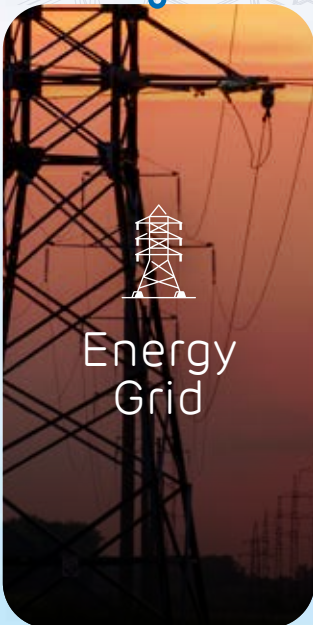


# Sustainability Report 2023

## Steering the idea of change for A BETTER TOMORROW

**adani**  
Energy Solutions



**Adani Energy Solutions Limited**  
(Formerly, Adani Transmission Limited)



# Contents

## **4 Steering the Idea of Change for a Better Tomorrow**

## **6 Our Approach to Reporting**

## **8 Leadership Messages**

8 Managing Director

10 Chief Executive Officer:  
Transmission

12 Chief Executive Officer:  
Distribution

14 Chief Sustainability Officer

16 Chief Financial Officer

## **18 Adani Portfolio of Companies**

20 Vision

20 Core Philosophy

## **22 Adani Energy Solution Limited**

24 Distribution

26 ESG Highlights

27 Performance Highlights

## **28 Stakeholder Engagement and Materiality Assessment**

29 Stakeholder Engagement

32 Materiality Assessment

## **38 Our Robust Governance Structure**

40 Board of Directors

42 Board Committees

45 Business Ethics and  
Code of Conduct

46 Whistleblower Policy

46 Our Policy Commitments

47 Risk Management

49 Our Strategic Priorities

50 Cybersecurity and  
Data Privacy

51 Economic Performance

53 Industry Associations  
and Policy Advocacy

## **54 Nurturing the Ecosystem**

57 Managing impacts of  
Climate Change

61 Emissions Management

66 Energy Management

71 Material Management

75 Water

80 Biodiversity

81 Green Finance

## **82 Our Social Systems**

85 Strengthening our  
Workforce: Hiring Practices

86 Employee Wellbeing

87 Diversity and Equal  
Opportunity

87 Human Rights

92 Occupational Health  
and Safety

99 Our Robust Supply chain:  
Fostering Partnerships

101 Elevating Customer  
Experience

103 Growing Together with our  
Communities

## **109 Our Laurels**

**110 Alignment with GRI  
standards and other  
reporting frameworks**

**129 Glossary of Abbreviations**

**133 Assurance Statement**



**Steering  
the Idea  
of Change  
for a Better  
Tomorrow**

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Electricity grids are the lifelines of any country. As India witnesses a golden phase of development, with increased focus on renewable energy, we position ourselves as enablers to accelerate the growth. A better tomorrow is characterised by responsible and sustainable business practices, equitable growth and positive environmental footprints. We are the stewards of bringing-in the change, by expanding our gridlines to reach the remotest corners of the country to disseminate energy. Our business caters to India's "Panchamrit" concoction and Nationally Determined Contribution along with contributing to achieve the global goals of sustainable development. Together, empowered with our stakeholders and fueled by our robust ambitions, we are leading the change to evolve and grow.

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# Our Approach to Reporting

## Introduction

We are delighted to present our seventh Sustainability Report showcasing our efforts towards inculcating responsible business practices and value-creation for our stakeholders. The Report highlights our sustainability journey encompassing environmental stewardship, social responsibility, and corporate governance. It also provides detailed insights on non-financial performance metrics in line with our identified material topics.

It features our value creation approach, risk management and mitigation strategy, overall performance, and accomplishments. Through this Report, we aim to build trust with our stakeholders by fostering transparency, accountability, and integrity.

## Reporting Period

The information in the Report showcases our performance from April 1<sup>st</sup>, 2022, to March 31<sup>st</sup>, 2023, aligning with our financial reporting period. As part of our sustainability reporting journey, we aim to disclose our performance along with the ESG highlights and achievements on an annual basis.

## Reporting Principle

The Report has been prepared in accordance with Global Reporting Initiative (GRI) Standards 2021. It is also aligned with United Nations Global Compact (UNGC) principles, United Nations Sustainable Development Goals (UN-SDGs), Task Force on Climate-related

Financial Disclosures (TCFD), International Finance Corporation (IFC) Performance Standards and World Economic Forum (WEF) ESG metrics.

## Scope and Boundary

The scope and boundary of this Report includes qualitative and quantitative data on environmental, social and governance aspects for all our operations and subsidiaries (Adani Energy Solutions Limited and Adani Electricity Mumbai Limited). The boundary of sustainability reporting is same as financial reporting and there are no other entities considered. In addition to our subsidiaries, all the operations mentioned in the Annual Integrated Report are also covered. We have outlined the historical trends of the data wherever relevant. Exclusions have been provided in the respective sections, if any.

## Restatements of Information

We have recalculated and restated information wherever applicable for the previous years. The effect of restatements has been added in the respective sections as required.

## External Assurance

The quantitative and qualitative disclosures in this report has been assured by M/s DNV GL Business Assurance India Private Limited, an Independent entity, as per AccountAbility's AA1000 Assurance Standard (AA1000AS

v3). The assurance statement is a part of this Report. We ensure all disclosures are externally assured and it is overseen by our senior management. The Report is also reviewed by the our senior management for clarity, reliability, and accuracy.

## Forward-Looking Statements

The Report contains a few statements regarding our anticipated plans and projections, which constitute forward-looking statements. These forward-looking statements represent assumptions that are based on the industry's historical trends and projections. However, these statements may vary due to fluctuations in market conditions, industry developments, government laws and regulations, etc. We undertake no obligation to publicly update any forward-looking statements based on new information, future events, or otherwise.

## Feedback

We recently published our Integrated Annual Report for the financial year FY 2022-23. Our latest Sustainability Report was published for FY 2021-22. The previously published Sustainability Reports are available on our website (<https://www.adanienergysolutions.com>) The feedback of stakeholders is valuable to us, and we aim to address all stakeholder concerns. For any questions or comments about our performance or this report, you may write to us at [cso.energysolutions@adani.com](mailto:cso.energysolutions@adani.com).

## Leadership Messages

# Message from MD



"Over the years, we have strategically expanded our horizons from bulk transmission of electrons to retail distribution of electrons in our energy solution portfolio build-up."

At Adani Energy Solutions Limited, we acknowledge our role in India's growth trajectory. Our pursuit of providing reliable and efficient services to support the development and progress of our nation is ingrained in our business purpose. By ensuring robust and sustainable energy infrastructure, we aim to contribute to a prosperous future for the people of our country.

Over the years, we have strategically expanded our horizons from bulk transmission of electrons to retail distribution of electrons in our energy solution portfolio build-up. This was done with the acquisition and subsequent expansion of the power distribution business of Reliance Infrastructure Limited and Mundra Utility Limited along with application for parallel licenses in the state of Maharashtra and Uttar Pradesh. In alignment with these strategic changes and to showcase our intent to become a future ready organisation, we have resolved to rebrand ourselves as – "Adani Energy Solutions Limited".

Our rebranding comes at a time when the nation is at a tipping point of expansion of internal demand and transformation to soon become the world's third largest economy. Our optimism stems from factors

such as India's post pandemic 'V' shaped recovery, rising affluence of our population and diversification of supply chain to name a few.

In recent decades, there has been a steady increase in electricity demand due to the unprecedented growth in population along with the rise in per capita requirement. This comes at a time when our energy systems are transitioning from conventional sources of energy such as those based on fossil fuels, towards more sustainable sources. Power infrastructure and last mile connectivity have emerged as challenges on the path of nation's prosperity. This is particularly relevant given that renewable energy is generated at dispersed locations blessed with nature's generosity. The more widespread the locations at which renewable energy can be harnessed, the greater the demand for transmission lines.

We believe these factors will serve as growth engines for the sector we operate in, ensuring its sustainability over the years to come. We want to fuel the ambitions of our young generation and become an immaculate part of their growth chapter and sustained advancement. We want to capitalise on this pivotal juncture with differentiated offerings and seize the evolving power



market landscape. The increase in digitalisation, shift towards non-fossil sources of energy, evolving consumer preferences are catalysing our transformation to become customer centric and future ready organisation.

In furtherance to this, we are gradually expanding our business network from a B2B to B2C with increased focus on customers in industrial and commercial clusters. This allows us to be more participatory in our approach rather than observational in this changing landscape. Our efficient operational assets coupled with a strong renewable energy portfolio will enable our customers to transition towards sustainable energy, enhancing competitiveness and greenness of their operations.

### ESG Viewpoint

Our value system is derived from our group's ethos and shepherds everything that we do at AESL. We strive to operate in a responsible manner with integrity to fulfill our role in shaping a better world for everyone.

Our environmental, social and governance performance is the quintessence to create long term value for our stakeholders. We are committed to reduce our carbon footprint, ensure water stewardship, minimize waste and negative environmental impact of our operations.

Cognizant of our commitment, we have achieved many milestones in our sustainability journey. All our O&M sites have attained Zero Waste to Landfill certification. Additionally, many initiatives have been taken with a holistic approach to maintain environmental wellbeing through our spirit to give back more than we take.

To achieve our long-term net-zero targets and decouple our growth from emissions, we have undertaken many initiatives during

the reporting period. Consequently, our emissions intensity in tCO<sub>2</sub>e/ Million INR Revenue has dropped from 27.39 to 23.57.

Today we are 9,858 employees strong with 9.5% women representing our employee count. We believe diversity and inclusivity is key to innovation and productivity for any business. In the near future, we commit to increase the share of women in our workforce.

Our employees' health and safety are of paramount importance to our business. Various initiatives have been undertaken to warrant their overall wellbeing on multiple fronts- mental, physical, and psychological.

Our policies and initiatives aim to improve the working environment while recognising achievements and celebrating diversity and inclusion.

### Strong Fundamentals

The year that went by was one filled with challenges. However, we were able to live up to the expectations of our shareholders, continuing to deliver shared value for them.

Let me now address the shortselling issue that impacted us early this year. On the eve of our Republic Day, a US-based shortseller published a report just as we were planning to launch the largest Follow-on Public Offering (FPO) in India's history. The report was a combination of targeted misinformation and outdated, discredited allegations aimed at damaging our reputation and generating profits through a deliberate drive-down of our stock prices.

Subsequently, despite a fully subscribed FPO, we selected to withdraw and return the money to our investors to protect their interests. The short-selling incident resulted in several adverse consequences that we had to

confront. Even though we promptly issued a comprehensive rebuttal, various vested interests tried to opportunistically exploit the claims made by the short seller. These entities engaged and encouraged false narratives across various news and social media platforms. Consequently, the Hon'ble Supreme Court of India constituted an Expert Committee to look into this matter. It comprised individuals known for their independence and integrity. The report of the Expert Committee was made public in May 2023.

The Expert Committee did not find any regulatory failure. The Committee's Report not only observed that the mitigating measures, undertaken by your company helped rebuild confidence but also cited that there were credible charges of concerted destabilization of the Indian markets. It also confirmed the quality of our Group's disclosures and found no instance of regulatory failure or any breach. While the SEBI is still to submit its report in the months ahead, we remain confident of our governance and disclosure standards.

As we further explore the avenues of growth, we want to assure all our stakeholders that we will continue to perform well on our balance sheets. Our objective to emerge as the leader in the sector we operate and the vision to lead the bandwagon for others to follow inspires us to strategise, establish roadmaps and set time-bound targets to showcase our outcome driven intent. I take this opportunity to show my gratitude towards our stakeholders for their trust in our business and leadership. With this, I present to you our Sustainability Report for FY 2022-23.

Regards,  
**Anil Sardana**  
Managing Director

## Message from CEO-Transmission



"We touch millions of lives and livelihoods every day. Sustainability is more than just the environment. It's about building a better future for the places and people we serve, while partnering with our stakeholders."

Adani Energy Solutions Limited is at the heart of India's developmental aspirations. The decade is expected to be a golden phase, with India on cusp of returning to high growth trajectory to become world's third largest economy by FY 2027-28. This is set to significantly accelerate energy demand, especially renewable power including solar and wind. Transmission lines are the new lifeline of the economy. The national grid must be able to rapidly embrace evolving new technologies and transmission

capacity must be added quickly in locations best suited to utilise renewable energy. This demands for a well-designed, forward-looking grid.

We are in an exceptional time with once-in-a century opportunity to map and support the growth aspirations of India. Our target to set up 30,000 circuit km of transmission lines by 2030 is accelerated by the growing load demands and need for ensuring strong interstate grid connectivity. Empowered by 'Growth with

Goodness' and guided by our stakeholders' priorities and sustainable aspirations, we are driving towards a clean energy future bringing reliable, affordable and sustainable energy to millions of people.

### Imagining a better tomorrow

We touch millions lives and livelihoods every day. Sustainability is more than just the environment. It's about building a better future for the places and people we

serve, while partnering with our stakeholders. For AESL, it is the value ingrained in our business, propelling us with a strong vision. We believe it links to enhanced competitiveness and long-term resilience. This competitiveness is manifested through topline growth, cost reduction, minimised regulatory and legal interventions, increased employee productivity and optimised investment returns.

We do not hold ourselves back from achieving environmental excellence while growing for the better. As a forward-looking infrastructure company, we have integrated climate considerations into our decision-making and risk management. Our business is exposed to physical and transition risks due to climate change. Our objective is to build enduring multi-decade infrastructure, and we have invested in operating assets designed to resist extreme climate events.

All our operations are certified for ISO 14001: Environmental Management System. We are signatory to the Declaration of Private Sector on Climate Change, by Ministry of Environment, Forest and Climate Change (MoEF&CC), pledging to take climate actions to drive the country towards achieving targets under the Paris Agreement.

We are known for our distinctive operational performance that sets us apart from others, in terms of technological innovation, superior performance and sustainability. We have initiated various energy saving and emission reduction initiatives in the current year,

contributing to achieve our predefined targets. Further, we track and report our initiatives to moderate energy consumption and GHG emissions and focus on improving emission and energy intensities.

Resource optimisation and judicious utilisation is one of our key focus areas. We ensure responsible use, management and disposal of water, waste and land resources and strive to achieve minimal negative impacts. As setting up our infrastructure is land intensive and widely spread across locations, biodiversity management is of paramount importance to our operations. We follow the principles of avoidance, minimisation and mitigation in environment and biodiversity management.

### Collaborating for a better tomorrow

We believe in creating stronger and enduring relationships. Our workforce forms the backbone of our operations while we partner with our extended stakeholders including customers, vendors and community to drive inclusive growth.

Our focus is on investing in people, empowering them to realise their full potential and find their true purpose. We aspire to be recognised as an employer of choice. We foster a work culture that promotes diversity, inclusion, communication, equal opportunity, and growth. With specific emphasis on health and safety, we are an ISO 45001 certified company with a strong safety

record supported by objectives to achieve 'No Fatality, No Injuries and No Excuses'.

Achieving customer satisfaction drives our business forward and we continued the expansion of our customer base on the B2B and B2C side. We are building to moderate cost per unit of power delivered, to enhance customer delight.

We closely partner with suppliers and prioritise the environmental, social and service performance of vendors.

Our community relationships are fostered through Adani Foundation, our Corporate Social Responsibility arm. Our CSR interventions are focused on the thematic areas of Education, Sustainable Livelihood, Women Empowerment and Community Infrastructure Development. By building institutions of people and focusing on sustainability, we contribute to the dignity, well-being and wealth of our communities.

We are on a journey with a mission. A better energy future awaits, and we're making it possible, step by step with our stakeholders. Together, we are to go a long way and stand resilient to steer change for building a better tomorrow.

Regards,  
**Bimal Dayal**  
Chief Executive Officer-  
Transmission

## Message from CEO - Distribution



"At our core we are driven by a customer-centric mindset, constantly seeking ways to exceed their expectations and deliver unparalleled services."

We have consistently emphasised on the incorporation of ESG aspects into our business model as a key driver of our growth. Our focus lies in achieving holistic development, where sustainable practices are at the forefront of everything we undertake. By prioritising this, we aim to generate long-term value for our stakeholders. This approach not only fosters a cultural transformation within our organisation but also presents us with an opportunity to contribute positively to society and the environment.

Our foray into the distribution business happened with the acquisition of Reliance Infrastructure in 2018. As an organisation committed to sustainable transformation, we leveraged this opportunity to bring a tectonic shift internally and align ourselves with Adani Portfolio of Companies' motto of nation building.

In the year under review, Adani Electricity Mumbai Limited (AEML) achieved a remarkable feat of procuring a notable amount of renewable energy. As

a commitment towards climate change mitigation and adaptation, we increased renewable energy mix from 3% to 30.04% in our distribution network in FY 2022-23. Our proactive efforts further highlight our unwavering commitment to our objectives. We believe by increasing the proportion of renewable energy in our resource mix, we have set in motion a positive cycle that is expected to bring value addition to us and our customers alike.

At our core we are driven by a customer-centric mindset,

constantly seeking ways to exceed their expectations and deliver unparalleled services. By embracing digitalisation, fostering innovation, and implementing automation, we aim to create an exceptional customer experience. While our focus remains on our customers' need for a clean energy solution, we want to do this at the minimum possible cost. This is exemplified by the fact that during FY 2022-23, we observed a mere 2% increase in our tariff, which is almost 5 times less than our key competitor's.

We are strategically expanding our horizons to other geographies and have applied for licensing in other states in India. We are gearing up to increase our customer base multifold. Our expansion is in alignment with our strategic roadmap to build a better future for our country.

I am pleased to inform you that in the current financial year, **we received top ranking among power distribution companies in India** by the Power Finance Corporation and Ministry of Power. This serves as a testimony of our unwavering commitment to prioritise performance and derive exceptional results.

Our corporate vision of becoming a distinguished leader in sustainability drives us to adopt innovative approaches that reinforce our commitment to setting industry benchmarks. With the collaboration of our stakeholders, we remain steadfast in prioritising Environmental, Social and Governance aspects, thereby living up to our commitment for efficient, transparent, innovative, and responsible business practices.

I would like to take this opportunity to express my heartfelt gratitude to our employees for their unwavering efforts and cooperation. We are immensely grateful to all our stakeholders for their continued trust and belief in our organisation. As we move forward, we are excited to shape a resilient and sustainable business system that will enable us to create a positive impact on both our industry and the broader society.

Regards,  
**Kandarp Patel**  
 Chief Executive Officer  
 Distribution



## Message from Chief Sustainability Officer



"Resilience is the key for long term sustenance and growth. As a forward-looking infrastructure company, climate considerations are integrated into our decision making and risk management."

Sustainability has been our guiding vision since the inception of our operations. We integrated the Environment, Social and Governance aspects across our operations, paving way to build a better tomorrow.

Our sustainable growth aspirations are founded on a robust governance structure. The spirit of governance balances the interests of all stakeholders and enhances our respect as a responsible corporate citizen. We are built on the principles of ethics, transparency, integrity, and accountability.

### Building Resilient Infrastructure

Our competence in environment management practices has been enshrined in adhering to compliances related to NOCs, consents, permissions, licenses, and authorisations. We are committed to reduce our footprint on the natural capital and graduate from legacy to clean processes. We are driven by a spirit of continuous improvement, examination of processes and materials with the objective to seek cleaner alternatives. We have articulated our direction, periodic milestones to be achieved, established controls

and environment management systems, due diligence, and put in place disaster planning and response systems.

Resilience is the key for long term sustenance and growth. As a forward-looking infrastructure company, climate considerations are integrated into our decision-making and risk management. Our business is exposed to physical and transition risks due to climate change, making it imperative to take into consideration emerging climate change conditions and their impact while deciding new geographies. We take appropriate

insurance for all assets against foreseeable risks, evaluate the impact of climate change on operations to adapt systems to become more flexible and resilient.

### Achieving Operational Excellence

Our operational aspirations are woven around minimising emissions, achieving energy efficiency, judicious resource consumption and minimal biodiversity impacts. We endeavour to minimise energy losses by modernising transmission and distribution networks resulting in enhanced operational excellence. Our target is to reduce greenhouse gas emission intensity (on per unit revenue basis) by 40-45% by FY 2024-25, in line with India's National Determined Contribution (NDC).

Various energy saving initiatives were identified and implemented in a phased manner to minimise costs while reducing environment impact. From using solar power to offset auxiliary consumption from the grid to installation of energy-efficient lighting an array of initiatives were taken up in the current year. We plan to develop a state-of-the-art Energy Network Operations Centre (ENOC) for our transmission business where all sub-stations will be operated remotely from the ENOC through an unmanned arrangement. This will not only optimise manpower and economical operation, but also enhance reliability and efficiency, drive high-class operational performance.

As thermal power generation is water-intensive, our strong focus is on responsible consumption through optimal water utilisation and conservation. WRI (World Resources Institute) Aqueduct tool was used to assess water availability in the area of operations and watershed level to identify sites operating in water-stressed areas. Rainwater harvesting is

also in progress in our substations located in water stress zones to supplement ground water. Further, we are planning to establish rainwater harvesting across all substations in the coming years.

We make focused efforts to practice responsible consumption, circular economy and waste management to essentially convert responsibility into an opportunity for value creation. To facilitate proper waste segregation and resource conservation, we have an Integrated Management System (IMS) for waste segregation at source and disposal. Owing to our concerted efforts, we achieved Zero Waste to Landfill for all O&M sites and Single-Use Plastic Free Status for 37 sites.

We ensure sensitive zones, protected areas and natural habitats are avoided to the highest extent possible when planning new transmission line routes. Strengthening our biodiversity commitment, we are a signatory to India Business & Biodiversity Initiative (IBBI) and intend to have No Net Loss in Biodiversity.

### Growing Together for a Better Tomorrow

Our stakeholders are integral pillars of our growth journey. Employees, community, suppliers, and customers drive us towards creating business excellence.

Our employee centric policies, growth opportunities, open business culture and equal opportunity aspirations caters to building a strong workforce. We ensure our employees are supported on all grounds for development, and wellbeing. Occupational health and safety are critical to us, and we deepened our safety orientation through various initiatives. A technology enabled Vehicular Safety Application was launched to reduce vehicle related

accidents. Owing to our concerted efforts, we were awarded Green Tech International Safety Award 2023 and Apex India Occupational, Health, & Safety Award 2022.

We partner with our vendors through effective collaboration, visibility, and digitalisation to secure long term relationships. We engage with suppliers who uphold lawful and ethical practices and integrate ESG into their business. Regular vendor performance evaluations and audits are conducted to ensure compliance with all applicable standards.

Our customer centric culture is guided by creating customer satisfaction through exceptional service, strong communication and keen emphasis on customer data privacy. Our strong customer base expands from industrial commercial or B2B customers to small retail or B2C customers. Our approach towards building long lasting relationships is centered around understanding and meeting our customer's needs, providing exceptional service, and fostering loyalty. We leverage digital transformation to better serve our customers and provide them with convenient and effective solutions. We have introduced a slew of customer initiatives like chat bots, voice bots, payment kiosks, video call centers, digital modes for payments etc., in order to deliver an affordable, reliable, and superior customer value.

We are extremely proud of our progress and continue to evolve as a global leader in sustainability. This success is powered by our all our stakeholders who join us every day in our journey toward a safer and more sustainable future.

Regards,  
**Santosh Kumar Singh**  
Chief Sustainability Officer

## Message from Chief Financial Officer



"During the year under review, we actively bolstered and invested in long-term assets, positively contributing to our financial performance."

At AESL, we are in the business of building and sustaining long-term assets. We acknowledge the role we play in nation-building through our intricate network of transmission and distribution lines. As one of the biggest private players in the sector, we promise to fulfil our responsibility towards our natural ecosystem and the communities that we thrive in. We believe, as stewards of sustainable transformation, we can deliver positive impact on our stakeholders without disrupting our planetary boundaries. We aim to achieve our objective of

sustaining bottom line in a socially responsible manner.

We remain steadfast towards all our commitments. Our focus is on optimising the financing cost by securing sustainable financial instruments. Furtherance to our testament of sustainable capital management, we obtained a USD 700 Mn revolving facility assured on the green loan framework for projects implementation in state of Gujarat and Maharashtra. During the year under review, we actively bolstered and invested in long-term assets, positively

contributing to our financial performance. Our high capex can be attributed to our strategy to build multi-decadal assets ensuring continuous flow to our shareholders. We believe the right approach for this is our disciplined capital allocation programs.

In FY 2022-23, we focused on increasing our capacities and reached 68 substations with cumulative transformation capacity of 46,001 MVA. This includes both- our operational and under construction assets. We amplified our operational network



through additional network of 1,704 ckms, attaining a length of 19,779 ckms. Our objective is to maintain market dominance by adding to our current capacity. To achieve this target, we have zeroed down on a target to set up 30,000 circuit km of transmission line by 2030.

At AESL, we build futuristic assets expected to endure over decades. This will ensure sustainable income flow year on year. Through strategic initiatives and technological upgrades, we have successfully reduced transmission losses and optimized

energy delivery. This not only translates into cost savings but also reinforces our commitment to sustainable energy practices.

We have accelerated our transition towards renewable energy sources, harnessing 30.04% renewable power of the wind, sun, and other sustainable resources. This has not only reduced our carbon footprint but also positioned us as a leader in clean energy solutions. Our investments in sustainable technologies and practices have not only future-proofed our operations but also positioned us for long-term success.

We are dedicated to sustainable growth across all dimensions aligning our strategy projects and operations to contribute to the holistic well-being of people and the environment. Through progressive efforts, we are making significant progress towards achieving our goal of becoming net-zero by 2050.

Regards,  
**Rohit Soni**  
Chief Financial Officer





# Adani Portfolio of Companies

Adani Portfolio of Companies is a diversified industrial conglomerate in India, comprising of seven publicly traded companies. It is headquartered in Ahmedabad, in the state of Gujarat, India. Founded in 1988, Adani Portfolio of Companies has grown to become a global integrated infrastructure player with businesses in key industry verticals - Resources (coal mining and trading), Logistics (ports, logistics, shipping, and rail),

Energy (renewable, thermal power generation, transmission and distribution), Agro (commodities, edible oil, food products, cold storage, and grain silos), Real Estate, Consumer Finance, and Defence. The integrated model is well adapted to the infrastructural challenges of emerging economies.

Over the years, Adani Portfolio of Companies has positioned itself to be the market leader in

transport logistics and energy utility portfolio business. It has created a world-class transport and utility infrastructure portfolio that has a pan-India presence. The Group focuses on large-scale infrastructure development in India with O&M practices benchmarked to global standards. Furthermore, our four businesses are investment-grade rated and are the only Infrastructure Investment Grade bond issuer in India.



## Vision

To be a world-class leader in businesses that enrich lives and contribute to nations in building infrastructure through sustainable value creation.

## Core Philosophy

Driven by 'Growth with Goodness', our core philosophy of 'Nation Building' has been a guiding principle for the Adani Portfolio of Companies to ensure sustainable growth and gain leadership positions. The Group seeks to expand its ESG footprint through restructuring its business, with a focus on climate action, and expanding its reach through CSR programmes based on sustainability, diversity, and shared values.

