

# Planet Positive Power

Powering  
Sustainability  
Growth Of India

Sustainability Report 2019-20



# ABOUT THE REPORT



As one of India's largest producers of renewable energy we at Hero Future Energies Private Limited [HFE] are committed to bringing sustainability to every aspect of our organization. FY 2019-20 is the first year of publishing our company's sustainability performance. Through this report we have demonstrated our capabilities to grow sustainably using multiple capitals since FY 2017-18. Furthermore, we have outlined the organization's sustainability aspirations for the next decade and our strategic intent to nullify the company's carbon footprints throughout its lifecycle.

This report has been prepared in accordance with the GRI Standards: Core option.

The other guidelines followed are:

- ☀️ **United Nations Sustainable Development Goals (SDGs)**
- ☀️ **CEA carbon database**
- ☀️ **Recognized performance standards of International Finance Corporation and the World Bank**

Since the company's inception in the year 2012, in New Delhi, India our commissioned renewable energy capacity in India reached a sizable aggregate in FY 2017-18. To provide a comprehensive and enriching report to our stakeholders, the sustainability impact in FY2019-20 has been evaluated



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alongside the company's sustainability performance since FY 2017-18.

This report addresses how we manage our operations across our commissioned and under construction renewable energy plants in India in a sustainable manner and how we respond to shareholder concerns.

**This sustainability report depicts the non-financial disclosures of HFE and the SPVs of HFE for 11 solar power plants in Rajasthan, Madhya Pradesh, Telangana, Andhra Pradesh, Karnataka and 13 wind power plants in Rajasthan Madhya Pradesh, Telangana, Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu in India for the reporting period April 1, 2019 to March 31, 2020.**

As a true global corporate, we are committed to our stakeholders across the value chain who are directly or indirectly being impacted, including local communities, contract labourers, vendors, equity partners, government agencies, land sellers, industry associations and the investor community of HFE.

Going forward we will maintain an annual reporting cycle. This report has been reviewed and approved by HFE's Sustainability Steering Committee under the guidance of **The Energy and Resources Institute [TERI]**, a research institute in New Delhi that specializes in the fields of energy, environment and sustainable development. We are grateful to all our stakeholders for their support and allegiance towards the company's sustainable goals and objectives.

We value your suggestions and views on our first sustainability report. Any queries, with respect to the report may be addressed to HFE at [meenakshi.sarkar@herofutureenergies.com](mailto:meenakshi.sarkar@herofutureenergies.com) or at the registered office address.

This report covers HFE's focus on the following UN Global SDGs 4, 5, 6, 7, 13, 14, 15 and 16





## VOICE OF HFE



**Rahul Munjal**  
Chairman & Managing Director, Hero Future Energies

Businesses, policy makers, governments, civil societies, and environmentalists globally have been emphasizing on reaching a state of climate neutrality and equitable distribution of resources so that people globally enjoy peace and prosperity.

It makes me extremely happy to see that organizations which are not directly linked to a positive impact business are taking conscientious steps to meet their ESG obligations. Tech giants are making huge progress in their path to achieving their Renewable Energy commitments. The top oil companies have been investing in clean energy projects. A major logistics brand has announced plans to convert all its fleet to electric or hybrid soon. And this is just the beginning.

While it is essential for a company to generate profits, it is equally important for the company to serve its purpose towards society. In my opinion, profit and purpose have to go hand in hand. The companies that fulfil their ESG responsibilities are more likely to become leaders and will be rewarded in the long run.

**My journey in finding solutions to the climate crisis began seven years ago with the start of Hero Future Energies. We currently provide energy solutions in wind, solar, energy storage, rooftop solar – all of which replace fossil fuels, and we have plans to deploy these solutions globally.**

I am a **climate optimist**. I believe in the collective wisdom of our mankind. Our scientists, political leaders, industrialists and thought leaders have a wealth of knowledge and solutions to combat climate change. The need of the hour is implementing topical hybrid solutions across geographies, more importantly, making and sticking to a sustainable resolve to make this planet a cleaner and greener place for everyone.

During the very challenging last few months of the pandemic we have organised our efforts towards building a safe working environment for our teams and serving the communities near our project sites. We have come forward and distributed masks and food supplies in and around our project sites across India. Our inclusive growth philosophy is the mainstay of the community



development initiatives around our project sites. With the company's focus on education, skill development, women empowerment and community development, through the **Raman Kant Munjal Foundation** we have been able to positively impact many lives in the backward regions of rural India. The group's foundation initiatives are dedicated to building a happier and healthier community and society.

**At HFE, we are continuously striving towards organizational affirmation of 'Planet Positive Power' for 'Planet Positive People'!**

Our actions during the pandemic were primarily focussed on ensuring the **safety of employees, assets and communities, shifting to digitization to ensure business continuity, optimizing cost, budgetary controls, effective capital and risk management and ensure 99% plant availability** across all our project sites. I believe that these efforts have acted as a catalyst for HFE to emerge as a more resilient and future proof organization, as we come off this challenge. We will continue to focus on innovation, digitization and sustainability across our businesses. Our expansion plans

in India and other select geographies are on track, we will ramp up in India whereas our global pipeline is expected to execute unique, differentiated projects to provide clean and affordable power to all.

#### Strategic Intent

## shaping a sustainable future

across the globe through innovative cleantech solutions

#### Achievement

**1 million**

sequestering of CO<sub>2</sub> by 1 million trees per year through renewable energy generation since FY 2017-18

#### 2030 Aspirations

**ESG**

HFE is committed to sustainability targets which are aligned to global mega trends in ESG

**5000+**

Rural Children to be educated through 100 Asha Centres

**20000+**

villagers to have access to clean drinking water through Water ATM

**200000+**

villagers to be benefit through installation of solar street lights

**5000+**

beneficiaries through skilling centres



## VOICE OF HFE

Global economic growth, coupled with rapid urbanisation, is likely to propel energy demand growth. India along with Southeast Asia and other developing Asian nations is estimated to account for two-thirds of world's energy demand growth.

As India is gearing up towards achieving the target of **450 GW** of installed **renewable capacity by 2030**, new challenges keep emerging in the form of huge capital requirements, protection of foreign capital investments in RE projects from payment delays, adequate ISTS transmission & distribution infrastructure and adequate land resources. Fortunately, the renewable sector stood tall during COVID-19 crisis, and the government also supported this sector by ushering in viable and timely reforms. Principally amongst them are the **90,000-crore** liquidity infusion and amendments to the Electricity Act.

Being one of the leading renewable energy developers in India and as office bearers of renewable energy associations namely **WIPPA**, **CII** and **FICCI**, **HFE** has been in the forefront to resolve these issues with effective policy interventions. We have proactively made result-oriented recommendations to **MNRE** during 'Chintan Baithak' in **May 2019** and **EA reforms**. We

strongly advocate for policy innovations and a comprehensive outlook during policy formulation, to meet India's **450GW renewable target by 2030**.

Amidst all, Hero Future Energies' has been consistently contributing through its core business, towards reduction of global carbon footprints. This year management has decided to disclose a report on the sustainability performance across factors from FY 2019-20 to ensure transparency across business operations to interested stakeholders.

**The company has been striving towards operational excellence through continuous improvement in processes, adapting to smart technologies and strategically focusing on new and sustainable businesses including rooftop solar, wind-solar hybrid solutions and energy storage solutions.**

In line with our commitment to sustainable development goal - 7 [SDG-7] by the **United Nations** and our strategic intent to grow our renewables capacity to **5 GW by 2024**, we have made consistent progress [with commissioned projects of **1.5 GW capacity** with another **500 MW** in the construction phase].



**Sunil Jain**  
CEO, Hero Future Energies



We recently commissioned our **mega solar plant in Rajasthan** during FY2019-20 which is located in one of the **largest solar parks in India**. Due to the difficult terrain there, we furthered our step towards drone survey mapping and with the help of over a dozen inhouse engineering experts who overcame geographical challenges and acted swiftly to enhance our performance portfolio.

Hero Future Energies has received several accolades for the performance of its wind and solar project sites in India at the Golden Peacock Awards, CII's Sustainability Awards and FICCI Safety Awards, which reaffirms our commitment to safety standards and quality backed by stringent engineering standards.

However, this move towards carbon neutrality is dynamic in nature and to succeed in this transformational journey we intend to have our stakeholders on board, working in tandem with us. As a company we are receptive to feedback from our stakeholders in this regard and continue with our persistent commitment of building a cleaner and greener future for generations to come.



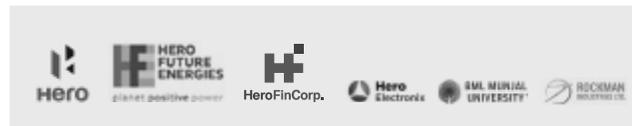


# BUSINESS OVERVIEW

## ABOUT HERO GROUP

Brand 'Hero' is an iconic name in India. It had a modest beginning in the 1950s, as first-generation founders started with manufacturing bicycle components in **Ludhiana, North India**. Today the group ranks amongst one of the most respected business houses in India, delivering outstanding products & services with deep-rooted commitment to serve the community and foster customer satisfaction.

The Hero group founded by Late **Dr Brijmohan Lall Munjal** has touched the lives of millions of people in India by delivering excellence in engineering products, services, and solutions in the most innovative and cost-effective ways. Today, the group has diversified across more than **6 industry** verticals encompassing **Automotive & Auto Components, Financial Services, Renewable Energy, Electronics & IT Enabled Services, Higher Education & Training and Real Estate**.



## ABOUT HERO FUTURE ENERGIES

Hero Future Energies Private Limited [HFE], the group's flagship company, is one of the leading independent power producers in renewable energy in India. We are engaged in the **development, construction, ownership, operation, maintenance and management of solar and wind power plants and generation & supply of clean energy**. Hero Future Energies is ambitious about tapping into the business opportunities that are available across both, the domestic and international markets, as well as differentiated and new technologies namely storage, hybrid projects, floating solar and others.

HFE has spread its footprints nationwide and set new benchmarks for operational efficiencies in its journey of over seven years. Our core strengths lie in timely project delivery, unwavering focus on health safety & environment [HSE] standards, stringent asset quality standards and inhouse design and engineering skills. HFE has operational capacity of more than **1.5 GW high quality diversified portfolio of wind, solar PV [grid connected] & rooftop plants across ten states of India**. Another **500 MW** capacity of large-scale grid connected solar project is under construction in India.

In the international markets across **ASEAN and East European** regions, the company has under-belt capacity of **1.5 GW** solar and wind plants. With our strong foundation base in India [**2 GW**] and our growth ambitions in the international markets [**1.5 GW**], we are confident to grow our operational capacity by over **200%** in the next four years [**5Gw**].

### 1.5 GW

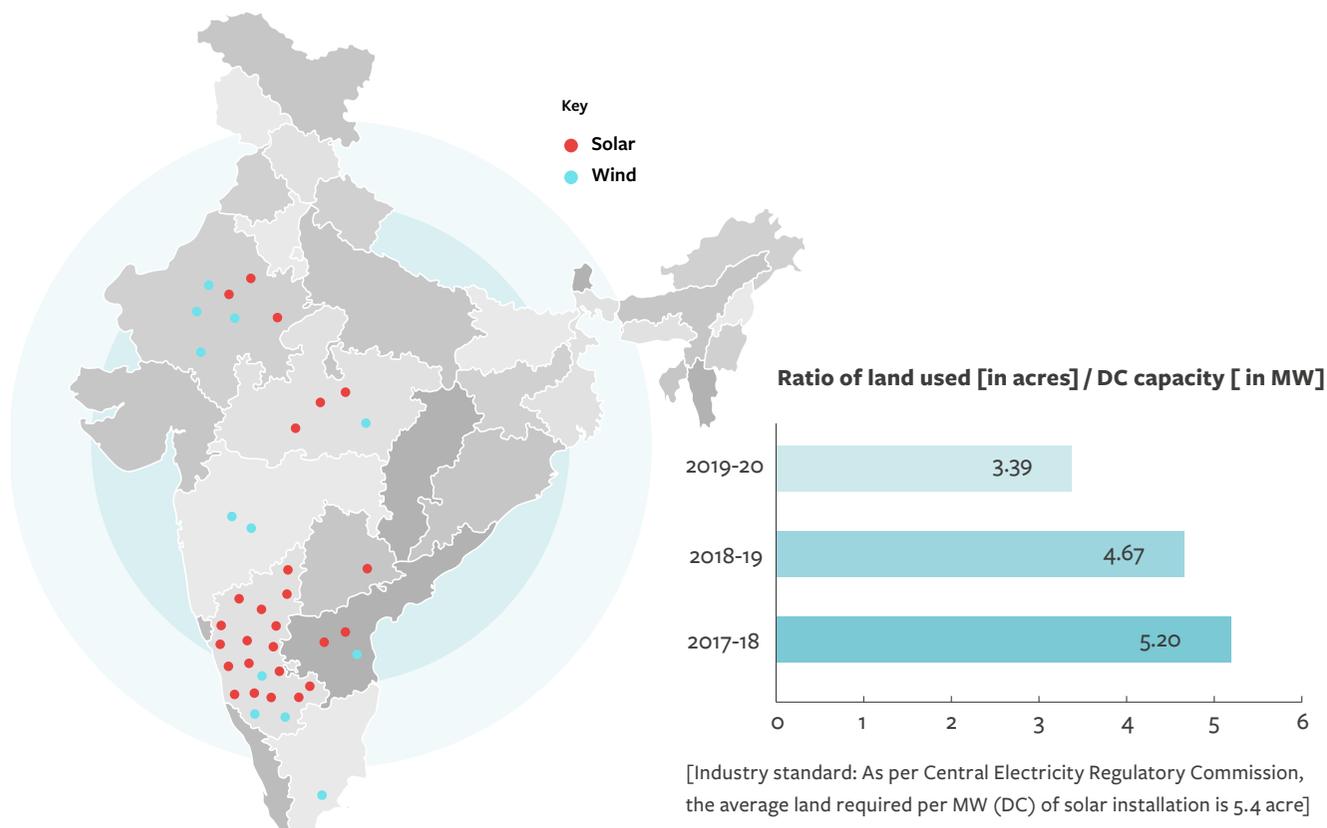
high quality diversified portfolio of wind, solar PV (grid connected) & rooftop plants across ten states of India.

### Shareholders





## OUR GROWING AND DIVERSIFIED PORTFOLIO



HFE has reduced its land footprint per MW of DC to 3.39 in FY 19-20 from 5.2 Acre in FY2017-18. This has been possible with implementation of innovative design and engineering methodologies thus helping the company to significantly lower its impact on the environment.

States	Capacity Wind [MW]	Capacity Solar [MW]
Karnataka	100	439
Andhra Pradesh	120	50
Madhya Pradesh	100	123
Rajasthan	138	300
Maharashtra	82	
Tamil Nadu	17	
Telegana	40	

### Industry Associations



### Key Strategic Partners





## OUR OPERATING CONTEXT MATRIX



**Our Commitment:** It has been our constant endeavour to extend our green ethos to the work environment, inspire our employees, educate our consumers and the world about sustainable ways of living, and contributing to the larger goal of saving the planet for future generations. We are committed to the holistic development of local communities around our project sites. We nurture innovation to step-up organizational growth by enhancing our developmental capabilities, implementing cutting-edge eco-friendly technologies and processes of energy management.

INPUT	STRATEGIC INTENT	
	<p><b>Manufactured capital-</b> Total land assets in FY2019-20 [in acres] – 6390; <b>Supply chain ecosystem</b> - Partnership only with ISO 9001:2008, ISO 45000:2018 and ISO 14001:2015 certified principal contractors; Integration with top three suppliers in global supply chain</p>	<p>HFE will continue to pursue sustainability-oriented business only</p> <p>Key  <span style="color: #00AEEF;">■</span> March, 2024  <span style="color: #00AEEF;">■</span> March, 2019  <span style="color: #00AEEF;">■</span> March, 2017</p>
	<p><b>Intellectual capital-</b> A trained team of experts with sharp focus on optimizing costs at every level and managing liquidity, to be the lowest cost RE producer; A talented pool of engineers equipped with impeccable design philosophy; State-of-the-art Central Monitoring System; Partnerships with reputed global consultants for an innovative edge in business; Strategic partnerships with reputed conglomerates to capitalize on new business opportunities</p>	
	<p><b>Human capital-</b> Multi-disciplinary, committed; self-motivated team of 318 [On roll -318; onsite employees 63 as on FY2019-20] with exposure in across verticals, across roles; 1454 manhours of corporate training; HSE Training man hours for FY 2019-20 is 39 hrs/ year</p>	
	<p><b>Natural capital-</b> Sustainable use of natural resources throughout project lifecycle; Integration of Occupational Health &amp; Safety [OH&amp;S] both at corporate offices and project sites, with reporting specifications as per International Finance Corporation [World Bank Group] performance standards and equator principles</p>	
	<p><b>Social Capital</b> – Sustainable Development priorities aimed at inclusive development of local communities; CSR activities in remote locations of rural India [There are no other NGO interventions]; Strong connection with local administrative authorities to drive high impact projects</p>	



**Values:**

- ⚙️ Integrity
- ⚙️ Commitment
- ⚙️ Trust
- ⚙️ Accountability
- ⚙️ Fair Dealing & No Enticement



**Supporting Pillars**

- ⚙️ Best in class corporate governance & ethics
- ⚙️ Structured risk management approach
- ⚙️ 24X7 safe working environment

BUSINESS MODEL			OUTCOME
<p>Today, HFE is one of the most prominent Independent Power Producers (IPP) of renewable energy in India. The company’s core business involves developing, building, owning, operating wind and solar PV power generation and rooftop solar assets.</p>			<p><b>INR. 12,127.32 million</b> Annual Net Revenue FY 2019-20</p> <hr/> <p><b>506629 tCO2e</b> emissions avoided since 2017-18 which is equivalent to nullifying / sequestering of CO2 by <b>10 lakh trees</b> per year</p> <hr/> <p><b>14 million</b> safe hours till FY 2019-20</p> <hr/> <p><b>5000 beneficiaries</b> positively impacted around our project sites since 2017-18</p> <hr/> <p><b>3.39 acres in FY 19-20</b> reduced land footprint from 5.2 Acre in FY2017-18</p> <hr/> <p><b>36 project sites can fulfil power needs of 0.7 million* households/day in India</b> HFE directly feeds electricity to the grid, with respect to the average generation numbers,</p> <hr/> <p><b>No instance of environmental and socio-economic non-compliance</b> which is liable to any penalty or punishment during reporting period</p> <hr/> <p>*Note: Considering average 9 units per day consumption of typical household including metro city. Average size of family is 5</p>
RE Technologies Employed	Business Strategy	Business Model	
<ul style="list-style-type: none"> <li>⚙️ Wind</li> <li>⚙️ Solar</li> <li>⚙️ Hybrid/ Storage solutions</li> <li>⚙️ Rooftop Solar</li> </ul>	<ul style="list-style-type: none"> <li>⚙️ Organic growth</li> <li>⚙️ Inorganic growth</li> <li>⚙️ Partnerships</li> <li>⚙️ CAPEX/ OPEX (Energy sale) model</li> </ul>	<ul style="list-style-type: none"> <li>⚙️ PPA with Utilities</li> <li>⚙️ PPA with Corporates</li> <li>⚙️ Power Exchange/ Merchant Power</li> <li>⚙️ Peak Power/ RTC Power</li> <li>⚙️ C&amp;I/ Government/ Institutions</li> </ul>	



# STAKEHOLDER'S VOICE



## Shalabh Tandon

Regional Head of Operations – South Asia at IFC



As the largest development finance institution focused on the private sector, IFC has been a leader in the evolving environmental, social, and corporate governance (ESG) landscape for a quarter century – from pioneering early ESG concepts to developing industry-recognized standards and policies.

IFC has partnered with industry and other stakeholders to devise solutions that open up opportunities for economically, socially, and environmentally sustainable private investment—which, in turn, contribute to jobs and inclusive growth. This is the new frontier in sustainable investing.

We congratulate Hero Future Energies on its first ever Sustainability Report and continuing commitment to demonstrate responsible business solutions for development impact.



### Mohamed Jameel Al Ramahi

Chief Executive Officer of Masdar

Integrating environmental, social and governance factors in investment and operational decision-making is increasingly the norm in today's business environment – in both developed and developing markets. Since its inception more than a decade ago, Masdar has been one of the companies leading the way for sustainability reporting in the Middle East, and we are delighted that Hero Future Energies is showing its commitment to reporting best practices with the publication of its first sustainability report.



### Andrew Hall

Director, Hero Future Energies

India, by 2015 became the second largest emerging green bond market with USD 2.7bn in issuance and most of this has been used to fund renewable projects. The COVID crisis has added further support both domestically and internationally with governments and financial institutions. As a result, ESG is becoming a prerequisite for investment and companies with higher ESG scores are performing better and are better able to access attractive financing. The origins of HFE are deeply embedded with the Environmental, Social and Governance principles and values of its founding father. As the company grows and becomes more global, it is imperative that these principles are embedded in all parts of everyone's daily activities. It has always been the heartbeat of the company and must continue to do so. We all have a responsibility not only to the founding father of the company but to the employees, their families and the people we touch, to do so.



### Asheesh Calla, Ritesh Meera

EPC Contractor

We would like to express our sincere appreciation for being associated with HFE. We firmly believe that HFE is the right company to associate with, as the standard set by HFE at site has been truly integral, e.g. various compliance monitoring through system process including implementation of HSE guidelines at site.

Our organisation also has made a good reputation as HFE to accelerate environmental and social improvements through HFE's significant social, environmental and economic activities.



# CORPORATE GOVERNANCE



**Ben Fraser** Chief Financial Officer, Hero Future Energies

Environmental, Social and Governance issues are important to the global investor community. With equity partners as IFC and Masdar, we thrive to create an environment where our highly valuable workforce makes conscious and constant efforts for environmental sustainability and overall community development. Commitment to sustainable business practices starts at the top with the board and then diffused through the

entire organization. Business decisions at HFE echo the outcome of recent research study by Harvard Business Review: 'sustainability coupled with innovation yields both bottom line & top line returns'. With unwavering focus on the group's governance policies, compliances and effectively identifying and managing enterprise risks, in pursuit of our strategic business objectives we aim to enhance stakeholder's value. Improving ESG disclosures, releasing a sustainability report is intended

to draw confidence of our capital providers, both human and financial. The resultant trust is of utmost value to us and forms the primary building block of our success. We are part of one of the most resilient sectors with many indicators suggesting plenty of opportunity globally.





## Board of Directors



**Mr. Rahul Munjal** • •  
Chairman & Managing  
Director



**Mr. Pawan Munjal** •  
Director



**Mr. Abhimanyu Munjal**  
Director



**Mr. Lubomir Georgiev  
Varbanov** •  
Nominee Director, IFC



**Mr. Andrew Hall** •  
Independent Director



**Mr. Osama Abdullatif  
A Alothman** •  
Nominee Director, Masdar



**Mr. Vivek Mehra** •  
Independent Director



**Mrs. Renu Munjal** •  
Director



**Mr. Jean-Paul Pinard** •  
IFC – GIF Nominee Director

Key • India • Global

### Our Governance Framework

HFE has built into its core a well-defined corporate governance structure.

