DOUBLE MATERIALITY ASSESSMENT

ReNew's strategic priorities are increasingly expanding across the clean energy value chain, including manufacturing, energy storage, and other decarbonisation solutions. As sustainability becomes more deeply embedded into the business strategy, these focus areas directly influence resilience, competitiveness, and long-term value creation, while also introducing greater operational complexity and evolving stakeholder expectations.

In this transforming business landscape, ReNew must align its operations and value chain with a dual imperative: maximising tangible positive impact on environment and society while ensuring financial resilience and stakeholder value. **A Double Materiality Assessment (DMA) is the strategic lens through which ReNew navigates this reality.** Therefore, we carried out a comprehensive Double Materiality Assessment in line with the **European Financial Reporting Advisory Group (EFRAG)** under the **Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS)** in FY 2023-24. To ensure our materiality framework reflects the dynamic nature of our evolving business environment and stakeholder priorities, we conduct a formal refresh of our material topics every 2–3 years.

In FY 2024-25, our review reaffirmed that the identified material topics remained relevant and aligned with the Company's strategic priorities and external operating context. Accordingly, we continued to manage and monitor these topics as key drivers of performance and value creation.

For FY 2025-26, this reassessment was necessary because several material changes have reshaped the business context.

- First, strategic diversification has fundamentally altered our operational footprint and risk profile, requiring updated materiality evaluation.
- Second, global ESG reporting standards now converge on double materiality as the benchmark for credible sustainability reporting.
- Third, India's energy sector faces new regulatory domains around green hydrogen, energy storage, and grid integration, requiring assessment of emerging ESG-related risks.

Consistent with this strategic refresh, ReNew's Enterprise Risk Management (ERM) framework has been updated to include new ESG-related risks, ensuring alignment between materiality priorities and enterprise governance. Demonstrating our commitment to oversight and accountability, the outcomes of our materiality assessment have been **reviewed and approved by the Board,** reinforcing its strategic alignment and governance oversight. Additionally, we have obtained **third-party assurance on GRI** KPIs associated with the results of our materiality assessment, further strengthening its credibility and transparency.

DMA Approach

ReNew's Double Materiality Assessment followed a structured, four-phase methodology:

Phase 1: Define

Comprehensive **stakeholder identification, value chain mapping, regulatory landscape analysis, and media sensitivity screening** to establish organisational context and emerging ESG trends

Phase 2: Identify

Rigorous desk research leveraging **prior DMA insights** (FY 2023-24), **peer benchmarking, industry frameworks (SASB, MSCI), and international standards (WEF, WBCSD)**, resulting in a curated universe of 18 Impact, Risk, and Opportunity (IRO) topics across the three pillars

Phase 3: Assess

Stakeholder engagement and materiality scoring was conducted through a dual-lens framework, assessing both impact materiality (effects on people and environment) and financial materiality (ESG effects on business performance)

Phase 4: Priortise

Consolidation of impact and financial materiality scores into a prioritised **materiality matrix, mapping of material topics to the Enterprise Risk Management (ERM) framework, and Board review** and approval to ensure strategic alignment and governance accountability

Perspectives from **562 stakeholders,** including 495 internal participants spanning frontline staff to executive leadership and 67 external stakeholders comprising customers, investors, suppliers, regulators and NGOs, ensured that a broad range of viewpoints and expectations were reflected in the assessment.

Robust Stakeholder Engagement for DMA

Internal Stakeholders

- Employees
- Apex and Executive Committee Members

External Stakeholders

- Investors and Shareholders
- Agencies and Industry Associations Representatives
- NGOs
- Suppliers
- Customers

Robust Stakeholder Engagement for DMA

562
Total

128% ↑
from FY 2023-24

495 ↑
Internal
216 in FY 2023-24

67 ↑
External
31 in FY 2023-24

Mode of engagement

- Well-structured questionnaire and survey forms
- Dedicated Capacity Building Sessions and Help Desks

Materiality Assessment Framework

Impact Materiality: Understanding Organisational Effects

Impact materiality evaluates how ReNew's operations and value chain generate positive or negative effects on people and the environment, considering both actual impacts occurring today and potential impacts that may materialise in future periods. Assessment parameters include:

Severity

Scale
What is the level of seriousness of the topic / issue?

Scope
How widespread is the impact of topic / issue?

Irremediability (for negative impacts only)
How difficult is it to remedy negative impacts?

Likelihood of Occurrence

If the issue is not currently relevant but has the potential to have an impact in the future, how likely is it to become significant?