## Our Corporate Governance Tenets



### Courage

We shall embrace new ideas and businesses



### Trust

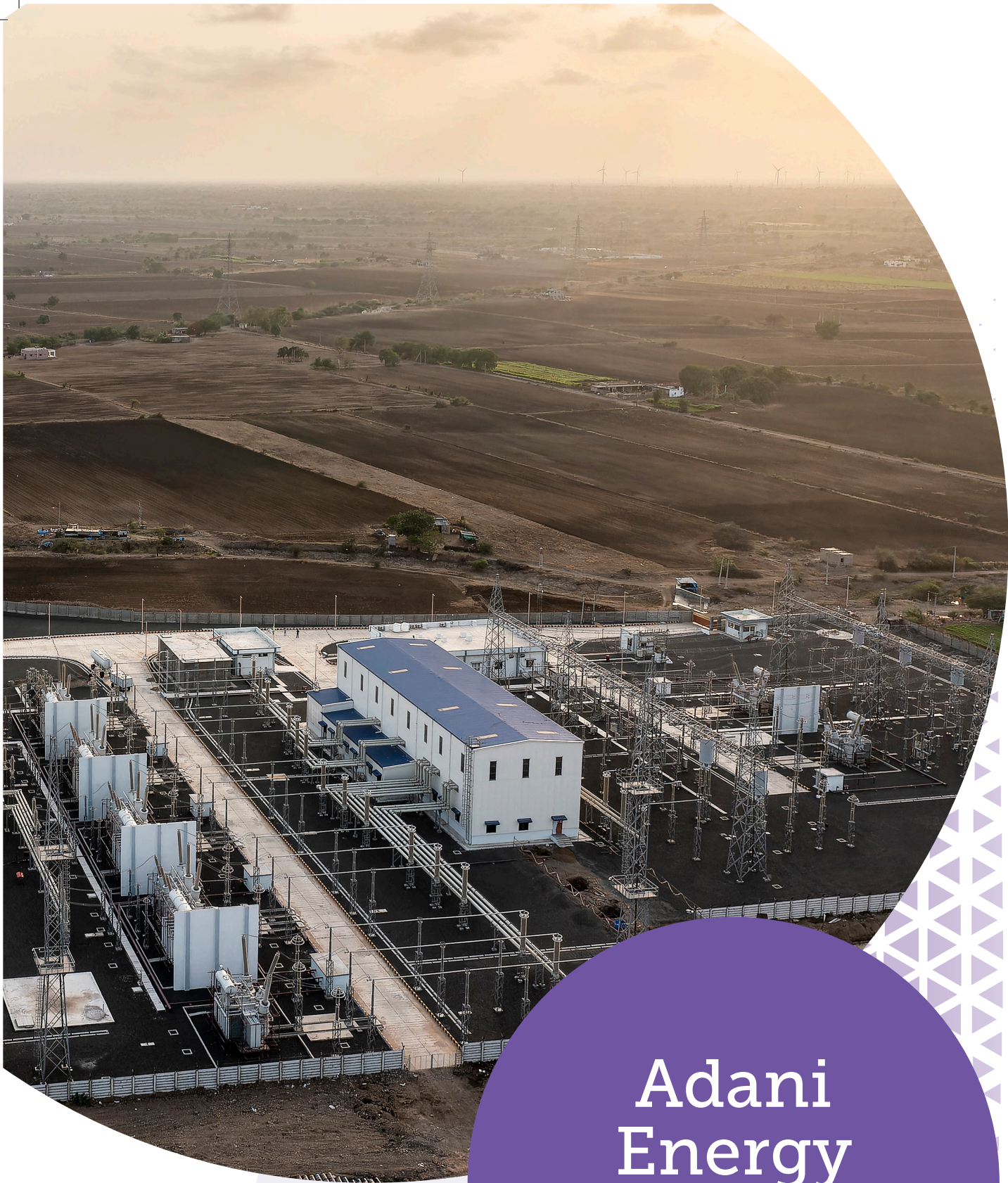
We shall believe in our employees and other stakeholders



### Commitment

We shall stand by our promises and adhere to high standard of business





# Adani Energy Solutions Limited

### From Adani Transmission Limited to Adani Energy Solutions Limited

Our growth story began in 2015, post a strategic separation from Adani Enterprise Limited. By establishing a distinct entity, Adani Portfolio of Companies aimed to enhance its capacities and tap the potential of transmission sector.

Our steadfast focus to provide customer-centric solutions especially in retail last mile connectivity brought unrealised opportunity for us to grow and capture undisputed market share. As a further testament to our strategic outlook to capture

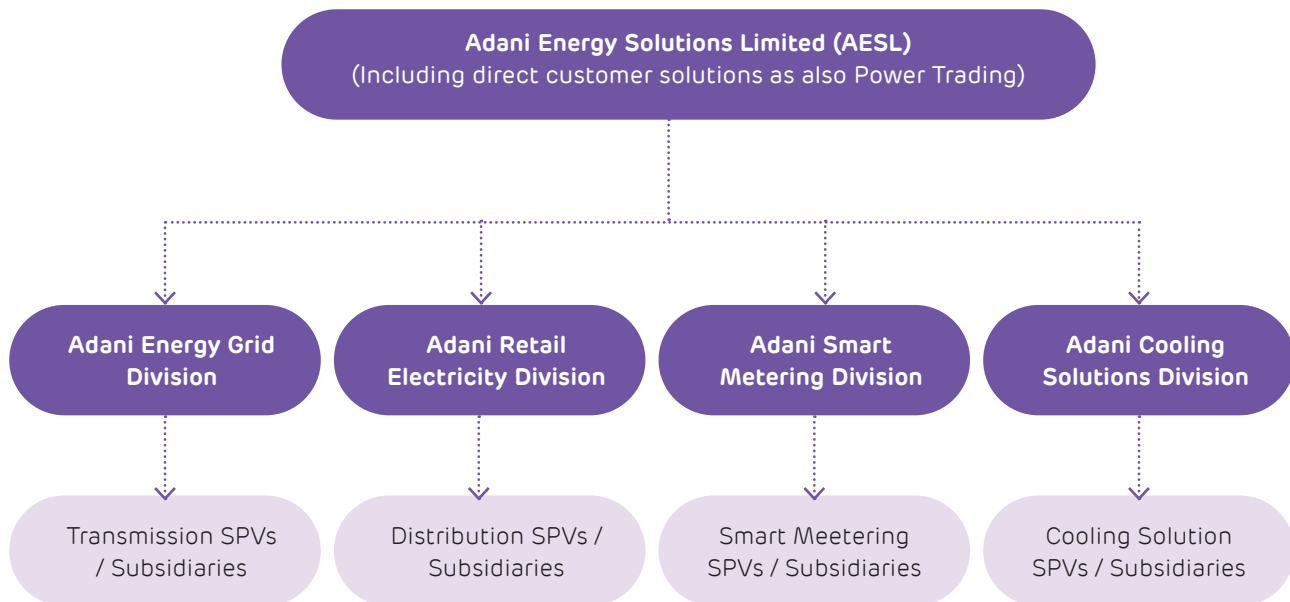
undisputed market share, we entered the smart meters market. This enabled us to understand customer energy needs and put us in a favourable position to expand.

During past few years, broadened our horizons from transmission business to retail electricity distribution, smart metering, cooling solutions, energy solutions and power trading.

We believe it's only apt that the dynamic nature of our energy solution offerings is reflected in our name. By way of special resolution and approvals of statutory, regulatory, or governmental authorities as may

be required under applicable laws, we approved the change in name from "Adani Transmission Limited" to "Adani Energy Solutions Limited" along with the consequential amendments required to be made in the Memorandum of Association and Articles of Association.

The current businesses would be categorised into various business divisions representing Transmission, Distribution, Smart Metering and Cooling Solutions. The divisions within AESL, are named to depict the essence of businesses being pursued under them.



We are India's largest private integrated smart energy service provider and infrastructure company. Our geographic footprint spreads across 14 states with 33 transmission projects.

Headquartered in Ahmedabad, Gujarat, we build, commission, operate, and maintain power transmission and distribution systems with operating assets

spread across India.

We operate in both B2B sector, focusing on power generation and transmission, and the B2C sector, specifically retail electricity distribution in India. In B2B, we cater to the power requirements of the state and national government, while we serve the residents of Mumbai through our retail electricity distribution arm –

Adani Electricity Mumbai Limited (AEML).

Our vision is to be the largest private T&D company based out of India, contributing to nation building by transmitting and distributing affordable energy using operational excellence and technology led innovation.

As a responsible corporate we

want to leave behind a positive impact on the ecosystems we thrive in and the communities that we work with. As a commitment to our objectives, we align all our operational activities with the sustainable development goals and continually strive to perform better on our environment and social parameters. We believe that this will help us gain a strong foothold in the market and help in live up to our stakeholders' expectations.

In 2006, the Adani Portfolio of Companies ventured into the field of transmission to facilitate the

power evacuation from its Mundra thermal power plant. This initiative resulted in the establishment of dedicated transmission lines covering a distance of more than 3,800 circuit kilometers (ckms), connecting Mundra-Dehgam, Mundra- Mahendragarh, and Tiroda-Warora. Subsequently in 2014, an additional transmission line spanning over 1,200 ckms was commissioned specifically for power evacuation from the Tiroda power plant.

During the current reporting period, we focused on increasing our capacities and reached 68

substations with cumulative transformation capacity of 46,001 MVA. This includes both- our operational and under construction assets.

In FY 2022-23, we increased our operational network through additional network of 1,704 ckms, attaining a network length of 19,779 ckms. Our objective is to maintain market dominance by adding to our current capacity. To achieve this target, we have zeroed down on a target to set up 30,000 circuit km of transmission line by 2030.

## Distribution

We are dedicated to maximising both organic and inorganic growth prospects in the field of private distribution and transmission of integrated utilities. During the previous year we completed the acquisition of Mundra Utility Limited (MUL), operating a distribution network spanning 148 ckms, which was specifically established for electricity distribution activities. This strategic acquisition aims to bolster our power distribution business, leveraging our extensive expertise in managing licensed small distribution areas. MUL distributed approximately 389 million units (MUs) of power with a distribution loss of 3.12 % as of March 31, 2023.

We believe that as distribution business undergoes phased transition, there will be a significant incentive to develop

retail distribution franchises. It is during this period that the full value of MUL will be realised allowing us to capitalise on the evolving market dynamics and further strengthen our position in the power distribution sector.

We engage in power distribution services, providing services to more than 12 million customers in Mumbai and the Mundra Special Economic Zone. With India's energy demand anticipated to quadruple in the future, we are dedicated to establishing a robust and reliable power transmission network to fulfil this increasing needs. Our primary objective is to serve retail customers while meeting the burgeoning energy needs of the country.

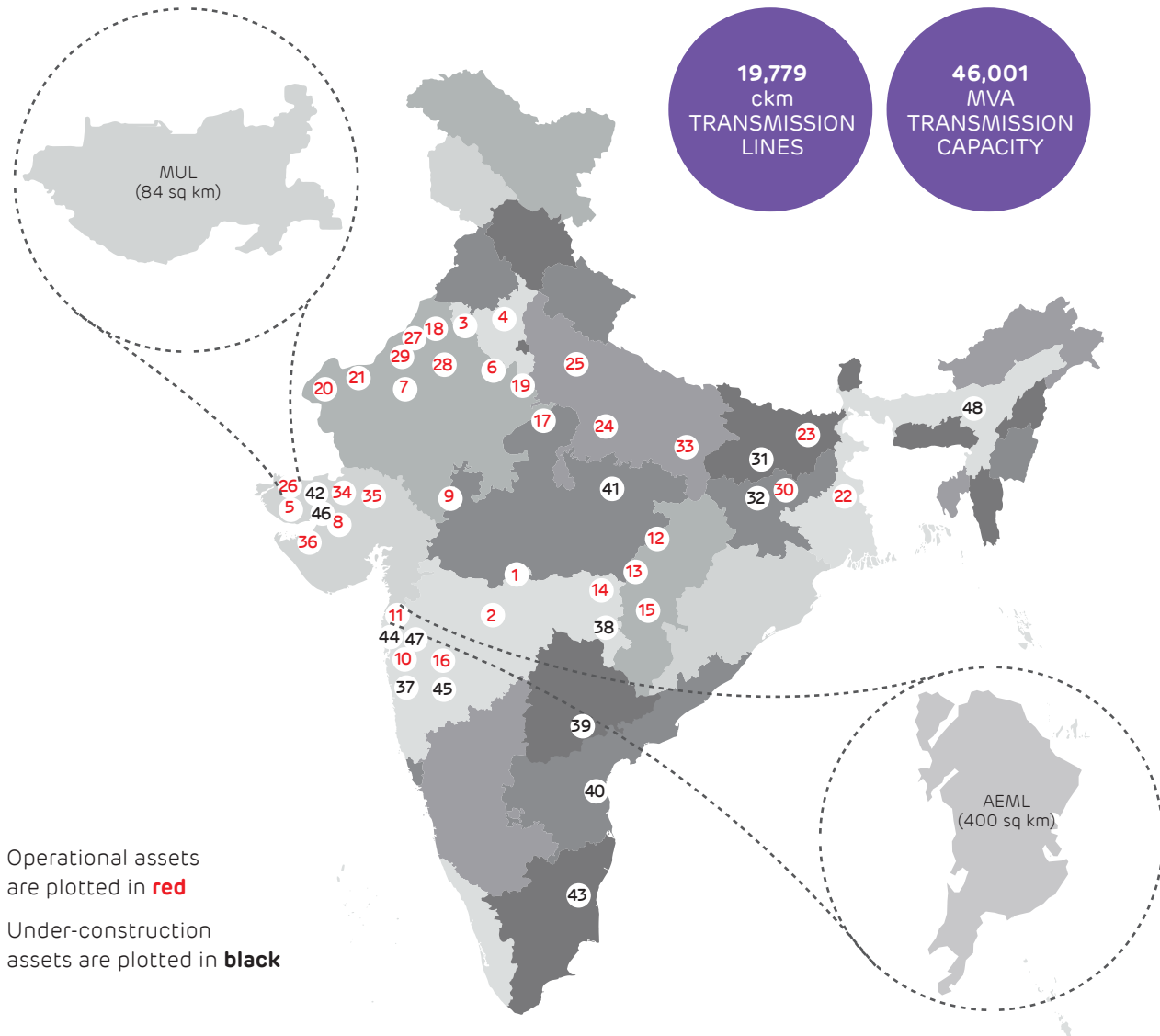
In addition to our transmission and distribution infrastructure, we possess around 5,000

kilometers of Optical Ground Wire (OPGW) fiber network. This has the potential to be leased to telecom carriers, neutral data providers, content players, and various communication service providers, subject to the regulatory compliance. Our portfolio includes 30 substations and over 10,000 tower locations that can be utilised for telecommunication co-location facilities.

Moreover, we have recently entered the smart metering business and have secured two smart meter projects. This move signifies our expansion into the implementation of advance metering solutions to enhance efficiency and enable accurate measurement of power consumption.



# Geographic footprint



Operational assets are plotted in **red**  
 Under-construction assets are plotted in **black**

1	MEGPTCL (1,217 ckm)
2,3,4,5	ATIL (3,834 ckm)
6	ATSCL (97 ckm)
7	MTSCL (300 ckm)
8,9	WTGL (974 ckm)
10	WTPL (2,089 ckm)
11	AEML (572 ckm)
12	STL (348 ckm)
13,14	RRWTL (611 ckm)
15,16,17	CWRTL (434 ckm)
18	ATRL (278 ckm)
19	HPTL (116 ckm)
20	BPTL (133 ckm)
21	TPTL (164 ckm)
22, 23	ALTL (650 ckm)
24	GTL (486 ckm)
26	MUL ( 148 ckm)

27	ATBSPL (343 ckm)
28	FBTL (292 ckm)
29	BKTL (481 ckm)
30	NKTL* (81 ckm)
31, 32	NKTL* (223 ckm)
33	OBTL (630 ckm)
34	WRSS (292 ckm)
35	LBTL (352 ckm)
36	JKTL (38 ckm)
37	KVTL (74 ckm)
38,39,40	WKTL (1756 ckm)
41	MP Package 2 (1060 ckm)
42	Khavda-Bhuj (221 ckm)
43	Karur (10 ckm)
44	AEMIL (80 ckm)
45	WRSR (630 ckm)
46	Khavda Phase - II (354 ckm)

47	BEST Smart Metering Ltd – 10.8 Lakh smart meters
48	NE Smart Metering Ltd (APDCL smart metering project) – 7.7 Lakh smart meters

Notes:  
**Maps not to scale (for representation purposes only)**  
 Assets includes fully built, under-construction projects based on regulatory - approved and bid-based tariff profiles. Total area for our operational sites is 1,266.65 Hectares.  
 \*Partial commissioning completed.  
 Distribution networks:  
 AEML (572 ckm)  
 MUL (148 ckm)

# ESG Highlights

<p><b>30.04%</b> Share of RE in sold power mix</p> <hr/> <p><b>3.4</b> MWp Captive Solar rooftop capacity</p> <hr/> <p><b>238.12</b> GJ/Revenue in Million INR Energy Intensity</p> <hr/> <p><b>23.57</b> tCO<sub>2</sub>e/ Revenue in Million INR GHG Intensity</p> <hr/> <p><b>2.23</b> Million Trees Planted</p> <hr/> <p><b>Zero Waste</b> to Landfill Achieved for all O&amp;M sites</p> <hr/> <p><b>36%</b> Reduction in total hazardous waste generation.</p>	<p><b>206,332</b> hours of learning and development</p> <hr/> <p><b>9.5%</b> Women in workforce</p> <hr/> <p><b>4.09</b> out of <b>5</b> Employee engagement score</p> <hr/> <p><b>7.3</b> Million lives touched</p> <hr/> <p><b>₹33.09</b> Crore CSR expenditure</p> <hr/> <p><b>Zero Cases</b> of discrimination reported</p> <hr/> <p><b>87</b> New Suppliers Onboarded through ESG Screening</p>	<p><b>Zero Cases</b> of corruption and bribery reported</p> <hr/> <p><b>Zero</b> Instances of Data Breach</p> <hr/> <p><b>Zero</b> Breach of Code of Conduct</p> <hr/> <p><b>16.6%</b> Increase in revenue from FY 2021-22</p>
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## Our Governance Rating

AESL was rated in top three in India's power sector by Crisil's ESG rating.

**59**

AESL's Score in 2022 S&P Corporate Sustainability Assessment .

**31**

Global Electrical Utility Average Score in 2022 S&P CSA.

**3.3**

AESL's FTSE Score in 2022

**2.7**

World Average FTSE Score in 2022



# Performance Highlights

₹13,840  
Crore  
Total Revenue Generated

₹6,101  
Crore  
EBITDA

₹1,281  
Crore  
PAT (Profit after Tax)

₹5,341  
Crore  
Consolidated  
Operational EBITDA

₹3,243  
Crore  
Transmission  
Operational EBITDA

₹2,098  
Crore  
Distribution  
Operational EBITDA



# Stakeholder Engagement and Materiality Assessment

# Stakeholder Engagement

At AESL, we believe that effective stakeholder engagement is a crucial component of modern business practices as it plays a vital role in achieving success and sustainability. We identify individuals, groups, or organisation that have mutual interest or influence on our business activities and categorise them into various stakeholder groups. Our stakeholder groups bring diverse perspectives, knowledge, and expertise to the table. We establish collaborative communication with our stakeholders regarding

daily operations and business requirements. Engaging with them provides us with a broader understanding of the social, economic, environmental, and cultural impacts of our actions. These diverse inputs help us in identifying potential risks, opportunities, and innovative solutions.

By understanding their perspective, needs, and expectations we develop strategies and make informed decisions that align with their

interests. Involving stakeholders early in the decision-making process enables us to address their concerns, manage expectations and mitigate conflicts leading to effective risk management. To facilitate effective communication and prevent barriers, we have adopted various channels of communication for each stakeholder group. We have been accredited with the management system requirements for ISO 9001, 14001, 45001, and 27001.



Our stakeholder groups comprise of employees, contract workers, vendors, local communities comprising of civil societies, regulators, investors, shareholders, customers, and media. We engage with them through diverse modes of channels such as websites, emails, newsletters, social media, surveys, and physical or virtual meetings.

Stakeholder Group	Significance of Engagement	Mode of Engagement	Frequency of Engagement	Key Concerns
<b>Employees and Contract Workers</b>	Fosters a sense of ownership, motivation and loyalty leading to increased productivity and a positive work culture.	<ul style="list-style-type: none"> <li>• Direct interaction</li> <li>• Employee engagement surveys</li> <li>• Feedback surveys</li> <li>• Open forums and exit interviews</li> </ul>	Continuous	<ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Plant efficiency</li> <li>• Work environment</li> </ul>
<b>Vendors</b>	Promotes collaboration, ensures reliable partnership, and encourages responsible sourcing practices leading to supply chain resilience.	<ul style="list-style-type: none"> <li>• Onboarding processes</li> <li>• Site visits to manufacturing facilities</li> <li>• One-on-One interaction</li> </ul>	Continuous	<ul style="list-style-type: none"> <li>• Grievance mechanism</li> <li>• Knowledge sharing</li> <li>• Timelines for payments</li> </ul>
<b>Local communities including civil societies</b>	Builds positive relationships, addresses community needs, and ensures sustainable development, fostering goodwill, social acceptance and long-term viability.	<ul style="list-style-type: none"> <li>• Interaction with NGO partners and communities</li> <li>• Meetings/ discussions with local communities</li> </ul>	Continuous, Need-based	<ul style="list-style-type: none"> <li>• Employment and industry relation</li> <li>• Resource availability</li> <li>• Support in utilisation of eco-system services</li> <li>• Healthcare support</li> </ul>
<b>Regulators</b>	Facilitates compliance, proactive policy-shaping, and positive relationships, reducing legal risks and enhancing reputation	<ul style="list-style-type: none"> <li>• Policy advocacy</li> <li>• Direct interactions on a case-to-case basis</li> <li>• Regulatory audits and inspections</li> </ul>	Periodic, Need-based	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Revenue</li> <li>• Taxes</li> <li>• Community development</li> </ul>
<b>Investors</b>	Build trust, transparency, and alignment with organisational goals, attracting financial support and long-term financial stability.	<ul style="list-style-type: none"> <li>• Investor meets</li> <li>• Annual General Meeting</li> <li>• Periodic declarations on performance</li> </ul>	Quarterly, Need-based	<ul style="list-style-type: none"> <li>• ESG performance</li> <li>• Growth opportunities</li> <li>• Debt servicing</li> </ul>

Stakeholder Group	Significance of Engagement	Mode of Engagement	Frequency of Engagement	Key Concerns
<b>Shareholders</b>	Build trust, transparency, and alignment with organisational goals, attracting financial support and long-term financial stability.	<ul style="list-style-type: none"> <li>• Investor meets</li> <li>• Annual General Meeting</li> </ul>	Periodic Need-based	<ul style="list-style-type: none"> <li>• Transfer of shares</li> <li>• Non-receipt of Annual Report</li> <li>• Issue of certificates, general meetings</li> </ul>
<b>Customers</b>	Understand their preference, gather feedback and provide tailored services, resulting in improved customer satisfaction and loyalty.	<ul style="list-style-type: none"> <li>• Direct Communication</li> <li>• One-on-One interaction</li> </ul>	Continuous Need-based	<ul style="list-style-type: none"> <li>• Planned maintenance</li> <li>• Power outage</li> <li>• Modernisation and upgradation</li> </ul>
<b>Media</b>	Media help us communicate to our stakeholders regarding our business and our performance in ESG aspects.	<ul style="list-style-type: none"> <li>• Direct communication</li> </ul>	Issue based	<ul style="list-style-type: none"> <li>• Local community development</li> <li>• Health and safety</li> <li>• Legal compliance</li> <li>• Environment protection</li> <li>• Ash management</li> </ul>

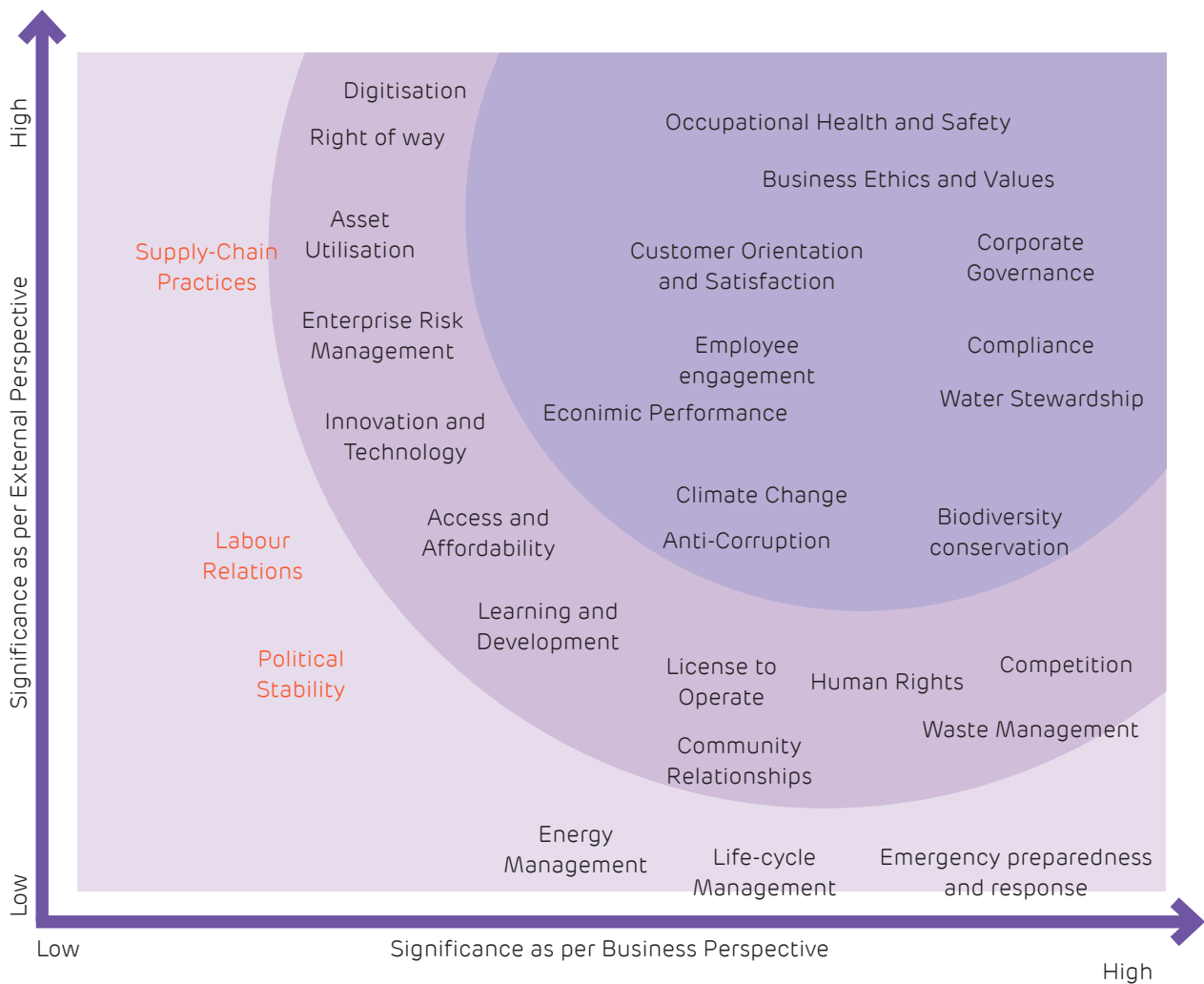


# Materiality Assessment

Materiality assessment is the process of identifying, understanding, and prioritising the most significant Environmental, Social, and Governance (ESG) issues that have an impact on our business as well as our stakeholders. This exercise helps to focus on priority topics enabling us to allocate resources, set goals, and develop strategies that address the most material issues in a meaningful and impactful way. A detailed materiality assessment was conducted in FY 2020-21

through stakeholder engagement and high priority material topics relevant to our operations were identified. The outcome of the assessment was discussed with various stakeholder groups to evaluate the relative importance of the topics. Identified material topics were discussed at the apex ESG committee and signed off at the Board level for the formulation of the management approach. This helped us prioritise the material topics and streamline our approach to manage the impacts.















