HERO FUTURE ENERGIES®

planet positive power

RESPONSIBLE BUSINESS FOR A SAFE AND SUSTAINABLE FUTURE

2024-2025
SUSTAINABLITY
REPORT

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About the **Report**

We are pleased to present our sixth annual Sustainability Report, prepared with reference to the Global Reporting Initiative (GRI) Standards. The report provides a comprehensive account of our ongoing efforts to embed sustainability across our operations, creating enduring value for our key stakeholders—customers, investors, employees, and the communities we serve. As we advance with purpose, sustainability remains central to how we operate, grow, and contribute to society.

Covering the period from 1 April 2024 to 31 March 2025, this report offers a transparent overview of our environmental, social, and governance (ESG) performance. It details our progress in strengthening responsible business practices and reaffirms our steadfast commitment to building a sustainable future. We continue to balance economic growth with the stewardship of natural resources, the enhancement of social well-being, and the highest standards of ethical governance.

Adherence to Reporting Standards

In preparing this report, we have referred to the Global Reporting Initiative (GRI) Standards, ensuring comprehensive and credible disclosure of our sustainability performance. Along with GRI, we have factored in all applicable national and local regulations, as well as relevant laws and guidelines that pertain to environmental, social, and safety metrics. We are also including disclosures pertinent to the Standards & Poor's Corporate Sustainability Assessment (S&P CSA) to further enhance transparency through various KPIs of E, S, and G. This alignment ensures that our reporting reflects both global best practices and local compliance requirements, offering stakeholders a clear and transparent view of our actions and outcomes. As we move forward, this report reaffirms our dedication to continuous improvement, showcasing our ongoing journey towards creating a positive and sustainable impact across our operations and beyond.

Report Scope and Coverage

This report outlines Hero Future Energies' performance, covering all solar and wind project sites, as well as corporate offices across India. As part of our strategic focus, the reporting scope is limited to our operations in India.

For FY 2024-25, the report presents a comprehensive view of our non-financial performance. All topics disclosed are material to our operations and sustainability efforts. Importantly, no historical data has been restated. The report has undergone independent assurance to validate its accuracy and ensure transparency.

Get in Touch for Inquiries and Feedback

For further information, clarifications, or suggestions, please reach out to the following key contacts:

Mr. Vijayanand
Head of HSE and Sustainability

Mrs. Bhawna Kirpal Mital
CHRO & Lead - IT, Admin, and CSR

We welcome your feedback and look forward to collaborating as we advance our sustainability initiatives.

Message from the **Chairperson and Managing Director**

Rahul Munjal

Chairperson and Managing Director
Hero Future Energies

Dear Stakeholders,

I'm proud to unveil Hero Future Energies' sixth annual sustainability report- a reflection of our steadfast dedication to protecting the planet, uplifting people, and strengthening communities. Our core philosophy is anchored in being climate positive, water positive, and people positive, and continues to guide every initiative we undertake.

With a global portfolio of nearly 6.5 GW wind and solar and another 2 GWh of BESS, operating or under construction or under development, we stand at the forefront of clean energy innovation. Our reach spans beyond traditional utilities to commercial and industrial clients with tailored, sustainable energy solutions that meet diverse demands. As we expand our renewable portfolio, we remain deeply conscious that our success is measured not just in megawatts installed, but in the positive difference we create for all our stakeholders which include the society at large, our communities, and our employees.

At Hero Future Energies, our journey has always been guided by a simple yet powerful purpose, that is to create clean energy solutions that enable progress for people and the planet. FY 2024-25 has been another year of steady growth, resilience, and responsibility. Sustainability lies at the heart of our mission. We are resolute in our goal to achieve carbon neutrality by 2030, targeting Scope 1 and 2 emissions. Our efforts include reducing material usage, conserving biodiversity, and minimizing waste. Our flexible work policies further support this vision by lowering emissions and nurturing a sustainability-driven culture across the organization. As we work toward becoming water positive by 2030, we're deploying cutting-edge practices like module dry-cleaning technology and rainwater harvesting at our sites.

Our focus on workplace excellence and safety is unwavering. By embedding best practices in occupational health and safety and enhancing our employee support systems, we have reaffirmed our belief that the well-being of our people is non-negotiable. Equally, our commitment to diversity, leadership development, and digital integration reflects our effort to create a work culture where everyone can thrive.

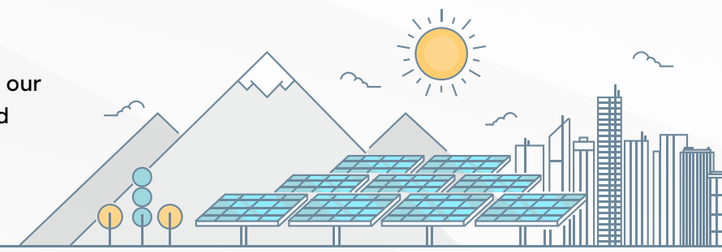
Beyond the workplace, our community initiatives continue to expand their reach and impact. From improving access to safe water and sustainable agriculture to scaling our education and skills programs, we are ensuring that our positive impact on the community extends beyond power generation.

Digital technologies are now central to the company's sustainable growth. We view AI and advanced analytics critical to achieving our ESG ambitions. We are developing AI-driven insights and real-time digital monitoring across our portfolio to enhance predictive maintenance, optimise energy generation, reduce water intensity, and reinforce safety oversight. By integrating digital intelligence into our governance frameworks, we are building a future-ready organisation — one where technology enhances transparency and efficiency, strengthens accountability, ensures compliance and accelerates long-term value creation.

As we chart the road ahead, we remain mindful of our responsibility to balance business ambition with social and environmental stewardship. It is this balance that will define our legacy, of not only generating clean energy but also enabling sustainable progress for generations to come.

Warm regards,

Rahul Munjal
Chairperson and Managing Director
Hero Future Energies



Message from the **Global CEO**

Srivatsan Iyer
Chief Executive Officer
Hero Future Energies

Dear Stakeholders,

The renewable energy landscape is evolving faster than ever — driven by global climate commitments, policy shifts, and the growing urgency for innovation. At HFE, we view this transformation not as a challenge, but as an opportunity to lead with purpose and responsibility.

In FY 2024–25, we advanced our commitment to embed sustainability into every aspect of our business—from operational excellence and safety to employee empowerment and community impact. This holistic approach continues to define who we are and how we create value.

Our people are at the core of this journey. During the year, we strengthened our human capital strategy through performance-linked career pathways, digital HR integration, and employee engagement initiatives designed to foster inclusivity, well-being, and continuous learning. These efforts reflect our vision to make HFE a workplace of choice in the clean energy sector.

We also remain steadfast in our pursuit of the highest standards of safety. By aligning with global frameworks and reinforcing governance across our sites, we continue to nurture a culture where safety is a shared responsibility—one that safeguards our people and strengthens operational excellence.

Our community development programs remain a cornerstone of our sustainability mission. From enhancing health and water security to supporting farmer livelihoods, employability, and education, these initiatives are generating measurable impact and driving positive change across regions where we operate.

As we look ahead, our focus remains unwavering—to build a future-ready organisation that delivers clean, reliable energy responsibly, while creating long-term value for our stakeholders and the planet. Together, we are powering a more sustainable tomorrow.

Sincerely,

Srivatsan Iyer
Chief Executive Officer
Hero Future Energies

Message from the **Head of Department**

Vijayanand
Head of Department,
HSE and Sustainability

Dear Stakeholders,

At Hero Future Energies, sustainability defines how we grow. It shapes how we design projects, manage risk, protect people, and create long-term value. FY 2025 has been a year where our commitments translated into measurable outcomes — with discipline at the core. Our portfolio generated 11.50 PJ (11,503,441.1 GJ) of renewable energy this year, reflecting both capacity expansion and improved operational performance. At our Bidar project, the integration of 615Wp high-efficiency bifacial modules and self-powered, waterless robotic cleaning systems demonstrates how thoughtful design can enhance generation while reducing environmental impact. For us, innovation must always improve efficiency, resilience, and resource stewardship.

We planted 10,000 trees across our project regions and continued advancing toward our 2030 commitments becoming water-positive and achieving carbon neutrality for Scope 1 and 2 emissions. These goals are embedded into our planning processes and investment decisions, not treated as parallel initiatives.

Safety remains our most fundamental responsibility. We recorded our fifth consecutive year with an LTIFR of 0 and achieved a 27% reduction in near-miss incidents. While these results are encouraging, we do not measure safety by lag indicators alone. True safety performance is reflected in leadership behaviour, contractor alignment, hazard reporting culture, and the willingness to stop work when standards are not met.

Every individual working at our sites represents a family's trust. Protecting that trust is non-negotiable. We also maintained zero reported human rights violations and no grievances during the reporting period. Through our CSR initiatives, we supported 1,975 students across 79 Asha Centres and upskilled over 1,000 individuals near our project locations. Women now represent 16% of our workforce as we progress toward our 30% target by 2030.

Strong governance continues to anchor our sustainability journey. Our Sustainability Steering Committee actively oversees policy implementation, risk integration, and performance tracking. During the year, we completed an ESGMF audit to benchmark our systems against global best practices and strengthen accountability.

As we look ahead, our priority is clear: deepen our safety culture, strengthen leading indicators, enhance transparency, and align sustainability performance with enterprise value creation.

Safety is not the responsibility of a department; it is a leadership obligation. And sustainability is not an initiative; it is the standard by which we define growth.

Warm regards,

Vijayanand
Head of Department,
HSE and Sustainability

About Hero Future Energies

The Hero Group

Founded in 1956 as a humble bicycle company, the Hero Group has transformed over the past five decades into one of India's most respected and diverse conglomerates, with a brand value surpassing **USD 1.3 billion.** Our expansive business portfolio now includes **auto ancillaries, two-wheelers, renewables, corporate finance, and technology.** Our extensive rural outreach touches over **10,000** villages across India, reflecting our commitment to sustainable development and long-term partnerships with multiple stakeholders, guided by our unwavering core values.

Hero Future Energies: Pioneering Renewable Solutions

Hero Future Energies (HFE), established in 2012, has swiftly risen to prominence as a leading global renewable energy company under the prestigious Hero Group. Headquartered in London, HFE embodies the principle of 'profit for purpose,' dedicated to preserving the environment for future generations. Our global portfoliocomprises 6.5 GWp + 2 GWh (BESS) of installed and under construction renewable energy capacity, spread across multiple Indian states and select international markets (UK, Vietnam and Ukraine). As of FY 2024-2025, our operational fleet in India stands at 2.2 GWp, comprising approximately 1.6 GWp of solar and 0.6 GWp of wind projects spread across seven renewable-rich states including Rajasthan, Karnataka, Andhra Pradesh, and Madhya Pradesh. In addition to conventional wind and solar PV assets, our portfolio includes cutting-edge, high-CUF projects such as hybrid power systems, peak-power solutions, and firm dispatchable energy. It also encompasses emerging technologies like energy storage, green hydrogen, and its derivatives. We actively collaborate with our commercial and industrial partners across hard-to-abate sectors, including chemicals, refining, manufacturing, steel, cement, and transportation, as they progress on their path toward net-zero emissions. Since our inception, over 250 commercial and industrial organizations have benefited from our support in offsetting substantial volumes of carbon emissions and achieving notable reductions in energy costs.

We support our partners in their net-zero journeys through innovative and tailored energy solutions. Our core strengths lie in large-scale project development and execution, robust design and engineering, stringent asset quality standards, and an unwavering commitment to health, safety, and environment (HSE).

In line with our strong commitment to sustainability, we are actively working towards achieving carbon neutral (Scope 1 and 2) status by 2030.Our dedication to environmental stewardship and our leadership in the renewable energy sector underscore our mission to create a sustainable future through efficient and clean energy solutions.

Our Guiding Vision and Mission

As Hero Future Energies (HFE) embarks on a transformative phase of growth, we remain dedicated to executing and completing projects that will stand as iconic milestones of our era. We are committed to building a One Nation, One Grid; enabling seamless power flow across India. This vision not only advances national energy security but also supports the rapid integration of variable renewable energy, enabling a greener and more reliable grid future.

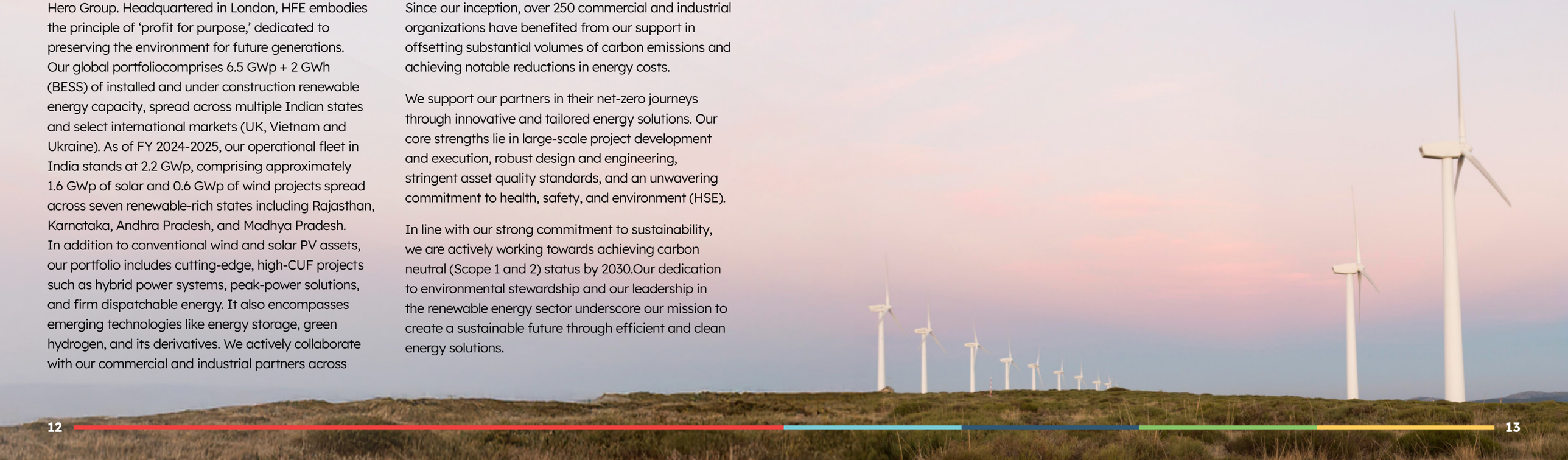
Our Vision, Mission, and Core Values serve as the foundation for our journey towards a sustainable and innovative future:

Vision

HFE aspires to be at the forefront of India's renewable energy revolution, harnessing the power of wind and solar to provide sustainable, affordable, and clean energy. Our vision is to significantly reduce carbon emissions and contribute to a greener planet for future generations. We encapsulate this ambition with the term "planet positive power."

Mission

HFE is committed to becoming a leading power producer by consistently adopting and integrating the most advanced green technologies. Our mission is to attract, nurture, and retain top talent to build India's most valuable and respected company in the renewable energy sector. We aim to serve our clients both domestically and internationally, ensuring excellence and sustainability in every endeavor.



CORPORATE ETHOS

“Planet Positive Power”

- We will pursue sustainability-oriented businesses only.
- We will continue with our constant endeavor to extend green ethos to our work environment, to ensure the company’s commitment to sustainability.
- Eg banning single use plastic wares/ bags, use of copper water bottles, defining Individual Environmental Responsibilities.

COST PHILOSOPHY

“Do What It Takes”

- We question all costs, all the time. We believe in not cutting corners but costs.
- We are driven to innovate to stay ahead of the cost curve.
- We continue to optimise costs at every level to be the lowest cost RE producer.
- We acknowledge risks and teach ourselves to minimize it.

ATTITUDE

“The Theory of Everything”

- We Encourage:
  1. Resilient and growth mindset of people.
  2. People’s invincible spirit at workplace and in their personal lives.
  3. An ‘excuse- free’ spirit towards work.
- We support committed, driven and self motivated people.
- We emphasize on people’s willingness to embrace tech-at-work.

OUR SERVICE

“Imagine, Create and Repeat”

- We facilitate an environment where people are motivated to work creatively; explore and exploit their potential to the fullest.
- We build a culture where everyone irrespective of their titles, are always curious, learning. unlearning, developing and growing. We nurture innovation & ideas to step-up organizational growth

OUR COMMITMENT

“Earn Your Trust Everyday”

- We 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.

WORK ENVIRONMENT

“We Provide the Wind, You Raise the Sails”

- We acknowledge people serving our organization, as our prime asset.
- We are a fair and just workplace.
- We empower people with opportunities to develop and master new skills.
- We offer growth path to results-driven people.

Driven by Purpose and Values

At Hero Future Energies (HFE), our unique culture and values are the bedrock of our operations:

Respect for Individuals

We treat all individuals, both within and outside the company, with fairness, dignity, and respect. We promote open and honest communication, keep a safe and secure work environment, respect privacy, and protect personal information. We are committed to providing a harassment-free environment and an accessible mechanism for addressing grievances. Discrimination and disrespectful behavior are strictly discouraged.

Integrity

We uphold the highest standards of openness, honesty, and ethics in all our dealings. We avoid conflicts of interest and make decisions that serve the best interests of the organization. We honor our commitments, follow laws and statutory guidelines, protect sensitive information, and maintain confidentiality. We deal fairly with customers, suppliers, and competitors and discourage the misuse of company resources and information.

Learning Organization

We nurture creativity and the development of innovative ideas, methods, and processes to drive continuous improvement. We support the growth of our employees’ capabilities, encourage questioning of existing systems and practices, and invest in continuous employee development. We value cross-functional interactions and experimentation with innovative ideas, while discouraging the fear of making mistakes and resistance to change.

Customer Focus

We are dedicated to identifying and meeting customer requirements to enhance satisfaction. We prioritize the needs of both internal and external customers, consistently delivering high-quality products and services. We respond promptly and courteously to customer inquiries, honor our commitments, and adopt a **“First Time Right”** approach. We seek and act upon customer feedback constructively, while discouraging over-committing, complicating processes, and showing disrespect to any customer.

Our **Climate Impact**

We are proud of the climate impact we have created so far. In FY 2024-25, we avoided 2.2 million tonnes of CO_2 emissions, and cumulatively, we have mitigated more than 17.3 million tonnes of CO_2 through our renewable energy operations. These contributions directly support India's commitment to achieving 500 GW of non-fossil capacity by 2030 and global net-zero goals.

In 2016, we pioneered green financing in India to issue a certified climate bond in the renewable energy sector. In 2021, we followed up with a USD green bonds issuance that received a record response, oversubscribed more than 8.5 times, with a USD 3 billion order book. These milestones reflect global investor confidence in our sustainability journey.

Pillars of Our Identity

At Hero Future Energies (HFE), our values are the cornerstone of our culture and operations. They guide our actions and shape our interactions with stakeholders, ensuring that we consistently strive for excellence and integrity. Our core values are:

Trust

Empowering Integrity: We trust our people to make the right decisions, fostering a culture of accountability and reliability.

Delegation

Empowering Decision-Makers: We delegate responsibility and authority to those best positioned to make decisions, ensuring efficiency and effectiveness.

Transparency

Open Communication: We prioritize direct and constructive feedback, cultivating an environment of openness and honesty.

Respect

Inclusive Interactions: We are committed to respectful dealings with all individuals, embracing diversity, equity, and inclusion in every aspect of our business.

Excellence

Pursuing Greatness: We encourage a culture where challenges are welcomed, and continuous improvement is the norm. We believe in both challenging and being challenged to achieve the highest standards.

These values are not just words,

they are the principles we live by,

guiding us towards our mission of creating a sustainable and prosperous future.

Energizing the Globe

At Hero Future Energies (HFE), our focus is on developing and deploying renewable and clean energy solutions across diverse regions. We are committed to harnessing the immense opportunities emerging in both the Indian and global markets, as well as embracing new technologies. Our ambition drives us to continually expand our geographic presence, ensuring that we contribute significantly to the global transition towards sustainable energy.

Countries that have HFE presence across the globe are listed below:

Empowering Tomorrow: Our Comprehensive Business Offerings

Utility-Scale Projects

Harnessing Standalone Renewable Energy

At Hero Future Energies (HFE), we harness the limitless power of the sun and wind to generate clean, sustainable energy. Our standalone renewable energy projects leverage cutting-edge solar and wind technologies, to deliver green power at the most competitive tariffs.

Storage-Integrated Renewable Energy

Enhancing the reliability and stability of renewable energy, our storage-integrated projects combine advanced solar technologies with robust energy storage systems. This integration ensures a consistent and dependable power supply, optimizing energy usage and bolstering grid stability.

Firm and Dispatchable Renewable Power

Our hybrid projects are designed to provide dependable renewable power with high-capacity utilization. By integrating solar, wind, and storage, we ensure a steady and reliable energy supply, crucial for the transition to a decarbonized grid. These projects are a testament to our commitment to delivering firm and dispatchable renewable energy, paving the way for a sustainable future.

The list below shows few of our utility-scale projects:

Bhadla, Rajasthan
- 450 MWp
- SECI

Gulbarga, Karnataka
- 220 MWp
- SECI

Tumkur District, Karnataka
- 198 MWp
- Karnataka Discom

Anantapur, Andhra Pradesh
- 120 MWp
- Andhra Pradesh Discom

Dhar, Madhya Pradesh
- 100 MWp
- Andhra Pradesh Discom

Chittoor, Andhra Pradesh
- 57 MWp
- Andhra Pradesh Discom

For a detailed list please visit our website: https://www.herofutureenergies.com/utility-scale-projects

Commercial and Industrial Solutions

Accelerated Decarbonisation

Our services and hybrid solutions aid our industrial and public sector partners to achieve their desired environmental outcomes. These initiatives help businesses cut their carbon footprint and achieve their sustainability goals.

Tailored Renewable Energy Solutions

We provide bespoke renewable energy solutions to optimize energy usage for businesses. Our offerings include both onsite and offsite renewable energy systems using solar, wind, and storage technologies. These tailored systems enable businesses to run on efficient, self-sustaining energy, reducing both costs and carbon emissions.

Continuous Renewable Power

Our round-the-clock open-access power solutions ensure a reliable and consistent supply of renewable energy. By leveraging high-capacity utilization factor (CUF) hybrid configurations integrated with storage, we guarantee that businesses have a dependable and sustainable energy alternative to conventional power sources.

The list below shows few of our C&I projects:

Raichur, Karnataka
- 87 MWp
- Open Access – Hybrid
- Multiple

Delhi, Noida & Ghaziabad
- 7.14 MWp
- Delhi Metro Rail
- Government

Kalwakurthy, Telangana
- 4.58 MWp
- Suryalata Spinning Mills
- Steel

For a detailed list please visit our website: https://www.herofutureenergies.com/candi-offerings

Energy Storage Solutions

Utility-Scale Applications

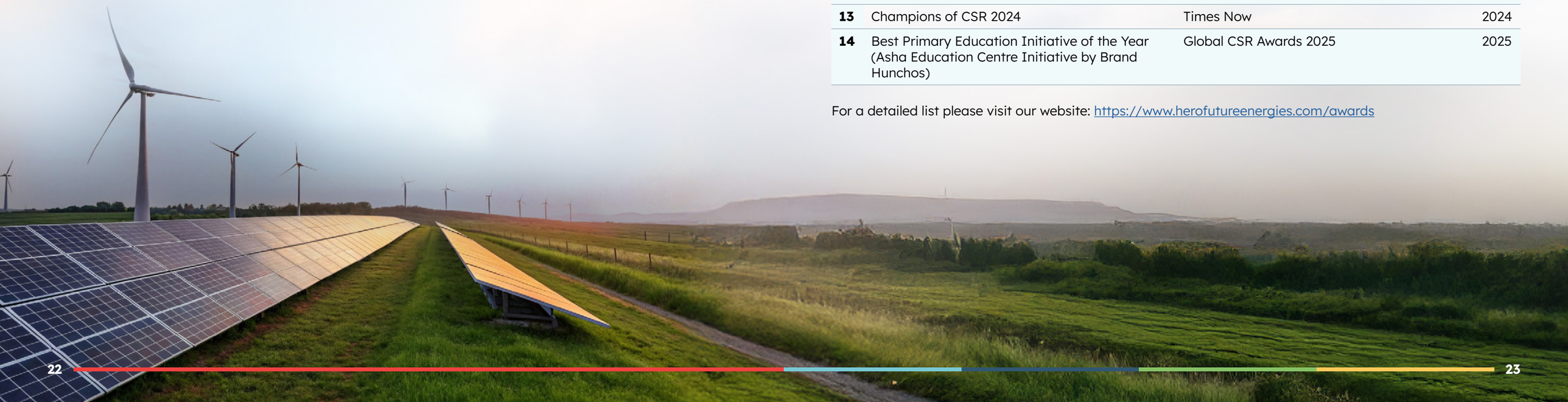
Enhancing grid stability and efficiency, our utility-scale energy storage systems capture excess energy from wind and solar power plants during low-demand periods. This stored energy is then used during peak demand times, ensuring a consistent and stable energy supply while enabling greater integration of renewable energy into the national grid.

