

2022-23
SUSTAINABILITY
REPORT



RESPONSIBLE BUSINESS FOR A SAFE AND SUSTAINABLE FUTURE





Environment



Social



Governance

1.2 GW

Operational solar capacity

₹ 13.6 Million

CSR expenditure

22.2%

Women on the Board

0.6 GW

Operational wind capacity

33,000+

Lives impacted directly and indirectly by CSR initiatives

Zero

Incidents of corruption

~49,000 kl

Water saved in FY 2022-23 by dry robotic cleaning

Zero

Lost-time injuries and fatalities

Zero

Cases of non-compliance since inception

FY 2022-23 performance snapshot





Financial

₹ 14,665.87 Million

US\$ 176.17 Million

Revenues

₹ 2,789.57 Million

US\$ 33.51 Million

Operating costs

₹ 1,274.86 Million

US\$ 15.31 Million

Economic value retained

About the report

We are pleased to present our fourth annual sustainability report, prepared as per the Global Reporting Initiative (GRI) guidelines. This report provides a holistic overview of our sustainable and responsible approach to creating long-term value for our stakeholders, including customers, investors, employees, and communities, and sustainably leading our business operations. This report reflects a retrospective analysis of our ESG performance from 1st April 2022 to 31st March 2023.

Reporting standards

We have prepared this report in line with the disclosure requirements of the Global Reporting Initiative (GRI) standards. We have also considered the applicable laws (national and local), rules, regulations, and expected guidelines for calculating and disclosing environmental, social, and safety performance indicators.

Aligned with 14 out of 17 UN SDGs



1 NO POVERTY



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



15 LIFE ON LAND



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



Scope and boundary

This report covers all the project sites (solar and wind) and corporate offices across India. We have not covered the global sites in the reporting boundary. This report discloses the company's financial and non-financial performance for FY 2022-23. All the topics disclosed in this report are material to the company. No data has been restated, and this report has been assured.

For further queries/clarifications/suggestions, or comments, feel free to reach out to us:

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External assurance

Carbon Check has provided limited assurance to the Hero Future Energies Sustainability Report 2022-23.



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Rahul Munjal
Chairman & Managing Director

“We have avoided over 14 Mn tonnes of CO₂ emissions and are generating power equivalent to lighting 1.2 Mn households.”

[Read more Page 6](#)

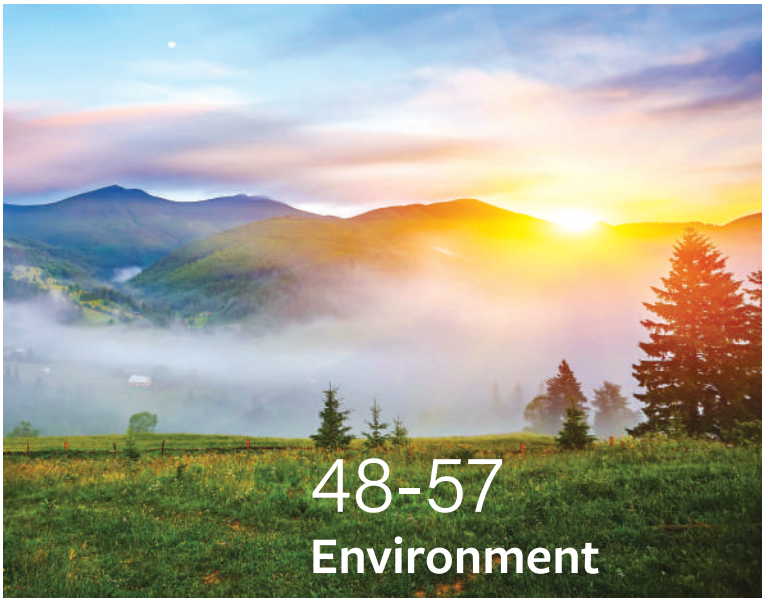


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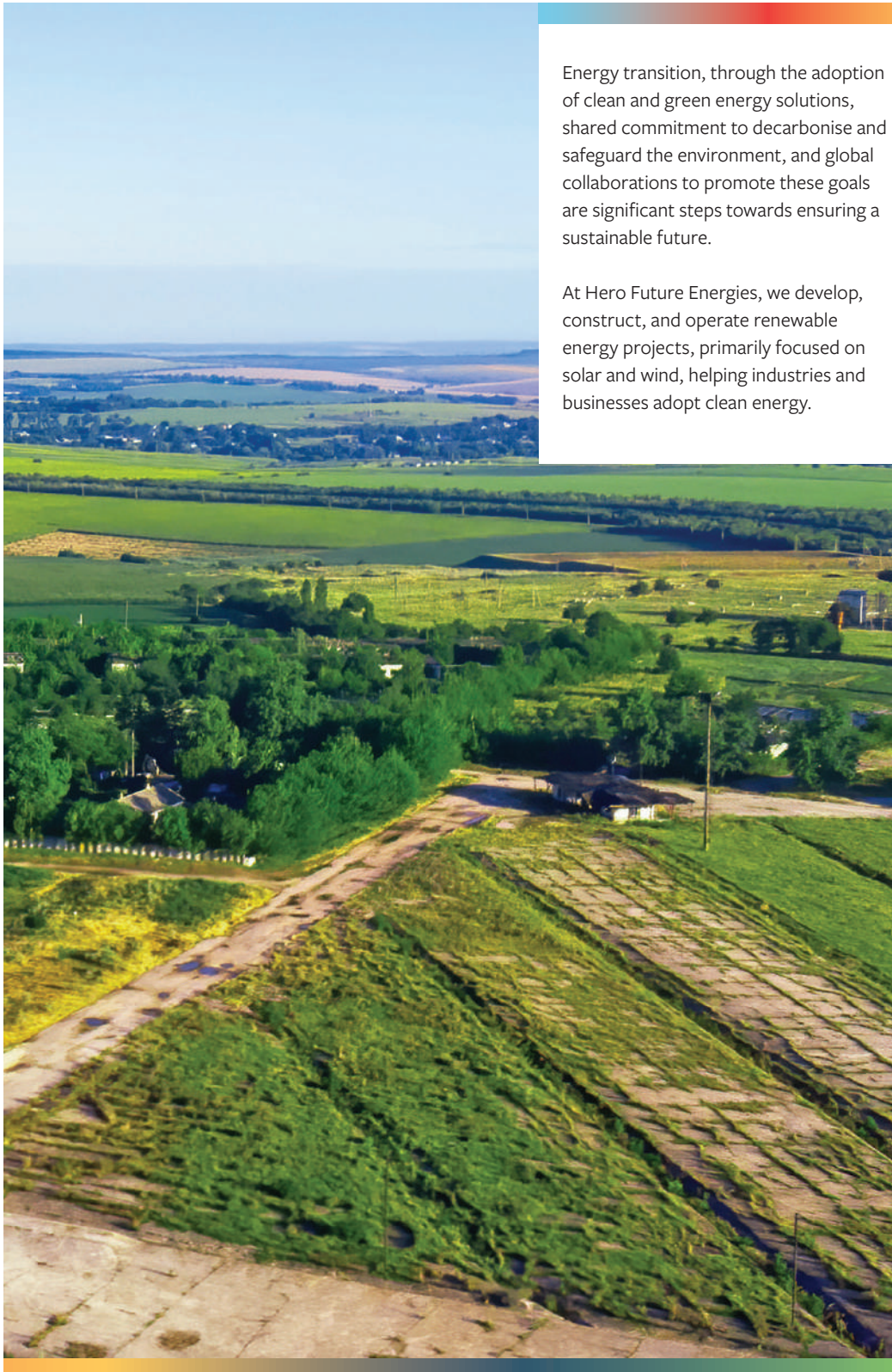
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Responsible business for a safe and sustainable future

In today's rapidly changing world, characterised by the constant depletion of natural resources, unequal development, economic uncertainty and unabated climate change, it is time to think of ways to ensure a better tomorrow for all. It is our collective responsibility to prioritise the well-being of our planet. By embracing sustainable practices, fostering innovation, and promoting responsible decision-making, we can pave the way for a future where safety and sustainability are fundamental principles that guide our actions.





Energy transition, through the adoption of clean and green energy solutions, shared commitment to decarbonise and safeguard the environment, and global collaborations to promote these goals are significant steps towards ensuring a sustainable future.

At Hero Future Energies, we develop, construct, and operate renewable energy projects, primarily focused on solar and wind, helping industries and businesses adopt clean energy.

We understand that transforming renewables into firm, dispatchable 'round-the-clock' power, increasing electrification of the economy, and decarbonising large industries and SMEs alike are integral to the global energy transition. We are committed to aiding this energy transition by providing innovative cleantech solutions. But our commitment to building a sustainable future for all goes beyond renewable energy generation.

Carbon Neutral

By 2030, our goal is to minimise environmental impact

Responsible Business for A Safe and Sustainable Future is more than a rallying cry; it's a call to action for us. We are transforming business practices, pioneering sustainable energy solutions and championing environmental stewardship to forge a lasting impact on our world and future generations. We aim to create a more inclusive future by empowering lives, creating happiness and advancing sustainable development.

Chairman and MD's message



“

We have avoided over 14 Mn tonnes of CO₂ emissions and are generating power equivalent to lighting 1.2 Mn households.”

Dear stakeholders,

It gives me immense pleasure to share with you Hero Future Energies' fourth annual sustainability report. This report reflects our deep commitment to the well-being of people and communities as embodied in our philosophy - climate-positive, water-positive and people positive.



Hero Future Energies was founded with a mission to contribute to the global energy transition for achieving net zero. Our robust portfolio of approximately 3 GW of wind and solar assets worldwide, positions us as a key provider of sustainable clean energy solutions not only to large electric power utilities but is also central to our business with commercial and industrial customers. By tailoring our services to meet the unique needs of these sectors, we are committed to being a pivotal partner in their journey to net zero, highlighting our dual focus on both utility-scale projects and bespoke commercial and industrial energy solutions.

With an eye on the future, we have developed expertise in next-gen technologies, established a global asset base and an entrepreneurial work culture. We are well on our way towards achieving our 5X 5Y ambition – which is to grow 5-fold in 5 years.

ESG is integrated into our strategy with defined sustainability targets across all three ESG pillars. We adhere to the strictest ethical and corporate governance standards and have world-class internal data management and reporting for complete transparency and minimal human errors.

We always keep sustainability at the core of our operations. We are committed to becoming carbon neutral by 2030 which includes Scope 1, Scope 2 and Scope 3 emissions. We are minimising material consumption, damage to biodiversity and waste generation. By adopting a flexible work policy, we are minimising the carbon footprint of our offices too. We will become water positive before 2026-27. We are minimising water consumption at sites by deploying dry cleaning technology in our solar power plants. We are also implementing in-situ rainwater harvesting.

Ethics, corporate governance, and ESG standards are the cornerstones of our relationships with our stakeholders

We advance a safety-first culture through round-the-year events, trainings, and awareness building communiques, resulting in zero accidents and zero fatalities.”

i.e. our shareholders, customers, employees, vendors, partners, contractors, communities, etc.

Our project portfolio spread across several countries generates not just clean energy but also opportunities for improving the lives of local communities. We create positive societal impact through our various initiatives in environmental conservation and rehabilitation, education, vocational training, and community advancement. Our sustainability endeavours revolve around a core foundation of compassion, accountability, and sensitivity towards the communities we engage with. Through our Corporate Social Responsibility initiatives, we have had a positive impact on 2 Lakhs+ beneficiaries to date.

Our dedication to employee welfare and engagement is evidenced by our flexible work culture, employee empowerment, effective communication, and transparency. We are committed to fostering diversity, inclusiveness, and equity, firmly standing against discrimination of any kind. We encourage innovation and reward breakthrough ideas that benefit the business. We will have 30% women in our workforce by 2025. As a testimony to our vibrant culture and employee best practices, we were recognised as a **“Great Place to Work” by the GPTW Institute for the second consecutive year in FY 2022-23**. This recognition has further strengthened our resolve to foster a positive and inclusive work environment for all our employees.

The safety and well-being of our employees and contractors is something we always accord top priority to. We advance a safety-first culture through round-the-year events, trainings, and awareness-building communiques. All our efforts towards fostering a safe workplace have resulted in zero accidents and zero fatalities since inception.

We actively engage with all our stakeholders, seeking their insights and incorporating those into our business strategies.

I am highly confident in our ability to capitalise on upcoming opportunities, envisioning a robust growth trajectory for HFE. By diminishing reliance on external and inorganic approaches, we are strategically positioned to leverage our internal strengths, optimising resources more efficiently.

Last but not the least, I would like to emphasise our steadfast dedication to our shareholders. We deeply appreciate the trust and backing of our shareholders, and our commitment to generating long-term value for them remains unwavering. Thank you for your ongoing confidence in our Company. Together, we will continue to advance, set new benchmarks, and scale greater heights, while remaining empathetic towards the planet and its people.

Sincerely,

Rahul Munjal
Chairman and Managing Director,
Hero Future Energies

A note from the Global CEO

“

We believe in being at the forefront of the global energy transition by investing in and implementing new-age technologies.”

Dear stakeholders,

At Hero Future Energies, we recognise that the need to accelerate the global energy transition is stronger now than ever. This fact is evident in how climate change has entered into the commoner's lexicon.





Global events like the heatwaves in Europe and Asia, wildfires in Greece and Maui, and catastrophic flooding in Italy and Northern India have put climate change and its impacts on everyone's daily agenda, regardless of socio-economic background.

Sector overview

In this momentous hour for the world, nations and organisations have reaffirmed their commitment to protect the environment through their NDCs or net-zero targets. The urgency to meet the Paris Climate Goals was aptly summed up by the UN Secretary-General António Guterres, when he said, "It is still possible to limit global temperature rise to 1.5°C and avoid the very worst of climate change but only with dramatic, immediate climate action. We have seen some progress – a robust rollout of renewables and some positive steps from sectors such as shipping – but none of this is going far enough or fast enough. Accelerating temperatures demand accelerated action."

As an organisation that started the journey in the field of renewables almost a decade ago, our growth is measured through our progress in business and the role we play in assisting economies to mitigate the impacts of climate change and become climate-positive.

HFE's approach

We believe in being at the forefront of the global energy transition by investing in and implementing new-age technologies. One of the ways we do this is by setting up hybrid projects with energy storage to ensure we provide commercial and industrial customers with round-the-clock green power to ensure rapid progress on their net-zero journeys or help national grids stabilise better as the adoption of renewables increases.

During the COVID-19 pandemic, we implemented a work-from-anywhere (WFA) policy that has increased our productivity while continuing commuting and its associated emissions to bare minimum levels."

We are also piloting and scaling projects involving green molecules like green hydrogen and its derivatives (green ammonia and green methanol, among others) to decarbonise hard-to-abate sectors like fertilisers, refineries, steel and long-haul mobility, complementing our renewable energy solutions.

In addition to helping our clients in their sustainability journey, we work internally to ensure that our carbon footprint as an organisation is kept to a minimum. During the COVID-19 pandemic, we implemented a work-from-anywhere (WFA) policy that has increased our productivity while restricting commuting and its associated emissions to bare minimum levels.

Our non-site employees are free to work from any location they choose, and they have been provided with all the tools necessary to carry out their activities virtually and interact with each other. This approach has also enabled us to cut down the physical footprint of our offices through a floating workspace concept. We have also implemented various initiatives to ensure that our strongest asset, our people, take advantage of opportunities to continually upgrade their skills and develop new ones in this dynamic environment.

Our sustainability journey is also defined by the lives of people and communities we touch and uplift through programmes implemented around our project sites.

In conclusion

The global environment is challenging and presents volatilities, uncertainties and a significant amount of opportunities. We believe that to achieve our ambitious goal of growing fivefold within the next 5 years, we must strengthen our teams and systems to adapt to the changing times and associated requirements of the market. Moreover, we must develop our organisational culture and people mindset by putting innovation at the core of our problem-solving approach, whether internal or external.

Warm regards,

Srivatsan Iyer
Global CEO

Who we are

Hero Future Energies (HFE) is a proud bearer of the legacy of the Hero Group, having come into being as part of the strategic decision of the Group to expand its horizon beyond the flagship automotive business and enter the power sector with a focus on renewable energy and providing clean, futuristic energy solutions.





In this section



About Hero Future Energies

Business offerings

Geographical presence

Projects in the pipeline

Memberships and associations

Awards and accolades

Our sustainability journey

About Hero Future Energies

Established in 2012, we are a leading Independent Power Producer (IPP) with utility-scale wind, solar, hybrid and distributed solar plants across India, Europe and South East Asia.

We work with several industries and governments to develop business solutions that also have significant environmental and social impact. We aim to work closely with commercial and industrial customers in hard-to-abate sectors and partner with them in their net-zero journey by offering customised and innovative solutions.



Corporate Mantra

Shaping a sustainable future through innovative cleantech solutions.



Vision

We, at HFE believe in the triple bottom line approach: **People, Planet,** and **Profit** (3Ps).



Climate positive

- Carbon neutral by 2030
- Scope 1 and 2 carbon neutrality by 2025
- Inclusion of suppliers towards achieving sustainability goals by 2030



People positive

- Active engagement with stakeholders
- Livelihood development



Water positive

- Water positive on or before 2026
- Dry-cleaning technology in solar power plants
- Implement ex-situ rainwater harvesting

Values

By being intentional with our core values and culture initiatives, we strive to create a positive work culture at HFE, which is our key differentiator.



Trust

We trust our people to always act in the best interest of HFE



Transparency

We do not work in silos, we work as 'One HFE'



Excellence

We constantly challenge ourselves at work to outperform



Respect

We deal with everyone respectfully and stick to our commitments



Delegation

We make timely decisions



Agility

We have a flexible approach at work

Business offerings

As a global renewable energy provider, our green power projects worldwide make RE more reliable, accessible and affordable. Our focused investments in energy storage solutions and related technologies aim to ensure that wind and solar energy become stable components of the energy mix across countries.

Our business solutions portfolio

We aspire to achieve operational excellence by constantly improving our processes, embracing smart technologies, and strategically prioritising new and sustainable business ventures. We have actively pursued diversification to enhance our business portfolio, enabling us to provide services to utilities and commercial and industrial consumers.

3_{GW}

Diversified portfolio of large-scale and behind-the-meter projects including wind, solar PV and storage components

2_{GW}

Projects in the pipeline

Commercial and industrial businesses

We offer customised onsite and offsite solutions for businesses. Our technology solutions and innovative financing options help businesses make an effortless switch to green energy.