During the year 2021-22, an internal stakeholder consultation was carried out, including senior management to revisit the material topics and the top ten key issues were identified. We align our strategy with the ever-evolving trends and legislative requirements and revise our materiality assessment every 3 to 4 years. We are planning to conduct double materiality aligning with GRI 2021 standards in FY 2023-24.



\*There were no changes in the list of material topics with respect to to previous reporting year.  
 Contents marked in orange font are material topics that do not have a timeframe and are carried out on continuous basis



We have mapped the following material topics with the relevant GRI indicators and are also integrated into our Enterprise Risk Management (ERM) framework.

Material topic	Description	GRI topic	Alignment with SDGs
<b>Environment</b>			
<b>Biodiversity Conservation</b>	Impact of the business activities on land resources and biodiversity	GRI – 304: Biodiversity	 
<b>Climate Change (Energy &amp; Emissions)</b>	Actions for combating climate change	GRI – 302: Energy GRI – 305: Emissions	   
<b>Water Stewardship</b>	Using the available water resource efficiently. Incorporating water conservation through recycle and reuse methodologies	GRI – 303: Water and Effluent	    
<b>Social</b>			
<b>Occupational Health and Safety</b>	Ensure good health and safety of the workforce	GRI 403: Occupational Health and Safety	  

Material topic	Description	GRI topic	Alignment with SDGs
<b>Customer Orientation &amp; Satisfaction</b>	Ensure that the customers are satisfied and happy with the products/services offered	Non-GRI	  
<b>Employee Engagement</b>	Ensure that the workforce is proudly and happily engaged	GRI 401: Employment	   
<b>Governance</b>			
<b>Business Ethics and Values</b>	Ensure everyone follows certain ethics and values while performing business operations	GRI 205: Anti-corruption GRI 206: Anti-competitive Behavior	 
<b>Corporate Governance &amp; Compliance</b>	Compliance with all the regulations applicable to the business operations	GRI 2: General Disclosures - Governance	 
<b>Economic Performance</b>	The healthy financial growth of the company has positive implications on the economy in which it thrives	GRI 201: Economic Performance	  
<b>Anti-corruption</b>	Monitoring that no unlawful transactions are undertaken by any employees or business partners or collaborators of the business.	GRI 205: Anti-corruption	 










### NDC Mapping

Our material topics symbolise our commitment and sustainability focus areas. These are well aligned with national and global goals of achieving sustainable development. Climate Change including Energy & Emissions and Biodiversity are our key environmental material topics. They demonstrate our

alignment towards achieving India's "Panchamrits" aspirations and Nationally Determined Contributions (NDCs). Through expanding our grids and facilitating dissemination of renewable energy, we are contributing to India's target of achieving 50 per cent of its energy requirements from

renewable energy by 2030 and reducing the carbon intensity of the economy by 45 per cent from 2005 levels. Further, our resolve to No Net Loss and supporting biodiversity will amplify the national NDC to create 2.5 to 3 billion tonnes of additional carbon sink through afforestation.

### Our ESG Goals and Targets

ESG Focus Areas	Goals and Targets	Our Progress	Alignment with SDGs
Climate Change	Increase renewable power procurement to 30.04% by FY 2022 -23 60% by FY 2026-27 70% by FY 2029-30	Achieved 30.04% of renewable power procurement in FY 2022-23	
	Reduce Scope 1+2 GHG Emission by 72.7% by FY 2031-32 over FY 2021-22	0.41% increase	 
	Reduce Scope 3 Emissions by 27.5% by FY 2030-31 over 2020-21	17.15% decrease	 
	Rooftop solar installation at all operating and under construction substations	3.4 MWp Captive solar rooftop capacity	
	100% auxiliary consumption from renewable sources in transmission business by 2030	18.1%	
Waste Management	Zero-Waste-to-Landfill (ZWL) Certified Company for 100% of business activities under O&M phase by 2024-25	100% business activities certified ZWL in FY 2022-23	 
	More than 99% waste to be diverted away from Disposal by FY 2024-25	99.88%	 
	Single use Plastic (SUP) Free Certified Company for 100% of business activities under O&M phase by 2022-23	100% operational sites certified SUP Free in FY 2022-23	

ESG Focus Areas	Goals and Targets	Our Progress	Alignment with SDGs
<b>Biodiversity Conservation</b>	Achieve No Net Loss to Biodiversity by FY 2023-24	Signatory to IBBI	
	100% of AESLs operational locations and subsidiaries to be covered under biodiversity impact assessments by FY 2024-25	3 Season biodiversity assessment conducted at Dahanu power plant	 
	Greening of Substations	Pledged to plant 6.24 million trees under 1t.org initiative	
<b>Occupational Health and Safety</b>	Zero Incidents	124 incidents in FY 2022-23	 
	Zero Fatalities	3 fatalities in FY2022-23	
			
<b>Sustainable Supply Chain</b>	Building green supply chain by integration of Associates for 100% of critical supplies by 2023-24	ESG checklist devised, new suppliers evaluated, critical tier 1 suppliers identified to be evaluated in FY 2023-2024.	 
	~100% supply reliability for 12 Mn+ Mumbai customers	100% Achieved	 
<b>Customer Centricity</b>			







# Our Robust Governance Structure

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“Towards a Better  
Tomorrow”



## Culture

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PRIDE (Passion, Results, Integration, Dedication and Entrepreneurship) defines our culture. Courage, trust and commitment are the cornerstones of AESL and are central to employee processes, performance and governance. These are demonstrated through extensive

communication using different innovation methods and messages, and demonstrating its manifestation in day-to-day work has helped embed the same in the organisation. All actions are consistent with culture and values with zero tolerance for any deviation.

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We envision to be a world-class leader in business and enrich lives, create sustainable value, and contribute to nation-building. Strong businesses are built on the foundations of good corporate governance practices, business ethics and high levels of transparency.

At AESL, we have a robust governance structure that facilitates and

nurtures an ecosystem of trust, transparency, and accountability for all our stakeholders. It supports long-term partnerships, financial stability and business integrity thereby ensuring stronger growth avenues. Our unwavering commitment to achieve business excellence is based on our key tenets of Courage, Trust, and Commitment.



## Our Vision

To be a world class leader in businesses that enrich lives, create sustainable value and contribute to nation building.

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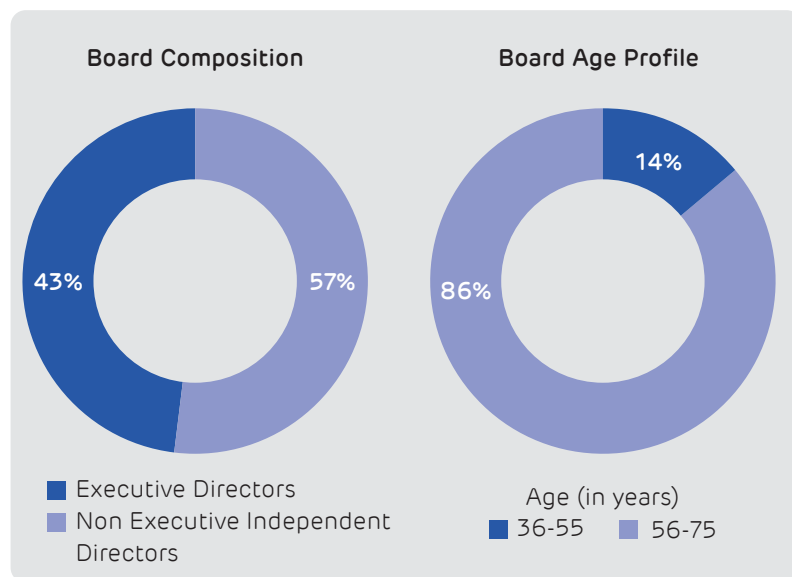
# Board of Directors

At AESL, our corporate governance is headed by the Board of Directors. The Board provides strategic guidance and independent viewpoints to our senior management in alignment with our business perspectives. The Board members are selected based on shareholder votes and the competencies relevant to the impacts of our operations. The Board holds meetings as and when required, with a minimum of one meeting every quarter, to review and approve business plans, budgets, and other matters including ESG requiring approval of the Board or its attention.

The **Board Diversity Policy** ensures an optimum number of executive and non-executive directors and mandates not less than 50% of the Board should be constituted by Independent Directors. The Board has a well-balanced composition of independent, executive and non-executive directors and has two women members. The Board members possess a rich experience in the power sector, strategy, financial, counterparty negotiation, risks, legal environment, and social issues. The optimum diversity in Board composition and experience brings in a broad range of attributes and perspectives that reflects real

world demographics. Currently, none of the Board members are from under represented social groups, and stakeholder representation is ensured through Independent Directors. The Independent directors have confirmed that they meet the criteria of "Independence" as set forth in the Companies Act of 2013 and the LODR Listing Regulations of 2015. Further details on governance structure, composition, and skill development are in covered in the Corporate Governance section of our **Integrated Annual Report**.

Name of Director	Designation	Category	No. of other directorships held	Date of Appointment
Mr. Gautam S. Adani	Chairman	Promoter Executive	6	17.06.2015
Mr. Rajesh S. Adani	Director	Promoter Executive	5	17.06.2015
Mr. Anil Sardana	Director	Executive Director	6	10.05.2018
Mr. K. Jairaj	Director	Non-Executive (Independent)	9	17.06.2015
Dr. Ravindra H. Dholakia	Director	Non-Executive (Independent)	3	26.05.2016
Ms. Meera Shankar	Director	Non-Executive (Independent)	3	17.06.2015
Ms. Lisa Caroline MacCallum	Director	Non-Executive (Independent)	-	30.11.2021



## Board Performance Evaluation

The Board has adopted a formal mechanism for evaluating its performance in overseeing the management of impacts with respect to economy, environment and people, as well as that of its committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, contribution at the meetings etc. Post performance evaluation, no changes were observed in the composition of the Board.





**Mr. Gautam S. Adani**  
Chairman



**Mr. Rajesh S. Adani**  
Director



**Mr. Anil Sardana**  
Director



**Mr. K. Jairaj**  
Director



**Dr. Ravindra H. Dholakia**  
Director



**Ms. Meera Shankar**  
Director



**Ms. Lisa Caroline  
MacCallum**  
Director

# Board Committees

The Board committees play a critical role in ensuring good governance practices. The committees are set up under the formal approval of the Board to carry out clearly defined roles to be performed by members of the

Board, as a part of responsible business conduct. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees including updates

on critical concerns are placed before the Board for review. During the reporting year, there were no concerns communicated to the Board that were critical in nature. At AESL the Board has set up the following committees.

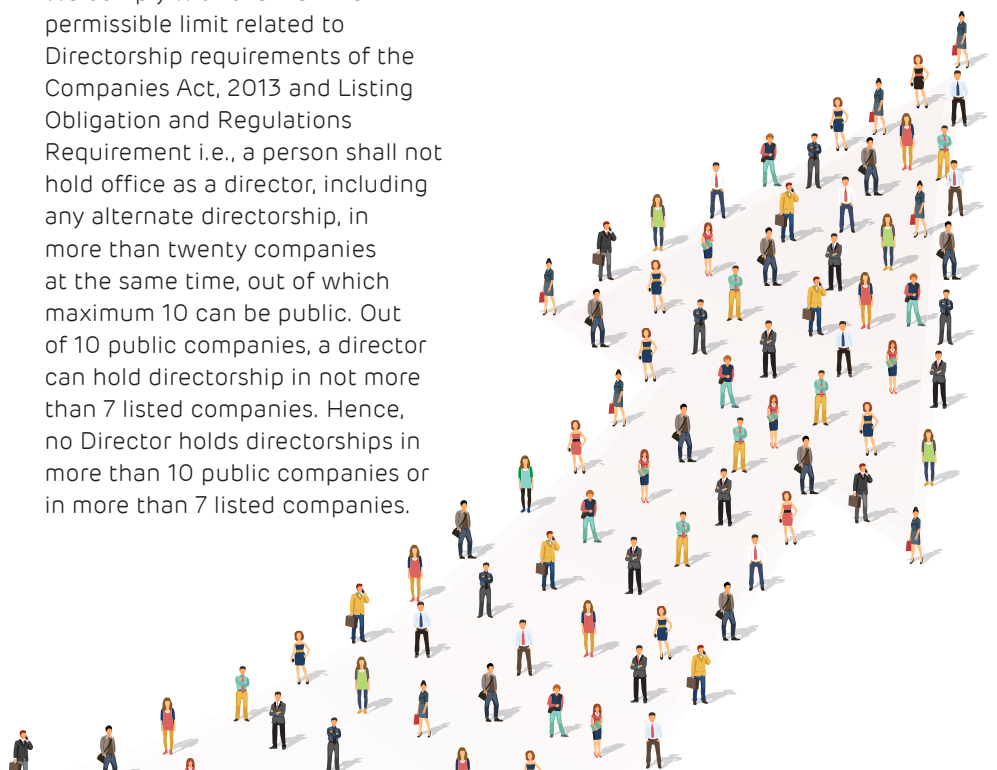


## Board Meeting attendance

We adhere to the minimum attendance requirement as per with Section 167-1 (b) of Companies Act, 2013. Herein, the Directors are required to attend minimum of one meeting conducted during the year. The office of the Director shall become vacant, if he or she absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board. During the reporting year, there were 6 meetings conducted for the Board of Directors, hence the minimum attendance requirement can be said to be 1 out of 6 which is 16%.

## Board Mandates

We comply with the maximum permissible limit related to Directorship requirements of the Companies Act, 2013 and Listing Obligation and Regulations Requirement i.e., a person shall not hold office as a director, including any alternate directorship, in more than twenty companies at the same time, out of which maximum 10 can be public. Out of 10 public companies, a director can hold directorship in not more than 7 listed companies. Hence, no Director holds directorships in more than 10 public companies or in more than 7 listed companies.



### Board Remuneration

The remuneration for Board and senior management personnel is guided by our **Nomination and Remuneration Policy** and in accordance with the SEBI Listing Obligations and Disclosure Requirements (LODR). The Nomination and Remuneration Committee (NRC) is the sole decision-making entity for appointment and remuneration of the Board members and no external remuneration consultants are involved in determining remuneration. Stakeholder views are incorporated into remuneration through voting and the result of the same are resulted in our Integrated Annual Report. We also have a Clawback Policy applicable to the CEO and senior executives.

### CEO to Employee Pay Ratio

The median remuneration for employees other than BoD and KMP is INR 23,42,884 and INR 19,40,178 for male and female employees respectively. For our Workers, the median remuneration is INR 10,21,068 and INR 12,27,313 for male and female workers respectively. Our Executive Directors and KMPs did not draw any remuneration from the AESL during FY 2022-23. The salary drawn by the CEO from the company AESL during the reporting year is INR 2.092 Crore comprising of the variable compensation.

### Management Ownership

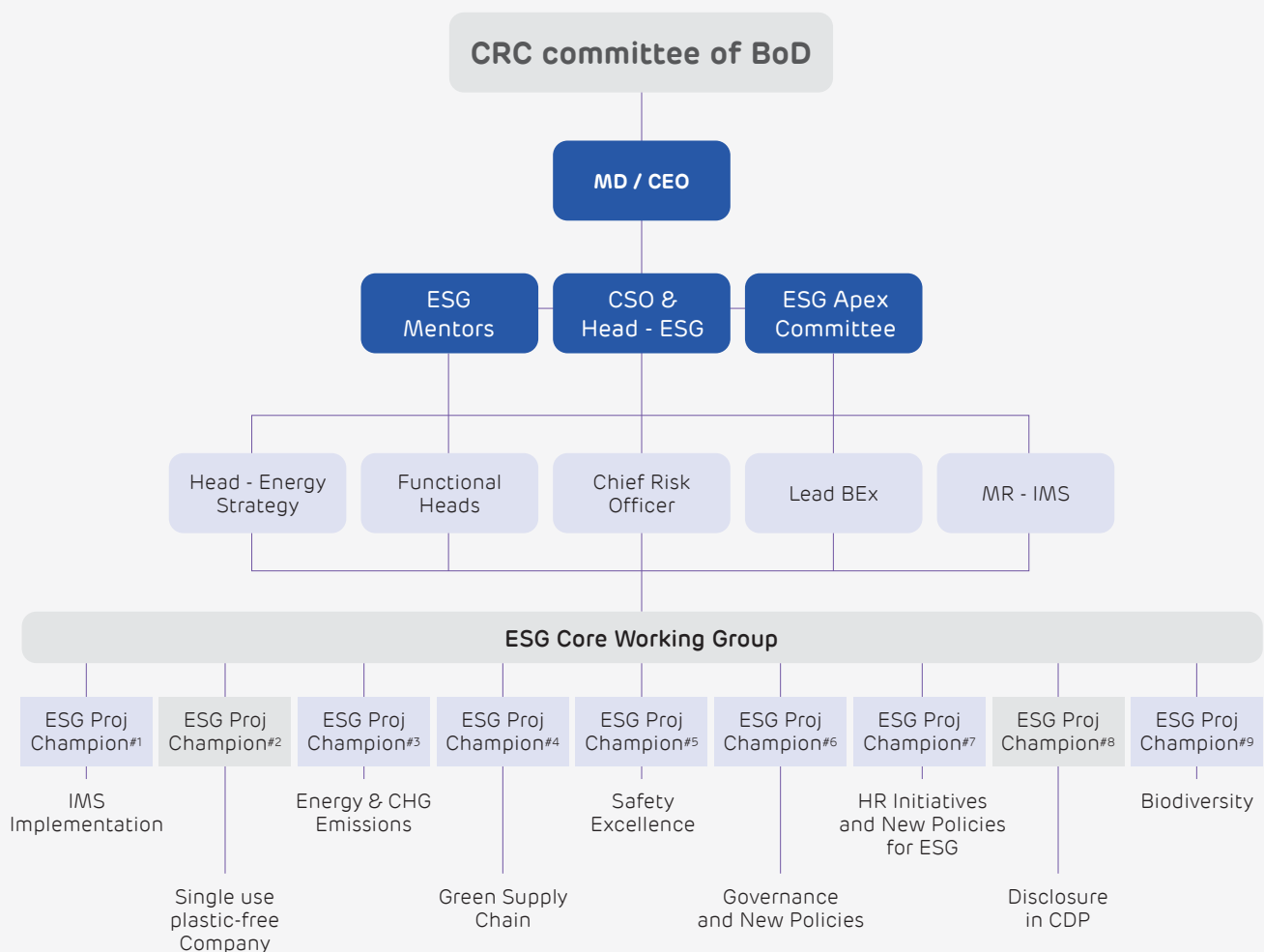
We do not have specific stock ownership requirements for the CEO and other members of the executive committee. Further, as

part of management ownership, CEO and other executive officers do not hold company shares. Also, there is no government ownership in the company, and we don't have any golden shares for governmental institutions.

### Corporate Responsibility Committee (CRC)

The Corporate Responsibility Committee overlooks the Environmental, Social and Governance aspects of our business. The Committee assists the Board of Directors to oversee our significant strategies, policies, programmes on social and public responsibility matters and our sustainability aspects. The committee is responsible for overseeing the management of our impacts on economy, environment and people.

## Sustainability Governance Structure



Roles and responsibilities of the CRC Committee				
ESG Apex Committee	ESG Mentors	Chief Sustainability Officer and Head ESG	ESG core working group	ESG Champions
Provides organisational vision and overall direction for ESG programme	Provides specific guidance and insights for ESG core working group and ESG champions	Coordinates ESG apex committee meeting on an annual basis or as and when required	Identifies material issues and risk factors for ESG disclosures	Leads the ESG projects
Review and approves public disclosures on ESG including sustainability report	Provides a quarterly review of ESG projects	Develops ESG disclosures and sustainability reporting	Provides all data, and inputs for ESG requirements and reports	Coordinate monthly team meetings for ESG projects
		Facilitates ESG Project Champions for independent validation, audit and assurance of ESG initiatives for public disclosures	Engagements with stakeholders including rating agencies	Progress report monthly to ESG Head and to ESG members periodically.
			Formulates long-term and short-term plan in line with achieving the ESG vision as directed by Apex Committee	



# Business Ethics and Values

Being a responsible corporate citizen, we follow the principles of ethics and integrity across our business operations. We have clearly defined policies, commitments and KPIs to measure the effectiveness of our systems and to insure integrity and transparency in our functioning.

We have adopted a **Code of Conduct (CoC)** for Directors and Senior Management that sets out the principles and standards that govern the conduct of the company and its employees. With the goal of promoting ethical behaviour in all business activities, we ensure the highest level of compliance with all applicable laws and internal policies. All new hires receive Code of Conduct training as part of the onboarding process and are expected to demonstrate adherence to the Code.

The CoC is available on our website ensuring access to all stakeholders at any given point of time. All Board members and executives have confirmed compliance with the Code in the current reporting year. There were no CoC related breaches in the reporting year including money laundering and insider trading in the year under review. Regular audits are conducted on ethical standards to ensure our compliance with the Code.

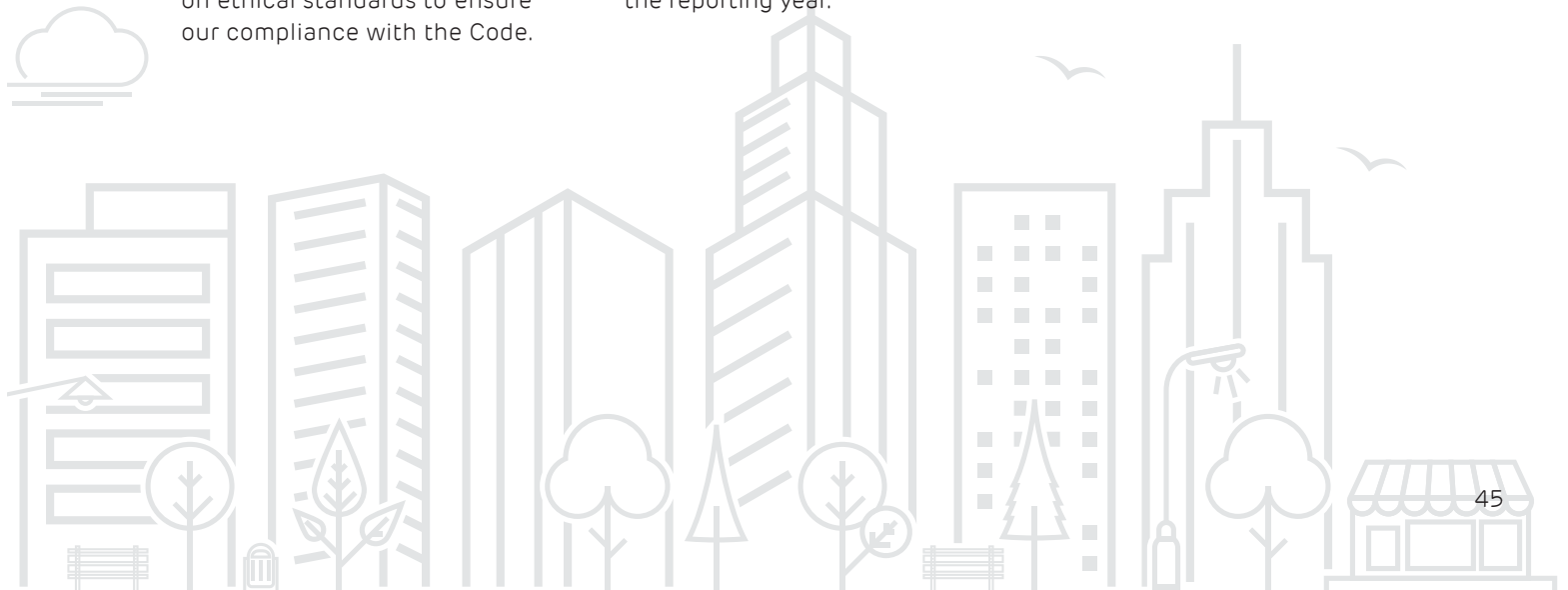
The scope of our annual audit is agreed by all stakeholders and these audits are conducted by Management Audit and Assurance Services (MAAS). These audits cover every aspect of our Code of Conduct. Our compliance management systems are audited and verified by third parties from time to time.

The CoC establishes our zero tolerance stance towards bribery and corruption. In line with the Code, all activities shall be subject to a risk assessment for corruption and bribery. We are cognizant that any incident of corruption or bribery can have significant consequences and expose us to the risk of reputational damage and severe financial sanctions and legal repercussions. The CoC has clearly defined acts of bribery and corruption and the circumstances in which clauses of anti-bribery and anti-corruption are violated. All our operations are regularly assessed for risks related to corruption and owing to our concerted efforts, there were no cases of bribery and corruption in the reporting year. The **Anti-Corruption and Anti Bribery Policy** is available on our website for all stakeholders 100% of our employees and KMPs received trainings on anti corruption and anti bribery practices in the reporting year.

The CoC also lays down the guidelines to avoid situations with Conflicts of Interests. Directors and members of Senior Management of the Company should avoid conflicts of interests with the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest shall be disclosed promptly to relevant stakeholders as required. In the reporting year, there were no cases of Conflicts of Interest involving Directors or any senior management personnel. There were also no cases of anti-competitive practices, anti trust and monopoly against us in the reporting year.

## Compliance

We comply with all laws, requirements and legal obligations applicable to our operations. Our processes are designed to ensure adherence with laws of the land and we are cognizant of the implications of legal non-compliance on our business and functions. There were no significant negative impacts identified as a result of our operations owing to our strict compliance practices. In the year under review, we had no instances of non-compliances and did not pay any monetary fines or penalties for non-compliance.



**Whistleblower Policy**

In line with Companies act 2013 and SEBI Registration Regulations, we have a **Whistleblower Policy** and vigil mechanism enabling stakeholders, including individual employees and their

representative bodies, to freely communicate their concerns about illegal or unethical practices. The policy enables our stakeholders to report potentially illegal or unacceptable practices without the fear of victimisation and reprisal. It aims to guide good

governance practices and ensure that concerns are addressed on a timely manner. Vigilance and Ethics Officer is responsible for monitoring the effectiveness of the policy and deals the with concerns raised and reports filed.

# Our Policy Commitments

Our policies guide our business operations and are embedded into our business to ensure responsible business conduct throughout our operations and business relationships. All the policies are available on our corporate website and accessible to all stakeholders at any given point of time. The policies are formulated considering relevant stakeholders (including vulnerable & marginalised groups) , globally recognised institutions, national and global regulations and human rights. **The Policies can be accessed by clicking here.**



**Environment**

- Corporate Sustainability Policy
- Environmental Health and Safety Policy
- Biodiversity Policy
- IBBI Declaration
- Water Efficiency Management Policy (Internal)
- Responsible Supply Chain Management Policy



**Social**

- Occupational Health and Safety Policy
- Diversity Policy
- Group Human Rights Policy
- Code of Conduct for Employees
- Safety Code of Conduct
- Customer Service Policy
- Supplier Code of Conduct
- Affirmative Action Policy
- POSH Policy
- Corporate Social Responsibility Policy



**Governance**

- Code of Conduct
- Business Continuity Policy
- Information and Security Policy
- Anti-Corruption and Anti Bribery Policy
- Commodity Price Risk Management Policy
- Anti-Slavery Policy
- Quality Policy
- Remuneration Policy
- Board Diversity Policy
- Whistle Blower Policy
- Risk Management Policy
- Remuneration Policy
- Material Events Policy
- Dividend Distribution Policy
- Clawback Policy
- Business Responsibility Policy

# Risk Management

The external business ecosystem is ever evolving with pertinent new challenges and disruptions. Ranging from climate threats to inflation and geopolitical tensions, there are growing business concerns throughout. It is only with our robust adaptation practices and business resilience we were able to steer clear through the challenges and materialise the emerging business opportunities. Our Risk Management Framework is aligned with ISO 31000 Risk Management System and based on the Committee of Sponsoring Organisations of the Treadway Commission (COSO) framework.