Advancing Green Hydrogen Solutions

At the forefront of industrial decarbonization, we are transitioning to green hydrogen and its derivatives to support various applications such as mobility, industrial use, and power generation. Our end-to-end renewable energy solutions encompass everything from renewable energy generation to green hydrogen production. By leveraging our robust commercial and industrial relationships and extensive expertise, we aim to deliver sustainable energy solutions that substantially reduce carbon footprints and foster a cleaner future.

We have cultivated strategic partnerships to build a comprehensive ecosystem across the green hydrogen value chain. This holistic approach enables diverse applications, such as blending hydrogen with natural gas for furnaces and boilers, and its use in the shipping, fertiliser, and chemical industries. These partnerships enhance industrial efficiency and sustainability, driving forward the adoption of green hydrogen.

Demonstrating our leadership in renewable solutions, we have launched India's first commercial pilot for blending green hydrogen with LPG in a hard-to-abate sector. This pioneering initiative underscores our commitment to addressing some of the most challenging industrial decarbonization needs and advancing the transition to a sustainable energy future.



Celebrating Success: Our Esteemed Awards and Recognitions

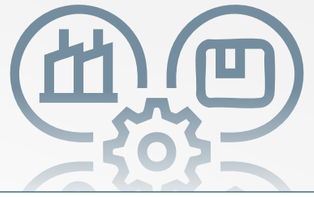
The following table highlights the prestigious awards and accolades we've achieved, showcasing our dedication to excellence in every aspect of our operations:

Sr.	Name of the Award	Presented by	Year
1	RE Project of the Year (Solar)	IHW Council	2024
2	Grand Master Award for Excellence in Asset Management Leadership	India Wind Energy Forum Leadership Awards	2024
3	Outstanding OT Security Implementation (Energy)	3rd Annual Quantic Cybersecurity Excellence Awards	2024
4	Runner up- Outstanding Renewable Energy Producer (Wind)	4th India Green Energy Awards	2024
5	Best Employer Brand Award	World HRD Congress	2024
6	Global Women Leadership Award- Bhawna Kirpal Mital	World Women Leadership and Congress Awards	2024
7	Mizuho India 40 under 40 in Finance- Vibhash Gaurav	Mizuho Bank	2024
8	Award for Most Well Planned Business Travel	MTM Star Awards	2024
9	Energy Transition Leadership Award	Indo American Chamber of Commerce Business Leadership Awards	2023
10	Excellence in Performance- Solar Ground Mounted Category	CII Performance Excellence Awards	2023
11	40 Under 40- Indian Solar Industry Pioneers	Solar Quarter	2023
12	International EHS Award- Renewable Energy Sector	Asia Pacific HRM Congress, Global Safety Summit UK	2023
13	Champions of CSR 2024	Times Now	2024
14	Best Primary Education Initiative of the Year (Asha Education Centre Initiative by Brand Hunchos)	Global CSR Awards 2025	2025

For a detailed list please visit our website: https://www.herofutureenergies.com/awards

Uniting for a Sustainable Future: Our Memberships and Associations

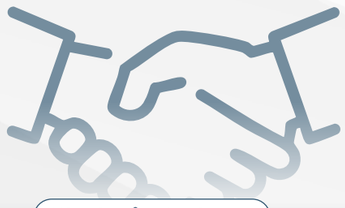
As a prominent leader in the rapidly expanding market of clean and green power generation, we collaborate closely with a diverse range of national and multinational companies and associations to drive sustainable energy solutions.



Industry Affiliations and Memberships

FICCI | Sustainable Projects Developers Association | CII Confederation of Indian Industry | WIPPA | Energy UK

REA The Association for Renewable Energy & Clean Technology | Solar Energy UK | GH2 | GWEC Global Wind Energy Council



Strategic Partners

RAYZON SOLAR | ENVISION | EMMVEE | ABB | Hyundai

SUZLON Powering a Greener Tomorrow | SIEMENS Gamesa Renewable Energy | SMA | susten by Mahindra | ohmium

Our Sustainability Strategy

As we move into the next phase of business expansion, our commitments to sustainability remain ever resilient as we doubled down on our efforts to achieve responsible operations and meet our commitments made in alignment with the UN SDGs. By conducting deep stakeholder interactions, engagement with our core business units and a reflection on our ethos, we have developed the following sustainability strategy that will guide us into the future.

Shaping a sustainable future through innovative cleantech solutions

Pilllar

- Robust Governance Practices
- People & Partners
- Environmental Stewardship

Enablers

- Access to Energy
- Promoting our Culture
- Working with our Communities
- Empowering our People
- Strategic Partnerships
- Climate Action
- Resource Management

Objectives

- Expand access to affordable and clean energy by identifying and penetrating emerging markets
- Creating robust mechanisms and a positive work culture to attract the best talent in the market
- Build trust with our communities and working to generate economic development.
- Create an inclusive and empowering workplace that reflects our values
- Ensuring that our partnerships lead to shared outcomes and operate in an ethical manner
- Strategize and execute decarbonization pathways
- Reduce waste, improve resource efficiency and undertake water stewardship initiatives

Value Creation Metrics

- Increasing number of projects in/ around rural areas
  - Fair pricing of energy services
- Promote adoption of green code of ethics amongst suppliers
  - Ensure zero incidents of corruption
- Enable rural children development through our skill centers
  - Upskill youth by setting up skill centres across project sites
  - Establishment of ASHA centers for upskilling youth
- Increase proportion of females workforce.
  - Gender pay ratio
  - Attrition and turnover rates
  - Percentage of females in leadership roles
- Engage suppliers on ESG
  - Partnerships with institutions on new and emerging technologies
- Reduction in scope 1 and 2 emissions
  - Increase share of renewable energy consumption
  - Adopt renewable energy solutions across our operations
- Reduction in waste generation
  - Increase waste recycling and diversion from landfills

Foundation

Governance | Transparent reporting | Stakeholder Engagement | Management systems and policies

Aligning with multiple reporting standards

GRI | 4 Quality Education | 5 Gender Equality | 7 Affordable and Clean Energy | 8 Decent Work and Economic Growth | 9 Industry, Innovation and Infrastructure | 10 Reduced Inequalities | 11 Sustainable Cities and Communities | 12 Responsible Consumption and Production | 13 Climate Action | 15 Life on Land | 17 Partnerships for the Goals

Our strategy informs our decision-making and enables us to view sustainability from a multi-faceted lens. The pillars of Robust Governance Practices, People and Partners and Environmental Stewardship serve as pillars upon which we build the foundations of sustainability at Hero Future Energies. Our enablers, spanning from access to energy to climate action and empowering people, ensure that our efforts are concentrated and relevant to the market area we are operating in, and the materiality of the action is aligned with the pertinent risks and opportunities that define our sector. Stemming from our enablers are dedicated value creation metrics that serve as baselining KPIs to track our progress in achieving these hefty objectives.

Our ESG Aspirations and Achievements for FY 2024-25

Goal **Progress in FY25**

Social

Ensure Zero complaints regarding the violation of human rights each year	No complaints/grievances raised during the reporting period about human rights violations
Maintain zero fatalities and zero reportable loss time injuries each year	Zero reportable loss time injuries
Educate approximately 3,000 rural children through ASHA centers	850 students at beneficiaries at newly added 34 ASHA centers totaling 1975 students across our 79 ASHA centers
Upskill 1,000+ youth by setting up skill centers across project sites	500 youth directly benefited from HFE's Skill Centers across project sites in FY25, with the overall reach crossing 1000+
Set up 100 Asha centers by 2030	Added 34 Asha centers in FY 24-25, with a grand total 79 centers to date
Increase the proportion of females in the workforce to 30% by 2030	16.65% during FY2024-25
Ensure Zero complaints regarding the violation of human rights each year	Zero reported cases of human rights violations

Governance

Ensure zero incidents of corruption — No cases of corruption in the fiscal year

Ensure 100% compliance with laws and regulations — 100% compliance achieved in the fiscal year

Promote the adoption of a green code of ethics amongst our suppliers — Began the implementation of our green code of ethics on our material suppliers

Adopt sustainable, efficient and low-cost RE solutions across HFE's operations — Exploring more technologies, such as BESS for harvesting utilized energy and green hydrogen.

Environment

Achieve carbon neutrality for Scope 1 and 2 emissions by 2030 — Working on setting targets for year-on-year reductions

Become water-positive by 2030 — On track to achieve our target

Plant 100,000+ trees by 2030 — We planted 10,000 trees in FY25

Adopt circular and low-cost RE solutions, such as recycled materials and panel efficiencies, across Hero Future Energies' operations — Initiated Bidar project that utilizes high-efficiency 615Wp bifacial solar modules to optimize infrastructure costs and reduce civil work. Self-powered robotic cleaning is also employed to increase energy generation by minimizing soiling losses and auxiliary power consumption without using water.

ESG Governance

Our company has maintained and sustained our position on sustainable business practices. To that end, we have developed effective structures and mechanisms to adopt sustainability in our operations. Our Board actively oversees ESG and climate-related matters, demonstrating a strong commitment to integrating these considerations into decision-making processes. By prioritizing the materiality and significance of ESG and climate-related factors, the Board ensures that these issues are thoughtfully addressed at every level. The Board-level risk committee plays a pivotal role by incorporating ESG risks, including those related to climate change, into the existing Enterprise Risk Management (ERM) framework, facilitating their effective identification, assessment, and management.

A director with relevant skills supports the Board on sustainability and climate-related matters, holding management accountable. The Board reviews and approves significant environmental, social, and climate-related decisions. It monitors non-financial data, ensuring ESG and climate factors are integrated into the risk management framework. The Board oversees stakeholder relationships and aligns ESG policies with the company's purpose and strategy to create long-term value. It also ensures the company's purpose is communicated to all stakeholders. The sustainability Steering Committee advises the Board on the company's overall environmental, social, and climate performance.

The dedicated Sustainability Steering Committee (SSC) oversees the implementation of policies, practices, and initiatives concerning sustainability integration. The SSC is overseen by our CEO and comprises departmental heads from our ESG, risk, engineering, CSR, IT, and other functional teams. The steering committee is responsible for overviewing the company's sustainability strategy, reviewing progress on targets, providing guidance to our functional heads, and conducting evaluations via internal checks and balances to ensure that departments do not waver from their internal targets. The committee meets every 6 months to table sustainability agendas and discuss KPIs and strategies to assess the way forward. Hero Future Energies provides all employees with training on sustainability-related topics and has had some employees attend sustainability core trainings from the Confederation of Indian Industries (CII). Our principal contractors that operate our projects are ISO 14001 certified.

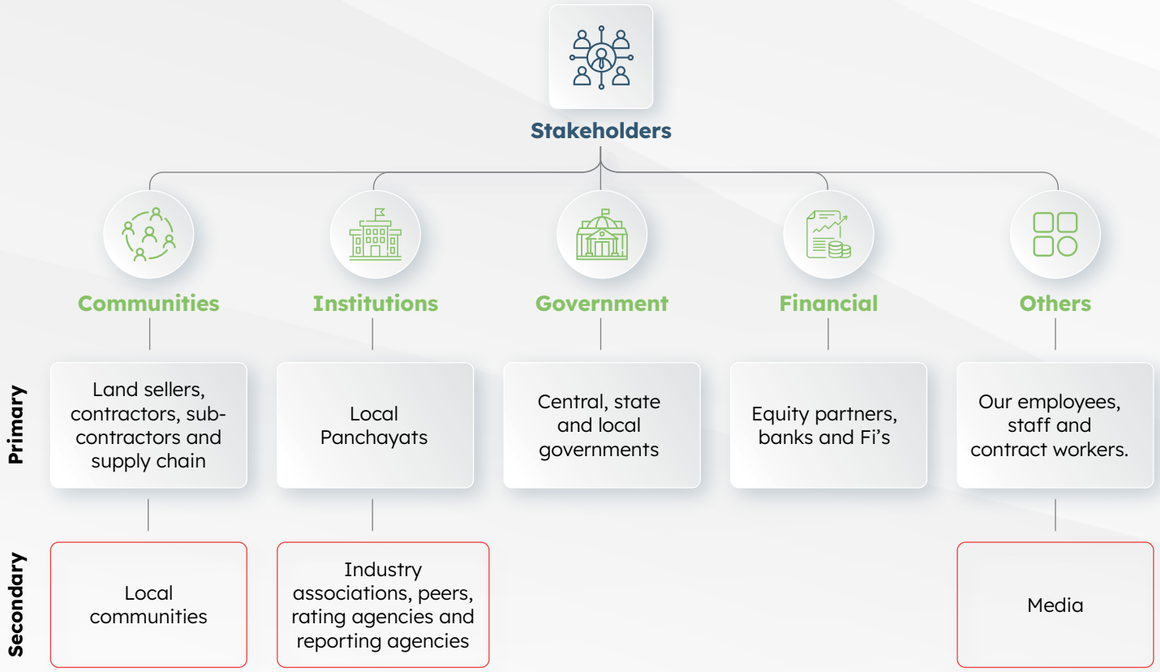
Stakeholder Engagement and **our Double Materiality Assessment**

We believe that understanding stakeholder perspectives is key to adapting our business strategy. To facilitate this, we utilize a robust engagement framework to connect with key stakeholders on material topics. This is complemented by a formal grievance mechanism, ensuring individuals and communities have a dedicated platform to voice concerns and receive an appropriate response.

Stakeholder Engagement

Recognizing that stakeholders are central to driving sustainable outcomes, their engagement was a vital component of our materiality assessment this year. Their perspectives helped us define our priority topics and understand their specific influence across our ecosystem. We remain committed to strong, ongoing engagement to ensure our strategic priorities are consistently aligned with stakeholder expectations.

Our Stakeholders



Stakeholder engagement approach

Our stakeholder engagement strategy is tailored, utilizing a variety of channels. This approach is built upon a deep understanding of each stakeholder group, their unique expectations, and their potential impact on Hero Future Energies:

High Engagement **Moderate Engagement**

Stakeholders	Expectations	Method of Engagement	Engagement Frequency
Suppliers	• Ethical Transactions • Opportunity for continual partnership • Sustained employment and business opportunities • Implementing innovative ideas	Direct interaction, feedback surveys, newsletters, induction kits, e-mails and events	Weekly interactions during the project development phase
Customers	• Consistent supply of clean energy • Quality services • Consistent growth in sustainable business operations	Direct interactions, questionnaires, newsletters, e-mails, feedback surveys and event	Monthly
Equity partners	• Consistent growth in sustainable business operations • Adherence to regulations and voluntary compliances • Transparent approach • High project performance • Adherence to strategic intent	Round table conferences, webinars, presentations on growth and debt servicing, e-mailers and face-to-face meeting	Monthly and annually based on reporting requirements
Banks and FI's			Quarterly
Media	• Timely organizational updates	In-person interviews, feedback surveys, questionnaires, newsletters, e-mails, perception surveys and events and telephonic interviews	At least once per month
Local panchayats and communities	• Community Welfare • Sustained employment • Local area development	Direct interactions, feedback surveys, information brochures/ calendars and events	Monthly panchayats with communities. Mostly during the pre-project commissioning stage
Contractors, subcontractors and contractual labour	• Sustained employment and business opportunities • Adherence to safety • Implementing innovative ideas	Direct interactions, training, and messaging via calendars and events	Daily
Industry associations and peers	• Policy Advocacy • Innovation • Growth in sustainable business operations	Direct interactions, messaging via calendars and events	Monthly

Stakeholders	Expectations	Method of Engagement	Engagement Frequency
Employees	• Safe working conditions • Fair work environment and compensation • Positive career trajectory • Tech-enabled workplaces • High-growth learning curve	Direct interactions, questionnaires, newsletters, e-mails, feedback surveys and events	Daily
Rating Agencies	• Project performance and repayment history • Development of sustainable business operations	Round table conferences, webinars, presentations on growth and debt servicing, e-mailers and face-to-face meetings	Quarterly, Annually
Regulatory authorities (local, state and national)	• Policy recommendations • Community Welfare • Process and policy adherence • Environmental protection measures	In-person interactions, newsletters, e-mails and events	Monthly
Land sellers	• Willing transactions • Fair price	Direct interactions, messaging via calendars and events	Need basis

Stakeholder Grievance Redressal

To ensure stakeholder grievances are addressed, we have established a redressal mechanism at our sites and corporate functions. This mechanism is transparent and readily accessible to affected persons and communities at no cost and without fear of retribution. For local communities around our projects, we have a formalized way to accept, assess, and resolve complaints concerning the performance or behavior of our companies, contractors, or employees.

Local communities and other stakeholders can raise complaints and concerns about adverse social or environmental impacts of the project practices during the project implementation and execution phases as we hold public consultations through multiple mediums to understand the impact projects have in local communities.

Each project site at HFE has a Grievance Redressal Committee (GRC) made up of contractor representatives and HFE officials. This committee addresses any issues raised, ensuring it follows a clear, transparent, culturally sensitive, and accessible process. The committee is organized into three levels to effectively manage grievances and provide suitable solutions.

Level 1

Site Supervisors and Site HR Officer of Contractor

Liaison officer

Level 2

E & S Supervisor

Liaison Officer

HR Head of Contractor at site

Level 3

CEO

HSE Lead

Corporate HR

Double Materiality

Materiality assessments remain the backbone of our sustainability strategy. The insights generated from this extensive process are crucial for identifying, categorizing, and assessing the risks and opportunities most salient to our operations and for shaping our risk management approach. This year, we elevated this foundational process by conducting a double materiality assessment, aligning our methodology with the European Union's Corporate Sustainability Reporting Directive (CSRD) guidelines. This represents a significant evolution from traditional materiality.

Identification of Material Topics

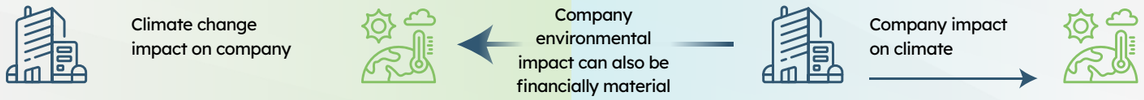
While previous assessments focused on "single" or "financial" materiality, primarily evaluating how sustainability issues impact our business's financial performance (an "outside-in" view), double materiality expands this scope, requiring a dual perspective on business operations:

- **Impact Materiality (the "inside-out" view):** Assesses the company's actual and potential impacts on people and the planet across environmental, social, and governance (ESG) topics.
- **Financial Materiality (the "outside-in" view):** Assesses how ESG issues create financial risks and opportunities for the company.

A topic is deemed material if it is significant from either one or both perspectives. Adopting this double materiality framework provides several key benefits: it offers a more holistic and forward-looking view of risk and opportunity, builds long-term resilience by anticipating regulatory and market shifts, and ensures our strategy addresses the issues most important to our stakeholders, from investors to the communities we impact. The enhanced insights from this assessment have provided a more robust foundation for our strategic planning and risk mitigation processes.

Financial Materiality

To the extent necessary for an understanding of a company's development, performance and position...



Primary Audience:
Investors

Impact Materiality

The impact of the company's activities on its surroundings

Primary Audience:
Consumers, Civil society, Employees, Investors

Our materiality assessment process includes multiple steps:

01

Landscape Analysis

To ground our assessment in the current landscape, we conducted an analysis of the macro-trends, dynamics, and regulatory shifts shaping the renewable power sector. This desk research resulted in a foundational list of 50 topics.

02

Stakeholder Engagement

We gathered insights from over 300+ internal and external stakeholders via direct discussions and targeted surveys.
The surveys centered on 21 material topics, allowing us to capture a broad spectrum of valuable feedback from key groups.

03

Prioritisation of Material Topics

The feedback, representing a 46% response rate, provided a strong basis for ranking the topics in direct alignment with expressed stakeholder priorities.

04

Applying Double Materiality Principles

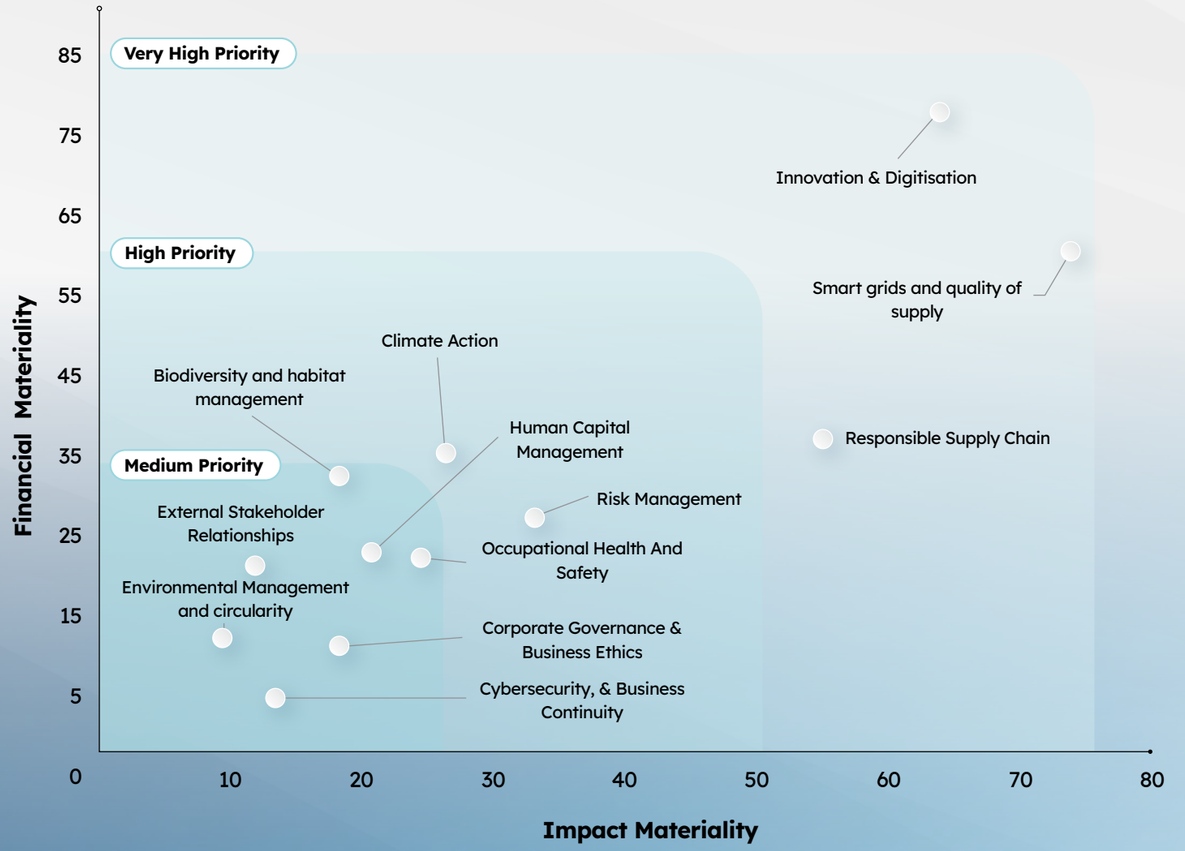
The final 12 priority topics were subjected to a full double materiality assessment. This evaluated our operational severity and ability to remediate them (impact view), alongside the associated financial risks and opportunities presented to the business (financial view)

05

Finalizaiton of Topics

The outcomes of this analysis were then synthesized into a materiality matrix, providing a clear visual hierarchy of our priority topics as shown below.

Our Materiality Matrix



Treatment of Material Topics

By analyzing our material issues, we have developed strategies and business cases of the treatment of our topics in a manner that is in line with our long-term operational targets, policies and strategies.

Material Issues for Enterprise Value Creation

Material Topic	Innovation and Digitization	Occupational health and Safety	Responsible Supply Chain
Business Case	The renewable power sector is intensely competitive, defined by a constant drive for innovation to deliver more efficient and cost-effective energy solutions. HFE is at the forefront of this evolution, actively developing next-generation technologies such as hybrid energy storage and green hydrogen. We are also scaling our offerings for Commercial & Industrial (C&I) clients through personalized renewable energy facilitation. Beyond technology, this commitment to innovation fosters new business models, like peer-to-peer energy trading, that are poised to reshape the market. Digitalization is another cornerstone of our strategy for operational excellence. By deploying technologies like predictive maintenance, we analyze asset data to preempt equipment failures, which significantly reduces downtime and maintenance costs. This digital oversight allows for sophisticated remote monitoring and control of our installations—from wind farms to solar arrays—optimizing energy delivery and reinforcing customer confidence in our operational reliability.	In the absence of robust and dedicated health and safety processes and practices, the health and safety of our workforce can be severely compromised. Unsafe working conditions expose our workforce to increased illness, threat of safety incidents and decrease in wellbeing. Wind farms require project site workers to expose themselves to high voltage equipment on a regular basis, improper care and attention to safety equipment can lead to serious injury and death in some instances. Hence, with proper safeguards and robust policy and oversight measures, renewable energy generators have to follow strict international and local guidance to maintain operational licenses and to that end companies have recently started going above and beyond to ensure that workers are well versed with safety guidelines and audit controls from internal and external parties to ensure that compliance is cent percent at all times.	By ensuring that supply chains are resilient and sustainable, companies can ensure their power supply chains are not prone to faults and disruptions that can cause revenue losses and drive down profitability. By adopting a sustainable and resilient supply chain model renewable energy companies can expand their scope of operations with confidence and without the fear of disruptions or increased dependencies on large suppliers. With rising geopolitical uncertainties and reliance on import materials for optimal functionality, generators are increasingly developing strategies to mitigate potential disruptions due to ethical, social, or environmental non compliances across the value chain. Strong sustainable supply chain practices cut ESG/compliance risk, attracting investors and partners. They lower cost of capital and insurance, open green bonds, and earn preferred-supplier status to win more PPAs at better prices. Trusted off takers sign longer contracts, with faster permits and fewer disruptions, leading to increased uptimes and output.

