power Plants in Goa, implemented by Goa CSR Authority.	1,500	50%
62	Comprehensive Animal welfare and Rabies eradication initiative to vaccinate 2750 nos. of dogs, implemented by Friendicoes SECA	5,000	90%
63	Setting up innovative jute processing BHAGIDARI model through biomass gasifier based decentralized electricity system in Purnia Cluster, implemented by The Energy Resources Institute.	150	60%
64	Crop Residue Management through Surface Seeding - Sensitizing Farmers for Environmental Protection in Punjab, implemented by Kheti Virasat Mission	10,000	50%
65	Contribution to corpus of Gujarat Foundation for Entrepreneurial Excellence, implemented by Gujarat Foundation for entrepreneurial excellence's.	500	50%
66	Construction of 25 community halls in 25 gram panchayats of Varanasi, implemented by Varanasi Development Authority.	1,000	80%
67	Setting up of 2747 of LED light with poles on main roads in Municipal Corporation Palwal.	8,000	50%
68	Construction of Auditorium of 1000 seating capacity in district Siddharthnagar, Uttar Pradesh, implemented by Jila Civil Social Responsibility Association.	1,00,000	57%
69	Setting up of 650 nos. of new LED light with poles on main roads in MC Hathin	4,000	50%
70	Procurement, installation, commissioning and maintenance of 500 nos. of 15-watt LED streetlights in Lucknow, Uttar Pradesh, implemented by Lucknow Development Authority.	3,000	70%
71	Rural Development Works like construction of community hall, PCC Road, Conduits, Yatri Shed, installation of LED Lights, RO Plants etc.	5,000	60%
72	Setting up of training Centers and providing job-oriented skill development training to 1800 nos. of beneficiaries belonging to economically weaker section of society, implemented by Tata Community Initiative Trust	695	100%
73	PM Internship Scheme	1,700	100%
74	Development of Olympic size pool for THDC Water Sports High Performance Academy of Canoeing & Kayaking in Koteshwar, Tehri, Uttarakhand, implemented by SEWA THDC.	30	30 Athletes shall be selected initially for training on basis of talent to represent India at national and international Kayaking and Canoeing sports competitions
75	Construction of Multipurpose Hall cum Indoor Stadium (MPHIS) in Churachandpur, Manipur, implemented by District Rural Development Agency (DRDA), Churachandpur.	300	80%
76	Procurement of sports kit, Boccia balls and ramps, implemented by Boccia Sports Federation of India.	26	100%
77	Construction of indoor badminton court in Govt. Nagarjuna P.G. College of Science, Raipur, Chhattisgarh	2,797	25%



S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
RECPDCL			
78	CSR assistance to Medical Superintendent for “Enhancement of Health Infrastructure by acquiring Medical Equipment & Renovation work in Govt. SNM Hospital, Leh	50,000	80%
79	CSR assistance to CMO, Srinagar for “Improving Health Infrastructure through the Acquisition of Advance Medical Equipment for Health institutions under the administrative control of Health Department, Srinagar, UT of Jammu & Kashmir	75,000	70%
80	CSR assistance to The Leprosy Mission Trust India for “Enhancement of Medical Infrastructure with advanced medical equipment at The Leprosy Mission Hospital, Delhi and Maharashtra	30,000	60%
81	CSR Assistance of to Block Medical Officer, Bilha, Bilaspur for Enhancement of Health Infrastructure by acquiring medical equipment for M.C.H. Bilha, Bilaspur, Chhattisgarh	360	70%
82	CSR Assistance to Bisnouli Sarvodaya Gramodyog Sewa Sansthan for Eradication of Anaemia among the population of Khora Colony through Rapid Diagnosis & Follow-up Services at Khora Colony, Ghaziabad, Uttar Pradesh	30,000	100%
83	CSR assistance to Chetna Himachal Pradesh for “development/ enhancement of special education facility by construction of roof over open terrace at the building of Rehabilitation Centre for differently abled in Bilaspur district, Himachal Pradesh”	160	100%
84	CSR Assistance to India International Centre for Enhancement of Infrastructure through renovation of 15 nos. of Hostel rooms at India International Centre, New Delhi	60,000	0

Significant Indirect Economic Impacts

REC’s community initiatives have played a vital role in reducing poverty and driving prosperity in surrounding communities. Through a variety of targeted interventions, significant progress has been achieved in underdeveloped regions, with visible improvements across several key areas. A key focus has been strengthening village infrastructure—building and maintaining essential facilities such as schools and healthcare centres. By expanding access to quality education, we have opened doors for both children and adults, encouraging lifelong learning and empowering communities to grow sustainably.

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

REC, through its CSR arm, the REC Foundation, has committed financial assistance of ₹9.98 Cr for Procurement, Installation & Commissioning of Medical Equipment in Surgical Department of GSVM Medical College at Kanpur, Uttar Pradesh.





8.20 Customer Satisfaction & Grievance Mechanism

At REC, we've implemented a robust grievance mechanism to ensure the effective redressal of concerns for all our stakeholders. This system is characterized by well-defined timelines and a clear escalation process, and for ease of access, we've consolidated all relevant information into an Integrated Grievance Redressal Document (available at <https://recindia.nic.in/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-New-090426.pdf>). This central resource empowers investors, customers, community members, vendors, and employees alike to easily submit and address their grievances.



Notably, no customer grievances were reported to the Grievance Redressal Officer (GRO) under the Fair Practice Code during FY25 and FY26.

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

Customer Satisfaction and Net Promoter Score (NPS)

As part of its commitment to maintaining strong stakeholder relationships, REC Limited conducted a comprehensive Customer Satisfaction Survey for FY 2025–26. The survey was structured to gather valuable insights into the experiences and perceptions of key stakeholders, including state utilities and power corporations. It aimed to evaluate satisfaction levels across various stages of engagement, ranging from pre-sanction interactions to post-disbursal support and the mechanisms in place for grievance redressal.