We have a comprehensive risk management process to identify, assess, manage and mitigate the

risks that can have a profound impact on our business.

Risk management is driven by the Board, assisted by the Audit Committee and Risk Management Committee, which reviews and monitors risk management processes in accordance with governance requirements. They oversee the identification and handling of significant risks and are accountable for evaluating and monitoring the effectiveness of our risk management procedures. The Chief Risk Officer holds the highest position with dedicated risk management responsibilities at the operational level and reports directly to the MD.

The Board level committees also provide direction to the

Management Risk Committee (MRC). The MRC evaluates, manages, and communicates all risks, their implications on our operations, and the mitigation measures identified and planned to the Board-level committees. We have also established Site/ Functional Risk Committees comprising representatives from various departments who are entrusted with the task of overseeing the management of identified risks across different business units. At the Business Unit level, Business Risk teams are set up to ensure the overall oversight and coordination of risk management across various business units.

## Risk Management Process








Our Risk Management framework is designed to facilitate early identification of risks to effectively mitigate them using the hierarchy of control. We conduct internal audits for our risk management processes. The identified risks are assessed for their impacts to decide on the mitigation action. The risks are bucketed into the categories of operational risk and strategic risks. To assess each identified risk, we have defined a substantive impact which takes into consideration various aspects like financial, operational, regulatory and statutory compliances. Thresholds are defined for each aspect to

categorise an identified risk as critical or not. Based on risk evaluation and impact of each risk, treatment is adopted. A decision on 'Accept, Treat, Transfer and Terminate' is taken for every enterprise risk and mitigation plan is finalised based on a cost-benefit analysis. Selected mitigation measures are tracked consistently for achieving the desired outcome in terms of time and benefit. While developing the risk mitigation plan, a risk indicator is identified to track movements in enterprise risk.

Our proactive risks identification is followed by extensive mitigation

actions that are prioritised to ascertain impact probability and magnitude. A climate scenario analysis was also carried out to identify and assess climate change-related risks that can hamper our operations. We review our risk exposure annually to identify risk movement and any new risks in external ecosystem. Sustainability related metrics forms part of our annual executive compensation. Furthermore, ESG and risks related performance also holds 15% of the weightage as part of the KRA.

Risk Category	Risk	Mitigation Action
 <p><b>Reputation Risk</b></p>	Negative social campaigns affecting brand image and funding	<ul style="list-style-type: none"> <li>• Undertake media campaigns to counter the negative narrative</li> <li>• Adopt proactive measures to foster goodwill within the community</li> </ul>
 <p><b>Macroeconomic risk</b></p>	Change in economic condition impacting low-cost funding and competitiveness	<ul style="list-style-type: none"> <li>• Adopt prudent financial measures</li> <li>• Implement hedging strategies involving measures to offset potential risks and fluctuations in interest rates</li> <li>• Making informed decisions to opt for fixed or floating interest</li> </ul>
 <p><b>RoW Clearance Risk</b></p>	Right of Way clearance is increasingly becoming challenging for transmission business	<ul style="list-style-type: none"> <li>• Engage in policy advocacy to establish pre-defined transmission corridors</li> <li>• Proactively create a land pipeline in operating states and securing land rights and permissions in advance to mitigate delays</li> </ul>
 <p><b>Cybersecurity Risk</b></p>	Increase in data breaches and higher possession of customer data increases our cybersecurity threats	<ul style="list-style-type: none"> <li>• Conduct VAPT testing regularly to identify gaps and develop action plans</li> <li>• Increased IT training to employees to handle challenges and threats effectively</li> <li>• Develop and implement strong cybersecurity policy</li> <li>• Establishing Business Continuity Plan (BCP) and Disaster Management Plans (DMP)</li> </ul>
 <p><b>Climate Risk</b></p>	Climate change disruptions can impact our transmission infrastructure and new and emerging climate regulations can impact our access to strategically important markets	<ul style="list-style-type: none"> <li>• Develop and implement robust Business Continuity Plan.</li> <li>• Conduct third party assessments to evaluate asset vulnerability owing to climate risks</li> <li>• Ensure strict adherence to standard procedures during execution of projects and address any gaps that arise.</li> </ul>





### Emerging Risks



Beyond the identified business and strategic risks, the external business ecosystem is continually evolving. This has led to the rise of potential business threats classified as Emerging risks.




If unmanaged, emerging risks can disproportionately threaten our strategic objectives and close opportunities that create competitive advantage. Today's uncertain landscape with rapid technological change,

political instability and evolving stakeholder expectations, reinforces the need for effective management of emerging risks. We have identified the following emerging risks pertaining to our operations:

Emerging Risk	Description	Impact	Mitigating Actions
<b>Operational Technology Risks</b> 	As we are into power generation and transmission, our OT systems represents a rapidly expanding risks surface for technology risks.	OT risks can disrupt operational efficiency, lead to down time and eventually result in financial losses	<ul style="list-style-type: none"> <li>Establish strong OT security system along with IT.</li> <li>Devise intentionally engineered design and control systems to protect against existing risk landscape.</li> <li>Conduct regular risk assessment and mitigate and control the identified risk based on impacts</li> </ul>
<b>Failure of Climate Change Adaptation</b> 	With our infrastructure assets spread across the country, extreme weather events due to climate change can collapse our physical assests, thus impacting business continuity.	Collapse of physical assets (towers, lines and substations) will halt business, cause outages and create customer dissatisfaction, thus impacting business profitability	<ul style="list-style-type: none"> <li>Conduct scenario analysis to identify various plausible scenarios and related risks and opportunities.</li> <li>Invest in suitable innovations and technologies to mitigate climate change impacts on our business operations.</li> </ul>

## Our Strategic Priorities

Strategic Focus Areas	Key Objectives
<b>Safety culture</b> 	<ul style="list-style-type: none"> <li>Safety-centric perspective with an objective of reaching zero fatalities.</li> <li>Reduction in health and safety risks.</li> <li>Percolation of safety related impacts through learning modules.</li> </ul>
<b>ESG Integration</b> 	<ul style="list-style-type: none"> <li>Incorporation of best-in-class practices to ensure long term business sustainability.</li> <li>Development of highly skilled diversified workforce to make our workplaces inclusive and productive.</li> </ul>
<b>Efficient capital allocation and execution capabilities</b> 	<ul style="list-style-type: none"> <li>Leveraging robust project implementation and management expertise.</li> </ul>

Strategic Focus Areas	Key Objectives
<p><b>Portfolio of efficient operating assets</b></p> 	<ul style="list-style-type: none"> <li>• Own and operate best-in class T&amp;D assets in the country.</li> </ul>
<p><b>Robust Financial Profile</b></p> 	<ul style="list-style-type: none"> <li>• Maintain economically strong balance sheet and financial ratios.</li> </ul>
<p><b>Business Excellence</b></p> 	<ul style="list-style-type: none"> <li>• Develop a future ready framework for continuous improvement.</li> </ul>

# Cybersecurity and Data Privacy

Cybersecurity is strategically material to us. We have an internal groupwide **Information Security Policy** that acts as a guiding light for managing our cybersecurity related issues. The policy’s scope includes not only information systems but also the protection of industrial control systems, whether operated by our own personnel or supported by third-party operations and services.

We acknowledge the reliance of our systems and processes on Information Technology. Any incident of breach or infringement may pose a threat to our business continuity via operational disruption and equipment failures, such as turbines, inverters, batteries, SCADA systems, PLCs, and relays.

Our Board level Information Technology and Data Security committee governs data privacy and cybersecurity. The committee convenes every six months to review our risks and mechanisms.

We believe that, a sustainable solution to safeguard ourselves against these risks is to upskill our IT team through continuous training and promoting preparedness via incorporating cyber security measures in the Business Continuity Plan (BCP) and Disaster Management Plan (DMP). Cybersecurity awareness module forms an important part of our induction training. We periodically undertake phishing simulation exercise to improve our collective cyber security resilience. Employees can report cyber security breach through Service Now Tool.

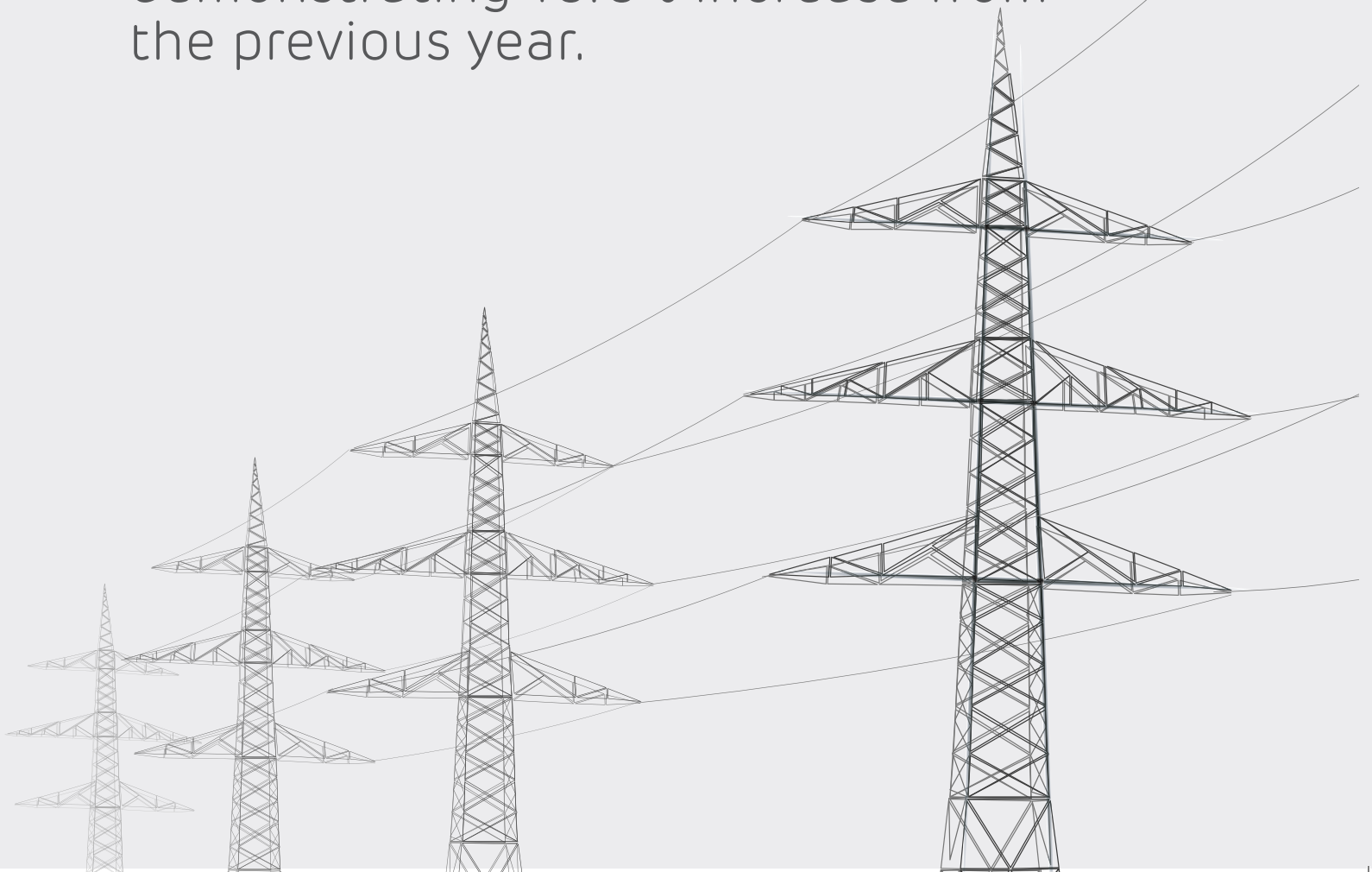
We strive to improve cybersecurity across all three dimensions- people, processes, and technology. We have taken many initiatives to build resilience in our cybersecurity systems- such as implementation of airgap backup solution to improve cyber resilience and safeguard against ransomware attacks. A number of institutional organisations and implementation mechanisms including network firewalls, antivirus, Data Loss Prevention (DLP), endpoint encryption, active directory, multi-factor authentication, web proxy, Virtual Network (VPN) etc., have been introduced to reduce any risk from cybersecurity perspective.

During FY 2022-23, there were no cases of data breaches involving loss of operational and customer data.

# Economic Performance

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We have a strong commitment to create long term value for our business and our stakeholders, A robust balance sheet will empower our business to grow by bidding for new transmission projects across the country. This financial year has seen an accelerated financial growth owing to new project commissioning and expansions. As of 31<sup>st</sup> of March 2023, our consolidated revenue stood at INR. 13,840.46 Cr, demonstrating 16.6% increase from the previous year.



**Economic Value Generated and Distributed (INR. Crores)**

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
	(INR Cr)	(INR Cr)	(INR Cr)	(INR Cr)
<b>Total revenue (A)</b>	<b>11681.29</b>	<b>10458.93</b>	<b>11861.47</b>	<b>13840.46</b>
Income from Generation, Transmission & Distribution Business	10491.35	9169.7	10435.61	12537.07
Other income	265.33	532.6	603.95	547.74
Revenue from Trading	924.61	756.63	821.91	755.65
<b>Regulatory Deferral Account Balances- Income (B)</b>	<b>-232.77</b>	<b>582.81</b>	<b>682.47</b>	<b>1035.58</b>
<b>Total distribution (C)</b>	<b>9568.01</b>	<b>8423.29</b>	<b>9881.04</b>	<b>11987.69</b>
Operating costs	5927.15	4998.78	6123.07	7743.33
Employee wages and benefits	973.24	930.76	885.07	986.65
Payment to providers of capital (interest)	2238.49	2116.99	2364.95	2781.47
Payment to government (Tax etc)	410.99	351.5	484.81	443.15
Community investments (CSR)	18.14	25.26	23.14	33.09
<b>Economic value retained (A+B-C)</b>	<b>1880.51</b>	<b>2618.45</b>	<b>2662.9</b>	<b>2888.35</b>

Note: We did not receive any financial assistance from government in the reporting year in the form of tax relief, subsidies, financial incentives or any other benefits.

**Tax Transparency**

As an organisation, we firmly believe in the importance of openness and accountability in the tax system. Transparency serves as a cornerstone of fair and justice society. We disclose our tax information to the public and fosters trust and confidence in our system. By championing tax transparency, we seek to create a more equitable and sustainable society that thrives on integrity and shared responsibility.

**Political Contributions**

We do not make contributions to political organisations lobbyists, political campaigns or other tax-exempt groups. Any such contribution, if carried out are in compliance with all applicable laws and regulatory requirements and disclosed in our annual report.



# Industry Associations and Policy Advocacy

At AESL we follow a structured mechanism for addressing policy advocacy issues across our operations. The Board and Corporate Responsibility Committee oversees the policy advocacy issues and lobbying efforts and provides an oversight for its addressal. We engage with various trade and industry chambers at national and global level. We ensure that our memberships and trade relationships do not contradict our climate strategies and to act when

they do. Our lobbying activities and trade association memberships are also aligned with the Paris Agreement thus ensuring that our action on climate change is consistent and strong.

We are signatory to various environmental collaborative frameworks, initiatives and commitments including Business Ambition for 1.5C, UN Global Compact, United Nations Energy Compact, India

Business and Biodiversity Initiative (IBBI) and 1t.org - platform for trillion trees community. For all the organisations we are signatory to, we ensure to align our business to meet the goals of the commitment to our best practices. Further, we also support and encourage our business partners including suppliers and vendors to adopt the best practices to contribute to sustainable development. We are associated with the following trade and industry associations at the national level.

- EPTA** - Electric Power Transmission Association (EPTA)
- NRPC** - Northern Regional Power Committee (NRPC)
- CII** - Confederation of Indian Industry (CII)
- FICCI** - Federation of Indian Chamber of Commerce and Industry (FICCI)
- APP** - Association of Power Producers (APP)
- GCCI** - Gujarat Chamber of Commerce and Industry (GCC)
- IPPAI** - Independent Power Producers Association of India (IPPAI)
- AMA** - Ahmedabad Management Association (AMA)
- QCFI** - Quality Circle Forum of India (QCFI)
- IBBI** - India Business and Biodiversity Initiative (IBBI)
- National Safety Council**
- GSC** - Gujarat Safety Council (GSC)
- GRI** - GRI South Asia Charter on Sustainability Imperatives (GRI)
- UN Global Compact**
- UN Energy Compact**

As part of maintaining our relationships, we contributed INR 22.17 Lakhs in FY 2022-23 and INR 17.3 Lakhs in FY 2021-22 as annual subscription fees towards our affiliated trade associations.



# Nurturing the Ecosystem

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Building a Better  
Tomorrow

Environmental sustainability is at the heart of everything that we do at AESL. Through collaboration and responsible practices, we strive to foster a harmonious coexistence between our operations and the natural environment.

We endeavour to strengthen the objectives of our environment commitments through focus on energy conservation, emissions reduction, water stewardship, waste management and biodiversity conservation.

In corroboration to our commitment, Adani Electricity Mumbai Limited (AEML) raised

\$300 million in sustainability-linked bonds with targets to boost renewable energy reach and reduction of greenhouse gas emissions.

We aim to inspire and lead the way towards a more sustainable future where people and the planet thrive together.

### Linkage with UNSDGs



### Key Highlights

Achieved

30.04%

renewables in power mix against the target of 60% share by FY 27

Achieved

Zero Waste to Landfill

for all O&M sites

Achieved

SUP free

status for the entire business.

## Environmental Stewardship

We acknowledge the impacts that our operations have on the environment. Our primary focus is on developing critical public infrastructure while ensuring minimum impact on the environment.

Our efforts are guided by our policies towards conservation of natural ecosystem. These policies outline our commitment as well as approach towards the environmental stewardship. These policies include:

- **Biodiversity Policy:** Integration of biodiversity conservation within the business decision making. Working towards achieving No Net Loss (NNL) of biodiversity in all the operations with the ultimate aim to achieve Net Positive Gain (NPG).
- **Environment, Health, and Safety Policy:** Conducting business operations in an environmentally conscious way while focusing on employee health and safety.

In the current financial year, AESL has become member to the UNGC, furthering our commitment to responsibly manage our business operations while continuing to meet our stakeholder expectations.

We are driven by the spirit of continuous improvement in our systems and processes to enable resource efficiency, waste minimisation, water conservation



and emission reduction. As a cornerstone of this commitment, all our subsidiaries and 100% of our operations are covered by the Integrated Management System (IMS) for Quality, Environment, Safety, and Energy and Asset management. These systems are certified against respective ISO standards viz, ISO 9001, ISO 14001, ISO 45001, ISO 50001 and ISO 55001. We have taken context specific initiatives across geographies. At Dahanu, we have undertaken pollution control measures such as installation of Electrostatic Precipitators (ESP) having four passes with six fields and an efficiency 99.91% along with the initiatives to restore natural spaces by developing green belt of 148-hectare land and plantation of two crore mangroves.

We have undertaken Environment Social Impact Assessment (ESIA) studies at Lakadia Banaskantha

Transmission Line (LBTL), Western Region Strengthening Scheme (WRSS) and Kharghar Vikhroli Transmission Line (KVTL). Following the ESIA studies, we implement the recommendations and report on them on our website.

## Environmental Violations

We are committed to the principles of transparency and accountability towards our stakeholders. Owing to our concerted efforts, there were no environmental violations related to our business and we have not paid any significant fines (> USD 10,000) related to environmental or ecological issues and violations in the past four fiscal years.



# Managing Impacts of Climate Change

Climate Change is the defining problem of our time. It is rapidly reshaping global economies and is a threat to the productivity and growth of a nation. In view of this, India has committed to reach net zero emissions by 2070 and achieve 50% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030.

Being a responsible corporate citizen, we understand our role in contributing to a low-carbon economy while attaining top line growth. We are signatories to the Declaration of Private Sector on Climate Change, pledging to take immediate actions to facilitate India's targets under the Paris Agreement. Our target for GHG emissions reduction is in alignment with India's Nationally Determined Contributions. We regularly engage with government bodies, industry associations, environmental organisations, and communities on climate change related issues.

Due to the innate nature of our business, we are exposed to physical and transition risks pertaining to climate change. As an adaptation measure, we are building and investing in climate resilient grids which are bolstered to sustain external pressures.

## Climate Governance

We acknowledge our responsibility towards our stakeholders to deliver on our commitments on environmental sustainability. Our Board maintains an oversight on climate related issues to derive accountability and ensure long-term business resilience.

Our Board level- Corporate Responsibility Committee oversees the implementation, monitoring and reporting of climate related issues. It governs organisation-wide sustainability related operational and financial risks. Climate-related topics form a crucial component of agenda of our Board level meetings.

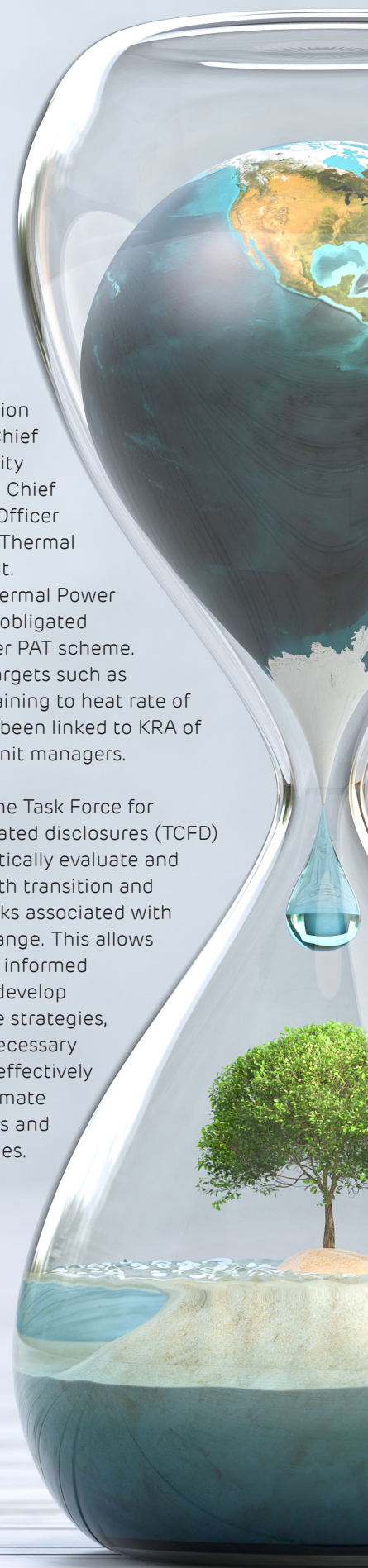
Our management is tasked with the implementation and execution of our response towards climate crisis. Our MD oversees strategy and provides overall direction for disclosures related to climate change performance, energy efficiency and working of the core ESG group.

An Apex ESG and Sustainability Committee comprising functional leaders and operating site leaders, chaired by the CEO, formulates the strategy and direction on climate change management. At the operational level, we have an ESG Working Group (ESGWG) which is a cross-functional team guided by the Chief Sustainability Officer.

Our climate performance is linked to the overall remuneration of all Key Management Personnel. Corporate action in response to climate change-related issues and achievement of targets, including implementation of climate transition plan and climate change-related targets such as increase in RE procurement, decrease in energy intensity in EBIDTA and ESG risk rating inclusive of climate change and water performance is a part of the CEO's key result areas. Climate change and sustainability-related performance-based incentives such as decrease in energy intensity are incorporated in the senior management's

compensation including Chief Sustainability Officer and Chief Operating Officer of Dahanu Thermal Power Plant. Dahanu Thermal Power Plant is an obligated entity under PAT scheme. Relevant targets such as those pertaining to heat rate of plant have been linked to KRA of Business Unit managers.

We apply the Task Force for Climate related disclosures (TCFD) to systematically evaluate and address both transition and physical risks associated with climate change. This allows us to make informed decisions, develop appropriate strategies, and take necessary actions to effectively manage climate related risks and opportunities.



### Climate Risk & Opportunities (R/O) Management

Climate related risks and opportunities are identified and assessed through two comprehensive management processes, viz.- Health, Safety, and Environment Management System and entity wide Enterprise Risk Management System.

Our risk management system is based on COSO framework to ensure an approach based on industry standard practices, integrating internal control measures, while enabling implicit risk assessment and management. It evaluates the potential impact of strategic, tactical, and operational risks on our business resilience and operational continuity. Post risk identification, likelihood and impact of individual risks are assessed, their inter relatedness mapped and mitigation measures are determined to ensure effective management.

Owing to the cross functional nature of climate related impacts, we strategically integrate climate related risks in the overall business risk assessment. This paints a holistic picture of the overall risk landscape and enables swift implementation of mitigation and remediation measures.

Risks that constitute an immediate threat to business continuity **within a span of a year**, are classified as **short- term risks**. Our **medium-term risks** consider an impact in the **near future (1-3 years,)** whereas **long term risks** are potential risks with the probability of impacting our business **after 3 years** of timespan.

#### Scenario Analysis and Stress Testing

We have built a structured approach to assess and manage possible future risks associated with Climate Change. Scenario Analysis facilitates us to articulate the potential impacts of climate change on our business strategy and financial performance.

We perform an organisation-wide analysis over long term (2020-2039) to assess the risks and understand its implications on our operational efficiency and continuity.

We conduct climate scenario analysis to align our strategy and have a futuristic outlook towards our business plan. We have identified IPCC Representative Concentration Pathway (RCP) scenarios and IEA scenarios to define our overall outlook.

1. **RCP 4.5-** Intermediate emissions scenario with global mean temperature expected to rise by

1.1-2.6°C. The scenario assumes that regulatory mechanisms such as introduction of GHG prices would achieve the goal of limiting the rising global temperature.

2. **RCP 6.0** - High emissions scenario with global mean temperature expected to rise by 3-4°C.

3. **IEA 2DS-** The 2DS is consistent with a 50% probability of limiting the expected global average temperature increase to 2°C by 2100. Electrification of end uses is a key lever in the 2DS and becomes even more important in the B2DS. We align ourselves with 2DS scenario by increasing the share of renewable energy in our power mix.

4. **IEA B2DS-** The greater ambition in the Beyond 2°C Scenario (B2DS) will require accelerated power sector decarbonisation. We align ourselves with B2DS scenario by increasing the share of renewable energy in our power mix.

5. **IEA NZE 2050-** The IEA Net Zero Emissions by 2050 Scenario (NZE) shows a pathway for the global energy sector to achieve net zero CO<sub>2</sub> emissions by 2050.