Material Topic	Innovation and Digitization	Occupational health and Safety	Responsible Supply Chain
Business Impact	Innovation and Digitalization are primary drivers of revenue growth and market leadership for HFE. By developing next-generation offerings like green hydrogen and hybrid storage, and by scaling personalized solutions for the high-value C&I market, we can capture new revenue streams and secure a decisive competitive advantage. Furthermore, digitalization reinforces customer confidence through enhanced operational reliability, leading to stronger client retention and an increased ability to attract new business in a competitive landscape.	Occupational Health and Safety (OHS) is fundamental to mitigating critical business risk. A failure in safety performance presents a direct threat to our license to operate, potentially leading to forced shutdowns, project delays, and severe legal and regulatory penalties. Beyond compliance, a poor safety record creates significant reputational risk, damaging our standing with clients, investors, and communities, and impairing our ability to attract and retain skilled talent. A robust safety culture is therefore not just a compliance requirement; it is a strategic imperative that protects our people, ensures operational continuity, and preserves our brand value.	Responsible Supply Chain management is central to mitigating a spectrum of critical business risks. It directly addresses the operational risk of disruptions caused by geopolitical instability, supplier non-compliance, or logistical failures, thereby ensuring operational continuity and stable output. Furthermore, it mitigates significant financial and reputational risk by ensuring ethical, social, and environmental compliance across our value chain. This preempts potential legal penalties, loss of investor confidence, and brand damage, which is crucial for maintaining access to capital and securing favorable insurance terms. Proactive management of our supply chain is a fundamental strategy for de-risking our entire business model.
Business Strategies	To actualize future revenue opportunities, HFE has employed a forward-thinking strategy with a focus on evolving from a generator of power into a sophisticated energy solutions provider. This may involve leveraging digital platforms and advanced analytics to optimize energy dispatch from hybrid assets, thereby enhancing the value proposition for customers, particularly in the C&I segment. We might also explore developing more sophisticated commercial models that go beyond standard power purchase agreements to include performance-based incentives and reliability services. Looking ahead, a commitment to monitoring and selectively piloting emerging technologies, such as advanced energy storage or green hydrogen integration, could be crucial for maintaining a long-term competitive edge and securing a leadership position in the energy transition.	Our robust mitigation strategy for OHS risk involve fostering a deeply embedded safety culture that permeates the entire organisation and our partner ecosystem. This is being achieved by strengthening governance and visible leadership commitments to safety, ensuring it is treated as a core operational value. A key area of focus has been the adoption of technologies that reduce human exposure to high-risk environments typical in wind and solar operations, such as remote monitoring and diagnostic tools. Furthermore, a comprehensive approach involving extending safety standards and oversight to the entire contractor and subcontractor ecosystem, has ensured consistent and high-quality safety performance from initial project development through to long-term operations and maintenance.	HFE's strategies to mitigate supply chain risk center on reducing dependencies and enhancing transparency. This includes a strategic focus on both supplier diversification across different geographies and a concerted effort to nurture a more resilient domestic manufacturing ecosystem for key components. To address ethical and compliance risks, we are in the process of implementing more robust due diligence and traceability mechanisms, particularly for critical materials suppliers by involving ESG metrics into our supplier consideration. Building on this is a concentrated effort for greater resilience by potentially enhancing inventory management for critical components and fostering deeper, more collaborative partnerships with key suppliers to improve foresight and agility in response to market volatility and geopolitical shifts.
Linked Target/ Goal	Adopt circular and low-cost RE solutions, such as recycled materials and panel efficiencies, across Hero Future Energies' operations	Maintain zero fatalities and zero reportable loss time injuries each year	Promote the adoption of a green code of ethics amongst our suppliers
Target Year	2025	2025	2025
Progress	We have initiated a bidar project that utilizes high efficiency 615Wp bifacial solar modules to optimize infrastructure costs and reduce civil work. Self-powered robotic cleaning is also employed to increase energy generation by minimizing soiling losses and auxiliary power consumption without using water.	Zero reported cases of lost time injuries	We have initiated the adoption of our green code of ethics and have started onboarding suppliers with mandates on this

Material Issues for External Stakeholders

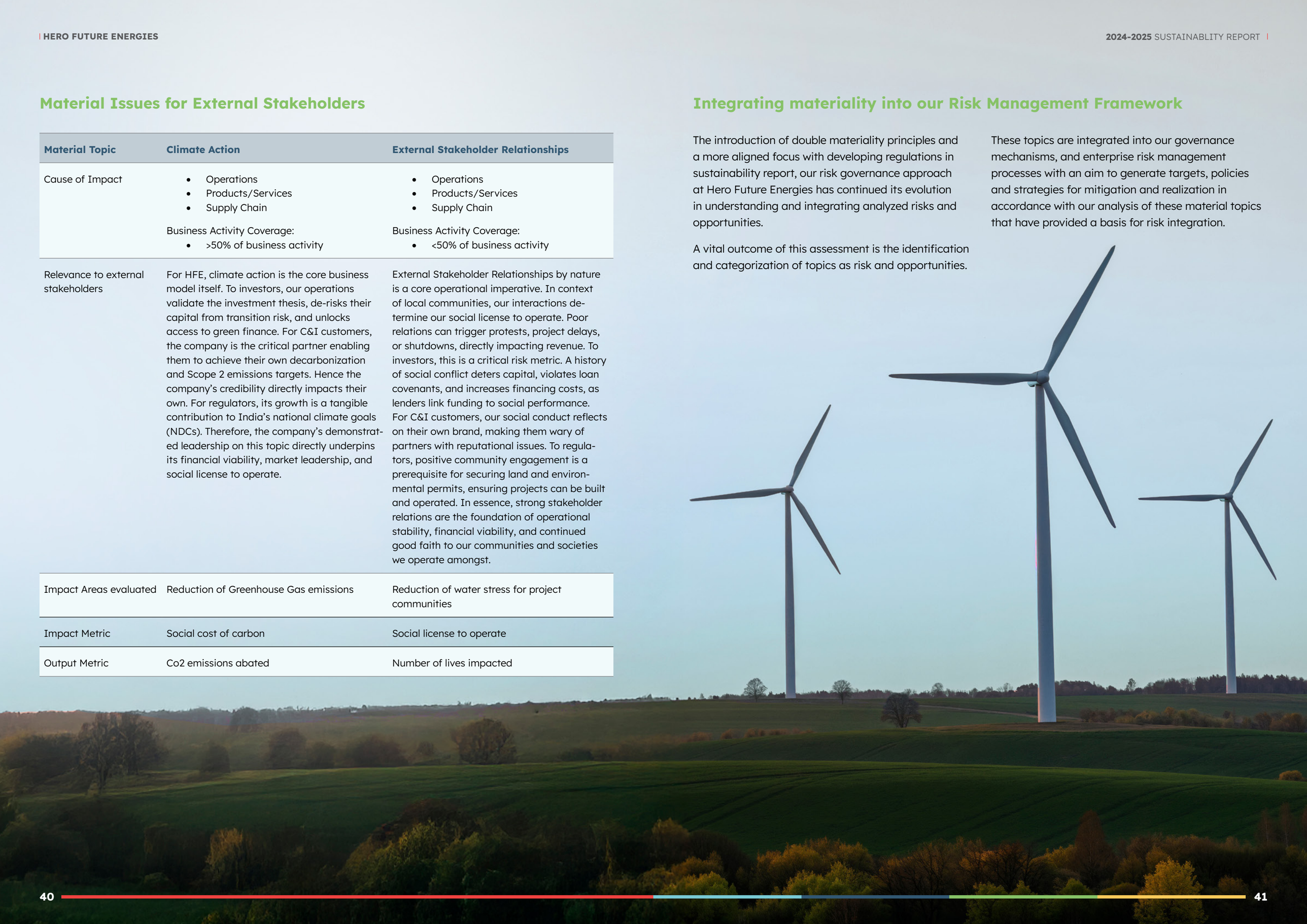
Material Topic	Climate Action	External Stakeholder Relationships
Cause of Impact	• Operations • Products/Services • Supply Chain Business Activity Coverage: • >50% of business activity	• Operations • Products/Services • Supply Chain Business Activity Coverage: • <50% of business activity
Relevance to external stakeholders	For HFE, climate action is the core business model itself. To investors, our operations validate the investment thesis, de-risks their capital from transition risk, and unlocks access to green finance. For C&I customers, the company is the critical partner enabling them to achieve their own decarbonization and Scope 2 emissions targets. Hence the company's credibility directly impacts their own. For regulators, its growth is a tangible contribution to India's national climate goals (NDCs). Therefore, the company's demonstrated leadership on this topic directly underpins its financial viability, market leadership, and social license to operate.	External Stakeholder Relationships by nature is a core operational imperative. In context of local communities, our interactions determine our social license to operate. Poor relations can trigger protests, project delays, or shutdowns, directly impacting revenue. To investors, this is a critical risk metric. A history of social conflict deters capital, violates loan covenants, and increases financing costs, as lenders link funding to social performance. For C&I customers, our social conduct reflects on their own brand, making them wary of partners with reputational issues. To regulators, positive community engagement is a prerequisite for securing land and environmental permits, ensuring projects can be built and operated. In essence, strong stakeholder relations are the foundation of operational stability, financial viability, and continued good faith to our communities and societies we operate amongst.
Impact Areas evaluated	Reduction of Greenhouse Gas emissions	Reduction of water stress for project communities
Impact Metric	Social cost of carbon	Social license to operate
Output Metric	Co2 emissions abated	Number of lives impacted

Integrating materiality into our Risk Management Framework

The introduction of double materiality principles and a more aligned focus with developing regulations in sustainability report, our risk governance approach at Hero Future Energies has continued its evolution in understanding and integrating analyzed risks and opportunities.

A vital outcome of this assessment is the identification and categorization of topics as risk and opportunities.

These topics are integrated into our governance mechanisms, and enterprise risk management processes with an aim to generate targets, policies and strategies for mitigation and realization in accordance with our analysis of these material topics that have provided a basis for risk integration.



Governance and Ethics

Corporate Governance Structure

Our company's governance framework ensures accountability, transparency, and ethical business conduct across all levels of our organization. Sustainability is deeply embedded in everything we do at Hero. Our vision has always been to give back to society and leave behind a thriving planet for future generations. Since its inception, Hero Future Energies (HFE) has been pioneering the way we can address the growing energy demands through alternate renewable resources. Over the years, we have expanded our operations across India, United Kingdom, Vietnam and Singapore diversified our portfolio to mix of Wind, Solar, Green Hydrogen and innovative energy storage systems. As a leading Independent Power Producer (IPP), HFE remains committed to empowering communities and nations through innovative cleantech solutions.

Our Board of directors bring in a wealth of leadership and technical experience. We have developed robust policies on essential aspects such the diverse and equitable workforce, data security, occupational health and safety, whistleblower protection and corporate social responsibility and environment, to ensure that our commitments translate into action- various committees have been set up to address various aspects

Board of Directors

In 2024-25 HFE has 4 Board of Directors, who come from varying backgrounds and experiences, aiding our growth journey from the top down:

Mr. Benjamin Paul Fraser,
Non-Executive Director

Ben Fraser is the Chief Financial Officer of Hero Future Energies, bringing over two decades of experience across financial markets, energy, natural resources, construction, manufacturing, eCommerce and professional services. He has served as CFO for more than a decade, including for a premium-listed company on the London Stock Exchange and for a national flagship exploration and production company with GDR listing. Ben has been a Non-Executive Director, chaired a PLC Board and Audit Committee, and was Group Risk Manager for a FTSE100 company. He previously held roles with HSBC and Rothschild and has significant international experience in Eastern Europe and the Far East, overseeing cross-border transactions and multi-billion-dollar CAPEX programmes. Ben is a Chartered Accountant (ICAEW), having trained with Deloitte in London.

Mr. Anuj Agarwal,
Non-Executive Director

Anuj Agarwal is responsible for leading capital raising and corporate finance at Hero Future Energies, having overseen all capital raises since joining the company in 2018. He brings over 20 years of experience in corporate finance, investment management and strategic planning. Anuj began his career at Axis Bank in Infrastructure Advisory and has held key roles in corporate finance and investment at Trikona Capital and IDFC AMC. He holds a PGDBM from IIM Kozhikode and a B.Tech from IIT Varanasi.

Mr. Harish Pant,
Non-Executive Director

Harish Pant is Head O&M at Hero Future Energies, with 30 years of experience in operating marine engines, thermal power and renewable energy assets. Over 15 years in India's renewable energy sector, he has built deep expertise in asset management and operational optimisation. Harish has held key roles across defence services and leading energy companies, including GMR Energy, Suzlon Energy and Engie Solar, giving him broad exposure to large-scale power portfolios and end-to-end operations and maintenance in diverse technical and geographic environments.

Mr. Sumit Kumar Roy,
Non-Executive Director

Sumit Roy oversees the Legal Function at Hero Future Energies, bringing over 20 years of experience in legal advisory, complex transactions and dispute resolution across diverse sectors and legal domains. He has held senior legal leadership roles with prominent corporates including the BK Birla Group, Srei Infrastructure Finance Limited, JLL India and Reliance ADAG, as well as with leading law firms such as Anand & Anand and Titus & Co. Advocates. Sumit is a qualified lawyer, holding an LL.B. from Campus Law Centre, Faculty of Law, University of Delhi.

Various committees comprising board and executive members have been established to assist directors and executives in making critical strategic decisions determining the future course of action for the firm.

With the help of numerous expert committees, our Board of Directors maintain decisive control. Under the direction of the Board, these committees oversee various aspects of our business activities. This organizational structure guarantees that we uphold the highest standards of responsibility, moral behaviour, and strategic clarity throughout the entire organization.

In addition, we have established robust structures and mechanisms to integrate sustainability into our operations. Our dedicated **Sustainability Steering Committee (SSC),** chaired by our CEO and comprising heads from ESG, risk, engineering, CSR, IT, and other key departments, oversees the implementation of sustainability policies and initiatives. The SSC is responsible for shaping our sustainability strategy, tracking progress against targets, guiding functional teams, and conducting internal evaluations to ensure alignment with our goals.

The SSC sets our ESG goals and monitors progress toward key commitments, such as becoming **scope 1 and 2 carbon neutral by 2030** and **water neutral by 2030.** We have already implemented several energy efficiency and water conservation initiatives across our plants to support these goals.

Board Committees

Audit Committee

- Recommendation for appointment, remuneration and terms of appointment of the auditors
- Review and monitor the auditor's independence and performance, and the effectiveness of the audit process
- Examination of the financial statement and the auditor's report
- Approval or modification of related party transactions
- Scrutiny of intercorporate loans and investments
- Valuation of undertakings or assets of the Company wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- Monitoring of end use of funds of the private placement/ preferential offers
- Vigil mechanism
- Discuss issues with internal and statutory auditors
- Audit Committee to call for comments of the auditors about internal control systems, scope of audit including the observations of the auditors and review of the financial statements before submission to the Board
- The auditors and the key management personnel will have a right to be present when the financial statements are considered by the Audit Committee but will not have a right to vote

Nomination and Remuneration Committee

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy, relating to, the remuneration of the Directors
- Issue and allotment of shares against exercise of stock options

Banking and Finance Committee

- Opening and Closing of Bank accounts
- Change in Bank Signatories
- Obtaining Internet Banking Facility to facilitate Online Tax Payment etc.
- Day-to-day Investment in Fixed Deposits & Mutual Funds as per policy
- Approval of Non-Fund Based facilities with the Banks/Financial Institutions
- Obtaining Sales Tax/Service Tax/GST Registration
- As may be applicable to delegate Board Powers under Section 179 (3) of the Companies Act, 2013:
  - to borrow monies
  - to invest the funds of the company
  - to grant loans or give guarantee or provide security in respect of loans

Corporate Social Responsibility

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company
- To monitor the CSR policy of the Company from time to time
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time

Executive Committees

Sustainability Steering Committee

- Integrate sustainability activities into the company's business strategy and operations and track progress against targets and KPIs
- Ensuring transparent reporting of sustainability performance including accomplishments, challenges, and future goals
- Actively engaging with internal and external stakeholders to understand their concerns and expectations regarding sustainability
- Regularly assess the sustainability committee's performance to ensure effectiveness and identify development opportunities

Health, Safety and Environment Committee

- Creating and upholding OHS policies, ensuring all workers and contractors are informed and policies are routinely reviewed
- Developing and supervising training programs on OHS procedures, emergency response techniques, and risk mitigation measures
- Regularly conducting risk assessments to identify potential health and safety problems in the workplace
- Monitoring injury rates, lost-time occurrences, and near-misses as important OHS performance indicators and providing quarterly reports to the board

Enterprise Risk Management Committee

- Identify, assess, and provide recommendations to mitigate potential risks across financial, operational, and environmental areas
- Review and monitor the company's risk exposure regularly to ensure compliance with relevant laws and regulation

Prevention of Sexual Harassment Committee

- Develop policies to prevent sexual harassment in the workplace and conduct regular training and awareness programs for employees
- Provide a safe, confidential reporting mechanism for complaints and investigate and address them promptly and fairly

Grievance Redressal Committee

- Develop a transparent and accessible mechanism for employees to submit grievances
- Investigate and resolve grievances promptly and impartially, ensuring confidentiality and protection against retaliation for those who report grievances
- Monitor and review grievance cases to identify and address recurring issues, and promote a fair and supportive work environment

Business Ethics and Policies

At HFE, we take pride in conducting business with the highest ethical standards. Integrity is at the heart of everything we do. We have a strict zero-tolerance policy towards fraud, bribery, corruption, and facilitation payments, and we fully comply with all relevant laws and regulations.

Our approach to business is grounded in fairness, honesty, and transparency—no matter where we operate, or which member of the Group is involved. We do not accept or offer illicit gifts, benefits, or cash in any form.

To safeguard against financial crime, including money laundering, HFE has established robust procedures to identify, assess, monitor, and manage associated risks. We are fully committed to complying with all applicable anti-money laundering laws and expect the same level of compliance from our directors, officers, employees, and partners.

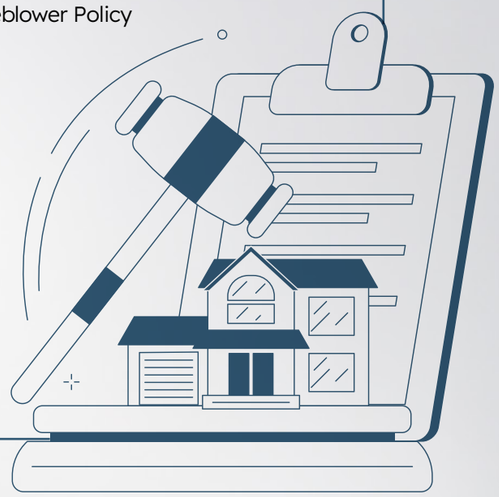
On the environmental front, HFE ensures that all its business activities meet the legal and regulatory requirements of the jurisdictions in which we operate, including those aligned with international obligations. We strive for excellence in environmental standards across our offices, project sites, and surrounding communities.

Our Environmental, Social & Governance (ESG) Management Framework reflects this commitment. It integrates strong Environmental, Health, Safety, and Social (EHSS) protocols to minimize risks and promote sustainability throughout our operations. This framework is closely aligned with our broader corporate goals, as outlined in our Occupational Health, Safety & Environment (OHSE) policy.

Additionally, HFE maintains a comprehensive Health, Safety & Environment (HSE) Manual to ensure the well-being of our people and the safety of our operations.

Important policies and frameworks

1. Anti-Bribery and Anti-Corruption Policy
2. Anti-Facilitation of Tax Evasion Policy
3. Anti-Money Laundering and Anti-Terrorist Financing Policy
4. Anti-Slavery and Human Trafficking Policy
5. Biodiversity and no Deforestation Policy
6. Compliance Policy
7. Corporate Social Responsibility Policy
8. Delegation of Authority Policy
9. Employee And Candidate Privacy Policy
10. Enterprise Risk Management Policy
11. Environment Policy
12. Environmental, Social, and Governance Management Framework
13. Equal Opportunity Policy
14. Human Rights Policy
15. Information Security Policy
16. Occupational Health and Safety Policy
17. Prevention of Sexual Harassment (PoSH) at Workplace Policy
18. Website Privacy and Cookie Policy
19. Whistleblower Policy



Environmental Stewardship

Hero Future Energies has a clear purpose: to accelerate the transition to large-scale renewable energy and drive meaningful reductions in greenhouse gas emissions. While we enable customers to decarbonize, we remain equally committed to reducing our own environmental footprint across operations and throughout our supply chain. Sustainability is embedded into every process, aligned with industry standards and integral to our business ethos.

Environment Social and Governance Management Framework (ESGMF)

At HFE, we are committed to developing and implementing our projects in line with global best practices, including the IFC Performance Standards, Equator Principles, ISO standards, and other international benchmarks for environmental health and safety. Through our Environmental Social and Governance Management Framework (ESGMF), we integrate environmental and social goals into every stage of planning and execution, ensuring that risks are identified early and managed responsibly across the project lifecycle. The framework is applicable to our operational wind and solar projects, projects in land acquisition or construction phase and future projects.

Our framework gives us a consistent process to screen projects for potential impacts, define mitigation measures, and monitor their effectiveness so that we can avoid, minimize, or offset adverse outcomes. We embed accountability through clear roles, training, annual reviews, and strict compliance with local, state, and national laws

Environmental and social impact assessments

Every Environmental and Social Impact Assessment (ESIA) at HFE is anchored in our Environmental and Social Management System (ESGMF) framework, ensuring consistency in governance, risk management, and monitoring across projects. By aligning with IFC Performance Standards and World Bank Group Environmental, Health and Safety (EHS) Guidelines, our ESIAs go beyond compliance to embed globally recognised best practices.

Governance

We have built a two-tier ESG governance structure that combines strategic leadership with operational accountability. At the highest level, our Board of Directors provides oversight, ensuring that ESG and climate considerations are integrated into decision-making and risk management.

Our Sustainability Steering Committee, chaired by our CEO, oversees the Environmental, Social, and Governance Management Framework (ESG MF) and tracks performance against defined targets. As the Corporate ESG Head, supported by ESG Managers, we drive the implementation of this framework, ensuring reporting, training, and coordination across all projects, and translating corporate policies into actionable programs.

At the project level, our Project Heads, ESG Officers, and EHS Officers integrate ESG and EHS requirements into daily operations, ensure contractor compliance, and engage with local communities to align projects with our sustainability commitments. This seamless structure allows governance to flow across all levels, embedding ESG principles into everything we do.

Our company's management incentivization scheme is thoughtfully designed to encourage sustainable value creation in long term. The program recognises employees through Individual Environmental Responsibility (IER) Awards for upholding the Green Code, with rewards such as premium meal vouchers and certificates. During onboarding, vendors are evaluated against sustainability criteria, and a framework categorizes suppliers as sustainable to reinforce responsible sourcing and environmental stewardship.

Policies

Hero Future Energies drives its sustainability agenda through three core policies: the Biodiversity, No Deforestation Policy and the Environmental Policy. The biodiversity policy commits to no deforestation, protecting ecosystems, and aligning with IFC PS6 and SDGs 15, 12, and 13, with clear accountability at the CEO and Board level.

The environmental policy focuses on legal compliance, reducing emissions, and applying the 3R principles (Reduce, Reuse, Recycle) along with climate risk assessment and stakeholder engagement. The policies are followed and implemented by employees, contractors, clients, stakeholders, and the communities in which they operate. Together, these policies make environmental responsibility a central part of governance and business growth.

The table below highlights the audits performed in the reporting year.

Number of Internal Audits	**15**
Number of External Audits	**02**

In FY 2024-25, we had no environmental violations, and no penalties were imposed by any authority concerned.

Highlights of our progress

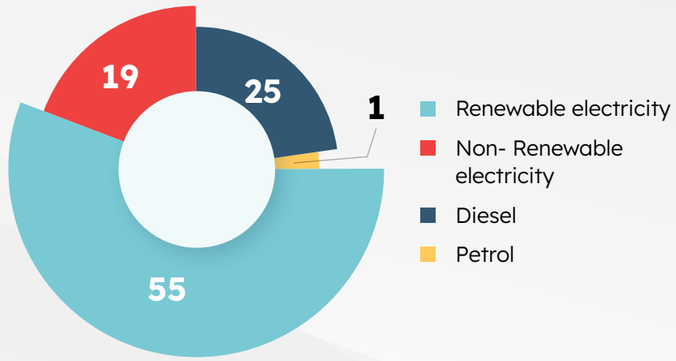
Indicator	FY 2023	FY 2024	FY 2025
Renewable Energy (in MWh)	8,192	9,224	11,741.75
Scope 1 and 2 Emission Intensity ($kgCO_2e/MWh$)	1.04	0.94	1.33
Scope 1 and 2 Emission (in MTCO2e)	3,635	2,940	4,249.83
E-Waste Generated (in MT)	23	19	19.73

Energy

Energy Consumption

We rely on both direct and indirect sources of energy to power our offices and project sites. Direct energy comes primarily from fossil fuels used in fleet vehicles and project machinery, while indirect energy needs are met through electricity. Our electricity is sourced from both external suppliers and captive generation. To ensure the highest efficiency, Hero Future Energies uses state-of-the-art, high-efficiency technologies, which help us reduce our energy consumption. We remain focused on improving efficiency, reducing reliance on fossil fuels, and exploring cleaner alternatives to support our long-term sustainability goals

Energy Consumption in GWh



In FY 2024-25 Our Total Energy Consumption was 77090.24 GJ of which 55% was renewable energy.

