Enivronmental Social Governance (ESG)
REC Limited, Gurugram

UNIVERSITY MENTOR- DR. RATNA VERMA

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ORGANIZATION MENTOR- MR. KILLI MADHU
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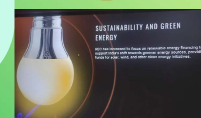
History and Brief Description

- REC Limited, formerly known as Rural Electrification Corporation Limited, is a leading Indian financial institution focused on the power sector.
- Established in 1969, it initially aimed to electrify rural India and has since expanded its operations to finance all segments of the power sector value chain, including generation, transmission, and distribution
- REC is a maharatna comapny under the ministry of power and operates as a systematically important Non-Banking Finance Company regulated by RBI.

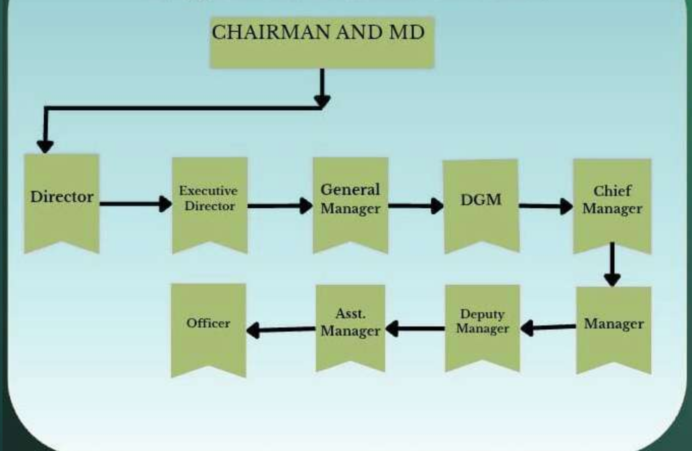
Vision and Mission

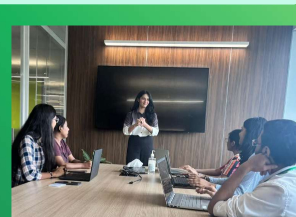
VISION- To act as a competitive, client-friendly, and development oriented organization for financing and promoting projects covering power generation, power conservation, power transmission and power distribution network in the country.

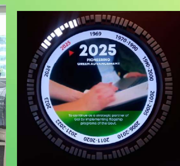
MISSION- To facilitate availability of electricity for accelerated growth and for enrichment of quality of life of rural and urban population.



Organization Structure







Major Learnings

- Foundational and core understanding of ESG
- ESG reporting and framework
- GHG emission and carbon accounting
- Sustainable development goals aligned with ESG
- Renewable energy
- ESG rating and methodologies

SWOT Analysis

Strength

- REC is a Maharatna Psu under ministry of power
- REC holds a strategic position, given REC's role in financing power sector and implementing policies
- REC is focusing over sustainable future providing funds for solar, wind and other clean energy initiatives

Weakness

- Governance board structure gaps
- Weak GHG emission Scope 3 tracking
- Limited ESG framework adoption
- Community and partner feedback mechanisms are underdeveloped

Opportunity

- Investment Opportunities in Indian power sector
- Green energy growth
- Global ESG alignment
- Tech driven ESG tracking

Threat

- Climate risk exposure
- Competition from green focused NFBCs
- Public sector constraints
- SEBI's BRSR Core and global ESG disclosure norms are becoming stricter.

Practical Exposure v/s Theoritical Understanding

Theoretical exposure from university-

- Understanding of management and its principles, organizational behaviour, SDGs, business analytics, CSR.

Practical exposure at organization-

- Analyzing data given scope 1 and 2 emissions
- Linking SDGs with various ESG activites
- Reporting and framework

Challenges Faced

- Understanding GHG accounting- Scope 1,2 and 3
- Lack of information in ESG reports
- Limited access to real time data
- Complex ESG terminologies in the beginning

Suggestions to Organization

- Improve internal ESG coordination
- Monthly interdepartmental meetings should be conducted between ESG, HR, CSR team and Finance
- Develop and implement SOPs for ESG related tasks
- Inclusion on global standard framework
- Make ESG committee within the organization for better coordination and progress
- Focus on participatory approach with interns and other employees for fresh ideas