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CLIMATE CHANGE POLICY

Policy No	HEG/POL/SUS/0005
Version	1.0
Policy Revised / Create Date	01-Jan-2024
Valid Up to	31-Dec-2026
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CLIMATE CHANGE POLICY



BACKGROUND

Climate Change is generally defined as the large-scale, long-term shift in the Earth's weather patterns and average temperatures. Climate change is posing a serious threat to our planet and environmental degradation is obvious as seen by live demonstrations of catastrophic disasters happening around the world today.

In addition, rising global temperatures increase the melting of polar ice-caps and glaciers, resulting in rises in sea levels that can threaten low-lying countries and cities. Actions must be taken globally by all sectors of Businesses, Societies and Regulatory bodies. Climate change and global warming are a result of increased concentration of GHG emissions in the environment.

HEG Limited understands the seriousness of climate change and the risks associated with it. The company is committed to reduce the global carbon footprints and minimize environmental impacts. HEG Limited's consistent focus on good corporate governance is strengthened by its commitment to reduce emissions and take measures to minimize impact on environment and climate change. The company believes that environmentally sustainable and responsible business operations are a key part of its governance practices which will empower to create a resilient and sustainable World.

SCOPE

This policy shall apply to all establishments of HEG Limited; each employee shall be made a partner in implementing the policy and shall be applicable to the suppliers in the value chain.

DEFINITION

- 'Company' shall mean HEG Limited.
- 'Board' shall mean Board of Directors of the Company.
- 'Members' shall mean shareholders of the Company who hold shares of the Company.
- 'Policy' shall mean Climate Change policy.

POLICY STATEMENT

HEG Limited is making a continuous effort to source clean and efficient sources of energy to reduce our carbon footprints. We are promoting environmental awareness and responsibilities among our customers, suppliers, and other stakeholders. Our strategy and business goals are aligned with our climate-centric concerns. HEG Limited has a governance mechanism to track the implementation of climate change policy and monitor the resulting environmental performance metrics & its effectiveness.



OBJECTIVE

We believe in building strong sustainable businesses that are firmly rooted in the community and demonstrate care for the environment. In keeping with our commitment, we are determined to address climate change issues and bring a fundamental understanding of climate change vulnerabilities, risks, uncertainties, and adaptations to business and society. We have set goals to communicate hazards of climate change risks and seek opportunities to develop solutions that will help reduce emissions for our stakeholders also.

In accordance with the Climate Change Policy, we will:

- Reduce the organization's carbon and water footprint
- Encourage our stakeholders to adopt green initiatives and practices on climate actions
- Improve air quality at our facilities
- Maximizing use of renewable energy
- Enable green infrastructure and procurement
- Effective communication of climate risks through capacity building and awareness
- Introduce CO₂ emission reduction targets as one of the components of our long-term management incentive plans
- Actively working for carbon sequestration and community initiatives for resource conservation
- Consider all climate risks and opportunities and integrate them in our business strategy

Size and Nature of Our Carbon Footprint.

With an aim to gain a full and detailed understanding of the size and nature of our carbon footprint, we will:

- Evaluate each site's carbon footprint to identify the source of all of our carbon emissions
- Establish and commit ourselves to a quantified progressive emission reduction target
- Measure and disclose their total GHG footprint annually using reputed global platforms, reporting on this progress to our stakeholders
- Develop a long-term programme to manage our carbon footprint

PROMOTION OF CLIMATE CHANGE PREVENTION

We aim to promote climate change prevention across all our suppliers and business partners. To achieve this, we will:

- Define and openly share in a Code of Conduct the minimum expectations we have from our suppliers and business partners in relation to climate change prevention
- Establish a detailed and transparent process for evaluating each supplier's and business partner's attitudes, risk profile, and performance with relation to a number of sustainability challenges, including climate change
- Encourage those suppliers and business partners whose attitudes and performance most closely matches our own goals and aspirations.



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STATUTORY AND VOLUNTARY OBLIGATIONS RELATING TO CLIMATE CHANGE

These include:

- Building climate resilience in line with India's Nationally Determined Contributions to the Paris Climate Change Agreement and the National/State Action Plans on Climate Change
- All local and national regulations governing the climate change prevention, mitigation, adaptation, and resilience
- Reporting of our performance on the issue of climate change

The policy will be applicable w.e.f. policy date, and it will supersede existing policy, if any.