Energy Generation / Product Stewardship

In FY 2024–25, HFE achieved a generation efficiency of 150x, producing around 150 GJ of energy for every 1 GJ consumed in the generation process.

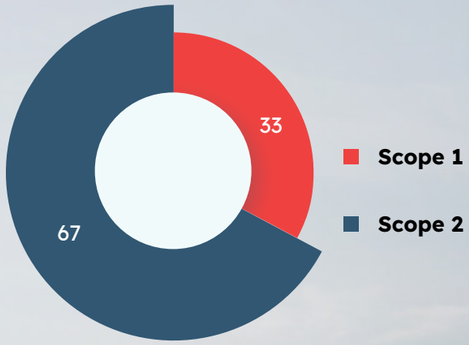
During the year, HFE generated 11.50 PJ (11,503,441.1 GJ) of energy across its portfolio. The generation process required 77090.24 GJ of supporting energy, representing only 0.66% of the total output. This reflects the efficiency of our operations and our ability to maximize energy delivery while minimizing internal consumption.

Climate Action

GHG Emissions

We closely track our greenhouse gas (GHG) emissions and work to enhance operational efficiency to lower both Scope 1 and Scope 2 emissions. Scope 1 arises mainly from petrol and diesel use, while Scope 2 is linked to electricity consumption. Our total scope 1 emissions for the year is 1398.72 tCO2e and scope 2 emissions for the year is 2851.11 tCO_2e

Emissions Distribution (In percentage)



We expanded GHG monitoring to include Scope 3 emissions across five categories as per GHG Protocol. In FY 2024-25, Scope 3 emissions is 93741.05 $MtCo_2e$

We are actively tracking Scope 3 emissions to engage value chain partners in joint emissions-reduction efforts. In addition, our projects are registered under leading international carbon-credit mechanisms, including the Global Carbon Council, Verified Carbon Standard, Clean Development Mechanism, and Gold Standard.

We are strengthening climate resilience and enhancing transparency in our disclosures. We have aligned our reporting with the TCFD recommendations and conducted a comprehensive climate risk assessment across the four pillars—governance, strategy, risk management, and metrics and targets. This enables us to better understand the potential impacts of climate change and make informed decisions to advance both our current and future decarbonization plans.

Climate Risk and Management

Governance

At Hero Future Energies (HFE), governance of ESG and climate-related matters is embedded at the highest levels of the organization. The Board of Directors, along with the CEO and senior management, oversee the company's overall performance and ensure that climate considerations are fully integrated into strategic and operational decision-making. By aligning business priorities with global and national climate goals, HFE strengthens its role as a responsible partner in the energy transition.

The Board, supported by the Risk Committee, regularly reviews material ESG and climate-related issues, integrating them into the Enterprise Risk Management (ERM) framework. Dedicated directors with sustainability expertise ensure accountability and the effective incorporation of ESG factors into strategy, risk management, and stakeholder engagement. The Board Chair and CEO review ESG performance periodically, while management conducts monthly reviews of climate-related KPIs to capture both risks and opportunities.

The company provides incentives for the management of climate change issues, including the attainment of targets. This approach serves as a powerful motivator by aligning environmental goals with leadership performance. When climate-related objectives are tied to executive compensation, they become strategic priorities. It fosters accountability, encourages long-term thinking, and signals that sustainability is integral to the company's mission. By embedding climate metrics into incentive structures, the company ensures that management remains actively engaged in driving meaningful progress toward its environmental commitments.

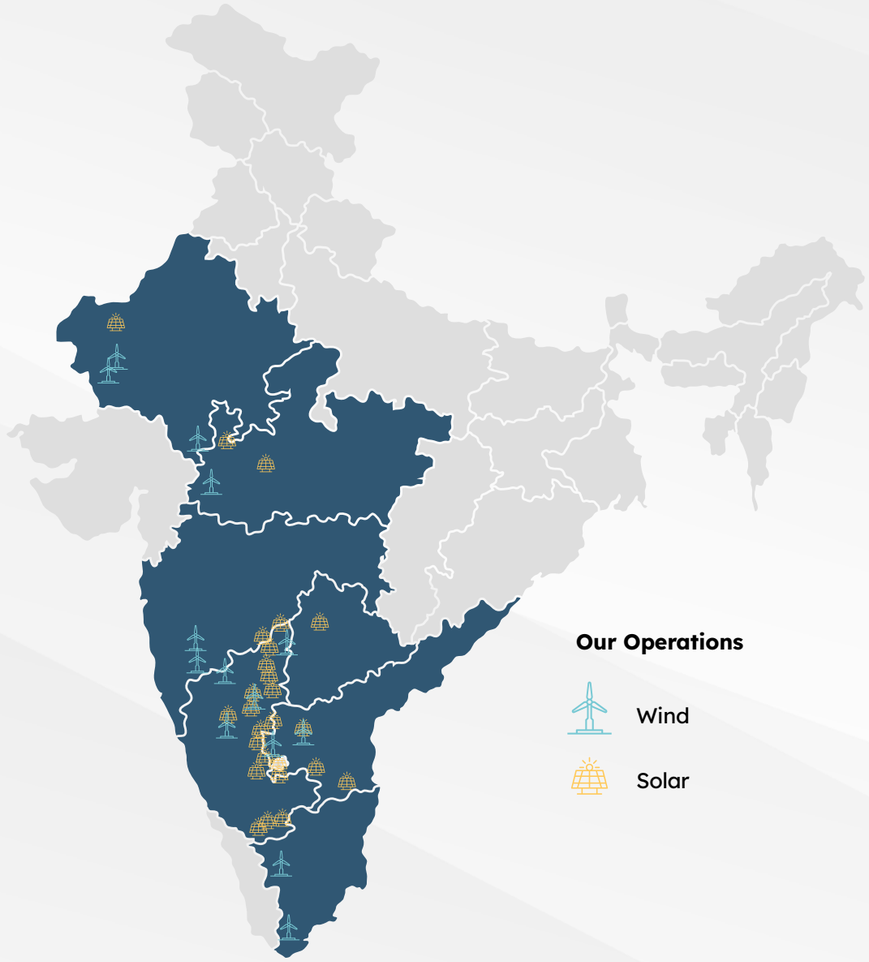
HFE has established a structured governance mechanism for sustainability oversight, management, and implementation. The Sustainability Steering Committee, chaired by the CEO, plays a pivotal role in:

- Guiding ESG vision, strategy, and objectives
- Monitoring progress on ESG and climate-related targets
- Overseeing implementation of initiatives across projects
- Engaging with stakeholders and ensuring transparent disclosures

The Steering Committee meets every 6 months, evaluates emerging regulations and ESG risks, advises on climate strategy, and drives efforts to reduce GHG emissions. It ensures sustainability performance is communicated across the organisation and to the Board. Through this multi-level governance structure, HFE embeds climate responsibility into its purpose and operations and ensuring long-term value creation.

Strategy

This year HFE conducted a comprehensive Climate Risk Assessment (CRA) under its Environmental, Social, and Governance Management Framework (ESG MF). Covering 48 project locations across India including solar, wind, and hybrid assets the CRA evaluated exposure to both physical climate risks and transition risks, assessing how climate change could affect asset performance and resilience.



Our Operations

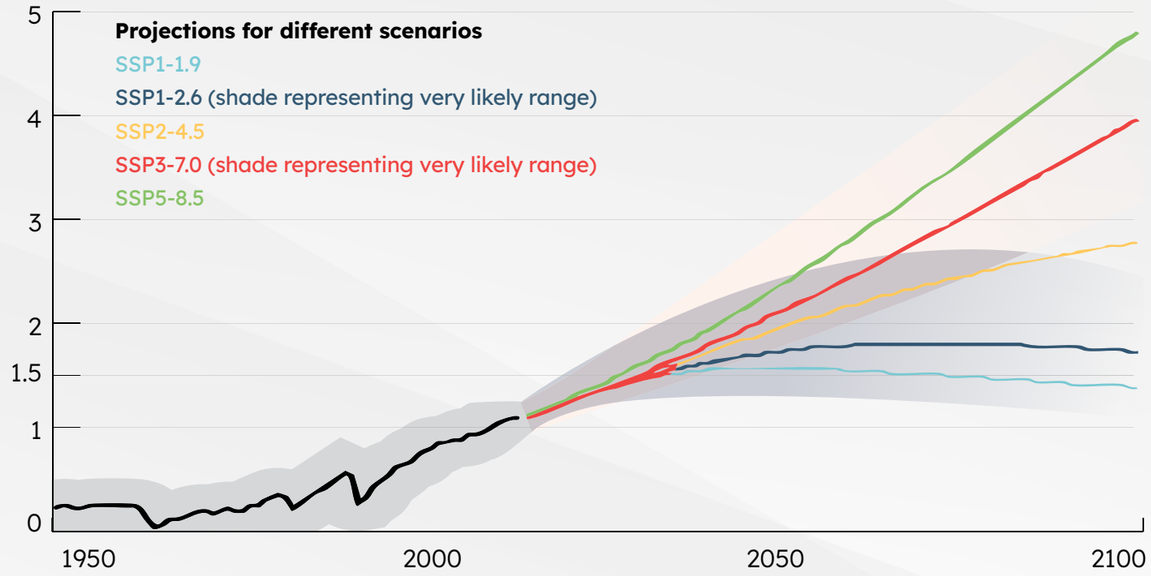
Wind

Solar

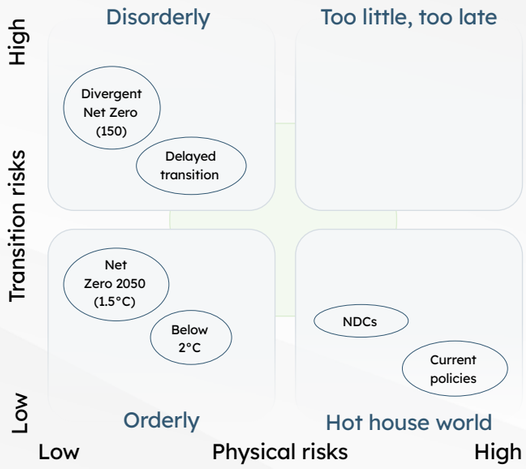
Using advanced models and scenario analysis. We have developed a resilience plan that considers short-term (0–5 years) operational risks, medium-term (5–15 years) evolving impacts and policy shifts, and long-term (15–25 years) systemic challenges. This integrated approach ensures climate-related risks are identified, assessed, and addressed across all operations.

Scenario analysis is central to HFE's climate strategy. Using IPCC pathways (1.5°C and 4°C) to assess physical risks and NGFS scenarios to evaluate transition risks, HFE considers both optimistic and pessimistic futures. For physical risks, we have identified SSP1-2.6 and SSP5-8.5 as the primary scenarios. For transition risks, we have conducted our assessment under Net Zero Emissions by 2050 (NZE) and Stated Policies Scenario (STEPS). This dual approach enables the company to design robust adaptation and mitigation strategies, ensuring resilience and agility in an uncertain climate future.

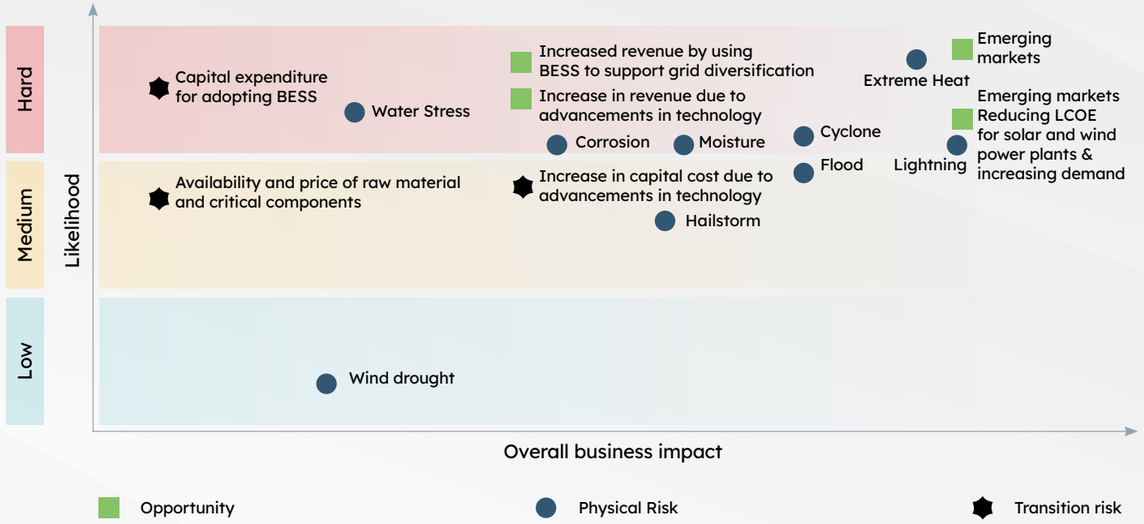
Global warming pathways from different IPCC scenarios



NGFS scenarios Framework



Outcomes: Based on our assessment we identified five chronic physical risks and four acute physical risks, in addition to three notable transition risks and four promising business opportunities. This assessment covered physical risks at nearly 48 of our locations across India. To effectively communicate our findings, we developed a prioritization matrix based on our evaluation, as illustrated below:



Financial Risks and Opportunities

Physical Risk	Business Impact	Financial Impact	Likelihood
Extreme Heat	Reduction in solar photovoltaic efficiency with increase in temperature leading to lower energy production and revenue. Extreme heat can also cause turbines to shut down to prevent overheating and mechanical damage. Increased maintenance and operational costs	Revenue loss due to reduced solar and wind output in 2030 under extreme scenario (SSP5 8.5): INR 314.49 Mn Capital expenditure on early replacement or thermal retrofitting	High
Extreme Heat (Moisture & Corrosion)	Component failure and electrical malfunctions due to moisture ingress and corrosion — leading to unplanned outages Increased maintenance frequency and costs due to moisture-related degradation, leading to lower availability and production Accelerated degradation of structural and electrical components, reducing asset life span	Revenue loss due to increased downtime in (PV) solar modules from moisture in 2030 under extreme scenario (SSP5 8.5): INR 38.8 Mn Capital expenditure escalated due to the need for more robust IP-rated equipment, moisture-proof enclosures, and corrosion-resistant structural materials. Revenue loss due to reduced solar output (due to corrosion) in 2030 under extreme scenario (SSP5 8.5): INR 5.27 Mn	High
Lightning	Increased unplanned outages and downtime due to equipment tripping or failure from lightning Damage to critical components such as inverters, SCADA systems, turbine control electronics, rotor blades. High storm frequency periods, leading to	Revenue loss due to increased downtime in 2030 under extreme scenario (SSP5 8.5) from solar: INR 372.48 Mn High cost of component replacement or repair, especially for inverters, transformer windings, or wind	High
Tropical Cyclone	Structural damage to solar panels, mounting frames, rotor blade and nacelle from high wind speed and debris Emergency shutdowns reducing electricity output and cause restart delays. Prolonged downtime for repairs post-events	High capital loss due to structural failure or destruction of turbine towers and solar arrays in 2030 under extreme scenario (SSP5 8.5): INR 1480.78 Mn Loss of revenue during operational shutdown and prolonged post-cyclone downtime. Increased insurance premiums and O&M costs due to rising cyclone exposure and claim frequencies.	High
Wind Drought	Reduced Annual Energy Production (AEP): Prolonged low-wind periods lead to significant underperformance of wind turbines, affecting capacity utilization factors (CUF) PPA delivery risk: Grid Commitment Challenges, risking penalties or reputational loss.	Revenue loss from AEP shortfall Loss of market trading opportunities~ reduced generation limits participation in lucrative spot markets or renewable energy certificate (REC) trading.	Low
Water Stress	Reduced Energy Output: Lack of water for solar panel cleaning leads to accumulated dust and soiling, reducing solar irradiance capture and energy generation. Increased Unscheduled Downtime: Overheating of auxiliary components like inverters or transformers in absence of adequate cooling water can trigger shutdowns or derating.	Rise in water procurement costs in 2030 under extreme scenario (SSP5 8.5): INR 18.92 Mn Revenue loss from soiling -induced output decline Investment in emergency cleaning technologies~ rapid adoption of robotic/dry cleaning systems, unplanned capital or	High

Transition Risk	Business Impact	Financial Impact	Likelihood
Availability and price of raw material and critical components driven by an increase in market players	Supply Chain Disruptions: Fluctuating mineral prices can cause instability in the supply chain, making it difficult for companies to secure the necessary materials at predictable costs IEA. Increased rates of modules: Heavy reliance on rare earth materials like copper for solar cells and rare earth magnets for wind turbines can increase module prices due to heavy reliance on imports which can be disrupted due to geopolitical issues or scarcity and can only be stabilized with policy interventions	Delays in project completion and deployment of renewable energy technologies due to increased capital cost. Increase in price of wind turbines and solar modules by ~9% & 16% from 2020 to 2021 Reduced profit margins in par with the increasing rates of raw materials and the expected drop in prices of PPA. Prices of copper are expected to increase by 20% from 2023 – 2027 PPA rates are expected to drop to INR 2.3	Medium

Transition Risk	Business Impact	Financial Impact	Likelihood
Increase in cost of NOC/water tax and restrictions on water usage	Technologies & measures for water management: Implementing processes like electrostatic cleaning for mega solar plants, application of hydrophobic or dust-repellent coatings for smaller projects Tighter regulations and increasing water tariffs Reduction of labor & water usage: Use of robotic cleaning or electromagnetic cleaning technologies require minimum human interaction and no water.	At present a few sites have robotic cleaning. Capital investment is required for implementation of water robotic cleaning for remaining sites. Potential fines and increase in operational cost due to increased water tariff. ~8% YoY increase. Adoption of robotic cleaning for all locations can reduce operational costs due to reduced water consumption & labor charges.	Medium
Reducing LCOE for solar and wind power plants	Updating technology for lower LCOE: Adoption of technologies like bifacial solar panels, AI-Based Predictive Maintenance, TopCon and HJT solar cell panels etc to reduce the LCOE and offer competitive PPA prices in the market. Increasing demand can result in competitive low pricing for electricity. Maximum business opportunities can be expected to be explored between 2030 & 2040 when the LCOE is expected to drop by a record high %	Capital investments required in adopting the latest technologies like TopCon which have 3.5-5.5% higher module cost in comparison to current PERC technology. Reduced profit margins or can create demand for infeasibly low electricity rates Increased revenue due to reduced LCOE and increasing demand caused by emphasis on adoption of RE & targets to reduce emissions.	High
Increasing demand can result in competitive low pricing for electricity	High demand may drive electricity prices down.	Reduced profit margins. Risk of infeasibly low electricity rates.	Medium
Increasing need of grid diversification	Requirement of storage: The intermittent nature of renewables can lead to voltage fluctuations, frequency inconsistencies, and harmonic distortions. Network inadequacy: Not enough physical grid capacity to accommodate supply and demand connections. This is primarily due to difficulties in optimizing grid capacity (currently designed for centralized, mainly fossil fuel generation) and inefficient grid planning, leading to less new RES capacity being built than needed.	Investment in advanced storing solutions & real-time grid management. Additional revenue generated from installing BESS of 4 hours for all pipeline projects until 2045: INR 41,031 Mn Required investment in R&D for increasing grid capacity and advancement in smart grid solutions, grid planning etc	Medium

Transition Risk	Business Impact	Financial Impact	Likelihood
Emerging markets	The potential for increased revenue as there is an opportunity to capture a larger share of the expanding renewable energy market Greater ability to attract government incentives and support Enhancement in investor confidence due to a demonstrated capacity for scalability	Estimated opportunity of revenue from operations increase in Year 2030: INR 80,798 Mn Estimated opportunity of revenue from operations increase in Year 2050: INR 684,439 Mn	Medium
Advancements in wind turbines & solar technology	Obsolescence of technology: Older systems may become outdated quickly, forcing reinvestment in newer technologies with higher efficiency which would help provide low cost PPA. Supply chain constrains: Due to Atma Nirbhar schemes a transient shortfall till manufacturing ramps up can result in higher module costs Efficiency of power generation: Adopting the latest technologies increases electricity generation which offset upfront cost in the long run	Capital investments are required in adopting the latest technologies like TopCon & HJT which have 3.5-5.5% & 30% higher module cost in comparison to current PERC technology. Additional revenue generated in 2045 due to adoption of TopCon & HJT for all pipeline projects: INR 9,514 Mn & INR 20, 930 Mn respectively. Higher costs for adopting latest technologies, where Indian solar cells are 1.5 to two 2 times more expensive than exported cells 5% increase in revenue by 2050 by using TopCon	Medium

Climate Risk Management

HFE's climate risk program ensures both internal and external collaboration, benchmarking, regional evaluations, transition risk analysis, mitigation strategies, and integration with enterprise risk management (ERM). The team regularly hosts Corporate Sustainability working groups and partners with consultants to pinpoint physical and transition risks specific to each site. These risks are then compared with global industry standards and assessed using localized data to understand potential hazards. We evaluate transition scenarios for operational impact and potential revenue opportunities, develop targeted mitigations, and embed climate risks in the ERM with ongoing reporting to the Risk Management Committee for oversight and adaptation.

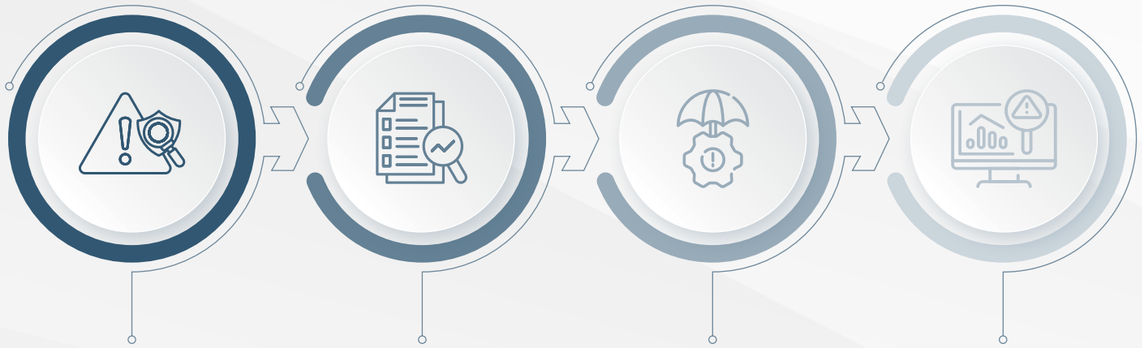
We use a structured risk taxonomy aligned with our business objectives, promoting clear leadership–management dialogue with Board oversight. Climate-related risks are identified and integrated into our ERM, with controls mapped to functions to ensure accountability and a consistent company-wide risk scoring framework for prioritization.

Our four-step process identify, assess, mitigate, and monitor risks drives ongoing management and rapid adaptation to evolving threats. We use enterprise risk management (ERM) to identify, evaluate, mitigate, and oversee risks. The risk register is regularly updated, with principal risks and actions reported to the Audit Committee for review.

We follow the three lines of defence:

1. first line—business and process owners who implement risk controls;
2. second line support functions (finance, compliance, quality) that assist management;
3. Third line internal audit, providing assurance to senior management and the Board and recommending improvements.

Risk Management Process



Risk Mitigation

At Hero Future Energies, we recognise the growing challenges posed by climate change and are deeply committed to addressing them. Through a range of strategic initiatives and sustainable practices, we actively contribute to the mitigation of climate-related risks.

Resilient Infrastructure

HFE designs renewable energy projects to withstand extreme weather, including hurricanes, cyclones, floods, hail, and severe storms. Sites are elevated or flood-proofed, and infrastructure incorporates cyclone-rated foundations, hail-resistant PV modules, lightning protection, storm-resilient designs, and early warning systems. Durable and corrosion-resistant materials further enhance long-term performance.

Adaptive Siting and Design

We select sites with low climate exposure to minimize risk, while adaptive layouts and next-gen turbine designs featuring reflective coatings maximize energy yield amid changing wind patterns. AI-powered predictive monitoring and proactive maintenance safeguard operational continuity and resilience.

Water Stewardship

Water stress indicates limited availability within a watershed. To assess exposure, we applied a water risk index, identifying risks such as increased procurement costs, potential supply disruptions, and higher maintenance needs, These insights helped us guide our resilience planning and financial strategy. In line with the TCFD framework, we analyzed 48 sites using the WRI Aqueduct tool, mapping coordinates to determine Baseline Water Stress levels (Low to Extremely High) for 2020, 2030, and 2050. This helped us identify high-risk locations for prioritized water management.