### Climate Related Physical Risk Identified and Mitigation Measures

Physical Risk 1	Risk Category - Acute	Time Span - Medium Term
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All AESL assets in Rajasthan, Gujarat, Maharashtra, Bihar, Madhya Pradesh, Haryana, Uttar Pradesh, Chhattisgarh, and Jharkhand are susceptible to acute physical risks like flooding, cyclones, and earthquakes. We have devised efficient mitigation measures such as establishment of stronger transmission networks within each system and stronger interconnections between systems by employing robust tower designs to withstand extreme weather events.

Physical Risk 2	Risk Category - Chronic	Time Span- Long Term
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Our assets are under the risk of being impacted by long term climate related disruptions. Climate resilience is incorporated in the assets during project design phase. Design improvisation approach such as monopoles, insulated cross arms, utilization of higher grade of concrete to adopt to climate related impacts. Our infrastructure design practices integrates all conditional aspects like wind zones, seismic zones, soil resistivity, water properties, hydrological assessment, and other environmental factors. By the virtue of this, AESL's towers hold the capacity to withstand a range of contingencies and adverse conditions.

**Climate Related Transition Risks Identified and Mitigation Measures**

<b>Transition Risk 1</b>	<b>Risk Category - Policy and Legal</b>	<b>Time Span - Medium Term</b>
	<p>Risks in terms of pricing of GHG emissions such as a Carbon Tax, increasing GHG emissions reporting obligations and mandates on renewable energy share</p> <p>We regularly monitor the regulatory landscape, seek legal opinions for clarifications and participate in necessary policy advocacy on myriad subject matters related to the emerging regulatory risks. Additionally, we have intensified our efforts to reducing the organisation's GHG emission intensity, maximsing renewable energy integration and implementing energy-efficiency initiatives.</p>	
<b>Transition Risk 2</b>	<b>Risk Category - Market</b>	<b>Time Span - Medium Term</b>
	<p>Market disruption might affect our ability to transition efficiently to lower carbon economy. We plan to mitigate this risk by accessing emerging markets through renewable energy mix in the distribution business.</p> <p>Supporting customers by facilitating rooftop solar installations.</p> <p>Commissioning EV charging station.</p>	
<b>Transition Risk 3</b>	<b>Risk Category - Technology</b>	<b>Time Span - Medium Term</b>
	<p>Advent of newer technologies and our failure to adapt them can turn our business less profitable and obsolete over coming years. We have implemented newer technologies in all our business functions. Renewable energy depends on newer technologies to efficiently integrate electricity supply in the grid.</p>	

To ensure business continuity in the face of climate change, we have integrated several adaptation and mitigation measures in our strategy. We invest in resilient infrastructure that are designed to withstand climate related stresses without compromising on our operational efficiency.

Our Emergency Restoration System corroborates rapid recovery in case of transmission and distribution network collapse and ensures reliability in face of an extreme weather event.

Greenhouse gas emissions contributing to Climate change may lead to frequent occurrence extreme weather events which is a critical global challenge that affects a wide range of stakeholders, including governments, our supply chain, our workforce as well as our customers businesses, communities, and individuals.

Adherence to stringent environmental laws and regulations, exemplified by initiatives like the Perform, Achieve, and Trade (PAT) scheme, Carbon tax, and the augmented Coal Cess, invariably leads to escalated energy costs. In light of this, proactively addressing climate change risks not only aligns with sustainability goals but also serves as a strategic move to preempt surging operational expenses.

We understand that Companies and organizations that proactively engage with these stakeholders on climate-related matters are better positioned to navigate the challenges posed by climate change and tap the opportunities. In response, we've embarked on a series of initiatives aimed at augmenting the share of Renewable Energy (RE) in our products. This not only exemplifies our commitment to sustainability but also empowers our customers

to substantially curtail their greenhouse gas (GHG) emissions, thereby propelling them closer to their climate targets. The scale of these endeavors is noteworthy, with a total investment of USD 700 million, as part of India's expansive Green Energy Corridor Projects.

These initiatives have been strategically distributed across various states, strategically conceptualized to fortify the transmission system. By enhancing grid stability and ensuring a robust transmission network, we're not only fostering an environment conducive to a higher availability of renewable energy but also playing an instrumental role in bolstering the country's renewable energy landscape.

We have taken various initiatives to materialise the identified opportunities and 1893.8 Cr was the cost incurred in capitalising and increasing renewable energy mix in our portfolio.

**Climate Related Opportunities**

**Opportunity Category - Markets**

**Opportunity Driver** - Access to new markets

**Time Span** - Medium Term

**Opportunity identified and strategy to realise opportunity**

Due to significant advancements in the global agenda on decarbonisation, there is a striking acceleration for companies operating in distribution sector to enter new markets with an increased share of renewables in the energy mix. Renewable energy sources such as solar-roof tops are anticipated to fundamentally alter the conventional energy mix and create a well-structured decentralized network across the country, which offers huge potential for a distribution company with access to new markets. Further, with concerted efforts, the EV market of India is expected to grow rapidly, offering us revolutionary access to new markets involving the commissioning of EV charging stations. Moving forward, we want to expand our market footprint and support the green mobility goal comprehensively.

**Opportunity Category - Markets**

**Opportunity Driver**- Green Tariffs

**Time Span**- Medium Term

**Opportunity identified and strategy to realise opportunity**

The world is moving towards a lower carbon economy with consumers preferring greener alternatives to fossil-based power. There is an acceleration for the energy distribution company to create new markets with an increased share of renewables in the energy mix. We believe by providing greener solutions to our customers, we shall become a preferred partner in their low carbon journey.

**Opportunity Category- Policy and Legal**

**Opportunity Driver**- Policy

**Time Span**- Medium Term

**Opportunity identified and strategy to realise opportunity**

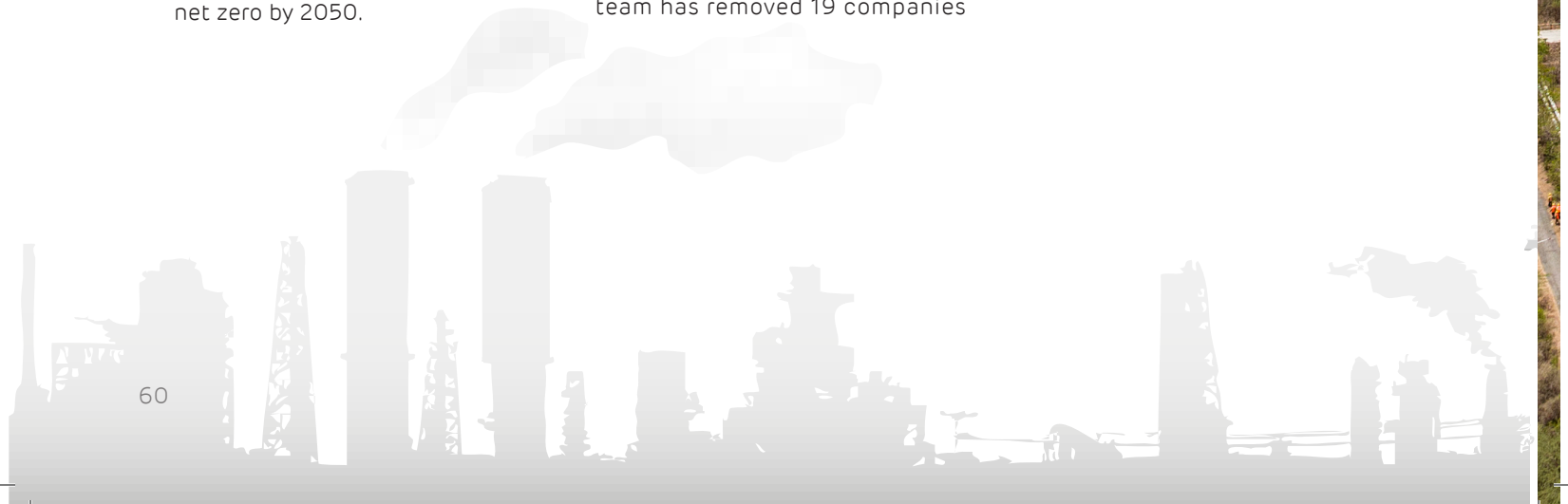
We are committed to strive for the adoption of technologies and systems for energy efficiency. The Perform, Achieve and Trade (PAT) scheme, a regulatory mechanism to reduce Specific energy consumption in energy intensive industries. This has resulted in generation of Energy Certificates (E-Certs) in Dahanu plant, which can be traded to generate additional income.

**Net Zero Commitment**

We aspire to be sector leaders by contributing to India's Net Zero ambition. The transition to a low carbon economy offers an opportunity to build resilience and explore new avenues for our business. We committed to reach net zero by 2050.

To fulfil our commitment, we have defined our strategies, goals and have introduced targets to achieve these objectives. AESL has committed to SBTi using SBTi tools, however the targets are not yet validated by SBTi team. SBTi team has removed 19 companies

including AESL from committed list citing noncompliance to their "Oil and Gas policy", which is currently under revision. We have made submissions in this regard and is awaiting response from SBTi.



# Emissions Management

Emissions reduction forms an intricate part of our net zero strategy. As a responsible corporate, we believe it is our duty to lead the way towards a low carbon economy. We have taken multiple steps to reduce emissions throughout our operations. This reduces the risk of any future regulatory non-compliance due to change in policy landscape while providing a unique opportunity to gain a competitive advantage. Our medium-term target is to reduce our Greenhouse Gas intensity (on per rupee revenue generated) to 40% by FY 2025 and in the long-term to 70% by FY 2030 against our baseline year 2019.

We aim to achieve this by expanding the share of renewables and investing in energy efficient initiatives such as:

- Unit 01 (U1) Replacement of HP (High Pressure) & Intermittent Pressure (IP) Turbine – Over Hauling (OH) of LP Turbine.
- Reduction in slip loss of Boiler Feed Pump (BFP) No :1B hydraulic coupling in Unit: 01 (U-01).
- Using Solar to Offset Auxiliary consumption from Grid.
- Monitoring and optimised utilisation of Diesel in Diesel Generating (DG) Set.
- Monitoring Sulfur Hexafluoride (SF<sub>6</sub>) Gas leakage through latest technology cameras.
- Certification of >99 % Zero Waste to Land Fill.

We follow GHG Protocol for our GHG inventorisation of Scope 1, Scope 2 and Scope 3 emissions.

Emissions have been arrived at using emission factors prescribed by Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) and Department for Environment, Food and Rural Affairs (DEFRA).

Our Scope 1 emissions are a resultant of the fuel consumption within the organisation. There is a steady increase in our Scope 2 emissions due to increase in customer demand.

Electricity consumption from the grid and transmission network losses majorly contribute towards our Scope 2 emissions while the following categories contribute to our Scope 3 emissions Purchased goods and services, Upstream transportation and distribution, Business travel and Employee commuting.

## GHG Emissions (tCO<sub>2</sub>e)

Parameter	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Total direct GHG emissions (Scope 1) Gases included in calculation-CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, SF <sub>6</sub> , CFCs	3,187,007	2,592,313	2,691,062	2,826,371
Total indirect GHG emissions (Scope 2-market based) Gases included in calculation-CO <sub>2</sub>	21,155	332,211	557,775	435,852
Total indirect GHG emissions (Scope 2-location based) Gases included in calculation-CO <sub>2</sub>	22,804	333,942	558,915	438,291
Total indirect GHG emissions (Scope 3) Gases included in calculation-CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O*	5,356,636	3,763,610	4,089,587	3,117,794

\*For Scope 3 categories where DEFRA is used as EFDB- Emission Factor Database the GHGs include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O.

We have recalculated and restated the emissions data for the past two years which resulted in a decrease in the emissions across scope 1, scope 2 and scope 3.

Particulars	Units	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
SF6 emissions	tCO <sub>2</sub> e	2,941.56	745.56	297.75	535.60

Scope 3 Category	Emissions (tCO <sub>2</sub> e)	Emissions Calculation Methodology and exclusions
Purchased goods and services	3,081,140	Spend based method was used, where the spend data for different commodities purchased is taken as an input for the activity data. The emissions for this category are calculated through Scope 3 evaluator tool by GHG Protocol and Quantis.
Capital goods	0	No project related assets were capitalised during the reporting year. Hence reported as 0.
Fuel-and-energy-related activities	0	T&D losses occurring in the grid for the purchased and sold electricity and for the electricity generated in our thermal power plant are accounted under purchased good and service category above, hence this category emission are zero for us.
Upstream transportation and distribution	36,450	Hybrid method was used to consolidate emissions in this category. Supplier specific method was adopted for road transport, in which the fuel consumed was taken as input data point. For transportation through other modes such as train, sea and air, distance traveled has been taken as the activity data. Emission Factors for this category were referred from DEFRA and IPCC.
Waste generated in Operations	0	We have diverted 99.88% of waste from landfill and are certified as Zero waste to landfill by M/S Intertek Private Limited
Business travel	190	Distance based data for air, rail and road mode was selected as data input. We refer secondary references to identify the context specific emission factor.

Scope 3 Category	Emissions (tCO <sub>2</sub> e)	Emissions Calculation Methodology and exclusions
Employee commuting	12	Average data method based on survey responses received from employees. Data inputs include mode of travel, fuel and distance. Referred DEFRA and GHG Protocol mobile combustion guidance for determining the emission factors.
Upstream leased assets	0	No upstream leased assets other than logistics vehicles which are already covered under Scope 1 as fuel used is paid by AESL, thus emissions under this category are 0 for the reporting period.
Downstream transportation and distribution	0	No Downstream leased assets other than customer care offices and logistics vehicles used for the distribution & transmission line inspection, O&M teams, which are already covered under Scope 1 as fuel used is paid by AESL, thus emissions under this category are 0 for the reporting period.
Processing of sold products	0	No processing required for use of our services and thus, emissions under this category is reported 0
Use of sold products	0	No additional energy required for use of our services, thus reported 0.
End of life treatment of sold products	0	No end of life treatment for our services, hence reported 0.
Downstream leased Assets	0	Downstream leased assets for customer care are included in Scope 2, hence this category of emissions is reported 0.
Franchises	0	No franchises for our services, therefore disclosed as 0.
Investments	0	Investments made in other entity is yet to start operations, hence emissions under this category is not relevant for tracking and monitoring, thus disclosed as 0.
Other (upstream)	0	We do not track activity data under this category as we believe the relevant scope 3 emissions are already covered in the specific categories, thus reported 0.
Other (downstream)	0	We do not track activity data under this category as we believe the relevant scope 3 emissions are already covered in the specific categories, thus reported 0.

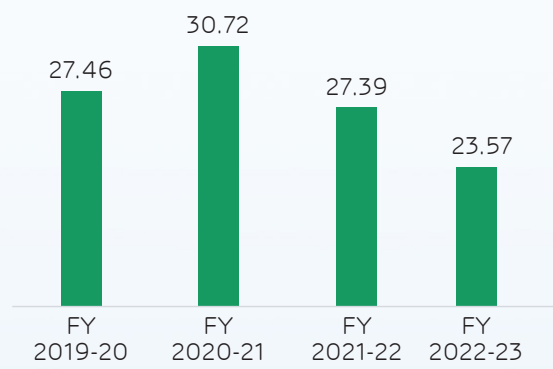
## GHG Intensity

Our Emissions intensity has decreased in comparison to last year. This can be attributed to various company-wide energy saving initiatives taken along with increase in our revenue.

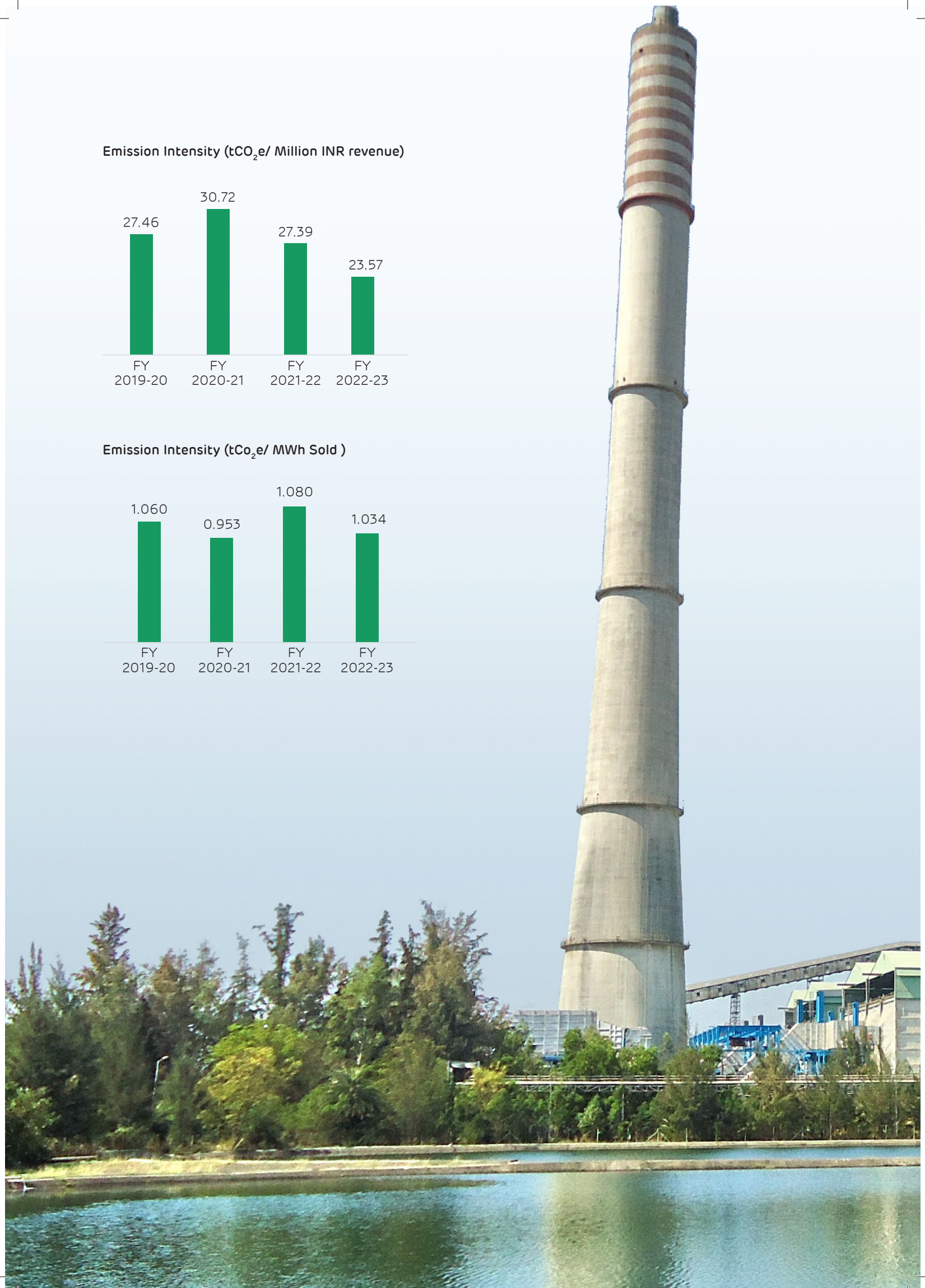
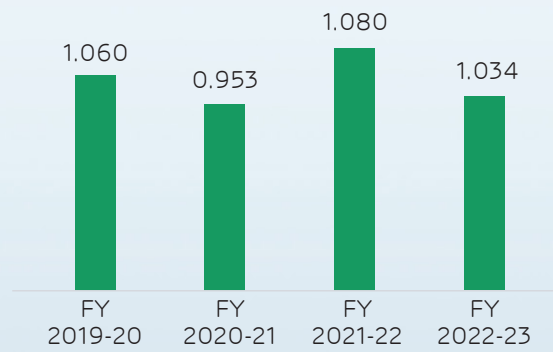
	Units	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Emissions	tCO <sub>2</sub> e/ Million INR revenue	27.46	30.72	27.39	23.57
Intensity	tCo <sub>2</sub> e/ MWh sold	1.060	0.953	1.080	1.034

Emission intensity data for FY 2021-22 was recalculated and restated which resulted in a decrease from 27.67 tCO<sub>2</sub>e/ Million INR revenue to 27.39tCO<sub>2</sub>e/ Million INR revenue.

Emission Intensity (tCO<sub>2</sub>e/ Million INR revenue)



Emission Intensity (tCO<sub>2</sub>e/ MWh Sold )





## Air Emissions

With an objective to minimise our environmental impact, AESL streamlined investments to upgrade technologies in our Dahanu plant. These investments are in the form of state of technology that has resulted in minimal impact while driving greater sustainability in our operations.

We have taken many measures to prevent pollution of natural resources during the course of our operations, some of these initiatives are-

- The Dahanu plant is equipped with Flue Gas De-sulfurisation (FGD) since 2007 helping in reducing SOx emissions significantly, well below the prescribed limits defined by regulatory authorities.
- Due to the provision of Over Fire Dampers, the Nitrogen Oxide (NOx) emission

was within limits since inception; a stack of 275.38 meters height ensured thin dispersion of flue gas over a large area.

- The Dahanu plant has four ambient air quality monitoring stations installed, which helps in continuous monitoring of stack emissions dispersion in the ambient air.

The increase in our Direct NOx, SOx and Dust Emissions can be attributed to the increase in our plant operating hours.

The air emission sources are monitored as per defined frequency by an MoEF&CC approved or National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited third party laboratory as mandated by the Central and respective State Pollution Control Boards.

Type of Air Emissions	Units	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Direct NOx Emissions	MT	2,941.6	2,989.9	3,571.6	4,035.1
Direct SOx Emissions	MT	1,069.6	1,407.2	2,106.4	2,909.2
Dust Emissions	MT	2,941.6	379.3	454.0	540.0
Mercury Emissions	kg	24.8	23.9	26.5	29.3
SF <sub>6</sub> Emissions	kg	22.8	12.7	31.7	125.2
ODS Emissions*	kg of CFC11 Eq	0	0	22.2	0

\*ODS emissions includes R22 R410A and SF<sub>6</sub> are not considered as their ODP is zero, although they are emitted. SF6 Emissions (tCO<sub>2</sub>e) is included in our overall Scope 1 emissions.



# Energy Management

Energy management is critical for achieving our decarbonisation objectives. Our climate change targets are tightly linked with our energy management. ADTPS was a designated customer under PAT 1 and PAT 2.

Our plants are ISO 5001-2018 certified, reaffirming our commitment to continually improve our energy efficiency, use and consumption. We have effective systems and processes in place to minimize energy wastage in our operations.

Mid to long term Global Energy Outlook studies point towards an increase in energy demand in the

face of climate crisis. AESL views this as an opportunity to continue to enhance its commitment to decarbonisation of its grid. In the current financial year, we have achieved 30.04% renewable energy mix in our power procurement. As we further embark on this journey, we commit to increase our renewable share to 60% by 2027.

We have undertaken various energy reduction initiatives to conserve energy and make our operations green. Some of these initiatives include- structural changes in equipment, parts replacement to plug leakages and inefficiencies reduction.



## Energy Consumption (in GJ)

Parameter	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Coal	56,142,342	30,352,233	31,555,809	32,811,389
Diesel	58,972	77,681	28,443	38,984
LDO	17,910	11,160	13,455	10,208
LPG	0	0	625	653
Petrol	3,298	8,730	4,675	4,620
<b>Total Fuel Consumption; A= (a+b+c+d+e)</b>	<b>56,222,521</b>	<b>30,449,804</b>	<b>31,603,007</b>	<b>32,865,854</b>
Electricity consumed from Non-RE sources (B)	85,453	39,580	80,422	99,649
Electricity consumed from RE sources (C)	7,420	7,886	5,065	12,368
<b>Total Energy Consumed (A+B+C)</b>	<b>56,315,394</b>	<b>30,497,270</b>	<b>31,688,494</b>	<b>32,977,871</b>

We do not consume energy from any renewable fuel source and hence not accounted.

### Energy consumption outside the organisation

During the year under review, energy consumption outside the organisation was 41,727,703 GJ.

### Energy conservation initiatives

- To reduce our auxiliary power consumption, we enhanced our solar capacity from 1.7 MWp from FY 2019-20 to 3.4 MWp during the current financial year. These solar installations were undertaken at our operational sites at Mahendragarh, Akola, Koradi, Sami, Morena and Rajnandgaon. Our target is to increase our solar installations in all our transmission sites.
- Unit O1 (U1) replacement of HP (High Pressure) & IP (Intermediate Pressure) Turbine - OH (Over Hauling) of LP (Low Pressure) Turbine.
- Reduction in slip loss of BFP 1B (Boiler Feed Pump Unit 1B) hydraulic coupling in U-1.
- Monitoring and optimised utilisation of diesel in the DG set.
- Monitoring SF<sub>6</sub> (Sulphur Hexafluoride) gas leak through contemporary technology cameras.
- HP heater performance improvement by attending parting plate leakage (improvement in heat rate by 7.8 kcal/kWh).
- Replacement of BFP cartridge in Boiler Feed Pump Unit 1A (reduction in auxiliary power consumption by 582 kW per hour).

- Installation of energy-efficient lighting (reduction in auxiliary power consumption of 448 MWh per annum).
- Nano molecular thermos conductive additive treatment for air conditioning system.

**These initiatives have resulted in energy reductions of 32,560 GJ with GHG emissions saving of 6,422 tCO<sub>2</sub>e.**

The reductions include emissions from CH<sub>4</sub>, CO<sub>2</sub>, SF<sub>6</sub> and N<sub>2</sub>O. These were estimated based on activity data and emission factor from CEA. Additionally, 116, 110 tCO<sub>2</sub> emissions were reduced due to renewable energy procured and sold during the current financial year. This was estimated factoring in the T&D losses and emission factor from CEA.

The base year for calculation of reduction in energy consumption was FY 2021-22.

### Energy Intensity

We monitor the total energy consumed within our organisation in ratio with the revenue generated in the financial year. Energy intensity is a measure to

track the progress of our energy efficiency measure. A decline in energy intensity signals towards the success of our energy efficiency measures.

During the year under review, our energy intensity decreased by almost 11%. This can be attributed to the successful implementation of energy saving initiatives as well as increase in revenue.

