



HIGHWAYS INFRASTRUCTURE TRUST

SECOND PARTY OPINION: HIGHWAYS INFRASTRUCTURE TRUST
SUSTAINABILITY-LINKED LOAN/BOND



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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures are provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not be detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct during the assessment and maintain independence where required by relevant ethical requirements.



DNV'S INDEPENDENT ASSESSMENT

Scope and Objectives

Highways Infrastructure Trust ("HIT") is an infrastructure investment trust ("InvIT") focused on the management, operation, and maintenance of highway assets in India. HIT manages a portfolio of 15 operational road projects spanning approximately 3,620 lane-kilometers across nine states. The Sustainability Linked Finance Framework (SLFF) has covered 11 operational sites under its boundary, spanning approximately 2,921 lane-kilometers. HIT aims to enhance connectivity and improve transportation efficiency by leveraging its expertise in asset management and operations. HIT's portfolio consists of a mix of toll and annuity-based road projects, contributing to India's highway network under the public-private partnership ("PPP") model.

As part of HIT's commitment to sustainability, HIT has created a Sustainability-Linked Financing Framework ("Framework"), dated March 2025, to support its commitment to enhancing the sustainability profile of the organization by integrating its ESG strategy into various financing instruments.

DNV Business Assurance India Pvt Ltd. ("DNV") has been commissioned by HIT to review and provide a Second Party Opinion ("SPO") on the alignment of the proposed sustainability-linked financing instruments ("SLFI") with the following standards and principles (collectively, the "Standards & Principles").

- Sustainability-Linked Bond Principles ("SLBP"), issued by the International Capital Market Association ("ICMA") in June 2024.
- Sustainability-Linked Loan Principles 2023 ("SLLP") issued by the Asian Pacific Loan Market Association (APLMA), Loan Markets Association (LMA), and Loan Syndications & Trading Association ("LSTA") in February 2023.

The Framework's Key Performance Indicators ("KPIs") include:

- KPI 1: Emission intensity (tCO₂e/lane km), Scope 1 and 2
- KPI 2: Women's Representation and Inclusion in the Workforce

The Framework's Sustainability Performance Targets ("SPTs") include:

- SPT 1: Scope 1 & 2 emissions intensity reduction (tCO₂e/lane kilometre)
- SPT 2: Increase % of women's participation in the workforce at the HQ level

Our methodology to achieve this is described under the 'Work Undertaken' section below. We were not commissioned to provide independent assurance or other audit activities.

No assurance is provided regarding the financial performance of instruments entered into or issued via the Framework, the value of any investments, or the long-term environmental & social benefits of the transaction. Our objective has been to provide an assessment that the SLFIs have met the criteria established on the basis set out below.



Responsibilities of the Management of HIT and DNV

The management of HIT has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform HIT's management and other interested stakeholders in the SLFIs as to whether the financing instruments are aligned with Standards & Principles. In our work, we have relied on the information and the facts presented to us by HIT. DNV is not responsible for any aspect of the nominated KPIs or SPTs referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by HIT's management and used as a basis for this assessment were not correct or complete.

Basis of DNV's Opinion

We have adapted our assessment methodology to create a HIT Sustainability-Linked Bond/Loan Eligibility Assessment Protocol ("Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the SLFIs have been reviewed are grouped under the five SLLP/SLBP components as below:

- **Principle One:** Selection of Key Performance Indicators (KPIs). The borrower of SLL/issuer of an SLB should clearly communicate its overall sustainability objectives, as set out in its sustainability strategy, and how these relate to its proposed KPIs. The KPIs should be reliable, material to the borrower's/issuer's core sustainability and business strategy, address relevant ESG challenges of the industry sector and be under management control.
- **Principle Two:** Calibration of Sustainability Performance Targets (SPTs). The SPTs should be ambitious, meaningful, and realistic. The target setting should be done in good faith and based on a sustainability improvement in relation to a predetermined performance target benchmark.
- **Principle Three:** Financial Characteristics. The SLFI will need to include a financial and/or structural impact depending on whether the selected KPIs reach (or not) the predefined SPTs. The SLFI documentation needs to require the definitions of the KPI(s) and SPT(s) and the potential impacts to the SLFI's financial and/or structural characteristics. Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner, should be explained.
- **Principle Four:** Reporting. Borrowers/Issuers should publish at least once per annum the performance of the selected KPI(s), as well as a verification assurance report (see Principle 5) outlining the performance against the SPTs and the related impact and timing of such impact on the SLFI's financial and/or structural characteristics, with such information to be provided to those institutions participating in this securities/loan or to investors participating in the SLFI at least once per annum.
- **Principle Five:** Verification. The Borrower/Issuer should have its performance against its SPTs independently verified by a qualified external reviewer with relevant expertise, at least once per annum. The verification of the performance against the SPTs should be made available to lenders in the SLFI facility.



Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by HIT in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a HIT-specific Protocol, adapted to the purpose of the SLFI, as described above and in Schedule 2 to this Assessment;
- Assessment of the Framework provided by HIT and supplemented by high-level desktop research. These checks refer to the current assessment best practices and standards methodology;
- Review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.