Our water use and water stress assessments have been crucial to improve water efficiency across our operations. Some of our key initiatives include:

- Trained staff on water-efficient practices and leak detection
- Switched to waterless cleaning or air-jet cleaning where feasible to minimize rinse water
- Harvested rainwater for non-potable uses to reduce mains water demand
- Conducted regular water audits to identify leaks and inefficiencies and prioritized corrective actions
- Applied hydrophobic or self-cleaning nano-coatings on PV glass to reduce cleaning frequency
- Certified water conservation projects
- Enhanced groundwater recharge by constructing check dams to support sustainable irrigation and reduce downstream flood risk
- More than 284.20 KL rainwater harvested for re-use at 23 sites

Energy Efficiency and Operations

To enhance energy efficiency, we deploy smart grids, advanced energy management systems, and real-time monitoring of PV modules and wind turbines ensuring optimal performance and reduced energy waste. These technology-driven solutions are complemented by practical operational measures such as unplugging idle appliances, maximizing natural light, and promoting carpooling among employees. Additionally, hybrid storage systems are integrated to bolster energy reliability and support a more resilient power infrastructure.

Biodiversity Protection

A dedicated Biodiversity Management Plan safeguards ecosystems and endangered species, ensuring renewable projects coexist responsibly with surrounding habitats. Our approach to biodiversity risk mitigation at our project locations pivots around the following themes:

We recognise that wind energy projects can pose risks to avifauna. To address this, we implement underground cabling, install bird deterrents, and conduct continuous bird and bat monitoring at our sites. These studies, including carcass assessments aligned with IUCN guidelines, help us quantify impacts and refine mitigation strategies. Our biodiversity framework is built on three pillars: minimizing impacts through responsible project siting and design, adapting actions based on long-term monitoring and research, and safeguarding habitats to maintain ecological balance through proactive stewardship.

We organize large-scale tree plantation drives, adopt measures to limit land-use changes, and implement responsible operational practices that help prevent deforestation. These initiatives are supported by a centralized biodiversity management and risk assessment framework, which ensures that biodiversity considerations remain integral to project design and execution.

Biodiversity Exposure and Assessment

Indicators	FY 2023-24		FY 2024-25	
	Number	Area (Hectares)	Number	Area (Hectares)
Total number and the total area of operational sites	39	3,173.01	40	3,302.00
Biodiversity and Impact assessments	1	485.84	1	485.84
Sites have significant biodiversity impact or are close to critical biodiversity	1	485.84	1	485.84
How many sites have a biodiversity management plan	1	485.84	1	485.84

Technology and Innovation

HFE invests in advanced solar panels, next-generation turbine blades, and hybrid storage to accelerate decarbonization. It is also developing green hydrogen for decarbonization and sustainable energy. Smart tracking systems, surge protection, and automated monitoring further strengthen climate resilience.

Climate Risk Adaptation

Physical risks

A comprehensive risk analysis process has allowed us to identify physical risks which include extreme heat, moisture and corrosion, lightning, extreme precipitation, cyclones, floods, drought, and hailstorms. These risks can have impact on our operations, indirectly affecting our finances and our reputation. From an operations perspective, physical risks can lead to significant disruptions in power generation, damage to infrastructure, and increased operational costs for both solar and wind power plants.

Financially, these risks may result in stringent regulations, resulting in increased operational costs, an increase in capital costs to accommodate technologies and processes that increase efficiency, and revenue loss due to downtime by extreme weather events affecting our financial stability and growth prospects. Failure to manage deviations from committed production can result in penalties, jeopardize future PPA opportunities, and erode brand credibility and stakeholder trust which would ultimately impact long-term profitability

To address these risks, targeted measures such as reflective coatings, smart tracking, anti-corrosion systems, surge protection, drainage systems, hybrid energy storage, and automated monitoring are being taken.

To address these risks, several mitigation measures are being taken by the company such as coatings on solar panels to ensure maximum efficiency, better components and latest technologies to ensure the risks have minimal impact.

Transition risks

An in-depth analysis helped us clearly recognise the transition risks for our business. This would include risks related to regulations, licensing and other regulatory costs, reduction in LCOE (Levelized cost of electricity) for solar and wind power, availability of materials, technology, market dynamics, and technological advances.

Transition risks are mitigated through strict compliance with environmental standards, sustainable sourcing, advanced renewable technologies, energy diversification, AI-enabled predictive maintenance, and long-term supply contracts. Our focus on continuous innovation and operational efficiency ensures optimal power generation and hence, securing our financial resilience.

Mitigation strategies

We are proactively implementing a comprehensive set of adaptation strategies to strengthen our resilience against both physical and transition-related risks. These measures are designed to safeguard our operations, support long-term sustainability, and ensure the continued growth and stability of our business in an evolving risk landscape. We have divided our mitigation strategies into short term (0 to 5 years) and long term (5 to 10 years and more).

Physical Risk	0 to 5 years	5 to 10+ years
Extreme Heat (Temperature)	• Apply nano infrared-reflective coatings to enhance solar panel efficiency. • Use solar-reflective paint on nacelles and integrate parametric insurance for climate risk coverage. • Establish a Standard Operating Procedure (SOP) through a Heat Action Plan.	• Explore elevated bifacial PV systems with thermally conductive racking to enhance cooling and energy output. • Implement smart solar tracking systems for improved efficiency. • Upgrade gearbox lubricants and bearings to withstand thermal stress and extend equipment life. • Install forced ventilation kits to manage heat and maintain optimal operating conditions.
Extreme Heat (Moisture & Corrosion)	• Enhance junction box sealing and adopt anti-corrosion racking for improved durability. • Install dehumidification systems to control moisture and protect sensitive components.	• Install edge-seal encapsulant overlays on solar modules to prevent moisture ingress and enhance module longevity.
Lightning	• Install IEC 62305-compliant lightning protection systems to safeguard infrastructure. • Integrate parametric insurance for climate-related risk coverage. • Use elevated lightning rods to enhance protection against strikes.	• Install Class I & II Surge Protection Devices (SPDs).
Flood	• Design and implement stormwater drainage systems to manage extreme rainfall. • Conduct flood risk assessments to identify vulnerable assets and inform mitigation strategies.	• Integrate parametric insurance to financially safeguard against flood-related impacts.

Physical Risk	0 to 5 years	5 to 10+ years
Tropical Storm	• Integrate early warning APIs into SCADA for preemptive shutdowns. • Integrate parametric insurance. • Use meteorological data for early warnings.	• Retrofit foundations with cyclone-rated anchors to enhance structural stability. • Construct storm-resilient fencing or windbreaks to reduce wind damage. • Pursue cyclone-resilient certification to validate preparedness and resilience.
Wind Drought	• Deploy grid-connected battery storage (BESS)	• Hybridize with solar PV or energy storage. • Use AI-based models to predict wind droughts.
Water Stress	• Deploy waterless robotic cleaning systems or air jets. • Install rainwater harvesting systems. • Conduct water use audits.	• Apply hydrophobic or self-cleaning nanocoatings on PV glass to reduce soiling and maintenance needs. • Offset water usage through targeted conservation initiatives.
Hailstorm	• Implement automated panel tilting systems to optimize solar exposure. • Integrate real-time weather monitoring with hailstorm alerts for proactive risk management.	• Develop digital twins for hail impact scenarios.

Transition Risk	0 to 5 years	5 to 10+ years
Increase in Cost of NOC/Water Tax and Restrictions on Water Usage	• Adopt robotic cleaning for existing solar plants. • Invest in self-cleaning technologies (e.g., electrostatic cleaning, nanocoatings).	• Widespread adoption of self-cleaning technologies across all projects
Availability and Price of Raw Materials and Critical Components	Collaborate with supplier partners for R&D in exploring substitutes and recycling for rare earth materials.	
Reducing LCOE for Solar and Wind Power Plants	• Plan for maximum project expansion from 2030 to 2040. • Utilize AI technologies like Digital Twins for real-time monitoring and predictive maintenance.	• Diversify renewable energy sources to include biomass, hydrogen, and others.
Advancements in Wind Turbine & Solar Technology	• Consider TopCon technology for upcoming projects • Collaborate with supplier partners for R&D in advanced technologies like HJT, quantum dot, and perovskite panels. • Explore sustainable composite materials for blades. • Establish long-term ALMM-approved supply contracts. • Develop strategic procurement plans aligned with manufacturing capacity.	• Establish long-term supply contracts with manufacturers for latest technology panels and efficient turbines.

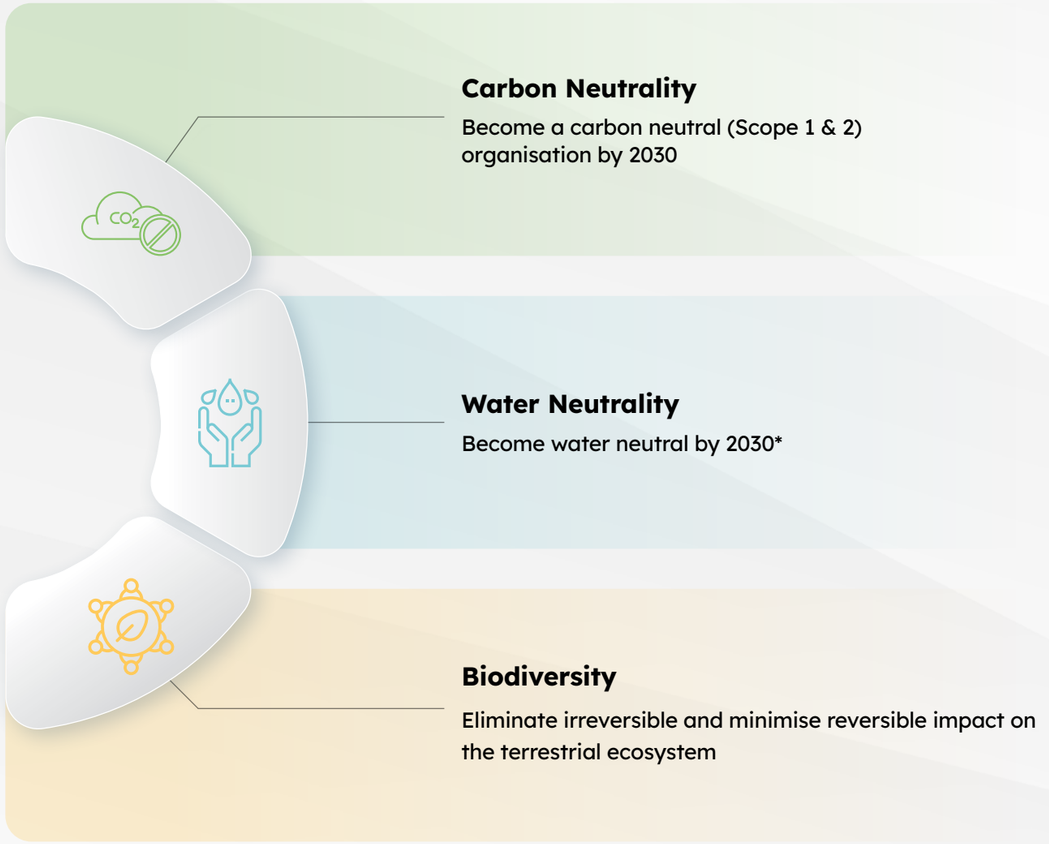
Metrics & Targets

HFE has established comprehensive metrics to assess and manage climate-related risks and opportunities across its renewable energy projects, including solar, wind, hybrid, battery storage, and green hydrogen initiatives. These metrics encompass greenhouse gas (GHG) emissions, energy consumption, and water usage, providing a quantitative basis for evaluating the company's environmental impact and progress towards sustainability goals. By integrating these metrics and targets into its strategic planning and decision-making processes, we aim to enhance transparency, accountability, and resilience in the face of climate change, supporting its role as a leader in the global energy transition.

We use defined indicators to track, manage, and reduce climate-related impacts across solar, wind, hybrid, storage, and green hydrogen projects.

These include:

- **Risk Metrics:** Assessing physical and transition risks under different climate scenarios to guide strategic planning and decision-making.
- **GHG Emissions:** Monitoring Scope 1, Scope 2, and Scope 3 emissions to understand the full carbon footprint and identify reduction opportunities.
- **Performance Targets:** Setting ambitious goals for emissions and water management, aligned with global climate goals, and tracking progress for continuous improvement.



*As a responsible organisation Hero Future Energies continues to evaluate its climate impacts. After a thorough review of current and projected water usage, we have re-evaluated our water neutrality target and extended the timeline to 2030.

Water Management

Our goal is to be water neutral by 2030, and we manage water responsibly by tracking both direct and indirect usage, including purchased water and groundwater extraction. Our wind operations consume very little water, whereas solar facilities require higher volumes for panel cleaning.

To reduce our water consumption from panel cleaning, we are adopting 'dry cleaning' for our solar modules. Solar panels of 550MW are already being cleaned without using water.

Our nature of operations generate no wastewater which has to be treated as it is used only for washing the solar panels.

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All project locations operate in line with the conditions of the groundwater extraction's no objection certificate (NOC), supported by annual compliance reports submitted to the groundwater board. In addition, we conduct hydrological studies to assess local water impacts and, wherever needed, implement corrective measures such as developing rainwater harvesting structures to replenish aquifers and reduce the footprint of groundwater use.

Guided by the 3M-7R principles, we are embedding robust water management practices through the development of detailed SOPs at all our sites. By institutionalizing a comprehensive system to monitor and record water use, we aim to drive data-based decisions that not only optimize consumption but also accelerate our progress toward water neutrality.

Water Sources	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Municipal Water Supplies (or from other Water Utilities)	KL	18,032.98	13743	12203.44
Fresh Surface Water (Lakes, Rivers, etc.)	KL	0	0	0
Fresh Groundwater	KL	80,360.10	102080	86309.29
Total Withdrawal	KL	98,393.08	115823	98512.73
Total Water Discharged	KL	0	0	0
Total Water Consumed	KL	98,393.08	115823	98512.73
Specific Water Consumption	KL/Million INR	6.72	7.92	6.69

Water Consumption in Water-Stressed Areas

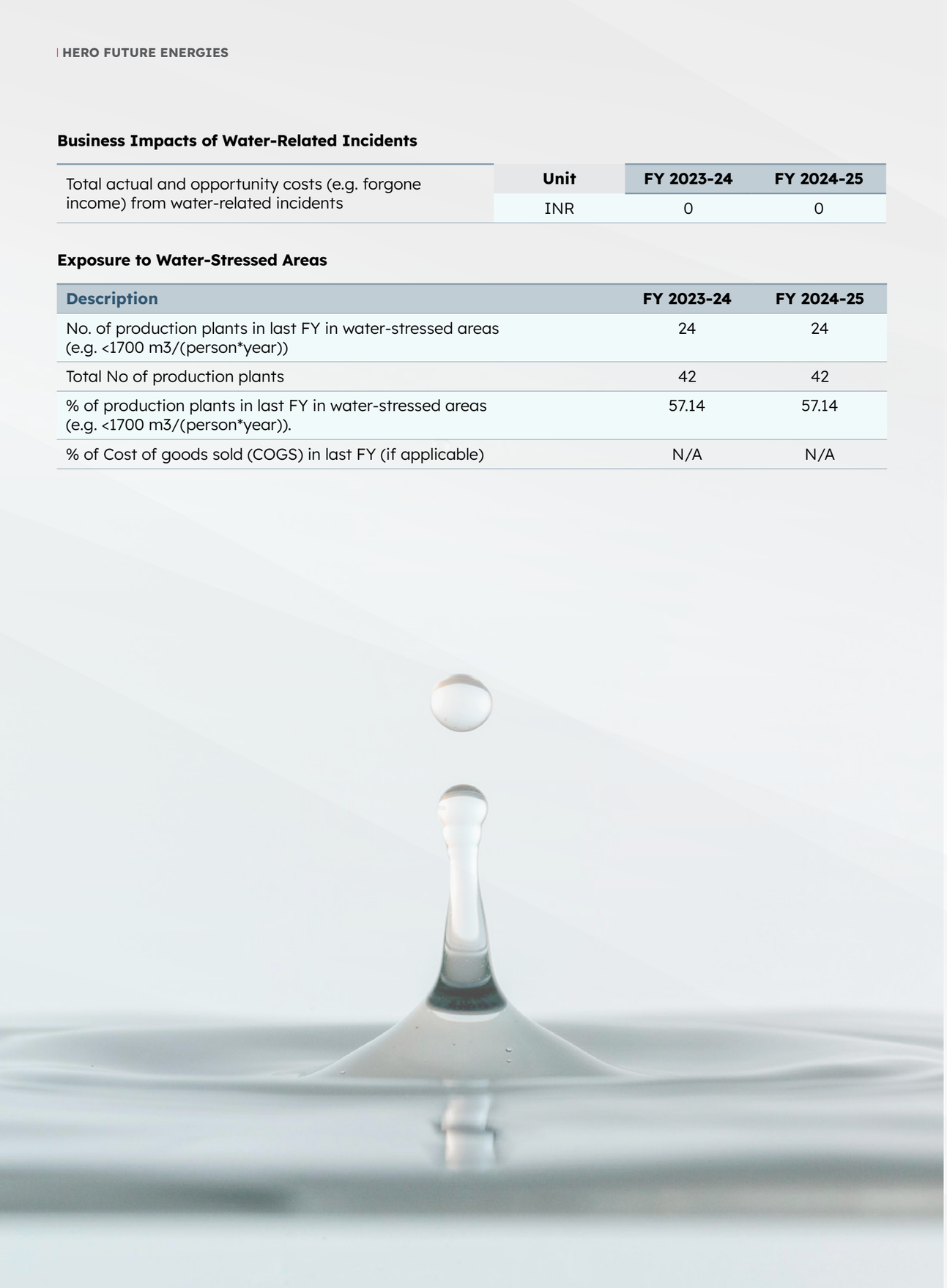
	Unit	FY 2023-24	FY 2024-25
Total net freshwater consumption in water-stressed areas (Total water withdrawals – Total water discharges)	MCM	0.5	0.5

Business Impacts of Water-Related Incidents

	Unit	FY 2023-24	FY 2024-25
Total actual and opportunity costs (e.g. forgone income) from water-related incidents	INR	0	0

Exposure to Water-Stressed Areas

Description	FY 2023-24	FY 2024-25
No. of production plants in last FY in water-stressed areas (e.g. <1700 m3/(person*year))	24	24
Total No of production plants	42	42
% of production plants in last FY in water-stressed areas (e.g. <1700 m3/(person*year)).	57.14	57.14
% of Cost of goods sold (COGS) in last FY (if applicable)	N/A	N/A



Waste Management

We follow the 3R principle of Reduce, Reuse, and Recycle as the foundation of our waste management approach. Robust SOPs under our EHS policy guide the handling of both hazardous and non-hazardous waste, ensuring safe and responsible disposal.

To ensure proper disposal of waste, HFE has collaborated with authorized waste management partners, who handle and dispose off hazardous and non-hazardous waste generated by HFE while ensuring minimum or no waste goes to landfill.

In line with the Central Pollution Control Board (CPCB) guidelines, we maintain strict compliance practices that support our commitment to a circular economy. Notably, in its 2016 notification, the CPCB classified renewable energy generation plants under the 'white category', recognizing their minimal pollution impact.

We are committed to reducing waste and eliminating single-use plastics by training employees, promoting recycling, and keeping waste out of landfills. Alongside these efforts, we invest in innovation and research to develop smarter processes, explore sustainable materials, and adopt new technologies—helping us minimize environmental impact while creating long-term value for our business, people, and communities.

To strengthen these efforts, we plan to undertake regular audits and assessments to enhance how we manage waste.

0 single-use plastics in our operations.

Biodiversity

At Hero Future Energies, we are committed to safeguarding biodiversity across all our operations. Guided by a clear no-deforestation policy, we work to minimize our ecological footprint while actively restoring natural habitats at our project sites. Before undertaking any development, we conduct predictive assessments of environmental dependencies and carefully avoid areas of ecological, cultural, or landscape significance. In doing so, we align our practices with IFC Performance Standard 6.

We also dedicate resources to strengthening our biodiversity commitments and ensure they are subject to regular audits and reviews, reinforcing transparency and accountability. Through these initiatives, we directly contribute to the Sustainable Development Goals 15 (Life on Land), 12 (Responsible Consumption and Production), and 13 (Climate Action), reflecting our vision of growth that is in harmony with nature.

Our approach

Empowering our People: **Building a Resilient, Inclusive and Future-Ready Workforce**

At Hero Future Energies (HFE), our employees play a central role in driving our collective mission toward sustainable energy. In the rapidly evolving renewable energy sector, a thriving, engaged, and skilled workforce is paramount to sustaining innovation, ensuring operational excellence, and delivering long-term value.

Cultivating a Positive Work Culture

At Hero Future Energies, we strive to cultivate a workplace culture rooted in trust, transparency, and camaraderie. In FY 2024-25, we were certified as a “Great Place to Work” for the fourth consecutive year by the Great Place to Work Institute (India). This is a testament to our enduring commitment towards workplace resilience.

We encourage open communication and collaboration through multiple forums, including regular town halls and team-building exercises. These initiatives are designed to break hierarchical barriers, promote cross-functional dialogue, and build a sense of shared purpose among employees.

Our culture of empowerment is reflected in flexible work policies which allow employees to choose their working hours and work-from-anywhere options, thereby promoting work-life balance and autonomy. Such practices are rooted in research indicating that flexible work improves productivity, job satisfaction, and mental well-being. Further, our “Open Door Policy” ensures that employees have direct access to leadership, which fosters accountability and trust.

Some of our specific measures to enhance satisfaction among our employees:

Empowerment through Increased Authority: We believe in fostering a culture of ownership by entrusting our team members with greater authority and responsibility, inspiring initiative and confident decision-making.

Flexible Work Hours and Work-from-Anywhere Policy: We promote a dynamic work culture that empowers employees to select their preferred working hours and locations, fostering greater productivity and personal fulfilment.

Open Door Communication Policy: We champion a culture of open dialogue across all levels of the organization, where every team member feels encouraged and empowered to connect with colleagues, irrespective of hierarchy.

Training and Development Opportunities: We offer diverse learning and development programs tailored to strengthen our employees’ skills, broaden their capabilities, and support continuous professional growth.

No Attendance Tracking: We foster a culture of mutual respect and accountability by trusting our employees to honour their commitments, without the need for rigid attendance monitoring.

We have also institutionalized our culture of recognition through a diverse set of awards for our employees such as BRAVO, STAR, Chairman's Challenge, and EXTRA MILER awards, each targeting specific aspects of employee contribution, from exemplary project execution to sustained value creation.

HFE fosters a culture of innovation through initiatives like the Chairman's Challenge and the IER Awards (Individual Environment Responsibility), encouraging creativity and sustainability at the workplace. Chairman's Challenge is a flagship program under which selected individuals get rewarded with special opportunities to experience sporting events around the world, for example, ICC World Cup, Olympics, FIFA World Cup, Wimbledon etc. Our Reward & Recognition (R&R) program celebrates extra-milers, star performers and innovative thinkers. This is to create a meritocratic, entrepreneurial environment where employees are empowered to take initiatives

Workplace Composition and Dynamics

The composition of our workplace is a key strategic asset that reflects HFE's commitment to fostering a healthy working environment.

	<30 years		30-50 years		>50 years	
Total employees	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Total	24	32	253	25	18	0
Top Management	0	0	0	0	1	0
Senior management	0	0	13	1	8	0
Middle management	3	0	89	9	7	0
Junior management	21	32	151	15	2	0
Non-management	0	0	0	0	0	0
Field employees	0	0	0	0	0	0
Executives on contract	0	0	0	0	0	0

The age distribution across management levels demonstrates a balanced mix of youthful energy and seasoned expertise.

The voluntary turnover remained at 18.5% while internal mobility at 2%, suggesting that we have maintained organizational agility without destabilizing institutional knowledge.

Diversity, Equity, and Inclusion

Our commitment to Diversity, Equity, and Inclusion transcends compliance. We actively promote a diverse and inclusive workforce, as we believe that gender-diverse teams are more innovative. In FY 2024-25, our total number of permanent employees stood at 352, with women constituting 16.1% of the workforce, a 2.7% increase from FY 2023-24.

We strive to achieve 30% female workforce representation by year 2030.

In our effort to increase female workforce representation, we have established structured programs to mitigate unconscious bias and support targeted recruitment drives.

Our efforts include accessible career pathways for Persons with Disabilities (PwDs), ensuring that opportunities and development frameworks are equitable and barrier-free. Our guidelines on Rights of Persons with Disabilities ensure that individuals with disabilities are treated with dignity and receive the support they need. We are committed to providing an inclusive environment where every employee can thrive, empowered by accessible facilities and a culture of respect and belonging.

Gender Pay Equity

At HFE, gender pay equity is a critical dimension of our Diversity, Equity, and Inclusion strategy. We firmly believe that fair and equitable remuneration is not only a matter of compliance but a reflection of our core values of trust, transparency, and respect for every individual, irrespective of gender.

