

STRENGTH WITH RESILIENCE



Adani Energy Solutions Limited
Materiality Assessment 2024-25



Transmission



Distribution



Smart Metering



District Cooling

Materiality assessment

Assessing priorities to deliver long-term value

We conducted a comprehensive materiality assessment to identify critical issues impacted by and or impacting operations. This includes stakeholder concerns, business risks, opportunities, sustainability trends, and regulatory changes. Focussing on the priorities, we allocated resources efficiently, set strategic goals, and developed impactful strategies that drive long-term value and resilience.



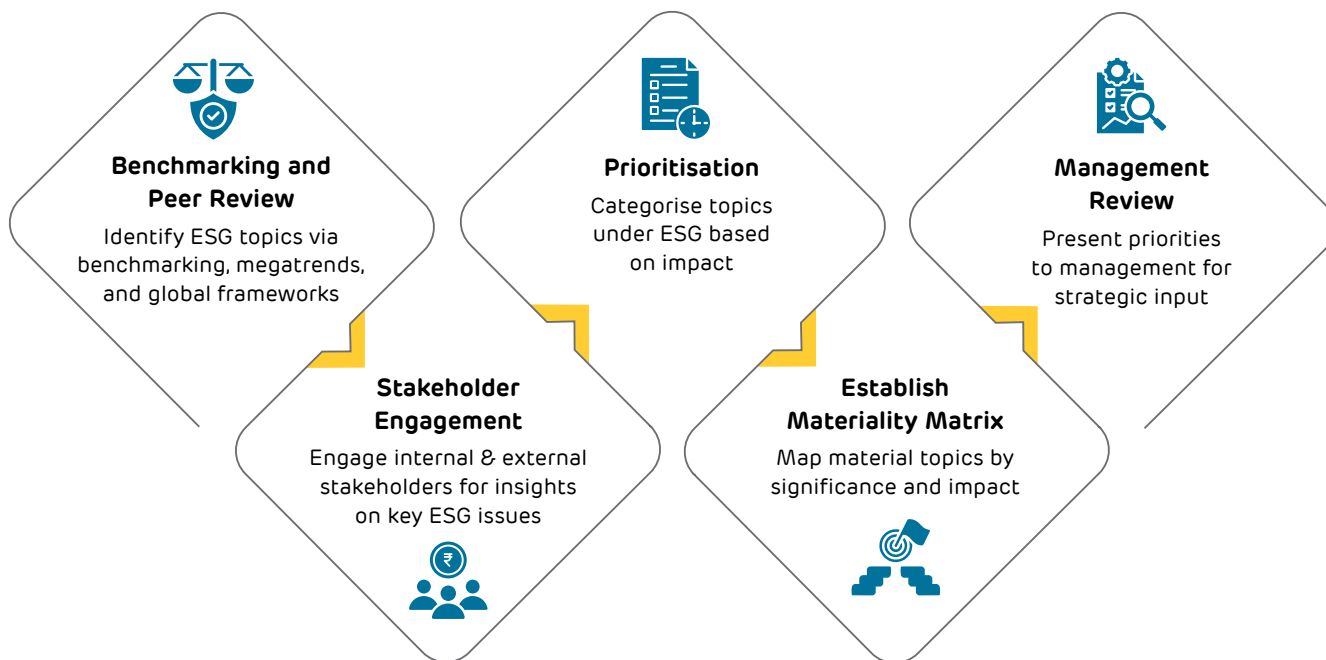
Applying the Double Materiality Principle

We have strengthened our assessment during FY 2024-25 with a Double Materiality Analysis, in line with GRI 2021 and ESRS General Disclosures.

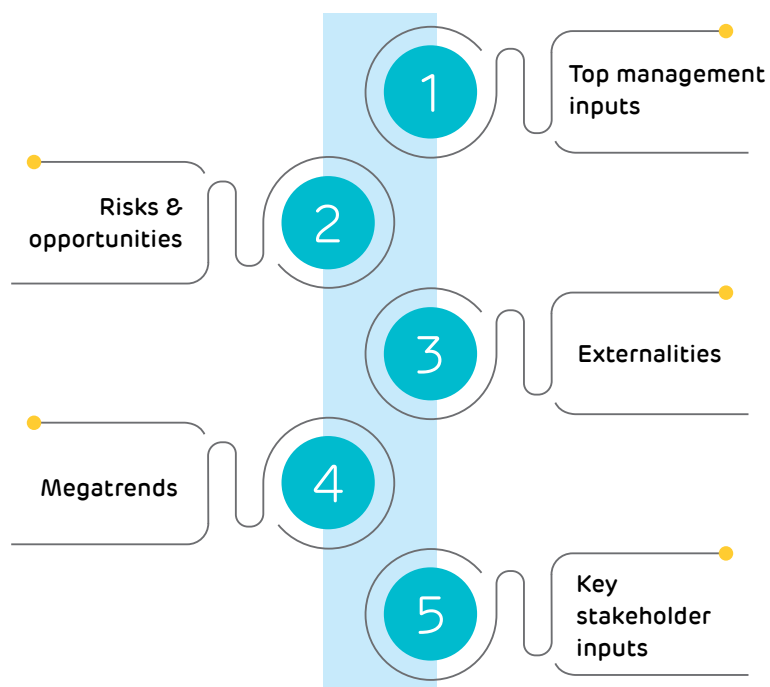


Approach to Materiality Assessment

Our first Double Materiality Assessment began in FY 2023-24 followed by review in FY 2024-25, during which we revisited material topics through extensive internal engagement and identified 16 key material issues to focus on.