Onsite solar solutions

- Rooftop solar
- Ground mount solar
- Floating solar
- Solar carport
- Energy storage solutions

Easy financing options

- Opex model
- Deferred capex model

Offsite renewable energy solutions

- Solar open access
- Wind access
- Solar wind hybrid open access
- ISTS-connected projects
- RTC (round-the-clock energy) supply



Utility-scale portfolio

We are a leading global renewable energy company and Independent Power Producer (IPP) known for developing and operating innovative and advanced utility-scale green power projects.

Solar

- Utility-scale solar power has emerged as an affordable, reliable, and cleaner option to fossil fuels, mitigating greenhouse gas (GHG) emissions and helping decarbonise electricity grids
- Our team of experienced and highly skilled design and engineering experts build and operate a robust portfolio of utility-scale solar projects

1.2 GW

Utility scale solar portfolio^

Wind

- Wind represents a clean and renewable energy source, and wind power has recently seen rapid growth as a reliable and efficient alternative compared to traditional fossil-fuel power sources

0.6 GW

Utility scale wind portfolio^

Hybrid

- Hybrid projects with storage systems help address the variability factor by relying on the complementary nature of wind and solar, yielding firm power; hybrid projects also typically have a higher capacity utilisation and are more cost-efficient
- We successfully bid for 120 MW (AC) capacity in the SECI Tranche VI reverse auction for a wind solar hybrid project with energy storage

1.2 GW

Wind-solar hybrid portfolio with energy storage under construction^

^ All capacity figures refer to DC capacity. All capacity and project details mentioned reflect HFE portfolio as on December 2023.

Geographical presence

We focus on developing and deploying renewable and clean energy solutions across regions. We are ambitious about tapping into the incredible opportunities opening up in the Indian and global markets and new technologies.

Global footprint

We have a global portfolio of 3 GW of renewable energy assets across India, Ukraine, and Vietnam, comprising both operational and under-construction projects. Additionally, we have a pipeline of another 2 GW across the above geographies as well as in the UK and Bangladesh.

6

Countries that have HFE presence



India footprint

We have installations spread across the length and breadth of India. Our utility-scale wind and solar projects are operational in seven Indian states.

7

States in India covered by our wind and solar installations

①

Rajasthan (7)

587.5 MW



137.5



450.0

②

Madhya Pradesh (4)

238 MW



100.0



138.0

③

Maharashtra (2)

81.5 MW



81.5

④

Telangana (2)

71.3 MW



27.3



44.0

⑤

Karnataka (8)

588 MW



100.0



488.0

⑥

Andhra Pradesh (2)

177 MW



120.0



57.0

⑦

Tamil Nadu (1)

16.8 MW

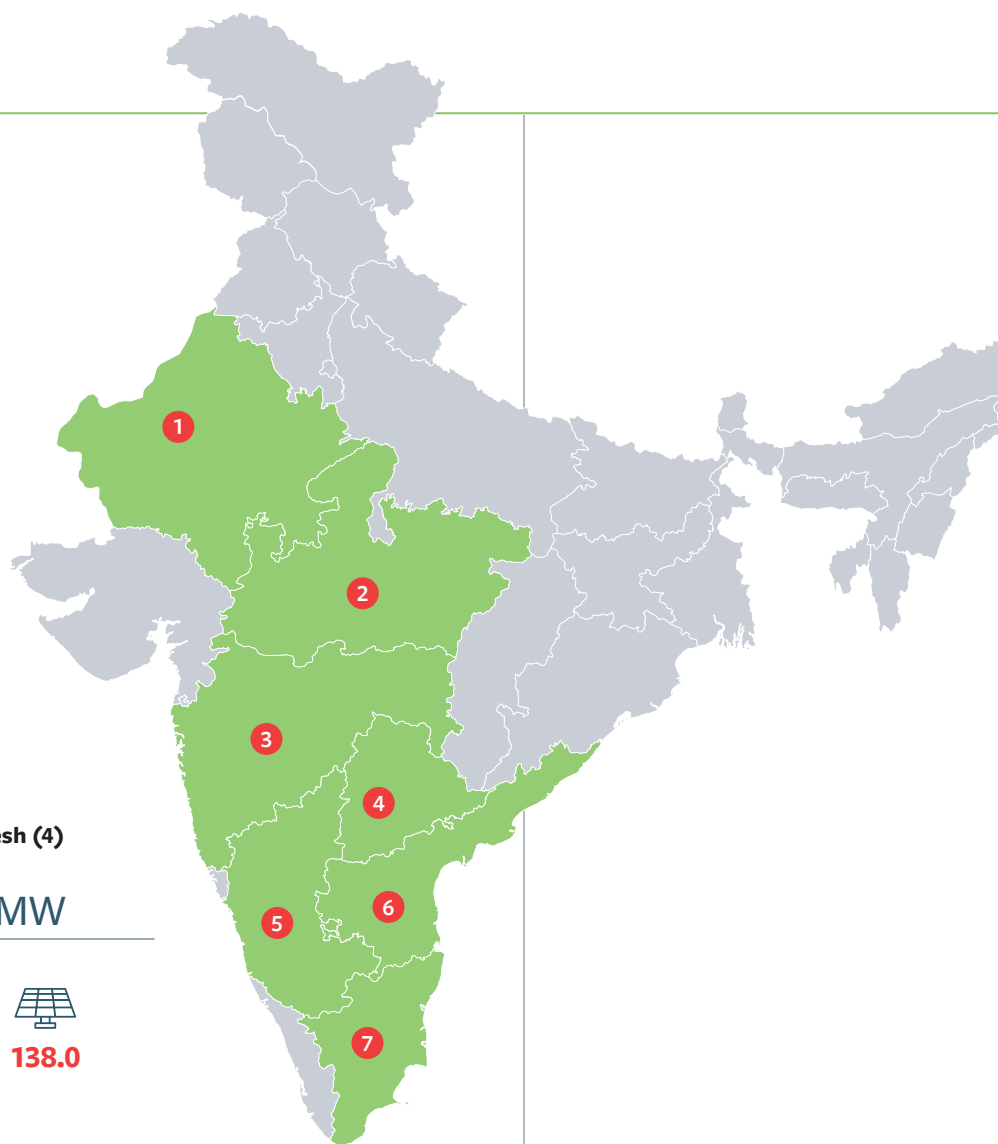


16.8

● Wind ● Solar

Figures in parentheses indicate the number of projects in each state.

Map not to scale.



Projects in the pipeline

We are currently focusing on an expansive journey with upcoming projects in Bangladesh, Southeast Asia, and the United Kingdom. Focused on solar, wind and storage initiatives, our projects signify a commitment to sustainable energy solutions. We continue to drive environmental change, harnessing the power of renewables for a cleaner, greener future.

Solar farm in Khulna, Bangladesh



Solar fisheries farm

Capacity

70 MW, that will generate enough electricity to power 480,000 households in the region*

Southeast Asia, Vietnam



Wind power project

Capacity

100 MW

*The project will offset roughly 96,400 tonnes of carbon emissions.



United Kingdom



Hybrid-BESS project	Utility solar project
Capacity	Capacity
14.4 MW (Solar)/	45 MW
5 MW (BESS)	
BESS project	Utility solar project
Capacity	Capacity
12.5 MW	18 MW



Expanding our operations in India



We hold the distinction of executing India’s **first wind-solar hybrid project at Manvi, Karnataka**. This experience and our design and engineering expertise makes us one of the frontrunners in this segment.

In July 2022, we emerged as a successful bidder in the tender conducted by the **Kerala State Electricity Board’s tender for constructing a 10 MW /20 MWh, grid-connected energy storage plant in Kerala**. Work on this project will commence shortly and serve as a benchmark for future projects in the storage domain in India.

In April 2023, we successfully bid for 120 MW AC (470 MWp) capacity in the SECI Tranche VI reverse auction for 1.2 GWp of wind-solar hybrid project with energy storage. The project will be connected to the inter-state transmission network and provide an assured peak power supply.

Memberships and associations

As an established player in the high-growth market of power generation from clean and green sources, we work in collaboration with an array of national and multinational companies and associations in the business.

Industry affiliations



Memberships



Strategic partners





Stakeholder stories



Babulal Choudhary

A resident of Indrawal, Babulal owns 12 bighas of land. Before the construction of a check dam by Hero Future Energies, his annual income was limited to ₹ 70,000. Now, after the construction of a check dam, his income has doubled to ₹ 1,50,000 — a remarkable transformation.

The gross profit of ₹ 80,000 illustrates the substantial impact initiatives such as these have on the lives and livelihoods of individuals and communities by augmenting their farm incomes.



Parmila

Parmila completed a six-month tailor training programme at RKMF Skill Centre in Sheo, Barmer, with the support of Hero Future Energies. She dedicated herself to mastering sewing and stitching. With her new skills, Parmila began working from home — even opening a shop and earning a steady income of ₹ 10,000 per month. She expresses her gratitude to RKMF for the life-changing opportunity. Her story highlights how determination and the opportunity to develop the right skills can change one's life.

Awards and accolades

The reporting year saw our Company and team members getting recognised for our work by various industry organisations and institutions. We received 18 awards and accolades in FY 2022-23, which will motivate our team to deliver greater value in the future.



CIO of the Year Award

Vinod Sharma
Head of Information Technology, HFE

Digital Transformation Confex and Awards 2023, organised by Gain Skills Business Media Pvt. Ltd.

National India Best Employer Brand

Hero Future Energies

World HRD Congress and Times Ascent

HR Innovator + HR Young Achiever

Bhawna Kirpal Mital, Head, CHRO & Lead – IT Admin and CSR
Mr. Shailesh Chandra Pandey, HR, HFE

World HRD Congress and Times Ascent

Best Training Programme for Employees

Hero Future Energies

MTM Star Awards 2023

North India Best Employer Brand

Hero Future Energies

World HRD Congress

Top HR Leader (North India)

Bhawna Kirpal Mital, Head, CHRO & Lead – IT Admin and CSR

World HRD Congress

National HSE & Sustainability Award (Large Enterprises – Renewable Energy Sector)

Hero Future Energies

10th Global Safety Summit Awards organised by Fire and Safety Forum and United Nations Global Compact Network India (SDG outreach partner)

National Excellence Award in HSE & Sustainability – Renewable Energy Sector

Vijayanand V, Head – Health, Safety & Environment and Sustainability, HFE

10th Global Safety Summit Awards organised by Fire and Safety Forum and United Nations Global Compact Network India (SDG outreach partner)

○ **Best Smart Technology Innovation of the Year Award**

Hero Future Energies

13th Edition of India Utility Solar Week by SolarQuarter

○ **Honorary Award**

Sudhir Pathak, Head – CDE, QA, Green Hydrogen, HFE

13th Edition of India Utility Solar Week by SolarQuarter

○ **Green Power Performance Excellence Awards 2022**

Hero Future Energies

Confederation of Indian Industry

○ **Compliance Champion**

Abhilasha Kumari, Compliance, HFE

Legasis Private Limited

○ **Top Organisations with Innovative HR Practices**

Hero Future Energies

Asia Pacific HRM Congress

○ **Best C&I Energy Project (Heavy Industries)**

Hero Future Energies

C&I Energy India Leadership Awards 2022

○ **Innovation – New Initiatives**

IT Team, HFE

12th Edition of Datacenter Summit 2022 organised by UBS Forum

○ **Top 40 under 40 India's Green Energy and Climate Leaders of Tomorrow**

Rajesh Tiwari, AVP – Design & Engineering, HFE

EQ Magazine

○ **Best Performance Enhancement Innovation of The Year – Robotic Cleaning**

Hero Future Energies

RE Assets India Awards 2022

○ **50 Most Influential and Powerful Leaders in Wind Industry**

Arun Tripathi, Head – Energy Business (Solar | Wind | Storage), Regulatory & EHS, HFE

Wind Insider



Our sustainability journey

At HFE, we are proud of the strides made by our team in growing our business sustainably. As an Independent Power Producer (IPP) of renewable energy, we are making continuous efforts and improvements year-on-year to support the global energy transition by providing cleantech solutions to industries and businesses.

Our sustainability journey is built on the robust pillars of stringent ESG (Environment, Social, and Governance) parameters and aligns with the UN SDGs for 2030. We aim to keep progressing sustainably with the support of our stakeholders to achieve our sustainability goals.



Aspirations



Environment



- Inventorise Scope 3 emissions by 2024-25
- Achieve net neutrality for Scope 1 and 2 emissions by 2025
- Become water-positive by 2026
- Plant 100,000+ trees
- Identify climate-related risk and opportunities in line with Task Force on Climate-related Financial Disclosures (TCFD) and Carbon Disclosure Report (CDP)
- Identify high-level decarbonisation levers (internal carbon price)



Social



- Increase proportion of females in the workforce to 30% by 2025
- Maintain Zero fatalities and Zero reportable loss time injuries each year
- Ensure Zero complaints against violation of human rights each year
- Approximately 3,000 rural children to be educated through ASHA centres
- Upskill 1,000+ youth by setting up skill centres across project sites
- 100 Asha centres by 2030



Governance



- Ensure 100% compliance with laws and regulations
- Ensure zero incidents of corruption
- Promote adoption of green code of ethics amongst suppliers
- Adopt sustainable, efficient and low-cost RE solutions across HFE's operations

Our achievements in FY 2022-23



- Identified hotspots in value chain to initiate inventorisation of Scope 3 emissions
- Reduced emissions from permanent employees by introducing Work from anywhere policy
- Carried out dry robotic cleaning pilot study at Bhadla RI, R2 and R3 sites, saving approximately 49,000 kl water in FY 2022-23
- Planted more than 5,000 trees across our sites



- Zero accidents and zero fatality rates
- 11% permanent women employees
- Zero complaints received against violation of human rights
- 18,000+ people have been provided access to clean drinking water through water ATMs
- 3,750 rural children benefitted through ASHA centres



- Zero cases of non-compliance since inception
- Zero incidents of corruption
- 22.2% women on the Board

Creating long-term value for stakeholders

Our Company is firmly committed to creating long-term value for our stakeholders by continuously engaging with them and understanding their needs and concerns. We have established a robust and structured stakeholder engagement approach involving active deliberation on crucial material issues that significantly impact our business and stakeholders.





In this section



Stakeholder engagement

Materiality assessment

Aligning our
sustainability efforts
with larger goals

Stakeholder engagement

Regular engagement with our stakeholders helps us decide on topics material to our business, discuss the associated risks related to these material topics and identify areas for improvement to mitigate evolving risks and challenges. The feedback and expectations from our stakeholders provide valuable insights that help us refine our goals, ambitions, operations, and reporting practices.

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Stakeholder identification

Stakeholders are identified by considering their potential to influence Hero Future Energy’s business strategy directly or indirectly and their likelihood of being impacted by it. The level of influence varies depending on factors such as the degree of interest, impact, and control those stakeholders have over project outcomes and business decisions.

Our stakeholders

Stakeholder group	Primary stakeholders	Secondary stakeholders
Community	<ul style="list-style-type: none">Land sellersContractors, sub-contractors, and contractual labourersSuppliersCustomers	<ul style="list-style-type: none">Local communities
Institutional stakeholders	<ul style="list-style-type: none">Local panchayats	<ul style="list-style-type: none">Industry associations and peersRating agencies
Government bodies	<ul style="list-style-type: none">Local, state, and central government	
Financial stakeholders	<ul style="list-style-type: none">Equity partners, banks, and FIs	
Others	<ul style="list-style-type: none">Workforce	<ul style="list-style-type: none">Media



Stakeholder engagement approach

● High ● Moderate

Stakeholders identified	Expectations	Influence and involvement	Engagement mechanism	Frequency of engagement
Land sellers	<ul style="list-style-type: none"> Willing transactions Fair price 	●	Direct interactions, messaging via calendars and events	Need basis
Local panchayats and communities	<ul style="list-style-type: none"> Community welfare Sustained employment generation Local area development 	●	Direct interactions, feedback surveys, information brochures/calendars and events	Monthly panchayats with communities mostly during the pre-project-commissioning stage
Contractors, sub-contractors, and contractual labourers	<ul style="list-style-type: none"> Sustained employment and business opportunities Adherence to safety Implementing innovative ideas 	●	Direct interactions, training, messaging via calendars and events	Daily
Suppliers	<ul style="list-style-type: none"> Ethical transactions Opportunity for continued 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	<ul style="list-style-type: none"> Consistent supply of clean energy Quality services High ESG performance 	●	Direct interactions, questionnaires, newsletters, e-mails, feedback surveys and events	Monthly
Industry associations and peers	<ul style="list-style-type: none"> Policy advocacy Innovation High ESG performance 	●	Direct interactions, messaging via calendars and events	Monthly
Employees	<ul style="list-style-type: none"> Safe working conditions Fair workplace and compensation Career growth Technology- friendly work environment High-growth learning curve 	●	Direct interactions, questionnaires, newsletters, e-mails, feedback surveys and events	Daily
Equity partners	<ul style="list-style-type: none"> High ESG performance Adherence to regulations and voluntary compliances Transparent approach High-performance projects Adherence to strategic intent 	●	Round table conferences, webinars, presentations on growth and debt servicing, e-mailers and face-to-face meetings	Monthly
Banks and FIs		●		Quarterly
Rating agencies	<ul style="list-style-type: none"> Project performance and repayment history 	●		Quarterly
Regulatory authorities (local, state, and central government officials)	<ul style="list-style-type: none"> Policy recommendations Community welfare Process and policy adherence Environmental protection measures 	●	In-person interactions, newsletters, e-mails and events	Monthly
Media	<ul style="list-style-type: none"> Timely organisational updates 	●	In-person interviews, feedback surveys, questionnaires, newsletters, e-mails, perception surveys and events and telephonic interviews	At least once per month

Materiality assessment

The materiality assessment process entails identifying and prioritising topics crucial for developing an informed ESG strategy and capitalising on opportunities to create long-term value and success.

We consistently monitor the existing material topics and proactively identify any new areas of focus that may emerge as significant for our stakeholders to stay abreast of the evolving ESG landscape and emerging market trends.