In the current reporting period, a comprehensive analysis of the ratio of basic salary and total remuneration between male and female employees was conducted, segmented across various employee categories, including Top Management, Senior Management, Middle Management, and Junior Management roles.

In FY 2024-25, we continued our efforts to ensure that remuneration is based on role responsibilities, performance, and market benchmarks, irrespective of gender. Our periodic analysis of pay ratios help us stay informed about evolving workforce dynamics and supports our ongoing focus on equitable talent development.

HFE's commitment to gender equity is not just a compliance requirement but a deliberate strategy to create an inclusive workspace where talent thrives irrespective of gender. Going forward, HFE aims to narrow the pay disparity by focusing on two strategic pillars:

- Increasing the representation of women in management roles through targeted leadership development programs and recruitment policies.
- Periodically refining the remuneration framework using data analytics from our HRIS platform, ensuring objective, data-driven decision-making.

Employee category	Basic salary of male employee	Basic salary of female employee	Ratio of basic salary of female to male employee	Total remuneration of male employee	Total remuneration of female employee	Ratio of basic salary of female to male employee
Top Management	2,494,170.00	0.00	0	113,069,040.00	0	0.00%
Senior Management	6,534,791.00	230,708.00	3.53%	250,838,700.00	10710004.00	4.27%
Middle Management	7,815,203.00	492,857.00	6.31%	324,550,116.00	20888684.00	6.44%
Junior Management	5,641,119.00	1,194,368.00	21.17%	233619749.00	37608412.00	16.10%

Anti-Harassment and Grievance Redressal Mechanisms

Recognizing the moral and legal imperatives of a safe work environment, HFE has implemented a comprehensive anti-harassment policy aligned with the Sexual Harassment of Women at Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The policy unequivocally prohibits all forms of harassment and discrimination. We conduct regular training and sensitization workshops to ensure that every employee understands their rights and the process for escalation if required.

A confidential grievance redressal enables employees to report incidents safely and securely. The grievance redressal committee, composed of senior management and HR representatives, investigates all complaints thoroughly and impartially and provides resolutions within a period of one month. As of the reporting period, no grievances were filed.

New Hires and Exits

To strengthen talent readiness, HFE has developed structured campus hiring initiatives aimed at attracting a diverse pool of candidates from premier institutions such as IITs, IIMs, and those specializing in power and renewable energy management. Additionally, the company collaborates with leading academic institutions like IIMs and London Business School to offer specialized learning programs, while placing a strong emphasis on leadership coaching to nurture future leaders.

In FY 2024-25, HFE onboarded 150 new employees, strengthening various functions critical to our renewable energy operations. Meanwhile, 67 employees exited the organisation owing to personal and professional reasons. The voluntary turnover rate remained at 18.5%, which is lower than industry averages.

Total new hires in FY 25

		<30 years		30-50 years		>50 years	
Total employees	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Total	**15**	**20**	**105**	**1**	**9**	**0**
Top Management	0	0	0	0	0	0
Senior management	0	0	1	0	3	0
Middle management	0	0	26	0	4	0
Junior management	15	20	78	1	2	0
Non-management	0	0	0	0	0	0
Field employees	0	0	0	0	0	0
Executives on contract	0	0	0	0	0	0

Total exits in FY 25

		<30 years		30-50 years		>50 years	
Total employees	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Total	**9**	**1**	**52**	**2**	**3**	**0**
Top Management	0	0	0	0	0	0
Senior management	0	0	2	0	2	0
Middle management	4	0	22	1	1	0
Junior management	5	1	28	1	0	0
Non-management	0	0	0	0	0	0
Field employees	0	0	0	0	0	0
Executives on contract	0	0	0	0	0	0

Parental Leaves

Our parental leave policies are progressive and aligned with government mandates to support our employees to balance their personal and professional aspirations. In FY 2024-25, 13 employees availed parental leave, comprising 12 male and 1 female employee. All employees returned to work post completion of their parental leave, which is indicative of HFE's supportive workplace environment and flexibility offered to employees during key life stages.

Categories	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Employees entitled for parental leave	No.	249	269	352
Employees that took parental leave	No.	13	17	13
Employees that returned to work in the reporting period after parental leave ended	No.	13	17	13
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	No.	13	17	13
Retention rates of employees that took parental leave	%	100%	100%	100%

Rate of Return to Work after availing Parental Leave: 100%

Employee Benefits and Engagement

HFE offers a comprehensive benefits program to promote employee welfare. We tailor our benefits package to reflect both industry benchmarks and individual competencies, ensuring meaningful recognition and reward for performance. Our practices are firmly rooted in compliance with key labour regulations, including the Shop and Establishment Act, Contract Labor Registration Act, Equal Remuneration Act, and Minimum Wages Act, guaranteeing fair and equitable treatment for all employees.

We offer Group Medical Coverage (GMC), Group Personal Accident (GPA) insurance and disability coverage to safeguard health and financial security.

Engagement is driven by structured initiatives such as annual surveys covering trust, transparency, agility, and culture. In the 2024-25 cycle, these efforts yielded a strong engagement score of 4.3 out of 5.

During FY 2025, we conducted an internal employee engagement survey to assess employee perceptions across many key dimensions such as work process, culture, leadership, collaboration and communication. The survey results recorded an overall organizational score increase of 4.36 in FY 2025, compared to 4.34 in FY 2024, reflecting consistent progress in workplace culture, leadership effectiveness, and operational clarity.

Freedom of Association

At HFE, we recognise and respect every employee's right to freedom of association, including the right to form or join unions, as outlined under applicable national labour laws. At present, no unions have been formed within our operations, and we have not received any requests from employees to establish one. Our regular interactions with employees and feedback mechanisms indicate that people are aware of their rights and feel empowered to raise concerns or suggestions directly through our established engagement channels. We remain committed to upholding this fundamental right and ensuring that employees always have the freedom to exercise it without any interference, pressure, or disadvantage.

Performance Reviews and Career Feedback

At HFE, we recognise that systematic performance management and structured career development are fundamental to nurturing talent, driving high performance, and supporting long-term employee growth. Our performance management framework is designed to be holistic, transparent, and aligned with individual aspirations as well as organizational objectives.

HFE emphasizes continuous feedback through bi-annual performance reviews. The appraisal cycle begins with a collaborative goal-setting exercise, where employees and managers jointly define achievable and measurable targets for the next six months. Employees and managers collaboratively establish Individual Development Plans (IDPs), enhancing performance by measurable goals.

During FY 2024-25, 100% of our employees underwent performance appraisal. The appraisal framework integrates behavioural competency assessments (15%) and Key Result Areas (KRA) Assessments (85%) to ensure a comprehensive evaluation process.

We also actively promote internal mobility to enable employees to explore new roles across departments, thereby broadening their skills and enhancing cross-functional collaboration. In FY 2024-25, internal mobility accounted for 2% of role transitions, demonstrating our commitment to leveraging internal talent for business growth.

By embedding continuous feedback, structured learning pathways, and transparent development discussions into our culture, we ensure that every employee can grow professionally while contributing meaningfully to HFE's renewable energy mission.

Empowering Talent through Digital HR Solutions

HFE continues to innovate and strengthen its human resources practices to create a seamless, data-driven employee experience. In FY 2024-25, we undertook focused HR initiatives that reflect our strategic commitment to modernization and employee empowerment.

We have successfully implemented and been operating the **Human Resource Information System (HRIS),** an integrated digital platform designed to manage the entire employee lifecycle-from onboarding to exit. This system provides a single source of information for employee data, significantly improving data accuracy, administrative efficiency, and decision-making capabilities. Our HRIS supports real-time analytics, offering valuable insights into workforce demographics, skill gaps, attrition trends, and training effectiveness. By centralizing processes such as leave management, performance tracking, training management, and payroll, HRIS enables us to respond more effectively to employee needs, reduce manual paperwork, and enhance overall user experience.

Training and Development

Continuous learning and upskilling are non-negotiable pillars of HFE's human capital strategy. In FY 2024-25, we reinforced our investment in learning by ensuring that every employee completed a minimum of 13.8 hours of formal training annually. During the reporting period, our training programs were strategically designed to enhance the knowledge, skills, and confidence essential for thriving in today's dynamic work environment, fostering both personal development and overall organizational success.

Our training programs are strategically designed to address the evolving needs of the renewable energy sector, focusing on both technical competencies and leadership development. Technical training modules covered cutting-edge topics such as green hydrogen production, real-time control (RTC) systems, advanced solar photovoltaic technologies, and battery energy storage solutions. These programs were developed in collaboration with industry leaders and technical institutes, ensuring that the content remains aligned with market advancements.

Furthermore, external learning opportunities, such as professional certifications and advanced degrees, were encouraged and supported by HFE through financial sponsorships and flexible work arrangements. The result was a 57.14% year-on-year increase in certified renewable energy professionals within the organization.

The following table provides an account of training conducted for our permanent employees:

Parameter	FY 22-23	FY 23-24	FY 24-25
Total number of male participants	**714**	**281**	**368**
Hours of training of male participants	1850	4485.10	3715.89
Total number of female participants	62	34	**58**
Hours of training of female participants	133	272	**1061**

As we advance our renewable energy mission, we will continue to invest in initiatives that support skill development, career progression, and a positive work environment. By fostering an adaptive and inclusive culture, we aim to ensure that every employee is empowered to contribute meaningfully to our collective journey.

Human Rights

In order to strengthen our commitment towards human rights, we have recently rolled out a structured Human Rights Awareness e-learning module for employees, contractors, and suppliers. The self-paced training, delivered through a 30-minute interactive digital format, is designed to build foundational awareness of the company's human rights policy and applicable protections. The module covers critical human rights themes such as equal opportunity, and non-discrimination, zero tolerance for harassment, prevention of child and forced labour, among others. It also enables participants to understand due diligence expectations, reporting channels, and grievance redressal mechanisms. By embedding real-life scenario-based case studies, the training program strengthens ethical awareness and reinforces individual responsibility across the extended workforce.

Occupational Health & **Safety (OHS)**

The health, safety, and well-being of our employees are paramount at Hero Future Energies. Our OHS framework is meticulously designed to ensure that every employee operates in a safe, secure, and healthy environment. Our primary operations and maintenance contractors hold ISO 9001:2008, ISO 45001:2018, and ISO 14001:2015 certifications, reflecting adherence to our rigorous standards for quality, safety, and environmental responsibility.

Our HSE policies and practices are guided by global best practices and leading international frameworks, including the Equator Principles, IFC Performance Standards, ISO 45001, and ISO 14001.

Governance Structure and Oversight

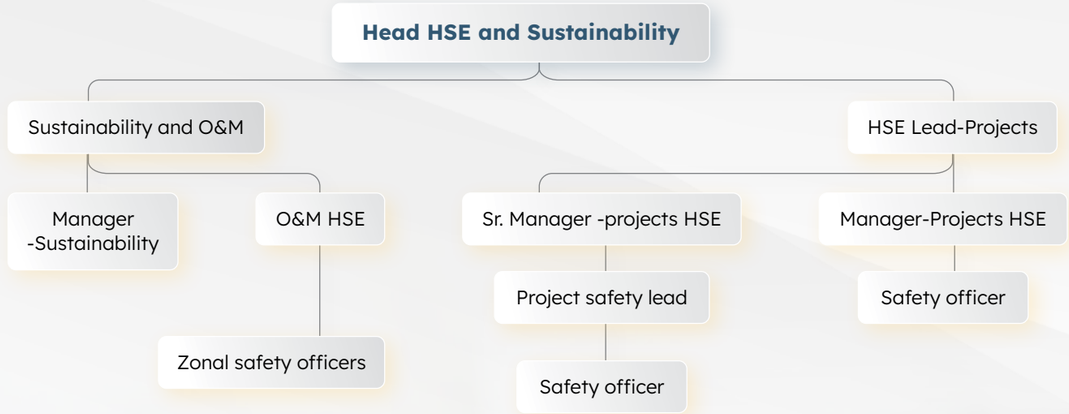
Our governance framework consists of a multi-tiered system ensuring rigorous oversight, accountability and continuous improvement. Our **Corporate Health, Safety, and Environment (HSE) Committee,** which is guided by our ESGMF framework, oversees strategic policy formulation, performance monitoring, and regulatory compliance. At the site level, dedicated Safety Committees are responsible for implementing site-specific protocols, conducting regular risk assessments, and ensuring that operational safety aligns with corporate objectives.

The Enterprise Risk Management (ERM) Committee plays a pivotal role in identifying and mitigating emerging safety risks, particularly relevant in our dynamic renewable energy projects.

HSE Composition and Governance Hierarchy

HFE operates a structured grievance redressal mechanism to ensure fair, timely and transparent resolution of concerns. The process is overseen through a three-tier committee structure. At the first level, grievances are addressed by the site supervisor, contractor site HR officer, and liaison officer to enable quick, on-ground resolution. The second level involves the EHS supervisor, liaison officer, and the site HR head for escalation review. The final level provides corporate oversight and includes the Chief Executive Officer, HSE Manager, and Corporate HR, ensuring impartiality, accountability and consistency.

The Head of HSE & Sustainability reports directly to the CEO and Managing Director, ensuring board-level oversight of our HSE governance. To reinforce accountability and continuous improvement, the CEO and MD lead monthly review meetings focused on evaluating HSE performance metrics and key indicators.



Safety Performance and Training

FY 2024-25 was marked by zero reportable workplace injuries and fatalities, underscoring the effectiveness of our proactive safety strategies. We conduct regular site audits and hazard assessments to pre-emptively identify potential risks and implement corrective measures.

Employees				
Category	**Unit**	**FY 2024-25**	**FY 2023-24**	**FY 2022-23**
Fatalities	Nos.	0	0	0
Occupational disease cases	Nos.	0	0	0
Total recordable work-related injuries	Nos.	0	0	0
Lost time injuries	Nos.	0	0	0
Lost time injury frequency rate (LTIFR)	Nos.	0	0	0

Contractors				
Category	**Unit**	**FY 2024-25**	**FY 2023-24**	**FY 2022-23**
Fatalities	Nos.	0	0	0
Occupational disease cases	Nos.	0	0	0
Total recordable work-related injuries	Nos.	17	4	14
Lost time injuries	Nos.	0	0	0
Lost time injury frequency rate (LTIFR)	Nos.	0	0	0

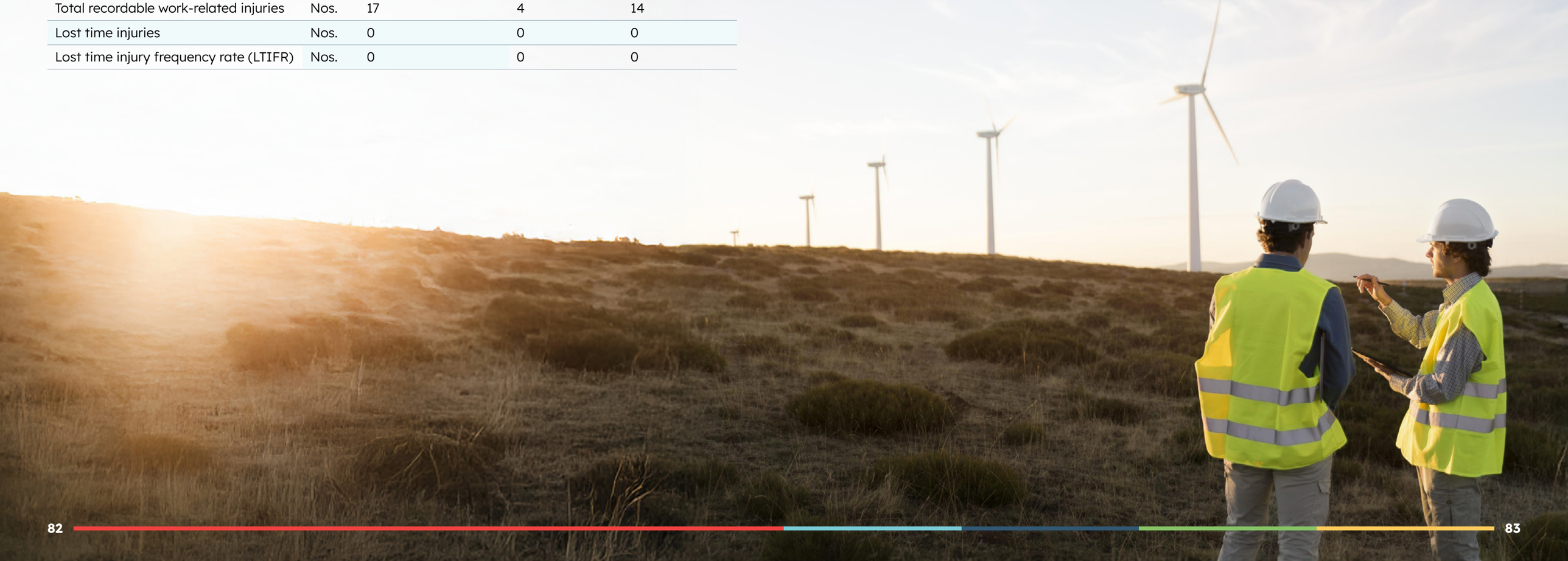
Training remains the cornerstone of our safety strategy. Every employee, from corporate office personnel to frontline site workers, undergoes mandatory safety training tailored to their roles. These sessions include general safety awareness, emergency response protocols, electrical safety practices, and PPE usage guidelines.

Special emphasis is placed on training site workers, who often operate in high-risk environments.

The safety curriculum for site workers covers essential modules such as risk analysis, emergency preparedness, near-miss identification, safe material handling, confined space entry, and fire prevention. These trainings are delivered through a mix of classroom sessions, hands-on simulations, and digital modules, ensuring comprehensive coverage and practical application.

Parameters	**Unit**	**FY 2023-24**	**FY 2024-25**
Total No. of Trainings	Nos.	732	750
Total Training Man-hours	Nos.	11316	20643
No. of HSE Induction trainings provided	Nos.	1762	2965
No. of Mock Drills conducted	Nos.	225	309

A strong safety culture reflects a responsible and forward-looking organization. Our focus remains on continuously strengthening safety systems, enhancing employee awareness, and embedding risk prevention into every aspect of our operations. This ongoing commitment ensures that safety is not just a process, but a shared value across all levels of the organization.



CSR and Social **Responsibility**

Our Philosophy of Social Responsibility

At HFE, we believe that sustainability goes hand in hand with social responsibility. We understand that our projects and operations are closely tied to the well-being of the people who live in and around our sites, and therefore, our growth must be inclusive, equitable, and rooted in shared value.

Our Corporate Social Responsibility (CSR) agenda reflects this belief. It is designed to go beyond compliance and create long-term impact in communities. We remain committed to expanding educational opportunities, boosting employability through skill development, promoting water conservation, safeguarding the environment, and strengthening community resilience across some of India's most underserved regions.

Our programs are closely mapped to the global Sustainable Development Goals that guide our responsibility towards people and the planet.

SDG 4: Promoting Quality Education

SDG 5: Gender Equality

SDG 6: Clean Water and Sanitation

SDG 13: Climate Action

CSR Reach and Expenditure

In FY 2024-25, we invested ₹31.81 million towards CSR programs in 39 villages across India in collaboration with our implementing partner Raman Kant Munjal Foundation (RKMF). This investment directly benefited 17,116 people and touched on the lives of an additional 76,105 people indirectly. We also expanded infrastructure support in education by setting up computer labs and classrooms that benefited 3,881 students and contributing towards the infrastructure development of 10 high schools.

The scale and breadth of these initiatives highlight our commitment to making meaningful differences in the lives of people, especially those belonging to vulnerable and marginalized groups.

In FY 2024-25, our employees actively participated in volunteering initiatives, dedicating a total of 120 hours.

Flagship CSR Interventions

01 Education and Skill Development

Education has been a cornerstone of our CSR agenda. Through **Asha Education Centres,** we provided remedial education to **1975 children** across a total of 46 villages, ensuring continuity of learning and bridging gaps for those at risk of dropping out. Our focus on inclusivity meant that all beneficiaries came from marginalized backgrounds.

To enhance employability, we invested in **Skill Centres** offering computer literacy, reaching **540 youth and women.** In today's advancing digital economy, this intervention not only helps individuals secure better livelihoods but also contributes to bridging the digital divide in underserved areas.

In addition, our **Scholarship Program** extended financial support to **11 children,** enabling them to continue higher education despite economic barriers. Meanwhile, **School Transformation initiatives** improved infrastructure, teaching quality, and facilities for **826 students,** creating a better environment for learning.

Together, these programs lay the foundation for long-term socio-economic upliftment by equipping children and youth with the rights tools to succeed.

02 Water Conservation and Accessibility

Water scarcity continues to be a pressing challenge in many of the regions where we operate. To address this, we implemented multiple initiatives:

- Check dams have benefitted 500 farmer families by ensuring water availability for agriculture and household needs.
- Water ATMs provided 1,500 families with reliable access to safe drinking water.
- The Solarizing Juliet-3 project for the Border Security Force (BSF) supported 1,200 individuals installing 10 KW power plant for electricity.

These initiatives have not only improved health outcomes and addressed the challenges in accessing clean water but have also strengthened climate resilience by addressing drought risks in vulnerable districts.

03 Environmental Stewardship through Plantation

In FY 2024-25, we expanded our green cover by planting 10,000 saplings across project sites. Importantly, the initiative recorded a 100% survival rate, with saplings that could not survive being immediately replaced.

The plantation program contributes to climate mitigation by acting as carbon sinks, supports biodiversity by creating micro-ecosystems, and improves the local environment by reducing soil erosion and enhancing groundwater recharge. Over time, these plantations also provide shade, improve air quality, and create green community spaces, linking environmental stewardship to community well-being.

Impact of CSR Initiatives in FY 2024-25

In FY 2024-25, independent impact assessments across Rajasthan and Madhya Pradesh highlighted the tangible benefits of HFE's CSR programs.

- Safe Drinking Water: Water ATMs provided by HFE in Pratapgarh, Devgarh, Alote, and Khiledi led to a 50% drop in fluoride-related health issues and a 60% reduction in household water costs.
- Water Conservation: Check dams improved water accessibility by 80%, resulting in a 25% increase in crop yields and a 20% rise in farmer incomes.
- Skill Development: Centres in Rajasthan and Madhya Pradesh reduced unemployment to 5% from 25% (2018 baseline), raised income contribution to 65% from 20%, and improved women's financial autonomy from 10% to 40%.
- Education: Remedial classes for 1975 students showed strong outcomes, with 58% of Grade 5 students mastering division (vs. 26% national rural average, ASER 2023) and 75% of Grade 3 students reading fluently (vs. 42% national average).

These findings reaffirm HFE's focus on delivering scalable, measurable impact in health, water, livelihoods, and education, creating long-term value for communities.

Monitoring, Evaluation, and Community Engagement

To ensure accountability and effectiveness, all CSR programs are monitored using a mix of quantitative indicators (such as beneficiaries reached, saplings planted, volunteer hours contributed) and qualitative indicators (such as community feedback, focus group discussions, impact stories).

We maintain continuous dialogue with communities through forums, village meetings, and direct feedback platforms. This participatory approach ensures that our programs are designed around actual needs and that communities feel ownership over the outcomes.

Regular evaluation also helps us identify areas of improvement, scale up successful models, and ensure that the benefits of our CSR efforts are sustained over time. Looking ahead, HFE remains committed to creating lasting socio-economic impact through strategic expansion of its CSR initiatives. In FY 2025- 26, HFE plans to scale up their social impact initiatives to two new locations in Doni, Karnataka & Satara, Maharashtra.

These centres will focus on empowering local communities by offering industry-relevant vocational training and upskilling programs tailored to meet the growing needs of the renewable energy sector. The objective is to not only enhance employability but to also foster sustainable livelihoods, bridging the skill gap in underserved regions. Secondly, HFE plans to expand the footprint of its Asha centres to a target of 100 centres. These centres will serve as community hubs offering a range of services, including healthcare, education, digital literacy, and women's empowerment programs.

We remain committed to aligning our CSR vision with national development priorities and global sustainability goals, ensuring that the benefits of renewable energy extend beyond clean power to meaningful social transformation.

Supply chain and **Responsible Sourcing**

Our operations are built on accountability and transparency. We have developed robust procurement and due diligence systems to ensure that all contractors, vendors, suppliers, and service providers align adhere to these standards and values.

Integrated Delivery Models and Capabilities

We leverage fully integrated engineering, procurement, and construction (EPC) capabilities to reduce dependency on third-party contractors and accelerate project delivery. Our expertise and strong industry relationships enable us to operate under both Build-Own-Operate and EPC models, ensuring flexibility and cost-efficiency across solar, wind, and hydrogen energy projects.

Domestic Manufacturing and Procurement Strategy

To support domestic manufacturing and strengthen quality control, the national policies restrict the use of lower-cost imported components. This has led to increase per-megawatt costs for renewable energy projects. The price gap between domestically manufactured components compliant with regulatory standards and international alternatives can vary significantly depending on project specifications. As a result, domestic procurement has become a strategic priority, requiring careful evaluation of safety, quality, and performance standards when sourcing materials and technologies from local suppliers.