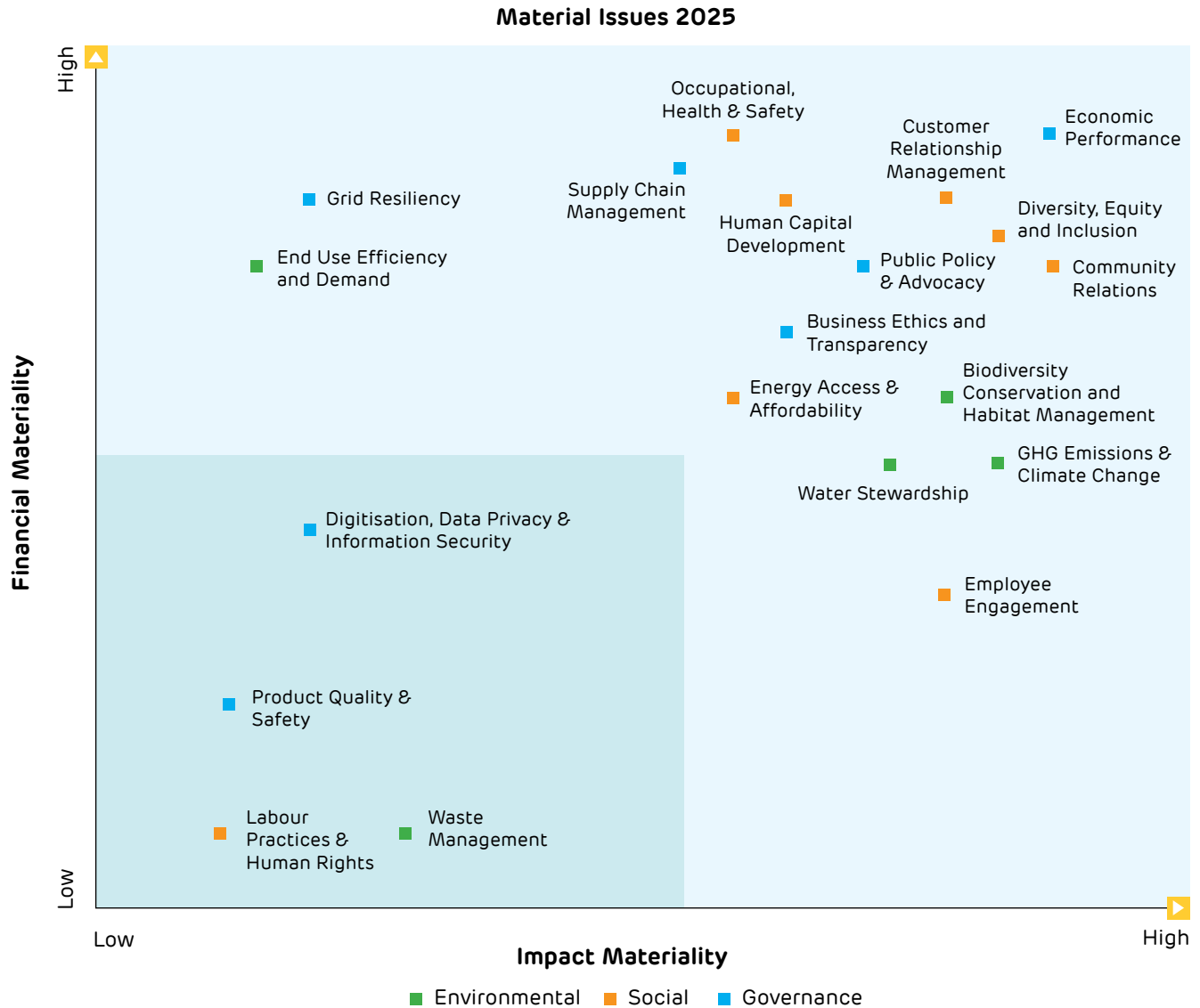
Key Factors Considered



Megatrends Considered

- Climate change
- Transition to clean energy
- Diversity, equity & inclusion
- Technology trends in the power industry
- Business model transition
- Digital transformation & innovation
- Geopolitical and geoeconomic forces
- Cybersecurity
- Regulations
- Transforming consumer & societal behaviour and preferences

Mapping What Matters the Most



Addressing High Priority Material Matters

We refine material assessments by mapping the six capitals and strategies from the reporting period. This strengthens decision-making and ensures inclusivity across value creation aspects. The legends below align high-priority material matters with the six capitals and strategies.

Financial Capital	Manufactured Capital	Intellectual Capital	Human Capital	Social and Relationship Capital	Natural Capital
Employees and Contract Workers	Senior Management	Vendors and Suppliers	Employee Unions	Local Communities Including Civil Society	Media
Shareholders and Investors	Regulatory Authority and Rating Agencies	Customers			
S1 Safety culture	S4 Portfolio of efficient operating assets				
S2 ESG integration	S5 Robust financial profile				
S3 Efficient capital allocation and execution capabilities	S6 Business excellence				
Positive	Negative				

Environmental

Material Topic

Biodiversity Conservation and Habitat Management

GRI Alignment

GRI 304

SDG Alignment



Financial Implication

Strategic Priorities

S2

S6

Rationale for Identifying the Risk/Opportunity

Biodiversity conservation and habitat management are crucial for Adani Energy Solutions due to the environmental impact of its operations, regulatory requirements, and importance of corporate social responsibility. By focussing on these areas, Adani Energy Solutions can mitigate risks, enhance its reputation, achieve cost savings, and contribute to global sustainability goals.