### The Chairman

Is responsible for leading the **Board** and focusing it on **strategic matters**, overseeing the Group's business and setting high governance standards, while nurturing an organizational culture where employees work harmoniously for the long-term benefit of the Company and its stakeholders.

### The CEO

Is responsible for day-to-day **leadership** and **management** of the **business**, in compliance with the **strategic framework**, **risk appetite** and **long-term objectives** approved by the Board.

### The Board

The Board oversees the functioning of **sub-committees**. The Board members are apprised of the Company's **sustainability performance** as well as the current trends related to **economic**, **social** and **environmental** topics through participation in knowledge **forums** and **regular updates** from the CEO.



### Senior Management Committees

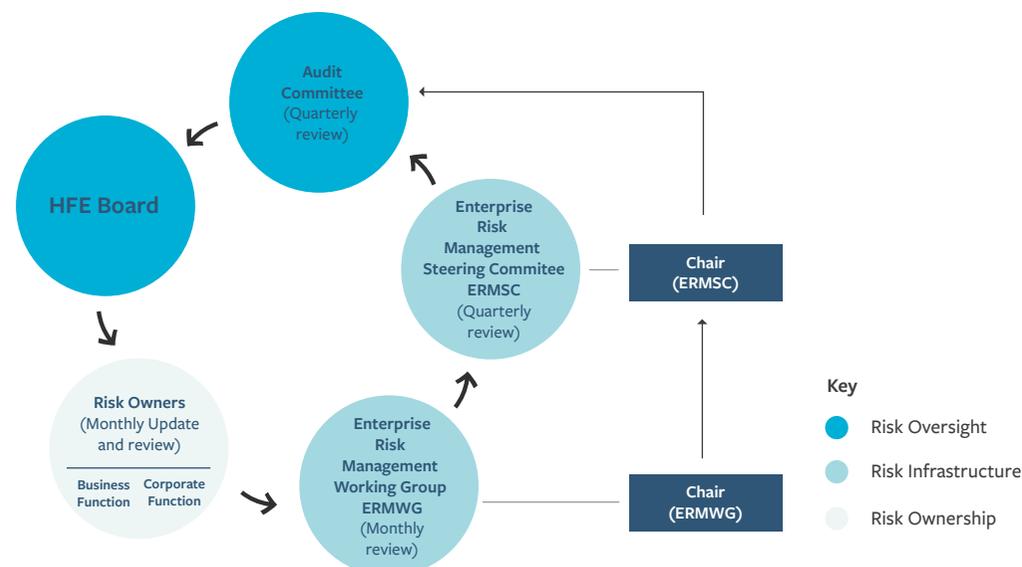
Review and approve organisational policies, strategies, goals and targets related to sustainable development, based on the identified risks and opportunities related to the power sector, external environment, legal, management system requirements and stakeholder consultation among others. Stakeholders' critical concerns that may impact business ecosystems are captured and deliberated at the top management level.

### Committees

EXCOM [Economic, Environment protection, Business strategy, Energy & Emission, Business Risk Management, good Governance, material & procurement, innovation] , Audit Committee [Economic, good governance], Grievance Redressal Committee [Good Governance, Safety & Compliance, Care for community], Sustainability steering committee [Care for Community, Environment protection, Safety & Compliance], Internal Complain Committee [Human capital], Prevention of Sexual Harassment [Human capital].

### Ethics & Integrity

Hero Future Energies is committed to carrying out **business fairly, honestly, and openly** wherever we and other members of the Group carry on business in the world. All of our officers and employees are expected to reflect the same culture of **professionalism and integrity** in their dealings on behalf of the Group, and to assist the Company to implement and enforce systems to prevent any inappropriate activities across the Group's business. The Company **does not make donations or contributions, whether in cash or kind, in support of any political parties or candidates.** Any direct or indirect contribution by the Company to any **political party, committee or candidate** for public office is strictly forbidden.



### Enterprise risk management

Effective risk management is fundamental and essential to the achievement of the Hero Future Energies' (herein referred as HFE or Group) strategic objectives. The Enterprise Risk Management (ERM) system has been established by HFE as a comprehensive set of components that provide the foundations and organizational arrangements for **designing, implementing, monitoring, reviewing** and continually **improving enterprise risk management** throughout the organisation.

The ERM governance structure has been developed keeping in mind the **organization structure** of HFE, to ensure seamless integration of enterprise risk management process with the existing **risk monitor** and review practices across HFE to ensure smooth functioning of the process. The Board has delegated the Audit Committee the responsibility to assist it in framing, guiding, monitoring, and reviewing the ERM

Policy and Framework. HFE has additionally constituted the Enterprise Risk Management Steering Committee (ERMSC) and the Enterprise Risk Management Working Group (ERMWG) to support the Audit Committee in risk governance and oversight. The ERMSC and ERMWG holds regular meetings to review and discuss the risk management progress and to provide a continuous pulse of the business environment and monitor changes.



### Enterprise Risk Assessment

Risk assessment is the identification and analysis of existing and emerging risks to form a basis for determining how risks are managed in terms of likelihood and impact. The management is in the process of documenting an ERM Manual detailing the process for risk management, including process to provide visibility, oversight, control, and discipline to drive

and therefore improve the organisation's risk management capabilities in a changing business environment.

### Principal Risks And Uncertainties



#### Liquidity risk

Given the long life and cash flow streams of its projects, the Group's portfolio is prone to the mismatch of assets and liabilities which can cause temporary liquidity issues in the Group. Timely cash flow forecasting is undertaken to identify possible mismatches. Mismatches are remedied through refinancing, securitisation, effective utilisation of working limits and use of non-fund-based facilities. The Group has appointed a Chief Financial Officer ("CFO") to monitor financial performance and manage financial risks. Further, the Group has an in-house team dedicated to raising and managing



financing and debt, monitoring developments in the debt market and diversification of funding sources to reduce the impact of any adverse market movements.



#### **COVID-19 risks**

The worldwide spread of the COVID-19 virus and subsequent impacts on people and businesses around the world creates unique risks for all businesses. For the Group, those risks can be summarised as cashflow risk, business continuity risk and employee welfare risk. The Group is actively monitoring the impact of COVID-19 on its business and has put in place a number of measures to mitigate the impact.

The Group has spent considerable time assessing the potential impacts that COVID-19 could have on operations. This assessment has taken in to account the current measures being put in place by the Group to preserve cash and reduce discretionary expenditure, and potential reductions in revenues resulting from the economic impact on customer's business due to lockdown and an expected economic downturn.



#### **Operational risks**

The generation of electricity from renewable energy sources, like solar and wind, depends heavily on suitable meteorological conditions and if these are not favourable this will have a negative impact on revenues. Delayed delivery of major projects could adversely affect the Group's financial performance. Further risks arise from delays due to the actions of government regulators, suppliers and equipment manufacturers, particularly for wind projects. The Group has developed comprehensive and robust project management processes. Additionally, the Group also has a robust mechanism for selection of contractors for project execution and operational maintenance.



#### **Legal risks**

The Group appreciates and recognises the risk associated with local and international legal requirements in the jurisdictions in which it operates. In India, the Group maintains a strong interaction with the Government at all levels to keep itself abreast of the current regulations and any future changes that might impact the business. The Group monitors any changes in

legal requirements with a view to ensuring compliance within the specified legal timeframes and to mitigate any associated risks that may arise. The Group is also exposed to contract risk and litigation due to disputes. The Group has appointed a General Counsel and has an in-house legal team to manage legal risk. All key contracts are legally vetted and drafted to secure the Group's legal position.



#### **Competition risk**

The Group bids in India for wind and solar projects, but competition in the marketplace is increasing. This increased competition results in a higher cost of acquisition and lower tariffs, which can impact the returns to the Group. The Group is focussed on maintaining its own competitive strengths in the markets in which it already operates and has started diversifying its business in developing international markets to reduce this risk.



# SUSTAINABILITY OUTLOOK

## SUSTAINABILITY CONTEXT

The sustainability approach of Hero Future Energies (HFE) derives from its vision on Planet Positive Power. Providing clean-tech solutions as its core, HFE constantly strives to contribute to sustainable development through delivering safe working conditions across all project sites and offices. It aims for holistic community development across the project sites by engaging external stakeholders and in the process inspires its employees to address HFE's focus areas such as

**social capital** and **human capital**. As it envisions for a climate positive company, HFE is continuously looking for emission reductions and environmentally sound ways of managing its assets. The representation at the centre of the schematic diagram above are the means of facilitating the strategic actions required for driving innovation and demonstrating leadership.



HFE participated in a village fair to spread awareness about RE



Tree plantation drive



CSR team interacting with women folk for need assessment



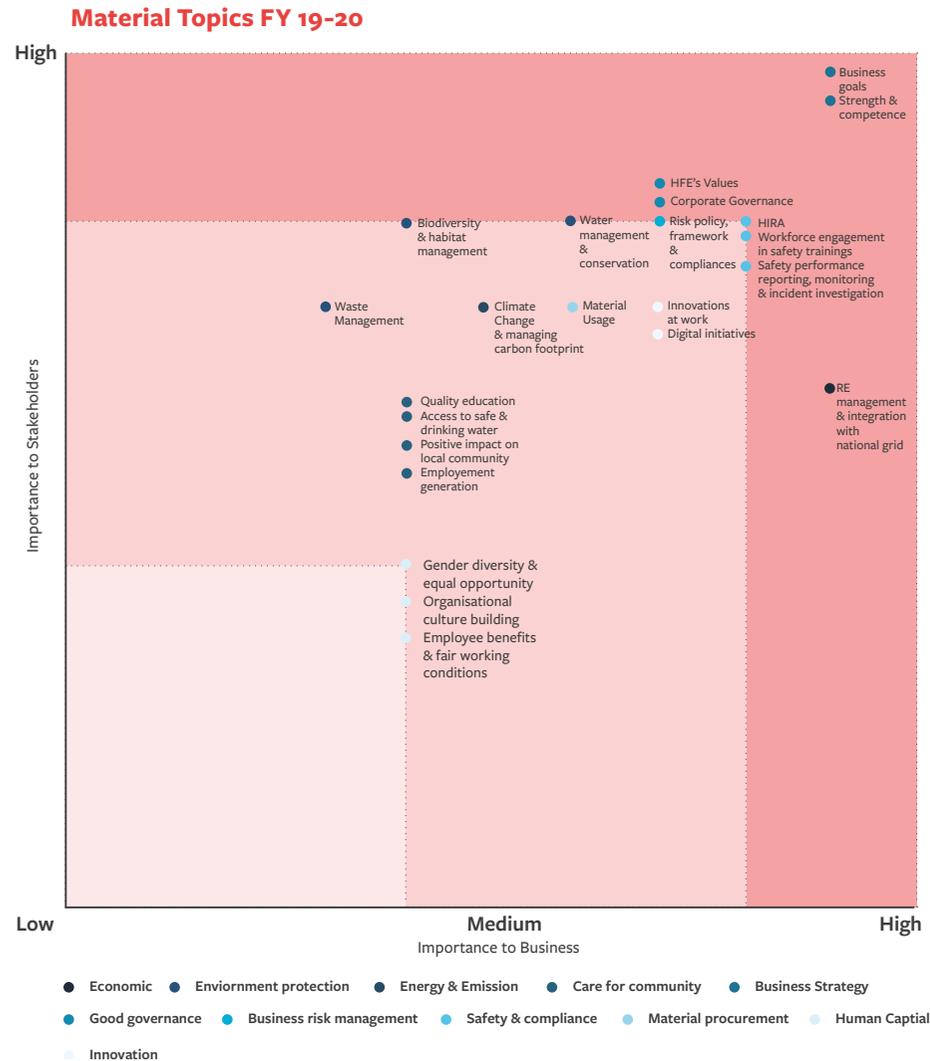
## MATERIALITY TOPICS & RANKING

In order to gain competitive advantage in the dynamic environment and create value for the company's stakeholders – HFE has assessed and prioritized the material topics in consideration with the risk and opportunities for the core business and the associated potential impacts. HFE's material issues act as a fulcrum for building an effective strategy for risk management, achieving operational excellence and managing disruptions. To grow in operating capacity by **3x[times] till 2024**, HFE intends to adopt new technologies like **wind- solar hybrid, energy storage solutions** and **Round the Clock [RTC]** power projects and continue to enable corporates in India to reduce their carbon footprint. Responsible stewardship of water resources is an important aspect of its environmental management framework; water related impact studies have also been conducted and a dry-cleaning method is adopted for a project site for reducing dependency on ground water. Non-hazardous generated during the construction of solar power plants is segregated based on category, while hazardous waste is disposed of as per the hazardous waste management procedure is sent to the authorized vendors).

### Key

- Within HFE Operations
- Within HFE Partners
- In the Community

Materiality topic clusters	Material topic	Boundary of Material Topics
<b>Business Strategy &amp; Risk Management</b>	HFE risk policy, framework & its impact, and compliances	<span style="color: cyan;">●</span> <span style="color: blue;">●</span> <span style="color: red;">●</span>
	Strength & competence & Business goals	<span style="color: cyan;">●</span> <span style="color: blue;">●</span>
	HFE's values for employees and stakeholders	<span style="color: cyan;">●</span>
	Renewable Energy management and integration with national grid	<span style="color: cyan;">●</span> <span style="color: blue;">●</span> <span style="color: red;">●</span>
<b>Environment Protection</b>	Biodiversity and habitat management	<span style="color: cyan;">●</span> <span style="color: blue;">●</span> <span style="color: red;">●</span>
	Water management and conservation	<span style="color: cyan;">●</span> <span style="color: blue;">●</span> <span style="color: red;">●</span>
	Waste management	<span style="color: cyan;">●</span> <span style="color: blue;">●</span>
<b>Energy &amp; Emission</b>	Climate change and Managing carbon footprint	<span style="color: cyan;">●</span> <span style="color: blue;">●</span>
<b>Material &amp; Procurement</b>	Materials usage	<span style="color: cyan;">●</span> <span style="color: blue;">●</span>
	Asset decommissioning	<span style="color: cyan;">●</span> <span style="color: blue;">●</span>
<b>Safety &amp; Compliance</b>	Hazard Identification and Risk Assessment [HIRA]	<span style="color: cyan;">●</span> <span style="color: blue;">●</span> <span style="color: red;">●</span>
	Workforce engagement in safety trainings	<span style="color: cyan;">●</span> <span style="color: red;">●</span>
	Safety performance reporting, monitoring and incident investigation	<span style="color: cyan;">●</span> <span style="color: blue;">●</span> <span style="color: red;">●</span>
<b>Care for Community</b>	Quality Education	<span style="color: cyan;">●</span> <span style="color: red;">●</span>
	Access to clean and safe drinking water	<span style="color: cyan;">●</span> <span style="color: red;">●</span>
	Positive impacts on local communities	<span style="color: cyan;">●</span> <span style="color: red;">●</span>
	Employment generation	<span style="color: cyan;">●</span> <span style="color: red;">●</span>
<b>Human Capital</b>	Gender diversity & Equal opportunity	<span style="color: cyan;">●</span>
	Organizational culture building	<span style="color: cyan;">●</span>
	Employee benefits and fair working condition	<span style="color: cyan;">●</span>
<b>Innovation</b>	Digital initiatives	<span style="color: cyan;">●</span>
	Innovations at work @Industryfirsts	<span style="color: cyan;">●</span> <span style="color: blue;">●</span>



## SUSTAINABILITY STEERING COMMITTEE

HFE has institutionalized its **Sustainability Governance Framework** by constituting a Sustainability Steering Committee, which is headed by the CEO and comprises seven key members across business functions. The committee defines an action plan to channelize initiatives to meet set targets set as per organizations intent for 2030. In order to transform into a more resilient organization HFE takes cognizance of the actions undertaken under the safety and compliance areas. HFE has an ‘Equal Employment Opportunity’ [EEO] policy and through appropriate training and development programs and rewarding mechanisms has built a fair and effective organization culture; and for the inclusive development of communities across all HFE sites - specific focus areas, aligned with the Sustainable Development Goals [SDGs], are helping in strengthening its human capital and social capital. A more comprehensive outlook for all the respective focus areas of HFE including the plan of action and associated disclosures can be found in the latter sections of the report.

**Role: HFE’s commitment to holistic development has been pronounced across identifiable domains of sustainability. The role of this committee will be to analyse the effectiveness of all sustainability initiatives undertaken by relevant verticals and define an action plan to channelize initiatives and meet targets set for the next decade.**



☀️ Encourage vendors to follow green code ethics and sustainable business practices.



☀️ Drive inclusive growth of local communities by offering quality education, clean drinking water and employment opportunities.



☀️ Reduce inequalities in all forms and support gender diversity at the workplace.



☀️ Implement sustainable production and consumption patterns across utilization of human resource, machinery and finance, and the responsible consumption of natural resources practices.



☀️ Deploy latest technologies and best in class engineering to offer clean and affordable power to millions across the country.



☀️ Protect biodiversity at project sites.

### Members



**Sunil Jain**  
Chief Executive Officer



**Bhawna Kirpal Mital**  
Team lead for HR, CSR, Admin & IT



**Naveen Khandelwal**  
Chief Investment & Strategy Officer



**Vijay Agarwalla**  
Lead in Risk, internal audit & compliances



**Sudhir Pathak**  
Lead in Design & Engineering



**Arun Tripathi**  
Team lead for Business development in solar, wind, storage, Regulatory & Procurement



**Vijay Anand**  
Lead for Health Safety & Environment



**Archana Sumbly**  
Senior Manager for CSR



## Functioning of the committee

During the compilation process of our first sustainability report, the Steering Committee members engaged in three discussion meetings, phase wise with TERI [September 17th, 22nd & October 13th] to kick start the reporting process, draw the sustainability context for 2030, identify and rank the material topics. Steering committee members participated in the final round up session during the assurance audit process of the Sustainability Report FY 2019-20 conducted by Carbon Check.

### Steps:

- 1 Members directly handling HSE, CSR and HR functions compile material topics and its supporting data.
- 2 Deliberation among committee members on present initiatives & sustainability context setting
- 3 Finally, committee members present to the CEO for deliberations on present assumptions/ topic inclusion/ trend analysis/ sustainability targets etc.

## CEO

is the final approver of new initiatives

- ☀ Every member has the authority to present their ideas during committee meetings for deliberation.
- ☀ Majority members should give consent before any idea is presented to the CEO.
- ☀ Committee meetings will be held on bi-monthly basis.



Making a difference with Water Check Dam project



Reason to smile: Clean drinking water facility



## FRAMEWORK OF KEY SUSTAINABILITY ASPIRATIONS BY 2030

Strategic Objectives	Enabler	Highlights of FY 2019-20	Priorities Going forward
To provide <b>quality education in remotest areas of rural India</b>	 <ul style="list-style-type: none"> <li>☀ Strong network with local communities</li> <li>☀ Strong brand image in India</li> </ul>	<ul style="list-style-type: none"> <li>☀ <b>5000</b> beneficiaries around our project sites since <b>2017-18</b></li> </ul>	<ul style="list-style-type: none"> <li>☀ <b>5000 rural children</b> to be educated through <b>100 Asha Centres</b></li> <li>☀ Introduce new <b>technology aids</b> for overall development of students</li> </ul>
Offer <b>potable drinking water and sustainable livelihood</b> through advanced and time-tested <b>technologies of water management</b>	 <ul style="list-style-type: none"> <li>☀ <b>1 Water ATM</b> caters to more than <b>1 village</b></li> <li>☀ Generates <b>local employment</b></li> <li>☀ Availability of <b>one Check dam</b> [sanitation] facility <b>positively impacts livelihood of more than one village</b></li> </ul>	<ul style="list-style-type: none"> <li>☀ <b>1.5 GW</b> commissioned capacity in India</li> </ul>	<ul style="list-style-type: none"> <li>☀ <b>20000+</b> villagers to have access to clean drinkign water <b>Water ATMs.</b></li> <li>☀ <b>1 Water ATM</b> at least to be implement across all commissioned project sites of HFE in India</li> <li>☀ <b>85000+</b> villagers to benefit through water Check Dams</li> <li>☀ <b>1 Check Dams</b> at least to be implemented across all commissioned project sites of HFE in India</li> </ul>
Aggressively grow core <b>business</b> in the spirit of <b>Perform, Transform &amp; Thrive</b>	  <ul style="list-style-type: none"> <li>☀ Developmental capabilities of <b>sustainable, efficient &amp; low-cost rooftop solar solutions for corporates.</b></li> <li>☀ Robust competence of developing <b>large scale and differentiated renewable energy projects</b></li> <li>☀ Thought leadership position in RE sector in India</li> <li>☀ Active member of <b>CII, SPDA, FICCI, DISPA</b></li> </ul>	<ul style="list-style-type: none"> <li>☀ <b>3X</b> growth plan for the next <b>3-4 years</b> in India and other regions – <b>ASEAN, Eastern Europe &amp; Bangladesh</b></li> </ul>	<ul style="list-style-type: none"> <li>☀ Grow to a <b>5 GW of RE capacity</b> company with differentiated projects in <b>India</b> and other <b>global markets</b> by <b>2024</b></li> </ul>
Take significant action to <b>reduce the degradation of natural habitats and halt the loss of biodiversity</b>	 <ul style="list-style-type: none"> <li>☀ Conduct <b>mandatory environment and social impact studies</b> for green field projects to <b>mitigate possible risks.</b> [ as per environment and social action plan of 2021.]</li> <li>☀ Conduct further <b>specialized studies viz. biodiversity assessment, bird and bat study.</b> [For risks involved with critical and endangered species as per law of the land/IUCN]</li> </ul>	<ul style="list-style-type: none"> <li>☀ <b>Negligible incident</b></li> </ul>	<ul style="list-style-type: none"> <li>☀ <b>Negligible incident</b> of irreversible impact on <b>terrestrial ecosystem</b></li> </ul>
Maintain <b>100% compliance</b> with applicable laws and <b>regulations</b>	 <ul style="list-style-type: none"> <li>☀ Strong <b>internal communication</b> to encourage employees to come forward for any discrepancies.</li> <li>☀ Introduced <b>online learning modules on compliances.</b></li> </ul>	<ul style="list-style-type: none"> <li>☀ <b>Zero incident</b></li> </ul>	<ul style="list-style-type: none"> <li>☀ <b>Zero incident</b> of corruption every year</li> </ul>



## STAKEHOLDER ECOSYSTEM & MATERIALITY MAPPING

At HFE, our stakeholders are crucial to our success as they play a significant role in helping us achieve our business objectives. Therefore, we proactively create long term and sustainable partnerships based on a solid foundation of trust. We develop deep and meaningful relationships with all our stakeholders, and we welcome feedback. We offer value to our partners and ensure a win-win relationship.