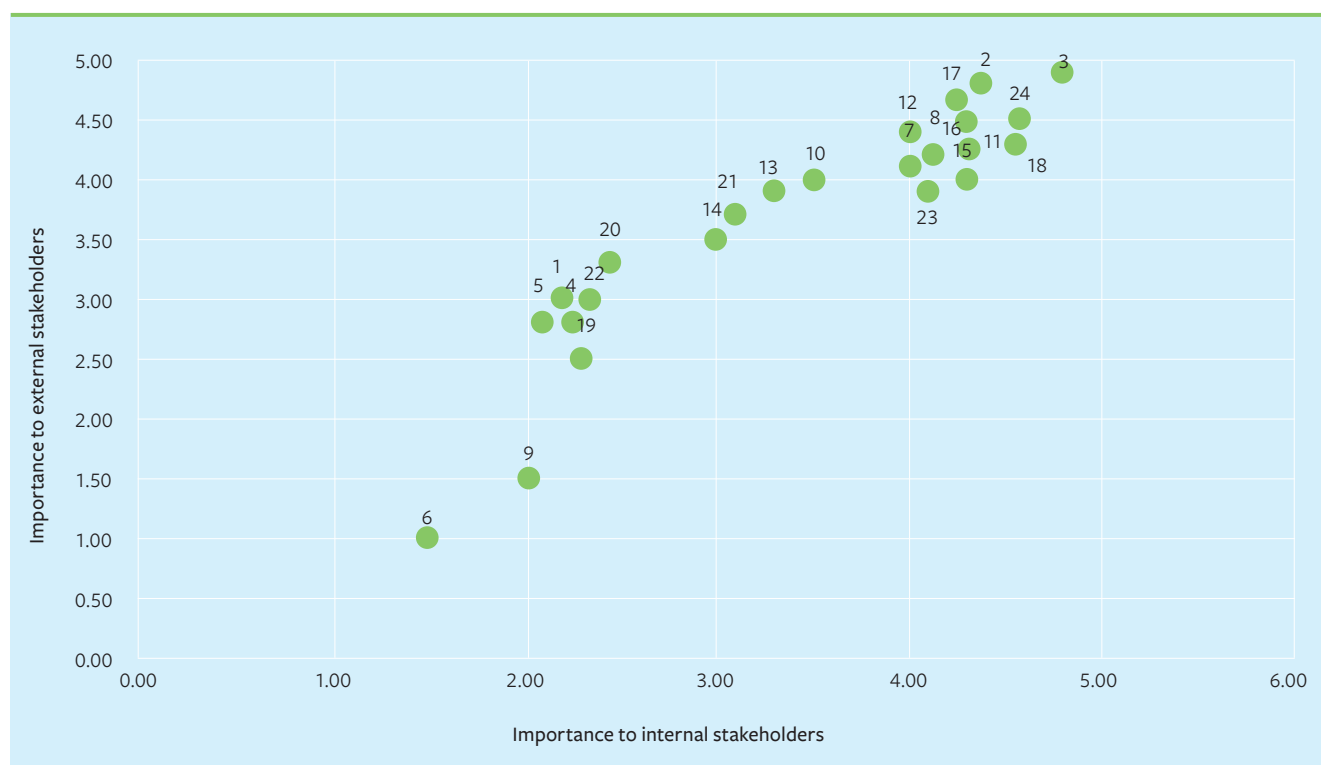
We revisited the material topics per the sector-specific reporting standards in the current reporting period. We compared them to peers to identify any additional material issues that could impact value creation for all stakeholders.

We inferred that material issues identified in FY 2021-22 have remained relatively consistent during FY 2022-23. Material issues relevant to the energy sector will likely stay the same over a short timeframe since significant changes in the operating environment usually occur only over a longer period.



Materiality matrix

We prioritised material issues in FY 2021-22 based on internal stakeholders' feedback. For FY 2022-23, discussions on material issues were extended to our external stakeholders, and the materiality matrix was developed accordingly. Our material issues are also mapped with the relevant UN SDGs.















Material topics









- | | | |
|---|---------------------------------|--|
| 1. Material usage | 10. Customer portfolio | 20. Employee engagement |
| 2. Renewable energy | 11. Economic performance | 21. Gender diversity and equal opportunities |
| 3. Climate change and managing carbon footprint | 12. Ethics and values | 22. Training and education |
| 4. Water management | 13. Digitalisation | 23. Human rights |
| 5. Waste management | 14. Grievance redressal | 24. Occupational health and safety |
| 6. Biodiversity and habitat | 15. Corporate governance | |
| 7. Supply chain | 16. Risk management | |
| 8. Anti-corruption | 17. Innovation | |
| 9. Business context | 18. Compliance | |
| | 19. Impact on local communities | |

Aligning our sustainability efforts with larger goals





















Our materiality assessment ensures that our sustainability efforts are aligned with the organisational goals and resonate with the expectations of our diverse stakeholder groups.

Aligning with global sustainable development goals

	Material topic	Definition	SDGs aligned with
Environment	 Material usage	In these disclosures, we report information about our materials sourcing, related impacts and how we manage them. We encourage local sourcing as much as possible.	 
	Renewable energy	We are increasing the mix of renewable energy within our operations while enabling the transition within the supply chain operations to minimise GHG emissions.	 
	Climate change and managing carbon footprint	We are working towards reducing the overall carbon footprint of our operations.	  
	Water management	We promote water conservation by reducing water consumption, recycling and reusing water, harvesting rainwater and wastewater/effluent management and reduction. This approach also includes STPs, ETPs and water aerators among others.	 
	Waste management	It contains information about our waste-related impacts and how we manage these impacts. It enables us to provide information on how we prevent waste generation and manage waste that cannot be prevented.	
	Biodiversity and habitat management	We are reporting information about the impact of projects and operations on biodiversity and their habitat and how we manage these impacts.	

	Material topic	Definition	SDGs aligned with
Governance	 Supply chain	We have established an ESG lens for supply chain partners to ensure compliance with ESG standards and regulations, traceability and transparency.	
	Anti-corruption	It contains information about corruption-related impacts and how we manage these impacts. Organisations are expected by the marketplace, international norms and stakeholders to demonstrate their adherence to integrity, governance and responsible business practices.	-
	Business context	It occurs when business owners, employees and outside factors influence our success. Our business grows when we expand our customer base, increase revenues or produce more.	
	Customer portfolio	Addresses our ability to provide consumers with manufactured products and services aligned with societal expectations.	-
	Economic performance	Includes the economic value generated and distributed (EVG&D) by us, our defined benefit plan obligations, the financial assistance we receive from any government and the financial implications of climate change.	    

	Material topic ↓	Definition ↓	SDGs aligned with ↓
Governance	Ethics and values	We ensure fair and transparent business conduct and comply with all applicable legislations to prevent inappropriate activities.	-
	Digitalisation	We use the latest digital technologies in our internal and external operations. We aim to transform the core of our business operations and processes across the entire organisation using organisational.	-
	Grievance redressal	We have a organisational mechanism to receive complaints from individuals, workers, communities and/or civil society organisations that are negatively affected by specific business activities and operations and facilitate resolution of concerns.	-
	Corporate governance	These rules, practices and processes direct and control us. Corporate governance involves balancing the interests of our many stakeholders, such as shareholders, senior management executives, customers, suppliers, financiers, the government and the community.	 
	Risk management	We use risk management to identify, assess and control threats to our capital and earnings. These risks stem from various sources including financial uncertainties, legal liabilities, technology issues, strategic management errors, accidents and natural disasters.	-
	Innovation	We create an environment for innovation with a focus on research, development and incubation to diversify our portfolio and provide enhanced convenience to our consumer base.	-
	Compliance	It refers to our overall compliance record and compliance with specific laws or regulations in the social and economic area.	-

	Material topic ↓	Definition ↓	SDGs aligned with ↓
Social	Impact on local communities	We aim to empower underprivileged communities while creating and enabling opportunities for a positive socioeconomic impact.	    
	Employee engagement	It refers to our efforts to engage with employees to ensure their well-being and professional growth and enhance their skills.	   
	Gender diversity and equal opportunities	We create an inclusive work environment for women at different organisational levels.	 
	Training and education	It refers to our approach to training and upgrading employee skills and performance and undertaking career development reviews. It also includes transition assistance programmes to facilitate continued employability and the management of career endings due to retirement or termination.	   
	Human rights	We stringently uphold human rights while making decisions and ensure zero abuse across operations.	  
	Occupational health and safety	We aim to create a safe and healthy work culture and environment for employees and partners. This approach includes life safety infrastructure, emergency preparedness, emergency services and road safety among others.	 

Governance

At HFE, governance forms a core pillar of our ESG strategy. We uphold best practices and ensure accountability and transparency at every organisational level to sustain the trust and further the best interests of our stakeholders.





In this section



Corporate governance at HFE

Board committees

Policies and governance mechanism

Enterprise risk assessment

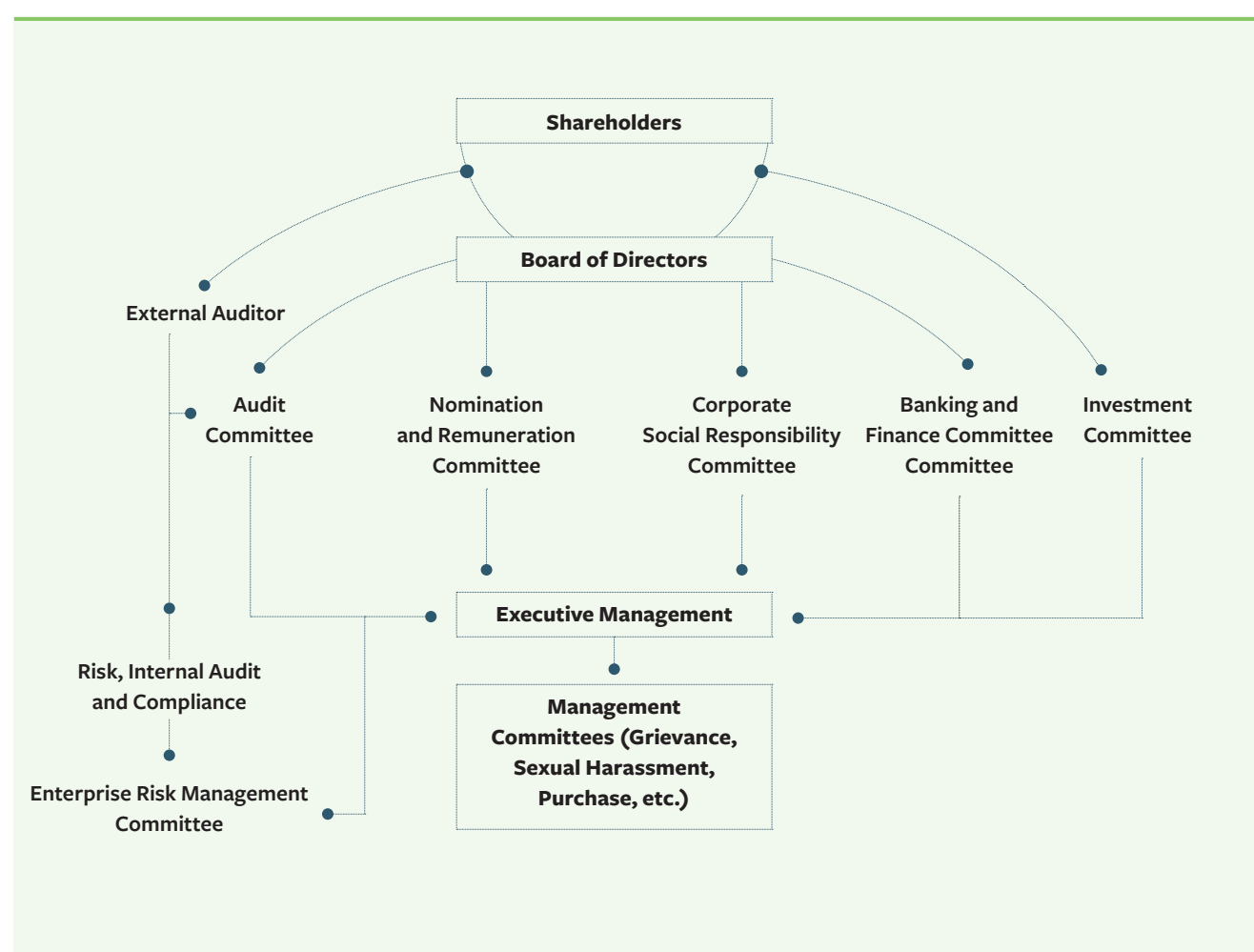
Economic value addition

Leveraging digital innovation for value creation

Corporate governance at HFE

At HFE, corporate governance is the cornerstone of all policies and functions. We uphold ethical conduct, transparency and integrity to foster stability in the organisation and cultivate a sense of trust among our stakeholders. All these factors act as growth multipliers for our Company and accelerate our development journey.

Our corporate governance structure



Board of Directors

Our Board provides leadership and strategic guidance to our organisation and oversees different functions through various committees. Each committee supervises different HFE functions and actively participates in the decision-

making process. We have an active and independent Board acting as the gatekeeper of corporate governance.

Size and composition

The Board comprises nine directors, including the Chairman and the Managing

Director. The Board has an Independent Director, a Nominee Director, and two women Directors to enhance the diversity of the Board. The Board members bring their expertise and years of experience in sustainability, renewable energy and leadership, which are invaluable.

List of members



Mr. Rahul Munjal
Chairman and Managing Director



Mr. Mahek Mehta
Director



Dr. Pawan Munjal
Director



Mr. Sumeet Thakur
Nominee Director



Mr. Abhimanyu Munjal
Director



Ms. Pooja Munjal
Director



Mr. Andrew Hall
Independent Director



Mr. Inderbir Singh Dhillon
Director



Ms. Ami Momaya
Director

Board committees

There are seven committees under the aegis of the Board, each with their respective functions that enable the Board to delegate its duty responsibly and effectively.

Among the HFE Board committees are the Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Banking and Finance Committee, Steering Committee and Safety Committee.

The Corporate Social Responsibility Committee, together with the above-mentioned committees, is critical to the realisation of HFE's sustainability strategy and efforts.

Nomination and Remuneration Committee

Mr. Vivek Mehra
Chairman

Mr. Rahul Munjal
Member

Mrs. Renu Munjal
Member

Mr. Osama Abdullatif A Alothman
Member

Responsibilities of the Nomination and Remuneration Committee

- Formulation of 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
- Oversight of succession planning process and conducting performance evaluation of senior management (including CEO)
- Issue and allotment of shares against exercise of stock options

Banking and Finance Committee

Mr. Rahul Munjal
Chairman

Mr. Abhimanyu Munjal
Member

Mr. Vivek Mehra
Member

Responsibilities of the Banking and Finance Committee

- Opening and closing of bank accounts
- Change in bank signatories
- Obtaining internet banking facility to facilitate online tax payment
- Day-to-day investment in fixed deposits and 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 money
 - to invest the funds of the company
 - to grant loans or give guarantee or provide security in respect of loans

Corporate Social Responsibility Committee

Mr. Rajesh Puri
President – F&A

Mr. Arun Tripathi
Head – Solar, Wind & ESS – India

Mr. Harish Pant
Sr. VP – O&M

Mr. Nitesh Nath
Sr. VP – Land, Project, CPC, PMO

Ms. Bhawna Kirpal Mital
CHRO and Lead – IT, Admin & CSR

Responsibilities of the CSR Committee

- To formulate and recommend 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

Sustainability Steering Committee

Mr. Srivatsan Iyer

Global Chief Executive Officer

Ms. Bhawna Kirpal Mital

CHRO and Lead – IT, Admin & CSR

Mr. Arun Tripathi

Head – Solar, Wind & ESS – India

Mr. Shashidhar Srirambhatla

VP – Risk and Internal Audit

Mr. Sudhir Pathak

Head – Engineering & Quality

Responsibilities of the Steering Committee

- Reviewing and engaging in discussions with the Company's management regarding its sustainability strategy, which aims to achieve the Company's vision and targets; this approach includes assessing sustainability-related risks, proposing mitigation strategies and discussing key initiatives and related policies
- Evaluating and discussing reports provided by the management that outline the Company's progress towards its key sustainability objectives. This approach involves monitoring and assessing the Company's performance about its ESG goals
- Providing guidance on various aspects of sustainability, such as setting up of sustainability targets, enhancing internal systems, fostering an ESG culture and improving reporting and ratings; the committee offers expertise and recommendations to help the Company excel in these areas
- Conducting periodic evaluations of the sustainability committee's performance to ensure its effectiveness in fulfilling its responsibilities; this assessment helps identify areas for improvement and ensures the committee is operating efficiently
- Annually reviewing and reassessing the Sustainability Steering Committee charter, which outlines the committee's purpose, composition, and responsibilities; any recommended changes to the charter is submitted to the Board for consideration

HSE Committee

Mr. Vijayanand

Head – HSE & Sustainability

Mr. Nitesh Nath

Sr. VP – Land, Project, CPC, PMO

Mr. Harish Pant

Sr. VP – O&M

Mr. R. Sunder

Business Head – C&I India

Mr. Arun Tripathi

Head – Solar, Wind & ESS – India

Ms. Bhawna Kirpal Mital

CHRO and Lead – IT, Admin & CSR

Responsibilities of the HSE Committee

- Review and assess HSE performance metrics, incidents, and trends
- Recommend updates and improvements to HSE policies and procedures
- Monitor compliance with local, national and international HSE regulations
- Assess and propose strategies to mitigate HSE risks
- Evaluate and endorse HSE training and awareness programmes
- Review and allocate resources for HSE initiatives
- Prepare and present quarterly reports to the Board of Directors
- Collaborate with external experts or consultants as needed
- Foster a culture of HSE excellence across the organisation

Policies and governance mechanisms

We have a comprehensive list of policies and codes to govern the organisation's internal and external stakeholders. We uphold the abidance to our policies and codes to ensure strengthened corporate governance and compliance.

Policies in practice at HFE

Anti-bribery and anti-corruption policy

Sets out responsibilities in observing and upholding our position on bribery and corruption. Provides information and guidance to our employees and contractors on recognising and dealing with bribery and corruption issues.

Anti-money laundering and anti-terrorist financing policy

Sets out procedures to identify, assess, monitor and manage financial crime risk in a comprehensive way but proportionate to the nature, scale and impact of its activities.

Equal opportunity policy

We are an equal-opportunity employer. The policy provides our statement and lays down the code of conduct for employees to carry the same image in their demeanour.

Slavery and human trafficking statement

Depicts our commitment to taking appropriate steps to ensure there is no slavery and human trafficking in our own business or our supply chains.

Grievance procedure

Provides a platform for fair assessment of employee grievances and their timely redressal.

Occupational health safety and environment policy

Safeguards occupational health, safety and environment of our employees, contractors, clients, stakeholders, and communities in which we operate.

Code of conduct and ethics policy

Provides a reference to the employees and associates to maintain a work environment that is positive, productive, cordial, safe and free from any discrimination and harassment.