Financial Materiality: Understanding Business Effects of ESG Factors

Financial materiality assesses how ESG-related risks and opportunities affect ReNew's financial position, operational cash flows, asset utilisation, access to financing, and cost of capital. Assessment parameters include:

Magnitude

How will the risk/opportunity impact the organisation financially (cash flows, financial position, cost of capital, access to finance)?

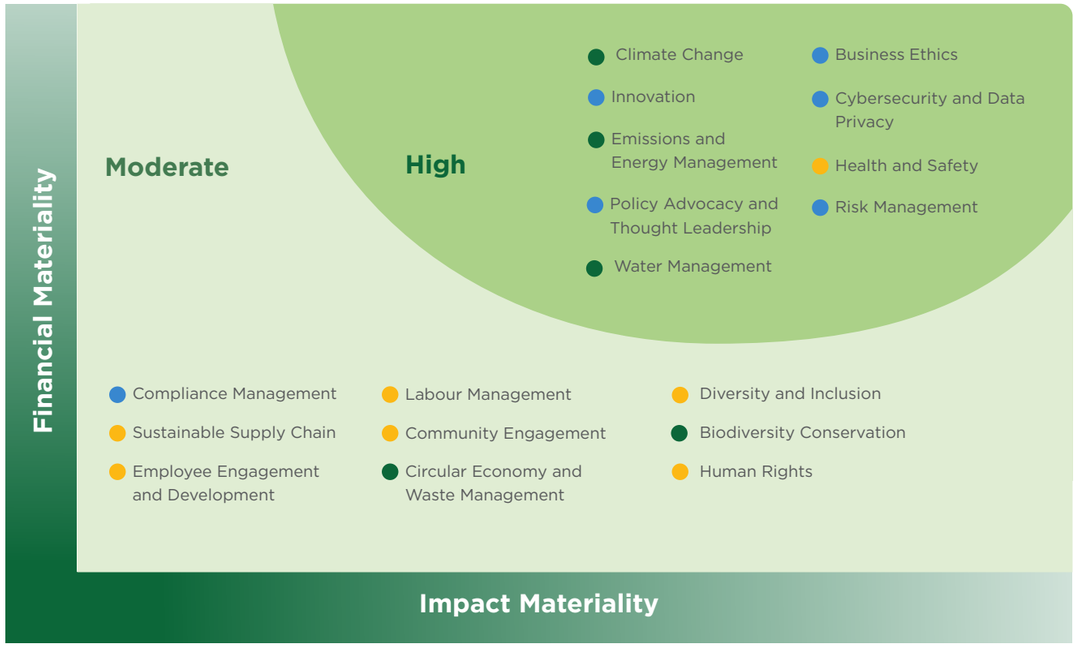
Likelihood of Occurrence

What is the likelihood of the financial impact occurring?

Both dimensions are evaluated using consistent scoring methodologies aligned with ReNew's Enterprise Risk Management framework, ensuring alignment between sustainability priorities and enterprise risk governance.

Materiality Matrix

The DMA process identified and prioritised 18 material topics across three ESG pillars:



ReNew's Double Materiality Assessment for FY 2025-26 confirms that we operate at a critical convergence point where environmental imperative, business value creation, and stakeholder trust are inseparably intertwined. The 18 material topics identified through this rigorous process grounded in stakeholder inputs, peer benchmarking against global leaders, and international standards form the analytical foundation for ReNew's integrated sustainability and business strategy going forward.

Our most significant material topics include Climate Change, Innovation, Emissions and Energy Management, Policy Advocacy and Thought Leadership, Business Ethics, Water Management, Cybersecurity and Data Privacy, Health and Safety and Risk Management. These topics guide our sustainability strategy and help focus efforts on the areas that matter most to our business and stakeholders.

ReNew adopts a highly targeted and data-driven approach to materiality, ensuring that sustainability priorities are translated into clear actions, measurable targets, and accountable outcomes.

During FY 2025–26, we refreshed our ReSTART framework and aligned it closely with our material topics identified through our refereshed DMA, strengthening the connection between business strategy, stakeholder priorities, and ESG Performance and and our Enterprise Risk Management (ERM) register.

The refreshed ReSTART framework establishes quantified targets across these material topics and enables systematic tracking of progress through defined metrics, regular performance reviews, and transparent reporting. This structured approach ensures that our sustainability commitments are embedded across the organisation and that progress is measured consistently, enabling informed decision-making and continuous improvement.

You can read more about our ReSTART framework on Page 126 of the report.