We realize that being an essential part of the value chain, our suppliers and vendors have the potential to contribute towards lowering our ecological footprint and creating substantial social impact. We purchase major components such as solar panels and inverters directly from multiple manufacturers. We identify the right supplier partners who can meet our technical, quality and commercial needs. There are several suppliers in the market, and we select them based on expected cost, reliability, warranty coverage, ease of installation and other ancillary costs.

We have more than **3000 suppliers** from **India** and **other countries**. In compliance with the reputation of the Hero conglomerate, we adhere to payment terms in vendor contracts.

Our **grievance redressal mechanism (GRM)** provides a platform for communities and affected parties to register their complaints and allows the project to respond and resolve issues in an appropriate manner.

A site specific documentation and record keeping system has been established to ensure updating and recording of requirements detailing all public consultation, disclosure information and grievances collected throughout the project tenure.

We address the transparency concerns raised by the local panchayat and community by presenting relevant documents during regular meetings. We believe in transparent communication about risk and health and safety aspects with local communities and contract workers. We conduct targeted campaigns and awareness drives to keep pace with the growing needs of Health safety and environment standards. In compliance with our ethics and integrity policy, we adhere to fair and timely vendor compensation and are transparent about declaration of project proponent and regularly report on loan covenants.



United we stand with our partners



Best place to launch reports - Industry Forums



'PLANET POSITIVE POWER' POWERING SUSTAINABILITY GROWTH OF INDIA

Stakeholders	Frequency	Expectations	Materiality topic clusters
Local Panchayat Body	Pre Project-Commissioning stage the interaction is higher	<ul style="list-style-type: none"> <li>Sustained employment generation</li> <li>Local area development</li> </ul>	(C) (e) (S)
Land Sellers	Need basis	<ul style="list-style-type: none"> <li>Willingly transactions</li> <li>Fair Price</li> </ul>	(C) (e) (S)
Local Communities	Monthly	<ul style="list-style-type: none"> <li>Community welfare</li> <li>Sustained employment generation</li> <li>Local area development</li> </ul>	(C) (e) (S) (g)
Contractors, Sub-Contractors & Contractual Labourers	Day to day	<ul style="list-style-type: none"> <li>Sustained employment &amp; business opportunities</li> <li>Safety adherence</li> <li>Implementing innovative ideas</li> </ul>	(C) (e) (S) (g) (h)
Suppliers	During Project development phase, interaction on weekly basis	<ul style="list-style-type: none"> <li>Ethical transactions</li> <li>Opportunity for continued partnership</li> <li>Sustained employment &amp; business opportunities</li> <li>Implementing innovative ideas</li> </ul>	(b) (g) (r) (m) (i) (e) (o)
Customer	At least one interaction per month	<ul style="list-style-type: none"> <li>Consistent supply of clean energy</li> <li>Quality services</li> <li>High ESG performance</li> </ul>	(b) (g) (r) (m) (i) (e) (o) (C)
Industry Associations & Peers	At least one interaction per month	<ul style="list-style-type: none"> <li>Policy advocacy</li> <li>Innovation</li> <li>High ESG performance</li> </ul>	(x) (i) (r) (e) (o)
Employees	Daily	<ul style="list-style-type: none"> <li>Safe working conditions</li> <li>Fair workplace &amp; compensation</li> <li>Career growth</li> <li>Technology friendly work environment</li> <li>High growth &amp; learning curve</li> </ul>	(b) (g) (r) (h) (S) (i)
Equity Partners	Monthly	<ul style="list-style-type: none"> <li>High ESG performance</li> <li>Adherence to regulatory &amp; voluntary compliance</li> <li>Transparent approach</li> <li>High project performance</li> <li>Adherence to Business strategic intent</li> </ul>	(b) (S) (x) (e) (g) (r) (i) (C) (o)
Banks & FIs	Quarterly	<ul style="list-style-type: none"> <li>High project performance</li> <li>Adherence to Business strategic intent</li> </ul>	(b) (S) (x) (e) (g) (r) (i) (C) (o)
Rating Agencies	Quarterly	<ul style="list-style-type: none"> <li>Project performance &amp; Repayment history</li> </ul>	(b) (S) (x) (e) (g) (r) (i) (C) (o)
Regulatory Authorities [Local, state & central government officials]	Monthly	<ul style="list-style-type: none"> <li>Policy recommendations</li> <li>Community welfare</li> <li>Process &amp; policy adherence</li> <li>Environmental Protection measures</li> </ul>	(b) (C) (e) (g) (x) (o)
Media	At least once per month	<ul style="list-style-type: none"> <li>Timely company updates</li> </ul>	(b) (i) (C) (S) (e) (x) (o)

**Stakeholders**

Operational  
Financial  
Others

**Influence and involvement in project**

High Moderate

- Engagement strategy**
- Direct interaction, company messaging via calendars, events
  - Direct interaction on, feedback, information brochures/ calendars and events
  - Direct interaction, trainings, company messaging via calendars, events
  - Direct interaction, feedback, newsletter, induction kits, emails and events
  - Direct interaction, feedback, questionnaire, newsletter, emails, feedback surveys and events
  - Round table conferences, webinars, presentations on company growth & accolades and debt servicing, emailers and face to face meetings
  - In-person interaction, newsletter, emails and events
  - In-person interviews feedback, questionnaire, newsletter, emails, perception Survey and events, Telephonic interviews,

- (b) Business strategy
- (C) Care for community
- (e) Environment protection
- (g) Good governance
- (h) Human Capital
- (i) Innovation
- (m) Material procurement
- (o) Economic
- (r) Business risk management
- (S) Safety & Compliance
- (x) Energy emission



## SUSTAINABILITY HIGHLIGHTS 2019-20

Besides the way we consume energy, we are also committed to reducing waste at every point in our journey. Turning it from waste to wealth

### 1. Waste Management Highlights: Usage of scrap materials Initiative



**40 tons** of steel scrap was saved and utilized in FY2019-20

Converted into utility items for day to day working onsite

- ☀️ Portable waste bins to collect and dispose non-hazardous waste
- ☀️ Computer tables
- ☀️ Hand sanitizer setup

### 2. Resource Conservation: To minimize wastage of bore well water and maintain groundwater level Initiative



**10k litre capacity** water tank has been installed at sites to store and use wastewater from RO plants, further utilized for sanitation & gardening purpose

### 3. Natural Resource conservation: To reduce rainwater wastage and land erosion due to heavy waterlogging Initiative



**300 KL** of savings because of rainwater harvesting system has been installed to use rainwater during summers for gardening and sanitation

**4000** trees were planted across HFE wind and solar sites in India



Bringing life to project sites with mandatory tree plantation drive



# INTELLECTUAL CAPITAL - MOVING AHEAD FUTURE READY

In HFE's drive for sustainable ways at work, firstly we conduct a pilot to ensure reliability before we scale up operations. We have embarked on our journey towards digitalisation and cost optimization to emerge resilient.

## SAP

Within three years of the company's inception SAP was implemented to automate F&A and procurement processes.

## Solar tracking system

were installed in FY 2019-20, instead of fixed tilt system.

~10 to 15 %

increase in output at our solar plants

## Central Monitoring Mystem [CMS]

was setup in FY 2019-20, to ace its performance management capabilities of RE projects across the globe. Key benefit of using CMS is to monitor real time performance of our remotely located plants. The additional benefits include:

- ⚙️ **Strengthening of existing plant** monitoring infrastructure through real-time & historical data from all assets. At the same time enhance inhouse capabilities to monitor much larger plant capacities of various configurations
- ⚙️ **Usage of artificial intelligence and machine learning technologies** for Predictive Analysis in CMS has enhanced plant profitability by diagnosis of production losses and recapture lost yield
- ⚙️ HFE has built **customized alarm** rules in **CMS** and has been able to extend **OEM capabilities** for its plants. With CMS, HFE team has access to all data from any device at any time across all sites for entire lifetime of the assets, which has made **O&M more effective**



## HRIS

regular HR activities have been automated FY 2019-20 onwards, for ease of employees.

## Online learning repository [LMS]

on key employee policies and guidelines have given us an edge.

## Compliance Tool (CoE)

to monitor company level compliances has nullified noncompliance of any form in the reporting period.



Hero Future Energies completed India's first large-scale solar and wind energy hybrid project in the state of Karnataka in 2018

1<sup>st</sup> HFE's wind- solar hybrid project is at Kavithal district, Karnataka, India. In an existing 50MW wind farm, we added another 28.8MW solar PV site to form this pioneering hybrid system, to cater to clean energy requirements of corporations in that state, thereby offering better grid infrastructure utilization and a step towards making renewable behave like a base load.

**1<sup>st</sup>** -HFE is the first Indian company to issue climate bonds certified by the **Climate Bonds Initiative Standards Board**.

"Hero Future Energies is to be congratulated on their leadership in issuing a certified green bond with a clean energy foundation. This is a solid example of private sector innovation in climate finance."

**Mr. Sean Kidney CEO,  
Climate Bonds Initiative**

## OUR STRATEGIC PARTNERSHIPS





# NATURAL CAPITAL - MAINTAINING HEALTH, SAFETY AND ENVIRONMENTAL EQUILIBRIUM

## HIGHLIGHTS OF HEALTH SAFETY & ENVIRONMENT FUNCTION IN FY 2019-20

At Hero Future Energies, we see ourselves as leaders in promoting sustainable development in India and as responsible corporate citizens we take our environmental responsibilities very seriously. All our projects are developed and implemented in accordance with the **International Finance Corporation's (IFC) Performance Standards** on environmental and social sustainability. We strictly adhere to all applicable environmental laws of the land.

Under our environmental and social management system, all our projects undergo initial site screening at the planning stage to identify environmental and social issues and be prepared for any future encounter. We conduct mandatory and detailed environment and social impact assessments during project implementation. Depending upon the project requirement we hire third-party auditors to **conduct biodiversity assessment and check impact on avifauna around project locations.** **During the reporting period, there has been no reported**

**case of penalty nor any sanction has been imposed on us for non-compliance of environmental laws and regulations.** We have developed a robust mechanism to map all kinds of applicable compliances and ensure its compliance within the timelines. Auditing of our **digital compliance tool is done annually by a third party.**

At HFE, we have surpassed the mandatory Environment, Health and Safety trainings for all associates, including the contractors involved in any activity. These training sessions are held in regional languages and formats customized to the target group. So far around 1000 trainings have been conducted since 2017-18 which resulted in avoiding accidents by identifying the near misses. Training Man Hours for FY 2017-18/ 2018-19/ 2019-20 has been 39 hrs/year, which is way above industry average of 10 hrs/ year.



Clocked 14 million safe hours



Won the Golden Peacock awards in 2018 and FICCI safety awards in the year 2019.



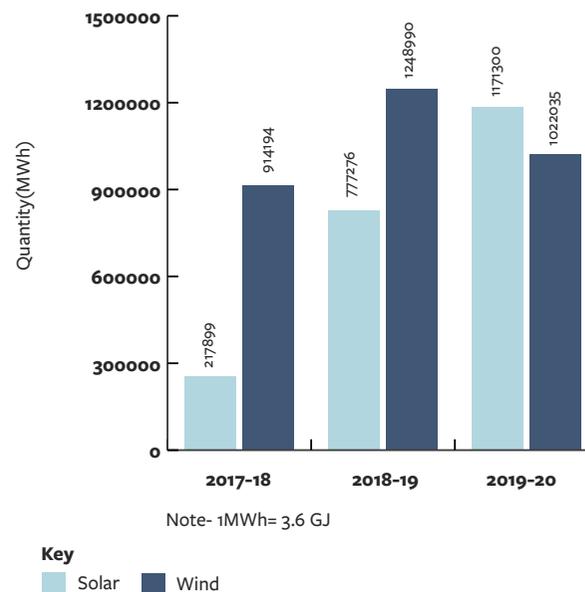
## KEY PERFORMANCE MATRIX OF FY 2019-20

Key Performance Indicators	FY 2017-18	FY 2018-19	FY 2019-20
Total Man Days Worked	614054	424200	617671
Total Man- Hours Worked	4912432	3393600	4941368
Cases of First Aid (FA)	69	42	84
Cases of Near Miss	150	124	211
No of Reportable Lost Time Injury (RLTI)	00	00	00
Fatal Accident	00	00	00
Frequency Rate of RLTI	00	00	00
Severity Rate of RLTI	00	00	00
Total No of Training Conducted	324	336	370

## ENERGY GENERATION, CONSUMPTION, AND EMISSION

While changing climatic conditions pose a significant threat to our ecosystem, we are determined to mitigate this risk by increasing the share of clean energy in India's electricity mix. Our dependency on diesel and petrol is primarily for meeting the fuel requirements for our operating vehicles.

### Consolidated Generation data for wind and solar

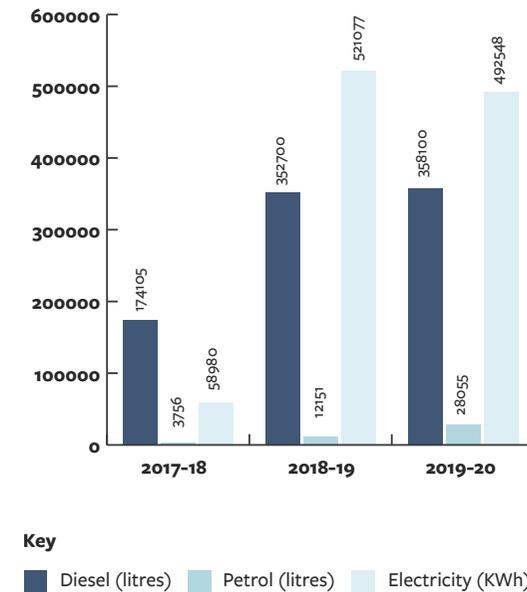


### Reduction in greenhouse gas achieved

Since substantial electricity generated by our solar plants is sold to the grid, we are a carbon-negative organization. The table below shows the emissions reduction achieved through our projects during the reporting period.

Without solar and wind-based projects, the absolute number of **506629tCO2e emissions\*** since 2017-18 was avoided.

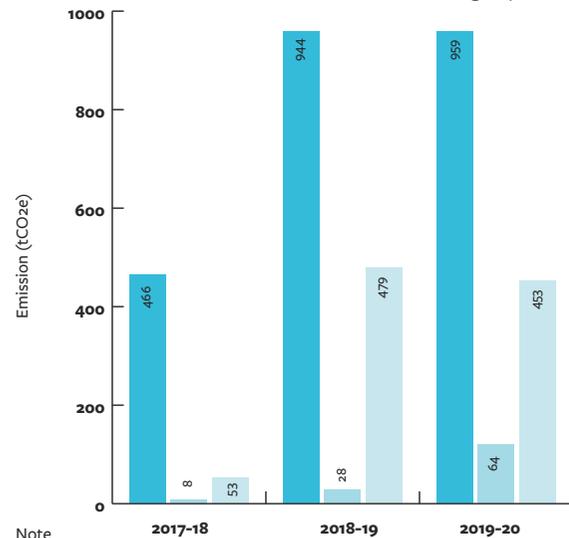
### Energy Consumption data





### Emission scope-1 and Scope-2

Our scope 1 emissions result from diesel and petrol consumption through vehicles owned by us, whereas our scope 2 [includes offices] emissions mainly come from electricity purchased. Currently we do not measure energy consumed and emissions generated outside our organization in the supply chain, but we intend to do so in our forthcoming reports.

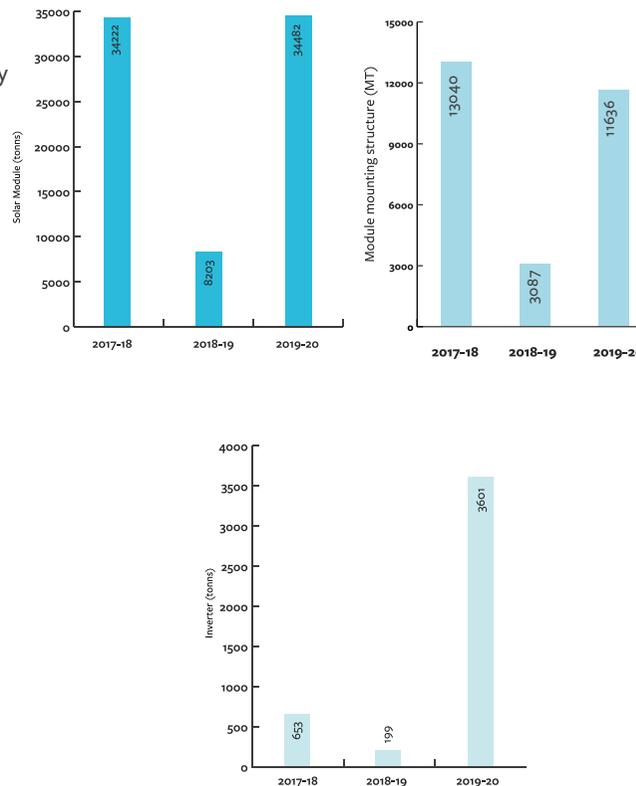


Note  
 1. Emission factor 0.92 for FY 2018-19 and FY 2019-20  
 2. Emission factor for petrol 2.3 kg of CO<sub>2</sub>/Litre  
 3. Emission factor for diesel 72.6 gm of CO<sub>2</sub>/MJ [1 litre=36.9MJ]

**Key**  
 Greenhouse gas emission Scope  
■ Diesel consumption ■ Petrol consumption ■ Electricity consumption

### MATERIAL CONSUMPTION

The materials used in our solar power plants consist mainly of solar panels, mounting structures, wire, inverter, and transformer.



### SUSTAINABLE WATER AND WASTE MANAGEMENT

Most of our sites are in safe zones as per the latest release of dynamic ground water report by the concerned ministry. Responsible stewardship of water resources is an important aspect of our environmental management framework. We use ground water resources for cleaning of solar modules with prior permission from concerned ground water boards established for the purpose. Due to limited use of water resources potential impacts like surface runoff is ruled out. At our project sites we regularly monitor conditions of NOC for ground water abstraction and report bi-annually to the ground water board. To identify water related impacts we conduct a hydrogeological study of the project area which also includes suggestions on rainwater harvesting systems to recharge ground water.

**To reduce our dependency on groundwater we have introduced a dry cleaning system at our one of our biggest sites, of capacity 300MW in Rajasthan. It is in trial phase and we intend to introduce this technology across our major solar sites in coming years.**

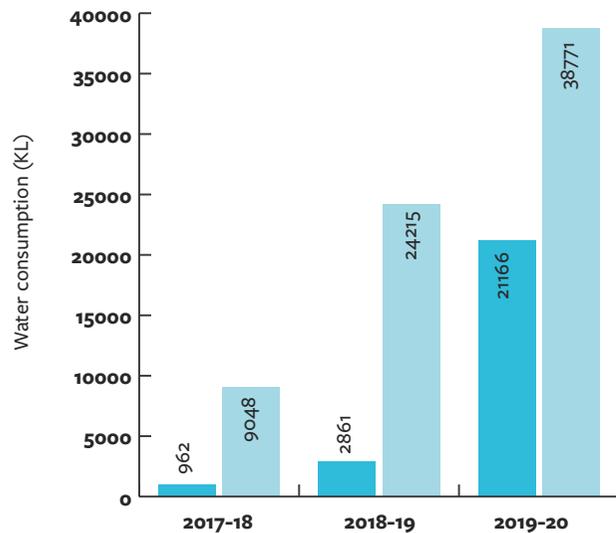


### Water conservation measures

#### Dry cleaning technology

While we use substantial amounts of water for cleaning of solar panels, we aim to adopt solutions that may help us reduce water usage and improve efficiency in our operations. One of

#### Water consumption



**Key**

Quantity

- Drinking (source: water supplying agency)
- Module cleaning (Water supplying agency and ground water)

the major challenges encountered in implementing any new solution is to build a standard design that operates irrespective of geographical area and module type, given that solar plants are in uneven topography.

#### Waste Management

Substantial non-hazardous waste is generated during construction of solar power plants. Once the waste gets segregated based on category, it is collected and stored in **designated waste bins**. We have a standard **waste management plan** in place which governs proper disposal of debris generated from each site. All hazardous waste is disposed as per the **Hazardous Waste Management Procedure** and is sent to vendors authorized by the **Pollution Control Board**.

The notable types of waste generated at our plants are:

- ☼ **Used oil from transformers and grease residue & Used Oil Soaked cotton** gets generated during scheduled maintenance activity.
- ☼ As our solar installations are relatively new, we have not encountered much of used battery waste. However, for sustainable operations, we follow the principle of reduction



Best out of waste

by avoiding over **scaling of systems**, reuse by **repurposing** what all can be sold to interested parties for second life functions and **recycling** what cannot be reused.

☼ Solar panels may get damaged during **transportation, handling, installation, or in the operation phase**. The damaged panels are handled with care due to presence of traces of metals such as **cadmium and selenium**, as well as recoverable materials like **glass, aluminium, and semiconductor** materials. Broken or damaged solar panels are immediately shifted to a designated area in the scrap yard to avoid any kind of land contamination.



Types of waste	FY 2017-18	FY 2018-19	FY 2019-20	Disposal method
Broken solar module (Kg)	38250	54354.7	54355	Through E-waste recycler
Used batteries (no.)	40	207	715	Through recycling vendor
Used oil (liter)	13380	15705	111024	Through recycling vendor
Oil soaked cotton (No.)	3153	3601	11885	Through recycling vendor

- Used 'staggered cross arms with suspended insulators' design for construction of power lines in the project area
- Jumpers on the electric poles have been covered by insulators to prevent electrocution of birds
- Jumpers are made to pass under the crossarms rather than over it
- Use of suspended chain insulators instead of upright pin insulators
- Discourage nesting of birds on transformers and poles
- Control movements of people and vehicles
- Educate staff and drivers to check whether animals are crossing roads while driving
- Ensure no staff members are involved in poaching or killing of wild animals such as birds and animals like Chinkara etc

## BIODIVERSITY MANAGEMENT

Hero Future Energies is committed to **nature preservation** and has undertaken appropriate steps of varying scales around its area of operations. Based on biodiversity assessment and identified impact by third party consultants, we have developed our biodiversity management plan for one of our upcoming projects of capacity **250MW** in **Rajasthan**.

Key recommendations from **biodiversity assessment** report that were implemented -

### Bird diverters

power lines have been made visible for birds by installing bird diverters

### Bird perch

deterrents are installed to deter bird perching on towers to reduce electrocution risk.

### 1.5/2.0 m

distance is ensured between conductors to avoid collision and electrocution of birds

### Bird and bat study

Across all our wind power plants, HFE has been conducting bird and bat studies by competent third parties. The main objective of these long-term bird and bat studies is to assess the **potential impact** of **wind turbines** on the **avifauna population** of the proposed project area. The methodology and approach involve the following steps.