Potential Risks & Opportunities and their Impact on Capitals

Risks

Topics	Capitals Impacted
Habitat fragmentation because of new transmission lines	
Species deterioration through operations/projects in eco-sensitive zones	
Community backlash	
Reputation damage	
Increased compliance/project costs	

Opportunities

Topics	Capitals Impacted
Innovative construction practices	
Species conservation programmes	
Engaging local communities	
Reputation enhancement	
Access to green financing	
Market differentiation	
Operational resilience	

Actions to Mitigate Risks/Capitalise on Opportunities

- Dedicated policy for biodiversity preservation, targeting Net Positive Gain by FY 2024-25
- Signatory to India Business and Biodiversity Initiative (IBBI) 2.0
- Avoid ecologically sensitive zones, minimise impact, and restore habitats
- Conduct third-party biodiversity assessments for informed planning
- Partner for conservation, carbon sequestration, and ecosystem restoration
- Committed to Adani's pledge of nurturing 100 million trees by 2030 [under 1t.org](https://www.adani.org/1t)
- Ensure regulatory compliance before transmission line development
- Offset biodiversity loss through habitat creation or restoration
- Engage employees, communities, and environmentalists for sustainability

Stakeholders Impacted



KPI's Mapped

- Operational sites near protected or high-biodiversity areas
- Business activities impacting biodiversity
- IUCN Red List and national conservation species affected
- Protected or restored habitats

Material Topic

GHG Emissions & Climate Change

GRI Alignment

GRI 302, GRI 305

SDG Alignment



Financial Implication



Strategic Priorities

S2 S4 S6

Rationale for Identifying the Risk/Opportunity

Due to the environmental impacts of its operations, regulatory requirements, and the growing importance of corporate social responsibility. By prioritising the reduction of GHG emissions and addressing climate change, Adani Energy Solutions can mitigate environmental risks, enhance its reputation, achieve cost savings, and contribute to global sustainability goals. This commitment reflects Adani Energy Solutions dedication to operating responsibly and sustainably, ensuring the well-being of both the environment and the communities it serves.

Potential Risks & Opportunities and their Impact on Capitals

Risks

Topics	Capitals Impacted
Greenhouse gas emissions contributing to climate change	
Reduction in GHG emissions by increasing the share of renewable energy in existing power purchase mix	
Community backlash	
Reputation damage	
Increased compliance/project costs	

Opportunities

Topics	Capitals Impacted
Resource conservation	
Reduced operating costs	
Addressing physical risks posed by climate change	
New market opportunities	
Attract sustainable investments	
Reputation enhancement	

Actions to Mitigate Risks/Capitalise on Opportunities

- Corporate Responsibility Committee oversight on sustainability related operational and financial risks
- Robust Business Continuity Plan in place
- Climate-linked remuneration for key management
- Third-party assessments for climate risk and opportunities
- Invest in innovation for climate resilience (RE, solar, energy efficiency)
- Emergency Restoration System for network reliability
- Expand solar capacity to cut auxiliary power use
- Align with global climate goals for sustainability
- Review climate resilience strategies every 3-5 years

Stakeholders Impacted



KPI's Mapped

- Energy consumption (from renewable vs non-renewable sources) within and outside the organisation
- Energy intensity
- GHG emissions (Scope 1, Scope 2 and Scope 3)
- Reduction of energy consumption
- GHG emissions intensity
- Ozone-depleting substances
- NOx, SOx, direct mercury emissions, dust emissions

Material Topic

End Use Efficiency and Demand

GRI Alignment

SDG Alignment



Financial Implication



Strategic Priorities

S2

S4

S6

Rationale for Identifying the Risk/Opportunity





"End Use Efficiency and Demand" is pivotal for Adani Energy Solutions as it addresses both regulatory compliance and market competitiveness. Maintaining energy efficiency standards compliance is crucial to avoid penalties and reputational damage. Additionally, technological advancements and shifting consumer preferences towards energy-efficient solutions demand that Adani Energy Solutions adapt to maintain its market position. Emphasising efficiency not only reduces operational costs but also supports environmental sustainability and resource conservation, ensuring long-term operational continuity and enhanced corporate social responsibility. This focus can lead to financial incentives and a competitive edge, attracting cost-conscious and environmentally aware customers.

Potential Opportunities and their Impact on Capitals

Risks

Risk	Description	Capitals Impacted	Risk	Description	Capitals Impacted
Non-compliance with energy efficiency standards	Penalties and fines	₹	High operational costs	Increased operational expenses	₹
	Damage to brand image	👤		Potential job cuts to save costs	👤
	Loss of employee morale	👤		Greater environmental impact from higher energy use	🌳
	Stricter regulations on product processes	⚙️	Poor energy efficiency	Higher carbon footprint	🌳
	Reduced innovation due to a conservative approach	💬		Negative public perception	👤
	Increased environmental impact due to inefficient energy use	🌳		Costs associated with carbon taxes	₹
				Reduced focus on sustainable innovation	💬
Falling behind in energy-efficient technology	Lagging behind competitors in innovation	💬	Missing out on financial incentives	Higher initial investment costs	₹
	Loss of market revenue	₹		Delayed adoption of new technologies	⚙️
	Perceived as a laggard in technology	👤		Reduced access to investment capital	₹
	Skill gaps in new technologies	👤		Viewed as lacking commitment to sustainability	👤
	Higher resource consumption due to inefficient products	🌳		Less focus on reducing environmental impact	🌳
Not adapting to consumer preferences	Decline in sales and revenue	₹			
	Loss of consumer trust and loyalty	👤			
	Missed opportunities for innovation	💬			
	Weakened customer relationships	👤			