Findings and DNV's Opinion

DNV's findings on the alignment with the Standards & Principles are listed below:

1. Principle One: Selection of Key Performance Indicators (KPIs)

DNV confirms that the KPIs proposed by HIT are core, relevant, material, and consistent with the company's overarching sustainability position and strategy. The KPIs are defined as follows:

- KPI 1: Emission intensity (tCO₂e/lane km), Scope 1 and 2
- KPI 2: Women's Representation and Inclusion in the Workforce

The rationale and process for KPI selection, as well as its definition, measurability, and verifiability, are deemed to be robust, reliable and in accordance with the Standards & Principles.

2. Principle Two: Calibration of Sustainability Performance Targets (SPTs)

DNV concludes that the SPTs are ambitious and relevant in the context of HIT's broader sustainability and business strategy and represent a material improvement over a predefined timeline. The SPTs are defined as follows:¹

- SPT 1: Scope 1 & 2 emissions intensity reduction (tCO₂e/lane kilometre)
- SPT 2: Increase % of women's participation in the workforce at the HQ level

DNV has reviewed HIT's strategies for achieving the SPTs and confirms that the targets are realistic. DNV also notes that the baseline data has been reviewed by an external third party to estimate the SPTs.

3. Principle Three: Financial Characteristics

DNV reviewed the characteristics related to the SLFI stated in the Framework. The financial characteristics section in the Framework states that HIT will tie financing terms under its Framework to KPI performance against SPTs. Margins or payments will adjust based on performance against the selected KPI. If the SPT associated with the KPI is not met on the SPT verification dates occurring within the agreed timeframe after the end of each target year, a coupon rate adjustment will be triggered. The adjustment mechanism will be detailed in the relevant transaction documentation.

4. Principle Four: Reporting

DNV concludes that the Framework includes the required information on reporting. HIT commits to keeping up-to-date information on its performance against SPTs for financings under the Framework. HIT will include KPI performance, calculation methodologies, and baseline references in the report. For years, when SPT performance is verified, it will outline financial adjustments and provide a verification assurance report. Where feasible, HIT may also include explanations of KPI performance drivers, sustainability impacts, and any relevant updates to KPIs, SPTs, or baselines.

¹ SPT Targets are presented in Schedule 1 to this report.



5. Principle Five: Verification

HIT has appointed DNV as an independent external reviewer to verify alignment of HIT's Framework with the Standards & Principles and assess the materiality and ambition of their KPIs and SPTs. The SPO report will be publicly accessible on HIT's website. Additionally, HIT will engage an independent external verifier to evaluate the performance against the SPTs for the selected KPIs, until the maturity of the financial instrument. DNV concludes the above to be in line with Standards & Principles.

Based on the limited assurance procedures conducted and on the basis of the information provided by HIT and the work undertaken, nothing has come to our attention that causes us to believe that the SLFIs are not, in all material respects, in accordance with the Standards & Principles. The SPTs are material and relevant to HIT's business strategy, operational environment and are considered to be ambitious as on high-level review and achievable in the context of their operational environment, history of operational upgrades and associated sustainability impacts.

For DNV Business Assurance India Pvt Ltd.

Mumbai, India / 06th May 2025

A handwritten signature in blue ink, appearing to read "Jerus D'Silva", written over a horizontal line.

Jerus D'Silva
Quality Reviewer

Sudharshan K (Verifier)

A handwritten signature in black ink, appearing to read "Deepak Kumar", written over a horizontal line.

Deepak Kumar
Lead Verifier

Schedule 1. HIT's Sustainability-Linked Loan/Bond Sustainability Performance Targets

From Framework dated March 2025:

Key Performance Indicators (KPIs)	Sustainability Performance Target (SPTs)	Baseline 31 st March 2024	Observation Date #1 31 st March 2030	Observation Date #2 31 st March 2035
KPI 1: Scope 1 & 2, Emission intensity	SPT 1: Scope 1 & 2 emissions intensity reduction (tCO ₂ e/lane kilometre)	2.24	1.64 (-27%)	1.12 (-50%)

Key Performance Indicators (KPIs)	Sustainability Performance Target (SPTs)	Baseline 30 th Sep 2024	Observation Date #1 30 th Sep 2030	Observation Date #2 30 th Sep 2035
KPI 2: Women's Representation and Inclusion in the Workforce	SPT 2: Increment of women's participation in the workforce at the HQ level (%)	18.5%	22%	27%

Note 1: The baseline data for KPI 1 has been reviewed by an external third-party (Deloitte). Moreover, DNV has only reviewed HIT's calculation methodology, and nothing has come to our attention that causes us to believe that the KPI is not, in all material respects, in accordance with the Standards & Principles. The emissions intensity for the baseline has been calculated by HIT, which retains sole responsibility for the accuracy of the reported figures.

Note 2: As per Annexure 2 Table C of the Framework, HIT has estimated emissions for 8 out of 11 operational sites by extrapolating the average consumption over 12 months. However, upon assessment, it was observed that data coverage varies, with four sites on a two-month average, three sites based on a one-month average, and one site on a five-month average.

Note 3: Due to assumptions in the normalization and extrapolation of activity data for newly acquired assets, DNV is unable to verify the accuracy of the baseline intensity emissions.