- **Collection of baseline data on birds and bats**
- **Carry out seasonal field visits & direct monitoring of wind turbines**
- **Train field staff and company staff for bird and bat mortality**
- **Monitoring of birds and bats mortality by trained staff**
- **Evaluation of birds and bats mortality caused by power lines based on trip reports**
- **Data analysis & report preparation**

**Through this study, we ensure that our developmental goals are truly sustainable in nature and we not only serve the needs of humans but keep the ecological balance at the heart of our operations.**



## HSE FRAMEWORK AT HFE: DEVELOPING ETHOS OF CARE

### Reporting hierarchy & protocols:

Lead HSE and a dedicated and competent team is responsible for implementation and process compliance of Social, Environmental, Health and Safety Management Systems across HFE's 36 project sites in India. CEO is the reporting authority for Lead HSE.

The HSE Policy is applicable to all our employees as well as contractual associates.

Our ESMS framework provides detailed directions for all safety, occupational health and environment protection related activities. It also highlights the safety protocols and procedures that we have implemented across all our sites. -

### Incident Investigation

Employee witnesses complete Incident Reporting and Investigation Form and Injury Register.

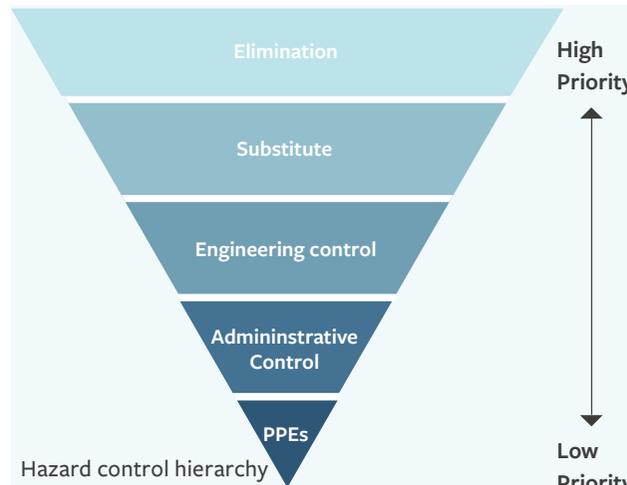
HSE Representative in consultation with employees (eyewitness, supervisor) ensures immediate interim action is taken as required to minimize risk within the workplace, including providing first aid

The purpose of a constructive investigation process is to gather facts, identify causative factors and determine corrective actions.

Identifying the root cause for the incident is a complicated process and for any incident there can be many causes, each of which is identified and controlled.

In conducting an effective investigation, basic factors are considered which contribute to the incidents

HSE Manager & Lead are responsible for internal and external communication of injuries/accidents if any.



### Hazard Identification, Risk Assessment Model

Stages of Hazard Identification and Risk Assessment (HIRA) to assess which hazard poses the greatest risk in terms of likelihood of their occurrence and their potential impact.

A cross functional team is developed at the project level by the HSE Manager for this purpose and uses method statement of work as an input to identify hazards and assess risk associated.

Risk within each task is evaluated by determining its probability or likelihood, exposure Level of employee and consequence of the exposure.

Based on risk score, required control measures are determined.

Results are communicated to each employee and worker, as well as interested stakeholders for their awareness purpose.

### OHSMS Standards

We adhere to state and national-level health and safety laws such as the Labour Act, Factories Act, Compensation Act, Child Labour (Prohibition and Regulation) Act and Contract Labour Act.

International Finance Corporation's Performance Standards is key to our Occupational Health & Safety Management system.

Performance standard 1 - Assessment and Management of Environmental and Social Risks and Impacts (2012)

Performance standard 2 - Labour and Working Conditions (2012)

Performance standard 3 - Resource Efficiency and Pollution Prevention (2012)

Performance standard 4 - Community Health, Safety, and Security (2012)

Performance standard 5 - Land Acquisition and Involuntary Resettlement (2012)

Performance standard 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources (2012)

Performance standard 7 - Indigenous Peoples (2012)

Performance standard 8 - Cultural Heritage (2012)



## EVERY VOICE ON EQUAL FOOTING

We have formulated a **Safety Committee** as per *The Factories Rules i.e. equal number of representatives of employer and worker employed in project establishment*. The role and representation of our employees and subcontractors in safety and health committees is as follows:

- ☀️ Assisting and cooperating with management in achieving aims and objectives outlined in the '**Health and Safety Policy**'
- ☀️ Dealing with all matters concerning HSE and arriving at addressable solutions to problems encountered
- ☀️ Creating safety awareness amongst all workers  
Undertaking **educational training** and **promotional activities**
- ☀️ Carrying out **health and safety surveys** and identifying causes of accidents, if any
- ☀️ Looking into any complaint made on the likelihood of an imminent danger to the safety and health of the workers and suggesting corrective measures
- ☀️ Reviewing the implementation of the recommendations made

HFE does not have any Unions, however it has Grievance Redressal Mechanism [GRM] in place. That is applicable throughout the lifecycle of a project. It covers all stakeholders including project staff as well as members of the community at project locations. This mechanism facilitates prompt resolution of any grievances raised on the grounds of environmental and social impact in a transparent manner.

### Employee and worker engagement in health and safety

To encourage employees, particularly field staff in meeting the overall objectives of HSE, the company has introduced rewards and recognition schemes.

Steps taken to further expand our measures towards **employee well-being**:

**Medical insurance** is provided to all employees

The company has **Medical tie-ups** with **hospitals** at remotely located sites

Regular **health check-up camps** are organized for employees at both **corporate office** and **sites**.





# SOCIAL CAPITAL: EQUITABLE DEVELOPMENT FOR ALL

HFE's CSR programmes have been aligned to the United Nations Sustainable Development Goals [SDGs]. Our aim is holistic development and strengthening relationships with local communities around our 36 solar & wind project sites in India.

## INCLUSIVE GROWTH OF LOCAL COMMUNITIES AROUND HFE PROJECT SITES



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



Achieve gender equality and empower all women and girls.



Ensure availability and sustainable management of water and sanitation for all.



Take urgent action to combat climate change and its impacts.

## ASHA EDUCATION CENTRES

Asha Education Centres are run in collaboration with Raman Kant Munjal Foundation Trust. The impetus is not only on school based curriculum but also focus on extracurricular activities. Remedial classes are conducted across 21 villages around our project sites at Dhar, Madhya Pradesh and Pratapgarh, Rajasthan. We have 25 centres catering to students of standard 1st to 8th, with cumulative strength of 564 students\*. Every Asha education centre has been provided with an audio system and tools for extracurricular activities. At Asha Centres, we enrol both boys and girls without any gender bias. We have hired 95% female teachers at Asha centres to encourage enrolment of girl students.



## DIGILAB PROJECT

This project is aimed to transform lives of children in remote and isolated villages of rural Ladakh, by providing digital hardware and content for an enriching learning experience. The project was completed in two years' time frame and will be maintained and monitored by our partner, 17000 ft Foundation. The project highlights are:

- ☀️ Each school is installed with a solar panel and battery to power the Digi-Lab to ensure no dependency on pre-existing or uninterrupted power supply in the village.
- ☀️ 8 tablets with keyboards and earphones for students. A raspberry Pi connect the tablets and store performance data.
- ☀️ Each Tablet is equipped with a personalized Digital Learning App customized to the local JKBOSE curriculum, in multiple subjects for grades 1 to 8. The app consists of rich and highly interactive video and gamified content for assessment.
- ☀️ Each school received a fully furnished Digi-Lab Room with carpets, desks and benches and neatly laid out cabling to facilitate a structured Digital Platform.
- ☀️ Teachers and administrators received annual multi-day training on incorporating Blended learning in their traditional face-to-face method of teaching.



## INITIATION OF SKILLING CENTRE

Skilling centres at **Dhar district of Madhya Pradesh** will be in operation from **2021**, and run in collaboration with the **Ramakant Munjal Foundation**, the group's foundation. Our objective is to provide access to **vocational training** courses to the young population in remote locations, thus become self-reliant. Additionally, enable local **women** to earn their **livelihood** through **various skill development** programs.

## WATER MANAGEMENT

Availability of **safe drinking water** is one of the biggest concerns for villagers around our project sites, as the villages are far from **urban hubs** and under-developed. Womenfolk in these villages usually walk miles to get potable water for their daily needs. Due to **no/low supply** of **treated water** from local governments in these areas, people often suffer from diseases like diarrhoea, intestinal infections and flu. The underground water is **rich in fluoride** in some parts of **Madhya Pradesh** which leads to dental **fluorosis** affecting the **teeth and bones** of rural folk. **Fluoride** in water also impacts **mental growth of children**. One of our CSR focuses has been to improve the water situation in these villages by introducing **solar-powered water ATMs**. HFE is responsible for their upkeep and maintenance which results in employment of local folks. ATM maintenance jobs are conducted twice a year where membranes are checked, tanks are cleaned and TDS in water is tested.

Till FY 2019-20 HFE has implemented **6 water ATMs\*** which provides clean and safe drinking water to **600 families** spread across **8-10 villages**.

**Check dams** provide a regular **water supply** for sustainable **irrigation** throughout the year and **recharges groundwater** for better use. These Check dams benefit more than **500 farmers** by reviving **9,20,000 Cu. Ft. of storage capacity** in the village and provide sustainable livelihood to villagers. HFE has constructed check dams in remote areas of Rajasthan and Madhya Pradesh in partnership with **PHD Rural Development Foundation**. From FY 2020-21 we will be monitoring the impact of these **check dams** on **crop yield**.

## REHABILITATION PROGRAM

HFE undertook the initiative to relocate vulnerable residential dwellings around our wind site in Dhar, Madhya Pradesh in 2018. We conducted quantitative risk assessment [QRA] covering all probable hazards [Zone of potential incidence such as blade throw, wind turbine component failure, impact of induced aerodynamic noise, effect of shadow flickering etc] and prepared a rehabilitation roadmap for **73 households** within radius of **150 meters** of our **wind turbines**. As per our latest records, the relocation process for **57 houses** have been completed.



### Project Do Ambe Wala

Beneficiaries [Direct & Indirect]

**No. of villages: 1 | No. of Households: 213 | Population: 1341 | No. of milch animals: 3680 | No of wells & Bore wells: 98 | Land: 190 Hac**

### Project Dojda Wala Check Dam

Beneficiaries [Direct & Indirect]

**No. of Households= 765 | Population= 6027 | No. of milch animals: 16500 | No. of Bore wells: 108 | Land: 2466 acre**



## STAKEHOLDERS' VOICE



**Kusum [M.A, Social Work]**  
is a teacher for standard  
6-8th in Khiledi village

"I used to teach before marriage, but after marriage could not find any scope of employment. The opening of

Asha education centres in my village gave me an opportunity to teach children and earn in the process."



**Sujit Patidar**  
Coordinator, RKMF

"I graduated in Commerce and am employed with RKMF since 2017. I am grateful to HFE for this opportunity to connect with villagers and

make a difference in the lives of underprivileged children of 16 villages around Ratlam and Pratapgarh wind sites."



**Chetna Bairagi**  
[B.A, Economics] is a  
teacher for standard 6-8th  
in Dasai village

"Children have considerably improved and are grade competent now. Children

have started positively responding in class besides sharing and caring for each other."



**Dileep Solanki**  
Sarpanch of FULEDI,  
PANDA AND PANNA

"HFE's CSR Initiatives improved the basic infrastructure of the villages, solar street lights

are a boon for the villagers, the toilets have enabled girls to continue schooling and school boundaries have made schools safer. Water check dams have helped farmers, cattle and stray animals of that area. There is significant improvement in behaviour of children going to Asha Centre."



**Devilal Davar**  
Panchayat Secretary  
(Indrawal & Bhawla)

"Water ATM, and Asha education centres are a boon for the community. People in my villages have become

healthier, and the immunity of people has been enhanced with availability of clean drinking water. Villagers have elevated from being labourers to better working profiles. The outlook of the community has changed, I feel that the crab culture has now turned to a positive culture where people have started helping each other and our children now have a bright future. Asha teachers are appreciated by their families. Ration distribution to BPL families during COVID times have saved the lives of many."



## OUR PARTNERS

### The Raman Kant Munjal Foundation [RKMF]

Since its inception in 1992, coupled with the strong leadership of the Hero Group, continues to thrive in bringing about a positive and sustainable change within the society and different communities. Central to their belief is the relentless commitment towards empowering women and under privileged in rural parts of the country by encouraging and enabling them with skills that not only allow financial independence but also holistic development.

### The PHD Rural Development Foundation [PHDRDF]

Was formed under the aegis of the PHD Chamber of Commerce and Industry. PHDRDF has been awarded the Best NGO for Revival of Rural Water Resources by Water Digest Awards 2013-2014.

### 17000 ft Foundation

Works to improve the lives of people in remote, high altitude mountainous villages of Ladakh, in areas that have been isolated and ignored for centuries due to problems of harsh terrain. Their programs focus on improving education in Govt. Schools, creating livelihood opportunities, and generating exposure through interactions with the outside world.



Asha centre initiative in partnership with RKMF



Water Check dam project in partnership with PHDRDF



Digilab Project in partnership with 17000 ft Foundation



Water ATM project in partnership with RKMF



# HUMAN CAPITAL: BALANCING GROWTH AND OPPORTUNITIES

“Since our inception, HFE’s priority has been to build an organizational culture that encourages people to stay motivated, committed to organizational goals and voice their concerns without any apprehensions. We believe that inclusive leadership is an essential part of maintaining the company’s culture. As a global clean energy player, we encourage knowledge exchange among multi-faceted teams based in India and other international locations. We are in the process of supporting most of our work processes with digitization initiatives, to emerge as a resilient and future proof organization”

**Bhawna K Mital, Head HR, CSR, Admin & IT,  
Hero Future Energies**

Employees	<b>Total 318   On roll 318   On site 63   International offices 05</b>
Recruitment	<b>80</b>
Age group	<b>Below 30: 94 Between 30-50: 216 Above 50: 08</b>
Demography	<b>Corporate Office M: 224 F: 31 On site M: 63 F: 0</b>
Attrition rate	<b>11.2%</b>

## KEY TRAINING INITIATIVES TAKEN IN FY2019-20

- ⚙️ Nurturing competent in-house talent through ‘train the trainer’ program
- ⚙️ Introduction of an e-learning tool [Learning Management System] to enable quick access to online training material/ repository and online training sessions
- ⚙️ Introduction of Mentorship program where organisation invests in nurturing personal and professional growth of employees

Total Participants	297
Total hours	1454
Average Training in hours per employee per year	4.9
Female	15
Female % - attended trainings	56
Male % - attended trainings	97%
Senior Management	21



## ADDITIONAL ASSISTANCE - THE EMPLOYEE BENEFITS

Our employees are our biggest asset, and the company ensures that employee compensation & benefits are at par with their competence, deliverables and industry benchmark. We adhere to existing and adapt to changes as per Shop and Establishment, CLRA and other employment Acts. We claim to be 100% compliant across all the parameters of employment.

Our various employee benefit programs include:

- ☀️ **ESOP scheme** – for key employees
- ☀️ **Special Bonuses** – for rewarding exemplary performance
- ☀️ **Special Incentive Programs** – The Chairman's Challenge – for bringing innovative ideas to the forefront
- ☀️ **Healthcare** – GMC & GPA [with disability and invalidity coverage] benefits are provided to all on-roll employees
- ☀️ **Retirement Provision** - Provident Fund & Gratuity as applicable.
- ☀️ **Others** – Mobile expenses reimbursement, Business Tour & Out Duty related benefits like travel, boarding & lodging expenses, reimbursements etc.
- ☀️ **Parental leaves** – Parental leaves are provided to all employees as per Company Policy and government regulations.

## BUILDING MORALE - REWARDS AND RECOGNITION:

HFE acknowledges its internal talent pool and offers a platform to showcase and implement innovative ideas. Through formation of intermittent project-based committees for Digital, Risk management and Operational Excellence / Waste Management initiatives, employees are offered opportunities to showcase their entrepreneurship skills. Winners of the Chairman's Challenge in FY 2019-20 went for a trip to London and witnessed the Cricket World Cup at \_ stadium.

### Statutory HR Compliances Training & development

- ☀️ All training needs are captured in a training calendar annually.
- ☀️ Training needs are mapped to individual employee KRAs and finalised in consultation with their team leads. Career and training opportunities are based on fair evaluation and merit.
- ☀️ For IDPs (Individual Development Program, HFE holds Management Development Programs in leading institutes in India like IIMs, MDI, ISB etc and prestigious international institutes such as the London Business School, Singularity University, etc.
- ☀️ For GDP [Group Development Program], we partner with reputed consultants for training on technical, skill-based, behaviour/soft skill, life-skill, managerial, team building, etc.

### Creating Balance for All - Providing Fair Working

#### Conditions

- ☀️ At HFE, we provide the same working conditions to everyone in the company irrespective of his/her level and designation.
- ☀️ Our offices are well equipped with facilities such as ventilation, air conditioning, proper lighting, appropriate sized workstations, pantry, water-tea-coffee facility, lunch facility, washrooms, recreation facility including gym and games zone, sick room, etc.
- ☀️ Our travel policy is well-drafted to take care of everyone's official travel and stay as per the mandated standard.

### Building a Safe Space - Compliance to Prevention of Sexual harassment

- ☀️ HFE's POSH policy complies with the provisions of the Sexual Harassment of Women at Workplace [Prevention, Prohibition and Redressal] Act, 2013 and promotes a workplace free of sexual harassment for all its women employees.
- ☀️ We provide training to all employees and exclusive training for managers.
- ☀️ Our Internal Complaints Committee keeps themselves updated through conferences and trainings about the Act and their role as ICC members.
- ☀️ HFE's POSH Compliance reports created by the ICC members are submitted to ministry on annual basis.

### Equal Opportunity Employer

- ☀️ HFE's 'Equal Employment Opportunity' [EEO] policy reiterates HFE's objective of treating every employee with respect and dignity and facilitating a positive, productive, cordial, and safe working environment.
- ☀️ We have zero tolerance to any form of harassment or discrimination based on race, colour, religion, creed, sex, sexual orientation, gender identity, national origin, age, disability, veteran, marital or domestic partner status, citizenship or any other factor.
- ☀️ As an equal opportunity employer, we recruit people based on competence, aptitude and attitude and not on any other. Our Culture Committee plays the role of developing an employee buy-in culture, where everyone's voice is heard.

### Equal Voice for All - Grievance Redressal Mechanism

All employees are made aware of our well drafted Grievance procedure that provides a platform for fair and timely assessment and subsequent redressal of their grievances through the Grievance Committee.



**LIFE @HFE**





# ASSURANCE REPORT



## Independent practitioner's moderate level assurance report

To the Board of Directors of Hero Future Energies Private Limited (herein after referred as "HFE")

We have undertaken to perform the following assurance engagements for Hero Future Energies Private Limited vide agreement dated 08/09/2020 (the 'agreement') for providing independent assurance services on the performances to be reported in the Sustainability Report titled "Planet Positive Power" of FY 2019-2020 by Hero Future Energies Private Limited:

Moderate level of Assurance under AA1000 Assurance Standards in respect of the Principles of inclusivity, materiality and responsiveness as defined in the AccountAbility Principles Standard (2008) (the "AA1000 AccountAbility Principles") and reliability of the specified information with regard to the identified sustainability indicators.

## Identified Sustainability Indicators

The Identified Sustainability Indicators are summarized below:-

<b>General Disclosures</b>
<ul style="list-style-type: none"> <li>• Organizational profile: 102-1, 102-2, 102-3, 102-4, 102-5, 102-10</li> <li>• Strategy: 102-14</li> <li>• Ethics &amp; Integrity: 102-16</li> <li>• Governance: 102-18 , 102-20</li> <li>• Stakeholder's Engagement: 102-40 to 102-43</li> <li>• Reporting Practice: 102-46, 102-48, 102-50 to 102-52</li> </ul>
<b>Management Approach</b>
<ul style="list-style-type: none"> <li>• 103-1 to 103-3</li> </ul>
<b>Specific Disclosures</b>
<p><b>Economic</b></p> <ul style="list-style-type: none"> <li>• Anti-corruption: 205-2</li> </ul> <p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>• Materials: 301-1</li> <li>• Energy: 302-1</li> <li>• Biodiversity: 304-1</li> <li>• Emissions: 305-1, 305-2</li> <li>• Waste Management: 306-3, 306-5</li> </ul> <p><b>Social</b></p> <ul style="list-style-type: none"> <li>• Occupational Health and Safety: 403-1, 403-2, 403-4, 403-5, 403-6, 403-7, 403-09, 403-10</li> <li>• Training and Education : 404-1, 404-2</li> <li>• Diversity and Equal Opportunity: 405-2</li> <li>• Local communities: 413-1</li> </ul>

## Criteria

The criteria used by HFE to prepare Identified Sustainability Indicators are:

**Criteria 1: Global Reporting Initiative (GRI) Standards by Global Sustainability Standards Board (GSSB).**

**Criteria 2: AA1000 AccountAbility Principles Standard (AA1000APS) 2008 for determination of materiality, responsiveness and inclusivity and reliability of the specified information with regard to the identified sustainability indicators.**

## Management's Responsibility

HFE's Management is responsible for identification of key aspects, engagements with stakeholders and the content and reliability of the specified information with regard to the identified sustainability indicators in respect of Criteria 2 and the preparation and presentation of the Sustainability Report in accordance with the Criteria 1 stated above. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the sustainability report and measurement of Identified Sustainability Indicators, which is free from material misstatement, whether due to fraud or error.



### Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial indicators allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

### Our Responsibility

Our responsibility is to express a moderate level assurance conclusion on the Identified Sustainability Indicators based on the procedures we have performed and evidence we have obtained.

We have conducted our engagement in accordance with Type 2 “Moderate Level” assurance requirements of AA1000 Assurance Standards issued by AccountAbility and the Guidance for AA1000AS (2008) Assurance Providers . This standard and the Guidance require that we plan and perform this engagement to obtain moderate level assurance about whether the Identified Sustainability Indicators are free from material misstatement including that due to fraud or error, and to evaluate the overall presentation of the Identified Sustainability Indicators in accordance with GRI Standards and the principles set out in AA1000 which involves assessing the suitability in the circumstances

of HFE’s use of the criteria as the basis for the preparation of the subject matter and reliability of the specified information with regard to the identified sustainability indicators.

Our moderate level assurance shall not be taken as a basis for interpreting the HFE ’s performance across the scope of aspects covered in the Sustainability Report. A moderate level assurance engagement is substantially less in scope than a high level assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. Hence, the level of assurance obtained in a moderate level assurance engagement is substantially lower than the assurance that would have been obtained with high level assurance engagement.

Accordingly, we do not express a high level assurance opinion about:

- whether the Identified Sustainability Indicators have been prepared in all material respects, in accordance with the Criteria, or
- whether the requirements of the principles of inclusivity, materiality and responsiveness parameters of AA 1000 have been considered in

the preparation of the Identified Sustainability Indicators and reliability of the specified information with regard to the identified sustainability indicators.

The moderate level assurance engagement involved performing the procedures listed above pursuant to which we carried out the following specific procedures. The procedures performed in a moderate level engagement vary in nature and timing from, and are less in extent than for, a high level assurance engagement.