Opportunities

Opportunity	Description	Capitals Impacted
End use efficiency	Develop Competitive Advantage, attract environmentally conscious consumers and businesses, enhance market share and brand reputation	
Energy-efficient technologies	Substantial cost savings, reduce energy wastage, lower operational expenses	
Efficient energy practices	Help Environmental Sustainability, strengthen Adani Energy Solutions' CSR profile, attract socially responsible investors	
Government incentives	Offset implementation costs, accelerating efficiency initiatives	

Actions to Mitigate Risks/Capitalise on Opportunities

- Engage in regular dialogue and community outreach programmes with local communities
- Ensure compliance with all regulations and maintain transparent communication with regulatory authorities
- Proactively participate in policy development and advocacy
- Foster a culture of innovation and collaboration among employees
- Establish robust supplier evaluation and audit processes for vendors and suppliers
- Develop strategic partnerships with key suppliers
- Provide regular and transparent financial reporting to investors and shareholders
- Engage in active investor relations
- Implement robust customer feedback mechanisms for customers
- Innovate and diversify product offerings for customers
- Ensure a strong governance framework and regular strategic reviews for senior management
- Continuously analyse market trends and adapt strategies as a strategic response

Stakeholders Impacted



KPI's Mapped

- Energy Efficiency Standard Compliance Rate
- Penalty Incidence Rate
- Customer Satisfaction Index
- Market Share in Energy-Efficient Products
- Revenue from Energy-Efficient Solutions
- Operational Cost Savings
- Energy Intensity Reduction
- Investment in Energy-Efficient Technologies
- Number of Energy Efficiency Projects Implemented
- Carbon Emission Reduction
- CSR Initiatives in Energy Efficiency
- Policy advocacy w.r.t. Energy efficiency and use
- Demand side management programmes
- Public Recognition and Awards

Material Topic

Water and Effluent Management

GRI Alignment

GRI 303

SDG Alignment



Financial Implication



Strategic Priorities

S2

Rationale for Identifying the Risk/Opportunity

Water and effluent management is a material issue for Adani Energy Solutions due to its significant environmental, regulatory, operational, community, and reputational implications. By prioritising sustainable water practices, Adani Energy Solutions can enhance its operational efficiency, comply with regulations, build community trust, and position itself as a leader in the energy sector.

Potential Risks & Opportunities and their Impact on Capitals

Risks

Topics	Capitals Impacted
Pollution of land, water and air	
Reputation damage	
Regulatory compliance	
Water scarcity	

Opportunities

Topics	Capitals Impacted
Reputation enhancement	
Increased availability of freshwater sources	
Opportunity to secure a licence to operate by demonstrating compliance with regulatory standards and commitment to sustainable practices	
Reduce pollution of land, water and air	

Actions to Mitigate Risks/Capitalise on Opportunities

- Monitor and track water consumption across sites
- Rainwater harvesting at substations to reduce freshwater use
- Replenish natural sources by using less than extracted
- Treat and reuse effluent for horticulture
- Ensure compliance with water regulations and quality standards
- Reduce water intensity with efficient systems and technologies
- Plan for water risks like droughts and floods
- Maintain and repair leaks for optimal efficiency
- Review progress toward water positivity

Stakeholders Impacted



KPI's Mapped

- Water withdrawal
- Water withdrawal intensity
- Water discharge
- Water consumption
- Rainwater harvested

Social

Material Topic

Occupational Health and Safety

GRI Alignment

GRI 403

SDG Alignment



Financial Implication



Strategic Priorities



Rationale for Identifying the Risk/Opportunity

A safe and healthy workplace directly impacts employee morale and productivity. When employees feel secure in their working conditions, they are more likely to be engaged and motivated. This leads to higher productivity, reduced absenteeism, and lower turnover rates. By prioritising OHS, Adani Energy Solutions can foster a culture of care and responsibility, which translates into better performance and job satisfaction among its workforce. Failure to ensure employee health, safety and well-being can negatively impact productivity. This can consequently affect our business operations, customer satisfaction, revenue and profitability.

Potential Risks & Opportunities and their Impact on Capitals

Risks

Topics	Capitals Impacted
Exposure to hazards and accidents at workplace	
Increased instances of mental health illnesses	
Poor safety practices, injuries or fatalities, lower morale, increased turnover rates	
Accidents, operational disruptions, affecting productivity and profitability	
Increased litigation and/or penalties, compensation claims	
Non-compliance with safety standards, fines, operational restrictions with increase regulatory and other scrutiny	
Increased insurance premiums, cost of funds	
Talent retention issues	

Opportunities

Topics	Capitals Impacted
Enhanced safety protocols & trainings	
Reduced insurance premiums	
Increased engagement, productivity, and job satisfaction	
Increase operational reliability, leading to greater customer satisfaction and trust	
Business continuity planning	
Reputation building	

Actions to Mitigate Risks/Capitalise on Opportunities

- Strong health & safety governance for workplace well-being
- Six-step Contractor Safety Management (CSM) system with compliance monitoring
- Incident Reporting & Investigation aligned with Group standards
- Regular health check-ups & safety training for employees and contractors
- Workforce safety initiatives like 'Safety Samvaad', 'Sabhi ki Suraksha WhatsApp Group', & direct COO interactions
- In-house & third-party safety audits for all sites

Stakeholders Impacted



KPI's Mapped

- Workplace injuries, fatalities
- Lost-Time Injury Frequency Rate (LTIFR)
- Work-related ill-health
- Safety training hours
- Employee turnover rate

Material Topic

Customer Relationship Management

GRI Alignment

GRI 416, GRI 418

SDG Alignment



Financial Implication



Strategic Priorities

S4

S6

Rationale for Identifying the Risk/Opportunity

It helps understand customer needs, enhance service reliability, facilitate proactive communication, support smart metering initiatives, improve cooling solutions, drive customer loyalty, and ensure regulatory compliance. Prioritising CRM enables Adani Energy Solutions to build strong customer relationships and contribute to its mission of providing reliable and affordable energy solutions for long-term success.

