



ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) POLICY

Indian Renewable Energy Development Agency (IREDA) ESG Policy

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1. Introduction

India today is undertaking one of the most ambitious energy transitions globally targeting 500 GW of non-fossil fuel capacity by 2030 and committing to Net-Zero emissions by 2070. This transition is not merely a response to climate exigencies but a strategic reshaping of the country's energy economy—building global leadership in clean energy innovation, resilience, and sustainable growth.

Indian Renewable Energy Development Agency Limited (**IREDA**), a Government of India Enterprise under the administrative control of the Ministry of New and Renewable Energy (**MNRE**) and registered as a Non-Banking Financial Company (NBFC), **being the only pureplay green financier in India**, is engaged in promoting, developing, and extending financial assistance for projects related to renewable energy and energy efficiency, with the motto: **“ENERGY FOR EVER”**.

IREDA plays a pivotal role in supporting India's transition to a low-carbon and sustainable energy systems by financing renewable energy and energy efficiency projects. Through its financing activities, IREDA facilitates the deployment of clean, reliable, and emerging energy solutions while contributing to national priorities such as energy security, climate action, and sustainable development. Further, by setting up a subsidiary, IREDA Global Green Energy Finance IFSC Ltd., at GIFT City, IREDA is stepping towards accessing international green finance, helping to broaden its financial base and support clean energy initiatives globally.

Rooted in its Vision of “Expanding & Transitioning Renewable Energy towards Affordability, Scalability & Establishing Sustainability in the Country” IREDA plays a transformative national role in enabling India's clean energy ambitions. IREDA acknowledges that integrating Environmental, Social and Governance (ESG) principles into its operations, governance and stakeholder ecosystem is essential for long-term value creation, national commitments, and global expectations.

This ESG Policy outlines IREDA's forward-looking approach to embedding sustainability into its organisational and financing practices. It is designed as a guiding document that will grow and evolve in alignment with regulatory requirements, sectoral developments, and national priorities.

2. Scope of the ESG Policy

This ESG Policy primarily applies to the Company's internal operations, including all offices, branches, subsidiaries, functions, and employees. The Company shall endeavour to integrate ESG considerations into its business practices while promoting responsible growth and sustainable value creation for both internal and external stakeholders.

3. Governance Structure

IREDA has established a three-tier ESG governance structure to facilitate oversight and the implementation of IREDA's ESG commitments. The structure is intended to support collaboration among relevant teams, enable informed decision-making, and provide a mechanism for reporting and updates to management and the Board-level committees on ESG-related matters on as and when required basis.

3.1 Board Level ESG Committee

The Board Level ESG Committee provides oversight and strategic guidance on ESG-related matters. The Committee shall comprise of the Board of Directors.

Its key roles include the following

- Providing guidance on IREDA's ESG priorities in alignment with the organisation's vision, national priorities, and applicable regulatory requirements.
- Reviewing and providing direction on the development and update of ESG-related policies, frameworks, guidelines, and commitments, as appropriate.
- Reviewing IREDA's key ESG developments and initiatives.
- Reviewing and endorsing disclosures for Business Responsibility and Sustainability Reporting (BRSR) and other statutory ESG reporting requirements
- Encouraging transparency and responsible ESG practices across relevant functions of the organisation.
- Serving as apex governance body for consideration and approval of significant ESG-related matters.
- The Committee shall meet at least once in a year, or as may be required.

3.2 ESG Steering Committee (Management Level)

The ESG Steering Committee functions as a coordination platform at the senior management level for ESG-related matters. The Committee shall comprise Executive Directors, KMPs, General Managers/HoDs.

Its key roles include the following:

- Facilitating the development, review, and implementation of ESG policies and frameworks, as appropriate.
- Supporting the integration of ESG considerations into relevant business functions such as operations, human resources, procurement, IT, and related decision-making processes.
- Reviewing updates on progress related to ESG initiatives, key indicators, and implementation milestones, and discussing cross-functional matters wherever necessary.

- Encouraging consistency and reliability in sustainability-related data and information shared across departments.
- Acting as a coordination interface between the Board-level ESG Committee and the ESG Taskforce, helping translate strategic guidance into operational initiatives.
- The Committee shall meet on a half-yearly basis, or as may be required.

3.3 ESG Taskforce (Functional Level)

The ESG Taskforce is responsible for the day-to-day ESG Activities across IREDA. The Committee shall comprise representatives from key departments, including but not limited to ESG, HR, Admin, Information Technology, Projects, Investor Relation, Public Relation and Compliance. Its key roles include the following:

- Implementation of ESG-related initiatives, including those arising from regulatory and compliance requirements, within their respective functional areas. Facilitating the integration of sustainability considerations into routine processes, workflows, and decision-making practices.
- Coordinating data collection for ESG Initiatives, Assurance, Audits, and statutory /non statutory disclosures.
- Monitoring progress, identifying operational challenges, and escalating critical issues to the ESG Steering Committee.
- Driving internal awareness, training, and capacity building programmes to strengthen ESG culture across the organisation.
- The Committee shall meet on a quarterly basis, or as may be required.