Impact, Risk and Opportunity (IRO) Analysis

To ensure continued relevance and alignment with our evolving business context, we reassessed the universe of impacts, risks, and opportunities (IROs) and refined the material topic architecture. Key updates included expanding **Waste Management** to **Circular Economy and Waste Management** to reflect broader resource efficiency and circularity considerations, assessing **Innovation** and **Cybersecurity and Data Privacy** as distinct topics in light of increasing digitalisation and AI integration, and reviewing **GHG Emissions and Energy Management** through a more integrated lens. The following table presents the material topics identified through this process and illustrates how each topic is perceived across impacts, risks, and opportunities, forming the basis of our assessment of both impact and financial materiality.

	Material Topic	Impact/Risk/ Opportunity	Description	Impact (Actual/ Potential)	Own Operations/ Value Chain (OO/VC)	Financial Impact (Positive/ Negative)
ENVIRONMENT	**Climate Change**	Impact	• Core business model enables large-scale decarbonisation of corporate customers and the grid, thereby contributing towards the goal of keeping global temperature rise in line with the Paris Agreement	Actual	OO + VC	Positive
		Risk	• Physical risks such as extreme weather events impacting asset performance • Transition risks from policy changes, shifting subsidies, and carbon regulations • Technology obsolescence risk from rapid advancements in renewable technologies • Land and resource constraints may limit future expansion	Actual	OO + VC	Negative
		Opportunity	• Strong demand driven by energy transition, energy security, and corporate decarbonisation needs • Growth across emerging areas such as storage, green hydrogen, and carbon markets	Actual	OO + VC	Positive
	Emissions and Energy Management	Impact	• Manufacturing operations significantly increase energy consumption and emissions footprint • Supply chain emissions dominate overall impact, especially from raw materials	Actual	OO + VC	Negative
		Opportunity	• Increasing share of renewable energy in operations reduces carbon intensity and operating costs • Adoption of energy efficiency measures improves productivity and resource optimisation • Integration of internal carbon pricing supports better capital allocation decisions • Transition towards cleaner energy in manufacturing enhances ESG positioning and investor confidence • Opportunity to lead in low-carbon manufacturing within the renewable energy sector	Actual	OO	Positive
	Water Management	Impact	• High water withdrawal in water-stressed regions impacts local availability • Increasing dependence on groundwater and external sources • Potential contamination of soil and water resources	Actual	OO	Negative
		Risk	• Water scarcity may disrupt manufacturing and operations • Regulatory risks from exceeding extraction limits or discharge norms	Actual	OO	Negative
	Circular Economy and Waste Management	Impact	• Rapid increase in waste generation from manufacturing affecting communities or environment • Future solar panel and batteries decommissioning poses long-term environmental impact	Actual	OO + VC	Negative
		Risk	• Evolving Extended Producer Responsibility (EPR) obligations and lack of mature recycling ecosystem • Uncertainty around future compliance costs and infrastructure readiness	Actual	OO + VC	Negative
		Opportunity	• Circular design and recycling enable recovery of valuable materials • Opportunity to establish leadership in renewable waste management	Potential	OO + VC	Positive
	Biodiversity Conservation	Impact	• Operations may lead to habitat disruption, land-use change, and ecosystem degradation • Risks to biodiversity, including endangered species, from infrastructure development and operations • Expansion of renewable assets may increase habitat fragmentation and ecological stress	Negative, Actual and Potential	OO	Negative
		Risk	• Regulatory restrictions and environmental clearance delays • Degradation of ecosystem services impacting operations • Fines and penalties due to habitat destruction from project management	Potential	OO	Negative