Potential Risks & Opportunities and their Impact on Capitals

Risks

Topics	Capitals Impacted
Disrupted power supply and inconvenience to customer	
Inefficient energy use by customers resulting in increased demand	
Financial implications for customers due to partially functional or dysfunctional smart meters	
Increase in green energy tariff	
Billing errors	
Breach of customer data, leading to regulatory and/or legal implications	

Opportunities

Topics	Capitals Impacted
Undisrupted power supply and minimum inconvenience to customer	
Driving efficient energy through DSM programmes resulting in reduced max demand & grid losses	
Technology adoption such as smart meters	
Contribute to national goals under climate change and helping customer to achieve their Net Zero/SBTi commitments	
Effective communication leading to better understanding and enhanced trust	
Enhance reputation	
Awards and accolades	

Actions to Mitigate Risks/Capitalise on Opportunities

- Increase renewable energy in the overall mix
- Offer subsidised green tariffs to support climate goals
- Deploy smart meters and explore new opportunities
- Enhance communication for trust and clarity

Stakeholders Impacted



KPI's Mapped

- Customer satisfaction scores
- Incidents related to breach of customer data
- Average duration of interruption (ADI)
- Average time to resolve customer complaints
- Billing error rate

Material Topic

Employee Engagement

GRI Alignment

GRI 3-3, GRI 400 series

SDG Alignment



Financial Implication



Strategic Priorities



Rationale for Identifying the Risk/Opportunity

By prioritising engagement, Adani Energy Solutions can enhance customer relationships, drive innovation, boost employee morale, ensure regulatory compliance, and promote a positive organisational culture. These factors collectively contribute to Adani Energy Solutions ability to provide reliable and affordable energy solutions, ultimately supporting its mission and long-term success.

Potential Risks & Opportunities and their Impact on Capitals

Risks

Topics	Capitals Impacted
Low Productivity: Poor engagement can lead to reduced employee productivity and efficiency	
High Turnover: Disengaged employees are more likely to leave, increasing recruitment and training costs	
Morale Issues: Lack of engagement can lower overall team morale and increase absenteeism	
Innovation Stagnation: Disengaged employees are less likely to contribute to innovative ideas and solutions	
Customer Service Impact: Low employee engagement can negatively affect customer service quality and satisfaction	

Opportunities

Topics	Capitals Impacted
Engaged employees are more motivated and committed to their work, leading to higher levels of productivity and efficiency	
When employees feel valued and connected to their organisation, they are less likely to leave, reducing turnover costs and retaining valuable talent	
Engaged employees are more likely to contribute creative ideas and solutions, fostering an innovative work environment that drives business growth	
Employees who are engaged and satisfied with their work are more likely to provide exceptional customer service, leading to higher customer satisfaction and loyalty	
New market opportunities	
Attract sustainable investments	
Reputation enhancement	

Actions to Mitigate Risks/Capitalise on Opportunities

- Motivated employees through Rewards & Recognition programmes and professional development
- Offered competitive benefits and career advancement opportunities
- Encouraged creative ideas through innovation hubs and brainstorming sessions
- Provided training and recognised excellent service

Stakeholders Impacted



KPI's Mapped

- Employee engagement score
- Spends on employee benefits
- Employee turnover and retention rates
- Employee referrals
- Customer services impacted

Material Topic

Diversity, Equity and Inclusion

GRI Alignment

GRI 405

SDG Alignment



Financial Implication



Strategic Priorities

S2

S6

Rationale for Identifying Opportunity

Diversity, Equity and Inclusion are not just buzzwords; they are critical components of a resilient and sustainable business strategy. Addressing DEI as a material issue can drive innovation, enhance customer relationships, boost employee engagement, ensure regulatory compliance, and positively impact the broader community. By prioritising DEI, the utility can foster a more inclusive and equitable future, aligning with its mission to provide reliable and affordable energy solutions for all.

Potential Opportunities and their Impact on Capitals

Opportunities

Topics	Capitals Impacted
Inclusive learning materials to foster belonging and engagement	
Scholarships and affordable resources for equitable learning access	
Partnerships for job placements, childcare, and mentorship	
Employment opportunities for a diverse workforce	

Stakeholders Impacted



KPI's Mapped

- Women representation at all levels and functions within the workforce
- Number of hires across diverse demographics
- Regional diversity of workforce

Actions to Capitalise on Opportunities

- Integrate diverse perspectives into learning materials to foster inclusion
- Provide scholarships, affordable materials, and tech access for equitable learning
- Partner with local organisations for job placements, childcare, and mentorship
- Collaborate with DEI organisations for insights and innovative solutions
- Participate in industry forums to promote diversity and inclusion
- Engage with civil society to support social inclusion projects

Material Topic		
Energy Affordability		
GRI Alignment Non-GRI	SDG Alignment <div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>	Financial Implication + Strategic Priorities S2 S6

Rationale for Identifying Opportunity

Energy affordability is a key concern for many stakeholders, including the community, shareholders, investors, and customers. Ensuring affordable energy solutions supports sustainable economic growth and enhances the quality of life by providing reliable and cost-effective power. Furthermore, as Adani Energy Solutions navigates India's dynamic energy landscape, incorporating scalable energy solutions like smart metering can optimise energy usage, reduce costs, and improve service delivery.