Whistleblower policy

Encourages staff to report suspected wrongdoing as soon as possible, knowing that concerns will be taken seriously and investigated as appropriate while maintaining confidentiality. It provides staff with guidance on how to raise those concerns and reassures staff that they should be able to raise genuine concerns in good faith without fear of reprisals, even if they are mistaken.

Prevention of Sexual Harassment (PoSH) at Workplace policy

POSH provides protection to women as well as men.

Employee and candidate privacy policy

Ensures privacy of personal data and information relating to employees of and candidates applying to HFE.

Website privacy and cookie policy

Brings transparency on the use of data and ensures privacy.

Anti-facilitation of tax evasion policy

Sets out our responsibilities and those working for us in observing and upholding our position on preventing the criminal facilitation of tax evasion. Provides information and guidance to our employees and contractors on recognising and dealing with bribery and corruption issues.

Rights of persons with disabilities

Ensures no person with a disability shall be discriminated against on the grounds of disability.



Anti-corruption approach at HFE

We are committed to carrying out business fairly, honestly and openly wherever we and other members of the Group carry on business in the world.

Our officers and employees reflect the same culture of professionalism and integrity in their dealings on behalf of our Company and assist our Company in implementing and enforcing systems to prevent bribery and corruption across the business. Our Company has zero tolerance for corruption and bribery. It expects all staff and anyone else acting on behalf of our Company to comply with all laws relevant to countering bribery and corruption. We have an anti-bribery and corruption policy in place, and in FY 2022-23, no complaints were filed against the management on account of bribery/corruption.

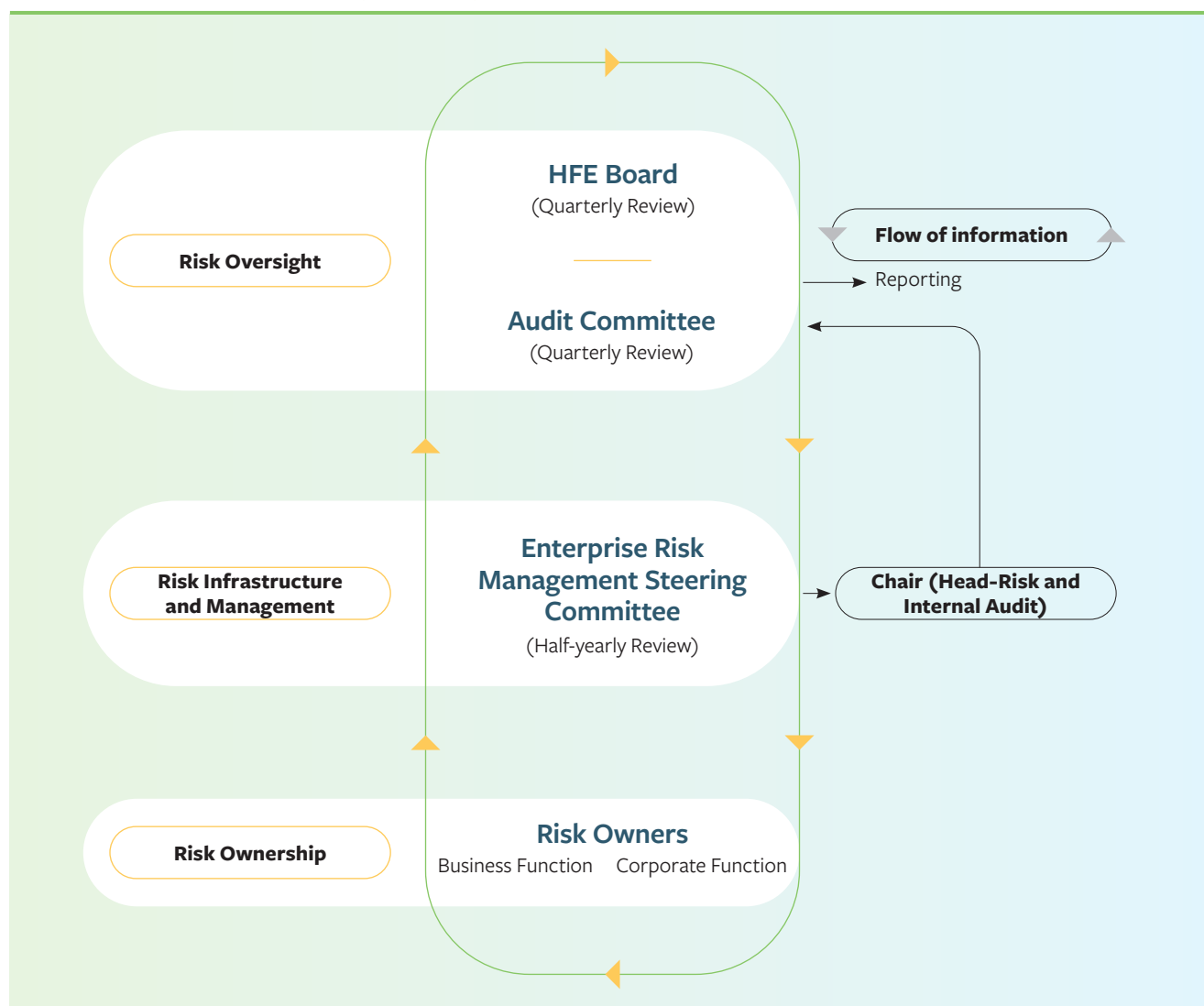
There is a defined global compliance framework to monitor and ensure the effectiveness of all global policies applicable to HFE as a Company. We have a structured vendor due diligence process in place. This approach also includes vendor contracting to ensure that all anti-corruption, anti-money laundering, tax evasion and slavery acts are adhered to by all our vendors and contractors.

Enterprise risk assessment

We identify, assess and mitigate strategic, operational, legal and compliance risks. Our culture of systematic and proactive risk identification and taking appropriate measures protects us from potential threats and helps safeguard our interests.

We constantly update our enterprise risk management (ERM) to keep up with changes in the external world. At HFE, the members of the ERM steering committee oversee the management of all the risks the organisation is exposed to.

HFE enterprise risk management governance structure



Our risk management policy forms the basis of our ERM framework and allows us to maintain a robust corporate governance policy. The following are the risks we consider relevant to our organisation.



Competition risk

With numerous companies foraying into the market, competition is rising – both in India and globally. Lower cost of capital and operations, drop in electricity price in the spot market, and competitive tendering attract many new players. The Group is diversifying into other markets and trying to lower the cost of its operations to counter this risk.



Financial risk

We are exposed to various types of financial risks. These include credit and liquidity risks, volatile rates of energy and commodities, and foreign exchange rates, among others. The group has a treasury policy to mitigate these risks.



Legal and regulatory risk

We connect with the government and all regulatory bodies to stay informed about all new and upcoming regulations and align ourselves with them. The Group also has a compliance framework to monitor government permit validity. The Company is also exposed to contract risks and validity due to disputes. An in-house legal team takes care of all legal risks, including litigations and reviews all contracts to safeguard the Company's interests.



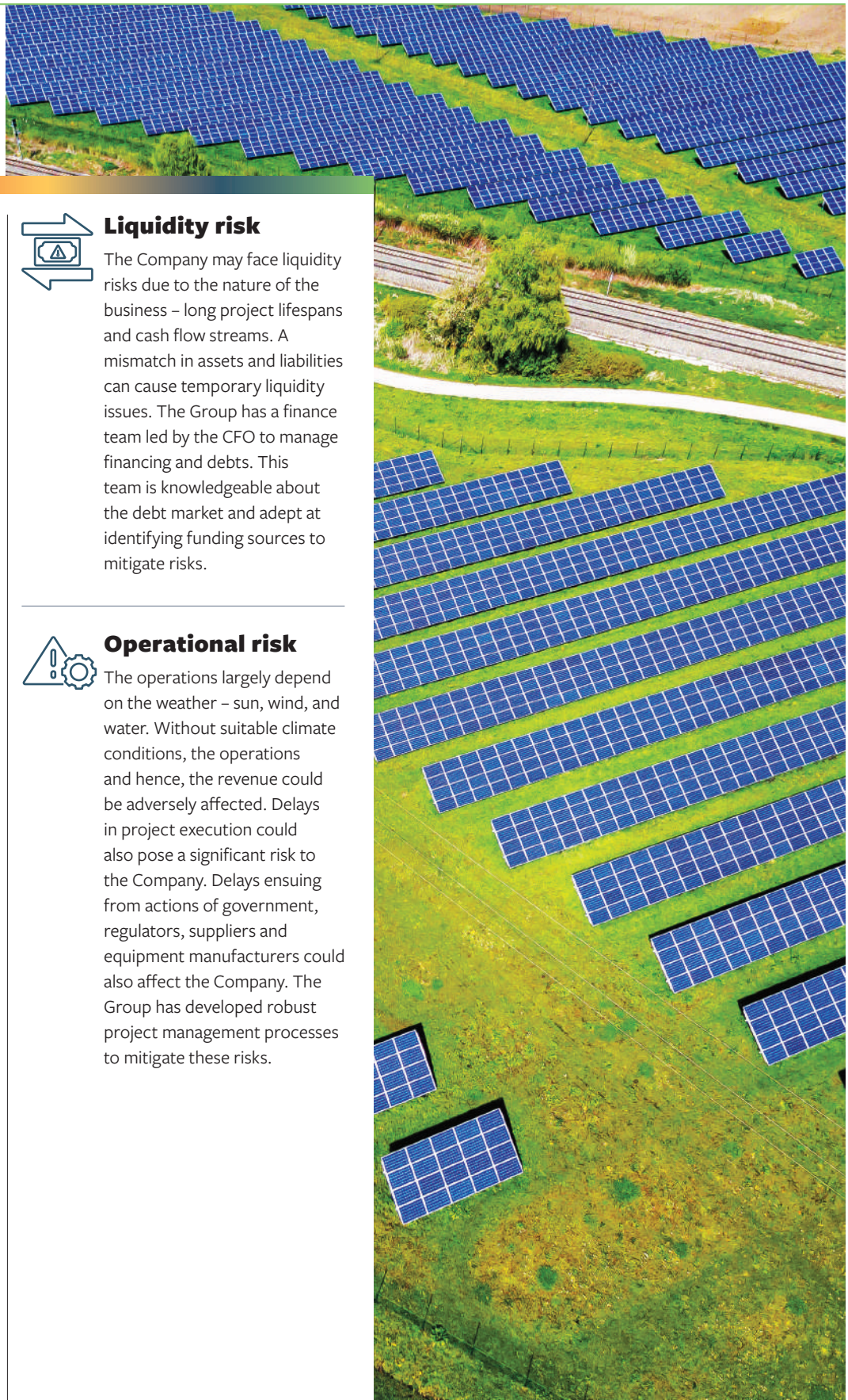
Liquidity risk

The Company may face liquidity risks due to the nature of the business – long project lifespans and cash flow streams. A mismatch in assets and liabilities can cause temporary liquidity issues. The Group has a finance team led by the CFO to manage financing and debts. This team is knowledgeable about the debt market and adept at identifying funding sources to mitigate risks.



Operational risk

The operations largely depend on the weather – sun, wind, and water. Without suitable climate conditions, the operations and hence, the revenue could be adversely affected. Delays in project execution could also pose a significant risk to the Company. Delays ensuing from actions of government, regulators, suppliers and equipment manufacturers could also affect the Company. The Group has developed robust project management processes to mitigate these risks.



Economic value addition

We are committed to achieving long-term growth through a well-balanced and cost-effective mix of debt and equity, which supports the creation and sustainability of value across all aspects of our business.

We have established a robust mechanism for monitoring our cash flows and liquidity position, allowing us to identify opportunities for business growth and streamline costs across various departments. We strive to allocate appropriate capital to support our growth projects while maintaining optimal liquidity to safeguard and support our business operations in diverse economic scenarios.



Economic value generated and distributed (EVGD) in FY 2022-23

Million ₹

Million US\$

↓	↓	↓
a) Revenues	14,665.87	176.17
b) Operating costs	2,789.57	33.51
c) Employee benefits and wages	778.88	9.36
d) Payment to providers of capital	9,651.93	115.94
e) Payments to governments	170.63	2.05
h) Economic value retained	1,274.86	15.31

Note - 1 US\$ = ₹ 83.25 as on 14th October 2023.

Additionally, during the year we have received government grant (subsidy and VGF) of ₹ 725.95 Million/8.72 Million US\$.



Leveraging digital innovation for value creation

Rapid technology adoption has been integral to our product innovation and improvement, and internal transformation. We have taken up various innovative initiatives in a structured manner to enable smart and value-added outcomes for all our stakeholders.

Our digital initiatives include



HR management system



Vendor management system



Daily generation report



Compliance tool



Incident management system



HSE management information system

Digital first approach

At HFE, we have adopted a 'digital first' approach by focusing on all four pillars (IT security, infrastructure, end-user services, and business process) of IT and operational technology (OT) systems. We have worked on transforming our overall IT systems by adopting the latest technologies.

Our digital transformation strengths



IT Security

We continually strengthen the Company's security position and have deployed next-gen solutions:

- CrowdStrike
- Zscaler
- Microsoft Azure Active Directory
- ATP and DMARC for e-mail security
- Web access firewall for internet-facing applications
- Privilege access management
- Continuous monitoring of edge devices

We also provide employees with training and awareness programmes like cyber security, phishing simulation, proactive mock-drill data resiliency and many more. We have segregated the IT and OT systems physically and logically and reduced the surface attack.

Solutions awaiting deployment

- SOC (Security Operations Centre) as a service, device and employee compliance monitoring tool concerning ISO 27001
- GDPR (General Data Protection Regulation) framework
- NIST (National Institute of Standards and Technology) framework



Infrastructure

We have taken a proactive approach to infrastructure development, optimisation and disaster recovery planning.

- Consolidation and optimisation
- Timely patching
- Operational Technology (OT) migration
- Increased uptime
- Secondary location establishment

Furthermore, we have worked on end-user services by implementing solutions which give us a proactive approach and improve user experience.

- Microsoft Intune
- Kesaya
- Applixure (AI-based device performance monitoring tool)



End-user services

We have underscored the organisation's commitment to utilising Microsoft technologies for comprehensive device security, identity management and user-friendly features such as:

- Microsoft Intune implementation
- Mobile application management
- Microsoft Azure Active Directory (AD)
- Self-service password management
- File transfer management

Our initiatives to digitise our business processes include:

- Microsoft 365 initiatives
- End-user email signatures
- Remote support
- Remote management



Business process

We have implemented the intranet portal in Microsoft SharePoint and built a business process workflow to transfer manual processes onto a digital platform. Critical and complex business processes are built on custom applications like complete plant operation management, for example,

- Assets life cycle
- Vegetation
- Workforce
- Work permit
- Project documentation
- Module allocation during plant commissioning
- Quality management

Environment

In line with our objective of achieving climate positivity by 2030, we are consistently working towards minimising the environmental impact of our operations. At the same time, we are focusing on maximising the efficiency of our energy and water usage, reducing emissions, minimising waste generation and preserving biodiversity. We also ensure compliance with regulatory requirements as we pursue these sustainability goals.





In this section



Environmental and social
management system

Material usage

Energy consumption

Emissions

Water management

Waste management

Biodiversity and
habitat management

Environmental and social management system

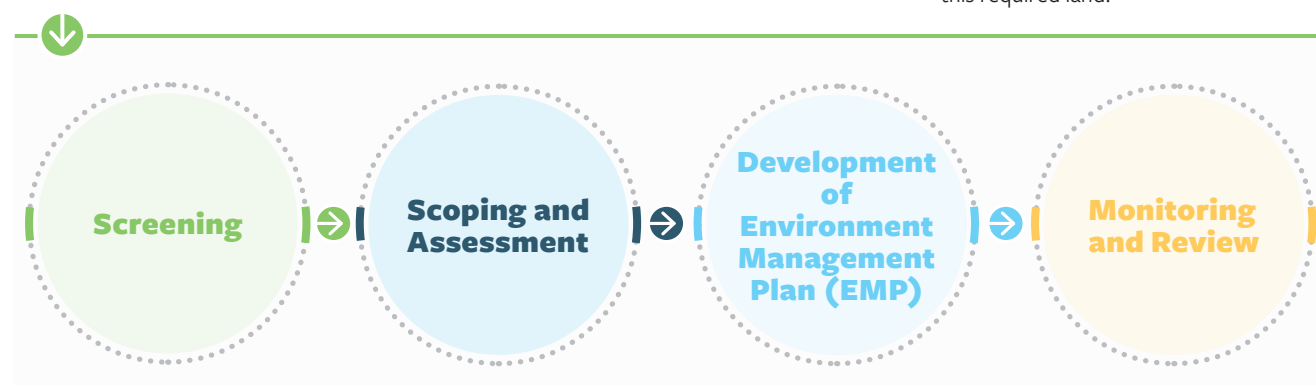
At HFE, we ensure that all our projects are developed and implemented per the International Finance Corporation's Performance Standards on Environmental Health and Safety, Equator Principles, ISO standards and global best practices. Our environmental and social management system (ESMS) ensures our environmental and social policy objectives are reflected in all project planning and practice. The implementation is reinforced through arrangements and processes that ensure system accountability.

ESMS provides operational measures and tools to screen projects on potential negative environmental or social impacts systematically, identify appropriate measures to avoid, minimise, or compensate for these impacts, and optimise positive impacts. It also ensures that the implementation of mitigation measures and their effectiveness are monitored and that any other impacts arising during the execution of the project are addressed.

ESMS approach

Before acquiring any land, our projects undergo a comprehensive initial site screening during the planning phase to identify any environmental and social obstacles. We ensure that the following details are confirmed before proceeding with land acquisition:

- Type of land and existing use
- Terrain details
- No involvement of tribal community or indigenous people with land parcel
- No landowner associated with the land should become totally landless in the deal/transaction
- Presence of transmission lines passing through proposed land and require rerouting
- Right of Way (ROW) available for plant facilities
- Industries in neighbouring areas, any toxic effluents or atmospheric emission from these industries
- Any major river/canal passing in the vicinity
- Distance from archaeological sites, if any nearby (within 5-10 kms)
- Rehabilitation and resettlement of persons required
- Minimum 20 km distance between the site and any nearest national park, wildlife sanctuary, protected forest and forest reserve
- Private parcels of land are preferred to be taken on lease for setting up the projects on a willing buyer-willing seller basis. The land sellers are expected to benefit monetarily from leasing out this required land.



Following the results of screening, scoping and assessment processes, a comprehensive plan is developed to address the challenges and mitigate the risks associated with project implementation. Furthermore, we conduct compulsory and thorough evaluations of the environmental and social impact throughout the project's execution.