Table 1A: Assets included under KPI-1

Asset Name (Acronym)	Location	Length (Lane-Km)	Asset Type	Concession end-year
Dewas Bhopal Corridor Private Limited (DBCPL)	Madhya Pradesh	563	Toll	FY 2033
Swarna Tollway Private Limited (STPL TN – NH16)	Andhra Pradesh	443	Toll	FY 2031
Swarna Tollway Private Limited (STPL NI – NH64)	Andhra Pradesh	197	Toll	FY 2031
Jodhpur Pali Expressway Private Limited (JPEPL)	Rajasthan	286	Toll	FY 2043
Godhra Expressways Private Limited (GEPL)	Gujarat	348	Toll	FY 2043
Udupi Tollway Private Limited (UTPL)	Karnataka	361	Toll	FY 2036
Gujarat Road and Infrastructure Company Limited (GRICL – AM)	Gujarat	206	Toll	FY 2033
Gujarat Road and Infrastructure Company Limited (GRICL -VH)	Gujarat	127	Toll	FY 2031
Ateli Narnaul Highway Private Limited (ANHPL)	Haryana	191	HAM	FY 2037
Rewari Ateli Highway Private Limited (RAHPL)	Haryana	122	HAM	FY 2037
Gurgaon Sohna Highway Private Limited (GSHPL)	Haryana	77	HAM	FY 2037
Total Length	2921 Lane-Km			

Note: Operational sites with a concession period ending before the short-term target (FY 2029-30) are excluded from KPI 1.

These Sites are: 1. Shillong Expressway Private Limited, 2. Bangalore Elevated Tollway Private Limited, 3. Ulundurpet Expressways Private Limited, and 4. Nirmal BOT Private Limited

Schedule 2. Sustainability-Linked Loan/Bond Eligibility Assessment Protocol

1. Selection of Key Performance Indicators (KPIs)

Ref.	Criteria	Requirements	DNV Findings
1a	KPI – material to core sustainability and business strategy	<p>The Borrower/Issuer's sustainability performance is measured using sustainability KPIs that can be external or internal.</p> <p>The KPIs should be material to the Borrower/Issuer's core sustainability and business strategy and address relevant environmental, social and/or governance challenges of the industry sector and be under management's control.</p> <p>The KPI should be of high strategic significance to the Borrower/Issuer's current and/ or future operations.</p> <p>It is recommended that the Borrower/Issuer communicate clearly to lenders the rationale and process according to which the KPI(s) have been selected and how the KPI(s) fit into their sustainability strategy.</p>	<p>DNV has reviewed HIT's Framework, highlighting two KPIs considered central to HIT's core sustainability goals and business strategy. The KPIs within the Framework are:</p> <p>KPI 1: Emission Intensity (tCO₂e/lane.km), Scope 1 and 2</p> <p>This KPI is material to HIT's sustainability strategy as it directly addresses HIT's commitment to reducing the carbon footprint of its highway infrastructure operations. Given the infrastructure sector's significant contribution to greenhouse gas emissions, especially through energy-intensive construction and maintenance processes, managing emissions intensity is critical to HIT's strategic environmental objectives and operational efficiency.</p> <p>This KPI addresses relevant environmental, social and governance challenges of the industry sector by:</p> <ul style="list-style-type: none"> • Environmental: <ul style="list-style-type: none"> ○ Targeting Scope 1 and Scope 2 emissions, directly reducing the carbon footprint from fuel combustion (Scope 1) and purchased electricity (Scope 2), which constitute primary emission sources in highway operations. ○ Promoting clean and renewable energy usage and implementing energy efficiency initiatives. • Social: <ul style="list-style-type: none"> ○ Reducing environmental impacts aligns HIT's operations with broader societal expectations for sustainable infrastructure. • Governance: <ul style="list-style-type: none"> ○ Establishing structured accountability and transparent reporting mechanisms around emissions management enhances overall governance practices. <p>KPI 2: Women's Representation and Inclusion in the Workforce (%)</p> <p>This KPI is material to HIT's sustainability strategy as it supports HIT's broader commitment to fostering diversity, equity, and inclusion within its organizational culture. Enhancing women's representation at strategic and operational levels is essential for HIT's long-term sustainability and competitiveness within the infrastructure industry.</p>

			<p>This KPI addresses relevant environmental, social and/or governance challenges of the industry sector by:</p> <ul style="list-style-type: none"> • Social: <ul style="list-style-type: none"> ◦ Actively improving gender representation contributes positively toward broader societal equity objectives and workforce inclusivity, promoting a more balanced and fair employment culture. • Governance: <ul style="list-style-type: none"> ◦ Integrating DEI (Diversity, Equity, and Inclusion) into performance measurement and leadership accountability structures ensures that gender diversity remains a strategic organizational priority, promoting transparency and progressive governance. <p>DNV's assessment confirms that the KPIs established by HIT are clearly defined, relevant, measurable, strategically significant, and directly under management's control. These KPIs effectively reflect HIT's core sustainability and business strategies and adequately address the critical ESG challenges relevant to the highways infrastructure sector.</p>
1b	KPI - Measurability	<p>KPIs should be measurable or quantifiable on a consistent methodological basis; externally verifiable; and able to be benchmarked, i.e. as much as possible using an external reference or definitions to facilitate the assessment of the SPTs level of ambition.</p> <p>Borrowers/Issuers are encouraged, when possible, to select KPI(s) that they have already been included in their previous annual reports, sustainability reports or other non-financial reporting disclosures to allow investors to evaluate the historical performance of the KPIs selected. In situations where the KPIs have not been previously disclosed, Borrowers/Issuers should, to the extent possible, provide historical externally verified KPI values</p>	<p>DNV confirms that the KPIs are measurable using quantifiable performance data and established benchmarks as follows:</p> <p>KPI 1: Emission Intensity (tCO₂e/lane.km), Scope 1 and 2</p> <p>This KPI is measured in tCO₂e per lane km, covering HIT's Scope 1 (direct emissions from owned or controlled sources such as fuel consumption) and Scope 2 emissions (indirect emissions from purchased electricity).</p> <p>As per HIT's Framework, KPI 1 is benchmarked against both domestic peers within the Indian road sector and international highway infrastructure companies. Domestic benchmarking utilizes anonymized data from comparable Indian infrastructure entities, highlighting HIT's competitive position in terms of baseline emission intensity. International benchmarking includes peers such as Autostrade per l'Italia (Italy), Brisa (Portugal), Global Via (Spain), National Highways (UK), and ROADIS (Spain), demonstrating alignment with global standards for emission reduction.</p> <p>DNV acknowledges that the calculation methodology for this KPI aligns with internationally accepted protocols (GHG Protocol, IPCC, and CEA emission factors) and the baseline intensity has been reviewed by an external third-party entity. Due to the lack of supporting data for assumptions in the normalization and extrapolation of activity data for newly acquired assets, DNV has not been able to verify the accuracy of the baseline intensity. Nonetheless, the KPI is designed to be measurable and benchmarkable.</p> <p>DNV considers that KPI 1 has been benchmarked against relevant standards and practices, thereby supporting an informed assessment of its level of ambition.</p> <p>KPI 2: Women's Representation and Inclusion in the Workforce (%)</p>