Strategic responses such as leveraging renewable energy in the procurement mix and introducing green tariffs align with the goal of enhancing energy affordability. These initiatives can help mitigate risks related to energy price volatility and regulatory changes while opening opportunities for growth and increased stakeholder trust.

By focussing on energy affordability, Adani Energy Solutions can play a pivotal role in fostering economic stability and promoting sustainable development, thereby aligning with broader social and environmental objectives.

Potential Opportunities and their Impact on Capitals

Opportunities

Topics	Capitals Impacted
Expanding customer access to green energy	
Implementing smart grids for reliability, efficiency, and integration of distributed energy	
Providing electricity at affordable prices	
Promoting energy-efficient products under DSM programmes	

Stakeholders Impacted



KPI's Mapped

- Green tariff
- Renewable energy in procurement mix

Actions to Capitalise on Opportunities

- Deploy smart grid technologies for efficient energy management
- Launch energy efficiency programmes with incentives and consumer education
- Procure renewable energy to expand green energy access
- Integrate renewable sources into the grid to enhance sustainability and reduce fossil fuel dependence
- Train employees and communities in efficient energy management
- Advocate policies for affordable energy access and sustainable practices
- Partner with government, private sector, and NGOs for scalable energy solutions

Material Topic

Human Capital Development

GRI Alignment

GRI 404

SDG Alignment



Financial Implication



Strategic Priorities

S2

S6

Rationale for Identifying Opportunity

By focussing on enhancing employee skills, boosting morale, promoting safety, encouraging innovation, supporting community development, and building a strong employer brand. Investing in human capital development enhances the Company's reputation as an employer of choice. A strong employer brand attracts top talent, providing a competitive edge in the labour market. This influx of skilled professionals can drive the Company's growth and success, while also positioning it as a leader in the energy sector by mitigate risks and capitalise on opportunities, ensuring long-term success and sustainability.

Potential Opportunities and their Impact on Capitals

Opportunities

Topics	Capitals Impacted
Investing in continuous learning to enhance skills and adaptability	
Leadership development through training, mentoring, and succession planning	
Employee well-being programmes, flexible work, and engagement initiatives	
Boosting employee engagement, creativity, and innovation	
Enhancing employee performance and productivity	

Stakeholders Impacted



KPI's Mapped

- Employee engagement score and employee engagement index
- Hours of learning and development
- Employee turnover and retention rates
- Spends on employee benefits
- Employee satisfaction score
- Types of employee development programmes

Actions to Capitalise on Opportunities:

- Continuous learning to enhance skills, adaptability, and organisational value
- Leadership development through training, mentoring, and succession planning
- Employee well-being programmes to boost engagement, productivity, and job satisfaction


Material Topic Community Relations		
GRI Alignment GRI 413	SDG Alignment  	Financial Implication  Strategic Priorities  

Rationale for Identifying Opportunity

Identifying risks and opportunities involves enhancing livelihoods through reliable services, partnering for community development, organising engagement activities, supporting economic stability, and ensuring transparency in stakeholder communication. These efforts help build trust, foster sustainable development, and contribute to local economic stability, reinforcing the utility's role as a responsible corporate citizen.

Potential Opportunities and their Impact on Capitals

Opportunities

Topics	Capitals Impacted
Creating livelihoods and improving quality of life, generating indirect economic benefits	
Partnering with schools, non-profits, and businesses for community development initiatives	
Hosting events, workshops, and service projects to strengthen community ties	

Actions to Capitalise on Opportunities

- Host events, workshops, and service projects to strengthen community ties
- Partner with schools, non-profits, and businesses for joint initiatives
- Sponsor scholarships, cultural events, and educational programmes
- Support community well-being and economic stability
- Ensure transparency by sharing corporate information with stakeholders

Stakeholders Impacted



KPI's Mapped

- Number of beneficiaries
- Number of beneficiaries from marginalised and vulnerable groups
- Programme-wise beneficiaries and extent of reach
- Number of events, workshops, and service projects hosted annually
- Outcomes & impact assessment based on predefined criteria
- Participant feedback scores on event effectiveness and satisfaction
- Engagement rates with shared content (e.g., website visits, document downloads, meeting attendance)
- Beneficiary feedback and outcomes assessment

Governance

Material Topic

Business Ethics and Transparency

GRI Alignment

GRI 205: Anti-corruption

GRI 2: General Disclosures (3. Governance, 4. Strategy, policies and practices)

SDG Alignment



Financial Implication



Strategic Priorities

S5

S6

Rationale for Identifying the Risk/Opportunity

Adani Energy Solutions operates within a complex and highly regulated environment. Two critical areas that significantly impact the Company's success and sustainability are business ethics and transparency, and corporate governance. These are material issues for Adani Energy Solutions given their profound influence on the Company's operational integrity, stakeholder trust, regulatory compliance, and overall corporate reputation.