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

9 to 10 – Promoters

7 to 8 – Passives

0 to 6 – Detractors

Key Findings:

REC conducted a Customer Satisfaction Survey among its borrowers, with responses received from majority of State and Private Sector Borrowers. The survey findings were evaluated using the Net Promoter Score (NPS) framework, a widely used metric that measures customer loyalty and satisfaction on a scale of 0 to 10. Based on the responses, customers are categorized into Promoters (9–10), Passives (7–8) and Detractors (0–6). The final NPS is calculated by subtracting the percentage of Detractors from the percentage of Promoters. This straight-forward index allows organizations to evaluate overall relationship health, track long-term loyalty trends and prioritize customer experience improvements.

In our recent borrower satisfaction survey, REC achieved an outstanding Net Promoter Score (NPS) of 80.43, reflecting exceptionally strong brand loyalty and borrower trust. A compelling 80.43% of respondents rated their experience as a 9 or 10 (Promoters), demonstrating a high likelihood to advocate for our lending services. The remaining 19.57% rated their experience as a 7 or 8 (Passives), indicating an overall satisfied borrower base with zero negative sentiment. Notably, there were no Detractors (scores 0 to 6) recorded across the entire respondent group, reinforcing



the Corporation's commitment to delivering responsive, transparent and customer-centric financial solutions. Also, majority of the borrowers gave satisfactory ratings.

Customer feedback is supplemented through an Integrated Grievance Redressal Mechanism with defined timelines and escalation procedures and strict adherence to the RBI Fair Practices Code. During FY 2025-26, no customer grievances were reported to the Grievance Redressal Officer under the Fair Practices Code, reflecting the effectiveness of these mechanisms.

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

REC achieved Net Promoter Score (NPS) of 80.43



GOVERNANCE

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

SDGs Impacted

16

PEACE, JUSTICE AND
STRONG INSTITUTIONS



17

PARTNERSHIPS
FOR THE GOALS





09

Governance



9.1 Overview

Since its inception, REC Limited has been instrumental in advancing India's energy landscape, beginning with initiatives in rural electrification to bridge the urban-rural disparity. Evolving as a proactive financial institution, REC now channels resources into power infrastructure and diversified sectors such as logistics, delivering customized financial solutions that drive progress, foster innovation, and enhance developmental efficiency.

Governance at REC is anchored in integrity, with fairness, transparency, and accountability as its guiding principles. As a Government Company entrusted with the management of public funds and the pursuit of national strategic objectives, REC places strong emphasis on transparency and ethical conduct. The Company operates within a robust governance framework aligned with the Companies Act, 2013, SEBI Listing Regulations, 2015, Department of Public Enterprises (DPE) Guidelines, Secretarial Standards issued by the Institute of Company Secretaries of India, RBI Master Directions, and other relevant government directives, ensuring full regulatory compliance. Beyond statutory obligations, Moreover, REC exceeds basic requirements, adhering to many non-mandatory SEBI guidelines.

REC Limited strives to create lasting value for all stakeholders—shareholders, security holders, customers, vendors, employees, communities, and the wider public.

9.2 Direct Economic Value Generated and Distributed

Economic Value Generated and Distributed (In Crores)	
Value generated	
Revenue	59,584.16
Value distributed	
Operating costs	740.44
Wages and benefits	271.51
Payment to providers of capital	42,373.43
Payments to governments	4,458.16
Community investments	342.99
Economic value retained	11,397.63

9.3 Board Composition & Expertise

In accordance with REC's Articles of Association, the total number of directors on the Board shall not be less than three and not more than fifteen. As on March 31, 2026, the Board of Directors of REC comprised of six directors, including the Chairman & Managing Director (CMD) and Director (Finance) (Additional Charge); Director (Projects); a Government Nominee Director from the administrative ministry i.e. MoP, Government of India; a Nominee Director of Power Finance Corporation Limited (PFC), which holds majority equity stake in the Company; and two Part-time Non-Official Independent Directors, one of whom is Woman Independent Director.

Further, as on July 31, 2026, the Board of Directors of REC comprised of eight directors, including the Chairman & Managing Director (CMD), Director (Projects), Director (Finance), a Government Nominee Director, a Nominee Director of PFC and three Part-time Non-Official Independent Directors, including two Woman Independent Directors.

The Directors of REC are equipped with the necessary skills and knowledge to efficiently and effectively run the Company's operations. They work together to offer the strategic direction and support needed to achieve the Company's goals and objectives.

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



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

Board Composition as on March 31, 2026							
Sl. No.	Name of the Director	DIN	Position in the Company	Number of Other Directorships Held in Other Companies	Directorships Held in Other Listed Entities & Category of Directorship	Number of Committee Positions Held in Other Companies	
						Chairperson	Member
Whole-time Directors (Executive Directors)							
1	Shri Jitendra Srivastava	06817799	Chairman & Managing Director and Director (Finance) (Additional Charge) (w.e.f. April 22, 2025)	1	-	-	-
2	Shri Thangarajan Subash Chandira Bosh	02772316	Director (Projects) (w.e.f. October 03, 2025)	4	-	-	-
Non-Executive Directors (Nominee Directors)							
3	Shri Shashank Misra	08364288	Government Nominee Director	1	Power Finance Corporation Limited (Government Nominee Director)	-	-
4	Shri Manoj Sharma	06822395	PFC Nominee Director	7	Power Finance Corporation Limited (Whole-time Director)	-	1
Non-Executive Directors (Independent Directors)							
5	Dr. Gambheer Singh	02003319	Independent Director (w.e.f. April 17, 2025)	1	-	-	-
6	Dr. Durgesh Nandini	09398540	Independent Director (w.e.f. April 17, 2025)	-	-	-	-

Board Composition as on July 31, 2026			
Sl. No.	Name of the Director	DIN	Position in the Company
Whole-time Directors (Executive Directors)			
1	Shri Jitendra Srivastava	06817799	Chairman & Managing Director
2	Shri Thangarajan Subash Chandira Bosh	02772316	Director (Projects)
3	Shri Rajesh Kumar	06941428	Director (Finance) & Chief Financial Officer
Non-Executive Directors (Nominee Directors)			
4	Shri Shashank Misra	08364288	Government Nominee Director
5	Shri Rajesh Kumar Agarwal	09699001	PFC Nominee Director
Non-Executive Directors (Independent Directors)			
6	Dr. Anil Kumar Gupta	00442146	Independent Director (w.e.f. June 22, 2026)
7	Dr. K. Ghayathri Devi	07584524	Independent Director (w.e.f. June 22, 2026)
8	Smt. Poonam Chauhan	11842802	Independent Director (w.e.f. July 21, 2026)



9.3.2 Key Qualifications of the Board

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

REC's Board of Directors is composed of distinguished professionals who bring a wide spectrum of expertise, academic achievements, and diverse industry experience. Each member possesses strong knowledge and practical insights into climate change and ESG, having substantial knowledge and experience in these fields through their various professional endeavours. This competency mapping outlines the specific areas of specialization and strengths contributed by each director.