Key environmental focus areas for HFE include material consumption, energy, emissions, waste management, water conservation and biodiversity management.



Material Consumption



Energy



Emissions



Waste Management



Water Conservation



Biodiversity Management

Environmental compliance

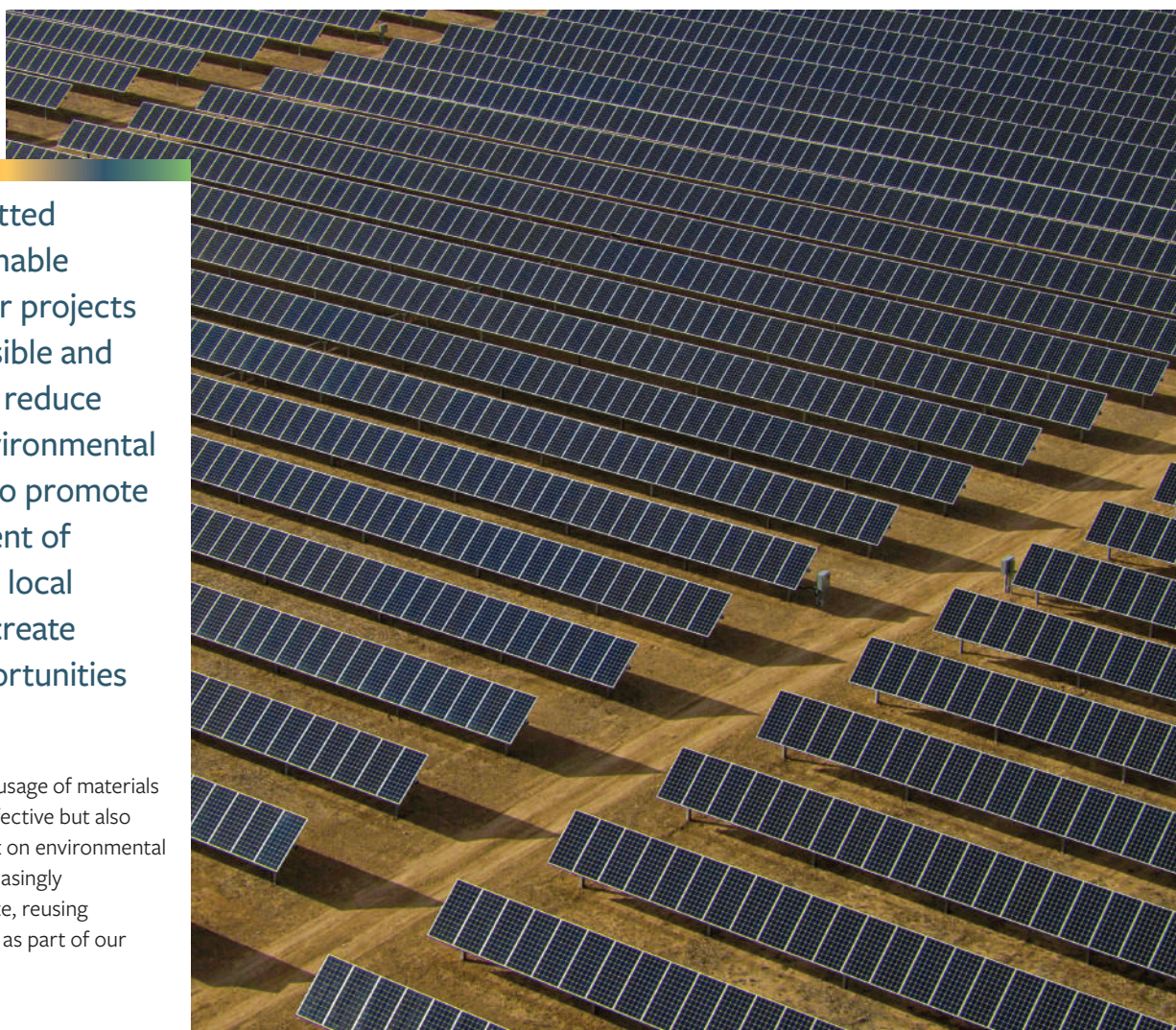


We strictly adhere to laws and regulations, prioritising compliance in all business decisions and strategies. We have implemented a compliance management tool across our Company and project sites to monitor and manage relevant norms and regulations. An independent third party does an annual assessment of our digital compliance tool. In FY 2022-23, no penalties or sanctions have been imposed on our Company for non-compliance with environmental laws and regulations.

Material usage

We are committed to using sustainable materials in our projects whenever possible and are working to reduce our overall environmental impact. We also promote the procurement of materials from local suppliers and create livelihood opportunities for them.

We promote effective usage of materials as it is not only cost-effective but also has a significant impact on environmental conservation. We increasingly focus on reducing waste, reusing materials and recycling as part of our sustainable practices.



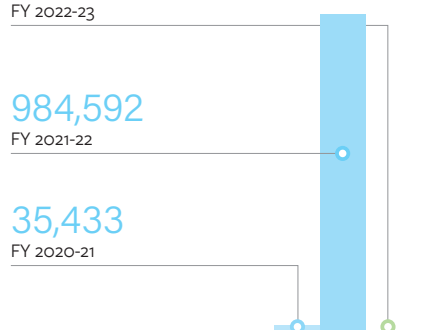
Materials

Solar modules (Nos.)

6,075
FY 2022-23

984,592
FY 2021-22

35,433
FY 2020-21

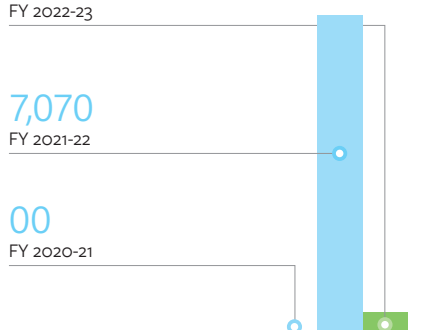


Module mounting structure (MT)

33.6
FY 2022-23

7,070
FY 2021-22

00
FY 2020-21

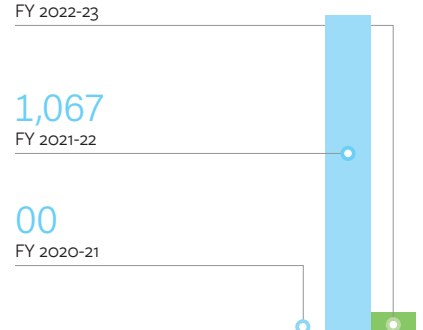


Inverters (Nos.)

65
FY 2022-23

1,067
FY 2021-22

00
FY 2020-21

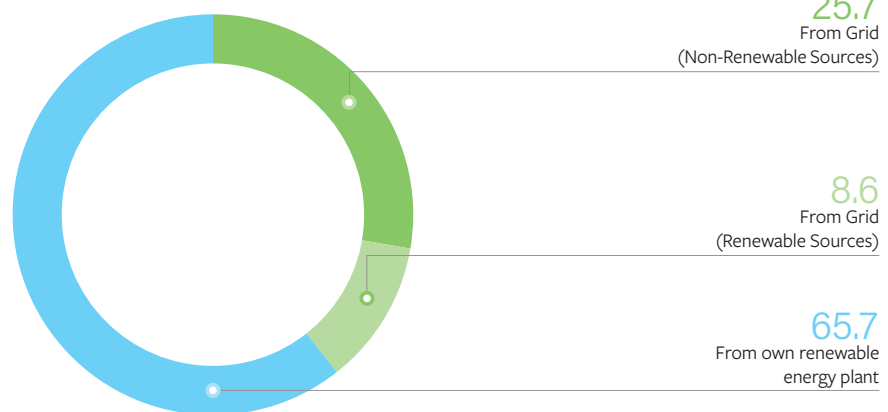


Energy consumption

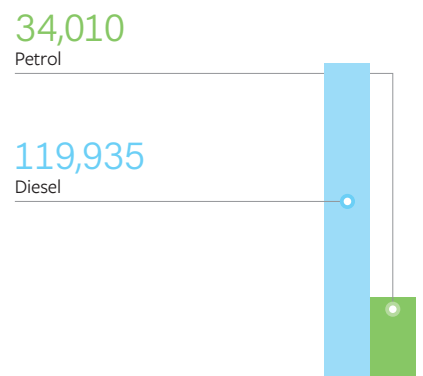
As responsible corporate citizens, we aim to address the growing energy needs of businesses, communities and governments effectively, sustainably and conscientiously. We provide our customers with cleaner and more intelligent energy options through ongoing innovations in renewable energy models and investments in advanced technologies.

The bulk of the electricity demand at our plants and site offices is met using self-generated renewable power, and during non-generation hours, electricity is imported from the grid.

Energy consumption (%)



Fuel consumption (Litres)



Emissions

We regularly track our emissions and seek to mitigate them by implementing effective management practices and identifying hotspots across our value chain for adequate emission control.

At HFE, we follow the GHG protocol corporate accounting and reporting standards to calculate the Scope 1 emissions (originating from sources directly controlled or owned by our Company) and Scope 2 emissions (which stem from purchased electricity). Our Scope 1 emissions primarily arise from diesel and petrol consumption by Company-owned vehicles and DG sets. In FY 2022-23, HFE managed to avoid 2.7 Million tonnes of CO₂ emissions by installing solar and wind energy projects for the consumers.

We do not track the energy consumption and emissions generated outside our organisation. However, we have identified the hotspots in our value chain for accounting Scope 3 GHG emissions, which shall be reported in the coming financial year.

We produce renewable energy and generate carbon credits. Since 2016, we have had several renewable energy projects registered under carbon credit schemes by various certifying agencies such as the Global Carbon Council, Verified Carbon Standard, Clean Development Mechanism and Gold Standard, among others.



HR policy saves emissions

we have introduced work from home/hybrid policy allowing employees to work remotely or office as required. This initiative has helped us reduce employee commute emissions (category 7 of Scope 3 emissions). Substantial emissions were saved for permanent employee (only) commute category of Scope 3 emissions after introducing a work-from-home policy.

Emissions

5,816.12

Electricity

71.62

Petrol

348.41

Diesel

Emission factors used for FY 2022-23: 2.106 tCO₂e/kl emission factor for blended petrol, 2.905 tCO₂e/kl emission factor for Diesel, 0.71 tCO₂e/MWh grid emission factor

Water management

As a conscious organisation, we acknowledge the crucial role of water in our existence and the need to conserve it. We believe in responsible water use and are devising ways to reduce its use at our sites and corporate offices. Our sustainability strategy for water will remain one of the most crucial elements in our sustainability vision for 2030.



Water withdrawal at HFE

Application	FY 2022-23 (in kl)
Surface water (includes rainwater harvesting)	2,327.90 kl
Groundwater	80,360.10 kl
Third-party	6,463.75 kl
Other	9,241.33 kl
Total water withdrawal	98,393.08 kl

Water consumption

Application	FY 2022-23 (in kl)
Drinking	2,848.50 kl
Module cleaning	86,941.73 kl
Others	8,459.70 kl
Total water consumption	98,249.93 kl

- According to a UNICEF report, over 2 Billion people live in countries where water supply is inadequate; half of the global population could face water scarcity as early as 2025, and by 2030, around 700 Million people may have to migrate due to water scarcity.
- According to the latest dynamic groundwater report released by the relevant ministry, most of our sites are in safe zones. We use groundwater resources for cleaning solar modules with prior permission from the relevant groundwater boards.
- At our project sites, we regularly monitor the no objection certificate (NOC) conditions for groundwater abstraction and submit biannual reports to the groundwater board. To identify water-related impacts, we also conduct a hydrogeological study of the project area, including recommendations for rainwater harvesting systems to recharge groundwater.

Dry robotic cleaning pilot at Bhadla, Rajasthan

In FY 2022-23, we deployed dry robotic cleaning in Rajasthan (Bhadla plant), where freshwater is scarce. A study of the pilot programme revealed that we have saved approximately 49,000 kl water in FY 2022-23. We will deploy robotic cleaning across other solar sites in the next financial year.

Other benefits of dry robotic cleaning

- Reduced operational cost
- Enhanced energy production

Waste management

We are dedicated to promoting a circular economy both at industrial and national levels, aiming to minimise waste generation. We are also continuously exploring opportunities for recycling and reusing waste materials.

We have established standard operating procedures to manage waste effectively, which outline protocols for meticulous waste segregation, efficient handling, storage and disposal. These procedures are implemented across all our construction sites, operating plants and offices.

All hazardous waste generated is disposed off following the hazardous waste management procedure. We ensure it is sent to vendors whom the Pollution Control Board authorises to handle such waste appropriately. In line with the Central Pollution Control Board's notification (2016), renewable energy plants have been classified as a 'white category' based on their minimal pollution impact.

There has been a tremendous increase in the e-waste disposed compared to the e-waste generated because e-waste/batteries stored in the last financial year were also disposed of in FY 2022-23

Waste generated in FY 2022-23

Plastic waste

0 Tn

E-waste/Batteries

23.14 Tn

Radioactive waste

0 Tn

Other waste

53.35 Tn

Waste disposed in FY 2022-23

Plastic waste

0 Tn

E-waste/Batteries

73.21 Tn

Radioactive waste

0 Tn

Other waste

39.94 Tn



Biodiversity and habitat management

We are deeply committed to ensuring that our operations are eco-friendly. We have developed a strategic and focused biodiversity management plan that informs us about the potential impacts of our business or projects on biodiversity.



Measures to preserve biodiversity

- We conduct specialised studies such as biodiversity assessments and bird studies to comprehensively understand the risks associated with species, following the guidelines set by the International Union for Conservation of Nature (IUCN)
- We take significant actions to minimise the degradation of natural habitats and prevent the loss of biodiversity

- We conduct mandatory environmental and social impact studies for greenfield projects to identify and mitigate potential risks, following the 2021 Environment and Social Action Plan
- Depending on the project's requirements, we engage third-party auditors to conduct biodiversity assessments and evaluate the impact on avifauna near our project locations
- To protect avifauna biodiversity, we have voluntarily decided, despite the associated cost increase, to implement underground cabling within the plant boundary and install bird deterrents for external transmission lines around our under-construction project

Fauna preservation

We have conducted bird and bat studies across all our wind power plants. These long-term studies primarily aim to evaluate the potential impact of wind turbines on the avifauna population in the designated project area.

The methodology and approach involve the following steps

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

This study allows us to confirm that our development goals are truly sustainable. We not only aim to meet the needs of humans, but we also prioritise the preservation of ecological balance at the heart of our operations.

Outlook



We are committed to developing and establishing a comprehensive Biodiversity Management System (BMS) by 2026-27 for our operations. This BMS will follow the International Union for Conservation of Nature (IUCN) guidelines to plan and monitor HFE's corporate biodiversity performance effectively.

Furthermore, HFE will actively measure, verify, and disclose its biodiversity performance, whether it pertains to plants, animals or specific species within the flora and fauna, depending on the project area. This transparent approach will ensure accountability and enable stakeholders to assess HFE's efforts in promoting and preserving biodiversity.

Social capital – Our people and community



The ‘S’ of our ESG strategy focuses on socially benefitting the people among our organisation’s key stakeholders, employees, and local communities. We ensure employee well-being and a healthy, nurturing, and safe working environment. We also focus on empowering local communities through our CSR initiatives.



In this section



Strengthening a positive work culture

Gender diversity and equal opportunity

Training and development

Improving on HR excellence

Employee benefits

Rewards and recognition

Employee well-being

Occupational health and safety

Empowering local communities

Strengthening a positive work culture

At HFE, our foremost priority is the growth and advancement of our employees, as we firmly believe that our organisation can only reach its full potential when our employees do as well.

In pursuit of this vision, we have developed policies prioritising their well-being and professional development. We strive to cultivate a positive work culture at HFE, guided by the principles of 'Trust,' 'Respect,' 'Delegation,' 'Excellence,' 'Transparency,' and 'Agility.' Recognising that employees are the greatest asset of any organisation, we are committed to fostering a conducive environment that supports their personal and professional aspirations, empowering them to contribute significantly to achieving our business goals and objectives. In FY 2022-23, we were re-recognised as a 'Great Place to Work', reinforcing our commitment to providing a positive and fulfilling work environment for all our employees.

180

Employees between 30-50 years of age, indicating a balance of youth and experience



Workforce composition

Age-wise breakup of permanent workforce

Category	Total	Employee count (as on 31st March 2023)					
		Age group (as on 31st March 2023)					
		<30 years		30-50 years		>50 years	
		M	F	M	F	M	F
CEO, CMD	2	0	0	1	0	1	0
Senior management	13	0	0	7	1	5	0
Middle management	60	0	0	56	3	1	0
Junior management	174	32	5	116	19	2	0
Total	249	32	5	180	23	9	0

Strength of the workforce at HFE project sites in FY 2022-23

40

Number of HFE employees

11,158

Man-days of HFE employees

94,384

Man-hours worked by HFE employees

1,048

Average number of contractual workforce

377,571

Man-days of employees including workers of contracts & subcontracts

3,119,784

Total man-hours of the site (Sum of all HFE employees, contractors, subcontractors)

Promoting employee engagement and inclusivity

We foster a culture emphasising accountability, inclusivity and creativity, ensuring our entire workforce is interconnected and motivated to strive for personal and professional development. Our organisation has implemented numerous initiatives to engage employees and cultivate a productive work environment. These initiatives include debates, 'kids at work' programmes, festive celebrations, workplace quizzes, team retreats, virtual events involving employees and their families, and town hall discussions. Additionally, we conduct an annual employee engagement survey to gain insights into our employees' professional journeys, expectations, and areas where our work environment can be enhanced.

In FY 2022-23, the employee engagement survey was conducted, covering several parameters, including the new way of working, trust, delegation, respect, transparency, excellence, agility, and culture and values.

Based on the survey results, delegation, excellence, trust, and agility emerged as the highest-scoring parameters. Furthermore, the survey identified learning and development as one of the focal areas for improvement. In response to this feedback, we have taken proactive measures by initiating additional training programmes and fostering a culture of increased openness and transparency among the functional heads.

The management was encouraged by positive reviews like:

- Good work culture
- Great teamwork and collaboration

4.25

Score out of 5 in the employee survey conducted in FY 2022-23

New hires and separations

In business, hiring and retaining employees are two sides of the same coin, each playing a pivotal role in an organisation's success. Hiring the right individuals fills specific job roles and contributes to a team's overall synergy and productivity. A well-crafted recruitment process ensures that candidates align with the Company's values, culture and long-term goals, setting the stage for seamless integration

into the organisation. On the other hand, effective retention strategies are crucial for preserving the investment made in recruiting and training employees. When employees feel valued, challenged and supported, they are more likely to stay committed and engaged, becoming long-term assets to the Company. With proper hiring and retention policies, businesses can nurture a thriving, innovative and cohesive workforce that ultimately fuels their growth and success.