With regard to the compliance of the Identified Sustainability Indicators with the AccountAbility Principles and reliability of the specified information with regard to the identified sustainability indicators, we conducted the following procedures:

- obtained a fundamental understanding of the application of the AA1000 principles by interviewing responsible employees for stakeholder management at HFE
- random sampling concerning the understanding of the documentation regarding stakeholder dialogue, communication with stakeholders
- understanding the materiality analysis at corporate level for analyzing and prioritizing sustainability topics and ascertaining areas for action.

With regard to the compliance of the Identified Sustainability Indicators with the GRI Standards, we conducted the following



procedures:

- Made enquiries of HFE’s management, including the EHS and Sustainability team, Corporate Social Responsibility (CSR) Team and those with responsibility for CSR management and Sustainability reporting;
- Understand and evaluate the design of the key structures, systems, processes and controls for managing, recording and reporting on the selected sustainability indicators.
- Review of the Sustainability Report for detecting, on a test basis, any major anomalies between the information reported in the Sustainability Report on performance with respect to Identified Sustainability indicators and relevant source data/information
- Review of the materiality analysis and stakeholder Agreement followed by the Company in preparing the Sustainability Report
- Our review covered the corporate office in Delhi and 2 project sites as identified by the management i.e. Bhadla Solar Power Plant and Gunga Wind Power Plant. Performed limited substantive testing on a sample basis of the Selected Indicators at corporate head office, and in relation to the 1 site visited i.e. Bhadla Solar Power Plant, to check that data had been appropriately measured, recorded, collated and reported; and
- Considered the disclosure and presentation of the agreed Indicators/ parameters.
- Obtained representations from HFE’s Management.

**Exclusions**

Our moderate level assurance scope excludes the following and therefore we do not express a conclusion on the same:

- Operations of the company other than those included in the reporting boundary
- Information other than those specified under ‘Identified Sustainability Indicators’

- Aspects of the Report and the data/information (qualitative or quantitative) other than the identified Sustainability indicators above.
- Data and information outside the defined reporting period i.e. April 1, 2019 to March 31, 2020.
- The company statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by HFE

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for VVB (Validation & Verification body), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Management and staff of Carbon Check are committed to excellence in the provision of impartial and competent assurance services covering the relevant requirements. Our overall commitment to the success of the business and its service rests on two main pillars, being impartiality and competence, whilst also supported by openness, responsiveness and clearly defined responsibilities.

**Moderate level Assurance Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

- (a) HFE’s Identified Sustainability Indicators contained in the Sustainability Report for the year ended March 31, 2020 are not prepared, in all material respects, in accordance with the Global Reporting Initiatives (GRI) Standards.
- (b) HFE does not have systems and processes in place to comply with the principles of AA 1000 i.e. inclusivity, materiality and

responsiveness in the preparation of the Identified Sustainability Indicators and reliability of the specified information with regard to the identified sustainability indicators.

**Restriction on Use**

Our moderate level assurance report has been prepared and addressed to the Board of Directors of HFE at the request of the company solely to assist the company in reporting on the Sustainability performance and activities. Accordingly we accept no liability to anyone, other than HFE. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.



AA1000  
Licensed Assurance Provider  
000-213

Name & Designation Vikash Kumar Singh, Executive Director  
with signature of  
authorized signatory of  
Carbon Check (India)  
Private Limited:

Place & Date: No.16, 14/12/2020



# ANNEXURES

TABLE 1 CURRENT PROJECT PORTFOLIO

SPV Name	Site Name	Comissioning Year	State	Wind/Solar	Capacity (MW) AC	Capacity (MW) DC	Land (Acre)	2017-18		2018-19		2019-20	
								Generation (KWh)	Emission saved (tCO2e)	Generation (KWh)	Emission saved (tCO2e)	Generation (KWh)	Emission saved (tCO2e)
CSP Tumkur	Chikkanayahalli	2017-18	Karnataka	Solar	20	22	118	16536893	15049	39214665	36077	36060000	33175
	Gangavathi				20	22	119	11872500	10804	36936000	33981	36370000	33460
	Madhugiri	2018-19			20	22	116		0	38270382	35209	38950000	35834
	Korategere	2017-18			20	22	87	14850	14	5851440	5383	5890000	5419
	Chittapura				20	22	116	4301700	3915	25706700	23650	32050000	29486
	Chamarajnagar				20	22	118	5378400	4894	30119850	27710	37920000	34886
	Kollegala				20	22	111	533839	486	25817671	23752	38810000	35705
	Shahpura				20	22	134	4301700	3915	25706700	23650	38110000	35061
	Gundlupet				20	22	106	1940219	1766	37336290	34349	37370000	34380
CSP Gulbarga	Kurdi Cross				50	55	287	24955000	22709	92561000	85156	89280000	82138
	PD Kote				30	33	141	5859750	5332	23585250	21698	31360000	28851
	Margutti	2018-19			40	44	221		0	50682500	46628	72890000	67059
	Sindhanoor				40	44	236		0	49842500	45855	70870000	65200
	Aurad	2017-18			40	44	243	197500	180	47675000	43861	71700000	65964
CSP Hiriyur	Rampura				10	11	52	16433640	14955	16313760	15009	16070000	14784
CSP Bellary	Karakal				20	22	124	18481500	16818	37444500	34449	35730000	32872
CWP Manvi	Kavithal				29	32	153	37446891	34077	51372368	47263	51372368	47263
CSP Chitradurga	Siddipet	2018-19			40	44	224		0	11322070	10416	53740000	49441
Waneep Solar	Gurram Kanda				25	28	102		0	37709700	34693	39770000	36588
	Nagari		25	30	88		0	17008900	15648	38920000	35806		
RGSEPL	Barod	2017-18	Madhya Pradesh		43	48	250	59186000	53859	81063700	74579	73500000	67620
CSP Dhar	Alote				30	32	183	47905700	43594	47107950	43339	45240000	41621
Waaneep Solar	Ichhawar	2019-20			50	58	234		0		0	87810000	80785
CSP Bhadla	R1+R2+R3		Rajasthan		300	450	1487		0		0	142890000	131459



Vayu Urja Bharat	Guruvepalli	2017-18	Andhra Pradesh	Wind	120			151481482	137848	320623071	294973	224740000	206761
CWP Piploda	Piploda		Karnataka		50			135096547	122938	149660661	137688	140271612	129050
TV- CT	Tamilnadu	2017-18	Tamilnadu		17			33035424	30062	30414759	27982	26048614	23965
CWP Devgarh	Dangri		Rajasthan		40			60751344	55284	48289074	44426	34870000	32080
	Gunga		40			80804815	73532	88352840	81285	83248920	76589		
	Devgarh		38			67371771	61308	75450804	69415	70033680	64431		
CWP Ratlam	Badnawar		Madhya Pradesh		100			202243426	184042	224210637	206274	219460000	201903
BGEL	Kukudwad		Maharashtra		50			19502955	17748	98552040	90668	92520542	85119
CWP Satara	South budh				32			52124159	47433	63016450	57975	63512076	58431
CWP-MANVI Pvt Ltd	Kavithal				Karnataka	50			111781964	101722	127843256	117616	51372368
LNJ Power Venture Ltd	Dangri	2018-19	Rajasthan		20				0	22576286	20770	15957544	14681

**TABLE 2: LAND FOOTPRINT PER MEGAWATT GENERATION OF ELECTRICITY**

	FY 2017-18	FY 2018-19	FY 2019-20
<b>Land (Acres)</b>	2189	987	1721
<b>DC</b>	421	211.2	507,8
<b>Acre / MW/DC</b>	5.20	4.67	3.39

**TABLE 3: STATEWISE LAND AVAILABILITY**

States	Acres
<b>Total</b>	6390
Wind	1335
Solar	5055
Karnataka	2591
Madhya Pradesh	1232
Telangana	224
Andhra Pradesh	486
Tamil Nadu	24
Rajasthan	1743
Maharashtra	91



# EXHIBIT 1: WHISTLE BLOWING POLICY

## 1.0 INTRODUCTION

1.1 Hero Future Energies Global Limited and Hero Future Energies Private Limited (the “Company” or “we”) is committed to conducting its business with honesty and integrity, and we expect all staff to maintain high standards.

1.2 However, all organisations face the risk of things going wrong from time to time, or of unknowingly harbouring illegal or unethical conduct.

1.3 A culture of openness and accountability is essential in order to prevent such situations occurring or to address them when they do occur. Any suspected wrongdoing should be reported as soon as possible.

## 2.0 ABOUT THIS POLICY

2.1 The aims of this policy are:

2.1.1 to encourage staff to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be respected;

2.1.2 to provide staff with guidance as to how to raise those concerns; and

2.1.3 to reassure staff that they should be able to raise genuine concerns in good faith without fear of reprisals, even if they turn out to be mistaken.

2.2 This policy covers employee at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents and contractors.

2.3 This policy does not form part of any employee’s contract of employment and we may amend it at any time.

## 3.0 WHAT IS WHISTLEBLOWING?

3.1 Whistleblowing is the disclosure of information which relates to suspected wrongdoing or dangers at work. This may include:

3.1.1 Misuse or abuse of authority;

3.1.2 misappropriation, fraud or suspected fraud;

3.1.3 criminal activity;

3.1.4 miscarriages of justice;

3.1.5 danger to health and safety;

3.1.6 damage to the environment;

3.1.7 failure to comply with any legal or regulatory requirements;

3.1.8 bribery; and

3.1.9 the deliberate concealment of any of the above matters.

3.2 A whistleblower is a person who raises a genuine concern relating to any of the above, and who reasonably believes that making the disclosure is in the public interest. If you have any genuine concerns related to suspected wrongdoing or danger affecting any of our activities (a whistleblowing concern) you should report it under this policy.

3.3 This policy should not be used for complaints relating to your own personal circumstances, such as the way you have been treated at work. In those cases, you should raise a grievance.

3.4 If you are uncertain whether something is within the scope of this policy, you should seek advice from your line manager.

## 4.0 RAISING A CONCERN

4.1 We hope that in many cases you will be able to raise any concern with your line manager. You may tell him or her in person or put the matter in writing if you prefer. They may be able to agree a way of resolving your concern quickly and effectively.

4.2 However, where you prefer not to raise it with your manager for any reason, you should contact the Risk Officer. You can raise a concern by sending e-mail at whistleblower@herofutureenergies.com.

4.3 We will usually arrange a meeting with you as soon as possible to discuss your concern. Where applicable, you may bring a colleague to any meetings under this policy. Where your employer is a Group Company established in the UK you may be accompanied in the meeting by a trade union representative. Your companion must respect the confidentiality of your disclosure and any subsequent investigation.

## 5.0 INVESTIGATION

5.1 An investigation will be carried out in an independent and unbiased manner.

5.2 The fact an investigation has been opened is not by itself confirmation of wrongdoing but is the process to establish the facts of a report.

5.3 We will aim to keep you informed of the progress of the investigation and its likely timescale. However, sometimes the need for confidentiality may prevent us giving you specific details of the investigation or any disciplinary action taken as a result. You should treat any information about the investigation as confidential.

## 6.0 OUTCOME OF THE PROCESS

6.1 An Investigation Report, including the approach of the conduct of the investigation, may be submitted by the Risk Officer to the Audit Committee as the Audit Committee deems fit or necessary in this regard.

6.2 If an investigation leads the Risk Officer to conclude that wrongdoing or danger at work has been committed, the Risk Officer shall recommend to Audit Committee or the Management of the Company to take such disciplinary or corrective action as he may deem appropriate or fit. It is clarified that any disciplinary or corrective action initiated as a result of an investigation pursuant to this Policy shall follow the law where it is applicable and the policies and procedures for governing personnel or staff conduct under the Company’s disciplinary procedures.

6.3 The Risk Officer shall submit a report to the Audit Committee on an annual basis or such other period as the Audit Committee deems fit about all concerns reported to him since the last report together with the results of investigations, if any.

6.4 While we cannot guarantee the outcome you are seeking, we will always try to deal with your concern fairly and in an appropriate way. By using this Policy, you can help us to achieve this.

6.5 If you are not happy with the way in which your concern has been handled, you can raise it with the Risk Officer or, if your complaint relates to the handling of your concern by the Risk Officer, to an Independent Director.

## 7.0 CONFIDENTIALITY

7.1 We hope that you will be able to voice whistleblowing concerns openly under this policy. If you want to raise your concern confidentially, we will make every effort to keep your identity secret and only reveal it where we consider it is necessary to investigate your concern.

7.2 We encourage you not to make disclosures anonymously. Proper investigation may be more difficult or impossible if we cannot obtain further information from you. Whistleblowers who are concerned



about possible reprisals if their identity is revealed should come forward to the Risk Officer so appropriate measures can then be taken to preserve confidentiality.

**8.0 EXTERNAL DISCLOSURES**

The aim of this policy is to provide an internal mechanism for reporting, investigating and remedying any wrongdoing in the workplace. In most cases you should not find it necessary to alert anyone externally.

The law recognises that in some circumstances it may be appropriate for you to report your concerns to an external body such as a regulator. It will very rarely if ever be appropriate to alert the media. We strongly encourage you to seek advice before reporting a concern to anyone external.

The independent whistleblowing charity, Protect (<https://protect-advice.org.uk/>), operates a confidential helpline: 020 3117 2520. They also have a list of prescribed regulators for reporting certain types of concern.

**9.0 PROTECTION AND SUPPORT FOR WHISTLEBLOWERS**

It is understandable that whistleblowers are sometimes worried about possible repercussions. We aim to encourage openness and will support you if you raise genuine concerns under this policy, even if they turn out to be mistaken.

However, if we conclude that you have made false allegations maliciously you may be subject to disciplinary action.

You must not suffer any detrimental treatment as a result of raising a genuine concern. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Risk Officer immediately. If the matter is not remedied, you should raise it formally by submitting a grievance.

You must not threaten or retaliate against whistleblowers in any way. Anyone involved in such conduct will be subject to disciplinary action.

**10.0 DOCUMENTATION**

The Risk Officer shall maintain all relevant records pertaining to the concerns raised and investigations thereto, for a period of 5 (five) years or such other period as specific by any other law in force, whichever is more.

**EXHIBIT 2: ANTI BRIBERY AND ANTI CORRUPTION POLICY**

**THE COMPANY’S COMMITMENT TO PREVENTING BRIBERY**

• Hero Future Energies Global Limited (the “Company” or “we”) is committed to carrying out business fairly, honestly and openly wherever we and other members of the Group carry on business in the world. All of our officers and employees are expected to reflect the same culture of professionalism and integrity in their dealings on behalf of the Group, and to assist the Company to implement and enforce systems to prevent bribery and corruption across the Group’s business.

- We have a zero-tolerance approach towards bribery and corruption and expect all staff and anyone else acting on behalf of the Group to comply with all laws relevant to countering bribery and corruption in all the jurisdictions in which the Group operates.
- In the UK, bribery and corruption are punishable for individuals by up to ten years’ imprisonment and/or a fine under the Bribery Act 2010. If the Company fails to prevent bribery it could face an unlimited fine, be excluded from tendering for public contracts and face severe damage to its reputation.
- It is therefore critical that all staff and anyone else acting on behalf of the Group take responsibility for preventing bribery and corruption across the Group’s business.

**ABOUT THIS POLICY**

The purpose of this policy is to:

- set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and
- provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.
- This policy applies to all persons working for or on behalf of the Company or any member of the Group in any capacity, including employee at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with us, wherever located.

You must ensure that you read, understand and comply with this policy at all times.

The board of directors has approved and adopted this policy and is

committed to carrying out business fairly, honestly and openly with a zero-tolerance approach towards bribery and corruption.

Management at all levels are responsible for implementing this Policy, ensuring those reporting to them understand and comply with this Policy, and are given adequate and regular training on it.

The group’s risk officer “Risk Officer” has primary and day-to-day responsibility for monitoring use of this Policy and its effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in countering bribery and corruption.

References in this policy to a third party include any individual or organisation you come into contact with during the course of your work for us, including actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisors, and government and public bodies, including their advisors, representatives and officials, politicians and political parties. All employees are required to comply with this policy and all other group compliance policies, but this policy does not form part of any employee’s contract of employment and we may amend it at any time.

**WHAT IS BRIBERY AND CORRUPTION?**

Bribery is offering, promising, giving or accepting any financial or other advantage to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.

- An advantage includes money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or anything else of value.
- A person acts improperly where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. The improper acts may be in relation to any business or professional activities, public functions, acts in the course of employment, or other activities by or on behalf of any organisation of any kind.

Corruption is the abuse of entrusted power or position for private gain.



## PROHIBITED ACTS

It is unacceptable for you (or someone, for example a friend, partner or spouse, on your behalf) to participate in any form of bribery or corruption. In particular, you must not:

- give, promise to give or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- give or accept a gift or hospitality during any commercial negotiations or tender process, if this could be perceived as intended or likely to influence the outcome;
- accept a payment, gift or hospitality from a third party that you know or suspect is offered with the expectation that it we will provide a business advantage for them or anyone else in return;
- accept hospitality from a third party that is unduly lavish or extravagant under the circumstances;
- offer any gift to or accept any gift from government officials or representatives, or politicians or political parties;
- threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or
- engage in any other activity that might lead to a breach of this policy, for example, you must not offer a potential customer tickets to a major sporting event on condition that they agree to do business with us. This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential customer to accept your offer.

If you are in any doubt about what could constitute bribery, please contact the Risk Officer.

## GIFTS, HOSPITALITY AND EXPENSES

This policy does not prohibit reasonable, proportionate and appropriate hospitality given to or received from third parties for the purposes of:

- establishing or maintaining good business relationships;
  - improving or maintaining the Group's image or reputation; or
  - marketing or presenting our products more effectively.
- In each case, you must consider whether the gift or hospitality is reasonable, proportionate and appropriate. When considering

whether something is reasonable, proportionate and appropriate, relevant factors include:

- what the intention of the gift or hospitality is (for example, building a new client relationship is likely to be acceptable, whereas seeking to influence someone or obtain a business advantage is likely to be unacceptable);
- whether there is any secrecy involved;
- whether it is appropriate in the circumstances; and
- how this would reflect on the Company if the details were made public.

The recipient of any hospitality should not be given the impression that they are under an obligation to confer any business advantage or that their independence will be affected.

In most cases and unless the gift is prohibited by the terms of this policy, the giving of gifts is allowed if the following requirements are met:

- it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- it is given in the name of the Company and not given in your name;
- it does not include bullion, cash or a cash equivalents (such as gift certificates or vouchers);
- it is appropriate in the circumstances, taking account of the reason for the gift, its timing and value. For example, it is customary for small gifts to be given on the occasion of Diwali and at Christmas;
- it is given openly, not secretly; and
- it complies with any applicable local law.

Reimbursing a third party's expenses or accepting an offer to reimburse our expenses (for example, the costs of attending a business meeting) would not usually amount to bribery. However, a payment in excess of genuine and reasonable business expenses (such as the cost of an extended hotel stay) is not acceptable.

We appreciate that practice varies between countries and regions and what may be normal and acceptable in one region may not be in another.

Examples of gifts or hospitality that are likely to be acceptable include:

- occasional meals with clients/suppliers;
- occasional attendance at ordinary sports, theatre and other cultural

events; and gifts of nominal value

Examples of gifts or hospitality that are likely to be unacceptable include:

- gifts of cash or a cash equivalent (e.g. vouchers);
- gifts given in your own name;
- secret gifts; and
- anything being offered for something in return.

In all cases the test to be applied is whether in all the circumstances the gift, hospitality or payment is reasonable and appropriate, is not in breach of local laws and complies with the intention in paragraph 5.4.1 above.

Our policy is not to give or offer any form of gift, hospitality or expenses with a value of over £100 (INR 10000) and not to receive or accept any form of gift, hospitality or expenses with a value of over £50 (INR 5000). All gifts given or received are to be reported to the Risk Officer and noted on the Company's gift register.

It is a separate criminal offence to bribe a foreign public official (which includes government officials). You must not offer to or accept from government officials (in any branch of national, local or municipal government), judges, politicians or similar individuals, any gift, hospitality or expenses.

The Risk Officer shall submit a report to the Audit Committee on an annual basis or such other period as the Audit Committee deems fit about all gifts or hospitality offered or received by or to any party.

## FACILITATION PAYMENTS

- In many countries it is customary business practice to make small unofficial payments or gifts of small value to government officials in order to speed up or "facilitate" a routine government action or process. This could be, for example, to obtain a licence or permit more quickly. However, it is unacceptable for any person acting on behalf of the Group to make such a payment or permit such a payment to be made on our behalf.
- If you are in any doubt at all, always seek advice on the law of the local jurisdiction in relation to the payment so as to differentiate between properly payable fees and disguised requests for facilitation payments. Always ensure that you are provided with receipts and identification of the official to whom such payments are made.
- You should be very careful in relation to such payments since an unofficial "facilitation payment" is likely to be a bribe and you can be



prosecuted in the UK for making it – regardless of the value of the payment or local cultural expectations, even if that is “how business is done” in that jurisdiction. If you have any concerns in relation to any payment requested, you should raise these with the Risk Officer.

**DONATIONS**

- We consider that charitable giving can form part of our wider commitment and responsibility to the community. We support a number of local charitable activities and may also support charitable fundraising events involving employees. We only make charitable donations that are legal and ethical under local laws and practices.
- Charitable donations may be made in amounts and to charities with the prior approval of the Chairman and Managing Director.
- We do not make contributions to political parties. Any request or suggestion by a third party that a contract or other business benefit will not be available to the Group unless a donation is made to a political party or cause must be reported immediately to the Risk Officer. If there are circumstances where you believe that a contribution to a political party will be in the group’s interest, no contribution must be made without the written approval of the Risk Officer.

**WHERE CAN RISKS ARISE?**

Situations which indicate that you should be on notice that there is a greater risk of bribery and corruption include but are not limited to:

- a history of corruption in the country or a high ranking in Transparency International’s Corruption Perceptions Index;
- close personal or business ties of the person or entity with whom you are dealing with government employees or officials;
- requests for cash payments, refusal to sign formal documentation or a refusal to provide an invoice or receipt for a payment made;
- requests for an unexpected additional fee or commission to “facilitate” a service or “overlook” a violation;
- requests for unusual or vague disbursement payments;
- requests for payments to third parties, or other unusual payment arrangements; and
- a third party offering you an unusually generous gift or lavish hospitality.

If you encounter any of these situations while working for us, you must immediately inform the Risk Officer.

Where the business enters into new territories and before entering

into any commitment with respect to business in the new territory, you should report to the Risk Officer any business culture which encourages circumvention of rules and any pressure to conform to customs or unfamiliar business practices which may conflict with this policy. Please refer to the Country Risk Mapping Document No. HFEG/CORP10 for specific country’s risk assessment for this Policy.

**RECORD KEEPING AND ACCOUNTS**

- Accurate record keeping and accounts are key to ensuring transparency in all transactions involving the Group’s business.
- The Company maintains a hospitality and gifts register. You must declare and record all hospitality or gifts given or received, which will be subject to managerial review.
- You must ensure that you submit all expense claims relating to hospitality, gifts or other expenditure incurred to third parties in accordance with the Company’s expenses policy and record the reason for expenditure.
- All accounts, invoices, and other records relating to dealings with third parties including suppliers and customers should be prepared with strict accuracy and completeness. Accounts must not be kept “off-book” to facilitate or conceal improper payments.