	Units	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Energy Intensity	GJ / Million INR revenue	481.30	292.30	267.16	238.27
	GJ/MWh Sold	18,604	9,934	10,558	10,456

### Installed Capacity Mix

Installed Capacity Mix based on non-renewable energy generation sources

Generation Source	Capacity 2022 (MW)	Share of capacity 2022 (%)	Target capacity 2030 (MW)	Share of Capacity 2030 (%)
Coal	500	100%	0	0

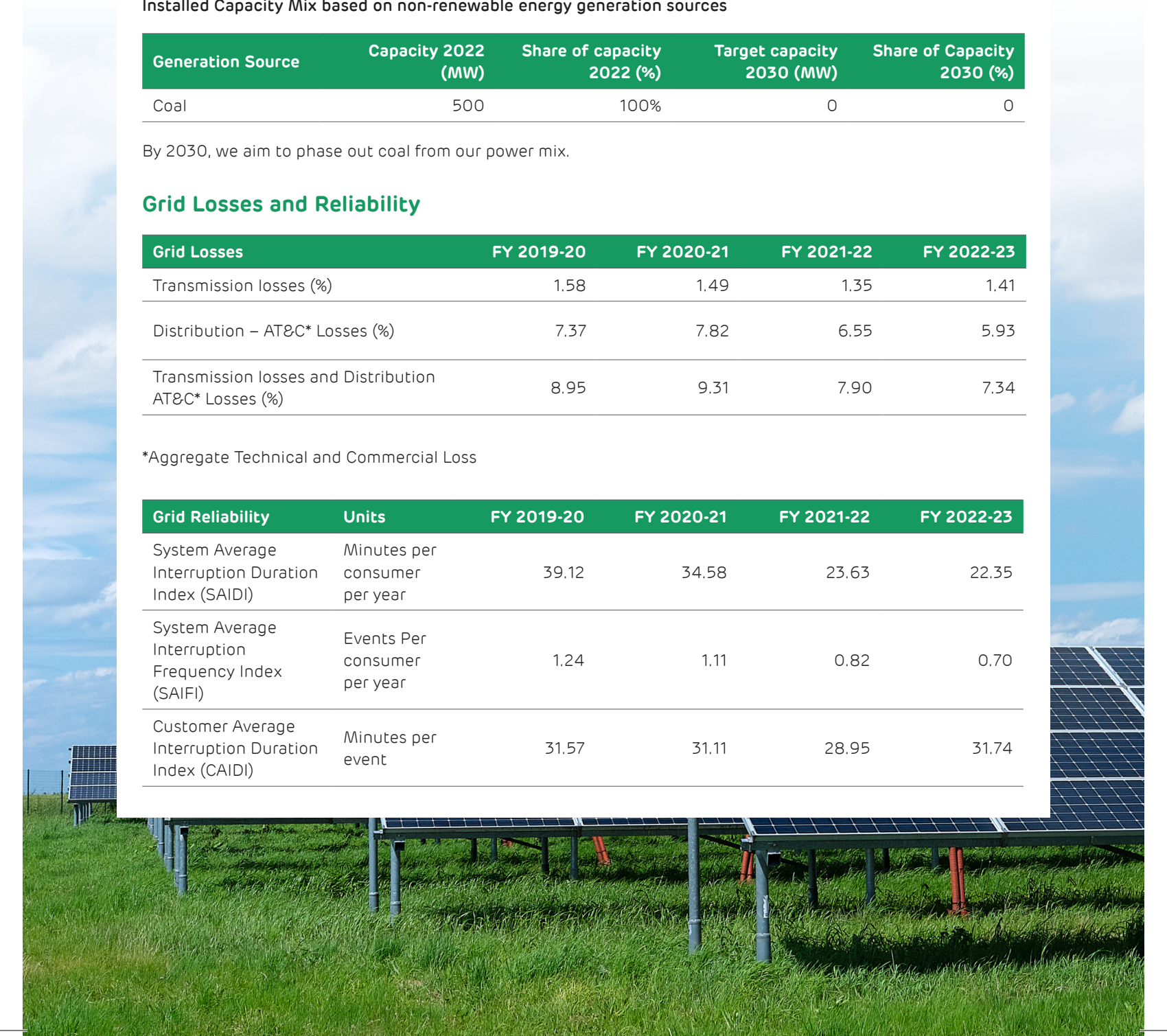
By 2030, we aim to phase out coal from our power mix.

### Grid Losses and Reliability

Grid Losses	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Transmission losses (%)	1.58	1.49	1.35	1.41
Distribution – AT&C* Losses (%)	7.37	7.82	6.55	5.93
Transmission losses and Distribution AT&C* Losses (%)	8.95	9.31	7.90	7.34

\*Aggregate Technical and Commercial Loss

Grid Reliability	Units	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
System Average Interruption Duration Index (SAIDI)	Minutes per consumer per year	39.12	34.58	23.63	22.35
System Average Interruption Frequency Index (SAIFI)	Events Per consumer per year	1.24	1.11	0.82	0.70
Customer Average Interruption Duration Index (CAIDI)	Minutes per event	31.57	31.11	28.95	31.74



## Electricity sold (in GWh)

		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Non-Renewable Energy	Generated & Sold	3,027	3,070	3,009	3,184.16
	Purchased & Sold	4,680	5,594	4,246	3,648.12
Renewable Energy	Generated & Sold	0.67	0.96	1.41	1.72
	Purchased & Sold	145	224	716	2,228
<b>Total Electricity Sold</b>		<b>7,853</b>	<b>8,889</b>	<b>7,972</b>	<b>9,062</b>

## Average Carbon Intensity

- 805.65 tCO<sub>2</sub>e/GWh for electricity generated (ADTPS)
- 932.36 tCO<sub>2</sub>e/GWh for electricity sold (ADTPS)
- 359.99 tCO<sub>2</sub>e/GWh for electricity sold (AESL)





# Material Management

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We strive to minimise our environmental footprint by reducing waste generation, incorporating best industry practices, and adhering to the waste management principles. We achieve this via fostering continuous improvement through the 5R principles of reduce, reuse, recycle, repurpose, and recover. These principles guide our efforts to maximize resource efficiency through implementation of the circular economy guidelines.

As our commitment towards environment sustainability, 37 operational sites have attained a SUP free status, further strengthening our commitment to SDG 12.

Our comprehensive Integrated Management System combines various interconnected processes and strategies to optimise waste reduction and promote overall environmental sustainability through process improvisation, product design improvements and implementation of efficient practices. It incorporates monitoring and performance measurement mechanisms to track generation, segregation, and recycling rates. We dispose all our waste responsibly in accordance with the applicable regulations and ensure 100% legal compliance to them.

**Key Material Consumption**

Particulars	Units	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Coal	MT	1,915,624	1,785,029	1,988,929	2,222,916
Concrete (M20) and reinforced cement concrete (RCC) +PCC	Cum	78,053	131,593	134,853	70,612
Steel (tower part)	MT	75,840	104,503	29,303	29,266
Aluminum alloy (conductor)	MT	22,395	33,994	18,616	52,395
Steel wires (conductor and earth wire)	MT	6,052	3,728	2,559	2,072
Diesel Consumption	kL	1,551	2,043	1,557	1,362

The data reported in the table above includes only non-renewable materials.

37% of total steel input is recycled/ reused steel for current and previous reporting period. CRISIL research report 2022 reports India's steel average scrap content at 37%.

**Waste Categories**

During the year under review, 3020.11 MT of waste was generated in our operations. Broadly waste is categorised into three categories in all our businesses- hazardous waste, electronic and electric waste and non-hazardous waste (including metals and plastic waste).

Non- hazardous waste generated during the operations including

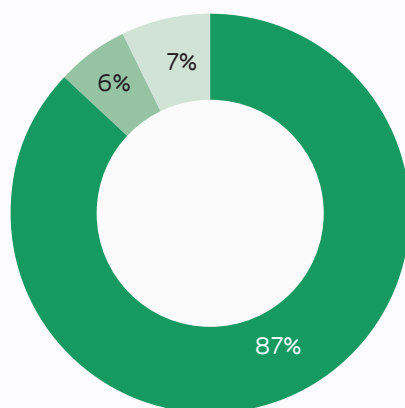
the following- insulator scrap, wood scrap, steel scrap, aluminum scrap(conductors), GI scrap, scrap rubber, scrap copper, scrap corroded APH basket, saw dust, MS scrap, and reinforcement steel. This is sold and auctioned through internal standard procedures.

Hazardous waste such as oil drums, used transformer oil, used/spent oil, waste/residue, containing MS barrel, waste

resin, used cotton waste, empty contaminated drums are disposed through State Pollution Control Board authorised recyclers and re-processors.

E-waste such as transformers, MV VFD panel, used batteries, switchgears, meters, capacitors, relays, ignitors and fuses are given to recyclers for their further processing

**Waste Generation during FY 22-23 (in MT)**



● 207.0  
Hazardous Waste

● 2,596.9  
Non- Hazardous Waste

● 216.3  
E-Waste

Hazardous waste includes 0.1 MT of biomedical waste and 38.9 MT of battery waste. Non-hazardous waste includes 5.0 MT of plastic waste and 1.8 MT of construction & demolition waste.



## Waste

### Waste Diverted from Disposal (in MT)

Type of waste	End of life method	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Hazardous Waste</b>	Recycled	90.8	186.9	319.8	171.6
	Reused	0	0	0	0
	Other Recovery Options	0	0	0	0
<b>Non-Hazardous Waste</b>	Recycled	4,509	2,566	3,295	2,645
	Reused	0	0.3	0.3	18.8
	Other Recovery Options	0	0	0	11.9

### Waste Diverted to Disposal (in MT)

Type of waste	End of life method	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Hazardous Waste</b>	Landfilled	0	0	0	0
	Incinerated (with energy recovery)	2.3	7.6	7.0	20.0
	Incinerated (without energy recovery)	0	0	0	0
	Other disposal options	0	0	0	0
	Unknown disposal options	0	0	0	0
<b>Non-Hazardous Waste</b>	Landfilled	115.6	16.2	23.3	22.0
	Incinerated (with energy recovery)	0	0	0	0
	Incinerated (without energy recovery)	0	0	0	0
	Other disposal options	0	0	0	0
	Unknown disposal options	0	0	0	0

Our Central Procurement Group identifies vendors for waste disposal in accordance with applicable statutory and legal compliances. Our material management group at each business site coordinates with vendors for safe disposal of our

waste. We dispose our hazardous waste through certified vendors ensuring regulatory compliance at each step of disposal. Other solid and non-hazardous waste is supplied to interested parties for recycling and reuse.

We ensure no / minimal waste generated during our operations goes to landfill and is redirected to another production system. All our assets under O&M phase are certified as Zero Waste to Landfill.

**Ash Waste (in MT)**

Total Ash Waste	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Recycled/reused	544,360	422,833	671,098	625,334

Total ash disposed for the reported years is Zero.



# Water

Water plays a critical role in supporting all our business activities. We utilize water in cooling towers, fly ash management and also for consumptive purposes like gardening or general utilisation etc. We promote sustainable water usage in all our operational sites and business and strive to minimise our water consumption through uptake of conservation initiatives.

As a show of our commitment towards water stewardship, we ensure to replenish natural water sources by extracting lesser than what we utilise. We

have taken various initiatives to enhance the effectiveness of water monitoring systems in our substations to track water consumption and facilitate efficient water recharge processes. During the year under review we have implemented water metering at all our sites.

We manage our water consumption through continuous monitoring and tracking in all operational sites through flow meters and flow transmitters.

To decrease our dependency on the freshwater, we focused on

maintaining the functionality of our rainwater harvesting systems. We target to meet our daily water needs in our substations through rainwater. In order to achieve this, rainwater harvesting feasibility studies have been conducted for our operational sites.

AESL has not been subjected to any water-related incidents (operation interruptions/plant closures etc.) with substantial (more than USD 10,000) impacts on costs/revenues in the last four fiscal years.



**Water Withdrawal (in kL)**

Water Source	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Surface water	1,816,542	1,740,440	1,576,876	1,776,885
Groundwater	0	25,200	40,884	57,693
Third Party Water	0	1,11,030	32,518	661
Others (Rainwater)	0	0	147,898	7,731
<b>Total Water Withdrawal</b>	<b>1,816,542</b>	<b>1,876,670</b>	<b>1,798,176</b>	<b>1,842,970</b>
Seawater	377,004,000	377,534,000	465,495,317	488,105,573

As AESL does not have water storage systems, seawater withdrawn is utilised in the process and then discharged back. Thus, our water withdrawal is equal to our water consumption

**Water Discharge (in kL)**

Water discharge by destination	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Surface water	0	0	0	0
Groundwater	0	0	0	0
Seawater	377,004,000	377,534,000	465,495,317	488,105,573
Third-party water (total)	0	0	0	0
<b>Total water discharge</b>	<b>377,004,000</b>	<b>377,534,000</b>	<b>465,495,317</b>	<b>488,105,573</b>
Water discharge by freshwater and other water				
Freshwater (≤1,000 mg/L Total Dissolved Solids)	0	0	0	0
Other water (>1,000 mg/L Total Dissolved Solids)	377,004,000	377,534,000	465,495,317	488,105,573

We have a proactive approach towards judicious water consumption. We ensure treatment of all effluents before discharge.

Adani Dahanu Thermal Power Station (ADTPS) is certified with ISO 46001 Water Efficiency Management System.

Effluent generated in thermal power plant is treated and disposed off as per Maharashtra Pollution Control Board (MPCB) consent to operate guidelines.



## Water Risk Management

Water is strategically important for our operational continuity. We continuously assess water related risks in all our sites by being vigilant towards any regulatory changes and through periodic assessments via globally recognised tools such as WRI Aqueduct. The risks assessed are broadly categorised into physical risks – location specific risks such as water quantity and water quality, regulatory risks- arising due to change in water policy requirements, non-compliances due to applicable regulations and reputational risks- arising due to mismanagement of water resources.

We conducted a water stress level and drought risk level analysis to understand the drivers of water stress and identified effective strategies for water resource planning and management.

## Water Stress

Baseline water stress measures the ratio of total water demand to available renewable surface and groundwater supplies. Water demand include domestic, industrial, irrigation, and livestock uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users. The following are our substations in water stress areas:

- 1) Mohindergarh HVDC, Haryana
- 2) Badaun substation, Uttar Pradesh
- 3) Alwar Substation, Rajasthan
- 4) Bar Substation, Rajasthan
- 5) Deedwana Substation, Rajasthan
- 6) Ghamurwali Substation, Rajasthan
- 7) Ghumati Substation, Rajasthan
- 8) Khatoti Substation, Rajasthan
- 9) Riyabari Substation, Rajasthan
- 10) Shekhsar Substation, Rajasthan
- 11) Ahore Substation, Rajasthan

## Water Withdrawal and Consumption in Water Stressed Areas (in kL)

Water Withdrawal and Consumption by Source	FY 2021-22	FY 2022-23
Surface water	30	0
Groundwater	16,620	26,032
Third Party Water	550	96
Seawater	0	0
Others	1,928	726
<b>Total Water Withdrawal and Consumption</b>	<b>19,127</b>	<b>26,854</b>

## Effluents Treatment and Discharge

We lay an increased focus on reusability of our treated water. Our domestic effluent is treated in our in-house sewage treatment plants, the treated water was further utilised in the horticultural activities.

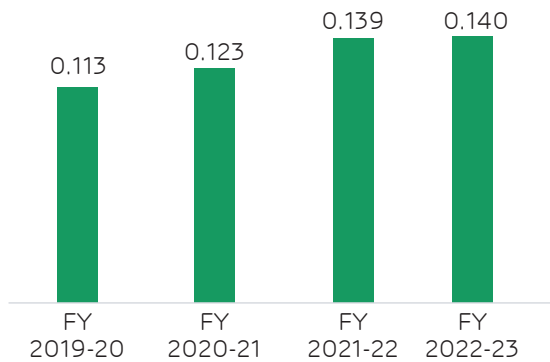
Water recycled and reused	Units	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
	kL	204,490	233,750	198,500	189,210

## Fresh Water Intensity

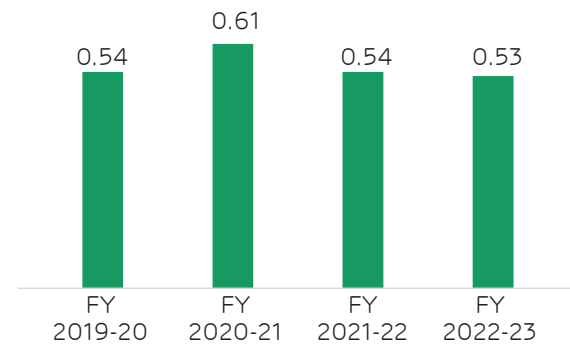
Freshwater Intensity	Unit	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
	kL/ Million INR revenue	15.86	17.90	15.16	13.32
	kL/Million Units	600.11	611.31	597.60	584.33

Freshwater intensity data for FY 2021-22 was recalculated and restated which resulted in a decrease from 15.19 kL/ Million INR Revenue to 15.16 kL/ Million INR Revenue.

Sea water intensity in (kL/kWh generated)



Water intensity (kL/MWh electricity generated)



Significant increase in water intensity for FY 2020-21 due to Covid-19 related requirements.

## Biodiversity



At AESL, we recognise the critical role that biodiversity plays to support the ecosystem. Biodiversity loss is a high impact risk that has the potential to negatively affect the overall ecosystem health and wellbeing. Biodiversity conservation is key to ensure our business continuity and forms an integral part of our corporate strategy.

AESL intends to prevent any damage to the natural ecosystem. Our **Biodiversity Policy** principally guides the conduct of our operations in consideration to biodiversity related parameters. It is based on the "No Net Loss" approach for all our operations with an ultimate aim to achieve "Net Positive Gain" We recognise the interlinkage of our operations with nature. Our approach towards biodiversity management inculcates adherence to the principles of avoidance,

minimisation, and mitigation.

At AESL, biodiversity risks are integrated in the multidisciplinary company-wide risk assessment processes. As a result, we focus on avoiding ecologically sensitive zones for transmission line route, minimising biodiversity impact by reducing energy use, and restoring habitats.

As a part of our responsible approach, we build partnerships with our stakeholders to assess our impacts on key biodiversity issues, inculcating them in our overall decision making process. We actively collaborate with academic institutions, local community organisations and environmental specialists to contribute to the preservation and restoration of natural environment. By engaging with these stakeholders, we harness their expertise, local

knowledge, and resources to implement effective conservation and restoration initiatives. We have joined India Business and Biodiversity initiative, a multi-stakeholder initiative that focuses on critical issue of biodiversity loss.

We conducted a third-party biodiversity assessment of our operational sites to identify the biodiversity value and the possible impact of our activities on biodiversity.

We do not have any negative impact on any IUCN Red List species and national conservation list species in any operating location.

Some of the key near-threatened and threatened species and Schedule 1 species have been identified at operation sites.

- 1) Black-necked Stork (*Ephippiorhynchus asiaticus*)
- 2) Snakebird/Darter (*Anhinga rufa*)
- 3) Black-Tailed Godwit (*Limosa limosa*)
- 4) Great Stone Plover (*Esacus recurvirostris*)
- 5) Eurasian Curlew (*Numenius arquata*)
- 6) Black-Headed ibis (*Threskiornis melanocephalus*)
- 7) Painted Stork (*Mycteria leucocephala*)

Based on the assessments carried out, we have undertaken a plethora of initiatives at different locations addressing the requirements of specific species conservation. At Mundra location, we have developed an Eco Park, with an intention to provide shelter and a breeding ground to local and resident birds within an area of approximately 2 hectare inside the plant premises. The area is covered with live fencing of Casuarina and Prosopis juliflora plant species. To attract birds, frugivorous plants such as Sapota (*Manilkara zapota*), Pomegranates (*Punica granatum*), Neem tree (*Azadirachta indica*), Banyan tree (*Ficus benghalensis*) and Pilu (*Salvadora persica*) have been planted.

Approximately 37% of our total network consists of overhead lines that traverse various terrains including agricultural fields with low rise crops that are well irrigated and do not have any dry vegetation. In forested areas, AESL follows strict clearance regulations and obtains necessary permissions and clearances before drawing



Indian Paradise Flycatcher

more reliability as compared to air insulated substation.

The Land Acquisition, Rehabilitation and Resettlement Act (LARR), 2013 and its subsequent amendments does not mandate Social Impact

We believe restoring ecosystems, reversing loss of biodiversity, and reducing soil erosion are all essential to build a greener world. Our group level pledge on "Trillion Trees Platform" of the World Economic Forum demonstrates our commitment to the same. Our pledge to grow 100 million trees by 2030 is the largest 1t.org pledge in India so far and among the most ambitious corporate pledges globally.

At a company level target, we pledge to plant and ensure survival of 15 million trees. For more information, please refer Page 152-153 in our Integrated Annual Report FY 2022-23.



Indian Flapshell turtle

Assessment for the transmission business (including substations). Transmission lines (TL) do not lead to any physical displacement and hence rehabilitation and resettlement is not applicable to the projects. For commissioning of a new transmission line, we ensure to evaluate alternate pathways to avoid any tree cutting, however, in absence of any other way, we ensure to follow all statutory compliances and pay for compensatory afforestation fees.

### Carbon Sequestration

Keeping cognizance of the nature of our operations, we are intimately linked to the ecosystems around which we operate, including forests, grasslands and mangroves. We have taken up reforestation activities around our operational sites to increase green cover and carbon sequestration.



Common Iora

transmission and distribution lines. These measure help protect the integrity of the forest ecosystem and mitigate any potential impact on the environment.

### Land Use

By adopting a right of way approach, we avoid the need for extensive land acquisition and minimise the displacement of communities. Further, we have installed gas insulated substation which takes less space and offers



Acanthus ilicifolius



Avicennia marina

## BIODIVERSITY MANAGEMENT AT ADTPS

Adani Dahanu Thermal Power Station (area- 1,266.65 hectares) is a coal based thermal power plant located in the eco sensitive zone, in Dahanu town of Palghar district of Maharashtra.

The Confederation of Indian Industry (CII) conducted an assessment of biodiversity and ecosystem services for the plant during FY 2021-22 with an aim to identify the associated site-specific biodiversity risks. The scope of the assessment included Core Zone-Township and Plant area and Buffer Zone of 10 km radial distance from the project boundary.

Basis the assessment, the Ecosystem Service Matrix (ESM) developed to emphasise the ecosystems present in the project region and its surroundings , as well as the ecosystem services utilised by the project. Following the risk-based approach the ecosystem services, materials were mapped along the relevance as per the cost of business. This enables us to identify the impact created by ADTPS for every ecosystem service provided. The study highlighted impacts in terms of land use, transport, water requirement, noise and dust from truck, vehicular movement.

The tool identified the level of impacts, dependency of ADTPS was analysed on each ecosystem in relation to ecosystem services provided by them.

To improve the biodiversity quotient (performance of biodiversity and ecosystem services) of the project and to mitigate risks, a site-specific Natural Capital Action Plan (NCAP) document was developed. NCAP focuses on identifying, evaluating, conserving, and enhancing the relevant aspects

of biodiversity and ecosystem services for each of the site. During the biodiversity assessment, 225 floral species and 144 faunal species were identified. Further, out of 95 bird species, 5 bird species categorised as Near Threatened were identified at these sites.

The Biodiversity Index of the site was calculated by use of modified City Biodiversity Index (CBI) methodology of the Convention of

Biological Diversity (CBD) for the following

- 1) Native Biodiversity in the Project
- 2) Ecosystem Services Provided by Biodiversity in the Project
- 3) Governance and Management of Biodiversity in the Project
- 4) Value Chain

Basis the scoring on the aforementioned particulars, a score of 66/100 was assigned to ADTPS.

### The tool identified four critical ecosystems at the site-

<b>Greenbelt</b>	Greenbelt was identified as a critical ecosystem at our site. It provides various ecosystem services such as pollution control, carbon sequestration and soil enrichment.
<b>Ash Pond</b>	Ash ponds prevent the release of ash into the atmosphere. It aids in water recharge, habitat and nursery and pollution control. It also promotes species diversity in nearby ecosystem.
<b>Creeks</b>	Creeks provide habitat to marine ecosystem and aid in erosion control.
<b>Mangroves</b>	Mangroves protect shorelines and filter pollutants and sediments from water They provide vital services such as-pollution control, erosion control, flood control and carbon sequestration.





# Green Finance

## Sustainability Linked Bonds (SLBs)

We are committed to attaining exceptional standards of environmental performance to ensure its conservation and preservation. Sustainability is intricately integrated into our core operations and serves as a catalyst for our overall accomplishments.

In coherence with our commitment to the Environmental, Social and Governance principles AEML has raised capital through sustainability linked bonds. Through this initiative, we aim to showcase the vital role that debt markets can play in providing funding and motivating companies to advance their sustainability objectives.

Sustainability Linked Bond (SLBs) principles serve as a voluntary framework for financial instruments to integrate forward-looking environmental, social and governance outcomes. These principles offer guidance and establish a shared framework, facilitating transparency and accountability within the market. They uphold the ethical standards in the advancement of the SLB market by establishing best practices for issuers.

SLB principles delineate the methodology for issuing sustainability linked bonds and ensures that any SLB issued aligns with the fundamental five components.

- 1) Identification of Key Performance Indicators
- 2) Calibration of KPIs- Selection of KPIs reflective of issuer's sustainability objectives
- 3) Characteristics and structure of the bond

- 4) Reporting and verification
- 5) Disclosure

AEML identified two KPIs reflective of our sustainability objectives-

- 1) Increased share of renewable power mix in the overall power purchase mix
- 2) Reduction in GHG emission intensity (Scope 1 and 2).

The key performance indicators chosen for the SLB framework contribute to UN sustainable Development Goals SDG 7 (affordable clean energy), SDG11 (sustainable cities and communities) and SDG 13 (climate change).

Despite the challenging nature of the KPIs, we remain confident of attaining our targets. We reaffirm our commitment to supply sustainable and affordable power to the financial capital of India, while enabling the transition to a low-carbon economy and moving towards our goal of becoming a leader in the transmission and distribution of reliable and clean power.

## Green Loans

As a testament to our overall objectives to facilitate transition

to green energy by increasing the share of renewable power in the grid, a USD 700 million revolving facility has been tagged as green loan by Sustainalytics. This provides assurance on the green loan framework for the revolving facility.

We have obtained the independent Second Party Opinion (SPO) from Sustainalytics on alignment of our adherence to its sustainability strategy, risk management and application of funds in relation to the underlying eligible projects.

The projects associated with the USD 700 Mn revolving facility are currently being implemented in the states of Gujarat and Maharashtra. In Gujarat, these projects are part of the Government of India's Green Energy Corridor Projects (GEC), dedicated to the evacuation and transmission of renewable energy. In Maharashtra, the projects are conceptualised to strengthen Mumbai's transmission system by enhancing grid stability and providing a stable transmission network. This shall promote higher share of renewable energy in the overall grid mix ensuring more penetration of green energy to the end consumers.





# Our Social Systems

Fostering relationships for a better tomorrow

AT AESL, we are committed to create an inclusive growth pathway while ensuring our employee wellbeing and creating a positive impact on the communities that we operate in.

We believe coupling our people centric approach with a goal to preserve our natural ecosystem will ensure long- term business sustainability and result in holistic and inclusive growth in our operations.

### Key Highlights



### Linkages with SDGs



We firmly believe our workforce is our biggest organisational asset. Their untiring and consistent efforts have put us on an exponential growth map. Our approach to employee management revolves around fostering a positive and inclusive work environment where our team member feel valued,



### Employees (Permanent and Temporary)

Parameter	Total
<b>Top Management</b>	
Female	0
Male	7
<b>Total</b>	<b>7</b>
<b>Senior Management</b>	
Male	242
Female	13
<b>Total</b>	<b>255</b>
<b>Middle management</b>	
Male	926
Female	92
<b>Total</b>	<b>1,018</b>
<b>Junior management</b>	
Male	708
Female	93
<b>Total</b>	<b>801</b>
<b>Supervisor</b>	
Male	42
Female	-
<b>Total</b>	<b>42</b>
<b>OS</b>	
Male	5
Female	1
<b>Total</b>	<b>6</b>
<b>Trainees</b>	
Male	20
Female	6
<b>Total</b>	<b>26</b>
<b>Total</b>	<b>2,155</b>

### Total employees by age group

Parameter	Number
<b>&lt; 30 years</b>	
Male	254
Female	37
<b>Total</b>	<b>291</b>
<b>30-50 years</b>	
Male	1,119
Female	123
<b>Total</b>	<b>1,242</b>
<b>&gt; 50 years</b>	
Male	577
Female	45
<b>Total</b>	<b>622</b>
<b>Total</b>	<b>2,155</b>

empowered and motivated. We prioritise open communication, collaboration, and professional growth to ensure that our employees thrive personally and professionally. We continuously focus on upgrading our employees' skillsets on professional front and have introduced programs for their overall development. We aim to cultivate a dedicated and engaged workforce, driving our success and nurturing long term employee satisfaction and loyalty. We have 2150 permanent employees and 5 other than permanent employees in our workforce currently. All our workers and most of our employees are currently of Indian origin. We have one employee from Nepal who is a part of our on-roll workforce.