Employees hired in FY 2022-23

Category	Total	Employee count (as on 31st March 2023)					
		Age group (as on 31st March 2023)					
		<30 years		30-50 years		>50 years	
		M	F	M	F	M	F
CEO, CMD	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0
Middle management	0	0	0	0	0	0	0
Junior management	34	5	1	21	7	0	0
Total permanent employees	34	5	1	21	7	0	0

Employee exits in FY 2022-23

Category	Total	Employee count (as on 31st March 2023)					
		Age group (as on 31st March 2023)					
		<30 years		30-50 years		>50 years	
		M	F	M	F	M	F
CEO, CMD	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0
Middle management	18	9	0	9	0	0	0
Junior management	67	10	3	48	6	0	0
Total permanent employees	85	19	3	57	6	0	0

Gender diversity and equal opportunity

HFE is deeply committed to being an equal opportunity employer, reflecting our strong belief in treating everyone with respect, dignity, and fairness. We aim to cultivate a work environment that is positive, productive, cordial, safe, and free from any form of discrimination.

We firmly stand against discrimination based on race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin or disability.

As part of our commitment to diversity and inclusion, we proactively take measures to maintain gender diversity, foster a mix of diverse work experiences and backgrounds, and promote disability inclusion by providing equal opportunities to individuals with disabilities.

We ensure workforce members can access equitable benefits, training programmes and skill development initiatives. Our talent acquisition and annual performance appraisal processes are solely based on merit, competency and potential to contribute to the Company's objectives.

11%

Permanent women employees



Anti-harassment

Furthermore, we have implemented a comprehensive policy on the Prevention, Prohibition, and Redressal of Sexual Harassment at the workplace, in compliance with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, and its associated rules. This policy strictly prohibits any form of sexual harassment or

discrimination, irrespective of the gender of the victim or the perpetrator. We are committed to ensuring that all employees can work in an environment free from any physical or verbal sexual advances. Notably, in FY 2022-23, no complaints were filed against the management or employees for sexual harassment.

30%

Targeted percentage of women employees by 2025

Road ahead

At HFE, we aim to create an inclusive and harmonious work environment where diversity is celebrated and everyone is treated fairly and equally. We aspire to achieve 30% female representation in the workforce by 2025. For this, we have initiated:

- Encouragement to shortlist candidates purely based on skill and merit, giving preference to gender diversity
- Campus drive to hire more female candidates

Zero

Cases of sexual harassment reported in FY 2022-23



Training and development

At HFE, we believe that an organisation's success hinges on its employees' skills and capabilities. We are committed to offering abundant learning opportunities to our workforce, enabling them to acquire new skills and enhance their competency levels.

We focus on behavioural, technical, compliance and health awareness training in learning and development. During the reporting year, we focused on two main pieces of training: managerial effectiveness and Project Management Professional (PMP) certification workshops, which covered 10% of our employee strength.



Partnerships for training and development

We have implemented a well-structured approach to training and developing our employees. Each employee gets an individual training and development plan tailored to their specific technical skill requirements for their respective roles.



For Individual Development Programmes (IDPs)

For IDPs, we collaborate with renowned institutes in India, such as IIMs, MDI and ISB, as well as prestigious international institutes like the London Business School and Singularity University.

For Group Development Programmes (GDPs)

For GDPs, we have established partnerships with reputable consultants who deliver training sessions on various topics, including technical skills, behavioural and soft skills, life skills, managerial skills and team building; additionally, we organise regular training sessions such as toolbox training and mock drills and share e-learning modules to help employees enhance their technical and behavioural competencies.

Every recruit undergoes an induction training programme to familiarise them with the organisation’s purpose, vision, mission, values and business goals. Moreover, we encourage knowledge exchange among teams across our Indian and international locations, ensuring we

stay updated with the latest industry trends and success stories.

Our employees have access to information regarding technological advancements in the industry and best practices from various departments.

Trainings conducted for permanent employees in FY 2022-23

714
Total number of male participants

1,850
Hours of training of male participants

62
Total number of female participants

133
Hours of training of female participants

Trainings conducted at plant sites in FY 2022-23

39,251
Total number of trainings

1,789
Number of people inducted

68,498
Training man-hours

340
Number of mock drills conducted

37,690
Number of toolbox talks conducted

1,983
Total training hours in FY 2022-23 for permanent employees

66,515
Total training hours at plant sites in FY 2022-23

Improving on HR excellence

We continuously review our policies and work processes to ensure a dynamic and productive work environment that aligns with our values. The human resources department has implemented several measures, including digitalisation, to foster a flexible and agile work culture, enabling employees to reach their full potential in achieving organisational objectives.



Measures to improve employee satisfaction

Flex work culture and work-from-anywhere policy

We embrace a flexible approach to work, allowing employees to work from any location that suits their needs.

No attendance system

We trust our employees to honour their commitments and maintain a system based on mutual respect and trust.

Empowerment through enhanced authority and responsibility

We believe in empowering individuals by granting them increased authority and responsibility in their roles.

Open door policy

We encourage open communication and accessibility, ensuring that anyone within the organisation can reach out to anyone.

Training and development opportunities

We offer various training and development programmes to enhance the skills and capabilities of our employees.

Reward and recognition programme

We have established a programme to acknowledge and appreciate the contributions of our employees.

Regular town halls

We organise town hall meetings to promote transparency and facilitate communication between leadership and employees.

By implementing these measures, we aim to cultivate a work culture that is adaptable, empowering and supportive, enabling our employees to thrive and contribute to the attainment of organisational objectives.

Implementing HRIS digitalisation of HR processes



As part of our internal transformation, we are revamping manual processes and implementing an online system known as HRIS (Human Resources Information System). Many processes have been digitalised, including leave management, performance appraisals, recruitment, confirmation, induction and other employee-related systems. This system is accessible to every employee within the organisation and serves as a helpdesk facility, allowing employees to seek answers to any Company-related queries. Furthermore, it enables employees to raise concerns and provide feedback on various issues.

Since the implementation of this software, the management's response time has improved significantly, and the possibility of duplicity has been eliminated. The introduction of the HRIS has enhanced organisational efficiency, resulting in prompt issue resolution.

Employee benefits

At HFE, we prioritise providing comprehensive benefits and incentives to our employees and contractual workforce, aligning with industry standards, competencies, and performance. We adhere to the regulations set forth by the Shop and Establishment Act, Contract Labour Registration Act, Equal Remuneration Act, Minimum Wages Act, and other applicable legislation.



The following benefits are available for our employees

Special bonuses

Exemplary performance is rewarded through special bonuses, recognising and appreciating outstanding achievements.

Special incentive programmes

We have designed incentive programmes to further motivate and incentivise employees in various aspects of their work.

Healthcare benefits

All on-roll employees receive healthcare coverage, including GMC (Group Medical Coverage) and GPA (Group Personal Accident) insurance plans, with disability and invalidity coverage.

Retirement provisions

We ensure retirement provisions by offering provident fund and gratuity benefits following applicable regulations.

Other benefits

Additional benefits include reimbursement for mobile expenses, business tour-related benefits and allowances for travel, boarding, lodging expenses, and other reimbursements.

Parental leaves



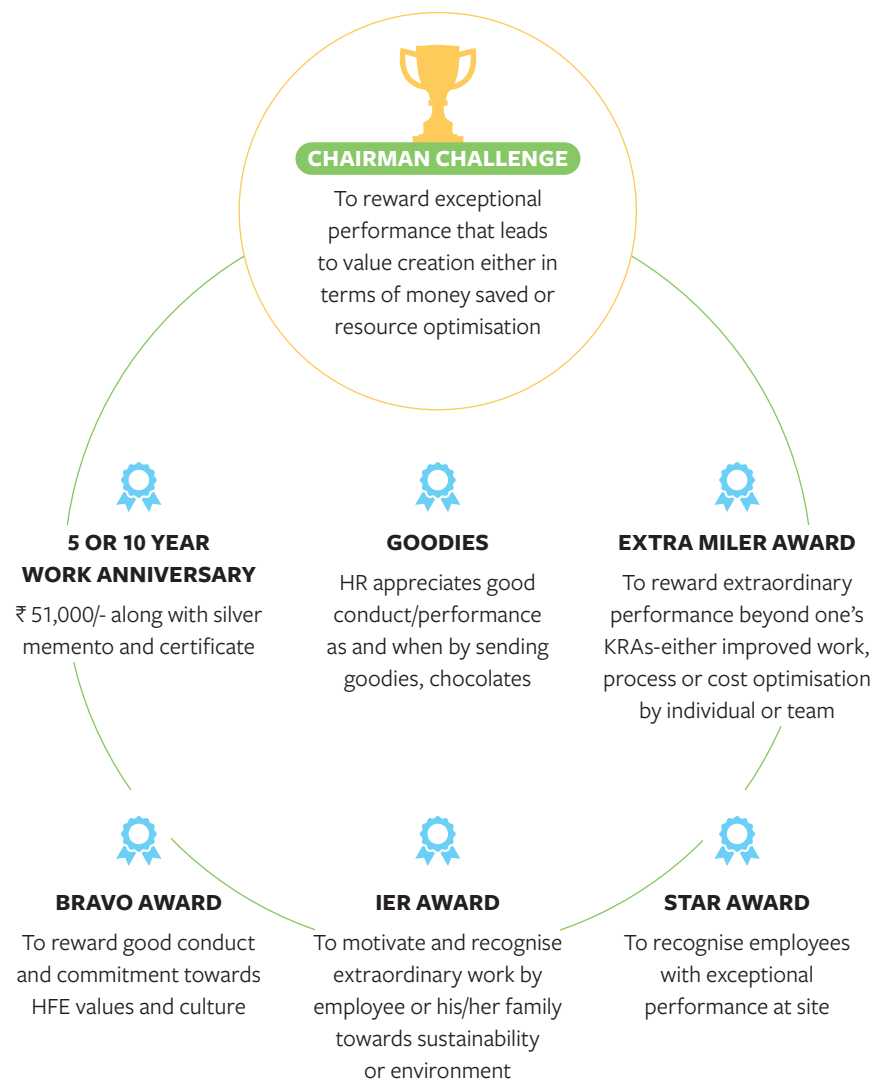
We provide parental leaves to all employees as per the policies established by the company and government regulations, enabling them to balance their personal and professional responsibilities. In FY 2022-23, 13 males took Parental leaves no female. These benefits and incentives reflect our commitment to ensuring the well-being and satisfaction of our workforce while complying with legal requirements and industry standards.

100%

Return to work rate (after availing parental leave)

Rewards and recognition

The purpose of rewarding performance is to build an organisational culture where good work done by team members is valued, and their efforts are recognised and awarded.



Performance and career development reviews

We conduct bi-annual feedback and appraisal sessions to support our employees in reaching their full potential. These sessions help employees gain insights into their strengths and areas for improvement. Performance reviews occur through interactive one-on-one sessions between employees and their managers, where Key Result Areas (KRAs) are discussed, and Individual Development Plans (IDPs) are established based on performance.

During FY 2022-23, all employees, regardless of their seniority levels (senior, middle, junior, and non-management), received performance feedback and underwent a comprehensive career development review using our performance appraisal system. This review process facilitates employee growth through job rotation, skill enhancement and the provision of career advancement opportunities. It allows individuals to explore new roles, acquire additional skills and pursue their professional aspirations.

Our continuous efforts to enhance human capital development have enabled us to focus on power/renewable energy domain-specific skilling, reskilling and upskilling of employees. New and emerging skills and technologies like green hydrogen, RTC, hybrid and battery storage must be inculcated in the learning and development system. Our human capital programmes at HFE are aligned with this.



15%

Behavioural competence

KRAs

85%

Reviewing performance includes the following areas

Behavioural Competency Rating - 15%

Demonstration of HFE value-based behaviour

KRAs Rating - 85%

Reviewing performance and giving feedback against set goals and results

Employee well-being

At HFE, we prioritise the well-being and safety of our workforce, contractors, clients, and stakeholders. We maintain a workforce-centric focus on safeguarding occupational health and safety.

We have established an HSE (Health, Safety, and Environment) policy and management frameworks to enforce safety protocols, standard operating procedures and regulations. These guidelines are mandatory for our employees and contractual associates, ensuring that safety protocols are integrated into their daily work routines. We regularly review our policies to enhance their robustness and effectiveness.

Health and safety

We hold our contractors and suppliers to the same high safety standards. Most of our principal contractors responsible for operations and maintenance hold certifications such as ISO 9001:2008, ISO 45001:2018, and ISO 14001:2015, aligning with our operational safety principles.

Guiding principles for HSE practices

- Regulations and laws in regions which we operate
- Global best practices
- IFC performance standards
- Equator Principles
- ISO 45001 and ISO 14001

HSE Committee

We have a dedicated HSE Committee to strengthen our commitment to health and safety further. This committee complies with the Factory Act and includes employee representatives from each project site. Their roles include assisting management in achieving the objectives outlined in the health and safety policy, addressing HSE matters, promoting safety awareness, conducting training and educational activities, identifying causes of accidents and suggesting corrective measures. They also review the implementation of recommendations made.

Responsibilities of the Committee

- To attain excellence in health and safety across all our offices and project locations, we adhere to several practices
- Adoption of safe work processes and culture at all project locations and offices while also encouraging similar practices outside of work
- Prevention of injuries and illnesses among employees, contractors, and interested parties
- Ensuring the health and safety of the communities associated with our construction, operation and decommissioning activities
- Providing frequent and relevant training to workers and employees
- Compliance with all applicable legal and other requirements
- Communication, involvement and consultation with employees in our HSE management system
- Reporting all incidents and conducting investigations to prevent recurrence
- Regular inspections and audits to identify potential risks and areas for improvement.
- Implementation of an emergency prevention and response system

- Establishment of transparent processes for addressing grievances from workers and communities
- By prioritising health and safety, we aim to create a secure and protected work environment for all, promoting the well-being of our workforce and the communities we operate in

Zero

Accidents in FY 2022-23

0%

Fatality rate since inception



Key performance indicators

	FY 2020-21	FY 2021-22	FY 2022-23
	↓	↓	↓
Fatal incidents	0	0	0
LTI (Lost Time Injury)	0	0	0
MTI (Medical Treatment Injury)	0	3	1
First aid cases reported	16	19	11
Near-miss incidents	47	37	59
Days lost due to injured personnel	0	0	0



Employee well-being

HSE framework

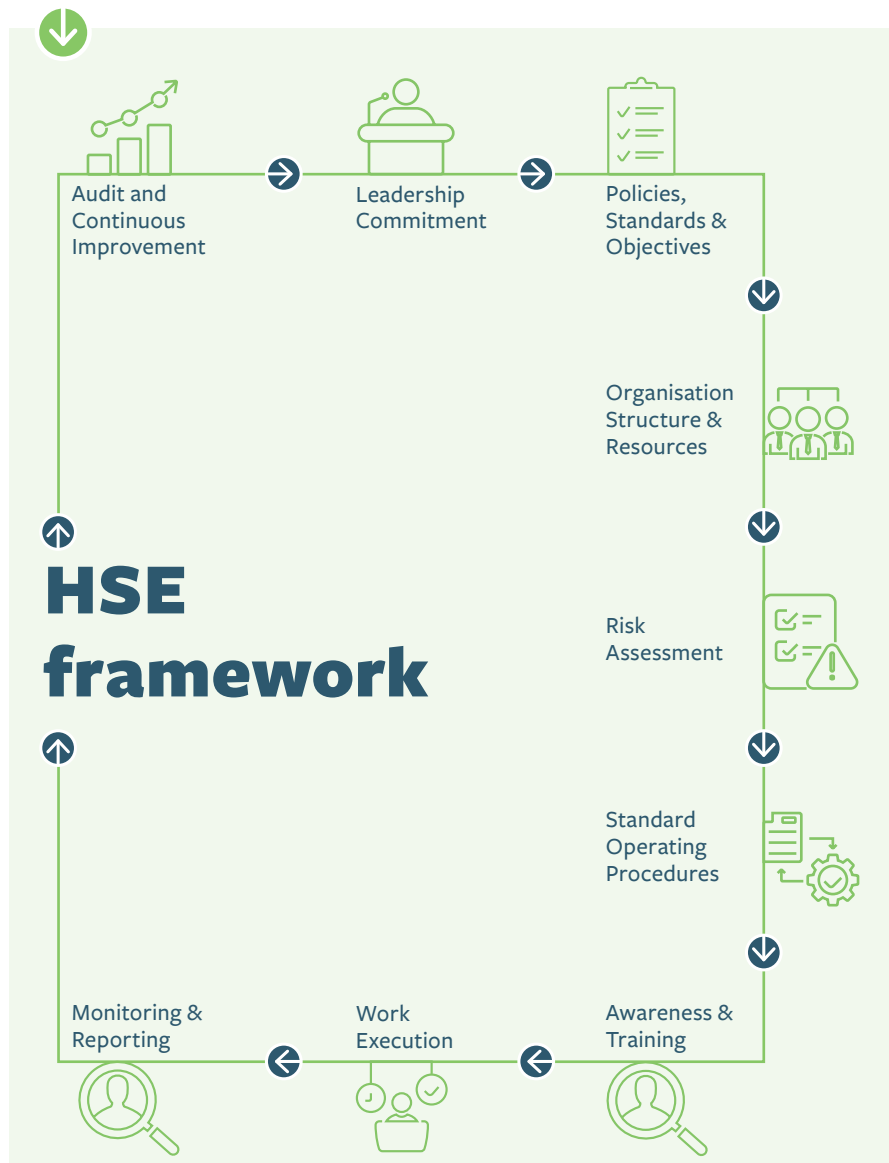
We are committed to safeguarding the health and safety of our employees, contractors, clients and stakeholders, and the environment in the locations and communities in which we operate. We aim to attain excellence in occupational health, safety and environmental conditions at all our offices and project locations.

The Health, Safety, and Environment (HSE) framework is an indispensable component of large-scale projects, guiding their journey from inception to completion. It commences with the pre-feasibility study, where potential risks and environmental impacts are evaluated, setting the stage for informed decision-making. As the project progresses, land acquisition processes must adhere to strict HSE protocols to ensure minimal disruption to ecosystems and communities.