Potential Risks & Opportunities and their Impact on Capitals

Risks

Topics	Capitals Impacted
Lack of transparency can lead to corrupt practices and legal implications	
Ethical breaches can erode stakeholder trust and damage the Company's reputation	
Non-compliance with ethical standards can result in regulatory fines and operational restrictions	
Unethical behaviours can lead to internal conflicts and a toxic work environment	
Poor ethics can negatively impact market perception and investor confidence	

Opportunities

Topics	Capitals Impacted
Effective governance mechanism leading to increased transparency and disclosures	
Enhances the Company's reputation as a responsible corporate entity	
Strong governance improves investor confidence, ensuring regulatory compliance and long-term financial growth	
Attract sustainability-linked investments	

Actions to Mitigate Risks/Capitalise on Opportunities

- Strong corporate governance led by the Board with policies, codes, and KPIs for ethics and compliance
- Integrated frameworks ensure transparency, compliance, and ethical business practices
- Employee training on ethics, whistleblower mechanism, and third-party compliance audits
- Regular disclosures and continuous improvement of governance and ethics programmes
- Policies for anti-corruption, diversity, safety, and community engagement

Stakeholders Impacted



KPI's Mapped

- Training of Directors, employees and senior management personnel on Code of Business Ethics & Conduct and Whistle Blower mechanism
- Incidents related to the breach of code including corruption and bribery
- Incidents related to human rights violation
- Audits and third-party assessments
- Number of incidents reported through whistleblower hotline or reporting system

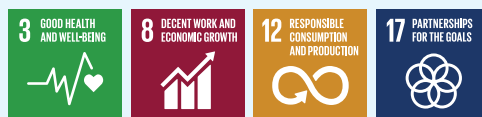
Material Topic

Supply Chain Management

GRI Alignment

GRI 308, GRI 414

SDG Alignment



Financial Implication



Strategic Priorities



Rationale for Identifying the Risk/Opportunity

The supply chain encompasses the procurement, transportation, and management of the essential materials and components required for power T&D infrastructure. This includes everything from transformers and cables to substations and circuit breakers. A robust supply chain ensures that these critical components are available when needed, preventing delays in project execution and maintaining the reliability of the power grid. By securing a steady flow of high-quality materials, Adani Energy Solutions can minimise disruptions and enhance the efficiency of power distribution, ultimately lowering costs and making energy more affordable for consumers. Adani Energy Solutions can enhance energy affordability, support India's energy transition, and contribute positively to the community.

Potential Risks & Opportunities and their Impact on Capitals

Risks

Topics	Capitals Impacted
Human rights violations in operations and supply chain	
Environmental and social impact of unsustainable sourcing	

Opportunities

Topics	Capitals Impacted
Boosting the local economy	
Enhancing efficiency and cost reduction through AI and IoT adoption	
Strengthening supplier relationships via sustainable practices and transparency	

Actions to Mitigate Risks/Capitalise on Opportunities

- Assess human rights violations in operations and value chain partners
- Screen suppliers to prevent potential or actual negative impacts
- Build supplier capacity and support collective sustainability goals
- Analyse supplier spending and tier-wise distribution
- Conduct third-party value chain assessments
- Assist suppliers in implementing corrective action plans
- Leverage AI and IoT for operational efficiency and real-time decision-making
- Promote sustainable practices and transparent communication to strengthen supplier trust

Stakeholders Impacted



KPI's Mapped

- Number of new suppliers onboarded
- Number of suppliers screened using environmental and social criteria
- Supplier capacity building programmes
- Significant suppliers
- Procurement spends on local suppliers
- Tier-wise suppliers

Material Topic

Economic Performance

GRI Alignment

GRI 3-3, GRI 201

SDG Alignment



Financial Implication



Strategic Priorities



Rationale for Identifying Opportunity

Economic performance is a material issue for Adani Energy Solutions due to its significant influence on the Company's operations, investment capabilities, and stakeholder relationships. By maintaining strong economic performance, Adani Energy Solutions can ensure financial viability, attract investors, support technological advancements, meet regulatory compliance, and enhance stakeholder value. This focus on economic performance not only supports Adani Energy Solutions business objectives but also contributes to India's broader energy transition and climate action goals.

Potential Opportunities and their Impact on Capitals

Opportunities

Topics	Capitals Impacted
Investing in smart grid technology	
Expanding renewable energy integration	
Enhancing operational efficiency	
Establishing strong relationships with financial institutions and exploring innovative financing options such as green bonds can also support long-term growth	
Streamline operations, reduce costs, and improve decision-making	

Actions to Capitalise on Opportunities

- Leveraging digital transformation for asset management, customer engagement, and data analytics, to streamline operations, reduce costs, and improve decision-making
- Establishing strong relationships with financial institutions and exploring innovative financing options such as green bonds can also support long-term growth
- Collaboration with stakeholders, including government agencies, regulatory bodies, technology providers, and consumers
- By investing in smart grid technology, expanding renewable energy integration, enhancing operational efficiency, strengthening financial management, leveraging digital transformation, and collaborating with stakeholders, to achieve sustainable economic success

Stakeholders Impacted



KPI's Mapped

- Direct economic value generated and distributed
- Investment in Smart Grid network
- % Grid reliability
- Transmission network added
- Transmission operational EBITDA
- Distribution operational EBITDA
- Consolidated operational EBITDA
- Total revenue generated
- PAT
- Payment to government
- Wages and benefits given
- Payment to providers of capitals
- Community investments

Material Topic

Public Policy Advocacy

GRI Alignment

GRI 415

SDG Alignment



Financial Implication



Strategic Priorities

S2

S6

Rationale for Identifying Opportunity

Public policy advocacy is a material issue for Adani Energy Solutions due to its significant impact on the Company's operations, regulatory compliance, and strategic growth. By engaging in public policy advocacy, Adani Energy Solutions can influence regulatory frameworks, drive sustainability initiatives, ensure fair market conditions, and enhance stakeholder engagement. This commitment to advocacy not only supports Adani Energy Solutions business objectives but also contributes to India's broader energy transition and climate action goals. Ultimately, public policy advocacy reinforces Adani Energy Solutions dedication to operating responsibly and sustainably, ensuring long-term success and positive contributions to society.