Note: We define local as within India, and currently all our workers and employees with Indian origin are defined as local.

### Total workers by age group

Parameter	Unit	AESL	AEML	Total
<b>&lt; 30 years</b>				
Male	No.	37	168	205
Female	No.	2	4	6
<b>Total (&lt;30 years)</b>	<b>No.</b>	<b>39</b>	<b>172</b>	<b>211</b>
<b>30-50 years</b>				
Male	No.	130	4274	4404
Female	No.	1	109	110
<b>Total (30-50 years)</b>	<b>No.</b>	<b>131</b>	<b>4383</b>	<b>4514</b>
<b>&gt; 50 years</b>				
Male	No.	1	2849	2850
Female	No.	0	128	128
<b>Total (&gt;50 years)</b>	<b>No.</b>	<b>1</b>	<b>2977</b>	<b>2978</b>
<b>Total</b>	<b>No.</b>	<b>171</b>	<b>7532</b>	<b>7703</b>

# Strengthening our Workforce: Hiring Practices

We strive to be an equitable workplace, nurturing and harnessing best-in-market talent. We place utmost importance on identification of candidates who are suitable fit to the role and organisation and ensure their retention by providing them with unique growth opportunities. Our hiring strategy revolves around the capacity and capability required to achieve business

goals. Through targeted recruitment efforts, we ensure to bring on board the best resources aligned with our values and commitment to excellence. Along with hiring directly from institutes and externally, we also fill open positions through lateral entry from within.

## New Hires (FY 2022-23)

Particulars	<30 Years	30-50 Years	>50 Years	Total
Male	150	73	5	228
Female	35	3	0	38
<b>Total</b>	<b>185</b>	<b>76</b>	<b>05</b>	<b>266</b>

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Total new hires</b>	<b>219</b>	<b>179</b>	<b>149</b>	<b>266</b>
% Of open positions filled by internal candidates	12	59	82	42
Average hiring cost/ FTE (INR)	1,05,280	1,17,541	1,26,654	2,58,850

Indicator	% As of total workforce in the role
Share of women in total workforce	9.5%
Share of women in all management positions, including junior, middle and top management	9.1%
Share of women in junior management positions, i.e., first level of management	4.3%
Share of women in top management positions, i.e., maximum two levels away from the CEO or comparable positions	0.6%
Share of Women in Revenue generating management positions	7.5%
Share of women in STEM related positions	9.5%

With 9.5% of our current workforce being constituted by women, we have set an overall target to increase the female participation in our management positions from 9.1% to 10% by 2024.



# Employee Wellbeing

We put our employee's wellbeing at the center of our operations. From comprehensive health and wellness programmes to flexible work arrangements, work from home arrangements and family benefits including maternity leave, we prioritise the physical, mental and emotional wellbeing of our employees. For our permanent

employees, we have special employee benefits such as health and accident insurance and they are provided with retirement benefits including Provident Fund and Gratuity. Further, we have initiated Employee Wellness Initiative under Adani Care, a group level approach for employees to dial in for stress relief or any other

wellbeing related concerns. We also organise regular sports and other health initiatives to boost physical wellbeing and boost employee productivity. All our eligible female employees are provided with 26 weeks of paid maternity leave and male employees have 5 days of paid parental leave.

## Parental Leave

Parameter	FY 2022-23
No. of employees who took parental leave	21
Number of employees that returned to work in the reporting period after parental leave ended.	21
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work,	20

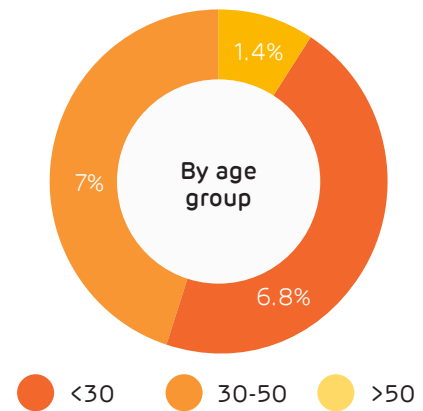
Note: The disclosures in the table are only for female employees, as no male employees availed parental leave in the reporting year

Employee Turnover Rate	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Total Employee Turnover Rate</b>	4.78	5.02	5.23	7.40
<b>Voluntary Employee Turnover</b>	1.00	4.51	5.23	6.68

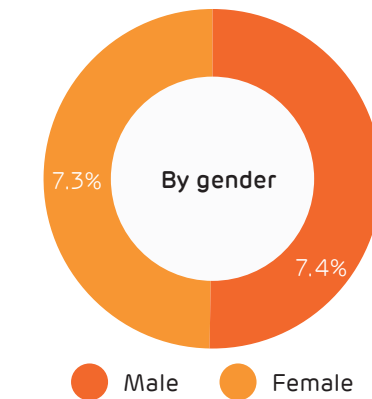
## Gender Pay Indicators

Employee Level	Average Women Salary (INR)	Average Men Salary (INR)
Executive level (Base salary Only)	0	19,014,596
Executive level (Base salary Only +Other Cash Incentives)	0	26,299,409
Management Level (Base Salary Only)	2,206,233	2,759,760
Management Level (Base Salary + Other Cash Incentives)	2,355,300	2,959,238
Non-Management level (Base Salary Only)	1,024,760	909,220

Employee turnover



Employee turnover



Indicator	Ratio of basic salary between men to women
Middle Management	1:0.78
Junior Management	1:0.82

# Diversity and Equal Opportunity

We recognise a diverse workforce as an essential aspect of a thriving organisation. The group level **Diversity and Inclusion policy** is our guiding framework to create equal opportunities for all. Our commitment to equal opportunity starts from the recruitment process where we actively seek candidates from diverse backgrounds and ensure a fair and unbiased selection process.

We do not let any differentiating factor like age, sex, gender, race, origin or physical attributes to define our employees and respect equal remuneration practices. We ensure our employees are embraced for their unique perspectives, talents and experiences.

All our offices are accessible for differently abled employees and workers with the provision of infrastructure like ramps and dedicated toilets at all office locations and elevators with braille sign for visually impaired. As a part of resource planning, we even identify positions in which specially-abled candidates can fit in. By celebrating diversity and providing equal opportunities for growth and development, we are setting industry benchmarks while creating a truly inclusive and dynamic workplace that attracts and retains top talent.

# Human Rights

Respecting human rights is not only a moral imperative, but also an essential aspect of responsible business conduct. Our Group-wide **Human Rights Policy** is a guiding document for conducting our business with the highest regards to the dignity and respect for all. We are committed to respect human rights in accordance with internationally accepted standards including the principles of United Nation's Global Compact (UNGC). We ensure adherence to all applicable regulations including but not limited to International Bill of Human Rights and the International Labour organisations' (ILO) Declaration on Fundamental Principles and Rights at Work. We take all appropriate measures to provide a workplace that upholds dignity and are committed to prevent child labour, forced labour, discrimination and sexual and non- sexual harassment in any form. All our workers (constituting 57% of total workforce) are members of recognised associations and trade

unions, and we respect their right to exercise collective bargaining. Our employees are not covered under collective bargaining agreements and the working conditions and terms of employment are not influenced or determined based on any collective bargaining agreements.

As a part of our induction training, we train our new hires on our Human Rights Policy and the mechanism to report any human right related abuse. We have behavioral training courses for our workforce, wherein we train our employees about upholding the principles of honesty, respect towards human rights, Prevention of Sexual Harassment at Workplace etc. Through these programs we also create awareness about the grievance redressal mechanisms to report human rights abuse. All AESL entities have adopted the process and procedures in human rights according to Social Accountability Standard SA8000 requirements and are working towards being certified by the same.

Any instance of human rights violation can be reported throughout online grievance redressal mechanism, known as Adani Grievance Management System. The system is accessible to all permanent employees and workers. It is designed to resolve a grievance within a defined timeline of 14 days, including the day on which grievance is raised. We have zero tolerance for human rights violations and all grievances are taken up with utmost criticality. Also, our vigil mechanism and POSH policy ensures to protect complainant from any retaliatory actions and the identity of the aggrieved is protected until final investigation is completed. If found guilty upon investigation, corrective or disciplinary actions based on severity of the incident.

All our operations were assessed for human rights violations and potential human rights issues including child and forced labour, wages, sexual harassment and discrimination at workplace and there were no cases of violations and risks identified. Also, we are developing a process to conduct human rights due diligence to identify and mitigate actual and potential risks in our operations in the near future. Currently, we conduct human rights violation assessments only for our operations.



# Upskilling Ourselves: Learning and Development

We believe that continuous upskilling of our employees is imperative for us to stay competitive in the market. We conduct need assessment mapping for our employees on their training needs and thereafter roll out learning programs accordingly. Our employees are trained on multi-faceted aspects of behavioral, functional and technical capacities. Along with internal trainings, we provide funding support for external learning courses and sabbatical periods with guaranteed return to employment on pre agreed terms and conditions. Average hours of

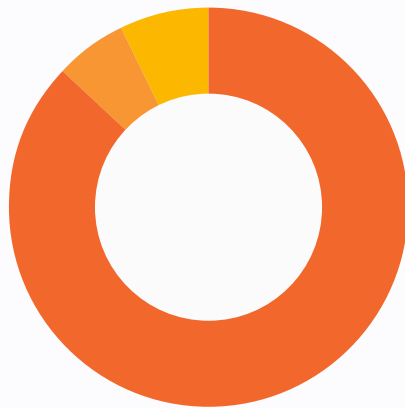
training for the current year stood at 40.67 with 3.64 Cr being the average training expenditure per employee.

In addition, we have our online learning and knowledge management portal- AE Varsity, catering to all the evolving learning needs of all our employees. Our E-Vidyalaya Percipio platform encourages our employees to self-learn through various bootcamps, live events, leader camps, etc. These platforms provide our employees with knowledge at their fingertips, anytime and anywhere

## Fulcrum: The Adani Leadership Programme

Fulcrum is a leadership development programme that equips participants with competencies to cultivate an owner - manager mindset. It includes experience-based interventions, interactions with industry experts and self-understanding to enhance emotional experience.

Average Training Hours by Employee Category



- 4.38  
Senior Management

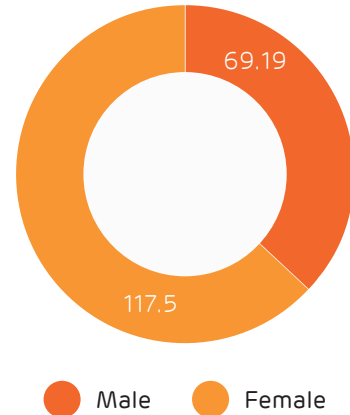
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- 8.53  
Middle Management

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- 27.76  
Junior Management

Average training hours by gender



### Adani Functional Leadership Programme

- The programme aims to develop high potential talent with five to ten years of experience as future leaders.
- It provides a vast learning ground with real time, on the ground exposure.

### Adani Accelerated Leadership Programme

- The programme seeks to improve our visibility and representation in the premier campuses in the country and attract the best talent.

### Fulcrum: The Adani Leadership Programme

- Fulcrum is a leadership development programme that equips participants with competencies to cultivate an owner manager mindset.
- It includes experience-based interventions, interactions with industry experts and self-understanding to enhance emotional experience.



Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
(a) Total revenue (INR)	116,812,900,000	104,589,300,000	118,614,700,000	138,404,600,000
(b) Total operating expenses (INR)	93,685,000,000	28,870,700,000	38,448,700,000	52,241,600,000
(c) Total employee-related expenses (salaries + benefits) (INR)	9,732,400,000	9,307,600,000	8,850,700,000	9,866,500,000
Human Capital Return of Investment (a-b-c)/c	3.37	9.13	10.05	9.73



A Marvels



Northstar



Takshashila

**Employee Development Programmes**

**Description of program objective/ business benefits**

**Northstar**

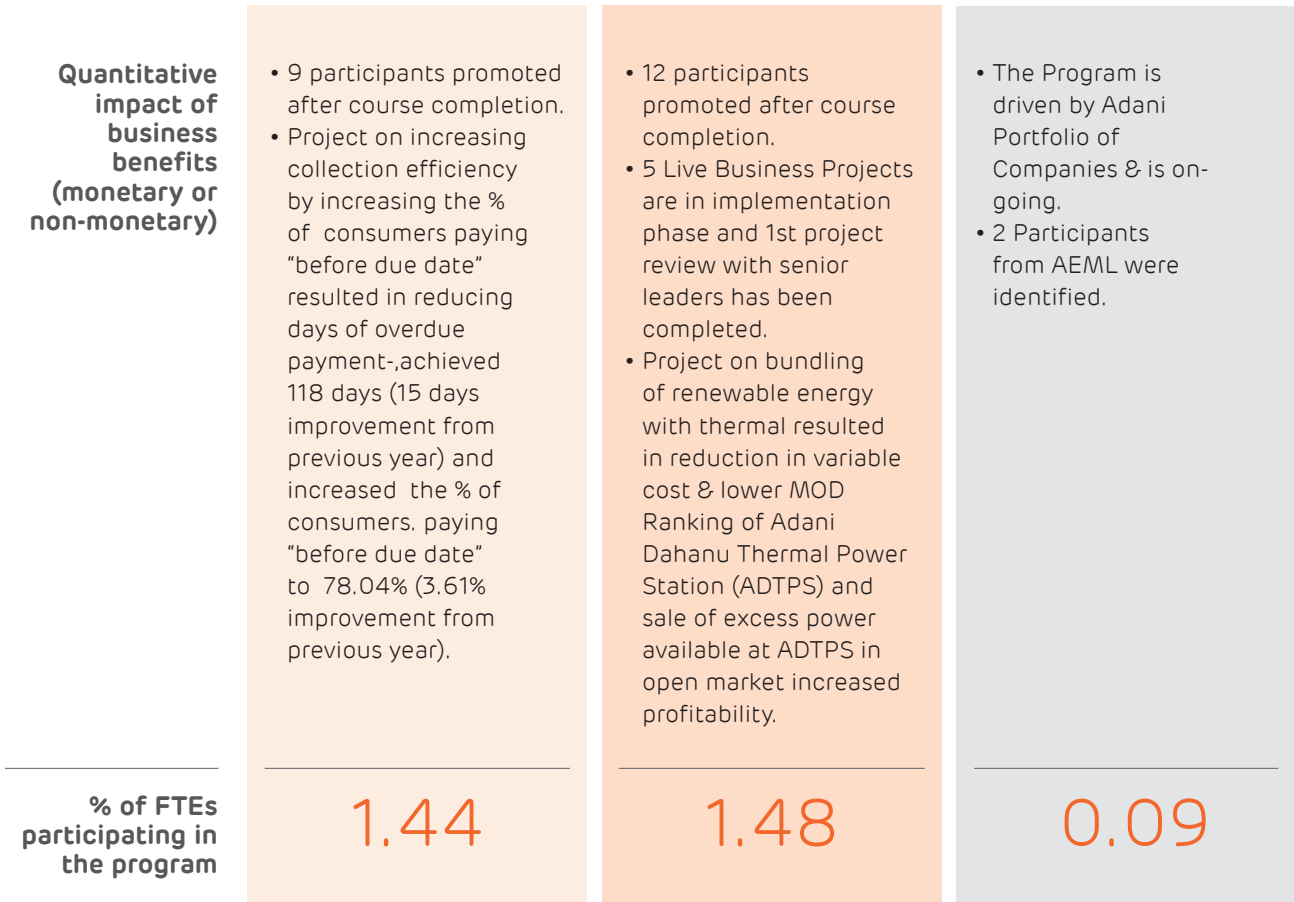
- NorthStar is a 11 Month multi-modular programme in partnership with Emeritus Institute of Management, Singapore.
- It is designed to provide a platform for the participants to learn from the best in the industry, and to prepare them to take a next step in their professional career.

**A-Marvels certification course**

- Program is a long duration leadership development program designed in collaboration with IIT Bombay.
- It is built with distinct modules including Personal Discovery Workshops, Connect sessions with Coach, Digital Transformation, Job Shadowing, Assessments by Korn Ferry, Multi-rater Feedback, etc.

**Takshashila**

- Takshashila is a Leadership Development Program designed in collaboration with ISB, Hyderabad.
- It grooms top talent for leadership roles in the changing organizational requirements.



Adani Electricity Mumbai Limited has also successfully conducted various learning programs and initiatives throughout the year, with an aim of building a culture of continuous learning and creating future leadership pipeline. These included the following:

**AE-Varsity:** The AE-Varsity knowledge management portal has been created to cater to all the evolving learning needs of the employees. The online portal consists of more than 200 videos of various training sessions conducted and additional initiatives like the HR Hub- our monthly HR Newsletter and Podcast, Gyaan Sagar- a knowledge sharing platform, Learning Calendar, Highlights, Awards and Accolades achieved by our employees and company, upcoming programs, photo album, etc. This initiative aims at enabling the employees to learn on-the-go

from the pool of knowledge shared with them.



**eVidyalaya Percipio:** The eVidyalaya Percipio platform encourages our employees to self-learn through various bootcamps, live events, Leader camps, etc. in order to develop a culture of continuous learning. This platform witnesses an average of 17.38 learning hours per user. It consists of specific, concise topics helping our employees to learn continuously and enhance their overall learning experience. This platform provides the employees with knowledge at their fingertips, anytime, anywhere.

**Unique Apprenticeship Program:** In association with the Power Sector Skill Council (PSSC) under NAPS Scheme (National

Apprenticeship Promotion Scheme) in India, AEML has launched a training program for our apprentices to learn and gain valuable experience as part of their training curriculum. This program offers Triple Certification i.e. Certification by PPSC in the optional trade of Junior Engineer Power Distribution, and also covers a vast syllabus, spread across 12 weeks, on "Certification course on Electrical Safety and Design aspects of Electrical Installation" which is notified by the Chief Electrical Inspector, Govt Of Maharashtra, for obtaining PWD Supervisory License that enables them to work on the electrical system as an authorized person and to work in the power sector with confidence and efficiency.

**Induction Training for GETs / MTs:** AEML conducts a thorough training program for the GETs and MTs for 2 months which comprises

of Instructor-led Training and On-the-job Training. Various assessments are also taken at each stage to get them industry ready. All the GETs and MTs have visited the Adani Dahanu Thermal Power Station and Mundra sites as part of the induction program.

## Performance Management

Our vibrant Performance Management System captures all aspects of the employee performance and development. We have a multidimensional approach with individual and team-based performance appraisal system at an ongoing basis, aiding the personal development of employees ensuring a holistic approach to team management.

We also have predefined goals set along with collaborative conversations and continuous feedback throughout the year. It measures and captures an employees' year-end review, rating and promotion recommendation, moderation, and individual feedback. During the reporting year, 100% of our permanent employees and workers received performance and career development review. Transition assistance programmes are provided to facilitate continued employability for eligible employees post retirement as applicable.

## Employee Engagement

Regular employee engagement fosters a positive work environment, where collaboration, innovation and teamwork thrives. Our employee engagement initiatives are designed to enhance communication, increase participation and create a sense of belonging.

We also conducted a Gallup survey with a high employee participation of 96%. The employee engagement

score increased from 4.00 to 4.09 and the engagement index ratio nearly doubled from 3.83 to 7.43 from previous year. The survey assessed various parameters like job satisfaction, sense of purpose, happiness at work, stress management, motivation level etc.

AEML conducts various celebrations of festivals and achievements of our employees to create a sense of belongingness amongst them. There are also various other initiatives like 'Thank You Card' initiative to create a culture of appreciation and recognition. We also organise Blood Donation Drive across all the divisions where the employees and their family members come together to donate blood.

### Employee Spot Recognition

**Scheme:** Under this scheme, we celebrate the accomplishment and contributions of employees, which may not be part of their regular work schedule and efforts made by employee beyond their call of duty.

The contribution / benefits may or may not be tangible. The intangible benefits could be promoting a positive behavior resulting in improved work environment. Recommendations for spot recognition are considered for Life Saving, Demonstrating Safety Oriented Behavior, Preventing Damage to Company's Property, Reporting / Preventing subversive acts, Exemplary contribution during crises or Any other actions / act / behavior deemed fit for recognition by the management. A silver coin weighing 20 gms with our logo embossed on it is awarded to employee as a token of appreciation, along with the letter of appreciation.

**Be Connected Program:** It is a collaborative platform led by women colleagues of Adani Portfolio of Companies. As a part of this platform, different programs are conducted every month and all

women employees of the group are invited to attend the same. Various learning sessions, interesting talent showcase is done which is completely led & taken up by the women employees only.



**Long Service Award:** We, as an organisation, believe that it is people who make an organisation what it is and employees who put in long years of service in the organisation deserve special recognition for their continued loyalty and commitment as well as for being part of the growth journey. Long Service Awards symbolise our gratitude to employees who have continued, through thick and thin, over long periods of time. We are awarding employees for continuous service in the organization (10, 15, 20, 25 & 30 Years) at an annual function.

**Saraswati Samman:** We at Adani, always encourage and appreciate achievement of our employees as well as their family members. We understand that hard work is the key to success, and as responsible parents and citizens, it is our responsibility to nurture efforts of the next generation. With the above background, we at Adani have created platform

## Townhall

It is a quarterly openhouse virtual meeting with all employees, chaired by the senior leadership.



to acknowledge and appreciate remarkable academic and sports performance of our employee's children through a special initiative 'Saraswati Samman'. This also includes felicitating children's outstanding performance with suitable reward to boost their morale. We have been rolling out this initiative since 2013 on year-on-year basis, and we have received very encouraging feedback from our employees.



### Coffee with CEO

**Coffee with CEO is a unique engagement platform through which the CEO –Transmission business interacts with different identified cohorts. We invite a selected group of employees every month for interaction with the CEO and the purpose of this initiative is to establish an open channel of communication with the CEO.**

## Occupational Health and Safety

**Together, we are working towards achieving the goal of 'No Fatality, No Injuries and No Excuses.'**

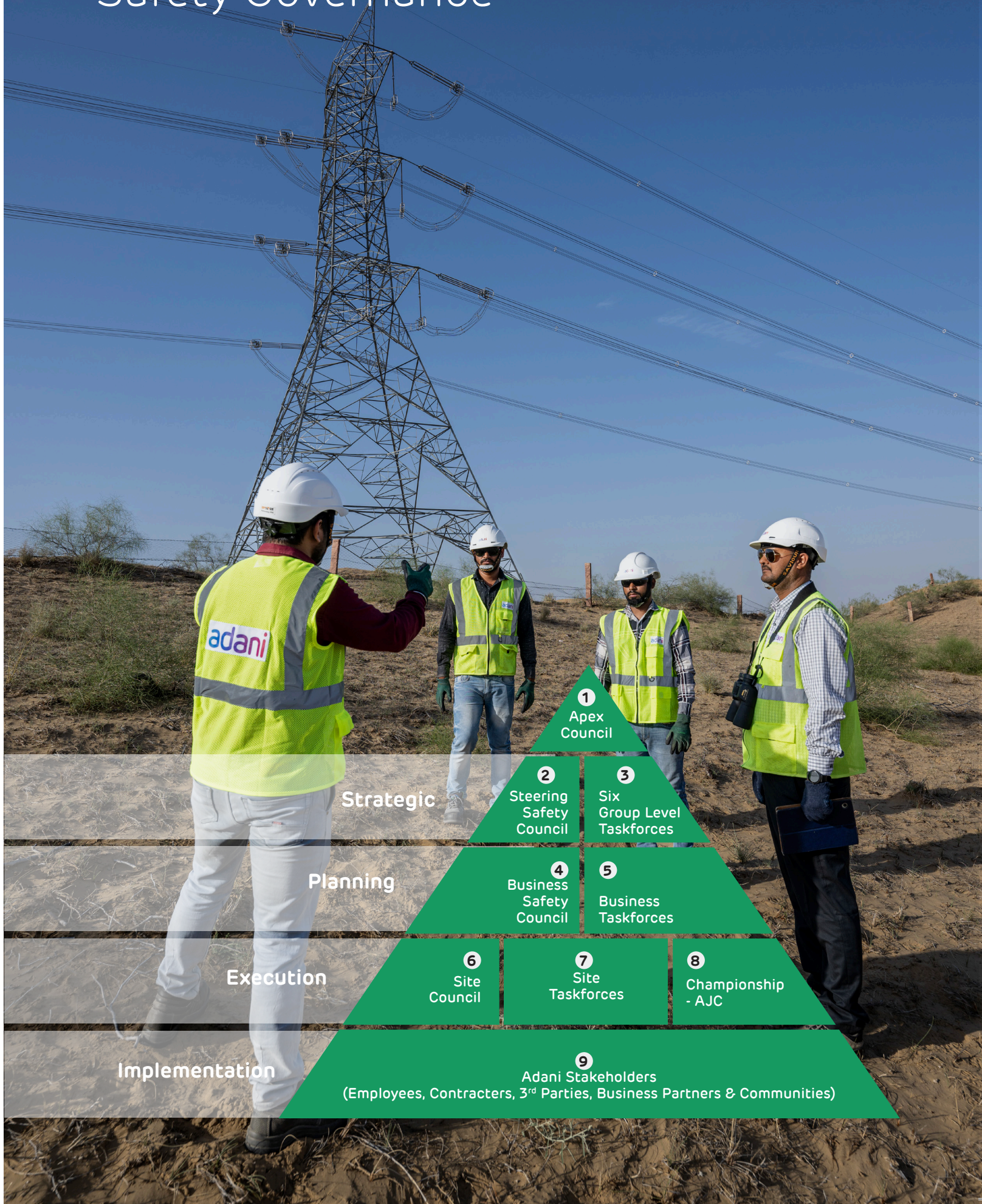
**AESL selected as Winner under Health & Safety Category for Greentech Intl. EHS Awards 2023.**

Our people are our most valuable resources and we put them at the center of everything we do. With safety being one of our topmost priorities, we are committed to provide a safe workplace for all our people. We have a long history of embedding safety in our culture which is supported by our leadership, policies and vast experience. Our **Occupational Health and Safety Policy**, supported by the safety Code of Conduct outlines the Standard Operation Procedures (SOP) for each of our functions. We foster a positive safety culture focusing on a proactive approach across our organisation and believe all injuries and hazards can be preventable if appropriate care is taken.

### Safety Governance

Our comprehensive safety governance structure guides our safety performance and support in upholding the highest values and adopting best practices. Safety governance at AESL is overseen by Corporate Responsibility Committee at the Board level which is apprised regularly by the Group level Business Safety Council. We have also established Task Forces headed by line function heads, which are connected to the Business safety Council. The Taskforces meet at specified intervals to update safety performance against pre-defined KPIs. Further, to ensure round the clock safety monitoring, Safety Coordinators are appointed at each site.

# Safety Governance



**Safety Taskforces**



**Occupational Health and Management System**

At AESL, we have obtained Integrated Management System (IMS) comprising of ISO 45001:2018 Occupational Health and Safety Management system. All our project locations and O&M sites, and employees and contractual workers are covered under the OHS Management System. We conduct regular internal, cross functional and external audits of our safety performance across all our project locations and O&M sites. To inculcate the culture of sustainability across our organisation, sustainability related metrics forms part of our annual executive compensation. The safety and sustainability related KPIs such as zero fatality and partnership of leadership & executives in sustainable safety performance hold 15% of the weightage.