4. Alignment with Applicable ESG, Sustainability & Responsible Business Frameworks

- **NGRBC** (National Guidelines on responsible Business Conduct)
IREDA complies with the spirit of the NGRBC's nine principles—ethics and transparency, safe and sustainable products and services, employee well-being, stakeholder responsiveness, human rights, environmental stewardship, responsible policy engagement, inclusive growth, and customer value.
- **SEBI BRSR** (Business Responsibility & Sustainability Reporting)
*IREDA commits to ESG disclosures with the requirements of BRSR and BRSR Core, and aims to maintain high standards of quality, consistency, and transparency in sustainability-related information **Companies Act, 2013***
IREDA's governance practices are aligned with the provisions of the Companies Act, 2013, including those concerning Board oversight, corporate social responsibility (CSR), and transparency in policies and disclosures.
- **United Nations Sustainable Development Goals (UN SDGs)**
IREDA acknowledges the significance of the United Nations Sustainable Development Goals while advancing initiatives related to clean energy, climate action, and inclusive growth
- **Other Statutory Frameworks & Global Best Practices (as applicable and deemed appropriate)**

With evolving statutory requirements and sustainability practices, IREDA will review and update this ESG Policy to reflect relevant regulatory developments and emerging best practices.

5. Environmental Management and Sustainability

Environmental Compliance & Climate-Aligned Practices

- IREDA is committed to comply with all applicable environmental rules and regulations.
- IREDA is committed to promoting and financing green energy/energy efficiency projects that play a vital role in combating climate change.
- In line with applicable environmental regulations and IREDA's Environmental & Social Management System (ESMS), borrowers are required to maintain full compliance to project-specific environmental requirements.
- In accordance with the IREDA's ESMS framework, projects are screened based on their potential environmental impacts and are required to comply with applicable mitigation measures.

Energy Management & Emissions Control

- IREDA supports the transition towards cleaner energy systems by financing renewable energy and energy-efficiency projects and encourage responsible energy use in its business operations.
- IREDA promotes efficient energy consumption and explores measures to improve energy efficiency and optimise energy use in its internal operations, where feasible.
- Given that IREDA does not operate manufacturing or emission-intensive facilities, its direct greenhouse gas (GHG) emissions remains limited. The solar plant owned by IREDA further contributes to emission reduction. IREDA shall endeavour to minimise emissions, wherever practicable.

Water Stewardship & Conservation

- IREDA promotes responsible water use, including practices related to water conservation, reuse, and recycling within its operations, wherever feasible.
- IREDA through its Environmental and Social Management System (ESMS) framework requires water management considerations in all its financed projects as per applicable regulatory norms and encourages stakeholders to adopt suitable water conservation measures where relevant.

Sustainable Resource & Waste Management

Waste Management approaches are encouraged across IREDA's financed projects and internal operations as part of broader sustainability aspirations.

Project-Level Waste Management

IREDA encourages borrowers to:

- Minimise waste generation during construction, operation, and decommissioning of renewable energy assets.
- Implement Resource Optimization using 3Rs- Reduce, Reuse and Recycle.

Internal Waste Management

- IREDA implements waste reduction, waste segregation, and waste recycling in its internal operations under its direct control.

Sustainable Office Practices

- IREDA promotes zero paper consumption to the extent possible by implementing digital workflows, e-files, online approvals, electronic documentation, and digital record-keeping systems.
- IREDA encourages continuous improvement programmes across all offices to optimise resource consumption and energy efficiency.

Biodiversity & Ecosystem Protection

IREDA values the importance of biodiversity conservation and commits to protection of Biodiversity & Natural Ecosystems. As a financing institution, IREDA requires project developers to comply with all applicable statutory and regulatory requirements for the conservation of natural ecosystems as the responsibility for implementing biodiversity protection measures rests with the borrowers and project proponents through ESMS framework.

6. Social Responsibility

Non-Discrimination, Fair Treatment & Inclusive Culture

IREDA cultivates a workplace where all employees—regardless of gender, identity or expression, marital status, disability, orientation, language, caste, ethnicity, religion, socio-economic background, or any other individual differences—feel valued, respected, and included. IREDA maintains a zero-tolerance policy for discrimination, harassment, and victimisation, including strict enforcement of its Prevention of Sexual Harassment (POSH) framework. All forms of sexual and non-sexual harassment are prohibited, and confidential redressal mechanisms ensure safety, dignity, and accountability.

To reinforce fairness and equity, IREDA promotes:

- Equitable remuneration, ensuring non-discriminatory compensation across comparable roles.
- Transparent and merit-based recruitment, promotion, and performance systems.
- Sensitivity and inclusion training
- IREDA encourages all borrowers, contractors, and supply-chain partners to uphold similar standards of non-discrimination and fair treatment in line with national labour laws and global good practices.

Employee Health, Safety & Well-Being

Ensuring well-being of employees is integral to IREDA's institutional values. IREDA maintains a comprehensive approach to employee health, occupational safety, and holistic well-being.

Occupational Health & Safety (OHS)

- IREDA fosters safe and hazard-free office environments and ensures compliance with OHS requirements applicable to workplaces.

