

SUSTAINABILITY STRATEGY & CLIMATE CHANGE POLICY

Shete Advanced Technologies Private Limited

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Frameworks Aligned With	TCFD, TNFD, GRI Standards, IFRS S1 & S2, India BRSR, ICMA GBP 2023
Net Zero Target	2050 — All Scopes
Smart Metering Target	Universal deployment by 2030

1. Policy Purpose & Objectives

This Policy establishes Shete Advanced Technologies Private Limited's (SAT's) commitment to environmental stewardship, climate action, and sustainable business practices. It provides a comprehensive strategic framework governing how SAT integrates climate considerations into its operations, products, supply chain, and stakeholder relationships.

Key objectives of this Policy:

- Integrate climate action across all SAT operations, products, and business verticals
- Achieve net zero GHG emissions (Scope 1, 2, and 3) by 2050, with interim milestones in 2030, 2035, and 2040
- Promote sustainable growth by increasing the deployment and impact of Smart Meters in India's energy efficiency ecosystem
- Integrate biodiversity and ecosystem considerations into all project planning, site selection, and operational processes

Reg. Office: Plot no 11, Mahabali society, Karve Nagar, Pune. 411052

Office Address: Sr No. 74,75/2/1, Office No. 21,22, 23, 3rd floor, Shroff Suyash Building, Baner, Pune, 411045

☎ 7020824405 ✉ info@sheteadvancedtechnologies.com

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- Foster innovation and digitalization for enhanced energy and resource efficiency
- Ensure transparent, verifiable monitoring, reporting, and third-party assurance of emissions and sustainability metrics
- Engage all stakeholders — employees, suppliers, customers, regulators, investors, and civil society — in climate initiatives
- Align with India's National Action Plan on Climate Change (NAPCC) and contribute to the Paris Agreement 1.5°C pathway

2. Scope and Applicability

This Policy applies to all persons and entities working for or on behalf of SAT, including:

- All employees, directors, officers, and contractors of SAT, irrespective of location or seniority
- All subsidiaries and joint ventures where SAT has management control
- Suppliers, sub-contractors, logistics partners, and other value chain participants
- All business activities including: smart metering and digital energy management; product procurement and trading; transmission & distribution (T&D) operations; Cooling as a Service (CaaS); renewable energy activities

SAT will only do business with organisations that fully comply with this Policy or are taking verifiable, time-bound steps toward compliance.

3. Climate Change Mitigation Potential of Smart Meters

Smart metering is a critical enabling technology in the global fight against climate change. SAT's products deliver climate impact through five primary mechanisms:

- **Demand-Side Management:** Real-time consumption data empowers consumers to reduce energy waste, enabling measurable demand reduction
- **AT&C Loss Reduction:** Accurate metering eliminates commercial and technical losses in distribution networks, reducing the need for fossil-fuel-powered generation
- **Renewable Energy Integration:** Smart meters and net meters (solar) facilitate bi-directional energy flows, enabling rooftop solar generation and decentralised renewable energy
- **Grid Optimisation:** IoT data analytics enable Time-of-Use (TOU) pricing and dynamic tariffs, shifting consumption to off-peak / high-renewable periods
- **Avoided Power Plant Construction:** System-wide efficiency gains reduce the need for new fossil fuel peaking plants

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Using the Central Electricity Authority (CEA) 2023 grid emission factor of 0.82 kg CO₂/kWh for India, each smart meter deployed by SAT is estimated to avoid approximately 150 kWh of energy loss per year, equivalent to 0.123 tCO₂e per meter annually.

4. Principles and Commitments

4.1 Energy Efficiency and Digitalisation

SAT commits to implementing advanced digital and smart solutions, including AI-driven energy management systems, IoT-enabled metering, and data analytics platforms, to reduce both technical and commercial losses across India's distribution network.

4.2 Decarbonising Transmission & Distribution

SAT will work with DISCOM partners to modernise T&D networks, minimise energy losses, and integrate decentralised renewable energy sources, supporting the phase-out of SF₆ and other high-GWP gases from switchgear.

4.3 Green Procurement and Supply Chain

SAT will: prioritise suppliers with robust environmental credentials; require key suppliers to report GHG emissions and set science-based targets by 2030; embed sustainability criteria into all procurement evaluation processes; and work to optimise logistics and inventory to reduce supply chain carbon footprint.

4.4 Climate Risk Management and Resilience

SAT will assess physical and transition climate risks across all business units in line with TCFD recommendations, develop climate-specific business continuity plans, and invest in resilient infrastructure with regular climate-scenario stress testing.

4.5 Biodiversity and Ecosystem Stewardship

SAT integrates biodiversity considerations into project planning and site operations. The Company supports local ecosystem restoration, conducts regular biodiversity impact assessments, and targets no-net-loss of biodiversity at all major operational sites.