Environment and social impact assessment

The environment and social impact assessment plays a pivotal role in systematically examining the consequences of the project on the environment and the area's social fabric. Throughout the project's lifecycle, the HSE framework acts as a guiding compass, promoting the safety of workers, the well-being of surrounding communities and the preservation of the environment.

By integrating these parameters into the framework, organisations mitigate risks and demonstrate a commitment to responsible and sustainable practices, fostering stakeholder trust and goodwill.



Pre-Feasibility Study

Location risk assessment (environment & social)

Investment Committee

Detailed pre-feasibility study report

Land Acquisition

- Adherence to Laws of the Land for Fair Compensation and Transparency
- Guided by IFC PS-5

O&M

- Practices guided by ISO 14001 and 45001
- Regular monitoring



Hand-Over/Take-Over

Contract finalisation inclusive of HSE manual



Construction Phase

- Adherence to Laws of the Land for construction work (e.g. BOCW)
- Guided by IFC PS-2
- MIS reporting and monitoring of ESAP



Contract Finalisation & Design Review

- Detailed HSE manual incorporated into EPC and O&M contracts
- Design-level review for safety-related provisions



Environment & Social Impact Assessment

Environment & Social Action Plan (ESAP) for construction and operations



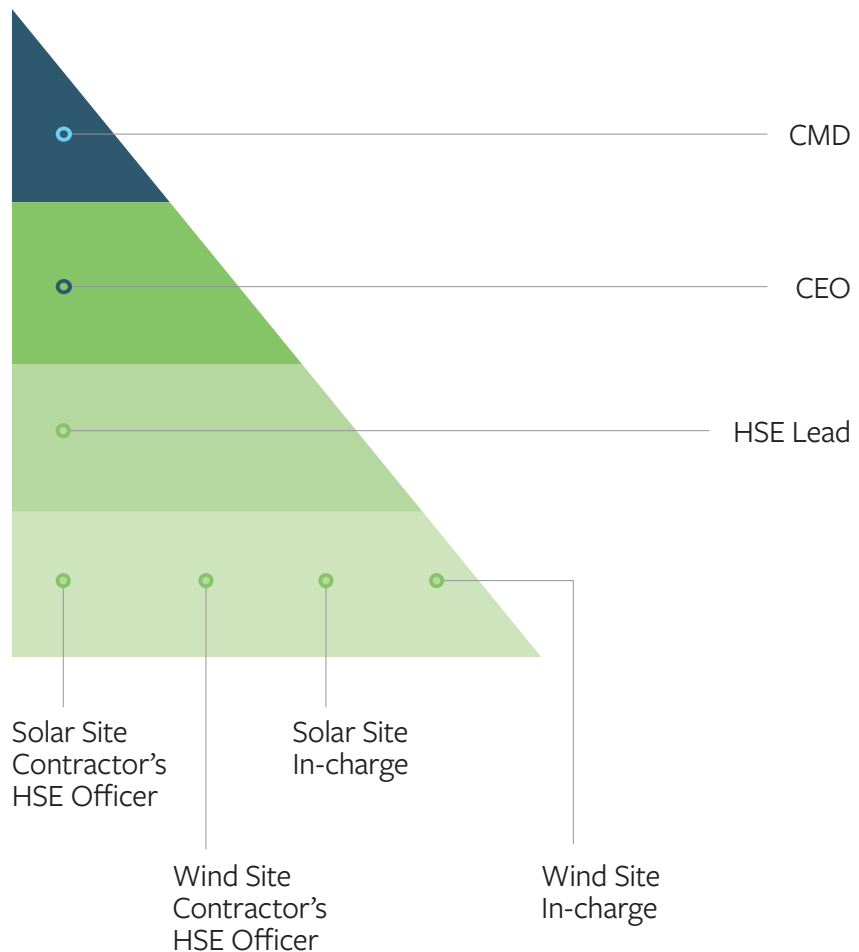
HSE reporting hierarchy

At the site level, we appoint a representative known as the site in-charge who oversees contractors and addresses various issues, including environmental and social concerns.

We have implemented an effective incident management system to ensure a proactive approach to health and safety. This system allows employees to promptly report any health and safety incidents that occur in the workplace. The system automates the

documentation of these incidents, creating a comprehensive record that is reviewed at the management level.

This incident management system enables the safety committee to investigate each incident thoroughly. Through a Root Cause Analysis (RCA), the Committee identifies the underlying causes and develops a Corrective and Preventive Action (CAPA) plan to prevent recurrence. It also facilitates the development of mitigation measures to effectively minimise risks without compromising the safety of our employees.



Occupational health and safety

Hazard identification

The identification and assessment of hazards, as well as the mitigation of risks, are essential components of our operational processes, encompassing both routine and non-routine activities. We validate these processes through Hazard Identification and Risk Assessment (HIRA) and Job Safety Analysis (JSA) techniques.

HIRA is a risk assessment tool used to evaluate the probability and potential impact of identified hazards, enabling us to

prioritise and address the most significant risks. The hazards identified are classified following Indian Standards (IS 3786) and OSHA guidelines.

We implement operational control procedures and management programmes to manage the risks associated with identified hazards. These measures aim to address the significant risks effectively. Regular audits and monthly monitoring checklists are conducted to assess the

effectiveness of the implemented control measures. Any gaps or deficiencies in the control procedures are identified and addressed in MRM (management review meetings), HSE (health, safety, and environment) committee meetings, and other relevant forums. This structured process is implemented across all project sites of HFE to ensure consistent risk mitigation and minimisation.

Hazard control

By 2030, our Company aims to foster a people-centric culture, and we are actively working towards this vision by incorporating Health, Safety, and Environment (HSE) principles into our overall governance and operational approach. This integration is achieved through the PDCA (Plan, Do, Check, and Act) cycle.

HFE's life rules set for employees

10 to ZERO



Driving Safety



Work Permit



PPE



LOTO



Work at Height



Bio-Hazards



Dropped Objects



Hand Tools



Lifting & Hoisting



High Voltage

Risk assessment Approach

- HAZID (Hazard Identification): Proactive and qualitative approach that aims to identify potential hazards early in the process design or operational phase
- HAZOP (Hazard and Operability Study): A more detailed and in-depth methodology that focuses on each element of the system or process to find the root cause
- QRA (Quantitative Risk Assessment): Asset-based risk assessment that provides quantitative estimates to understand risk exposure for people and the environment. These assessment are only carried out for wind projects
- Shadow flicker and noise monitoring: Carried out as threat-based risk assessments for assets to adopt the appropriate mitigation strategy
- HIRA (Hazard Identification and Risk Assessment): Prepared for every site as a dynamic document which gets reviewed and updated regularly

Assessment

- Conducted at each site to identify hazards and evaluate workplace risks
- Control measures implemented to remove or reduce hazards/risks
- Assessment aided by risk matrix to evaluate impact

Health and safety training

Our workers' and employees' safety and well-being are paramount to us. We are fully committed to ensuring that no mental, physical, or social harm befalls them because of workplace incidents. To prevent mishaps, we provide comprehensive training to our employees on health and safety practices.

We also conduct regular awareness sessions on the following to avoid HSE risks

- Behaviour-based safety
- Emergency preparedness
- Risk analysis
- Safe working methods
- Permit-to-work procedures
- Near-miss identification

These initiatives aim to avoid untoward incidents and promote a safe working environment proactively. Workshops on community sensitisation were conducted for site in-charges, the HSE team, and key representatives from HO operations that focused on emergency first aid, CPR, handling multiple/mass casualties and lifesaving community first aid. A total of 46 personnel participated in this workshop.

Zero

Instances of non-compliance since inception



Occupational health and safety

Health and safety compliance

Biannual safety audits are carried out for every operational site, while project sites (construction) undergo quarterly audits. These audits identify potential risks,

address areas of concern and minimise the likelihood of workplace accidents.

To ensure the safety of our project sites and offices, we engage third-party assessors who conduct thorough evaluations. These assessments verify the adequacy of our

current health and safety practices and confirm that our workplaces meet the required safety standards.

Respecting human rights

We are deeply committed to upholding ethical standards and acting with integrity in all aspects of our business operations and relationships. Our primary objective is to establish and enforce robust systems and controls that prevent discrimination from within our organisation and across our supply chains. Our critical priorities are creating a healthy work environment and ensuring our employees' safety and security. Embedding human rights principles into our core values and practices is fundamental to our commitment.

Transparency is paramount to our business practices and approach to addressing discrimination within our supply chains. We hold our contractors, suppliers and business partners to the same high standards that we set for ourselves. Through our contracting processes, we have explicitly prohibited the use of forced, compulsory, or trafficked labour for adults and children alike. We expect our suppliers to uphold these standards and ensure their downstream stakeholders do the same.

We maintain zero tolerance towards human rights violations throughout our organisation. We actively educate and sensitise our employees on human rights and labour standards, fostering heightened awareness of their rights and helping prevent untoward incidents. We have clear policies and procedures to effectively address and resolve any violations that may occur.



Zero

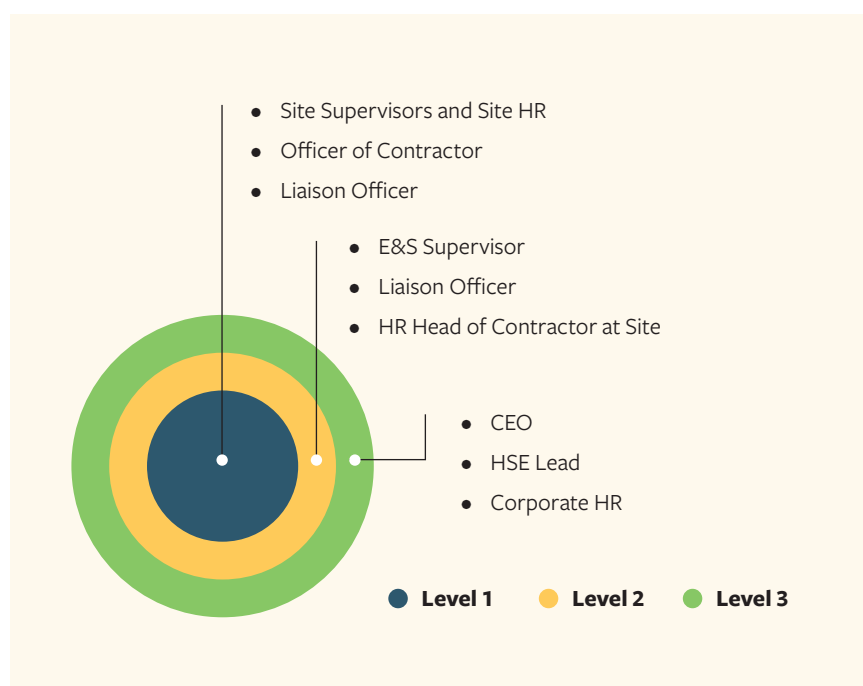
Complaints or incidents related to child labour, forced labour, involuntary labour or discrimination in FY 2022-23

Grievance redressal

Biannual safety audits are carried out for every operational site, while every project site at HFE has a Grievance Redressal Committee (GRC) comprising representatives from contractors and HFE officials. This committee plays a crucial role in promptly addressing any concerns individuals raise, ensuring

a clear and transparent process that is culturally sensitive and accessible to all community members.

Importantly, the GRC operates without any charges or repercussions. The committee is structured into three levels, levels I to III, to handle grievances and provide appropriate resolutions effectively.



Recommendations of the Committee will be sent to the CEO for approval

The Reporting Manager is responsible for resolving the issues within 2 weeks. In case the Reporting Manager is not able to solve the grievance, then the matter is escalated to HR.

HR will try to resolve the grievance in a week's time. In case it is not resolved within a week, the matter gets referred to the Grievance Committee.

The Grievance Committee will review the case and come up with a solution within one month from the time the grievance is handed over to them.

Empowering local communities

Recognising our obligation towards the well-being of both people and the planet, we are committed to generating sustainable social and economic value. We actively foster strong connections with communities near our project sites in line with this commitment. Our primary objective is to design and implement corporate social responsibility (CSR) initiatives that empower children and local communities. We endeavour to align all our CSR initiatives with the UN SDGs, ensuring their effectiveness and impact.

To ensure that our initiatives are well-targeted and responsive to local needs, our zonal site in-charges and coordinators from the Raman Kant Munjal Foundation (RKMF) regularly engage in need assessment sessions with the local communities and village heads. These sessions, conducted through annual surveys and periodic discussions, help us identify the locals' prevalent issues and challenges. Based on this assessment, we formulate CSR activities that address these identified problems for the upcoming year, fostering positive change and sustainable development.

We have a CSR committee at the Board level and an implementation/working level to govern the CSR activities undertaken. The committee is responsible for continuously monitoring and guiding the implementation of our CSR initiatives to ensure our interventions' sustainable, socially beneficial impact. In coherence with the CSR law introduced in India in 2015, we developed our comprehensive CSR policy in the same year to ensure a more robust governance hold on implementing CSR activities.

Ensuring stronger impact on the ground

Our approach to providing greater impact includes periodic needs and impact assessments for the projects. We conduct yearly needs assessments around the project sites to understand better the social and environmental stresses in and around our work areas. Upon completing the assessment, we summarise the need to align our intervention and project implementation areas accordingly upon discussion within the CSR committee. To monitor the impact of our CSR interventions in the community, we regularly conduct internal impact assessments of the projects through feedback forms and video testimonials of the beneficiaries.

3

Grievances received from local communities in FY 2022-23, two of which were resolved

CSR thrust areas



Education and skill development



Water: Check dams and ATMs



Tree plantation

CSR expenditure and beneficiaries

CSR thrust areas	CSR expenditure (In ₹ Millions)	Number of direct beneficiaries	Number of indirect beneficiaries
Education and skill development	9.68	1,116	16,370
Environment protection and restoration	3.97	1,105	17,000
	13.65	2,221	33,370

Education and skilling initiatives for community empowerment

We have established ASHA education centres with the Raman Kant Munjal Foundation Trust (RKMF). These centres serve as educational hubs, offering remedial education to children who lack access to formal schooling, empowering them to explore better career opportunities.

An integral part of this initiative is the involvement of local women trained and employed as teachers, thus promoting women's empowerment within the community.



We are running 30 ASHA centres across Rajasthan and Madhya Pradesh and plan to open 15 more ASHA centres in the next financial year. ASHA centres have supported over 750 school children from families in the Below Poverty Line (BPL) category. To ensure the quality of education, the teachers at

ASHA centres undergo training through the PATHAKSHALA programme. This programme aims to create a community of skilled and empowered teachers who can enhance their teaching abilities and inspire and guide other teachers to help students grow into confident and successful individuals.



750

School children in Rajasthan and Madhya Pradesh supported by 30 ASHA centres

Digitizing ASHA centers

HFE initiated Digitizing ASHA centers, Each center has been provided with a laptop and Smart TV. Which will provide access to digital education to Students. RKMF along with CYBOARD is providing digital online live class for Maths and English for all primary sections to make students grade competent.

Also, HFE provided HFE Smart Class to government higher primary school at Manvi site, where HFE provided five computers, projector, lights & fans, white board, one library, Science and Math kits, equipment for games. We worked to upgrade the school infrastructure. We also built three new toilets and upgraded seven existing toilets in nearby government buildings.

Empowering local communities



Vatsalyam Gurukul, Noida

In FY 2022-23, HFE rectified the solar plant of Vatsalyam Gurukul at Hazipur, Sector 105, Noida. It supports the education of more than 250 students from nearby slums and villages of Noida and provides shelter to homeless, destitute girls whose parents are leprosy patients or beggars. Currently, it is home to 45 girls, who are provided with education free of cost.

These education and skill development initiatives reflect our commitment to promoting inclusive growth within communities. By addressing the

educational needs of underprivileged children and empowering local women as teachers, we strive to create a positive and transformative impact on the lives of individuals and the community.

We also extensively focus on developing school infrastructure. Our initiatives include the solarisation of NGO, Posawadi village road development, school toilets development, school infrastructure development, and installation of solar streetlights. We have also provided computers, projectors, and books in the school library.

NGOs/Schools

Wanla School, Ladakh

In FY 2022-23, we at HFE and RKMF solarised the hostel building of Wanla School in Ladakh. Ladakh has a rugged terrain, and the people there, especially students, face numerous challenges in getting to school. The hostel facility at Wanla schools helps children from nearby villages to receive education.

We supported the installation of a 3 kWp solar-wind hybrid plant this year, which will provide an uninterrupted power supply to the hostel and will further help students focus on their education throughout the year.

70+

Children benefitted in Ladakh

250

Students in neighbouring areas and 45 in-house students benefitted by Vatsalyam Gurukul

Environment protection and restoration

Water ATMs and check dams: ensuring access to clean water

Rajasthan, a state grappling with water scarcity and depleting groundwater levels, faces the pressing challenge of deteriorating water quality. Similarly, several districts in Madhya Pradesh are also confronting water crises. We have collaborated with RKMf and Anjali Enterprises to address these issues and implement innovative solutions in select Madhya Pradesh and Rajasthan villages.

HFE has successfully installed solar-powered ATMs in these villages through this partnership, providing locals access to clean and safe drinking water. These water ATMs address the scarcity of potable water and play a vital role in curbing water-borne diseases prevalent in the area. To date, ten water ATMs have been installed catering to the needs of families residing in approximately 30 villages in Madhya Pradesh and Rajasthan.

In a significant stride towards community empowerment, HFE has also created employment opportunities for the local population, who operate and maintain these water ATMs. Looking ahead, our company aims to scale up this project, expanding the number of water ATM plants and reaching more locations, thereby ensuring more comprehensive coverage of clean water access to underserved communities.

Moreover, HFE, in collaboration with the PHD Rural Development Foundation and RKMf, has constructed check dams in remote areas of Rajasthan and Madhya Pradesh. As of date, we have built 6 check dams to which more than 25 villages have access. These check dams are effective tools for recharging groundwater reserves and ensuring a sustainable water supply for year-round irrigation. The successful implementation of these check-dam



projects has improved the livelihoods of farming communities and led to enhanced crop yields. Our partners are actively monitoring the impact of these check dams on agricultural productivity, further reinforcing our commitment to sustainable water resource management.

By deploying water ATMs and constructing check dams, HFE strives to address the water challenges faced by communities in Rajasthan and Madhya Pradesh. These initiatives are integral to our mission of ensuring access to clean water, improving the quality of life and promoting sustainable development in the regions we serve.