9.3.3 Competency Mapping of REC's Board Management

Name of the Director	Area of Expertise										
	Board members as on March 31, 2026										
	Financial Management	Power Sector Domain Expertise	Project Appraisal	Corporate Planning & Strategy	Risk Management	Leadership	Board Practices & Governance	Business Development	Environment, Social & Sustainability	Stakeholder Engagement	Human Resource Management
Shri Jitendra Srivastava	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Thangarajan Subash Chandira Bosh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Shashank Misra	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Manoj Sharma	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Gambheer Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-
Dr. Durgesh Nandini	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Board members appointed after March 31, 2026											
Shri Rajesh Kumar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Rajiv Ranjan Jha	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shri Rajesh Kumar Agarwal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Anil Kumar Gupta	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. K. Ghayathri Devi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Smt. Poonam Chauhan	✓	-	-	✓	✓	✓	✓	✓	✓	✓	✓

9.3.4 Familiarisation Programs for Independent Directors

To equip our Directors for their responsibilities, REC provides structured induction programs for new appointees and ongoing familiarisation initiatives for existing members. These programs ensure that Directors remain well prepared, informed, and aligned with the company's governance practices and strategic priorities.

As part of our commitment to strong governance, REC has introduced a structured orientation program for Independent Directors upon their joining, designed to familiarize them with the company's operations, business model, and regulatory landscape. Beyond induction, we ensure that Board Members remain updated on significant regulatory developments and ESG matters, equipping them with the insights needed to perform their duties effectively. This continuous flow of information enables timely, well informed decisions that drive the company's long term success.



These programs include:

Introduction to the company's products and services: Provide an overview of the offerings, including their features, benefits, and target market.

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

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

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

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

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

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

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

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

Board of Directors' role and responsibilities: Explaining the role and responsibilities of the Board of Directors, including their oversight of REC's operations, financial reporting, and risk management

9.4 Appointment Process of BoD & Remuneration

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

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

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



9.5 Board Tenure

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

REC's whole time (executive) Directors, including the Chairperson & Managing Director (CMD) and the Functional Directors for Finance, Projects are appointed by the Government of India for a maximum of five years or until the incumbent's date of superannuation, whichever is earlier. Recent changes illustrate this arrangement: Shri Vijay Kumar Singh completed his tenure on June 30, 2025 and ceased to be the Director (Projects) from July 1, 2025; Pursuant to MoP Order, Shri Jitendra Srivastava, CMD had been assigned additional charge of the post of Director (Projects) w.e.f. July 1, 2025 till October 3, 2025, when Shri Thangarajan Subash Chandira Bosh assumed charge of Director (Projects), Shri Harsh Baweja completed his tenure on January 31, 2026 and ceased to be Director (Finance) from February 1, 2026; Pursuant to MoP Order, Shri Jitendra Srivastava, CMD had been assigned additional charge of the post of Director (Finance) w.e.f. February 1, 2026 till April 2, 2026, when Shri Rajesh Kumar has been appointed as Director (Finance), REC Limited.

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

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

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

- As on 31st March 2026, the Average Tenure of all the Board of Directors at REC stands at 1.45 Years.
- Fulltime Functional Directors rotate on superannuation or at the end of their five-year tenure;
- Government Nominee Directors change when the MoP so directs;
- Independent Directors serve staggered three to five-year terms, with re appointments carefully managed so that no individual exceeds two consecutive terms or ten cumulative years.

9.6 Details of Directors' attendance at Board meetings and Annual General Meeting (AGM) held during the financial year 2025-26.

Sl. No.	Name & Designation of the Director	Meetings held during tenure	No. of meetings attended / % attendance
1	Shri Jitendra Srivastava – Chairman & Managing Director	14	14 / 100 %
2	Shri Thangarajan Subash Chandira Bosh - Director (Projects) (w.e.f. October 3, 2025)	8	8/100 %
3	Shri Vijay Kumar Singh – Director (Projects) (upto June 30, 2025)	3	3 / 100 %
4	Shri Harsh Baweja – Director (Finance) (upto January 31, 2026)	10	10 / 100 %
5	Shri Shashank Misra – Government Nominee Director	14	10 / 71.43 %
6	Shri Manoj Sharma – PFC Nominee Director (upto March 31, 2026)	14	14 / 100 %
7	Dr. Gambheer Singh – Independent Director (w.e.f. April 17, 2025 upto April 16, 2026)	14	14 / 100 %
8	Dr. Durgesh Nandini – Independent Director (w.e.f. April 17, 2025 upto April 16, 2026)	14	14 / 100 %
9	Shri Narayanan Thirupathy – Independent Director (upto March 2, 2026)	12	12 / 100 %



9.7 Committees of the Board of Directors

The Board of Directors functions as full Board and is constituted through various Committees constituted to oversee specific areas of business and governance. Each Committee is guided by its terms of reference approved by the Board, which define its composition, scope and powers. The Committees meet regularly and as required to make informed decisions within their assigned areas of work, in accordance with the authority delegated to them. The Board has the following Committees & Composition as on 31st July, 2026:

The Board has the following Committees & Composition as on 31st July, 2025:

S. No.	Committee	Composition
1.	Audit Committee	Dr. Anil Kumar Gupta, Independent Director (C) Dr. K. Ghayathri Devi, Independent Director (M) Shri Rajesh Kumar Agarwal, PFC Nominee Director, (M)
2.	Nomination & Remuneration Committee	Dr. K. Ghayathri Devi, Independent Director (C) Dr. Anil Kumar Gupta, Independent Director (M) Smt. Poonam Chauhan, Independent Director (M)
3.	Stakeholder Relationship Committee	Smt. Poonam Chauhan, Independent Director (C) Shri Thangarajan Subash Chandira Bosh, Director (Projects) (M) Shri Rajesh Kumar, Director (Finance) (M)
4.	Risk Management Committee	Dr. K. Ghayathri Devi, Independent Director (C) Dr. Anil Kumar Gupta, Independent Director (M) Shri Thangarajan Subash Chandira Bosh, Director (Projects) (M) Shri Rajesh Kumar, Director (Finance) (M)
5.	CSR Committee	Smt. Poonam Chauhan, Independent Director (C) Shri Thangarajan Subash Chandira Bosh, Director (Projects) (M) Shri Rajesh Kumar, Director (Finance) (M)
6.	Committee for Investment / Deployment of Surplus Funds	Shri Jitendra Srivastava, CMD, (C) Shri Thangarajan Subash Chandira Bosh, Director (Projects) (M) Shri Rajesh Kumar, Director (Finance) (M)
7.	Asset Liability Management Committee (ALCO)	Shri Jitendra Srivastava, CMD, (C) Shri Thangarajan Subash Chandira Bosh, Director (Projects) (M) Shri Rajesh Kumar, Director (Finance) (M)
8.	IT Strategy Committee	Smt. Poonam Chauhan, Independent Director (C) Shri Thangarajan Subash Chandira Bosh, Director (Projects) (M) Shri Rajesh Kumar, Director (Finance) (M)
9.	Sub-committee to Ensure Compliance of Gov Directives on "Make in India"	Shri Shashank Misra, Government Nominee Director, (C) Shri Rajesh Kumar, Director (Finance) (M) Shri Rajesh Kumar Agarwal, PFC Nominee Director (M)
10.	Review Committee on Wilful Defaulter	Shri Jitendra Srivastava, CMD, (C) Dr. Anil Kumar Gupta, Independent Director (M) Dr. K. Ghayathri Devi, Independent Director (M)

C: Chairperson **M:** Member

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

Committees & Composition as on 31st March, 2025

9.7.1 Audit Committee

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

- To comply with the requirements in accordance with Section 177 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time;
- To comply with the requirements relating to the Audit Committee as envisaged in Listing Regulations, as amended from time to time;



c) To comply with the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, as notified by the DPE, as amended from time to time, and

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

The Audit Committee carries out its role as per its terms of reference and reviews the information prescribed under the applicable statutory provisions.

During the financial year under review, the Audit Committee met 7 (Seven) times.

Key responsibilities of the committee include:

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

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
Shri Narayanan Thirupathy Independent Director	Chairperson (upto March 2, 2026)	6	6
Dr. Durgesh Nandini Independent Director	Member (w.e.f. April 17, 2025 to March 2, 2026) Chairperson (w.e.f. March 3, 2026 to April 16, 2026)	7	7
Shri Manoj Sharma PFC Nominee Director	Member (upto March 31, 2026)	7	7
Dr. Gambheer Singh Independent Director	Chairperson (w.e.f. March 3, 2026 to April 16, 2026)	1	1

The quorum for meetings of Audit Committee is two members or one third of the total number of members, whichever is greater, with at least two Independent Directors present. Further, Director (Finance), Head of Internal Audit function and representatives of Statutory Auditors of the Company are also invited to the meetings of the Audit Committee, as and when required. The Company Secretary acts as Secretary to the Committee.

9.7.2 Nomination and Remuneration Committee

REC being a CPSE and as per the Articles of Association of the Company, the appointment, tenure and remuneration of Whole-time Directors including CMD and other Directors are decided by the President of India and communicated by the Administrative Ministry i.e. MoP.

REC has constituted a Nomination and Remuneration Committee (NRC) in accordance with the provisions of Section 178 of the Act, Regulation 19 of Listing Regulations, RBI's norms for NBFCs and DPE Guidelines on Corporate Governance.

Key responsibilities of the committee include:

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

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

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

During the year under review, the NRC met 3 (three) times.



The composition of the Nomination and Remuneration Committee

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
Dr. Gambheer Singh Independent Director	Chairperson (w.e.f. April 17, 2025 upto April 16, 2026)	3	3
Dr. Durgesh Nandini Independent Director	Member (w.e.f. April 17, 2025 upto April 16, 2026)	3	3
Shri Narayanan Thirupathy Independent Director	Chairperson (upto April 16, 2025) Member (w.e.f. April 17, 2025 upto March 2, 2026)	3	3

The quorum for meetings of NRC is two members or one third of the total number of members, whichever is greater, with at least one Independent Director present. Further, Director (Finance), Director (Projects) and Executive Director (HR) / Head of Division (HR), are also standing invitees to the meetings of NRC. The Company Secretary acts as the Secretary to the Committee.

9.7.3 Stakeholders Relationship Committee

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

Key responsibilities of the committee include:

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

During the year under review, the SRC met 2 (Two) times.

The composition of the Stakeholders Relationship Committee

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
Dr. Durgesh Nandini Independent Director	Chairperson (w.e.f. April 17, 2025 upto April 16, 2026)	2	2
Shri Harsh Baweja Director (Finance)	Member (upto January 31, 2026)	2	2
Shri Vijay Kumar Singh Director (Projects)	Member (up to June 30, 2025)	1	1
Shri Thangarajan Subash Chandira Bosh Director (Projects)	Member (w.e.f. October 3, 2025)	1	1

The quorum for meetings of SRC is two members including the Chairperson of the Committee. Further, representatives of the Registrar & Transfer Agents (RTA) appointed by the Company for various securities including shares, debentures, bonds etc., are invitees to the meetings of the SRC, as and when required. The then Chairperson of the Committee was present at the last AGM of the Company held on August 27, 2025, to answer the queries of shareholders and others.