4.6 Transparency, Accountability, and Just Transition

SAT commits to annual disclosure of Scope 1, 2, and 3 GHG emissions; independent third-party assurance of environmental performance data; and alignment of disclosures with TCFD, TNFD, GRI, IFRS S1/S2, and India's BRSR. The Company will support workforce reskilling and community development as part of the energy transition, ensuring benefits are shared equitably.

5. Strategic Pillars and Key Actions

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5.1 Smart Metering and Digital Transformation

- Accelerate smart meter rollout to enable real-time energy monitoring and demand-side management
- Leverage IoT, AI, and data analytics for grid optimisation, forecasting, and emissions tracking
- Enable customers to make informed energy choices through digital dashboards and carbon footprint calculators
- Develop and deploy carbon credit tracking functionality integrated into metering infrastructure

5.2 Decarbonising T&D Operations

- Upgrade grids to integrate higher shares of variable renewable energy
- Deploy smart substations, remote sensing, and predictive maintenance to reduce losses and downtime
- Implement demand response and dynamic line rating technologies
- Phase out SF6 and other high-GWP gases from switchgear wherever technically and economically feasible

5.3 Low-Carbon Cooling as a Service

- Scale up CaaS offerings using highly efficient, renewable-powered, low-GWP technologies
- Promote district cooling and decentralised solutions for urban areas and commercial clients
- Collaborate with technology providers to pilot next-generation climate-friendly refrigerants

5.4 Green Procurement and Supply Chain Management

- Incorporate environmental and social criteria in all supplier selection and evaluation processes
- Require 75% of key suppliers to set science-based targets and report GHG emissions by 2030
- Optimise logistics and inventory management to reduce carbon footprint
- Prefer locally sourced, low-embodied-carbon materials wherever viable

6. Governance, Monitoring, and Reporting

SAT's sustainability governance framework includes:

- Board-Level Oversight: The GISS Committee, constituted by Office Order dated 18/12/2025, provides strategic oversight of all sustainability and climate commitments
- GHG Inventory: Annual measurement and disclosure of Scope 1 (direct), Scope 2 (purchased energy), and material Scope 3 (value chain) emissions
- Interim Targets: Specific, measurable targets set for 2030, 2035, 2040, and 2045, with annual progress reporting

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- Third-Party Assurance: Independent external auditors to verify environmental performance data annually
- Non-Conformance Management: Identified non-conformities and improvement opportunities addressed within 30 days of identification
- Framework Reporting Standards: TCFD, TNFD, GRI, IFRS S1 /S2, India BRSR — all material disclosures aligned

7. Targets and Timelines

Target Area	Commitment	Timeline
Net Zero GHG Emissions	Achieve net zero across all Scopes (1, 2, 3)	2050
Smart Metering Penetration	Deploy smart meters for all eligible customers	2030
Interim Reduction	Reduce Scope 1+2 emissions by 50% from 2025 baseline	2035
Science-Based Targets	Submit SBTi-validated targets for 1.5°C pathway	2026
Supply Chain	75% of key suppliers set climate targets and report emissions	2030
Cooling Intensity	National benchmark in GHG intensity per cooling unit	2030
Carbon Reporting	Annual CER reporting from smart meter deployments	2026
Biodiversity Assessment	Complete baseline biodiversity assessment for all major sites	2026
BRSR Reporting	Full compliance with SEBI BRSR Core indicators	2025–26

8. Capacity Building and Innovation

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- Provide bi-annual climate strategy and sustainability training for all employees
- Implement employee training on biodiversity protection and climate adaptation best practices
- Partner with IITs, research institutions, and start-ups for R&D in smart metering, renewables, and low-carbon solutions
- Foster a culture of sustainability innovation, empowering teams to pilot new green technologies
- Promote nature-based solutions including urban greening, reforestation, and wetland restoration

9. Stakeholder Engagement and Advocacy

- Engage with local communities, DISCOM customers, government bodies, and industry peers on climate adaptation and mitigation
- Actively participate in India Smart Grid Forum (ISGF), Bureau of Energy Efficiency (BEE) initiatives, and SEBI ESG working groups
- Support policy advocacy for favourable renewable energy, digital metering, and climate regulations in India
- Publish annual sustainability disclosures publicly on SAT's website

10. Review and Continuous Improvement

This Policy will be reviewed and approved by the GISS Committee of the Board biennially, or earlier in response to significant developments in climate science, regulation, or technology. Continuous improvement will be driven by stakeholder feedback, performance data, independent audit findings, and emerging global best practices.

This Policy is endorsed by the Board of Directors and will be communicated to all employees, stakeholders, and made publicly available on SAT's website.

For and on behalf of Shete Advanced Technologies Private Limited



Vyankatesh B. Shete

Director

Date: 18/12/2025



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