30

Villages in Rajasthan and Madhya Pradesh benefit from water ATMs deployed by HFE

25

Villages in Rajasthan and Madhya Pradesh benefit from check dams installed by HFE

Empowering local communities

Tree plantation



We conducted numerous tree plantation drives during the year and planted 5,000+ trees in and around our project sites. We aim to become climate-positive by 2030 by reducing more greenhouse gas emissions in absolute terms than our project lifecycle emits while growing our business. Our tree plantation initiatives will support the pursuit of this goal. We aim to plant 100,000 trees by 2030.

Tree plantation combats many environmental issues like deforestation, erosion of soil, desertification in semi-arid areas, and global warming and enhances the environment's beauty and balance. Trees absorb harmful gases and increase oxygen supply. On average, a single tree emits 118 kg of oxygen annually.

5,000

Trees planted across HFE sites in FY 2022-23 along with drip irrigation facility in select locations





Vasudhara (plantation drive initiative) at Government New Law College, Indore

More than 35 varieties of native fruits, medicinal, and flowering saplings were planted on the barren land of a law college in Indore. The plantation drive aims to beautify the space and to increase green area coverage in the locality to provide numerous intrinsic and extrinsic benefits to the residents around the area.



1,000
Saplings planted

Annexures

List of projects

Wind assets

Site	SPV	Capacity (MW)	State
↓	↓	↓	↓
Devgarh	CWP Devgarh	37.5	Rajasthan
Dangri	CWP Devgarh	40	Rajasthan
Gunga	CWP Devgarh	40	Rajasthan
LNJ	LNJ Bhilwara	20	Rajasthan
Dhar	CWP Ratlam	100	Madhya Pradesh
Zaheerabad	Anantapur	27.3	Telangana
South Budh	CWP Satara	32	Maharashtra
Kukudwad	BGEL	49.5	Maharashtra
Kavithal (hybrid project)	CWP Manvi	50	Karnataka
Bableshtar	CWP Bableshtar	24	Karnataka
Curvepalli	Vayu Urja	120	Andhra Pradesh
Tirunelveli	CWP Pratapgarh	16.8	Tamil Nadu
Mulawad	CWP Piploda	26	Karnataka
Total		583.1	

Solar assets

Site	SPV	Capacity (MW)	State
↓	↓	↓	↓
Kurdicross	CSP Gulbarga	55	Karnataka
P. D. Kote	CSP Gulbarga	33	Karnataka
Aurad	CSP Gulbarga	44	Karnataka
Sindhnoor	CSP Gulbarga	44	Karnataka
Maragutti	CSP Gulbarga	44	Karnataka
Madhugiri	CSP Tumkur	22	Karnataka
Chikkanayakanahalli	CSP Tumkur	22	Karnataka
Gangavathi	CSP Tumkur	22	Karnataka
Chittapur	CSP Tumkur	22	Karnataka
Shahpura	CSP Tumkur	22	Karnataka
Chamarajanagar	CSP Tumkur	22	Karnataka
Kollegala	CSP Tumkur	22	Karnataka
Koratagere	CSP Tumkur	22	Karnataka
Gundlupet	CSP Tumkur	22	Karnataka
Hatiput (Barod)	RGESPL (Rajkot)	48	Madhya Pradesh
Goyal and Kamlakhedi	CSP Dhar	32	Madhya Pradesh
Karekallu (Moka Hobli)	Bellary	22	Karnataka
Molakalmuru	CSP Hiriyur (HFEPL)	11	Karnataka
Sidipeth	CSP Chitradurga	44	Telangana
Kavithal (hybrid project)	CWP Manvi	37	Karnataka
Molga (Icchawar)	Waaneep	58	Madhya Pradesh
Gurunkunda	Waaneep	27	Andhra Pradesh
Nagari	Waaneep	30	Andhra Pradesh
Plot R-1	CSP Bhadla	149	Rajasthan
Plot R-2	CSP Bhadla	150	Rajasthan
Plot R-3	CSP Bhadla	151	Rajasthan
Total		1,177	

GRI content index

GRI Indicators	Disclosure	Title	Report Section	Page No.
General Disclosure				
Organization and its reporting practices	2-1	Organizational details	About Hero Future Energies	12
	2-2	Entities included in the organization's sustainability reporting	About the report	1
	2-3	Reporting period, frequency and contact point		
	2-4	Restatements of information		
	2-5	External assurance	Assurance Statement	89
Activities and Workers	2-6	Activities, value chain and other business relationships	Business Offerings, Stakeholder engagement	14-15
	2-7	Employees	Workforce composition	60
	2-8	Workers who are not employees		
Governance	2-9	Governance structure and composition	Corporate Governance and Board Committees	36-41
	2-10	Nomination and selection of the highest governance body		
	2-11	Chair of the highest governance body		
	2-12	Role of the highest governance body in overseeing the management of impacts		
	2-13	Delegation of responsibility for managing impacts		
	2-14	Role of the highest governance body in sustainability reporting		
	2-15	Conflicts of interest		
	2-16	Communication of critical concerns		
	2-17	Collective knowledge of the highest governance body		
	2-18	Evaluation of the performance of the highest governance body		
	2-19	Remuneration policies		
Strategy, policies and practice	2-20	Process to determine remuneration		
	2-22	Statement on sustainable development strategy	Global CEO message	8-9
	2-23	Policy commitments	Policies and governance mechanism	39-40
	2-24	Embedding policy commitments		
	2-25	Processes to remediate negative impacts		
	2-26	Mechanisms for seeking advice and raising concerns		
	2-27	Compliance with laws and regulations		
	2-28	Membership associations	Memberships & Associations	
Stakeholder Engagement	2-29	Approach to stakeholder engagement	Stakeholder Engagement	20
	2-30	Collective bargaining agreements	There is no Union at HFE. Appropriate mechanisms have been structured, considering the economic, environmental and social aspects of the on-site working employees as per applicable laws and grievance mechanisms	28-29

GRI Indicators	Disclosure	Title	Report Section	Page No.
↓	↓	↓	↓	↓
GRI 201-Economic				
Management Approach	3-1	Process to determine material topics	Economic performance	43-44
	3-2	List of material topics		
	3-3	Management of material topics		
Economic Performance	201-1	Direct economic value generated and distributed		
Management Approach	3-1	Process to determine material topics		
	3-2	List of material topics		
	3-3	Management of material topics		
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Empowering local Communities	80-83
	203-2	Significant indirect economic impacts		
GRI 205- Anti-Corruption				
Management Approach	3-1	Process to determine material topics	Corporate Governance, Anti-Corruption	41
	3-2	List of material topics		
	3-3	Management of material topics		
Anti-Corruption	205-1	Operations assessed for risks related to corruption		
	205-2	Communication and training about anti-corruption policies and procedure		
	205-3	Confirmed incidents of corruption and actions taken		
Management Approach	3-1	Process to determine material topics	Materials Usage	52
	3-2	List of material topics		
	3-3	Management of material topics		
Materials	301-1	Materials used by weight or volume		
Management Approach	3-1	Process to determine material topics	Energy Consumption	53
	3-2	List of material topics		
	3-3	Management of material topics		
Energy	302-1	Energy consumption within the organization		
	302-5	Reductions in energy requirements of products and services		
Management Approach	3-1	Process to determine material topics	Water Management	55
	3-2	List of material topics		
	3-3	Management of material topics		
Water and Effluents	303-1	Interactions with water as a shared resource		
	303-5	Water consumption		
Management Approach	3-1	Process to determine material topics	Biodiversity & Habitat Management	57
	3-2	List of material topics		
	3-3	Management of material topics		
Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity		

GRI content index

GRI Indicators	Disclosure	Title	Report Section	Page No.
Management Approach	3-1	Process to determine material topics	Emissions	54
	3-2	List of material topics		
	3-3	Management of material topics		
Emissions	305-1	Direct (Scope 1) GHG emissions		
	305-2	Energy indirect (Scope 2) GHG emissions		
	305-5	Reduction of GHG emissions		
Management Approach	3-1	Process to determine material topics	Waste Management	56
	3-2	List of material topics		
	3-3	Management of material topics		
Waste Management	306-2	Management of significant waste-related impacts		
	306-3	Waste generated		
	306-5	Waste directed to disposal		
Management Approach	3-1	Process to determine material topics	Environmental Compliance	51
	3-2	List of material topics		
	3-3	Management of material topics		
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations		
Management Approach	3-1	Process to determine material topics	Strengthening our workforce	60-61
	3-2	List of material topics		
	3-3	Management of material topics		
Employment	401-1	New employee hires and employee turnover	New Hires & Separation	61
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Benefits	67
Management Approach	3-1	Process to determine material topics	Occupational Health & Safety	7, 76
	3-2	List of material topics		
	3-3	Management of material topics		
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		
	403-9	Work-related injuries		

GRI Indicators	Disclosure	Title	Report Section	Page No.
Management Approach	3-1	Process to determine material topics	Training & Development	64-65
	3-2	List of material topics		
	3-3	Management of material topics		
Training & Development	404-1	Average hours of training per year per employee	Performance & Career Development Review	69
	404-2	Programs for upgrading employee skills and transition assistance programs		
	404-3	Percentage of employees receiving regular performance and career development reviews		
Management Approach	3-1	Process to determine material topics	Gender Diversity & Equal Opportunity, Board structure	62
	3-2	List of material topics		
	3-3	Management of material topics		
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees		
Management Approach	3-1	Process to determine material topics	Respecting Human Rights	76-77
	3-2	List of material topics		
	3-3	Management of material topics		
Child Labour	408-1	Operations and suppliers at significant risk for incidents of child labour		
Management Approach	3-1	Process to determine material topics		
	3-2	List of material topics		
	3-3	Management of material topics		
Forced or Compulsory Labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour		
Management Approach	3-1	Process to determine material topics		
	3-2	List of material topics		
	3-3	Management of material topics		
Human Rights Assessment	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		
Management Approach	3-1	Process to determine material topics	Empowering local communities	78-83
	3-2	List of material topics		
	3-3	Management of material topics		
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs		
	413-2	Operations with significant actual and potential negative impacts on local communities		
Management Approach	3-1	Process to determine material topics	Health & Safety compliance, Anti-Corruption	75, 41
	3-2	List of material topics		
	3-3	Management of material topics		
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area		

Assurance statement

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Independent Assurance Statement for “Hero Future Energies: Sustainability Report 2022-23”

Assurance Provider’s moderate level assurance report

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

We have been appointed by Hero Future Energies Private Limited vide service order dated 10/10/2023 (the ‘agreement’) for providing independent assurance services on the performances reported in the Sustainability Report titled “Hero Future Energies: Sustainability Report 2022-23” by Hero Future Energies Private Limited in line with the requirements of:

- ✓ AA1000AS v3, Type 1 assurance with “Moderate Level” assurance requirements in respect to the principles of inclusivity, materiality, responsiveness and impact as defined in the AA1000 AP (2018) (the “AA1000 ACCOUNTABILITY Principles”) of the specified information regarding the identified sustainability indicators.

Criteria

The criteria used by HFE to prepare the contents of its sustainability report are:

- ✓ Criteria 1: In accordance with Global Reporting Initiative (GRI) Standards by Global Sustainability Standards Board (GSSB): Core option.
- ✓ Criteria 2: AA1000 AP (2018) for determination of inclusivity, materiality, responsiveness, and impact of the specified information regarding the identified sustainability indicators.

Identified Sustainability Indicators

The following indicators were under the scope of assurance as agreed upon by Hero Future Energies Private Limited (HFE):

General Disclosures	
✓	Organizational profile: GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-10
✓	Strategy: GRI 102-14
✓	Ethics & Integrity: GRI 102-16
✓	Governance: GRI 102-18 , 102-20
✓	Stakeholder’s Engagement: GRI 102-40 to 102-43

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✓ Reporting Practice: GRI 102-46, 102-48, 102-50 to 102-52
Management Approach
✓ GRI 103-1 to 103-3
Specific Disclosures
Economic ✓ Anti-corruption: GRI 205-2
Environmental ✓ Materials: GRI 301-1 ✓ Energy: GRI 302-1 ✓ Biodiversity: GRI 304-1 ✓ Emissions: GRI 305-1, 305-2 ✓ Waste Management: GRI 306-3, 306-5
Social ✓ Occupational Health and Safety: GRI 403-1, 403-2, 403-4, 403-5, 403-6, 403-7, 403-09, 403-10 ✓ Training and Education : GRI 404-1, 404-2 ✓ Diversity and Equal Opportunity: GRI 405-2 ✓ Local communities: GRI 413-1

Management's Responsibility

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

Inherent limitations

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

Our Responsibility

Our responsibility is to express a moderate level assurance conclusion on the identified sustainability indicators based on the procedures we have performed and evidence we have obtained.

We have conducted our engagement in accordance with AA1000AS v3, Type 1 assurance with "Moderate Level" assurance requirements and guidance on applying the AA1000AS v3 for Assurance Providers. This standard and the guidance require that we plan and perform this engagement to obtain moderate level assurance about whether the identified sustainability indicators are free from material misstatement including that due to fraud or error and to evaluate the overall presentation of the identified sustainability indicators in accordance with GRI standards (core option) and the principles set out in AA1000 AP (2018) which involves assessing the suitability in the circumstances of HFE's use of the criteria as the basis for the preparation of the subject matter and reliability of the specified information with regard to the identified sustainability indicators.

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

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

- ✓ Whether the identified sustainability indicators have been prepared in all material respects, in accordance with the Criteria, or
- ✓ Whether the requirements of the principles of AA1000 AP (2018) of inclusivity, materiality, responsiveness, and impact have been considered in the preparation of the identified Sustainability Indicators and reliability of the specified information regarding the identified sustainability indicators.

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

With regard to the compliance of the identified sustainability indicators with the AA1000 AP (2018) and reliability of the specified information with regard to the identified sustainability indicators, we conducted the following procedures:

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- ✓ Obtained a fundamental understanding of the application of the AA1000 AP (2018) by interviewing responsible employees for stakeholder management at HFE
- ✓ Random sampling concerning the understanding of the documentation regarding stakeholder dialogue, communication with stakeholders
- ✓ Understanding the materiality analysis at corporate level for analysing and prioritizing sustainability topics and ascertaining areas for action.

Regarding the compliance of the identified sustainability indicators with the GRI Standards, we conducted the following procedures:

- ✓ Made enquiries of HFE's management, including the EHS and Sustainability team, Corporate Social Responsibility (CSR) Team and those with responsibility for CSR management and Sustainability reporting.
- ✓ Understand and evaluate the design of the key structures, systems, processes, and controls for managing, recording and reporting on the selected sustainability indicators.
- ✓ Review of the sustainability report for detecting, on a test basis, any major anomalies between the information reported in the sustainability report on performance with respect to identified sustainability indicators and relevant source data/information
- ✓ Review of the materiality analysis and stakeholder Agreement followed by the company in preparing the sustainability report.
- ✓ Our review covered the corporate office in Delhi and 3 project sites as identified by the management i.e., Clean Solar Power Bhadla Pvt.Ltd (R1), Clean Solar Power Bhadla Pvt. Ltd (R2) and Clean Solar Power Bhadla Pvt. Ltd (R3). Performed limited substantive testing on a sample basis of the selected indicators at corporate head office, and in relation to the three sites as visited i.e., Clean Solar Power Bhadla Pvt.Ltd (R1), Clean Solar Power Bhadla Pvt. Ltd (R2) and Clean Solar Power Bhadla Pvt. Ltd (R3) and, to check that data had been appropriately measured, recorded, collated, and reported; and
- ✓ Considered the disclosure and presentation of the agreed Indicators/ parameters.
- ✓ Obtained representations from HFE's Management.

Exclusions

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

- ✓ Operations of the company other than those included in the reporting boundary
- ✓ Information other than those specified under 'Identified Sustainability Indicators'
- ✓ Aspects of the Report and the data/information (qualitative or quantitative) other than the identified Sustainability indicators above.
- ✓ Data and information outside the defined reporting period i.e., April 1, 2022, to March 31, 2023.
- ✓ The company statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by HFE

Our Independence and Quality Control

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Assurance statement

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

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

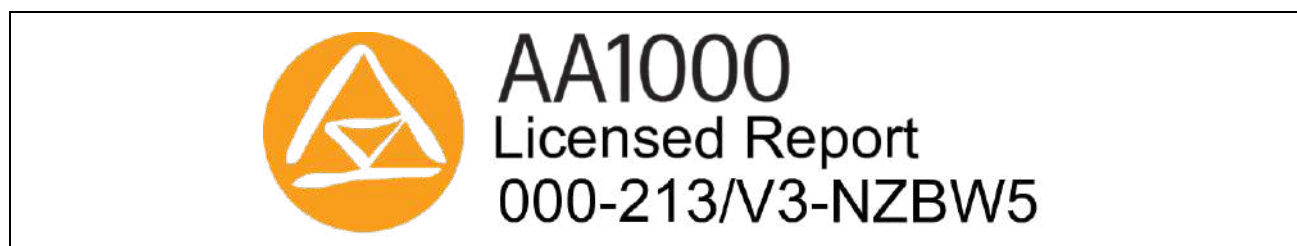
Moderate level Assurance Conclusion

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

- HFE's identified sustainability indicators contained in the Sustainability Report for the year ended March 31, 2023 are not prepared, in all material respects, in accordance with the Global Reporting Initiatives (GRI) Standards: Core option.
- HFE does not have systems and processes in place to comply with the principles of AA1000 AP (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.

Restriction on Use


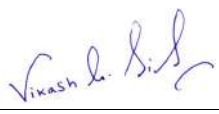
Our moderate level assurance report has been prepared and addressed to the Board of Directors of HFE at the request of the company solely to assist the company in reporting on the Sustainability performance and activities. Accordingly we accept no liability to anyone, other than HFE. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The 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.



CARBON CHECK (INDIA) PRIVATE LIMITED
CIN: U74930DL2012PTC232495
Regd. Off: 2071/38, 2nd Floor, Nai Wala, Karol Bagh, New Delhi - 110005
Corporate off: Unit No. 1701, Logix City Centre Office Tower, Plot No. BW-58, Sector-32 Noida, Uttar Pradesh
Tel: +91 120 4373114 | URL: www.carboncheck.co.in | e-mail: info@carboncheck.co.in

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	Independent Sustainability Assurance Report	Version: 01 Date: 12/01/2024
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Name: Amit Anand	Name: Vikash Kumar Singh
Designation: Chief Executive Officer	Designation: Executive Director
Place: New Delhi, India	Place: New Delhi, India
Date: 17 th Jan 2024	Date: 17 th Jan 2024

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For any queries, please reach out to:
vijay.anand@herofutureenergies.com

 **www.herofutureenergies.com**

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New Delhi - 110020