9.7.4 Risk Management Committee

The Risk Management Committee (RMC) has been constituted in line with the provisions of Regulation 21 of SEBI LODR Regulations to manage the integrated risk of the organisation. The Risk Committee oversees the company's risk management framework, ensuring that risks are identified, assessed, and mitigated effectively.

Key responsibilities of the committee include:

- To manage integrated risk.



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

During the year under review, the RMC met 2 (two) times.

The Composition of Risk Management Committee

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
Dr. Gambheer Singh Independent Director	Chairperson (w.e.f. June 25, 2025 upto April 16, 2026)	2	2
Shri Jitendra Srivastava Chairman & Managing Director	Member	1	1
Shri Thangarajan Subash Chandira Bosh Director (Projects)	Member (w.e.f. October 3, 2025)	1	1
Shri Harsh Baweja Director (Finance)	Member (upto January 31, 2026)	2	2
Shri Narayanan Thirupathy Independent Director	Member (upto March 2, 2026)	2	2

Shri Jitendra Srivastava, CMD was the chairperson of the committee w.e.f. April 22, 2025 to June 24, 2025. Further, Shri Jitendra Srivastava, CMD, REC was entrusted with additional charge of Director (Projects) of the Company, for a period of three months w.e.f. July 1, 2025, or until the appointment of a regular incumbent, whichever is earlier. Further, he was also entrusted with additional charge of Director (Finance) of the Company, for a period of three months w.e.f. February 1, 2026, or until the appointment of a regular incumbent, whichever is earlier and no meeting was held during his tenure.

The Company has appointed a Chief Risk Officer (CRO) as prescribed by RBI. The CRO acts as the convener to RMC.

The quorum for meetings of RMC is three members, including the Chairperson of the Committee. Further, the Executive Director(s)/Heads of key finance and operational functions, including ALM, Internal Audit, Compliance and CISO, attend the meetings of the Risk Management Committee as standing invitees to the meetings of Risk Management Committee.

9.7.5 Corporate Social Responsibility Committee

As per the provisions of Section 135 of the Act. and Rules made thereunder and Guidelines on Corporate Social Responsibility for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, the Board of Directors of the Company has constituted a 'Corporate Social Responsibility Committee' (CSR Committee).

Key responsibilities of the committee include:

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

During the year under review, the CSR Committee met 12 (Twelve) times.



Name of the Director	Position	Meetings Held during tenure	Meetings Attended
Dr. Gambheer Singh Independent Director	Chairperson (w.e.f. April 17, 2025 upto April 16, 2026)	12	12
Shri Vijay Kumar Singh Director (Projects)	Member (upto June 30, 2025)	3	3
Shri Jitendra Srivastava Chairman & Managing Director	Member	5	5
Shri Harsh Baweja Director (Finance)	Member (upto January 31, 2026)	10	10
Shri Thangarajan Subash Chandira Bosh Director (Projects)	Member (w.ef. October 17, 2025)	6	6

Shri Jitendra Srivastava, Chairman & Managing Director, REC was entrusted with additional charge of Director (Projects) of the Company, for a period of three months w.e.f. July 1, 2025, or until the appointment of a regular incumbent, whichever is earlier. Further, he was also entrusted with additional charge of Director (Finance) of the Company, for a period of three months w.e.f. February 1, 2026, or until the appointment of a regular incumbent, whichever is earlier.

The quorum for meetings of CSR Committee is two members, including the Chairperson of the Committee. The Company Secretary acts as the Secretary to the Committee.

9.7.6 Committee for Investment / Deployment of Surplus Funds

The Committee for Investment / Deployment of Surplus Funds has been constituted to approve investment/deployment of short-term surplus funds of ₹1,000 crore and above in a single instance in Certificate of Deposits or ₹2,000 crore and above in Mutual Funds and Fixed Deposits at any time. The Committee comprises of the CMD as Chairperson; Director (Projects) and Director (Finance) as members.

The quorum for meetings of the said Committee is two members, including CMD. Further, total 7 meetings were held on April 30, 2025, July 1, 2025, August 6, 2025, September 1, 2025, September 3, 2025, September 25, 2025 and November 24, 2025 and were attended by Directors as per quorum, during the financial year 2025-26.

9.7.7 Asset Liability Management Committee (ALCO)

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

During the year under review, the ALCO met 4 (Four) times.

The composition of the Asset Liability Management Committee (ALCO)

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
Shri Jitendra Srivastava Chairman & Managing Director	Chairperson (w.e.f. April 22, 2025)	4	4
Shri Vijay Kumar Singh Director (Projects)	Member (Upto June 30, 2025)	1	1
Shri Harsh Baweja Director (Finance)	Member (upto January 31, 2026)	3	3
Shri Thangarajan Subash Chandira Bosh Director (Projects)	Member (w.e.f. October 3, 2025)	2	2

The quorum for meetings of ALCO is three members, including CMD and the Director (Finance). The ED/HoD (ALM) acts as the convener of ALCO. Other senior officials of the Company are also invited to meetings of ALCO, as per requirement.



9.7.8 IT Strategy Committee

The Board of REC has an IT Strategy Committee (ITSC) comprising of an Independent Director and other Senior Officials of the Company, in compliance of the Reserve Bank of India's Master Direction related to information technology (IT) governance, risk, controls and assurance practices for banks and NBFCs.

Its responsibilities include guiding the determination of IT resources necessary for achieving strategic goals, providing high-level advice on sourcing and utilising IT resources, ensuring cybersecurity, internal controls, and governance, and approving IT strategies, policies, and best practices as specified by the RBI's directions.

During the financial year under review, the ITSC met 6 (Six) times.

The composition of the IT Strategy Committee

Name of the Director	Position	Meetings Held during tenure	Meetings Attended
Shri Narayanan Thirupathy Independent Director	Chairperson (upto March 2, 2026)	5	5
Dr. Durgesh Nandini Independent Director	Chairperson (w.e.f. March 3, 2026 upto April 16, 2026)	1	1
Shri Vijay Kumar Singh Director (Projects)	Member (upto June 30, 2025)	2	2
Shri Harsh Baweja, Director (Finance)	Member (upto January 31, 2026)	5	5
Shri Thangarajan Subash Chandira Bosh Director (Projects)	Member (w.e.f. October 3, 2025)	2	2

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

The Board of REC has constituted Sub-committee to ensure compliance of GoI directives on 'Make in India', comprising of the Government Nominee Director as Chairperson, Director (Finance) and Nominee Director of PFC as its members, to inter-alia, scrutiny/ review the tender notices, as and when being floated by REC or its subsidiaries, valuing ₹250 crore or above. Further, no meeting of the said Sub-committee was held during the financial year 2025-26.