Potential Opportunities and their Impact on Capitals

Opportunities

Topics	Capitals Impacted
Implementing efficient procedures through research and policy initiatives	
Strategic communication to influence policymakers on ESG issues	
Collaborating with stakeholders to drive regulatory and legislative improvements for sector sustainability	
Addressing regulatory challenges	
Advocating for policies supporting T&D modernisation, renewable integration, and smart grid adoption to enhance efficiency and reliability	

Stakeholders Impacted



KPI's Mapped

- Contributions to political parties, trade associations, tax-exempt groups
- Number of successful policy engagements per year
- Percentage of advocacy campaigns that achieve their set goals such as public awareness, policy changes, or stakeholder support
- Public Policy Awareness Programmes
- Environmental and social impact of policy advocacy initiatives

Actions to Capitalise on Opportunities

- Collaborate with academic, government, and private sectors to address public policy challenges
- Develop targeted communication strategies to influence policymakers and public opinion
- Establish stakeholder partnerships to drive beneficial legislative and regulatory changes
- Advocate for clean energy and efficiency regulations through joint government proposals
- Engage in workshops and seminars to educate policymakers on industry trends and advancements
- Partner with cybersecurity experts to develop and promote robust grid protection standards
- Provide feedback on existing regulations and propose process improvements to reduce bureaucracy

Material Topic

Grid Resiliency

GRI Alignment

GRI 201, GRI 203
GRI 302, GRI 305
GRI 413, GRI 416

SDG Alignment



Financial Implication



Strategic Priorities



Rationale for Identifying the Risk/Opportunity

Prioritising grid resiliency is crucial for Adani Energy Solutions as it enhances operational stability, attracts investors, and ensures customer satisfaction. By investing in smart grid technologies, AI, and distributed energy resources, Adani Energy Solutions can improve real-time monitoring, optimise grid performance, and increase grid flexibility. This proactive approach not only secures financial stability by minimising costly outages but also strengthens Adani Energy Solutions' reputation as a reliable and innovative utility provider, thereby giving the company a competitive edge and fostering long-term sustainability.

Potential Opportunities and their Impact on Capitals

Risks

Risk	Description	Capitals Impacted
Operational Disruptions	Unanticipated disruptions can lead to service interruptions, affecting customer satisfaction and compliance with regulatory requirements.	₹ ⚙️ 👤
Technological Failures	Dependence on smart grid technologies and AI can be risky if these systems fail or are compromised, potentially leading to data breaches and operational inefficiencies.	💬 👤 ₹
Financial Strain	High investments in grid resiliency may strain financial resources if not managed properly, affecting the company's overall financial stability.	👤 ₹ ⚙️
Regulatory Non-compliance	Failure to meet regulatory standards for grid resiliency could result in penalties and loss of operating licenses.	₹ ⚙️ 👤
Reputation Damage	Inability to ensure a resilient grid may damage Adani Energy Solutions' reputation, reducing customer trust and investor confidence.	₹ 👤 👤
Competitive Disadvantage	Lagging in grid resiliency advancements could put Adani Energy Solutions at a competitive disadvantage, impacting market share and growth opportunities.	₹ ⚙️ 💬

Opportunities

Opportunity	Description	Capitals Impacted
Data Analytics	Monitor grid performance, predict failures, optimise maintenance	💬 ⚙️
Integrating RE Sources	Integrate wind, solar, hydroelectric power into the grid	🌳 ⚙️
Smart Grid Technologies	Smart meters, sensors, automated control systems	💬 ⚙️ ₹
Microgrids	Develop microgrids, promote distributed energy resources	⚙️ 👤
Energy Storage	Invest in batteries, pumped hydro storage	₹ 🌳
Cybersecurity	Implement measures to protect grid infrastructure from cyber-attacks	💬 👤
Policy Advocacy	Advocate for policies and regulations promoting grid resiliency	👤 ₹
Community Engagement	Initiate programmes to involve local communities in grid resiliency	👤 👤

Actions to Mitigate Risks/Capitalise on Opportunities

Risk	Description
Invest in Grid Resiliency	Implement advanced technologies and infrastructure to enhance grid resilience. Regularly update and maintain current systems to prevent outages and ensure continuous service.
Enhance Customer Communication	Develop transparent communication strategies to keep customers informed about reliability improvements. Foster strong relationships with stakeholders through open dialogue and regular updates.
Strengthen Workforce Training	Provide continuous training programmes to enhance the skills of the workforce, focussing on new technologies and best practices. Encourage innovation and problem-solving within the team to address potential grid issues proactively.
Leverage Technological Advancements	Invest in cutting-edge technologies to stay ahead of competitors in grid resiliency. Explore partnerships with tech firms to implement innovative solutions rapidly.
Expand Market Presence	Use the strengthened grid resiliency as a selling point to attract new customers and markets. Highlight the reliability and efficiency of the grid in marketing campaigns to enhance brand image.
Optimise Resource Utilisation	Maximise the use of financial, manufactured, and intellectual capital to support growth initiatives. Identify and leverage underutilised assets to improve overall operational efficiency.

Stakeholders Impacted




KPI's Mapped

- Grid Reliability Index
 - SAIDI : System Average Interruption Duration Index
 - SAIFI : System Average Interruption Frequency Index
 - CAIDI : Customer Average Interruption Duration Index
- Renewable Energy Penetration
- Infrastructure Investment in Grid Modernisation
- Recovery Time Post-Disruption
- Renewable Integration Capacity
- Cybersecurity Preparedness

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