	Material Topic	Impact/Risk/ Opportunity	Description	Impact (Actual/ Potential)	Own Operations/ Value Chain (OO/VC)	Financial Impact (Positive/ Negative)
SOCIAL	Health and Safety	Risk	• Safety incidents may cause delays, regulatory action, and reputational impact • Expansion increases exposure to high-risk activities	Actual	OO	Negative
	Sustainable Supply Chain	Impact	• Supply chain is the primary source of emissions and environmental footprint • High dependence on carbon-intensive raw materials and processes amplifies upstream environmental impact	Actual	OO + VC	Negative
		Risk	• Supply disruptions from geopolitical and commodity volatility • Supplier ESG maturity gaps affecting overall sustainability performance • Risk to climate targets due to rising supply chain emissions	Actual	OO + VC	Negative
		Opportunity	• Green sourcing, low carbon alternatives and supplier engagement improve sustainability outcomes • Localisation and diversification strengthen resilience	Potential	OO + VC	Positive
	Employee Engagement and Development	Opportunity	• Strong learning and development ecosystem enables capability building in a rapidly growing renewable energy sector • Positioning as an employer of choice helps attract and retain skilled talent in a competitive market • Continuous skill development and leadership programmes support internal talent pipeline and succession planning • Purpose-driven culture and employee engagement initiatives strengthen retention and organisational performance	Actual	OO	Positive
	Labour Management	Risk	• High and rising workforce turnover, particularly among workers, creates significant execution and productivity risks • Loss of skilled labour may impact project timelines, quality, and safety performance amid rapid capacity expansion • Dependence on contractor workforce increases operational risk due to indirect control over working conditions • Lack of formal worker representation may lead to unresolved issues escalating through attrition rather than dialogue	Actual	OO	Positive
	Community Engagement	Impact	• Community development programmes improve livelihoods and local acceptance	Actual	OO + VC	Positive
		Opportunity	• Strong engagement supports smoother land acquisition and project execution • Enhances social license to operate	Actual	OO	Positive
	Diversity and Inclusion	Opportunity	• Expanding renewable energy workforce creates opportunity to proactively build a diverse talent pipeline	Actual	OO	Positive
	Human Rights	Risk	• Increasing global regulatory scrutiny on supply chain traceability and labour standards • Exposure to compliance risks under international frameworks and lender requirements • Gaps in coverage across extended workforce and lower-tier suppliers may create oversight risks	Potential	OO + VC	Negative

	Material Topic	Impact/Risk/ Opportunity	Description	Impact (Actual/ Potential)	Own Operations/ Value Chain (OO/VC)	Financial Impact (Positive/ Negative)
GOVERNANCE	Innovation	Risk	• Failure to keep pace with technological innovation including manufacturing technologies and AI adoption may erode competitiveness and result in loss of market share. • Inadequate AI governance may lead to ethical, compliance, data privacy, and cybersecurity risks.	Actual	OO	Negative
		Opportunity	• Enables development of storage and hybrid energy solutions • Investment in advanced manufacturing capabilities can drive efficiency gains, support product innovation, and create long-term value.	Actual	OO + VC	Positive
	Policy Advocacy and Thought Leadership	Impact	• Influences policy frameworks and accelerates sector development • Contributes to systemic sector growth through participation in industry platforms and policy dialogues • Supports advancement of innovative frameworks such as hybrid energy, storage, and new market mechanisms	Actual	OO + VC	Positive
		Risk	• Policy uncertainty and regulatory changes may impact project timelines and financial returns • Delays in approvals or shifts in government priorities can affect pipeline execution • Misalignment with evolving policy direction may reduce competitiveness	Actual	OO	Negative
		Opportunity	• Active engagement helps shape favourable regulations and long-term policy stability • Ability to influence emerging areas such as carbon markets, storage policies, and green hydrogen • Strengthens relationships with regulators and improves access to new opportunities	Potential	OO + VC	Positive
	Business Ethics	Risk	• Exposure to multi-jurisdictional anti-corruption and governance regulations increases compliance complexity • Extensive interaction with government bodies and regulatory authorities creates inherent corruption and bribery risks • Political contributions and conflict-of-interest situations may attract stakeholder scrutiny and reputational risk • Any breach of ethical standards could lead to legal penalties, project delays, loss of stakeholder trust, and restricted access to capital	Actual	OO	Negative
		Opportunity	• Strong ethical governance enhances trust with investors, regulators, and financing institutions • Transparent practices improve access to capital, including green finance and Development Finance institution (DFI) funding • Ethical track record supports smoother regulatory approvals and government partnerships	Actual	OO + VC	Positive
	Cybersecurity and Data Privacy	Risk	• Cyber threats may disrupt operations and compromise sensitive data • Expanding digital infrastructure increases attack surface • Regulatory obligations increase compliance complexity	Actual	OO + VC	Negative
		Opportunity	• Strong cybersecurity systems enhance trust and operational resilience • Protects critical infrastructure and stakeholder data	Actual	OO + VC	Positive
	Risk Management	Risk	• Exposure to multiple strategic and operational risks including climate variability, project delays, and regulatory changes • Macroeconomic volatility and supply chain disruptions may impact costs and timelines • Talent attrition, safety incidents, and cybersecurity threats add to enterprise risk exposure • Expanding and diversifying business increases complexity, requiring continuous evolution of risk systems	Actual	OO	Negative
	Compliance Management	Risk	• Large number of regulatory changes increases complexity • Expansion into manufacturing and new businesses increases compliance exposure • Non-compliance to regulations leading to fines and penalties	Potential	OO	Negative