9.7.10 Review Committee on Wilful Defaulter

The Board of REC has constituted Review committee on Wilful Defaulter headed by CMD with two Independent Directors in compliance of the Reserve Bank of India's Master Direction on Wilful Defaulter dated July 1, 2015. Further, no meeting of Review committee on Wilful Defaulter was held during the financial year 2025-26.

9.8 ESG Governance & Board Oversight

ESG Vision

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

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

Governance Structure for ESG





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

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

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

2. ESG Committee – Management-Level Stewardship

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

3. ESG Division – Operational Execution

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

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

9.9 Board Independence

REC Limited's Board structure ensures strong, independent oversight while meeting its duties as a Central Public Sector Undertaking (CPSU). Following the Companies Act, 2013 and the DPE Guidelines on Corporate Governance for CPSEs (latest amendment 2023), directors are appointed through a transparent, merit-based process led by the Public Enterprises Selection Board (PESB). This guarantees that all appointments—whether Whole-time, Nominee, or Independent—meets objective competency criteria and is free from undue influence. As of July 31, 2026, the eight-member Board includes three Whole-time Directors, one Government Nominee Directors, one PFC Nominee Director and three Independent Directors.

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

Chairman and Managing Director at REC Ltd

Companies Act, 2013, Section 203(1)

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

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

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

DPE Corporate-Governance Guidelines for CPSEs (2023)

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



- REC maintains a majority of non-executive directors (five of eight) and has Audit, Risk Management, Nomination & Remuneration, CSR, Stakeholders' Relationship and ITSC Committees chaired by Independent Directors.

Public-Service Ethos and Absence of Conflicts

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

Outcome-Focused Governance

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

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

9.10 Board Diversity

REC Limited remains steadfast in its commitment to cultivating a Board that is both diverse and highly skilled, recognizing its essential role in ensuring sound corporate governance and informed decision making. In alignment with SEBI LODR Regulations and other applicable statutory requirements, the Company's policy mandates an appropriate balance of Executive and Non Executive Directors, inclusive of Independent Directors and Women Directors.

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

9.11 Board Performance Evaluation

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

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

9.12 Business Ethics and Integrity

At REC Limited, we are committed to upholding the highest standards of legal and ethical conduct, with a firm zero-tolerance approach to corruption and bribery. Central to this framework is the Chief Vigilance Officer (CVO), who leads the organization's ethics and compliance framework while promoting a culture of integrity, accountability, and trust. REC Limited strictly adheres to the guidelines issued by the Central Vigilance Commission (CVC), ensuring transparency, fairness, and accountability in all procurement activities and government processes. For the wide dissemination of business ethics and to ensure employees are well aware of the code of conduct, the vigilance division, functioning under the CVO, has published a vigilance handbook.

In FY 2025-26, our dedication to these principles was evident through a series of initiatives:

- Vigilance wing conducted 17 training sessions and workshops were conducted on key themes such as Ethics and Integrity, Cyber Hygiene, Investigation techniques, Financial fraud prevention, Framing of charge-sheets, CTE type examinations with tender checklists and Conduct Rules.



- The CVO's office carried out periodical inspections of 8 Regional Offices.
- Site visits were conducted for three CSR projects to ensure adherence to ethical standards.
- Annual Property Returns of 153 employees were thoroughly examined.
- 16 Internal Audit (IA) reports were scrutinized to identify and address any potential concerns.

The Chief Vigilance Officer (CVO) works in close collaboration with business units, actively promoting adherence to legal and ethical practices. This coordinated approach ensures that all organizational activities remain consistent with established moral standards and comply with applicable laws and regulations. To reinforce this framework, REC Limited has instituted a comprehensive set of policies and procedures that serve as guiding principles for ethical conduct across the Company.

To accomplish this, we have established a detailed set of policies and procedures.

- **Fair Practice Code** Our Fair Practice Code ensures transparency, fairness, and ethical conduct in all dealings with customers, promoting trust and integrity within the organization.
- **Whistle Blower Policy** The Whistle Blower Policy provides a secure and confidential channel for employees to report unethical practices and misconduct, safeguarding the company's integrity
- **Code of Business Conduct Ethics for BoD/Senior Management** Our Code of Business Conduct Ethics outlines the principles and standards that guide Board of Directors and senior management in their decision-making and professional conduct.
- **Conduct, Discipline, and Appeal Rules** The Conduct, Discipline, and Appeal Rules establish a framework for maintaining professional discipline, integrity and duty, ensuring a fair and respectful workplace.
- **Code of Ethics Our Code of Ethics** defines the core values and ethical standards that all employees must adhere to; fostering a culture of integrity and accountability.
- **Nomination and Remuneration Policy** outlines the criteria, process for selecting and compensating directors, senior executives, and ensuring alignment with organisational goals.

Strengthening an Ethical Culture – Vigilance Awareness Campaign 2025

- **Three-month integrity drive.** In the run-up to Vigilance Awareness Week 2025 (27 Oct – 2 Nov, with the theme – "Vigilance: Our Shared Responsibility"), REC's Vigilance Division rolled out a three-month organization-wide campaign aimed at embedding zero-tolerance for corruption across every function.
- **Widespread employee engagement.** The Vigilance Division administered an online Integrity Pledge to all staff, launched micro-learning modules on conflict-of-interest rules, and set up grievance-redressal kiosks to encourage whistle-blowing
- **Communication and training about anti-corruption policies and procedures**

A total of 17 training sessions and workshops were conducted on key themes such as Ethics and Integrity, Cyber Hygiene, Investigation techniques, Financial fraud prevention, Framing of charge-sheets, CTE type examinations with tender checklists and Conduct Rules.