		covering at least the previous 3 years.	<p>This KPI is measured as the percentage of women's representation within the workforce at the Headquarters (HQ) level, specifically covering Highways Concessions One Pvt. Ltd. (HC1) and HC One Project Manager Pvt. Ltd. The measurement includes tracking recruitment, promotions, compensation equality, and leadership representation.</p> <p>According to HIT's Framework, KPI 2 is benchmarked primarily against domestic peers within India's highway sector, acknowledging the limited disclosure of diversity targets within this sector. HIT's target of achieving a 27% representation of women by 2035 has been compared with available domestic benchmarks, although detailed comparisons remain challenging due to limited data transparency. Additionally, HIT conducted a comparative review with international peers, particularly from Europe, to assess general industry standards, where the average women's participation ranges between 17% and 45%, thus confirming HIT's targets are realistic within its specific operational context.</p> <p>DNV considers that KPI 2 has been benchmarked against available domestic and international references, supporting an assessment of its measurability. Both KPIs are structured to be quantifiable, with defined metrics, and have been compared to relevant external benchmarks to the extent possible, aligning with the Standards & Principles of measurability and transparency.</p>
1c	KPI – Clear definition	A clear definition of the KPI(s) should be provided and include the applicable scope or perimeter as well as the calculation methodology.	<p>The Framework provides clear definitions of the KPIs.</p> <p>KPI 1: Emission Intensity (tCO₂e/lane.km), Scope 1 and 2 KPI 1 includes definition of:</p> <ul style="list-style-type: none"> • Scope and Perimeter: The KPI covers direct emissions (Scope 1) from fossil fuel combustion in vehicles, diesel generators (DG sets), and LPG, along with indirect emissions (Scope 2) from grid electricity consumption. The KPI is applied to HIT's portfolio of 11 highway assets spread across seven Indian states, representing a total operational length of 2,921 lane kilometres. • Calculation Methodology: HIT confirms that the total Scope 1 and Scope 2 greenhouse gas emissions are calculated in alignment with the Greenhouse Gas (GHG) Protocol, using emission factors sourced from IPCC databases for Scope 1 and the Central Electricity Authority (CEA) database for Scope 2. Emission intensity is calculated as total Scope 1 and 2 GHG emissions (in tonnes CO₂ equivalent) divided by total lane kilometres of operational roads (tCO₂e/lane.km). <p>DNV confirms that the definition of KPI 1 is clear, robust, and consistent with global best practices.</p> <p>KPI 2: Women's Representation and Inclusion in the Workforce (%) KPI 2 includes a clear definition of:</p>

			<ul style="list-style-type: none"> • Scope and Perimeter: This KPI focuses specifically on the percentage representation of women employees within the Headquarters level workforce at Highways Concessions One Pvt. Ltd. (HC1) and HC One Project Manager Pvt. Ltd., which manage and control critical business operations. The perimeter excludes the Special Purpose Vehicle (SPV) workforce², which is largely contractual and beyond direct management control. • Calculation Methodology: The KPI measures the proportion of women in the total workforce, including recruitment, retention, promotions, compensation, and leadership representation, ensuring a holistic and comprehensive assessment of gender diversity and inclusion across key functions. <p>DNV confirms that the definition of KPI 2 is clear and aligned with the Standards & Principles.</p> <p>The KPIs have been clearly defined, with transparent scopes and consistent methodologies, and are readily understood within the operational and sectoral context. Both KPIs are commonly used across infrastructure and ESG reporting standards and are locally and globally relevant.</p>
1d	KPI - backup mechanism	Back-up mechanism in case the KPI cannot be calculated or observed, or not in a satisfactory manner should be in place and also should also be reflected in any recalculation policy.	<p>DNV has reviewed HIT's Framework and notes that appropriate backup mechanisms and recalculation policies are clearly defined for scenarios where KPIs cannot be calculated or observed satisfactorily.</p> <p>KPI 1: Emission Intensity (tCO₂e/lane.km), Scope 1 and 2</p> <p>Backup Mechanism: HIT's Framework outlines recalculation provisions in detail for situations such as:</p> <ul style="list-style-type: none"> • Material changes in GHG accounting methodologies that impact Scope 1 and/or Scope 2 emissions calculations. • Changes in HIT's ownership structure or operational portfolio (including acquisition or divestment of assets) materially affecting emissions data. • Inclusion of assets under another sustainability-linked bond or loan with similar KPIs but more ambitious SPTs. • Significant changes in the regulatory or technical environment affecting emissions intensity calculations.