Sustainable Supply Chain and Due Diligence

We are committed to conducting due diligence—wherever feasible—on labour practices across our supply chain, including subcontractors, suppliers, and recruitment agencies. This includes:

- Establishing clear expectations and contractual obligations.
- Implementing monitoring mechanisms to ensure compliance with labour standards.
- Preventing labour exploitation and abuse throughout the supply chain.

We prioritize sourcing raw materials from suppliers that follow sustainable mining practices and comply with environmental regulations. We also promote recycling and closed-loop supply chains to reduce reliance on new resource extraction. Environmental assessments of raw material extraction—especially for battery and hydrogen technologies—consider impacts such as habitat destruction and water pollution.

In addition, our supplier contracts for heavy machinery and equipment typically include comprehensive operations and maintenance (O&M) services for a defined period, often with renewal options throughout the asset's operational life. These O&M measures are aimed at prolonging the life and usage of machinery and reducing our environmental footprint.

Accounting for sustainability risk in procurement

Sustainable supply chain risks refer to potential disruptions or adverse environmental, social, and ethical impacts. Key risks that we account for making procurement decisions include:

- **Conflict minerals:** Materials sourced from conflict zones may contribute to human rights violations and environmental degradation.
- **Exploitative labour:** Suppliers engaging in child labour or unsafe working conditions pose ethical and legal risks.
- **Poor working conditions:** Inadequate workplace standards can lead to negative social outcomes.
- **Non-compliance:** Failure to adhere to environmental or social regulations may result in legal and reputational consequences.
- **Human rights violations:** Involvement in forced labour or other abuse can severely damage the company's reputation.

To mitigate these risks, we conduct thorough supplier assessments and enforce procurement and supply chain policies aligned with sustainability and ethical standards.

Supplier code of conduct and supplier assessments

The Supplier Code of Conduct (SCC) of Hero Future Energies (HFE) sets out clear expectations for ethical, sustainable, and responsible procurement practices across all suppliers, subcontractors, and associated entities. It establishes non-negotiable minimum standards covering compliance with local laws, zero tolerance for corruption and bribery, and transparency in dealings.

- **Human Rights and Equal Opportunities:** The SCC emphasizes respect for human rights, including prohibition of child and forced labour, fair wages, equal opportunities, and freedom of association.
- **Environment, health and safety:** The SCC prioritizes Environmental, health, safety, and social responsibilities are central, requiring suppliers to comply with environmental regulations, use resources efficiently, manage waste responsibly, and provide safe working conditions. Suppliers must also align with HFE's policies on biodiversity, no deforestation, and occupational health and safety.
- **Transparency and Fair operating practices:** Fair operating practices are mandated, with strict rules against conflicts of interest, corruption, and unfair competition. Monitoring, record-keeping, and formal acknowledgment of the Code are integral, ensuring accountability and continuous improvement in supplier performance.
- **Quality and safety:** All products and services must meet HFE's quality and safety standards, and suppliers are expected to adopt emergency preparedness measures in line with HFE's response programmes.
- **Supplier Assessments:** A comprehensive Supplier assessment is conducted to evaluate suppliers; each supplier is evaluated based on a comprehensive questionnaire based on the key parameters in line with SCC. Suppliers are accepted, given conditional acceptance, pegged at low priority and rejected. Status of supplier assessments conducted is provided in KPIs for Supplier Screening (DJSI 1.7.5) and KPIs for Supplier Assessment and/or Development (DJSI 1.7.6) respectively.

IT & Cybersecurity

The reliability and protection of information technology (IT) systems have become key foundations for business continuity and resilience in an increasingly digital world. Ensuring uninterrupted access to networks, applications, and data is essential, as any disruption or performance lapse can result in operational challenges, financial impact, regulatory consequences, and reputational damage.

Threats such as cyber-attacks, data breaches, technical failures, and environmental hazards continue to pose significant risks. To address these, we place strong emphasis on safeguarding sensitive information and fortifying our digital infrastructure, thereby securing the trust of our stakeholders and enabling seamless operations.

Our proactive measures in IT and cybersecurity have been recognised externally, Through continuous investment and vigilance, we remain committed to maintaining the integrity, availability, and reliability of our systems.

Our approach to cybersecurity is built on strong governance, clear policies, and continuous oversight from leadership. We protect critical systems and data through structured initiatives backed by industry-recognised certifications. Regular audits and penetration testing provide assurance of our defenses while highlighting areas for improvement. Equally, we focus on building a culture of awareness, making security an everyday responsibility across the organisation rather than a compliance requirement.

Governance and Policies

Leadership

We have a defined governance structure for managing cybersecurity and information technology. The function is led by our Chief Intelligence Officer, Vinod Sharma, with support from the Information Security Officer, Head of End User Services, and Head of Digital Initiatives. The structure is split into three functions to ensure focus and accountability: safeguarding data and systems, managing secure employee access, and driving secure digital adoption.

Digital Governance Committee

Our Digital Governance Committee (DGC) oversees new initiatives, policy updates, training, audits, incident reviews, and future measures, keeping senior leadership informed on challenges and improvements. As the backbone of our governance framework, the DGC ensures continuous enhancement of our practices and strengthens our position as a sector leader.

We are ISO/IEC 27001:2022 certified and adhere to the Center for Internet Security (CIS) Controls. This demonstrates our ongoing compliance with global standards, regulatory requirements, and industry best practices to protect our core business operations and data.

Policies

We have clear policies to govern information security and data privacy. The Information Security Policy defines responsibilities, procedures, and controls to protect confidentiality, integrity, and availability of information, with oversight from the Chief Information Security Officer and the Digital Governance Committee. It mandates risk identification, regulatory compliance, training, and regular audits. Complementing this, the Website Privacy and Cookie Policy sets out how personal data is collected, processed, and safeguarded, in line with GDPR and local requirements.

IT & Cybersecurity Infrastructure

We maintain a robust and layered IT backbone that supports diverse business functions while securing uninterrupted access to essential systems and data. Our setup spans across cloud platforms, industrial control systems, and dedicated SAP environments for testing, quality, and recovery needs. It also covers core production tools, document management, and advanced cloud-native cybersecurity safeguards. To ensure resilience, our primary and backup data centers are placed in separate locations, allowing us to achieve near-zero recovery time and data loss targets.

Business Continuity and Resilience

With an extensive infrastructure comes the responsibility to safeguard and sustain it. To achieve this responsibility, we have implemented a comprehensive Business Continuity and Incident Management framework designed to keep our systems resilient, secure, and functional even during cyber incidents or major disruptions. At its core, the framework prioritizes critical applications such as enterprise resource systems and content management platforms, ensuring that essential operations remain uninterrupted.

Every security event is managed through a structured sequence that includes containment, forensic investigation, root cause analysis, and corrective measures to prevent recurrence. This approach is reinforced by timely regulatory notifications and transparent communication with stakeholders, maintaining both compliance and trust. To ensure readiness, we conduct regular simulation exercises, recovery drills, and training programs that keep our practices effective and up to date.

To safeguard our systems round the clock, we run 24x7 monitoring operations. This continuous oversight allows us to detect unusual activity quickly and respond before it becomes a serious risk. By doing so, we strengthen our ability to counter even the most sophisticated cyber threats.

We also use a set of advanced protective tools to secure our digital environment. These include measures to prevent data loss, detect suspicious behavior, filter unsafe content, and regulate safe access to the internet and our internal networks. Each of these layers works together to keep our data and operations protected.

Access control is another critical area where we follow a “Zero Trust” access is tightly managed, whether inside or outside the organization. Privileged Access Management tools help us strictly control, monitor, and secure high-level accounts, reducing the chances of misuse or unauthorized access

IT Risk Management

Desktop Simulations

Tabletop exercises, conducted by external specialists, create potential cyber incidents in a controlled setting. These sessions are important because they test how well teams respond under pressure, ensure roles and responsibilities are clear, and reveal gaps in coordination. The impact is stronger preparedness and quicker recovery when real incidents occur, reducing downtime and business disruption.

External Audits

Independent audits of IT governance and software controls provide an impartial view of our digital systems. They are important for confirming compliance with regulations and industry standards, while also identifying areas where controls can be strengthened. The impact is greater confidence in the resilience of HFE’s systems and assurance for leadership, stakeholders, and clients that critical operations remain secure.

External Cyber Risk Report

External risk reviews look at four critical areas how well our controls work, how securely our most valuable assets are protected, the strength of our system access management, and whether there are any hidden weaknesses. These reviews are important because they highlight weaknesses that may not be visible in day-to-day operations. The impact is better prioritization of risks, stronger protection of vital assets, and greater confidence that defenses are working as intended.

Penetration & Vulnerability Analysis

Vulnerability scans and penetration tests simulate how attackers might attempt to breach systems. This practice is important because it exposes weaknesses before they can be exploited. The impact is stronger safeguards against intrusions, reduced chances of data loss, and greater assurance of operational continuity.

Training and Awareness Programs

This year, we conducted over 23 cybersecurity training programs to strengthen our workforce’s digital awareness and resilience. These sessions covered a wide range of topics including cyber threats, attack patterns, data security best practices, malware risks, and operational technology (OT) threats. Mandatory courses such as Password Security Training, Social Media Awareness, and Cyber Awareness ensure that all employees are trained in safeguarding sensitive information.

We recognise the importance of employee awareness as a core defense mechanism. Through regular awareness programs and phishing simulations, we help employees recognise and respond to potential threats by embedding security into daily operations and reinforcing a culture of accountability.

Complaints

Over the past three years, we have recorded zero cybersecurity complaints. This outcome demonstrates not only the strength of our safeguards but also the trust we have built with our stakeholders. By maintaining vigilance and a proactive response system, we continue to provide a secure digital environment that protects our operations and reinforces stakeholder confidence.

Category	Unit	FY2024-25	FY 2023-24	FY 2022-23
Complaints Concerning Breaches of Customer Privacy, Thefts and Losses of Customer Data	No.	0	0	0
Total Number of Information Security/Data Breaches	No.	0	0	0
Total Number of Clients, Customers and Employees Affected by the Breaches	No.	0	0	0
Percentage of Data Breaches Involving Personally Identifiable Information of Customers	Percentage	0	0	0
Impact, If Any, of the Data Breaches	Monetary	0	0	0
Number of Customer Complaints on Data Privacy	No.	0	0	0

As we look ahead, we remain focused on strengthening our digital resilience in step with a rapidly evolving threat landscape. Our goal is not only to safeguard information and systems but to enable innovation and trust across every part of our business. By combining robust infrastructure with a culture of shared responsibility, we aim to create a secure digital environment that supports growth, empowers our people, and protects the confidence our stakeholders place in us.

ESG Performance Tables

Company Overview

Company Data	FY22	FY23	FY24	FY25
Revenues in reporting currency (Rs. millions)	15,774.56	14,645.05	14,971.00	14,709.11
Revenues (USD millions)	207.83	178.38	179.62	172.12
Total Employees	288	191	269	344
Generation in FY (MWh)	29,89,800	30,28,070	31,44,240	31,95,390

Governance KPIs

Corporate Governance

Board Accountability (DJSI 1.2.6)

Average board meeting attendance is above 75%	The Board meeting attendance as of FY25 was 85.42%
Shareholder approval required for changes in bylaw	Yes, bylaw changes require approval from shareholders; the latest change to bylaws was made on 16th April 2025 with approval from shareholders.
The company has board members with 4 or less other mandates	Yes, the board has members with 4 or less other mandates: • Mr Anuj Agarwal (3 others) • Mr Sumit Kumar Roy (2 others) • Mr Harish Pant (3 others)
CEO succession plan is in place	The CEO succession plan establishes a structured framework for managing both planned and unplanned leadership transitions within the organisation. For emergency situations involving sudden vacancies, an interim CEO is appointed for a maximum of 10 months, with the Board Chairperson required to convene an emergency meeting within 7 days to address the situation. For planned transitions such as retirement or end of tenure, the planning process begins at least one month in advance, incorporating a formal 15-day handover period to ensure continuity. The plan includes identification of both internal and external candidates, with successor development occurring through mentoring programs. The selection process involves comprehensive evaluations, assessments, stakeholder interactions, and board interviews, with final approval resting with the Board. The plan also outlines structured transition and communication strategies while maintaining confidentiality throughout the process. The Nomination and Remuneration Committee reviews the plan annually to ensure its ongoing relevance and effectiveness.
Board performance reviews are in place	Being a private company, HFE is not mandated to hold performance reviews. Post private-to-public transfer of the company, there will be requirements arising from the Companies Act, 2013
There is no limitation on directors' liabilities	As per industrial by-laws, limitations apply to company directors as per the applicable laws on Hero Future Energies.
Board members are elected on an annual basis	Not applicable. In India, rotational periods are applied to directors, mostly in public companies. Hero Future Energies is a private entity and hence does not have any electoral requirements so far.

Average Board Tenure (DJSI 1.2.7)

Average Tenure of board members in years	2.23

CEO Compensation- Success Metrics (DJSI 1.2.9)

CEO compensation is based on both financial and non-financial performance indicators. Safety, Financial performance, Project execution, fundraising and investments. Performance across these metrics have an impact of CEO compensation.

CEO-to-Employee Pay Ratio (DJSI 1.2.15)

Employee Compensation	Median Employee Compensation	Mean Employee Compensation
Median or mean annual compensation of all employees except the Chief Executive Officer (or any equivalent position):	15,00,020	25,02,038
The currency used in the table:	INR	

Risk and Crisis Management

Emerging Risks (DJSI 1.4.2)

Area	Emerging Risk 1	Emerging Risk 2
Risk Name	Cybersecurity & Physical Security Risks	Grid Constraints, Stability and Storage Infrastructure
Category	Technological	Technological
Description	Renewable generation assets are an emerging security risk because they are highly digitized, geographically dispersed, and often lightly staffed. Modern wind, solar, and battery systems depend on networked inverters, SCADA, and IoT sensors, expanding the cyber-attack opportunities and creating potential entry points into wider grid networks, that could invariably spiral into regional level cybersecurity issues. Remote, unmanned sites also face increased exposure to physical threats such as vandalism, theft, and sabotage, which can cause costly outages and safety hazards while being harder to detect and respond to quickly	Grid congestion, slow interconnection approvals and inadequate transmission, combined with weak grid flexibility and limited storage, lead to RE curtailment, imbalance charges and volatility in realised tariffs for Indian renewable generators, especially in high-RE states and remote resource-rich zones; this also heightens counterparty risk where offtakers cannot absorb variable output.

Impact	Negative	Negative
Mitigating Action	At HFE, we mitigate these risks by implementing robust cybersecurity controls and incident response plans, and by securing all remote monitoring and control systems through encryption and network segmentation. We strengthen physical security at our remote sites with fencing, surveillance, and alarms, and regularly train our staff while engaging third parties to independently review and enhance our security posture.	Engage early with central and state transmission utility providers to secure capacity and align commercial operations dates with evacuation readiness. We will also prioritise sites with robust grid access and flexible demand while working on co-locating battery storage to firm output and reduce stoppage. We have actively started investing in and developing advanced forecasting, SCADA and dynamic line-rating tools. Working internally we shall also engage with and support regulatory advocacy for accelerated grid upgrades, storage-linked tenders and clear curtailment compensations to ensure that industrial regulations move the needle to meet emerging requirements and curtails national risks.

Business Ethics

Code of Conduct (DJSI 1.5.2)

Apart from our public policies, our internal Employee Handbook covers topics including the whistleblower mechanism and our commitment to sustainability, the environment, health and safety. Our 'Green Code' details best practices and office SOPs for equipment use such as unplugging appliances and water management practices. We also have policies on laptop recycling.

For whistleblowers, the company has the following actions:

Fill the Whistleblowing Form available at Hero Future Energies website (Link: https://www.herofutureenergies.com/whistleblower-policy). This Form allows individuals to remain anonymous.

- Send emails at whistleblower@herofutureenergies.com; complaints sent to this ID are handled by an independent third party.
- Raise the concern in person to the Head of Risk & Internal Audit.

Reporting on Breaches (DJSI 1.5.5)

Reporting areas	Number of breaches in FY 2023-24	Number of breaches in FY 2024-25
Corruption or Bribery	0	0
Discrimination or Harassment	0	0
Customer Privacy Data	0	0
Conflicts of Interest	0	0
Money Laundering or Insider trading	0	0

Policy Influence

Contributions and other spending (DJSI 1.6.1)

Association Type	FY 2022-23	FY 2023-24	FY 2024-25
Lobbying, interest representation or similar	0	0	0
Local, regional or national political campaigns/ organizations/candidates	0	0	0
Trade associations or tax-exempt groups (e.g. think tanks)	40,00,000	1,02,50,000	73,58,153.08
Other (e.g. spending related to ballot measures or referendums)	0	0	0
Total contributions and other spending	40,00,000	1,02,50,000	73,58,153.08
Data coverage (as % of operations)	100	100	100

Largest Contributions and Expenditures (DJSI 1.6.2)

Topic	Corporate Position	Description of Position/ Engagement	Total spent in FY2024-25
Partnering for sustainable and inclusive growth	We support major institutions and industry bodies in joint knowledge ventures to support sustainable and inclusive growth	An active member of the association	20,00,000
Advancing RE technologies for ecosystem decarbonization	We are part of multiple renewable energy coalitions that act together to promote the adoption of renewable technologies across market sectors in India	An active member of the association	25,00,000

Other Large Expenditures

Organisation name	Type of Organisation and HFE's Engagement	Number of breaches in FY 2024-25
SPDA (Sustainable Projects Developers Association)	**Trade Associations:** HFE actively engages with the SPDA to ensure that we promote their culture and vision for "India to be powered by Clean and Green Energy". Through SPDA we collaborate with leading renewable energy peers to ensure that clean energy becomes a core driver to our overall green transition. With SPDA and its 46 other members, HFE helps in influencing decision-making and steering agendas around regulations, policies and subsidies for clean energy in India.	INR 1,50,000
GWEC (Global Wind Energy Council)	**Trade Associations:** HFE's engagement with GWEC strengthens our role in advancing global climate goals. By participating in GWEC's policy forums and industry working groups, we contribute to shaping a supportive regulatory landscape for wind power in India. This collaboration aligns our growth strategy with the Paris Agreement, as we jointly advocate for the accelerated deployment of clean energy, improved grid and market frameworks, and the rapid decarbonization of the power sector. Through GWEC, we amplify our impact and help drive India's transition to a low-carbon future.	INR 6,54,053 (EUR 7076)

Supply Chain Management

KPIs for Supplier Screening (DJSI 1.7.5)

Supplier Screening	FY 2023-24	FY 2024-25
1.1 Total number of Tier-1 suppliers	33	175
1.2 Total number of significant suppliers in Tier-1	9	29
1.3. % of total spend on significant suppliers in Tier-1	97	97
1.4 Total number of significant suppliers in non-Tier-1	0	0
1.5 Total number of significant suppliers (Tier-1 and non-Tier-1)	9	29

KPIs for Supplier Assessment and/or Development (DJSI 1.7.6)

Coverage and progress of supplier assessment programs

Supplier Assessment	FY 2023-24	FY 2024-25
1.1 Total number of suppliers assessed via desk assessments/ on-site assessments	18	186
1.2 % of unique significant suppliers assessed	100	100
1.3 Number of suppliers assessed with substantial actual/ potential negative impacts	5	11
1.4 % of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	20	27
1.5 Number of suppliers with substantial actual/potential negative impacts that were terminated	4	8

Environmental KPIs

Verification of Environmental Programs (DJSI 2.1.3)

Certification	Coverage
EMS is verified through international standards (e.g. ISO 14001, JIS Q 14001, EMAS certification). Please specify:	0
Third party certification / audit / verification by specialized companies. Please specify:	20%
Internal certification / audit / verification by company's own specialists from headquarters. Please specify:	80%
Total	**100%**

Energy Consumption

Category	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Total Non-Renewable Energy	GJ	21,730.97	18,989.92	14,335.20
Renewable Energy	GJ	29,491.2	33,206.40	42,270.31
Total Energy	GJ	51,222.17	52,196.32	56,605.51
Energy Intensity	GJ/Million INR	0.97	3.48	3.85

In FY 2024-25 our non-renewable energy consumption target was 14,709 GJ.

Waste

Category of Waste	Unit	FY 2023-24	FY 2024-25
Plastic Waste	MT	0	0
E- Waste	MT	19.51	19.73
Battery Waste	MT	13.68	15.75
Hazardous Waste	MT	38.00	36.44
Total Waste Generated	MT	71.19	71.72
Waste Intensity	MT/Million INR	0.004	0.004

Non-Hazardous Waste Disposed	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023 -24	FY 2024-25
Total waste recycled/ reused	MT	0	0	23.14	33.19	0
Total waste disposed	MT	22.58	5.4303	0	0	80.70

In FY 2024-25 our non-hazardous waste disposal target was 82 MT.

Hazardous Waste Disposed	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023 -24	FY 2024-25
Total waste recycled/ reused	MT	0	0	0	0	0
Total waste disposed (Waste incinerated without energy recovery)	MT	7.79	28.06	53.35	38	63.55

In FY 2024-25 our hazardous waste disposal target was 74 MT.

Water

Water Sources	Unit	FY 2022-23	FY 2023-24	FY 2024-25
Municipal Water Supplies (or from other Water Utilities)	KL	18,032.98	13,743	12,203.44
Fresh Surface Water (Lakes, Rivers, etc.)	KL	0	0	0
Fresh Groundwater	KL	80,360.10	1,02,080	86,309.29
Total Withdrawal	KL	98,393.08	1,15,823	98,512.73
Total Water Discharged	KL	0	0	0
Total Water Consumed	KL	98,393.08	1,15,823	98,512.73
Specific Water Consumption	KL/Million INR	6.72	7.92	6.69

In FY 2024-25 our fresh water consumption target was 1,02,964 KL.