9.13 Enterprise Risk Management Framework

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

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

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

Risk-Based Internal Audit

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

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

9.14 Tax Strategy

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

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

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

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

9.15 Business Continuity and Disaster Management Plan

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

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

9.16 Political Contribution

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



10

REC's Policies mapped to BRSR Principles



BRSR Principles	Description	
P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability REC conducts its business activities with utmost importance to ethics, transparency, and accountability. The various policies, codes and rules framed in this regard include: -	
	Name of the Policy	Weblink
	Internal Guidelines on Corporate Governance	https://recindia.nic.in/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://recindia.nic.in/uploads/files/co-cs-Code-of-Business-Conduct-Policy-10032025.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://recindia.nic.in/uploads/files/RPT-Policy-of-REC-dated-290126.pdf
	Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives and for Fair Disclosure	https://recindia.nic.in/uploads/files/co-cs-insider-trading-code-submitted-to-stock-exchanges-dt240725.pdf
	Policy on 'fit & proper' criteria of Directors	https://recindia.nic.in/uploads/files/Amended---Policy-on-Fit--Proper-Criteria.pdf
	REC ESG policy	https://recindia.nic.in/uploads/files/CO-BDM-RECESGPolicy-060624.pdf
	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 REC also has a Sustainable procurement policy outlining ESG guidelines and human rights requirements for suppliers. The policy is available at https://recindia.nic.in/uploads/files/CO-BDM-Sustainable-Procurement-policy-060624.pdf	



P3	Businesses should promote the well-being of all employees The Company has adopted various employee-oriented policies in line with the general laws and regulations and sound ethical practices. Such policies are normally approved by the Board of Directors and are accessible to the employees of the Company on the intranet. Our ESG policy is available at https://recindia.nic.in/uploads/files/CO-BDM-RECESGPolicy-060624.pdf
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. Our stakeholder engagement policy and stakeholder grievance redressal policy are available at links https://recindia.nic.in/uploads/files/CO-BDM-Stakeholder-engagement-policy-060624.pdf https://recindia.nic.in/uploads/files/CO-ESG-Grievance-Redressal-Mechanism-Document-050525.pdf 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. REC's human rights policy is available at https://recindia.nic.in/uploads/files/CO-BDM-Human-Rights-Policy-060624.pdf The Company has a Code of Business Conduct & Ethics for its Board Members and Senior Management, which, inter-alia, casts moral imperative on the members of senior management to keep in mind the safety and protection of human life and environment and to avoid discrimination on any grounds. The said Code is available at https://recindia.nic.in/uploads/files/co-cs-Code-of-Business-Conduct-Policy-10032025.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/loan-policy-circular Our ESG policy is available at https://recindia.nic.in/uploads/files/CO-BDM-RECESGPolicy-060624.pdf
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner REC plays an active and responsible role in matters concerning public & regulatory policy. Further, REC's interactions with public at large can be followed through its various social media handles. Our responsible advocacy policy is available at https://recindia.nic.in/uploads/files/CO-BDM-Responsible-Advocacy-Policy-060624.pdf
P8	Businesses should support inclusive growth and equitable development REC has various policies to support inclusive growth and equitable development of all its stakeholders, including public procurement policy for MSMEs (https://recindia.nic.in/uploads/files/RECPolicy-for-MSME-11022022.pdf), equal opportunity policy for its employees (available on REC intranet), attractive lending rates for green-energy projects (https://recindia.nic.in/loan-policy-circular) and also CSR policy (https://recindia.nic.in/uploads/files/REC-CSR-Policy-07-12-2021.pdf).
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner REC has a Board-approved 'Fair Practices Code' in place, to ensure that fair and transparent practices are followed by the Company while dealing with customers in its lending operations. The Code is available at https://recindia.nic.in/uploads/files/co-hr-GRO-Order-Fair-Practice-Code-dt-250326.pdf Our Data privacy policy is available at https://recindia.nic.in/uploads/files/CO-BDM-Data-Privacy-Policy-060624.pdf



11

Appendix



11.1 GRI Index

GRI Standards	Disclosure	Page No.	Omissions
GRI 2: General Disclosures 2021	2-1 Organizational details	11	
	2-2 Entities included in the organization's sustainability reporting	7	
	2-3 Reporting period, frequency and contact point	7	
	2-4 Restatements of information	7	
	2-5 External assurance		REC will engage the assurance provider for ESG Report in coming years.
	2-6 Activities, value chain and other business relationships	7	
	2-7 Employees	57	
	2-8 Workers who are not employees		Not Applicable
	2-9 Governance structure and composition	84	
	2-10 Nomination and selection of the highest governance body	87	
	2-11 Chair of the highest governance body	84	
	2-12 Role of the highest governance body in overseeing the management of impacts	94	
	2-13 Delegation of responsibility for managing impacts	94	
	2-14 Role of the highest governance body in sustainability reporting	94	
	2-15 Conflicts of interest	94	
	2-16 Communication of critical concerns	94	
	2-17 Collective knowledge of the highest governance body	83	
	2-18 Evaluation of the performance of the highest governance body	96	
	2-19 Remuneration policies	87	
	2-20 Process to determine remuneration	87	
	2-21 Annual total compensation ratio	59	
	2-22 Statement on sustainable development strategy	2	
	2-23 Policy commitments	99	
	2-24 Embedding policy commitments	97	
	2-25 Processes to remediate negative impacts	80	
	2-26 Mechanisms for seeking advice and raising concerns	80	
	2-27 Compliance with laws and regulations	94	
	2-28 Membership associations	17	
	2-29 Approach to stakeholder engagement	29	
	2-30 Collective bargaining agreements	69	