² Under SPV, HIT considers all its contractual workers, mainly associated with Toll Operations, Highway maintenance and incident management related workforce.

			<p>KPI 2: Women’s Representation and Inclusion in the Workforce (%)</p> <p>Backup Mechanism: HIT’s Framework explicitly states recalculation policies for KPI 2 in the event of:</p> <ul style="list-style-type: none"> • Material changes in the ownership structure or portfolio composition that significantly impact workforce demographics. • Inclusion of assets within the perimeter of another sustainability-linked instrument having the same KPI with more ambitious SPTs. • Major regulatory changes materially affecting the measurement or composition of the workforce. <p>DNV confirms that HIT’s Framework includes backup mechanisms and recalculation provisions designed to address potential data limitations or disruptions.</p>
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2. Calibration of Sustainability Performance Targets (SPTs)

Ref.	Criteria	Requirements	DNV Findings
2a	Target Setting - Meaningful	The SPTs should be ambitious, realistic and meaningful to the Borrower/Issuer’s business and be consistent with the Borrower/Issuer’s overall strategic sustainability/ESG strategy.	<p>KPI/SPT 1- Reduction in Emission Intensity (Scope 1 and 2) tCO₂e/lane.km</p> <p>This SPT aims to reduce Scope 1 and 2 GHG emission intensity by 27% by FY 2029-30 and 50% by FY 2034-35 from a FY 2023-24 baseline of 2.24 tCO₂e/lane.km.</p> <p>DNV considers this SPT ambitious from a high-level perspective as:</p> <p>The targets go beyond business-as-usual practices and align with national decarbonization efforts (e.g., India’s NDCs and grid decarbonization roadmap). The 50% reduction target by FY2035 demonstrates a good level of ambition compared to both domestic and international references reviewed.</p> <p>DNV considers this SPT realistic as:</p> <p>HIT has presented a credible implementation roadmap that includes measures such as solar PV expansion (from 0.5 MW to ~1 MW), and electrification of fleet operations. The organization also considers the expected grid decarbonization effect. These measures are already being implemented, and their scalability supports the feasibility of meeting the targets.</p> <p>DNV considers this SPT meaningful as:</p> <p>The selected KPI addresses key environmental concerns linked to HIT’s operational activities, particularly fuel and electricity consumption in road infrastructure. The KPI and associated SPT is align with the company’s broader ESG and climate strategy and provide stakeholders with a clear metric to track performance over time.</p>

		<p>Based on the information reviewed, DNV considers KPI 1 and SPT 1 to be ambitious, realistic, meaningful, and aligned with the purpose of the relevant Standards & Principles. SPT 1 is also consistent with HIT's stated sustainability goals. However, the baseline data is reviewed by an external third-party, and due to assumptions and extrapolation for the new sites to calculate emissions intensities, DNV is unable to provide an opinion on the accuracy of the FY 2023–24 baseline emission intensity figure. Accordingly, DNV cannot provide an opinion that the target-setting process is fully aligned with international standards or frameworks.</p> <p>KPI/SPT 2- Increment in Women's Representation in the Workforce (%)</p> <p>SPT 2 targets an increase in women's participation in HIT's HQ-level workforce from 18.46% in Sep 2024 to 22% by Sep 2030 and 27% by Sep 2035.</p> <p>DNV considers this SPT ambitious as:</p> <p>The targets represent a 9% increase in women's workforce participation over a 10-year period in a male-dominated infrastructure sector. The targets also surpass most domestic peers, with an annual improvement rate of 0.8%, which is higher than a known peer's 0.7% target trajectory.</p> <p>DNV considers this SPT realistic as:</p> <p>HIT has outlined a clear strategy to achieve gender balance through focused hiring policies, flexible work practices, retention policies, and apprenticeship programs. These initiatives provide a practical basis to support the projected increase.</p> <p>DNV considers this SPT meaningful as:</p> <p>Gender diversity is a core social metric and material to HIT's HR strategy and governance approach. The KPI and SPT align with SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequality) and HIT's Diversity, Equity & Inclusion (DEI) agenda.</p> <p>DNV confirms that KPI 2 and SPT 2 are ambitious, realistic, meaningful, and aligned with the purpose of the Standards & Principles. SPT 2 is also consistent with HIT's sustainability goals.</p>
2b	Target Setting - Meaningful	<p>SPTs should represent a material improvement in the respective KPIs and be beyond a "Business as Usual" trajectory; where possible be compared to a benchmark or an external reference and be determined on a predefined timeline, set before (or concurrently with) the issuance of the Bond/Loan.</p> <p>KPI/SPT 1- Reduction in Emission Intensity (Scope 1 and 2) tCO₂e/lane.km</p> <p>The reported figures provided by HIT are, in DNV's view, generally aligned with expectations and appear ambitious and meaningful from a high-level perspective. HIT has set a short-term GHG emissions intensity reduction target of 27% by FY 2029–30 and a medium-term target of 50% by FY 2034–35, benchmarked against a clearly defined FY 2023–24 baseline of 2.24 tCO₂e/lane.km.</p> <p>Historical data supports the ambition level, with HIT achieving a 13.6% reduction in emission intensity from FY 2022–23 to FY 2023–24 across its seven consistently managed</p>

sites. These improvements result from interventions such as LED retrofitting, solar PV installation, and initial adoption of electric vehicles. Future decarbonization plans include doubling solar capacity, expanding the EV fleet, and optimizing energy efficiency.