**REPORTING ANYTHING SUSPICIOUS**

- You must report any suspicion or knowledge of instances of non-compliance with this policy or other wrongdoing immediately to the Risk Officer.
- If you are offered a bribe or think that you have been offered a bribe, you must refuse it and report it immediately to the Risk Officer. You will not suffer any detrimental treatment for refusing to take part in bribery and corruption, provided that you report it in accordance with this policy.

**PROTECTION FROM RETALIATION**

- We want all of staff to feel that they can speak up without any fear of retaliation. You will not suffer any detrimental treatment arising out of you reporting your genuine suspicions in good faith, even if these suspicions turn out to be mistaken. If you are in any doubt about whether to report something, please report it. We encourage all staff to report any suspicion of failure to comply with this policy by any member of staff. Please refer to the Whistleblower Policy (HFEG/CORP03) for details.

**BREACHES OF THIS POLICY**

- Any employee who breaches this policy will face disciplinary action (up to and including dismissal) and, where appropriate, legal action.
- We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

**TRAINING AND COMMUNICATION**

- Training on this policy forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary.
- Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter, in accordance with our procurement policies.

**CONTRACTING AND PURCHASING**

- Contracts entered into with third parties shall be subject to the group’s procurement policies which include provision for appropriate due diligence on the third party; an analysis of payments required in connection with the contract; a report of any unusual payments or contract terms; and the right to terminate the contract for any instance of bribery or corruption.
- Contracts with suppliers are subject to the group’s tendering policies which include provision for no gifts or hospitality to or from a potential supplier during a tender process. The group’s procurement policies and tendering policies apply a lower level of compliance for low value low risk arrangements.

**MONITORING**

We monitor compliance with and the effectiveness of our compliance policies.

**ANTI BRIBERY AND ANTI CORRUPTION POLICY**

1	14.11.2019	Second Issue	Audit Committee – HFEG	
0	12.03.2019	First Issue	Matthew Allen	Rahul Murjal
Rev.	Date	Description	Approved By	

**WHISTLE BLOWING POLICY**

1	14.11.2019	Second Issue	Audit Committee – HFEG	
0	12.03.2019	First Issue	Matthew Allen	Rahul Murjal
Rev.	Date	Description	Approved By	

# EXHIBIT 3: RISK, INTERNAL AUDIT & COMPLIANCE – CHARTER

## 1. PURPOSE

This Risk, Internal Audit & Compliance (ARC) Charter provides the framework for the conduct of the ARC function in Hero Future Energies Private Limited (HFE) and Hero Future Energies Global Private Limited (HFEG). It has been created with the objective of formally establishing the purpose, authority and responsibilities of the ARC function.

ARC is comprised of Risk, Internal Audit and Compliance sub-functions. Risk facilitates the organisation’s risk management process, which involves understanding, analysing and addressing risk to make sure organisations achieve their objectives.

Internal Audit is an independent, objective assurance and consulting activity designed to add value to and improve an organisation’s operations by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Compliance is an independent function that provides reasonable assurance that the organisation conducts its business activities in line with applicable law, regulations and standards.

## 2. SCOPE

All HFE’s/HFEG’s activities (including outsourced activities) and legal entities are within the scope of ARC. ARC adopts an independent risk-based approach to determine its scope, including the Annual Audit Plan. The Internal Audit plan does not necessarily cover all potential scope areas every year. ARC will coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimise duplication of efforts.

## 3. GOVERNANCE, INDEPENDENCE, OBJECTIVITY AND AUTHORITY

ARC staff will remain independent of the business and they shall report to the Head-ARC who, in turn, shall report functionally to the Audit Committee and administratively to the Chairman and Managing Director, HFE and Chairman, HFEG. In order to assure complete independence and objectivity, ARC will not have authority over any department or group that it reviews nor will it be directly responsible

for implementing ARC recommendations.

The Head-ARC is also responsible for facilitating risk management and providing independent assurance over compliance activities. To minimize the impairment to objectivity, a third-party entity or consultant will be contracted to perform independent audits of risk management and compliance activities. Additionally, separate Risk, Internal Audit and Compliance sub-functions will be created under ARC with clearly defined/segregated roles and responsibilities of each sub-function.

The below chart depicts the proposed organisation structure for ARC function.



ARC staff shall have no direct operational responsibility or authority over any of the activities they review. ARC staff with real or perceived conflicts of interest must inform the Head-ARC, then the Audit Committee, as soon as these issues become apparent so that appropriate safeguards can be put in place.

The ARC function derives its authority from the Board through the Audit Committee. The Head-ARC is authorised by the Audit Committee to have full and complete access to any of the organisation’s records, properties and personnel. The Head-ARC is also authorised to designate members of ARC function to have such full and complete access in the discharging of their responsibilities and may engage experts to perform certain engagements which will be communicated to management. ARC will ensure confidentiality is maintained over all information and records obtained in the course of carrying out audit activities.

The roles and responsibilities of ARC function is described below:

Risk	Internal Audit	Compliance
<ul style="list-style-type: none"> <li>» Establish enterprise risk management (ERM) framework</li> <li>» Establish and manage ERM governance structure</li> <li>» Facilitate ERM activities</li> <li>» Monitor risk and provide support in risk mitigation planning</li> <li>» Continuous improvement and advancement of ERM program</li> </ul>	<ul style="list-style-type: none"> <li>» Prepare and submit the annual internal audit plan, budget, and resource plan for review and approval by the Audit Committee</li> <li>» Implement the approved audit plan</li> <li>» Issue periodic audit reports on a timely basis to the Audit Committee and senior management</li> <li>» Ensure that the function has the skills and experience commensurate with the risks of the organisation</li> </ul>	<ul style="list-style-type: none"> <li>» Develop, maintain and implement compliance policies and procedures</li> <li>» *Monitors non-compliance with applicable laws and regulations</li> <li>» Investigate violations to organisation’s compliance policies, and notify results to the Audit Committee</li> <li>» Educate employees on compliance policies and procedures</li> <li>*Limited to providing independent assurance</li> </ul>

## 4. PROFESSIONAL COMPETENCE AND DUE CARE

The ARC function will perform its duties with professional competence and due care. Internal Audit will adhere to the Definition of Internal Auditing, Code of Ethics and the Standards for the Professional Practice of Internal Auditing that are published by the Institute of Internal Auditors.

## 5. REPORTING AND MONITORING

The Head-ARC reports on a regular basis to the Audit Committee. The report can include information on, but not limited to, the following:

- The roll out of the ARC year plan, upcoming ARC activities and follow up activities; and
- Summary of the reports of, developments in Risk Management, Internal Audit and Compliance and Internal Audit. For example:
  - the progress on risk assessments
  - summary of key risks
  - summary of key findings in the audit reports issued during the period
  - the progress regarding audit planning and audit execution the Internal Audit coverage in accordance with the agreed Audit Plan
  - follow-up of audit findings and recommendations
  - reports on (suspected) misconduct cases and proposed remedial and corrective actions -compliance progress, monitoring and follow up activities
  - proposed changes in compliance related policies and



other documents.

Periodically, the Head-ARC will meet with the Chairman and Managing Director, HFE and Chair of the Audit Committee in private to discuss ARC matters.

**6. PERFORMANCE OF ARC**

The performance of Internal Audit will be monitored by the Audit Committee (HFE/HFEG) to ensure independence and objectivity.

**7. RESPONSIBILITY OF EVERY EMPLOYEE**

Every HFE employee has the responsibility to comply with applicable laws, regulations, standards and internal rules. Management is responsible for identifying and communicating to each employee the minimum ARC requirements in daily business operations. Employees must be aware, understand, and ensure they meet the ARC obligations that impact their daily business operations.

**8. ROLE OF MANAGEMENT**

HFE/HFEG management is responsible for implementing and maintaining a sound risk management process and foster a risk aware culture across the organisation. Management is the risk owner and responsible to identify, understand, manage and monitor risks effectively, including taking appropriate and timely action in response to ARC findings. Management is responsible for establishing and maintaining a robust framework and system of internal controls, including financial, operational and compliance controls, to achieve the objectives of effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations. The existence of an ARC function, therefore, does not in any way relieve them of this responsibility. Management is responsible for fraud prevention and detection. As ARC performs its work programs, it will be observant of manifestations of the existence of fraud and weaknesses in internal control which would permit fraud to occur or would impede its detection.

**APPENDIX 1: DEFINITION (HFE/HFEG)**

**Board**

The highest level of governing body charged with the responsibility to direct and/or oversee the activities and management of the organisation.

Typically, this includes an independent group of directors (e.g. a board of directors, a supervisory board or a board of governors or trustees).

**Audit Committee**

The governance group charged with independent assurance of the adequacy of the local risk management framework, the internal control environment and the integrity of financial reporting.

**Senior management**

The individuals at the highest level of organisational management who have day-to-day responsibility for managing the organisation.

**Head-ARC**

Head-ARC describes a person in a senior position responsible for effectively managing the risk, internal audit and compliance activities.

0	11.09.2019	First Issue	Audit Committee-HFE	Audit Committee - HFEG
Rev.	Date	Description	Approved By	
			Matthew Allen	Rahul Murjal

## EXHIBIT 4: OCCUPATIONAL HEALTH SAFETY & ENVIRONMENT POLICY

Hero Future Energies Private Limited (HFE), the renewable energy venture of the Hero Group, is committed to safeguard occupational health, safety and environment of its employees, contractors, clients, stakeholder and the communities in which we operate. HFE is poised to attain sustainable development by improving occupational health, safety and environmental conditions at all our offices & project locations by adhering to the following practices:

- Adoption of safe work culture at all our project locations and offices.
- Identification and mitigation of significant environmental aspects and occupational health and safety hazards by practicing effective HSE Management System.
- Preventing employees, contractors and interested parties from injury and ill health.
- Preventing & controlling pollution by adopting good Environmental Management Practices.
- Providing regular HSE training to employees associated with us.
- Complying with all relevant legal and other requirements applicable to us.
- Communicating, involving and consulting employees in our HSE Management System.
- Ensuring this policy is communicated and available for employees and other interested parties.
- Ensuring reporting of all relevant incidents and investigating them to prevent recurrence.
- Conducting regular inspection and audits.
- Ensuring commitment towards sustainability by complying with the Green Code of Company, implementing 3R (Reduce, Reuse and Recycle) and I.E.R (Individual Environment Responsibility).
- Ensuring minimum Occupational Health & Safety impact on the society in which we operate by complying with National & International Standards applicable to us.
- Continuous improvement in the HSE performance at all our offices and project locations is an integral part of our work culture.



**TABLE 4: OCCUPATIONAL HEALTH AND SAFETY DATA**

Key Performance Indicators	FY 2017-18	FY 2018-19	FY 2019-20
Total Man Days Worked	614054	424200	617671
Total Man- Hours Worked	4912432	3393600	4941368
Cases of First Aid (FA)	69	42	84
Cases of Near Miss	150	124	211
No of Reportable Lost Time Injury (RLTI)	00	00	00
Fatal Accident	00	00	00
Frequency Rate of RLTI	00	00	00
Severity Rate of RLTI	00	00	00
Total No of Training Conducted	324	336	370

**TABLE 5: CONSOLIDATED GENERATION DATA FOR WIND AND SOLAR**

Key Performance Indicators	FY 2017-18	FY 2018-19	FY 2019-20
Solar energy generated Renewable (MWh)	255346082	828648895	1186262368
Wind energy generated Renewable (MWh)	914193887	1248989878	1022035356

**TABLE 6: ENERGY CONSUMPTION DATA**

Parameter	Quantity		
	FY 2017-18	FY 2018-19	FY 2019-20
Diesel (Litres) Non-Renewable	174105	352700	358100
Petrol (Litres) Non-Renewable	3756	12151	28055
Electricity (KWh) Non-Renewable	58980	521077	492548

**TABLE 7: EMISSION SCOPE-1 AND SCOPE-2**

Greenhouse gas emission Scope	Emitted (tCO2e)		
Scope	FY 2017-18	FY 2018-19	FY 2019-20
Diesel consumption	466	944	959
Petrol consumption	8	28	64
Electricity consumed	53,6718	479	453

**TABLE 8: MATERIAL CONSUMPTION**

Material consumption in	Weight of material		
Material	FY 2017-18	FY 2018-19	FY 2019-20
Solar module (Kg)	34 221 620	8 202 810	34481475
Module mounting structure (MT)	13 040	3 087	11,636.94
Inverter (Kg)	652 650	199 400	360628

**TABLE 9: WATER CONSUMPTION**

Water Consumption (KL)	Purpose	Source	Quantity		
			FY 2017-18	FY 2018-19	FY 2019-20
Drinking		Water supplying agency	962	2861	21166
Module cleaning		Water supplying agency and ground water	9048	24215	38771

**TABLE 10: WASTE GENERATION**

Types of waste	FY 2017-18	FY 2018-19	FY 2019-20	Disposal method
Broken solar module (Kg)	38250	54354.7	54355	Through E-waste recycler
Used batteries (no.)	40	207	715	Through recycling vendor
Used oil (liter)	13380	15705	111024	Through recycling vendor
Oil soaked cotton (No.)	3153	3601	11885	Through recycling vendor

TABLE 11: TRAINING AND AWARENESS

Title of the course	Category of persons	% of trained Personnel of the total Workers	Duration in Man-hours	% of training Man-hours of total Man-hours
HSE Induction training	All	100	2	0.080
Material Handling	All workers	93.93	4	0.160
Use of LOTO	All electrician Technician & Lineman	52.77	4	0.160
Permit to work	All workers	93.93	2	0.160
Use of PPE	All	100	8	0.320
Fire prevention & control	All workers	93.93	2	0.080
Fall Protection and Working at height	All workers	93.93	4	0.160
Welding & Gas Cutting	Welder Helper	12.12	4	0.160
Ergonomic Safety aspects	All workers	93.93	2	0.080
Machine safeguarding	All workers	93.93	2	0.80
First Aid training	All	100	3	0.120

FORM 10: MANIFEST FOR HAZARDOUS AND OTHER WASTE

**Form-10**  
(See Rule 19(1))  
**Manifest for Hazardous and Other Waste**

1	Sender's name and mailing address (Including Phone No. & e-mail)	Rajesh Goyal Solar Energy Pvt. Ltd., Bawal
2	Sender's authorization No.	
3	Manifest Document No.	002
4	Transporter's Name & Address (Including Phone No. & e-mail)	KarCycle Center LLP # 114C, 1 <sup>st</sup> Cross, 3 <sup>rd</sup> Main, Yeshwanthpur Industrial Area, Tender Road, Bangalore 560022
5	Type of Vehicle	(Truck / Tanker / Special Vehicle)
6	Transporter's Registration No.	
7	Vehicle Registration No.	KA 02 AE 7837
8	Receiver's name and mailing address (Including Phone No. & e-mail)	KarCycle Center LLP # 114C, 1 <sup>st</sup> Cross, 3 <sup>rd</sup> Main, Yeshwanthpur Industrial Area, Tender Road, Bangalore 560022
9	Receiver's authorization No.	Authorization No : H-111573 CFD No. AW-114822
10	Waste description	37 kg. Cotton waste
11	Total Quantity No. of Containers	..... kg or MT
12	Physical form	(Solid / Semi-Solid / Sludge / Oil / Yarry / Slurry / Liquid)
13	Special Handling Instructions and additional information	Handle with care
14	Sender's Certificate: I hereby declare that the contents of the consignment are fully and accurately described above by proper shipping name and are categorized, packed, marked, and labeled, and are in all respects in proper condition for transport by road according to applicable national government regulations.	
	Name and Stamp:	Signature: [Signature] Month Day Year 10 15 20 20
15	Transporter Acknowledgement of Receipt of Waste	
	Name and Stamp:	Signature: [Signature] Month Day Year 10 15 20 20
16	Receiver's certification for receipt, transport and safe waste	
	Name and Stamp:	Signature: [Signature] Month Day Year 10 15 20 20

1. **White:** Forwarded to the Pollution Control Board (PCB) by the sender.
2. **Yellow:** Signed by the transporter and retained by the sender.
3. **Pink:** Retained by the receiver (actual user or treatment storage and disposal) after disposal.
4. **Orange:** To be handed over to the transporter by the receiver after accepting waste.
5. **Green:** To be sent by the receiver to State Pollution Control Board.
6. **Blue:** To be sent by the receiver to the sender.

Grey: To be sent by the receiver to the State Pollution Control Board, in case the sender is in other state.

## EXHIBIT 5: CSR POLICY

### OBJECTIVE

HFE is dedicated to contribute in the Country's development by focusing on economic, social and environmental capital towards enhancing societal sustainability. Our endeavour is to provide inclusive growth at our project locations by working on improving/providing basic amenities to communities around our project sites and generate possibilities of employment.

To contribute to the Prime Minister's National Relief Fund or any other fund set up by the Central Government at the time of natural calamity or engage in Disaster Management system.

To contribute to any fund setup by the Central Government or State Government(s) including Chief Minister's Relief Fund, which may be recognized as CSR activity;

To promote sustainability in partnership with industry associations, like the Confederation of Indian Industry (CII), PHD, FICCI, NGO's, Government schemes like Swachh Bharat etc.

Undertake CSR programs in collaboration or through Raman Kant Munjal Foundation.

### GUIDING PRINCIPLE OF THE POLICY

The Policy shall be governed by the provisions of the relevant Act made there under.

### APPLICABILITY

This Policy is applicable to HFE for implementing CSR as per Clause 135 of the Companies Act, 2013

Eligibility Criteria - The CSR provisions within the Act is applicable to Companies with an annual turnover of 1,000 crore INR and more, or a net worth of 500 crore INR and more, or a net profit of five crore INR and more. The Act encourages Companies to spend at least 2% of their average net profit in the previous three years on CSR activities.

### COVERAGE

This Policy lays down guidelines of implementing projects falling under CSR framework.



**DEFINITIONS**

<b>CSR Committee</b>	Two or more directors on the Company’s Board to be nominated as CSR Committee members
<b>CSR Working Committee</b>	The role of the working committee is to prepare the roadmap, allocate projects and monitor progress as per the CSR plan. They will report / give feedback to the CSR Committee for all CSR projects undertaken.
<b>CSR Strategy</b>	CSR strategy refers to what the Company expects to achieve in the next three to five years. It incorporates the vision, mission and goals on a broader level and details the plans to achieve these in terms of Organization and approach.
<b>CSR Programme</b>	It refers to the specific issue/sector that the Company proposes to address through the CSR. Programme needs to be clearly highlighted in the CSR Strategy

**BOARD – LEVEL CSR COMMITTEE**

CSR governance structure will be headed by the Board Level CSR committee that will be ultimately responsible for the CSR projects undertaken.

**Members:**

Ms. Renu Munjal

Mr. Rahul Munjal

**CSR WORKING COMMITTEE**

Mr. Sunil Jain

Ms. Pooja Munjal

Mr. Rajesh Puri

Mr. Atul Raaizada

Ms. Bhawna Kirpal Mital

**RESPONSIBILITIES OF CSR WORKING COMMITTEE**

The CSR committee shall formulate and recommend a CSR strategy

and Policy to the Board, indicating the activities as specified in Schedule VII of the Act. recommend the amount of expenditure to be incurred on the activities indicated in the Policy. monitor the CSR policy regularly.

**CSR STRATEGY**

Our Company will implement projects which will have definite beginnings, ends, expected outputs and outcomes as well as budgets associated with it. The projects that will be undertaken may be of a short duration (a few months) or multi-year. We will implement projects either through in-house teams or in partnership with other agencies or a combination of both. In case of multi-year projects, same will be reviewed on an annual basis or as at such time as may be decided by the Committee.. Selected projects will be grouped as per their implementation period in a 1- year plan, 2-year plan and a 3-year plan. These plans will be presented annually at the meeting of CSR committee of the Board.

**CSR PROGRAMMES**

Project to be implemented under CSR in a specific area will depend on the needs of local community. People of the local community will be involved in decision making regarding programmes to be undertaken. A detailed due diligence of the area/community would be done to identify the critical needs and their prioritization and a project will be shortlisted.

Once the Project is shortlisted then a Detailed Project Report will be prepared thereafter and presented to the Board level CSR Committee for Approval.

Following is a list of CSR Programmes that will be undertaken

- Preserving natural resources eg. Creating water pools, Rain water harvesting.
  - Basic amenities eg. Providing access to water, electricity, education, toilets, health care etc.
  - Possibilities of employment
- Any other that can be added to the list as and when finalised after discussion.

**CSR Fund**

The corpus for the purpose of carrying on the aforesaid activities would include the following:

- 2% of the average Net Profit made by the Company during immediately preceding three Financial Years.
- any income arising there from.
- surplus arising out of CSR activities carried out by the Company and such surplus will not be part of business profit of the Company.

**CSR PROCESS**

Following are the list of activities that will be undertaken as part of the implementation of CSR Process

- Framing the CSR Strategy
- Operationalizing the institutional mechanism
- Due diligence of the implementation partner
- Project development
- Project approval
- Finalising the arrangement with the implementing agency
- Progress monitoring and reporting
- Impact measurement

1	01.10.2016	Revision in Committee	Bhawna Kirpal Mital	Sunil Jain	Rahul Munjal
0	28.08.2015	First Issue	Bhawna Kirpal Mital	Sunil Jain	Rahul Munjal
Rev.	Date	Description	Prepared By	Checked and Approved By	Approved By



**TABLE 12: ASHA CENTRES**

Year	Location	No. of centres	No. of students
2017-18	Dhar, Madhya Pradesh	10	250
2018-19	Dhar, Madhya Pradesh	15	392
	Pratapgarh, Rajasthan	10	252
2019-20	Dhar, Madhya Pradesh	15	327
	Pratapgarh, Rajasthan	10	181

**TABLE 13: WATER ATMS**

Year	Water ATM	State	Beneficiaries
2015-16	Badilank, Pratapgarh	Rajasthan	100 Families
2016-17	Khiledi, Dhar	Madhya Pradesh	100 Families
2016-17	Alote	Madhya Pradesh	100 Families
2017-18	Devgrah, Pratapgrah	Rajasthan	60-70 Families
2017-18	Shev, Barmer	Rajasthan	100 Families
2017-18	Anantapur, Guravapelli	Andhra Pradesh	100 Families

**TABLE 14 A: WATER CHECK DAM**

<b>Name of the check dam</b>	Dojda Wala Check Dam
<b>Name of the villages</b>	Rampuriya, Peepalkhoot
<b>District and State</b>	Pratapgarh, Rajasthan
<b>BENEFICIARY (Direct &amp; Indirect)</b>	Total Number of Households= 765 Population= 6027 Number of milch animals=16500 Nos of Bore wells = 108 Land = 2466 acre
<b>Dimension - feet</b>	78 (L) X 6 (W) X 8 (H)
<b>Water Holding Capacity</b>	cu. mts 46,800

**TABLE 14 B: WATER CHECK DAM**

<b>Name of the check dam</b>	Do Ambe Wala Check dam
<b>Name of the villages</b>	Fuledi
<b>District and State</b>	Dhar and Madhya Pradesh
<b>BENEFICIARY (Direct &amp; Indirect)</b>	Number of villages= 1 Total Number of Households= 213 Population= 1341 Number of milch animals=3680 No's of wells & Bore wells = 98 Land = 190 Hac
<b>Dimension - feet</b>	105(L) x 6(W) x 9(H)
<b>Water Holding Capacity</b>	cu. ft 6,16,000 cu ft



## EXHIBIT 6: CODE OF CONDUCT

### OBJECTIVE

- To lay down the standard of conduct expected from the employees of Hero Future Energies Pvt. Ltd. in their dealing both within the Organisation as well as with external clients.
- Hero Future Energies Pvt. Ltd. (HFE) is committed to highest standard of conduct with all the stakeholders. HFE will adopt and implement human resources policies and procedures appropriate for the Company and its employees. Our approach is to manage employees and work within the framework of the prevalent statutory compliances.
- HFE will provide employees with documented information that is clear and understandable, regarding their rights under employment laws and collective agreements, if any, including their rights related to hours of work, wages, overtime, compensation, and benefits upon beginning the working relationship and when any material changes occur.
- HFE will not discourage workers from electing worker representatives, forming or joining workers' organizations.
- HFE will not employ anyone less than 18 years of age in its Office or any of the site location. All stakeholders engaging with the Company are also prohibited to do so. Relevant action will be taken against people found violating the same.
- This Code provides basis for all employees to maintain a working environment that is positive, productive, cordial, safe and free from any discrimination and harassment.