Holistic Well-Being

IREDA supports the mental, physical, and spiritual well-being of employees through wellness initiatives, awareness programmes, sports engagement, access to health resources, and preventive care.

Learning and Growth

IREDA prioritises learning and development (L&D) through structured training programmes, leadership development, technical upskilling, and ESG-related capacity building.

Workforce Well-being and Social Safeguards

Responsible labour practices and social safeguards form an important part of the ESG principles guiding IREDA's operations. While IREDA is not involved in on-site labour management, these considerations are integrated through the ESMS framework to encourage responsible workplace practices by borrowers and project proponents.

Accordingly, IREDA:

- Prohibits forced labour, child labour, unsafe working conditions, and discriminatory practices across its operations and expects the same from the stakeholders.
- Encourages borrowers to implement labour-welfare measures, maintain safe workplaces, and comply with applicable labour laws and regulations.
- Promotes respect for communities, indigenous groups (where applicable), and ethical engagement practices.

Community Engagement & Social Development

IREDA being pure play green energy financial institution with development centric vision recognises that renewable energy projects positively impact local communities when implemented responsibly.

Additionally, IREDA contributes to national development through:

- CSR initiatives aligned with community needs such as education, health, renewable-energy access, environmental protection, and skill development.
- Employee volunteerism, philanthropy, and community outreach activities that foster social inclusion..

7. Governance and Ethics

Ethical Business Practices, Integrity & Accountability

IREDA conducts all business activities with the highest standards of ethics, integrity, and transparency. This commitment is embedded through a comprehensive Code of Conduct that outlines expectations for professional behaviour, conflict-of-interest avoidance, responsible decision-making, confidentiality, respectful workplace interactions, and accountability. The Code applies to all employees, senior management, Board members, contractors, and relevant external stakeholders.

To uphold institutional integrity:

- Mechanisms for confidential reporting of unethical behaviour, fraud, misconduct, or policy violations are maintained, ensuring that concerns can be raised without fear of retaliation.
- A zero-tolerance approach to corruption, bribery, facilitation payments, kickbacks, undue influence, and financial misconduct is strictly enforced.
- Regular internal audits and compliance reviews are conducted to ensure adherence to ethical standards, prevent violations, and strengthen organisational controls.

Sustainable Procurement

IREDA aims to approach procurement in a manner that reflects sustainability, transparency, fairness, and responsible business conduct. As a public financial institution, IREDA follows structured procurement procedures (in alignment with government guidelines) that emphasise integrity, value for money, and responsible sourcing.

Customer Relationship Management & Service Excellence

IREDA recognises that strong customer relationships are integral to its mandate as India's premier renewable-energy development finance institution. Responsible customer engagement builds trust, improves service quality, enhances financial inclusion, and strengthens the renewable-energy ecosystem.

IREDA promotes a culture of responsible lending, ensuring that customers are treated fairly, without discrimination or undue influence, and with full respect for their rights and business constraints.

Accordingly, IREDA provides guidance on financial inclusion, technical clarity, and advisory support to emerging RE developers, MSMEs, innovators, and underserved segments participating in India's clean-energy transition.

Compliance and Risk Management

IREDA upholds a strong compliance culture rooted in national laws, regulatory requirements as applicable to its role as a renewable-energy development finance institution. Regulatory compliance encompasses obligations under the Companies Act, renewable-energy sector regulations, ESG-related requirements, financial-sector governance norms, anti-corruption laws, labour laws, data-protection rules, and environmental standards etc.

Transparency, Disclosure & Reporting

IREDA is committed to transparent and credible ESG disclosures, aligning with national regulations and standards. Accordingly, IREDA will:

- Disclose relevant metrics aligned with national ESG reporting requirements, including those under SEBI BRSR/ BRSR Core formats.
- Communicate major achievements, governance enhancements, and through various communication modes/channels.
- Maintain consistent, accurate, and timely data-management systems to ensure quality reporting and audit readiness.

8. Training and Awareness

Employee Training

IREDA facilitates regular training to employees on ESG principles, policies, and practices to foster a culture of sustainability within the organization.

Stakeholder Awareness

IREDA is committed to engage stakeholders through awareness programmes and initiatives related to our ESG commitments and the benefits of renewable energy.

9. Review and Update of Policy

This ESG Policy will be reviewed annually (or as and when required) to ensure its relevance and effectiveness in driving sustainable outcomes.

10. Appendix

ESG Theme	Relevant IREDA Policies & Documents
Environment (E)	<ul style="list-style-type: none">• Environment and Social Management System
Social (S)	<ul style="list-style-type: none">• IREDA's Diversity, Equity & Inclusion (DE&I) Policy• IREDA's Human Rights Policy• Vigil Mechanism• Code of Business Conduct & Ethics• CSR Policy• Environment and Social Management System• Environmental and social management framework-RE Park
Governance (G)	<ul style="list-style-type: none">• Code of Business Conduct & Ethics• Anti-Bribery & Anti-Corruption (ABAC) Policy• Policy on Diversity of the Board; Criteria for appointing SMP/KMP; Remuneration; Evaluation of Directors• Vigil Mechanism / Whistle-Blower Policy