HIT has also provided benchmarking against domestic peers (intensity range: 2.35–4.5 tCO₂e/lane.km) and international comparators, highlighting general alignment with global emission reduction trajectories.

However, DNV was not able to verify the accuracy of the baseline emission intensity for KPI 1 due to assumptions in the normalization and extrapolation of activity data for newly acquired assets. However, the data has been reviewed by an external third-party; DNV is unable to provide an opinion on the alignment of the target-setting process with international standards or frameworks. It should be noted that this does not alter DNV's recognition of the SPT's ambition from a high-level perspective, but it should be disclosed in relevant documentation.

SPT 1 is structured with a predefined timeline extending from FY 2023–24 (baseline) to FY 2034–35 (target end year). A summary of SPT 1 performance is presented below:

Sustainability Performance Target (SPTs)	Baseline	Observation Date #1	Observation Date #2
Scope 1 & 2 emissions intensity reduction (tCO ₂ e/lane kilometre)	2.24	1.64 (-27%)	1.12 (-50%)

KPI/SPT 2- Increment in Women's Representation in the Workforce (%)

DNV considers this SPT to go beyond a BAU trajectory by setting progressive gender diversity targets in a traditionally male-dominated sector. HIT has committed to increasing the percentage of women in its HQ workforce from a baseline of ~18.5% in September 2024 to 22% by September 2030 and 27% by September 2035.

The targets reflect a 0.8% annual increase, which is higher than the 0.7% reported by a comparable domestic peer. Furthermore, the current 18.46% representation of women in both HIT's board and management team illustrates existing progress and underlines the organizational focus on diversity and inclusion.

Benchmarking includes domestic peer comparisons and contextual review of international infrastructure companies with female workforce participation ranging from 17% – 45%, reinforcing the target's relevance and materiality.

SPT 2 has a clearly defined observation timeline. Below is a summary of SPT 2 performance:

			Sustainability Performance Target (SPTs)	Baseline Sep 2024	Observation Date #1	Observation Date #2
			Increment of women's participation in the workforce at the HQ level (%)	18.46%	22%	27%
			<p>DNV confirms that the SPTs under the Framework represent a material improvement in the respective KPIs and go beyond a business-as-usual trajectory. HIT has referenced its targets against industry peers, defined a clear observation timeline, and ensured alignment with the Standards & Principles.</p> <p>While DNV is unable to verify the accuracy of the baseline intensity for KPI 1, the overall structure and ambition of the targets remain aligned with best practices from a high-level perspective. As such, DNV confirms that the SPTs meet the criteria for meaningful target setting under the Standards & Principles.</p>			
2c	Target Setting – benchmarks	<p>The target setting exercise should be based on a combination of benchmarking approaches:</p> <ol style="list-style-type: none"> 1. The Borrower/Issuer's own performance over time for which a minimum of 3 years, where feasible, of measurement track record on the selected KPI(s) is recommended and when possible forward-looking guidance on the KPI 2. The SPTs relative positioning versus the Borrower/Issuer's peers where comparable or available, or versus industry or sector standards 3. Systematic reference to science-based scenarios, or absolute levels (e.g. carbon budgets) or official country/regional/international targets or to recognised Best-Available-Technologies or other proxies. 	<p>KPI/SPT 1- Reduction in Emission Intensity (Scope 1 and 2) tCO₂e/lane.km</p> <p>The Framework provides a timeline on how HIT aims to achieve its emission intensity targets, with a baseline established in FY 2023–24 and SPTs defined for FY 2029–30 (-27%) and FY 2034–35 (-50%). While historical performance data from FY 2022–23 onward is limited to a shorter period due to recent acquisitions, the trajectory still demonstrates a downward trend, with an observed 13.6% reduction in emissions intensity across a consistent asset base (7 sites) over the past year.</p> <p>The target setting exercise includes a comparative benchmarking analysis, referencing performance data from both domestic peers (with intensities ranging from 2.35 to 4.5 tCO₂e/lane.km) and international infrastructure companies (with absolute reduction targets between 42% - 68% for Scope 1 & 2 by 2030). This confirms HIT's targets are reasonably ambitious and aligned with market expectations.</p> <p>In addition, the targets consider India's Nationally Determined Contributions (NDCs) under the Paris Agreement, as well as planned grid decarbonization by the Central Electricity Authority (CEA), indicating consistency with broader policy trajectories.</p> <p>However, DNV notes that the baseline emission intensity figure (2.24 tCO₂e/lane.km) has been reviewed by an external third-party. While HIT has applied recognized standards and methodologies (including the GHG Protocol, IPCC Guidelines, and CEA emission factors), DNV was unable to verify the accuracy of the final intensity figure due to normalization, assumptions, and extrapolation methodologies used, particularly concerning newly acquired assets.</p> <p>Due to the assumptions and extrapolation for the new sites to calculate emissions intensities, DNV is unable to provide an opinion on the alignment of the target-setting process with international standards or frameworks. Nonetheless, DNV considers that the</p>			