GRI 3: Material Topics 2021	3-1 Process to determine material topics	29	
	3-2 List of material topics	29	
	3-3 Management of material topics	29	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	83	
	201-2 Financial implications and other risks and opportunities due to climate change	29	
	201-3 Defined benefit plan obligations and other retirement plans	66	
	201-4 Financial assistance received from the government		No financial assistance received from the government
GRI 202: Market Presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	59	
	202-2 Proportion of senior management hired from the local community	93	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	25	
	203-2 Significant indirect economic impacts	79	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	72	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	96	
	205-2 Communication and training about anti-corruption policies and procedures	96	
	205-3 Confirmed incidents of corruption and actions taken		No incidents of corruption
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		No incident recorded
GRI 207: Tax 2019	207-1 Approach to tax	98	
	207-2 Tax governance, control, and risk management	98	
	207-3 Stakeholder engagement and management of concerns related to tax	98	
	207-4 Country-by-country reporting	REC is a CPSE, working for nation building and has no international operations	
GRI 301: Materials 2016	301-1 Materials used by weight or volume		Given the nature of the business, this is not applicable
	301-2 Recycled input materials used		Given the nature of the business, this is not applicable
	301-3 Reclaimed products and their packaging materials		Given the nature of the business, this is not applicable



GRI 302: Energy 2016	302-1 Energy consumption within the organization	43	
	302-2 Energy consumption outside of the organization		Not Applicable
	302-3 Energy intensity	43	
	302-4 Reduction of energy consumption	43	
	302-5 Reductions in energy requirements of products and services		Given the nature of the business, this is not applicable
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	50	
	303-2 Management of water discharge-related impacts	51	
	303-3 Water withdrawal	50	
	303-4 Water discharge	50	
	303-5 Water consumption	50	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	44	
	305-2 Energy indirect (Scope 2) GHG emissions	44	
	305-3 Other indirect (Scope 3) GHG emissions	45	
	305-4 GHG emissions intensity	44	
	305-5 Reduction of GHG emissions	44	
	305-6 Emissions of ozone-depleting substances (ODS)	44	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other	Please refer to our FY 26 BRSR, Principle 6, Q6	
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	50	
	306-2 Waste by type and disposal method	52	
	306-3 Significant spills		Given the nature of the business, this is not applicable
	306-4 Transport of hazardous waste	52	
	306-5 Water bodies affected by water discharges and/or runoff	51	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Please refer to our FY 26 BRSR, Principle 6, Q8 (Leadership Indicator)	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	71	
	308-2 Negative environmental impacts in the supply chain and actions taken	71	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	57	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	66	
	401-3 Parental leave	58	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	69	



GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	64	
	403-2 Hazard identification, risk assessment, and incident investigation	66	
	403-3 Occupational health services	64	
	403-4 Worker participation, consultation, and communication on occupational health and safety	64	
	403-5 Worker training on occupational health and safety	64	
	403-6 Promotion of worker health		Not Applicable
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	66	
	403-8 Workers covered by an occupational health and safety management system		Not Applicable
	403-9 Work-related injuries	66	
	403-10 Work-related ill health	66	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	62	
	404-2 Programs for upgrading employee skills and transition assistance programs	60	
	404-3 Percentage of employees receiving regular performance and career development reviews	63	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	96	
	405-2 Ratio of basic salary and remuneration of women to men	59	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	59	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	69	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	69	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	69	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		Not Applicable
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of Indigenous peoples		Not Applicable
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	74	
	413-2 Operations with significant actual and potential negative impacts on local communities	74	



GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	71	
	414-2 Negative social impacts in the supply chain and actions taken		No negative social impact
GRI 415: Public Policy 2016	415-1 Political contributions	98	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		Given the nature of the business, this is not applicable
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		Given the nature of the business, this is not applicable
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling		Given the nature of the business, this is not applicable
	417-2 Incidents of non-compliance concerning product and service information and labelling		Given the nature of the business, this is not applicable
	417-3 Incidents of non-compliance concerning marketing communications		Given the nature of the business, this is not applicable
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	73	

11.2 SASB Index

SASB Topic	Accounting Metric / Disclosure	REC's Response / Page Reference	Comments
Greenhouse Gas Emissions	IF-EU-110a.1: Gross global Scope 1 emissions	p. 44	Data includes direct emissions from REC offices and fleet.
Energy Management	IF-EU-130a.1: Total energy consumed, % grid electricity, % renewables	p. 43	Renewable energy procurement and efficiency initiatives detailed.
Water Management	IF-EU-140a.1: Total water withdrawn, % in regions with high water stress	p. 50	Aligned with CPCB guidelines; REC operations in low-stress areas.
Employee Diversity & Inclusion	IF-EU-330a.1: Gender and racial/ethnic group representation	p. 58	Gender diversity figures, pay equity analysis included.
Business Ethics	IF-EU-510a.1: Total amount of monetary losses from legal proceedings	-	Zero significant cases reported in FY25-26.
Cybersecurity	IF-EU-230a.1: Description of approach to identifying and addressing cybersecurity risks	p. 72	REC has zero complaints on cybersecurity/data fraud.
Community Engagement	IF-EU-240a.1: Programs and practices to manage the impacts on communities	p. 74	REC CSR programs supporting rural electrification and education.
Climate Risk	IF-EU-450a.1: Strategy for managing climate-related risks and opportunities	p. 46	Climate risk assessments are conducted in alignment with national targets.



11.3 UN Global Compact (UNGC) Index Table

UNGC Principle	Description	REC's Response / Reference
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	p. 68: REC's HR policy; Code of Conduct
Principle 2	Make sure they are not complicit in human rights abuses	p. 70: Supplier Code of Conduct; Vendor agreements
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	p. 69: Employee Handbook; Labour Compliance
Principle 4	Elimination of all forms of forced and compulsory labour	p. 69: HR & Contractor Management Policies
Principle 5	Effective abolition of child labour	p. 69: Recruitment & Supplier Due Diligence
Principle 6	Elimination of discrimination in respect of employment and occupation	p. 59: Equal Opportunity Policy; Gender Diversity Programs
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges	p. 43: Environmental Policy; Risk Assessments
Principle 8	Undertake initiatives to promote greater environmental responsibility	p. 47: Energy efficiency, water management, waste reduction programs
Principle 9	Encourage the development and diffusion of environmentally friendly technologies	p. 37: Investments in clean energy and green financing initiatives
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	p. 97: Anti-Bribery & Anti-Corruption Policy; Whistleblower Mechanism

[illegible]

NOTE

[illegible]



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