### APPLICABILITY

- This is applicable to all employees on permanent rolls, contractual staff, consultants, part-time staff or any person involved in any other kind of employment with the Company.

### COVERAGE

- This Policy explains the framework for appropriate behaviour for all

employees along with the associated penalties for misconduct.

### RESPONSIBILITY AND AUTHORITY

- Each employee is responsible for reading, understanding and following this Policy.
- Approval, renewal and change in this Policy is the responsibility of HR, under approval of the CEO and the CMD.
- Monitoring and implementation of this Policy is the responsibility of all the HODs.

### DEFINITIONS

HOD	Head of Department
HR	Human Resources

### CODE OF CONDUCT COVERS THE FOLLOWING:

#### PERSONAL CONDUCT AND BEHAVIOUR

- Employees are expected to be punctual and regular in attending Office. Office timing to be followed is 9:00 a.m to 6:30 p.m. / 9:30 a.m to 7:00 p.m with lunch break of half an hour from 1:00 p.m. to 1:30 p.m. It is expected that all are disciplined for office timing.
- Employees have to apply for leaves as per the Leave Policy No. HFE/HRO4. In case of emergency/inability to apply leaves prior to proceeding for leave, one has to inform his/her Reporting Manager of his / her absence either thru' mail or phone.
- Salaries and emoluments are confidential and employees shall not discuss the same with other employees.
- Employees are advised to put their ring tones at low volume while working in the Office. Setting up fancy ring tones is not permitted during Office hours. During meetings, the Mobile phone may be carried to the meeting but only on vibration/ silent mode. Remaining active on the mobile phone during meetings should not be done. In case, one needs to take an urgent call during the meeting, then walk out of the meeting area for making the call. This needs to be strictly adhered to.
- Employees will not falsify attendance/leave records, travel vouchers, specimen signatures or any other Company documents.
- Employees will not hide necessary/ important official information, which is supposed to be conveyed to the colleagues and top ●

Management. Employees should be self motivated to discuss and bring out any instance wherein they were put in an awkward/challenging position.

- Employees will not make commitments without facts/basis to any employee/stakeholder etc. In case, commitments have been made then they need to be adhered to after taking necessary Approvals.
- Employees should follow an honour system and adhere to 'Trust' by themselves. It is expected that employees will do the right thing by choice.
- Employees need to respect the other persons time (both peers and external guests) more than their own.
- Employees will not display behaviour of insubordination, wilful negligence or any other disrespectful conduct.
- Employees will follow and accept the transfer orders at any time during the duration of their employment with the Company.
- Employees will work with full integrity and sincerity.
- Employees are expected to undertake their duties in a professional, responsible and conscientious manner.
- Employees have to be honest in their conduct when dealing with clients, suppliers, contractors and colleagues.

#### DRESS AND APPEARANCE

- Employees need to ensure that their appearance is neat, clean and appropriate for their particular area of work. A high standard of personal hygiene is expected at all the times.
- At Head Office Delhi, formal dress code will be followed from Monday to Thursday and smart casual wear on Friday. Same dress code will be adopted at other office locations.
- Formal dress code for men is: Coat, Trouser, Shirt, Formal shoes and preferably neck tie.
- Formal dress code for women is: Coat, Trouser, Shirt, Salwar Suit, Saree, Formal Skirt
- In case of a pre-arranged meeting on Friday, respective employees need to be formally dressed.
- It is expected that employees will not wear torn or ripped clothes, unsuitably revealing clothes or clothes displaying offensive messages.
- At Site location, employees are expected to be properly dressed up as per the environment and while visiting site work, one must wear PPEs (Personal Protective Equipments) like safety helmets, safety shoes, jackets etc. provided at site.



**USE OF ASSETS AND EQUIPMENT**

Employees are expected to take care of the assets and equipments provided to them by the Company. They need to safeguard these from loss, theft and damage. Assets and equipments will cover tangible and intangible assets like buildings, equipment – phone, mobile, laptop, desktop, money, contract papers, official documents, computer software, data held on computers etc.

Employees are expected to be prudent in the use of Company’s property or money. Unwarranted extravagance, misuse or waste will not be tolerated.

With respect to computers/laptops, or computerized equipment and software, the following principles apply:

- The purchase of hardware and software must be made according to the Company policy;
- Any computer related equipment, software or disks will not be taken away from the Office / site for any purpose, except with prior permission of the Reporting Manager and keeping Administration / IT department informed.
- Only software approved by the Company may be used on computers/ laptops and that also in accordance with any licensing agreement or other rules applicable to its use.

**INTERNET USAGE**

- Internet Usage during Office hours has to be for official work only.
- All internet sites pertaining to Social media and shopping are not to be used by employees in Office.

**PROTECTION OF CONFIDENTIAL INFORMATION**

- Each employee shall maintain the confidentiality of information belonging to the Company, its employees, customer’s supplier, or competitors. Same shall apply even after separation from the Company on whatever account.
- Employees have an obligation to ensure that professional information is secured against loss, misuse or unauthorised access, modification and disclosure.

**PROTECTION OF COMPANY RECORDS**

- Employees shall neither falsify nor permit falsification of any Company record.
- Employees need to keep the official records as directed by Company and take care that official documents are not placed in private files.

- All payments from Company funds shall be properly recorded in the Company records.

**TREATING EACH OTHER FAIRLY AND EQUALLY**

- All employees have to work as a team with respect and trust for each other.
- All employees need to have open and honest communication barring any discrimination on the basis of caste, gender and religion.
- All employees need to ensure that there is no harassment of any form or unsafe practice is in place.
- Any act of sexual harassment will lead to immediate termination.

**PREVENTION OF MONEY LAUNDERING**

- HFE is committed to prevent and control money laundering.
- No employee will directly or indirectly attempt to indulge or assist other person or will be actually involved in any activity connected with the proceeds of crime and projecting it as untainted property.

**EQUAL OPPORTUNITY EMPLOYER**

- HFE is an equal opportunity employer and all employees have to carry the same image in their conduct.
- No candidate shall be discouraged /rejected solely on the basis of caste, gender, religion and disability (under permissible limit meant for the job).

**QUALITY, HEALTH, SAFETY AND ENVIRONMENT**

- All employees are expected to give importance to QHSE in all walks of life, especially at the time of discharging their duties at workplace.
- Use of PPEs (Personal Protective Equipments) is a must while visiting site location.
- Projects will be implemented to ensure safety to public, plant and equipment.
- All employees will comply with all statutory rules and regulations on Safety, Health and Environment in their area of work.
- All employees will be committed to manage HSE matters as any other critical business activity.
- As a concerned employer, we do not want our employees to attend phone calls while driving. Employees need to take care of all safety measures while driving.
- All employees will contribute to efficient and proper utilization of all sources of energy and products.

**INTERACTION WITH MEDIA**

- Nobody is authorised to speak to media without prior consent of the CEO and the MD, no matter how urgent the case is.

**DRUG FREE / ALCOHOL FREE/ SMOKE FREE WORKPLACE**

- Employees are refrained from possession, distribution, sale, transfer, use or being under the influence of illegal drugs / alcohol at the workplace, while on the job or at any time during the working day while using company assets/ equipments. The working day is termed as time the employee is performing his or her job as well as all breaks, lunches and work-related activities. Anybody violating this will be liable for a disciplinary action.
- In case of drugs – its possession, distribution, sale, transfer or use is strictly prohibited even after the working hours ie. It is prohibited all the time. This needs to be strictly adhered to. Anybody violating this will be liable for a strict disciplinary action.
- Employees will not come for work under the influence of alcohol. If it is discovered that somebody has consumed the same, the employee may be subjected to a physical examination to which he/she will not refuse. Any refusal for tests will result in immediate dismissal.
- If an employee is entertaining any important client/ guest during lunch time, he / she need to avoid self-consumption of alcohol. Smoking is strictly prohibited in the Office premises and at Project/site locations.

**CONFLICTS OF INTEREST**

- Employees are refrained from using confidential information about the Company for their personal benefit, engaging in a business/ partnership with an entity that does business with HFE or a competitor.
- At the time of making decisions on the Company behalf, employees will avoid any interest (self or otherwise) that may influence their decisions. For e.g. Employees may invest money in an entity that does business with our Company or is a competitor. Such things can influence their decision making.

**CORPORATE LOGO AND BRANDING**

- Employees will use the corporate logo and other branding items for official purposes as directed. Company brand will not be used for personal / self-interest by employees. Employees will not tamper with the Company logo/name and other branded items.



### ETHICS POLICY AND GREEN CODE

● A separate ‘Ethics Policy and Green Code’ is in place and shared with all for implementation in our Company keeping in mind our business ethics and culture. All employees have to adopt the same and demonstrate ‘Walk the Talk for Ethics and Green’.

### RETRENCHMENT

● Prior to implementing any collective dismissals, HFE will carry out an analysis of alternatives to retrenchment. If the analysis does not identify viable alternatives to retrenchment, a retrenchment plan will be developed and implemented to reduce the adverse impacts of retrenchment. The retrenchment plan will be based on the principle of non-discrimination and will reflect consultation with employees, their organizations, and, where appropriate, the Government. All legal and contractual requirements related to notification of public authorities, and provision of information to, and consultation with employees and their organizations, if applicable, will be followed.

● HFE will ensure that all concerned receives notice of dismissal as per the Policy and his/her settlement is done as per the Process.

### REPORTING OF MISCONDUCT

● All employees are expected to promptly report to the Management and or HR of any misconduct, violation of this Policy.

● In case the Company discovers that misconduct has taken place and it was known to some employees who did not report it, those employees will be liable for an inquiry.

### OBLIGATION OF EMPLOYEES

● All employees have to read, understand and follow this Policy.

● All employees have to continually familiarise themselves with all Company Policies and Procedures in force from time to time.

● Employees shall comply with the Company’s HR policies and procedures.

● New Joinees will be given copy of this Policy at the time of Induction. They will also have to acknowledge receipt of the same in HR.

### ACTION IN CASE OF VIOLATION OF THIS POLICY

● Whosoever is found violating this Policy will be liable for suspension and inquiry for which no salary shall be paid during the period of the said suspension or inquiry. Further, if the person is proved guilty to the same, his/ her employment with the Company will be

terminated forthwith and he / she shall not be entitled to any notice or compensation.

3	14.042017	Third Revision	Bhawna Kirpal Mital	Sunil Jain	Rahul Munjal
2	29.07.2016	Second Revision	Bhawna Kirpal Mital	Sunil Jain	Rahul Munjal
1	01.04.2015	First Revision	Bhawna Kirpal Mital	Sunil Jain	Rahul Munjal
0	27.02.2013	First Issue	Bhawna Kirpal	Sunil Jain	Rahul Munjal

## EXHIBIT 7: PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

### OBJECTIVE

At the outset it is stated that the express commitment of Hero Future Energies Pvt. Ltd.’s (HFE’s) is that any form of sexual harassment or sex based discrimination, regardless of the sex of the recipient of such behaviour or the perpetrator of such behaviour is prohibited in the HFE workplace.

● This Policy provides protection to women against sexual harassment at the HFE workplace and to ensure prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto and confirms HFE’s specific and express commitment to comply with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“Act”) and to promote a workplace free of sexual harassment for all its women employees.

● Sexual harassment of women at the workplace is unlawful and amounts to misconduct under this Policy as well as the HFE Code of Conduct. All complaints made by aggrieved women to the Internal Committee of HFE in the manner provided herein and pursuant to the Act shall be addressed and dealt with in accordance with the law and this Policy. The provisions of the HFE Grievance Procedure shall not be applicable to the same except where specifically provided for.

● In the event that any person not protected by the Act wishes to complain against any form of harassment, sexual harassment or sex based discrimination, such person may complain in accordance with the HFE Grievance Procedure.

### GUIDING PRINCIPLE OF THE POLICY

HFE commits to create and maintain a work environment in which the dignity of employees is respected. The Company is committed towards providing a healthy work environment that enables its employees to work without fear of prejudice, gender bias and sexual harassment. The victims, if any, should not feel that their grievances were either



ignored or trivialized or they suffer from fear of reprisals. Following are the guidelines which can assist in achieving these ends:

- All employees of the Organization have a responsibility to prevent or deter the commission of acts of sexual harassment in the workplace (defined herein below). Management and employees shall play a role in creating and maintaining a working environment in which sexual harassment is unacceptable. They shall ensure that their conduct does not cause offense to others and they shall discourage unacceptable behaviour on the part of others. It is also the duty of the aggrieved woman employee to complain against sexual harassment in a timely manner in accordance with the procedure provided herein and also preserve the confidentiality of their communications in this regard at all times.
  - Management shall respond promptly to complaints of sexual harassment made in the manner provided herein, through the Internal Committee constituted hereunder. Where it is determined, that inappropriate conduct has occurred, prompt and corrective action will be taken as necessary, including disciplinary action in accordance with the process laid down under this Policy.
  - The Management shall provide full support to the Internal Complaints Committees and provide necessary facilities for dealing with the complaint and conducting its inquiry.
- The Policy shall be governed by the provisions of the relevant Act and Rules made there under.

**APPLICABILITY**

- This Policy is applicable to all employees of the Organization in India. For the purposes of this Policy, such employment can be of any nature and cover persons who are employed on regular, temporary, ad-hoc, daily wage basis or as a co-worker, contract worker, probationer, trainee or apprentice. It also covers persons employed through contractors/agents, consultants or any other service provider or even persons working on a voluntary basis or without any remuneration.
- This policy and IC is applicable to all employees of HFE, its Holdcos / SPV’s and affiliate Companies.

**JURISDICTION**

This Policy applies to all conduct in the Workplace of HFE. The ‘Workplace’ includes:

- All offices and premises of HFE where its business is conducted; and
- Any place or premises visited by an employee of HFE in discharge

of the duties towards the organization, or where the employee is present in a work related context or in professional capacity, including training programmes, conferences, off-site meetings & events, work related functions, office parties, business or filed trips organized by HFE, and includes places visited when conducting the business of the Organization, in interaction with clients, customers, and other service providers and also includes transportation provided by the Organization for undertaking such journey.

Under this Policy, complaints can be made to the relevant IC by any “aggrieved woman” i.e., a woman of any age, whether employed or not with the Organization, who alleges that she has been subjected to sexual harassment by the alleged perpetrator who is an employee of the Organization at the time the alleged incident of sexual harassment occurred or where the alleged incident has taken place at the HFE Workplace.

**RESPONSIBILITY AND AUTHORITY**

- Each employee is responsible for reading, understanding and following this Policy.
- Approval, renewal and change in this Policy is the responsibility of HR, under approval of the CEO and CMD.
- Monitoring and implementation of this Policy is the responsibility of the Internal Committee and all the HODs.

Aggrieved woman	in relation to a workplace, a woman, of any age whether employed or not, who alleges to have been subjected to any act of sexual harassment by the respondent;
Internal Committee	Committee to deal with the cases of sexual harassment and oversee prevention of sexual harassment
Special Educator	a person trained in communication with people with special needs in a way that addresses their individual differences and needs

	<p>Anyone or more of the following unwelcome behavior (whether directly or by implication) namely:                  Unwelcome physical contact and advances; or                  A demand or request for sexual favours; or                  Making sexually colored remarks; or                  Showing pornography; or                  Any other unwelcome physical, verbal or non-verbal conduct of sexual nature.                  Any act or conduct of a person in authority or otherwise, which outrages the modesty or dignity of the aggrieved woman or is humiliating treatment likely to affect her health or safety and /or create a hostile and/or intimidating work environment or;                  Any conduct of an unwelcome sexual nature, which has the purpose or effect of unreasonably interfering with the aggrieved woman’s work performance</p>
Sexual harassment	<p>What Does Not Amount to Sexual Harassment:                  If the interactions between the individuals are consensual, welcome, appreciated and/or reciprocated, it does not amount to sexual harassment. Any welcome behaviour that is based on mutual attraction, respect and/or friendship is not sexual harassment.</p> <p>However, HFE requires that any romantic relationships between co-workers, who are in any manner in senior/ subordinate to each other in the Workplace, should be voluntarily disclosed at the first possible instance to the concerned HR representative. The onus of such disclosure shall lie upon the person who is professionally senior amongst the persons in the relationship. Such disclosures should usually be made with the knowledge of the other party and the Organization reserves the right to confirm the veracity of such disclosure from such other party. All such disclosures shall be held in the strictest of confidence and shall only be disclosed to the IC for the purposes of an ongoing inquiry, if and when called upon.</p>



## DEFINITION

### INTERNAL COMPLAINTS COMMITTEE

HFE hereby constitutes Internal Committee (IC) for all offices across India – that will prevail in all offices pursuant to the Act to ensure prevention and redressal of all sexual harassment complaints.

Pursuant to the mandatory requirements of the Act, the IC consists of the following members provided that at least half of the total members shall be Women:-

- a Presiding Officer who shall be a woman employed at a senior level at workplace from amongst the employees;
- not less than two Members from amongst employees preferably committed to the cause of women or who have had experience in social work or have legal knowledge;
- one external member who may be a lawyer or from amongst non-governmental organisations or associations committed to the cause of women or a person familiar with the issues relating to sexual harassment.
- HFE shall at all times, notify via the intranet/display of notices, names of the members who constitute the Internal Committee, along with their email addresses. Any changes in the membership of the ICCs shall be duly notified.
- In the event that the merits of a particular case require additional caution or consideration, in the interest of a fair, objective and unbiased inquiry, HFE may appoint “Special Members” to replace any or all of the members appointed to the Committees as above. Any such change in membership, or special appointments, shall be duly notified to all parties in advance.

The Presiding Officer and every Member of the Internal Committee shall hold Office for such period, not exceeding three years, from the date of their nomination. Information on Internal Complaints Committee is enclosed at HFE/HR17/F1.

### COMMITTEE TO SUBMIT ANNUAL REPORT

- The Internal Committee shall in each calendar year prepare an annual report in the prescribed format and submit the same to the employer and/or the District Officer, where required.
- The Company shall include in its report the number of cases filed, if any, and their disposal under this Act in the annual report of the Organization.

### POWERS OF INTERNAL COMMITTEE

For the purpose of making an inquiry, the Internal Committee, shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 when trying a suit in respect of the following matters, namely:---

- Summoning and enforcing the attendance of any person and examining him on oath;
- Requiring the discovery and production of documents; and
- Any other matter which may be prescribed.

The inquiry shall be completed within a period of ninety days.

### COMPLAINT OF SEXUAL HARASSMENT

#### PROCEDURE FOR FILING THE COMPLAINT

- Any aggrieved woman may make, in writing, a complaint of sexual harassment at workplace to the Internal Committee, within a period of three months from the date of incident and in case of a series of incidents, within a period of three months from the date of last incident:
  - Provided that where such complaint cannot be made in writing, the Presiding Officer or any Member of the Internal Committee, shall render all reasonable assistance to the woman for making the complaint in writing:
  - Provided further that the Internal Committee, for the reasons to be recorded in writing, extend the time limit not exceeding three months, if it is satisfied that the circumstances were such which prevented the woman from filing a complaint within the said period.
- Where the aggrieved woman is unable to make a complaint on account of her physical incapacity, a complaint may be filed by:
  - her friend or relative; or
  - her co-worker; or
  - an Officer of the National Commission for Women or State’s Women’s Commission or
  - any person who has knowledge of the incident, with the written consent of the aggrieved woman
- where the aggrieved woman is unable to make a complaint on account on her mental incapacity, a complaint may be filed by:
  - her relative or friend; or
  - a special educator; or
  - a qualified psychiatrist or psychologist; or

- the guardian or authority under whose care she is receiving treatment or care; or
- any person who has knowledge of the incident jointly with her relative or friend or a special educator or qualified psychiatrist or psychologist, or guardian or authority under whose care she is receiving treatment or care

- where the aggrieved woman for any other reason is unable to make a complaint, a complaint may be filed by any person who has knowledge of the incident, with her written consent;
- where the aggrieved woman is dead, a complaint may be filed by any person who has knowledge of the incident, with the written consent of her legal heir.

### CONCILIATION

- The Internal Committee, may, before initiating an inquiry, at the request of the aggrieved woman take steps to settle the matter between her and the respondent through conciliation provided that no monetary settlement shall be made as a basis of conciliation.
- Where a settlement has been arrived, the Internal Committee, shall record the settlement so arrived and forward the same to the Employer to take action as specified in the recommendation.
- The Internal Committee shall provide the copies of the settlement as recorded to the aggrieved woman and the respondent.
- Where a settlement is arrived, no further inquiry shall be conducted by the Internal Committee.

### INQUIRY INTO COMPLAINT

- On receipt of a request for inquiry, the Internal Committee may proceed to make inquiry into the complaint in accordance with the prescribed procedure.
- Provided that where the aggrieved woman informs the Internal Committee that any term or condition of the settlement arrived at has not been complied with by the respondent, the Internal Committee shall proceed to make an inquiry into the complaint or, as the case may be, forward the complaint to the police:
- Provided further that where both the parties are employees, the parties shall, during the course of inquiry, be given an opportunity of being heard and a copy of the findings shall be made available to both the parties enabling them to make representation against the findings before the Committee.