		<p>overall structure, ambition, and benchmarking approach of the SPT are robust, transparent, and consistent with high-level principle expectations.</p> <p>KPI/SPT 2- Increment in Women's Representation in the Workforce (%)</p> <p>The Framework provides a clear trajectory for improving gender diversity, beginning with a baseline of 18.46% as of Sept 2024, and targets set at 22% by Sept 2030 and 27% by Sept 2035. HIT has used current internal tracking data to establish this baseline.</p> <p>The target setting exercise includes relevant peer benchmarking, referencing domestic peer targets (0.7% annual increase vs. HIT's 0.8%), as well as a contextual review of international peers, where female representation in workforces typically ranges from 17% to 45%. This comparison supports the ambition level of HIT's target in the infrastructure sector.</p> <p>While science-based scenarios are less applicable to social KPIs, the approach reflects alignment with recognized ESG frameworks and HIT's DEI Policy, making it a suitable proxy for global good practices.</p> <p>The target setting timeline and methodology are clearly defined and aligned with the Standards & Principles.</p> <p>DNV confirms that both SPTs defined in the Framework are benchmarked using a combination of historical data, peer comparisons, and alignment with broader national or global sustainability objectives. While the baseline data for KPI 1 has some limitations, such as assumptions and extrapolation for the new sites, the Framework appropriately discloses the methodologies used in its calculations.</p> <p>Therefore, DNV considers that the SPTs are appropriately benchmarked and aligned with the Standards & Principles.</p>
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2d	Target setting – disclosures	<p>Disclosures on target setting should make clear reference to:</p> <ol style="list-style-type: none"> 1. the timelines for the target achievement, including the target observation date(s)/ period(s), the trigger event(s) 2. and the frequency of review of the SPTs 3. Where relevant, the verified baseline or reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used 4. Where relevant, in what situations recalculations or pro-forma adjustments of baselines will take place 5. Where possible and taking into account competition and confidentiality considerations, how the Borrower/Issuer intends to reach such SPTs. 	<p>DNV confirms that the relevant disclosures on target setting for both SPTs are clearly outlined and appropriately referenced within the Framework.</p> <ul style="list-style-type: none"> • Timeline & Observation Periods: HIT has clearly defined the baseline year as FY 2023–24 for both SPTs. The observation dates are fixed as: <ul style="list-style-type: none"> ○ KPI 1/ SPT 1 (Reduction in Emission Intensity): <ul style="list-style-type: none"> ▪ SPT #1: 31st March 2030 (Short-Term Target) ▪ SPT #2: 31st March 2035 (Medium-Term Target) ○ SPT 2 (Women Representation increment in HQ Workforce): <ul style="list-style-type: none"> ▪ SPT #1: 30th September 2030 (Short-Term Target) ▪ SPT #2: 30th September 2035 (Medium-Term Target) <p>The trigger events are associated with the post-issuance verification timelines for each SPT as outlined in the financial instrument documentation.</p> • Frequency of Review: HIT has committed to monitoring and public reporting of KPI performance once every 2 years, with updates to be published publicly on its corporate website. SPTs will be formally assessed on each observation date aligned with the target year. Additional updates may occur in case of recalculation events or changes to the Framework. • Baseline Disclosure & Rationale: <ul style="list-style-type: none"> ○ The baseline year is FY2023–24 for both SPTs. For SPT 1, the baseline is based on the data till 31st March 2024, while for SPT 2, it is based on the data till 30th September 2024. ○ The baseline emission intensity for KPI 1 is 2.24 tCO₂e/lane.km, derived from normalized and extrapolated data across 11 assets. ○ The baseline for women’s representation in the HQ workforce is 18.46% as of 30th September 2024. ○ DNV notes that the baseline for KPI 1 has been reviewed by an external third party. While HIT has applied GHG Protocol-aligned methodologies and sector-specific emission factors, DNV was not able to verify the final accuracy of the intensity baseline. This limitation is transparently acknowledged to stakeholders and in the SPO. • Recalculation or Adjustment Triggers: HIT provides detailed disclosure on recalculation events that may affect the KPIs. These include: <ul style="list-style-type: none"> ○ Material changes in GHG accounting methodology (For KPI 1) ○ Change in asset ownership or operational control
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			<ul style="list-style-type: none"> ○ Inclusion of assets in other sustainability-linked instruments with stricter targets, along with any regulatory or technical changes impacting KPI materiality <p>DNV considers this guidance adequate and aligned with best practice. The Framework also specifies scenarios where recalculation would not apply, adding further clarity.</p> <ul style="list-style-type: none"> • Strategy to Achieve SPTs: HIT has laid out clear, structured plans to achieve its SPTs: <ul style="list-style-type: none"> ○ SPT 1: Emission Intensity Reduction <ul style="list-style-type: none"> ▪ Expansion of Solar PV installations from 0.5 MW to 1 MW ▪ Adoption of EVs across all project sites ▪ Fuel usage optimization via GPS-enabled systems ▪ Operational efficiency upgrades ▪ Leverage India's national grid decarbonization (CEA projections) ○ SPT 2: Gender Representation <ul style="list-style-type: none"> ▪ Targeted hiring for leadership and new positions ▪ Gender-focused replacement policy during attrition ▪ DEI-focused recruitment partnerships ▪ Work-life flexibility, extended maternity benefits ▪ Women's leadership development programs ▪ CSR-driven outreach (primarily SITE Oriented) and apprenticeships for women from underrepresented communities <p>After review of HIT's overall sustainability strategy, approach, and Framework, DNV confirms that the SPT disclosures are comprehensive, transparent, and in line with the Standards & Principles. The SPTs are realistic, and the implementation plans are viable, even as DNV notes the current lack of third-party verification on KPI 1 baseline intensity.</p>
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3. Financial Characteristics