Water consumption in water-stressed areas	UOM	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Water withdrawal (excluding saltwater)	million cubic meters	0.14	0.10	0.12	0.05
Water discharge (excluding saltwater)	million cubic meters	0	0	0	0
Total net fresh water consumption (A-B)	million cubic meters	0.14	0.10	0.12	0.05
Data coverage	million cubic meters	100	100	100	100

Water Consumption in Water-Stressed Areas (DJSI 2.4.3)

Water consumption in water-stressed areas	UOM	FY 2023-24	FY 2024-25
Total net freshwater consumption in water-stressed areas (Total water withdrawals – Total water discharges)	million cubic meters	0.05	0.05

Business Impacts of Water-Related Incidents (DJSI 2.4.4)

Incidents	Currency	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total actual and opportunity costs (e.g. forgone income) from water-related incidents	INR	0	0	0	0	0

Exposure to Water-Stressed Areas (DJSI 2.4.5)

Description	FY 2024-25
No. of production plants in last FY in water-stressed areas (e.g. <1700 m3/(person*year)	24
Total No of production plants in last FY	42
% of production plants in last FY in water-stressed areas (e.g. <1700 m3/(person*year)	57.14
% of Cost of goods sold (COGS) in last FY (if applicable)	Not applicable

Direct Greenhouse Gas Emissions (Scope 1) (DJSI 2.5.1)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Scope 1 in tCO2e	673	1,139	420.03	477.21	1,398.72

FY 2024-25 target for scope 1 emissions was 1,471 $mtCO_2e$

Indirect Greenhouse Gas Emissions (Scope 2) (DJSI 2.5.2)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Scope 2 in tCO2e	170	3,474.98	3,214.88	2,463.04	2851.11

FY 2024-25 target for scope 2 emissions was 2,941.8 $mtCO_2e$

Indirect Greenhouse Gas Emissions (Scope 3) (DJSI 2.5.3)

Scope 3 Category	UOM	FY 2023-24	FY 2024-25
Purchased Goods and Services	MTCO2e	33,496.90	22,447.55
Capital Goods	MTCO2e	300.20	70,525.89
Waste generated in operations	MTCO2e	11.09	75.32
Business travel	MTCO2e	164.38	229.08
Employee commuting	MTCO2e	354	463.23

Indicator	2023-24	2024-25
Total Emissions	37,266.82	93,741.07
Intensity (tCO2e/million INR)	2.49	6.37

Indicator	2021-22	2022-23	2023-24	2024-25
SF6	4	0	2	16
Data Coverage	100	100	100	100

Product Stewardship

Electricity Generation Mix (DJSI 2.7.4)

Generation Source	Gross Generation (GwH)	Share Generation (%)	Revenue Generated (INR millions)
Wind	1,134.49	35.5	6,053.82
Solar	2,060.90	64.5	8,571.51

Electricity Capacity Mix (DJSI 2.7.5)

Generation Source	Gross generation capacity (MW)	Target Capacity 2030	Share of target capacity
Wind	609.50	2,300	27.71
Solar	1,361.33	6,000	72.29

Social KPIs

Labour Practices

Workforce Breakdown: Gender (DJSI 3.1.4)

Category	Unit	FY 2024-25	Public Target	Target Year
Share of women in total workforce	%	16.1	30%	2030
Share of women in all management positions	%	16.1	None	None
Share of women in junior management position	%	16.7	None	None
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	%	5.8	None	None
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	%	0	None	None
Share of women in STEM-related positions (as % of total STEM positions)	%	2	None	None

Workforce Breakdown: Race/ Ethnicity & Nationality (DJSI 3.1.5)

Nationality	Share in total workforce (as % of total workforce)	Share in all management positions, including junior, middle and senior management (as % of total management workforce)
Indian	100%	100%

Gender Pay Indicators (DJSI 3.1.6)

Employee Level	Average Women Salary (₹)	Average Men Salary (₹)
	FY 2024-25	FY 2024-25
Executive level (base salary only)	30,129	52,032
Executive level (base salary + other cash incentives)	1,04,4591	21,47,637
Management level (base salary only)	2,30,780	4,98,008
Management level (base salary + other cash incentives)	1,07,10,004	2,01,80,419
Non-management level (base salary only)	-	-
Non-management level (base salary + other cash incentives)	-	-

Freedom of Association (DJSI 3.1.7)

% of employees represented by an independent trade union or covered by collective bargaining agreements:	**0**

Human Capital Management

Training and Development Inputs (DJSI 3.3.1)

Category	Unit	FY 2024-25
Total training hours	hours	4781.72
Average training hours per FTE	hours	13.58
Total Training Spend	₹	67,66,210
Average Training Spend per FTE	₹	19,222.00

Employee Development Programs (DJSI 3.3.2)

	Program 1	Program 2	Program 3
Name of Program	Continuing Education Program	Mentorship Program	Business Continuity Program
Business Benefit	By enabling our employees to pursue higher education at a lower cost burden, we provide individuals with a platform to grow their skill sets while bringing significant value additions to the company and its operations	By providing a platform for trainees and mentees to incorporate themselves into the HFE ecosystem, we ensure that their integration is thorough, and they can assume their roles and responsibilities smoothly when they are fully integrated into the organisation and its operations.	By strengthening role readiness, cross-functional knowledge sharing, and leadership preparedness, the program enhances employees' ability to manage change and maintain operational stability.
% of FTEs that participated in the program	1%	7%	To be implemented in FY26

Human Capital Return on Investment (DJSI 3.3.3)

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
a. Total Revenue (in Rs. million)	15,774.56	14,645.05	14,617.65	14,971.00
b. Total Operating Expenses	7,894.32	2,773.93	2,632.06	3,493.02
c. Total Employee-Related Expenses	812.68	778.93	721.68	914.87
Total Employees	288	191	269	352

Hiring (DJSI 3.3.4)

Internal Hires

Category	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total number of new employee hires	49	34	78	150
Percentage of open positions filled by internal candidates (internal hires)	-	6	14	7
Average hiring cost per FTE	-	55,555	68,665	1,58,338

Employee Support Programs (DJSI 3.3.7)

The Company has comprehensive programs for employee well-being, including:

- Provision of maternity leave of up to 24 weeks and a paternity leave of 1 work week up till a month of the birth of the child
- Provision of period leaves available to female employees of 1 leave per month, totalling 12 leaves in the year
- A flexible leave policy allowing employees to take flexible leaves, creating a culture of mutual trust within the organization
- A monthly Wi-Fi allowance and a one-time home office set-up allowance to facilitate work-from-home set ups
- Multiple religious, cultural and informal offsite set-ups to enable team bonding and a sense of community within the organization.
- An Employee Assistance Program that offers resources from professional counsellors for both medical and psychological assistance

Employee Turnover Rate (DJSI 3.3.8)

Category	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total employee turnover rate	20.08	29.2	22.3	21.2
Voluntary employee turnover rate	18.00	28.2	17.8	17.42
Data coverage (as % of all FTEs globally)	100	100	100	100

Occupational Health & Safety

OHS Policy and Programs (DJSI 3.4.1 and DJSI 3.4.2)

Our policy commits to protecting the Occupational Health and Safety of employees, contractors, clients, stakeholders, and the communities in which they operate. Our proactive approach involves protecting employees, contractors, and stakeholders from injury and ill health through regular HSE training and compliance with all relevant legal and other requirements.

We ensure thorough reporting and investigation of incidents to prevent recurrence, conduct regular inspections and audits, and prioritize key health and safety issues through clear action plans. Additionally, we establish quantitative targets to track HSE performance improvements and evaluate our progress in reducing health issues and risks against targets, ensuring that our policy is well-communicated and accessible to all employees and interested parties

Fatalities, Lost-Time Injury Frequency Rate (LTIFR) for Employees and Contractors (DJSI 3.4.3, 3.4.4 and 3.4.5)

Employees

Category	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Fatalities	Nos	0	0	0	0	0
Occupational disease cases	Nos	0	0	0	0	0
Total recordable work-related injuries	Nos	0	0	0	0	0
Lost time injuries	Nos	0	0	0	0	0
Lost time injury frequency rate (LTIFR)	Nos	0	0	0	0	0
Near misses	Nos	0	0	0	0	2
First-aid incidences	Nos	0	0	0	0	0

Contractors

Category	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Fatalities	Nos.	0	0	0	0	0
Occupational disease cases	Nos.	0	0	0	0	0
Total recordable work-related injuries	Nos.	0	0	14	4	17
Lost time injuries	Nos.	0	0	0	0	0
Lost time injury frequency rate (LTIFR)	Nos.	0	0	0	0	0
Near misses	Nos	47	37	68	70	51
First-aid incidences	Nos	0	0	0	0	15

Privacy Protection (DJSI 3.6.1 and 3.6.2)

We have developed a public policy on data privacy, reflecting our commitment to transparency and customer trust. As part of this commitment, we publicly report on our data privacy practices, ensuring that all stakeholders are informed about how we handle sensitive information. Importantly, we enforce strict disciplinary actions for data breaches. In the past year, we had no incidents of customer privacy data breaches.

Our policy includes detailed insights into the nature of the information we capture, its specific uses, and the options available to customers regarding their data. Customers can decide how their private data is collected, used, retained, and processed through various measures:

- They can opt out of certain uses
- Provide opt-in consent where required
- Request access to the data we hold
- Request the transfer, correction, or deletion of their data

Furthermore, we disclose the duration for which this information is kept in corporate files, the safeguards in place to protect it, and our policies regarding third-party disclosure, covering both private and public entities. By ensuring customers have control and understanding of their data, we continue to foster a relationship built on trust and accountability. These practices demonstrate our dedication to privacy and sustainability in every aspect of our operations.

Community Relations

Stakeholder Engagement Policy (DJSI 3.7.1)

We have developed a robust stakeholder engagement framework designed to stimulate active and holistic engagement with all our prominent stakeholders on issues material to our business, while our grievance redressal mechanisms provide individuals and communities with a platform to raise concerns and address them appropriately.

The Board-level CSR Committee is responsible for driving initiatives for our stakeholders. Our CSR policy, established in 2015, provides insights into our governance structures and core initiatives, serving as an accountability tool to maintain and achieve our yearly targets. The CSR Committee monitors and guides the implementation of our CSR initiatives by setting targets and tracking their progress year on year.

The stakeholder engagement policy applies to our own operations and our contractors running our facilities. The policy or commitment covers the following aspects:

- Identifying affected communities and the range of local stakeholders
- Identifying vulnerable groups as part of the identification process
- Engagement strategy includes local stakeholders
- Complaints/grievance mechanism available for communities

Stakeholder Engagement Programs (DJSI 3.7.2)

We have successfully implemented detailed stakeholder engagement programs, designed to foster collaboration and build trust with diverse stakeholder groups. These programs employ multimodal engagement methods, ensuring that we understand the unique needs and expectations of each group. As part of this framework, we conduct local stakeholder and community impact assessments to evaluate the effects of our operations. We maintain clear communication channels to enable seamless interactions, and we prioritize capacity building to empower local stakeholders, ensuring they can effectively connect with us. Regular surveys and reviews are conducted to gather insights on their perceptions of our engagement strategy, while dedicated meetings are held to identify emerging concerns promptly. Grievances are meticulously tracked to ensure swift resolution, and these engagement programs are applied consistently across all our local operations, demonstrating our commitment to meaningful stakeholder relationships

GRI Index

GRI Standard	Disclosure	Text of Disclosure	Section
GRI 1: Foundation (GRI 1 does not include any disclosure)			
GRI 2: General Disclosures	The organisation and its reporting practices		
	2-1	Organisation details	About Hero Future Energies
	2-2	Entities included in the organization's sustainability reporting	About the Report
	2-3	Reporting period, frequency and contact point	About the Report
	2-5	External Assurance	External Assurance
	Activities and workers		
	2-6	Activities, value chain and other business relationships	About Hero Future Energies
	2-7	Employees	ESG Performance Tables: Social
	2-8	Workers who are not employees	ESG Performance Tables: Social
	Governance		
	2-9	Governance structure and composition	Governance and Ethics
	2-10	Nomination and selection of the highest governance body	Governance and Ethics
	2-11	Chair of the highest governance body	Governance and Ethics
	2-12	Role of the highest governance body in overseeing the management of impacts	Governance and Ethics
	2-13	Delegation of responsibility for managing impacts	Governance and Ethics
	2-14	Role of the highest governance body in sustainability reporting	Governance and Ethics
	2-16	Communication of critical concerns	Governance and Ethics
	2-17	Collective knowledge of the highest governance body	Governance and Ethics
	2-18	Evaluation of the performance of the highest governance body	Governance and Ethics
	Strategy, policies and practices		
	2-22	Statement on sustainable development strategy	Our Sustainability Strategy
	2-23	Policy commitments	Governance and Ethics
	2-24	Embedding policy commitments	Governance and Ethics
	2-25	Processes to remediate negative impacts	Governance and Ethics
	2-26	Mechanisms for seeking advice and raising concerns	Governance and Ethics
	2-27	Compliance with laws and regulations	Governance and Ethics
	2-28	Membership Associations	Uniting for a Sustainable Future: Our Memberships and Associations
	Stakeholder engagement		
	2-29	Approach to stakeholder engagement	Stakeholder Engagement and Double Materiality

GRI Standard	Disclosure	Text of Disclosure	Section
GRI 3: Material Topics	Materiality		
	3-1	Process to determine material topics	Stakeholder Engagement and Double Materiality
	3-2	List of material topics	
	3-3	Management of material topics	
GRI 201: Economic Performance	Economic Performance		
	201-1	Direct economic value generated and distributed	For details on economic performance, please refer to our Annual Report
	201-2	Financial implications and other risks and opportunities due to climate change	
	201-3	Defined benefit plan obligations and other retirement plans	
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	CSR and Social Responsibility
GRI 205 - Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	Empowering our People: Building a Resilient, Inclusive and Future-Ready Workforce
	205-3	Confirmed incidents of corruption and actions taken	Governance and Ethics
GRI 206 - Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	ESG Performance Tables: Governance
	Environment		
GRI 302 - Energy	302-1	Energy consumption within the organization	Environment Stewardship: Energy Consumption
	302-4	Reduction of energy consumption	Environment Stewardship: : Climate Risk Management
GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	Environment Stewardship: : Water Management
	303-2	Management of water discharge-related impacts	Environment Stewardship: Water Management
	303-3	Water withdrawal	Environment Stewardship: Water Management
	303-4	Water discharge	Environment Stewardship: Water Management
	303-5	Water consumption	Environment Stewardship: Water Management
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment Stewardship: Biodiversity Protection
	304-2	Significant impacts of activities, products and services on biodiversity	Environment Stewardship: Biodiversity Protection
	304-3	Habitats protected or restored	Environment Stewardship: Biodiversity Protection
GRI 305 - Emissions	305-1	Scope 1 emissions	Environment Stewardship: Climate Action
	305-2	Scope 2 emissions	
	305-5	Reduction of GHG emissions	
GRI 306 - Waste	306-1	Waste generation and significant waste-related impacts	Environment Stewardship: Waste Management
	306-2	Management of significant waste-related impacts	Environment Stewardship: Waste Management
	306-3	Waste generated	ESG Performance Table: Environment
GRI 307 - Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Environment Stewardship: Environmental and Social Impact assessments
	Social		
GRI 401 - Employment	401-1	New employee hires and employee turnover	Empowering our People: Building a Resilient, Inclusive and Future-Ready Workforce
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Empowering our People: Building a Resilient, Inclusive and Future-Ready Workforce
	401-3	Parental leave	Empowering our People: Building a Resilient, Inclusive and Future-Ready Workforce
GRI 403 - Occupational Health and Safety	403-1	Occupational health and safety management system	Occupational Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-3	Occupational health services	Occupational Health and Safety
	403-5	Worker training on occupational health and safety	Occupational Health and Safety
	403-6	Promotion of worker health	Occupational Health and Safety
	403-9	Work-related injuries	Occupational Health and Safety
	403-10	Work-related ill health	Occupational Health and Safety
GRI 404 - Training and Education	404-1	Average hours of training per year per employee	Empowering our People: Building a Resilient, Inclusive and Future-Ready Workforce
	404-2	Programs for upgrading employee skills and transition assistance programs	Empowering our People: Building a Resilient, Inclusive and Future-Ready Workforce
	404-3	Percentage of employees receiving regular performance and career development reviews	Empowering our People: Building a Resilient, Inclusive and Future-Ready Workforce
GRI 405 - Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Governance and Ethics
GRI 413 - Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	CSR and Social Responsibility
GRI 418 - Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	IT & Cybersecurity

Assurance **Statement**

Sustainability Report for Hero Future Energies Private Limited – Sustainability Report for FY 2024-25.

Assurance Provider's Moderate Level Assurance Report

Carbon Check (India) Private Limited was engaged by Hero Future Energies Private Limited to conduct an independent assurance of the company's sustainability performance disclosures presented in its Sustainability Report for the financial year 2024-25 ("the Report"). The disclosures within the Report have been prepared in reference with the Global Reporting Initiative (GRI) Standards (2021). The purpose of this assurance is to provide confidence to the management of Hero Future Energies Private Limited and its stakeholders regarding the credibility, completeness, and accuracy of the reported sustainability performance data.

The assurance process included a review of the reporting boundary, covering operational activities and material topics identified for the reporting period from 1st April 2024 to 31st March 2025. It also involved an assessment of internal controls and data management processes for sustainability disclosures. Additionally, the scope of assurance covered the reported topic boundaries of non-financial performance, which are based on internal and external materiality assessments, considering Hero Future Energies Private Limited's operations and relevant external impacts as outlined in the Report.

The assurance was conducted in accordance with AA1000AS v3, Type 1 assurance, with "Moderate Level" assurance requirements, evaluating adherence to the principles of inclusivity, materiality, responsiveness, and impact as defined in the AA1000 ACCOUNTABILITY Principles (2018). Furthermore, the assurance assessed the quality and reliability of the specified information regarding the identified sustainability indicators.

Identified Sustainability Indicators

The Identified Sustainability Indicators are summarized below:

GRI Standard	Disclosure	
GRI 2: General Disclosures	2-1	Organizational details
	2-3	Reporting period, frequency and contact point
	2-4	Restatements of information
	2-6	Activities, value chain and other business relationships
	2-9	Governance structure and composition
	2-13	Delegation of responsibility for managing impacts
	2-22	Statement on sustainable development strategy
	2-23	Policy commitments
	2-29	Approach to stakeholder engagement
	2-30	Collective bargaining agreements
GRI 3: Material Topics	3-1	Process to determine material topics
	3-2	List of material topics
	3-3	Management of material topics
GRI 205: Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures
GRI 301: Materials	301-1	Materials used by weight or volume
GRI 302 - Energy	302-1	Energy consumption within the organization
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

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GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions
	305-2	Energy indirect (Scope 2) GHG emissions
	305-3	Other indirect (Scope 3) GHG emissions • Category 1 – Purchased Goods & Services • Category 2 – Capital Goods • Category 5 – Waste Disposal • Category 6 – Business Travel • Category 7 – Employee Commuting
GRI 306: Waste	306-3	Waste generated
	306-5	Waste directed to disposal
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system
	403-2	Hazard identification, risk assessment, and incident investigation
	403-4	Worker participation, consultation, and communication on occupational health and safety
	403-5	Worker training on occupational health and safety
	403-6	Promotion of worker health
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
	403-9	Work-related injurie
	403-10	Work-related ill health
GRI 404: Training and Education	404-1	Average hours of training per year per employee
	404-2	Programs for upgrading employee skills and transition assistance programs
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs

Responsibilities of Hero Future Energies Private Limited and Carbon Check (India) Private Limited

Hero Future Energies Private Limited

The management of Hero Future Energies Private Limited is responsible for the preparation and presentation of the Sustainability Report and for ensuring the accuracy and completeness of the Identified Sustainability Indicators included in the Report. This responsibility includes identifying key aspects and material topics relevant to sustainability performance, engaging with stakeholders to incorporate their concerns in sustainability disclosures, and ensuring the reliability and integrity of disclosed information in reference with the GRI Standards and in accordance with AA1000 Accountability Principles (2018). Additionally, the company is responsible for designing, implementing, and maintaining internal controls to ensure the Sustainability Report is free from material misstatement, whether due to fraud or error. It must also measure and report Identified Sustainability Indicators while ensuring compliance with GRI standards. Furthermore, Hero Future Energies Private Limited is accountable for maintaining the integrity of its digital and physical sustainability disclosures, ensuring transparency, and making relevant sustainability information accessible to stakeholders.

Carbon Check (India) Private Limited (Assurance Provider)

As the independent assurance provider, Carbon Check (India) Private Limited is responsible for expressing a moderate level assurance conclusion on the Identified Sustainability Indicators based on the procedures performed and evidence obtained during the engagement. The engagement was conducted in accordance with AA1000AS v3, Type 1 assurance with "Moderate Level" assurance requirements, as well as the Guidance on applying AA1000AS v3 for Assurance Providers. This process involved planning and executing the assurance process to assess whether the Identified Sustainability Indicators are free from material misstatement, evaluating their presentation for compliance with the GRI Standards, and the AA1000 Accountability Principles

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(2018), and assessing the reliability and accuracy of the specified sustainability information disclosed by Hero Future Energies Private Limited. Additionally, the assurance engagement included providing an independent opinion on the company's adherence to inclusivity, materiality, responsiveness, and impact as defined in AA1000AP (2018). The assurance engagement was conducted with the assumption that all information provided by Hero Future Energies Private Limited was supplied in good faith and free from material misstatement. Carbon Check (India) Private Limited disclaims any liability or co-responsibility for decisions made by any entity or individual based on this Assurance Statement.

Criteria

The criteria used by Hero Future Energies Private Limited to prepare Identified Sustainability Indicators are:

✓ Criteria 1: **In reference with GRI Sustainability Reporting Standards,** issued by the Global Reporting Initiative (GRI) referred to as GRI Standards (the "GRI Standards").

✓ Criteria 2: **AA 1000 ACCOUNTABILITY principles 2018** for determination of inclusivity, materiality, responsiveness, and impact and reliability of the specified information with regards to the identified sustainability indicators.

Methodology

The information presented in the Hero Future Energies Private Limited Sustainability Report for the Financial Year 2024-25 is the responsibility of the directors, governing body (as applicable), and management of Hero Future Energies Private Limited. Carbon Check (India) Private Limited has not been involved in the preparation of any material included in the Report. Our moderate level, Type 1 assurance engagement is designed to provide a lower degree of confidence in the organization's disclosures, while acknowledging that the level of assurance is inherently limited compared to more extensive verification processes. The assurance engagement covered both risk assessment procedures, including an understanding of internal controls, and procedures performed in response to the assessed risks. The procedures applied were based on professional judgment and included inquiries, observations, inspection of documents, analytical procedures, evaluation of quantification methods and reporting policies, and reconciliation with underlying records.

Accordingly, we express a moderate level, type 1 assurance opinion on:

✓ Whether the identified sustainability has been prepared, in all material respects, in reference with the GRI Standard.

✓ Whether the principles of inclusivity, materiality, responsiveness, and impact as outlined in the AA1000 Accountability Principles (2018) have been considered in the preparation of the Identified Sustainability Indicators and the reliability of the specified information.

Assurance Procedures Conducted

In alignment with the AA1000 Assurance Standard v3, Type 1 our moderate level assurance engagement included the following procedures:

Compliance with AA1000 Accountability Principles (2018) and Reliability of Identified Sustainability Indicators

✓ Obtained an understanding of the application of AA1000 Accountability Principles (2018) by inter-viewing responsible employees overseeing Occupational Health & Safety management and employee skill enhancement at Hero Future Energies Private Limited.

✓ Conducted random sampling to assess documentation related to scope-wise GHG emissions, waste generation and water consumption.

✓ Evaluated the corporate-level double materiality analysis, including the process for identifying, analysing, and prioritising sustainability topics and determining areas for action.

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✓ Assessed the company's stakeholder engagement process by reviewing interactions with key groups such as employees, investors, suppliers, and local communities.

Compliance with GRI Standards and Evaluation of Identified Sustainability Indicators

✓ Conducted inquiries with Hero Future Energies Private Limited's key management personnel, including teams from Environment, Health & Safety, Sustainability, Legal and HR, as well as those responsible for sustainability reporting.

✓ Assessed and evaluated the design of key structures, systems, processes, and controls for managing, recording, and reporting selected sustainability indicators.

✓ Reviewed the Sustainability Report to identify any significant discrepancies between reported performance data and relevant source documents.

✓ The three member Carbon Check (India) Private Limited assurance team's review covered the operation of Hero Future Energies Private Limited. Substantive testing on a sample basis of the Selected Indicators to the two sites as visited to check that data had been appropriately measured, recorded, collated, and reported.

✓ Assessed the disclosure and presentation of the agreed sustainability indicators and parameters.

✓ Obtained representations from Hero Future Energies Private Limited's management regarding the accuracy and completeness of the reported data.

Our Independence and Quality Control

Carbon Check (India) Private Limited 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, responsiveness, and professional behavior.

Management and staff of Carbon Check (India) Private Limited 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.

Inherent limitations

The assurance of sustainability disclosure information is subject to inherent limitations due to the nature of the subject matter and the methodologies employed for data collection, calculation, and estimation. These limitations include the subjectivity of certain qualitative disclosures, potential human errors in data recording and reporting, and reliance on assumptions, estimates, or projections for specific sustainability indicators. Furthermore, some data is derived from third-party sources or external processes beyond the direct control of Hero Future Energies Private Limited and may not have undergone independent verification. Greenhouse gas (GHG) accounting also presents uncertainties, particularly in the application of scientific methodologies for determining emission factors and variations in aggregation techniques for different emission sources. Accordingly, this assurance statement should be interpreted considering these inherent limitations.

Exclusions

Our moderate-level, type 1 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'

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✓ 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., Financial Year 2024-25
✓ The company statements that describe the expression of opinion, belief, aspiration, expectation, aim or future intentions are provided by Hero Future Energies Private Limited.

Moderate level, Type 1 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. Hero Future Energies Private Limited's identified Sustainability Indicators contained in the Sustainability Report for the financial year 2024-25 are prepared, in all material respects, in reference to the GRI standard.
B. Hero Future Energies Private Limited conducted a Double Materiality Assessment in reference to the GRI standards, is consistent with the AA 1000 ACCOUNTABILITY Principles 2018 of Materiality and inclusivity and provides a reasonable basis for determining its material sustainability topics.
C. Hero Future Energies Private Limited have systems and processes in place to comply with the AA 1000 ACCOUNTABILITY Principles 2018 i.e. inclusivity, materiality, responsiveness, and impact in the preparation of the Identified Sustainability Indicators and reliability of the specified information with regard to the identified sustainability indicators.

Our moderate level, type 1 assurance conclusion based on AA1000 Accountability Principles (AA1000 AP 2018):

Inclusivity

Hero Future Energies Private Limited actively engages with stakeholders, including employees, investors, suppliers, and local communities, through structured consultations and grievance mechanisms. The company ensures transparency in decision-making and incorporates stakeholder feedback into its sustainability strategy. No issues have been identified that suggest the Report does not meet the requirements of the Principle of Inclusivity.

Materiality

Hero Future Energies Private Limited follows a structured materiality assessment process, evaluating industry trends, internal targets, and risk factors to determine key sustainability topics. The assessment incorporates input from internal and external stakeholders to ensure alignment with the company's value drivers. No issues have been identified that suggest the Report does not meet the requirements of the Principle of Materiality.

Responsiveness

Hero Future Energies Private Limited demonstrates responsiveness by periodically reviewing its GHG emissions inventory, updating materiality assessments, and refining sustainability strategies based on evolving technology and regulatory changes. The company actively engages stakeholders to address sustainability concerns and improve environmental performance. No issues have been identified that suggest the Report does not meet the requirements of the Principle of Responsiveness.

Impact

Hero Future Energies Private Limited assesses the environmental and social impact of its operations through GHG monitoring, energy efficiency measures, and biodiversity conservation efforts. The company integrates

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impact assessments into decision-making to enhance sustainability performance. No issues have been identified that suggest the Report does not meet the requirements of the Principle of Impact.

Restriction on Use

Our moderate level, type 1 assurance report has been prepared and addressed to the Board of Directors of Hero Future Energies Private Limited's 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 Hero Future Energies Private Limited. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Assurance Provider 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 Report
000-213/V3-OH30S

Name: Amit Anand	Name: Vikash Kumar Singh
Designation: Chief Executive Officer	Designation: Executive Director
Place: India	Place: India
Date: 24/02/2026	Date: 24/02/2026

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