**ACTIONS DURING PENDENCY OF INQUIRY:**

During the pendency of an inquiry, on a written request made by the aggrieved woman, the Internal Committee may recommend to the management of HFE to-

- transfer the aggrieved woman or the respondent to any other workplace; or
- grant leave to the aggrieved woman up to a period of three months; or
- grant such other relief to the aggrieved woman as may be prescribed.
- The leave granted to the aggrieved woman under this section shall be in addition to the leave she would be otherwise entitled.

On the recommendation of Internal Committee, the management of HFE shall implement the recommendations made and send the report of such implementation to the Internal Committee.

Other relief to complainant during pendency of Inquiry -The Complaints Committee at the written request of the aggrieved woman may recommend to the employer to-  
restrain the respondent from reporting on the work performance of the aggrieved woman or writing her confidential report, and assign the same to another Officer;

**INQUIRY REPORT**

The ICC shall complete an inquiry within 90 days from the date of receipt of complaint . On completion of an inquiry under this Act, the Internal Committee shall provide a report of its findings to the management of HFE within a period of 10 days from the date of completion of the inquiry and such report be made available to the concerned parties.

Where the Internal Committee arrives at the conclusion that the allegation against the respondent has not been proved, it shall recommend to the management of HFE that no action is required to be taken in the matter.

Where the Internal Committee arrives at the conclusion that the allegation against the respondent has been proved, it shall recommend to the management of HFE:

- to take action for sexual harassment as a misconduct in accordance with the provisions of the Code of Conduct. Proceedings conducted under the provisions of this Policy, shall be taken as disciplinary proceedings/inquiry proceedings and any action recommended by the ICC would be as per and pursuant to the Code of • Conduct and shall

be proportionate to the misconduct committed.

- No separate inquiries shall be required under the Code of Conduct for the purpose of arriving at disciplinary action.  
to deduct from the salary or wages of the respondent such sum as it may consider appropriate to be paid to the aggrieved woman or to her legal heirs, as it may determine, in accordance with the provisions of the Act.
- Provided that in case the management of HFE is unable to make such deduction from the salary of the respondent due to his being absent from duty or cessation of employment it may direct to the respondent to pay such sum to the aggrieved woman:
- Provided further that in case the respondent fails to pay the sum, the Organization shall inform the ICC and the Internal Committee may forward the order for recovery of the sum as an arrear of land revenue to the District Officer.
- The management of HFE shall act as soon as practicable upon the recommendations of the ICC within sixty days of its receipt by him.

**PUNISHMENT FOR FALSE OR MALICIOUS COMPLAINT AND FALSE EVIDENCE**

This policy has been put in place to ensure redressal of complaints against sexual harassment. It is understood that an aggrieved women’s mere inability to substantiate a complaint, or provide adequate proof, will not automatically cause her complaint to be perceived in the wrong light. However, where the Internal Complaints Committee arrives at a conclusion that the allegation against the respondent is malicious or the aggrieved woman or any other person making the complaint has made the complaint knowing it to be false or the aggrieved woman or any other person making the complaint or any witness has produced any forged or misleading document or given false evidence with malicious intent, it may recommend to the management of HFE, to take action against the woman or the person who has made the complaint or the witness under the Code of Conduct where the said person is an employee of HFE and in other cases, as the Organization deems fit and proper .

- Provided that mere inability to substantiate a complaint or provide adequate proof need not attract action against the complainant under this section:
- Provided further that the malicious intent on part of the complainant shall be established after an inquiry in accordance with the procedure

prescribed under the Code of Conduct, before any action is recommended.

**PROHIBITION OF PUBLICATION OR MAKING KNOWN CONTENTS OF COMPLAINT AND INQUIRY PROCEEDINGS**

- Notwithstanding anything contained in the Right to Information Act, 2005, the contents of the complaint made pursuant to this Policy, the identity and addresses of the aggrieved woman, respondent and witnesses, any information relating to conciliation and inquiry proceedings, recommendations of the Internal Committee and the action taken by the employer or the District Officer under the provisions of this Act shall not be published, communicated or made known to the public, press and media in any manner.
- Provided that information may be disseminated regarding the justice secured to any victim of sexual harassment under this Act without disclosing the name, address, identity or any other particulars calculated to lead to the identification of the aggrieved woman and witnesses.

**CONFIDENTIALITY**

- Once a complaint in writing has been received by the Internal Complaints Committee it will be kept in strict confidence. Throughout the process of Inquiry Proceedings confidentiality will be maintained to the extent practicable and possible under the circumstances. No details of the identity of the aggrieved woman, details of the complaint, Inquiry Proceedings and findings/recommendations shall be released to any public, press or media.
- It is the duty of all the parties concerned i.e. the aggrieved woman, alleged perpetrator and/ or any of the witnesses to maintain utmost secrecy and confidentiality in respect of the identity of the aggrieved woman, details of the complaint, Inquiry Proceedings and findings/ recommendations and action taken by the Organization. No details shall be released by any of the employees to any public press or media
- in case of breach of this confidentiality clause, the Organization shall take appropriate action under the provisions of the Code of Conduct
- Information without particulars, specifically with regard to the identity of the parties involved, may be used by the Organization where required for authorised purpose.

**PENALTY FOR PUBLICATION OR MAKING KNOWN CONTENTS OF**



### COMPLAINT AND INQUIRY PROCEEDINGS

- Where any person entrusted with the duty to handle or deal with the complaint, inquiry or any recommendations or action to be taken under the provisions of this Act, he/she shall be liable for penalty of Rs.5,000/- (rupees five thousand) to the Employer.

### APPEAL

Any person aggrieved from the recommendations made or non-implementation of such recommendations may prefer an appeal in writing to the appellate body prescribed in the Grievance Procedure of HFE.

The appeal shall be preferred within a period of ninety days of the recommendations.

### OBLIGATION OF EMPLOYEES

- All employees have to read, understand and abide by this Policy.
- Any deviation to this Policy shall be subject to inquiry and immediate termination.

### OBLIGATION OF HFE MANAGEMENT

- provide a safe working environment at the workplace which shall include safety from the persons coming into contact at the workplace;
- display at any conspicuous place in the workplace, the penal consequences of sexual harassments; and the order constituting, the Internal Committee.
- organise workshops and awareness programmes at regular intervals for sensitising the employees with the provisions of the Act and orientation programmes for the members of the Internal Committee in the manner as may be prescribed;
- provide necessary facilities to the Internal Committee for dealing with the complaint and conducting an inquiry;
- assist in securing the attendance of respondent and witnesses before the Internal Committee;
- make available such information to the Internal Committee as it may require;
- provide assistance to the woman if she so chooses to file a complaint in relation to the offence under the Indian Penal Code or any other law for the time being in force;
- cause to initiate action, under the Indian Penal Code or any other law for the time being in force, against the perpetrator, or if the aggrieved woman so desires, where the perpetrator is not an employee, in the

workplace at which the incident of sexual harassment took place;

- treat sexual harassment as a misconduct and initiate action for such misconduct;
- monitor the timely submission of reports by the Internal Committee

4	10.02.2020	Forth Revision	Sheetu Garg	Bhawna Kirpal Mital	Sunil Jain
3	01.07.2019	Third Revision	Bhawna Kirpal Mital	Sunil Jain	Rahul Murjal
2	10.10.2016	Second Revision	Bhawna Kirpal Mital	Sunil Jain	Rahul Murjal
1	28.06.2015	First Revision	Bhawna Kirpal Mital	Sunil Jain	Rahul Murjal
0	14.11.2014	First Issue	Bhawna Kirpal Mital	Sunil Jain	Rahul Murjal
Rev.	Date	Description	Prepared By	Checked and	Approved By

**TABLE 15: TRAININGS**

Total Participants	297
Total hours	1454
Average Training in hours per employee per year	4.9
Female	15
Female % - attended trainings	56
Male % - attended trainings	97%
Senior Management	21

**TABLE 16: EMPLOYEE STRENGTH**

Parameters	FY 2017-18	FY 2018-19	FY 2019-20
Total employee strength	234	280	318
Recruitment	79	88	80
On roll employee	234	290	318
Site employees	57	62	63
Employees in International offices	Sing-1	UK- 1 Sing-1 VN- 1	5
Age group: Below 30	88	97	30
Between 30-50	144	185	216
Above 50	2	8	8
Attrition rate	10.6%	9.9	11.2%

**TABLE 17: PARENTAL LEAVE**

Parental Leave	Male	Female
Total number of employees who were entitled to parental leave (employees whose babies were born in last year)	24	NA
Total number of employees who took parental leave	17	NA
Total number of employees who returned to work in the reporting period after parental leave ended	17	NA
Total number of employees who returned to work after parental leave ended who were still employed 12 months after their return to work	17	NA
Returned to work and retention rates of employees who took parental leave	100%	NA



# GRI CONTENT INDEX

GRI 101: Foundation 2016

GRI 102: General Disclosures 2016

Disclosures	Reference Page Number or Weblink	Reference Page Number or Weblink	Omissions – Reasons and Explanations
<b>Organisational profile</b>			
102-1	Name of the organization	2,8	
102-2	Activities, brands, products, and services	4,8	
102-3	Location of headquarters	2	
102-4	Location of operations	3,9,47,48	
102-5	Ownership and legal form	8,15,16	
102-6	Markets served	8	
102-7	Scale of the organization	8,10,11,41,65	
102-8	Information on employees and other workers	10,41,65	
102-9	Supply chain	9,25,26	
102-10	Significant changes to the organization and its supply chain	N/A	There are no significant changes in the reporting period
102-11	Precautionary Principle or approach	6,7,9,11,17,18,19,21,22,29,32	
102-12	External initiatives	35,40,56	
102-13	Membership of associations	9	
<b>Strategy</b>			
102-14	Statement from senior decision-maker	4,5,6,7	
102-15	Key impacts, risks, and opportunities	12,13,14,16,17,18,24,26,52,53,54	



Disclosures	Reference Page Number or Weblink	Reference Page Number or Weblink	Omissions – Reasons and Explanations
<b>Ethics and Integrity</b>			
102-16	Values, principles, standards, and norms of behavior	16, 42, 49-54,56,57, 59-65	
<b>Governance</b>			
102-18	Governance structure	15,16	
102-20	Executive-level responsibility for economic, environmental and social topics	21,57	
<b>Stakeholder Engagement</b>			
102-40	List of stakeholder groups	26	
102-41	Collective bargaining agreements	N/A	There are no Unions at HFE. Though appropriate mechanisms have been put in place, considering the economic, environmental and social aspects for the on-site working employees as per applicable laws and grievance mechanism
102-42	Identifying and selecting stakeholders	25	
102-43	Approach to stakeholder engagement	26	
102-44	Key topics and concerns raised	25, 26	
<b>Reporting Practice</b>			
102-45	Entities included in the consolidated financial statements	2	
102-46	Defining report content and topic Boundaries	19-24	
102-47	List of material topics	20,21	
102-48	Restatements of information	N/A	First Sustainability Report of HFE Pvt Ltd
102-49	Changes in reporting	N/A	First Sustainability Report of HFE Pvt Ltd
102-50	Reporting period	3	
102-51	Date of most recent report	3	
102-52	Reporting cycle	3	



Disclosures	Reference Page Number or Weblink	Reference Page Number or Weblink	Omissions – Reasons and Explanations
102-53	Contact point for questions regarding the report	3	
102-54	Claims of reporting in accordance with the GRI Standards	2	
102-55	GRI context index	66-70	
102-56	External assurance	44,45,46	

**GRI 200: Economic Topics**

Disclosures	Reference Page Number or Weblink	Reference Page Number or Weblink	Omissions – Reasons and Explanations
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	20,23	
103-2	The management approach and its components	5,6,7,8,10,19,21,22,24,25,26	
103-3	Evaluation of the management approach	11	
<b>GRI 201: Economic Performance 2016</b>			
201-2	Financial implications and other risks and opportunities due to climate change	29	
201-3	Defined benefit plan obligations and other retirement plans	42,65	
<b>GRI 203: Indirect Economic Impacts 201</b>			
203-1	Infrastructure investments and services supported	37,38,39,58	
203-2	Significant indirect economic impacts	37,38,39,58	
<b>GRI 205: Anti-Corruption 2016</b>			
205-3	Confirmed incidents of corruption and actions taken	24	

**GRI 300: Environmental Topics**

Disclosures	Reference Page Number or Weblink	Reference Page Number or Weblink	Omissions – Reasons and Explanations
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	20,23	
103-2	The management approach and its components	5,6,10,19,21,22,24,25,26, 29,30	



Disclosures	Reference Page Number or Weblink	Reference Page Number or Weblink	Omissions – Reasons and Explanations
103-3	Evaluation of the management approach	9,11,27,28,31,32,33,34,55	
<b>GRI 302: Energy 2016</b>			
302-1	Energy consumption within the organization	31,55	
302-5	Reductions in energy requirements of products and services	9,48	
<b>GRI 303: Water and Effluents 2018</b>			
303-1	Interactions with water as a shared resource	32,38	
303-5	Water Consumption	33,55	
<b>GRI 304: Biodiversity 2016</b>			
304-2	Significant impacts of activities, products, and services on biodiversity	34	
<b>GRI 305: Emissions 2016</b>			
305-1	Direct (Scope 1) GHG emissions	32	
305-2	Energy indirect (Scope 2) GHG emissions	32	
<b>GRI 306: Waste 2018</b>			
306-2	Management of significant waste-related impacts	33	
306-3	Waste generated	34,55	
306-4	Waste directed to disposal	34,55	
<b>GRI 307: Environmental Compliance 2016</b>			
307-1	Non-compliance with environmental laws and regulations	30	

#### GRI 400: Social Topics

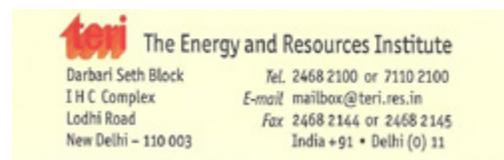
Disclosures	Reference Page Number or Weblink	Reference Page Number or Weblink	Omissions – Reasons and Explanations
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	20,23	
103-2	The management approach and its components	5,6,10,19,21,22,24,25,26,29,36, 49-54, 56,57, 59-65	
103-3	Evaluation of the management approach	9,11,37,38,39,41,56,58,65	



Disclosures	Reference Page Number or Weblink	Reference Page Number or Weblink	Omissions – Reasons and Explanations
<b>GRI 401: Employment 2016</b>			
401-1	New employee hires and employee turnover	41,65	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	42	
401-3	Parental Leave	48	
<b>GRI 403: Occupational Health and Safety 2018</b>			
403-1	Occupational health and safety management system	35	
403-2	Identification, risk assessment, and incident investigation	35	
403-4	Worker participation, consultation, and communication on Occupational health and safety	35,36	
403-5	Worker training on occupational health and safety	56	
403-6	Promotion of worker health	36	
403-9	Work-related injuries	31	
<b>GRI 404: Training and Education 2016</b>			
404-1	Average hours of training per year per employee	41,65	
404-2	Programs for upgrading employee skills and transition assistance programs	41,42	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>			
405-1	Diversity of governance bodies and employees	41,65	
<b>GRI 406: Non-discrimination 2016</b>			
406-1	Incidents of discrimination and corrective actions taken	42	
<b>GRI 408: Child Labour 2016</b>			
408-1	Operations and suppliers at significant risk for incidents of child labour	35	
<b>GRI 412: Human Rights Assessment 2016</b>			
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	35	
<b>GRI 413: Local Communities 2016</b>			
413-2	Operations with significant actual and potential negative impacts on local communities	37,38,39	
<b>GRI 419: Socioeconomic Compliance 2016</b>			
419-1	Non-compliance with laws and regulations in the social and economic area	35,36	



# SUMMARY REPORT BY TERI



18 December 2020

For the year 2019-20, an internal team of Hero Future Energies Private Limited (HFE) has prepared the Sustainability Report in accordance with the GRI Standards: Core option. TERI has reviewed the Sustainability Report – developed internally by HFE departments – and provided suggestions for improvement by evaluating the calculation methodologies adopted and logical illustration of results and inferences to ensure that the Report adheres to the Principles of Report Contents viz. Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness; and the Principles of Report Quality viz. Balance, Comparability, Accuracy, Timeliness, Clarity and Reliability. During the Report preparation, TERI has interacted with the HFE team on 17th & 22th September 2020 and thereafter the HFE Sustainability Steering Committee on 16th October 2020. HFE’s 19-20 Sustainability Report illustrates 22 material issues across social and environmental dimensions.

The following sections illustrate TERI’s observations and recommendations for HFE’s Sustainability Report 2019-20

## A. Disclosures fulfilling the Reporting Requirements

### Governance & Oversight:

- It is evident that the Board is involved in policy formulation and oversees the functioning of the several sub-committees. In order to advance the sustainability agenda, HFE has constituted a Sustainability Steering Committee in the year 2020, which is chaired by the CEO and comprises seven key members across different business functions.
- Clear synergies of HFE’s governance framework and monitoring of sustainability issues are evident viz. EXCOM (Economic, Environmental, Business strategy, Risk Management, Corporate

Governance), Internal Complain Committee (Human Capital), Prevention of Sexual Harassment (Social, Human Capital), Grievance Redressal Committee (Social, Corporate Governance, Ethics & Compliance), Sustainability Steering Committee (Social, Safety & Compliance). These are well supported by documented policies for the ERP, CSR, POSH etc.

### Strategy:

- HFE has highlighted its long-term strategy and key aspirations for 2030. There are specific targets and appropriate mapping with the United Nations Sustainable Development Goals is evident.

### Systems & Process:

- HFE has identified 13 stakeholders and categorized them as operational, financial and others. The mode of engagement, influence, frequency and its alignment with material topic clusters is evident and clearly articulated.
- Sustainability Performance:
- HFE has disclosed its sustainability performance, addressing the 8 priority material topic clusters such as Business Strategy & Risk Management, Environment Protection, Energy & Emissions, Safety and Compliance, Material and Procurement, Human Capital, Innovation & Care for Community. In addition, 22 material topics have been identified and ranked in order to draw the materiality matrix. The disclosures under specific material topics reflect the respective data for three years (FY 18, FY 19, FY 20).
  - HFE has incorporated the reporting specifications of the International Finance Corporation’s (IFC) Performance Standards and strengthen its supply chain by partnering with ISO 9001:2008, ISO 45000:2018 and ISO 14001:2015 certified principal contractors/suppliers only.

## B. Gaps Identified (HFE Sustainability Report 2019-20)

### Governance & Oversight:

- Though the role of board and sub-committees are defined, relevant information relating to the frequency at which the Board meets for discussing the progress should be appropriately disclosed.

### Strategy:

- HFE has adopted a broad framework of key sustainability aspirations by 2030; the same needs to be disaggregated into the short, medium and long-term milestones aligned with organizations mission and vision. In addition, the process of defining key performance indicators and their linkage with the material issues should be appropriately disclosed.
- It is suggested that policies such as Enterprise Risk Management (ERM), Corporate Social Responsibility (CSR), etc. should be aligned with the identified material issues.

### Systems & Process:

- HFE should describe the stakeholder identification process in detail. This entails the role of Sustainability Steering Committee in selecting the key stakeholders - who are impacted by the business and whose actions are also impacting their business.
- A brief narrative description on HFE’s supply chain management (their involvement and impact in the business, no. of domestic suppliers) should be disclosed.
- HFE contributes to the United Nation’s Sustainable Development Goals (SDGs- 4 (Quality Education), 5 (Gender Equality), 6 (Clean Water & Sanitation) and 7 (Affordable and Clean Energy) through its community development initiatives and operations across the 36 solar and wind sites. It is suggested that a methodology for identifying the focus areas in the community along with the impacts and performance



monitoring should be defined and documented comprehensively. Sustainability Performance:

- HFE in its disclosures on energy management has covered the performance on energy generation, energy consumption and associated GHG emissions. There are variances (e.g., high speed diesel consumption increase on year-to-year basis) for such disclosed data need to be appropriately highlighted and consistently disclosed. Variances as observed in the monitoring performance for all key material issues (water management, waste management, materials usage, safety and compliance etc.) should be disclosed and action points for mitigation to be addressed in the consistent manner.
- HFE should disclose both quantitative and qualitative information while adhering to reporting requirements of the IFC Standards.

**C. Planned Activities for FY 2020-21 Sustainability Report by HFE**

- HFE’s Sustainability Steering Committee should adopt a mechanism of capturing the interests and expectations of the stakeholders – including taking feedback of key identified stakeholders through questionnaire and one-to-one discussions. Number of stakeholders engaged and the action points by HFE emanating from such stakeholder dialogues should be appropriately disclosed.
- HFE should have a strategic approach for target setting – where each material issue and respective key performance indicators are aligned with a corresponding sustainability aspirations goal. Such targets should have a baseline year to ensure conformance to the Reporting Principles for Report Content and Quality. The monitoring of the targets should complement HFE’s Sustainability Aspirations.
- HFE should evaluate and illustrate its performance across all capitals (Natural, Human, Social, Intellectual, and Financial) and map it with the corresponding Sustainable Development Goals (SDGs) and tracks its

progress on an annual basis.

- HFE should articulate its roadmap towards becoming a Climate Positive organization, and substantiate with specific plan of actions; Implementation and monitoring of the key performance indicators should be reported and continued to be demonstrated in the subsequent reporting cycles.
- In its current reporting cycle, Scope 1 and Scope 2 emissions are included within the reporting boundary. HFE should consider the coverage of Scope 3 emissions and GHG emissions intensity targets in order to expand its GHG Inventory for the next reporting cycle.
- HFE should consult the Audit Committee regarding disclosures on its ‘Economic Performance’. ‘Economic Performance’ is identified as one of the priority topic clusters by HFE, it is suggested that management approach on the disclosures for the current and next reporting cycle should be disclosed.
- HFE should augment its planned actions for mitigating risks pertaining to ‘Asset Disposal Process’ and ‘Responsible Sourcing of Materials’.
- HFE has been undertaking the bird and bat study at all its wind sites across the nation- the analysis and actions taken for improvement from environment and social aspects apart from the operational aspect should be highlighted and documented in the next reporting cycle.
- HFE should disclose the methodology of selecting the focus areas and assessing the impacts of actions undertaken in the community; and its alignment with the organizations goals, policies, material issues and targets. Disclosures on the number of stakeholders engaged for the need identification and addressing the gaps with respect to the topic boundary along with quantitative description of the total CSR

expenditure should strengthen the HFE’s report quality.

- It is evident that HFE has documented the training statistics related to employee and worker engagement related to their health and safety; it is suggested that a detailed description on how training needs are assessed, frequency and language of the training and evaluation of the effectiveness of training etc. in the next reporting cycle to be disclosed; showcasing the holistic nature of engagement with workers and strengthening the HFE’s health and safety management system.

  
 Suneel Pandey, PhD  
 Director, Environment and  
 Waste Management Division

  
 Anupama Nath Mullick  
 Vice-President  
 TERI Council for Business Sustainability



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**Concept & Design**

Meenakshi Sarkar  
Zoya Wahí  
Purvika Sharma

**Registered Address**

201, 1st Floor,  
Okhla Industrial Estate,  
Phase - III, New Delhi - 110 020

**Social Media**