Ref.	Criteria	Requirements	DNV Findings
3a	Financial Characteristics – SPT Financial / structural impact	The SLFI will need to include a financial and/or structural impact based on whether the KPI(s) reach the predefined SPT(s).	<p>DNV confirms that HIT has structured its Framework such that the financial characteristics of the instrument will be linked to the achievement of the SPTs defined for each KPI. Specifically, if the performance against any selected SPT is not met on the scheduled observation date, a coupon rate adjustment or other financial penalty will be triggered, as detailed in the respective transaction documentation (e.g., Final Terms of a Sustainability-Linked Bond or Loan).</p> <p>This mechanism ensures a clear incentive structure for sustainability performance, thereby integrating ESG outcomes into the financial terms of the instrument. The Framework also ensures that such adjustments are clearly pre-defined and measurable, based on the outcome of an externally verified performance review following each target year.</p> <p>DNV confirms that this mechanism complies with the expectations as per the Standards & Principles.</p>
3b	Fallback Mechanism	Any fallback mechanisms in the case that the SPTs cannot be calculated or observed in a satisfactory manner should be explained. Issuers may consider including, where needed, language in the bond documentation to take into consideration potential exceptional events.	<p>HIT's Framework addresses fallback mechanisms through the definition of specific recalculation events that may impact the SPTs. These events include material changes in GHG accounting methodology, significant changes in the portfolio due to acquisitions or divestments, the inclusion of assets under another sustainability-linked bond with more ambitious targets, and major regulatory or technical changes impacting the calculation of KPIs and SPTs. For both KPIs, the Framework provides clear guidance on when and how recalculations should occur. The materiality of these changes will be assessed on a case-by-case basis, considering their relevance to HIT's business strategy and sustainability commitments.</p> <p>Based on the robustness of the recalculation provisions and the clear identification of material triggers, DNV confirms that the Framework sufficiently addresses the fallback mechanism criteria and is aligned with the requirements of the Standards & Principles.</p>

4. Reporting

Ref.	Criteria	Requirements	DNV Findings
4a	Reporting	<p>Borrower/Issuer of SLFIs should publish, and keep readily available and easily accessible:</p> <ol style="list-style-type: none"> 1. Up-to-date information on the performance of the selected KPI(s), including baselines where relevant 2. A verification assurance report relative to the SPT outlining the performance against the SPTs and the related impact, and timing of such impact, on the Loan's financial and/or structural characteristics 3. Any information enabling lenders to monitor the level of ambition of the SPTs. <p>This reporting should be published regularly, at least annually, and in any case for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the SLFI's financial and/or structural characteristics.</p>	<p>DNV confirms that HIT commits to maintaining transparent, accessible, and timely reporting on its performance against the predefined SPTs in accordance with the Standards & Principles.</p> <p>HIT has stated that it will publish a report once every 2 years on its corporate website detailing:</p> <ul style="list-style-type: none"> • The performance of the selected KPIs, including any methodological updates, progress toward the SPTs, and references to the original baseline year; • The impact of KPI performance on the financial characteristics, where applicable (e.g., coupon rate adjustments); • Any re-assessments of KPIs, recalculations of baselines, or changes in scope that could influence target interpretation; • Where feasible, qualitative and quantitative insights into key factors influencing KPI performance (e.g., operational changes, decarbonization strategy outcomes). <p>These disclosures are intended to occur once every 2 years, and at any observation point relevant to determining the financial consequences tied to KPI outcomes. Additionally, an external verification assurance report validating SPT performance will be made public at relevant observation dates as specified in HIT's framework.</p> <p>DNV confirms that the HIT's planned reporting framework to be comprehensive, transparent, and fully aligned with the Standards & Principles. The reporting structure ensures adequate accountability to lenders and investors and facilitates continuous monitoring of the SPTs' ambition and progress.</p>

5. Verification

Ref.	Criteria	Requirements	DNV Findings
5a	External Verification	Borrower/Issuer should have its performance against each SPT for each KPI independently verified by a qualified external reviewer with relevant expertise, at least once a year.	<p>DNV confirms that HIT commits to obtaining an independent external verification of its performance against each SPT for all selected KPIs as outlined in the Framework.</p> <p>This assurance process will be conducted in 2030 and 2035, and specifically on the SPT verification dates defined for each KPI, aligning with the observation periods linked to potential financial or structural adjustments.</p> <p>The verification will be carried out by a qualified third-party verifier, and the resulting assurance reports will be publicly disclosed on HIT's website, ensuring transparency and accountability for all stakeholders, including lenders and investors.</p> <p>DNV considers this verification approach to be fully aligned with the Standards & Principles.</p>



WHEN TRUST MATTERS

About DNV

Driven by our purpose of safeguarding life, property, and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter, and greener.