Site safety audits are conducted periodically by the internal safety teams as per the audit schedule. Virtual cross functional audits are conducted on pre-defined audit standards (Machine Guarding, Material Handling, Work at Height, Scaffolding, Electrical

Safety, Lock Out Tag Out (LOTO) and Confined Space to assess their site level implementation. Further, external safety audits are conducted by competent external agency in phase wise manner to identify areas of improvements and implement action plans as required. In addition to these, Safety Risk Field Audits (SRFA) are conducted every week across all sites to assess overall safety performance. These audits comprehensively evaluate site safety and identify potential risks and improvement areas.

We also have a Contractor Safety Management (CSM) System which includes a 6-step process spanning from establishing contract safety requirement and selection criteria to contract closing and post contract evaluation. Rigorous assessments of contractors are conducted adhering to the CSM Standards and ensures that only qualified and safety conscious contractors are selected. Further, all sub-contractors are mandated to fulfill safety requirements and we are developing technology options to monitor compliance.

**34<sup>th</sup> National Road Safety Week** was celebrated between 11<sup>th</sup> to 17<sup>th</sup> January 2023. The campaign was to raise awareness about road safety and to encourage people to become more cautious on the roads.

**52<sup>nd</sup> National Safety Week** was celebrated from 04<sup>th</sup> to 10<sup>th</sup> March 2023, with the theme "Our Aim - Zero Harm". All the employees and workers pledged to achieve safe and injury free working environment throughout the year.

### Safety Risk Management

Identifying actual and potential occupational safety risks and hazards is vital in creating a safe workplace. We maintain a dedicated programme aimed at assessing safety risks and hazards throughout all our locations. We have adopted Hazard Identification and Risk Assessment (HIRA) based risk assessment and Job Safety Assessment (JSA) to identify, evaluate and control the work-related risks. Risk assessment exercises are conducted regularly, and all identified risks are duly contained based on severity and magnitude. For each identified risk, action plans are developed with quantified targets. Further, we also have a safety checklist to evaluate the operational safety parameters on a daily basis. As a part of due diligence during acquisition of assets, HIRA based

risk assessment is conducted to identify OHS related risks.

We also carry out group wide Vulnerable Safety Risk (VSR) analysis to identify vulnerable risk / unsafe work conditions which has the potential to create high severity incidents. In the reporting year, 186 vulnerable risks were identified across our O&M and Projects Sites. As a control measure, we plan to develop detailed mitigation plan for each risk with defined timeline and close monitoring mechanism for timely implementation.

We have implemented occupational health services functions that help in identification of workplace risks and hazards. Owing to the nature of our business, we have identified the following activities as high risk

with a potential to create safety hazards.

- Working at Height
- Electrical Safety
- Road Safety
- Material Handling

We ensure specific trainings are provided to all the employees and workers on these high-risk work activities and to avoid potential hazards associated with these.

### Incident Reporting and Investigation

We encourage our employees and workers to exercise due caution while carrying out all work-related activities. All employees and workers are trained to report safety related incidents within due time to ensure effective control and mitigation.



We have implemented a group wide safety standard for incident reporting and investigation. All identified incidents are to be reported within 8 hours of occurrence on Gensuite, the incident reporting portal. Any work-related risk or unsafe work condition identified by workers can be reported immediately through the Portal and they are trained to remove themselves from work situations that they believe could cause them or another person injury or ill health. We have also integrated actions to prepare for and respond to emergency situations.

Aligning with our group wide safety standards, incidents are categorised into five groups based on the degree of severity/potential for injury/damage. Each category has defined incident reporting and investigation procedure. An incident investigation team is formed immediately comprising of a Team Lead, Subject Matter Experts and Root Cause Analysis Expert. A detailed incident review is conducted to identify the root

Critical  
Vulnerability  
factors

Based on reported incidents and Daily Incident Report generated in Gensuite Portal, Critical Vulnerability Factors (CVF) are identified based on their potential for recurrence. The factors are then monitored regularly, and all measures are taken care to ensure similar incidents are prevented in future.

cause and immediate cause and learnings and preventive measures are devised and circulated accordingly.

**Employee and Worker Participation**

To establish a positive safety culture, it is important to create a sense of belonging for our employees and workers. Our aim is to create a healthy workspace that encourage people to voice their concerns, raise safety gaps and suggest new ideas to improve safety performance. We ensure active participation of all our employees and workers through site level committees, following a bottom-up approach. Each committee comprises of a labour union representative, a



**Daily Morning Meetings**  
Daily Morning meeting with O&M team and Weekly Safety meeting with Project team on discussing various Incidents reflected in Daily Incident Report.



**Positive# Safety Culture**  
Aligning with the objective of 'Zero Harm' and creating 'Positive# Safety culture' safety related case studies were shared to encourage and improve people participation.

site safety representative, a site health team representative, and a management representative. This ensures equal participation of all concerned parties. Further, to enhance employee participation and interactions we conduct safety related communication on a regular basis.

**Safety Trainings**

At AESL, safety training and development has always been a key focus area. We recognise the importance these trainings play in delivering a proactive approach to safety. Safety trainings are identified based on need assessments conducted by Training and Capability Base Building Taskforce. There are various levels of training programmes starting from Induction training during employee onboarding. The trainings are conducted by internal as well as external trainers as required. HSE trainings are conducted based on the training calendar devised and includes topics ranging from Material Handling, Hot Work Safety, Excavation Safety, Height Work, Defensive Driving etc. All our employees and workers are trained to identify near misses, unsafe work conditions and to report incidents. We have also devised 'Train the Trainer' programme for the development of internal safety trainers.

In the reporting year, 2,02,921 hours of health and safety trainings were conducted for employees and workers cumulatively.

We also conduct mock drills on quarterly basis simulating various scenarios to ensure preparedness and response in emergency situations. The drills cover a variety of topics including emergency evacuations, fire accidents, electric shocks, tower rescues (Work at Height), heat strokes etc. These drills serve as valuable training opportunities to enhance our abilities to handle diverse emergency scenarios.



AESL acknowledges the significance of personal safety in relation to the overall value chain of its business as risks to personal safety can have a negative impact on operations, products/ services, and suppliers. We adopt a comprehensive approach by considering our own operations, as well as those of contractors and suppliers, in evaluating safety-related risks. We actively monitor safety indicators throughout the value chain and aim for a zero-harm culture.

To achieve this, we understand the importance of providing effective training and capacity building for their workforce to raise awareness about occupational health and safety hazards. This not only reduces costs but also helps prevent potential legal issues or liabilities from insurance providers in case of accidents. Additionally,

it can enhance the return on investment for investors.

Furthermore, We find the value in adoption and adhering to best practices and complying with health and safety standards as a way to mitigate risks from a social responsibility standpoint. This is crucial for maintaining business continuity with contractors and supply chain partners. Excelling in health and safety performance also gives the company a competitive edge and leads to lower rates of absenteeism and turnover among employees and contractors.



### Unchaai: Campaign on Working at Heights

A campaign on Working at height named "Unchaai" with the theme, "Knowing the Heights Better" was conducted at different sites. The campaign was internally designed using 5C Model (Climb, Control, Competence, Capacity and Check) to apply critical elements of working at heights to address specific vulnerabilities for creating a larger impact.

### Safety Strategic Action Plan (STRAP)

A Safety Perception Survey was conducted among employees on various aspects like safety communication, awareness, leadership and governance. The results of the survey were analysed to identify improvement areas and plan the future safety roadmap. Based on survey inputs and with guidance from group safety and senior leadership, AESL Safety Strategic Action Plan (STRAP) was developed. STRAP priorities identified are:

- Leadership Commitment
- Capacity and Capability Building
- Monitoring to ensure strategic safety performance
- Reduce Incident Severity
- Technological and Digitisation Initiatives
- Safety Engagement/ Community Safety Initiatives under Safety Culture
- Project Safety Management

### Suraksha Samvad


AESL conducts regular monthly quizzes as an effort to raise awareness of Adani Portfolio of Companies Safety Standards.

### Sabhi ki Suraksha: Whatsapp Groups


To reach the last mile worker at site, whatsapp groups, 'Sabhi ki Suraksha' were created and safety alerts are released every fortnightly in three languages, i.e Hindi, Telugu and Bengali.

### Our Safety Initiatives

In line with our focus on digitisation, we are exploring technological interventions to bring down safety related mishaps. This includes AI Based Safety Violation and Detection, AI based PPE detection initiatives etc.



**Last Minute Risk Analysis (LMRA)**



**Vehicular Safety Application**

**Last Minute Risk Analysis (LMRA)** is a short risk assessment form to be filled out by the workers prior to starting off any work activity. It has a short checklist on various related indicators including Environment, Health and Safety. It aims to support employees to briefly assess the related risk and hazards, evaluate appropriate measures to be taken and carry out the work safely and effectively. LMRA is available through the Safety Connect App and implementation is in process.

With a wide geographical spread across the country, our sites are located at remote locations and requires employees to travel long distances in two-wheelers and four-wheelers. We observed multiple accidents during commute and hence proposed a smart safety solution aimed at analysing the driving behaviour of employees to reduce accidents. It assesses the high-risk behaviour of employees during driving including Harsh Acceleration, Harsh Braking, Phone Handling, Harsh Cornering and Over speeding. An average safety score is developed for each employee and those with high-risk behaviour are given counselling. A Proof of Concept was conducted for 19 days involving 6 employees initially. Following the implementation, there was a significant decline in road accidents, and we are planning to implement it at wider level.

### Our Safety Performance

We have developed a group wide annual safety goal to achieve zero mishaps. Safety performance is monitored through Management Information System (MIS), prepared on monthly basis comprising of various leading and lagging indicators. The comparison of health and safety targets against previously set objectives is ensured through Safety Performance Indicator Scorecard (SPIS). We had no cases of fatalities as a result of work related ill-health in the reporting year, and there are no work related hazards identified that posed a risk of ill-health to our workforce

Parameter		FY 2020-21	FY 2021-22	FY 2022-23
<b>Fatalities</b>	Employees	0	0	0
	Contractors	0	0	03
<b>Lost-Time Injury Frequency Rate (LTIFR)</b>	Employees	0.59	0.86	0.88
	Contractors	1.99	0.61	0.15
<b>Total Recordable Work-Related Injuries</b>	Employees	0	74	107
	Contractors	14	42	17
<b>High Consequence work related injury or ill-health</b>	Employees	0	0	0
	Contractors	0	0	0

\*Total working hours for the reporting year: : 10231065 Hours for employees & 19980181 Hours for workers.

Apart from OHS initiatives, we conduct routine health checkups for all our employees and workers at all operating locations to evaluate their general health conditions. Additionally, we conduct site-wise health awareness workshops that addresses numerous health challenges. All the results related to health check ups are kept confidential and the reports are only shared with the employees and the HR team.

# Our Robust Supply chain: Fostering Partnerships

We believe it is essential to nurture long lasting relationships with vendors to empower our business. Growing responsibly has always been an inherent value we nurture while establishing and exploring partnerships and growth avenues. With sustainability at the core of our business operations, we seek to establish the same in all our business relationships.

## Supplier Code of Conduct

Our **Supplier Code of Conduct (CoC)** serves as a guideline and establishes our corporate values, culture and expectations. All our suppliers are expected to adhere to the Code and share our values and standard. We engage with suppliers with highest ethical practices including human rights, labour rights, health and safety etc. The CoC covers various environmental,

social and governance aspects to be adhered by vendors.

## Supplier Onboarding

We follow a robust supplier onboarding system to ensure highest level of compliance to all legal norms and requirements. Our vendor selection process is designed to identify vendors who align with our requirements. We seek to expand the vendor pool by onboarding more significant suppliers on a regular basis. Our supplier onboarding onsets with new vendor requests which are evaluated by our inhouse teams. Based on desk research and documents evidence, ESG and quality assurance is ensured for each new vendor. Vendors are assessed across parameters like ESG, quality, financial stability, manufacturing and testing facilities, adherence to legal standards etc.

Quality assurance is followed by factory assessment and internal evaluation and upon satisfactory performance at all levels, the vendor requests are approved, and they are onboarded.

In cases of any new supplier rejection due to non-compliance found in assessment, the same is reported and conveyed to the vendors. We understand some of our vendors need guidance to ensure compliances at all levels. Thus, we provide them with suitable feedback for improvements, and handhold them as and when required. Suppliers are supported on implementation of corrective actions and improvement as required. We also encourage our suppliers to be compliant with various social and environmental standards such as SA 8000, ISO 14001 and ISO 45001.



Category	FY 2022-23
New suppliers hired (on whom PO/SO is raised)	87*
Percentage of new suppliers that were screened using environmental criteria/CSM	100
Percentage of new suppliers that were screened using social criteria/CSM	100

\*ESG assessment is done for manufacturers whose factory assessment is done before onboarding on the AESL vendor list. These manufacturers fall within the categories as defined in the approved vendor list. These manufacturers fall within the categories as defined in the approved vendor list. For contractors performing high risk jobs(as defined by the user), CSM is performed and approved by the respective stakeholders

Our suppliers are divided into the following categories:

<b>Material suppliers for Projects and O&amp;M</b>	<b>Contractor for civil construction works</b>	<b>Service Contractors for Projects and O&amp;M</b>	<b>EPC Contractors for Transmission lines and substations.</b>
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### Vendor Engagement and Procurement Practices

We regularly engage with our suppliers through multiple medium such as annual vendor meet and industrial events, in person meetings and assessment scorecards to ensure transparency and two-way communications. Further, we also seek to support local suppliers and thereby contribute in attracting additional investment to the local economy. Increased local procurement minimises supply chain disruptions, support stable local economy, and helps in maintaining community relations.

Parameter	FY 2022-23
% Of procurement budget spent on local suppliers	99.93

### Supplier Evaluation and Significant Suppliers

With a vast supplier base, it is critical to identify our significant

#### Supplier Assessment

Category	FY 2021-22
No. of suppliers assessed via desk assessments/on-site assessments	35*
% Of significant suppliers assessed	100
Number of suppliers assessed with substantial actual/potential negative impacts	0
% Of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	0
Number of suppliers with substantial actual/potential negative impacts that were terminated	0
Total number of suppliers supported in corrective action plan implementation	0
% Of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	0

Note: For FY 2022-23, the target set for assessment of significant suppliers was 35.

Category	FY 2022-23
Total number of Tier-1 suppliers	565*
Total number of significant suppliers in Tier-1	34
% Of total spend on significant suppliers in Tier-1	87.72
Total number of significant suppliers in non Tier-1	1
Total number of significant suppliers (Tier-1 and non-Tier-1)	35

\* 565 Entities

suppliers to ensure smooth business functioning, identify supply chain risk and to minimise externalities. The CSO has oversight for implementation of supplier ESG programme. Significant suppliers are identified based on our dependence and business value generation that covers High Volume Suppliers, Critical Component Suppliers and Non-substitutable Suppliers for our business operations.

Supply chain risk assessment is essential in identifying inherent risks and to minimize the business

disruptions. Various Environment, Social and Governance criteria are evaluated prior to factory assessment for new suppliers. A supplier with a score below 60% in the ESG criteria is not considered for further evaluation.

For selected suppliers, Vendor Performance Score is generated in the online portal on annual basis. Post-assessment, suppliers are informed on performance short comings and necessary corrective action plans are communicated across.

# Elevating Customer Experience

We are a company that serves B2B and B2C customers and strives to ensure reliable, safe, affordable and continuous supply of electricity and customised solutions of affordable power uninterruptedly. Cognizant of the significance of intangible aspects of service quality and reliability, we focus on delivering the best quality service at optimum cost. We ensure the customer interests are protected by blending our electricity mix with an enhanced proportion of renewable energy, moderating inflation, and making a negligible tariff revision.

Our strong customer base expands from industrial commercial or customers to small retail customers. Our approach towards building long lasting relationships is centered around understanding and meeting our customer’s needs, providing exceptional service and fostering loyalty. We prioritise effective communication and timely responsiveness ensuring that our customers feel valued and heard. Regular feedback and surveys enable us to continuously improve our services. We also invest in ongoing training and development of our team equipping them with the knowledge to deliver outstanding customer experience. Through our dedicated approach to customer relationship management, we aim to forge enduring partnerships, exceed expectations and become the preferred choice for our customers.

In the current year, we sought to expand our distribution business into new geographies and thereby focused on increasing our customer base. We undertook a business process re-engineering exercise to align all processes with customer focus. We initiated digital transformation in customer centered processes

as well as in internal resource deployment through handheld productivity tools and analytics. This contributed immensely to our efforts to address customer issues quickly and satisfactorily.

## Customer Grievance Mechanism

Customer grievance management is a vital component of our commitment to provide excellent uninterrupted service. We understand that grievances can arise from various circumstance and our focus is towards addressing them promptly and effectively to the satisfaction of all the parties involved. We have established a dedicated customer support team to support as and when required and we encourage open communication channels including phone lines, email and online platforms. We have a web-enabled customer grievance redressal mechanism readily accessible to all

customers. All grievances can be logged into the web portal by duly filling in the necessary information in the prescribed format with an undertaking. With a unique tracking number generated for each registered complaint, customers can track the complaint status. If a customer is not satisfied with the resolution at organisational level, they can escalate it Consumer Grievance Redressal Forum (CGRF) and to Electricity Ombudsman.

## Our Customer Initiatives

We have embraced digital transformation to better serve our customers and provide them with convenient and effective solutions. We have introduced a slew of customer initiatives like chat bots, voice bots, payment kiosks, video call centers, digital modes for payments etc., in order to deliver an affordable, reliable, and superior customer value.

## Customer Satisfaction Measurement

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Satisfied Respondents	83.75	58.75	71.95	84
% of customers covered	0.03	0.03	0.13	0.1

Note: Our target for the current year was to achieve a customer satisfaction score of 80.





**AI enabled Elektra Chatbot**

24x7 Chat Availability Across Channels

Multi-Lingual Support

Option to Chat or Seek Video Assistance

AI/ML to provide prompt and accurate responses

Self Help workflows for quick and effective responses



**V-Assist - Industry First Video Contact Centre**

Can initiate video calls on the go or schedule the call as convenient

Easy to access and use

Integrated with ERP, CRM, Chat bot etc

Can connect as per convenience from 07:00am to 11:00 pm.

Resolve service queries via screen share & white board



**Genius Pay - Self Help Recycler Kiosk**

Self help kiosk available in multiple languages

Supports document scanning, complaint registering, payment confirmation, contact updation etc.

Also facilitate accessing V-assist



**AMI Smart Metering**

Track consumption like mobile data/ DTH consumption tracking

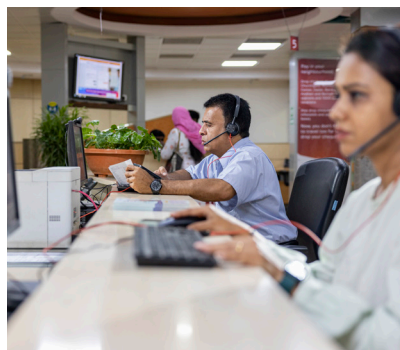
Understand consumption better and facilitate optimisation as per need

Supports availing prepaid/postpaid conversion

Installed 1.1 lakh Smart Meters. (3.66%)

**Customer data protection**

At AESL, we understand the significance of safeguarding personal information and are committed to uphold the highest standards of data protection. We acknowledge that customers are the true owners of their data and robust security measures are employed to ensure no data can be collected, processed, or used without consent. We have implemented stringent access controls, encryption protocols and regular security audits to prevent unauthorised access or data breaches. Data privacy system, embedded in our risk management system guides our data protection measures. Transparency is at the core of our approach, and we educate customers on data use including the nature and purpose of customer information captured and the protection of data and information. We strictly adhere to



all data protection regulations and ensure to obtain explicit consent for any data processing activities. In case of data breach, we ensure strict disciplinary actions are taken as deemed appropriate. Customers have the choice to decide on how private data is collected including data deletion, correction, access to data held by AESL and request for data transfer to other service providers. In the current year, there were no instances of leaks, thefts or loss of customer data involving personally identifiable information.



# Growing Together with our Communities

With great success comes great responsibility. In the changing business environment, doing good and doing well are not mutually exclusive, but reinforcing. We have adopted a strategic Corporate Social Responsibility (CSR) practice, implemented through Adani Foundation, our CSR, Sustainability and Community Outreach arm since 1996. For over two decades, Adani Foundation, has remained deeply committed to make strategic social investments for sustainable outcomes throughout the country.

The Foundation has been active in the core areas of education, community health, sustainable livelihood, skill development and community infrastructure. The Foundation is known for its inquisitive and innovative approach to problem-solving. It challenges the status quo and adopts new solutions that lead to sustainable impacts.

By building institutions of people and focusing on sustainability, the Foundation contributes to the dignity, well-being and wealth of the communities surrounding Adani businesses and beyond. Our CSR initiatives are designed to cater to national priorities and global Sustainable Development Goals (SDGs). All our operations have implemented local community engagement and development programmes including community consultation and stakeholder engagement, and community development programmes based on need assessment study conducted. Further, none of our operations has significant negative impacts on our neighbouring communities. During the reporting year, there were no charitable contributions other than Schedule VII, made by our organisation.

**INR 33.09 Cr**  
CSR Spent

**32,551**  
Beneficiaries

Our Focus Areas



Our CSR focus areas address the existing developmental gaps in the society. Our efforts focus on the upliftment and well-being of socially and economically disadvantaged sections of the community while contributing to the global agenda of meeting UN Sustainable Development Goals (SDGs). Along with being an integral part of sustainable business strategy, we identify CSR as a catalyst for growth and a driver of change.

CSR Governance

The Corporate Social Responsibility Committee oversees our CSR activities and practices and reports to the Board. The committee monitor the implementation of CSR framework and review our CSR performance in a periodic basis. Our **CSR Policy** guides our CSR activities, defines focus areas and lays down guidelines for identification and implementation of CSR projects and fund allocation .

Our CSR Initiatives



Uththan Mumbai

Uththan was launched to increase enrollment, attendance, and retention of the students, promote academic and co-curricular learnings and promote joyful education. This educational initiative strengthens foundational literacy and numeracy in primary school students from underprivileged

background. The project appoints Utthan Sahayaks i.e., supplementary teachers in the recognised schools. To serve the primary objective of bridging the learning gap of the children, effective and interactive reference content is developed. Utthan has adopted teaching tools and methodology which is joyful and engaging in nature.

Sahayaks, who are trained teachers, conduct sessions with children with utmost creativity. Various other activities were taken up as part of this project including Eco friendly Raksha Bandhan celebration, Aazadi ka Amrut Mahotsav, Health & Hygiene promotion campaigns, National Sport's Day celebration etc.



# Smart Learning Programs - School enrollment program and **BaLA** painting

1,650 students from Zilla parishad schools of Dahanu block are the direct beneficiaries of the School Enrollment program and BaLA painting initiative.

AESL through Adani foundation runs smart learning programs in remote areas of Dahanu block to ensure the bright future of the marginalised students. Dahanu block is a tribal belt and does not have access to quality education as compared to other areas. We are trying to increase interest and reduce the dropout rate of students in schools through School Enrollment program and BaLA painting.

The program aims to create awareness among parents and the community about the importance of education and the benefits of sending children to school. It focuses on ensuring that every child in the Dahanu tribal belt has access to education by identifying and removing barriers such as distance, lack of infrastructure, or cultural biases. School Enrollment program emphasizes

the involvement of the community, including parents, to actively participate in the education of children.

BaLA painting is an innovative approach to education where school buildings and walls are transformed into interactive learning spaces. BaLA painting aims to make learning more engaging and enjoyable for children by creating visually appealing educational murals and artwork in schools. The colorful and interactive environment created through BaLA painting helps improve students' retention and understanding of various subjects by providing visual cues and aids. The program aims to create a positive and inspiring learning environment that motivates students to attend school regularly and actively participate in their education.





### Meri Sangini Meri Margdarshika

Meri Sangini, Meri Margdarshika (MSMM) is one-of-a-kind initiative of the Adani Foundation that aims to bring positive changes in the lives of rural Indians. The project aims to encourage and nurture woman leader from within the community who then become change makers in their surroundings. 'Sangini' the change agent is envisaged to be a lady from the local communities with the willingness to serve the community. The success of the Indian government's welfare schemes is dependent on their effective implementation, and the MSMM project has been instrumental in ensuring scale, sustainability, and enhanced reach of information and awareness about these schemes. Being a Sangini is recognised with an inhouse badge of respect and a sense of pride for the individual and family.

The objectives of this program are to:

- Enable access for rural communities to government entitlements and service schemes in the areas of education, health and nutrition, and livelihood.
- Support women to avail the access to services in times of distress and empower them through provision of opportunities to come mainstream.
- The programme had 3117 direct beneficiaries for the various governmental schemes. The community members are supported to receive their entitlements and get them updated. They are made aware about numerous government schemes and helped them with necessary paperwork and avail the benefits. During the reporting year these beneficiaries could established access to approximately INR 29 million rupees in benefits for the first time in their lives through scheme like Ayushman Bharat Yojana, Widow Pension Scheme, Sukanya Samridhi Yojana etc etc. in the current year.



### BaLA painting project in Dahanu

Dahanu is a tribal block and is still developing basic qualitative education infrastructure in schools. BaLA – talking walls promotes 'choice based' & "self" learning in schools. The project aims to increase the interest of the students in learning.



### Swabhiman

Women empowerment is one of our core focus areas in community initiatives. EDP (Entrepreneurship Development Program) and ESHG (Entrepreneur Self Help Group) are two important initiatives those have been implemented as part of Swabhiman Project. In "Swabhimaan" centers, we conduct various consumer product skills & training, and has set up production unit along with fair scope of upskilling in pre-dominant trades and improve their existing livelihood. The "Swabhimaan" center is a working co-operative where they gradually scale up the production to cater to formal forward linkages with corporate houses, manufacturer or industries creating a brand of its own.



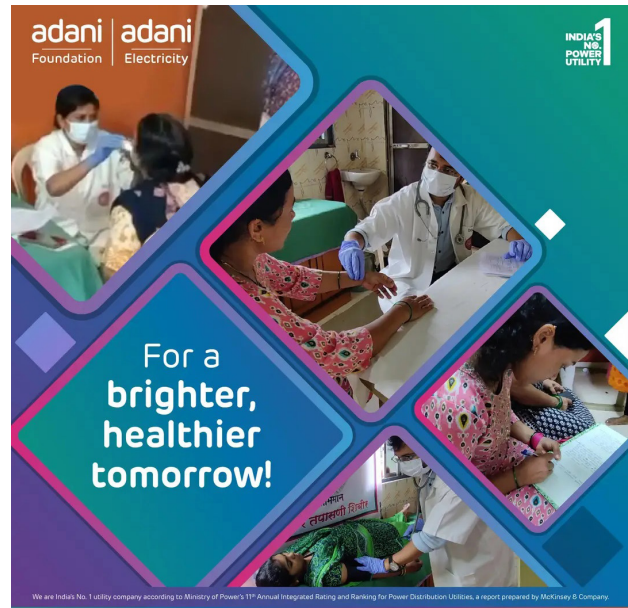
### Medical Camps

Providing better healthcare facilities was always a prime concern of our CSR activities. In rural areas, there are limited health care infrastructure available which reduces the accessibility of the communities. Cognizant of this, we regularly conduct medical camps in association with Indian Medical Association in our nearby communities. Cancer detection camp and Diabetic retinopathy camp was organised in Dahanu. A mental wellness camp was also organised with seminar and personnel counselling sessions. A mega medical camp for 4 days was also organised with more than 15 specialist doctors with diagnostic and medication facilities.



### Community Infrastructure Development

Lack of infrastructure hinders community development and restrict their access to avail external opportunities. Since government is the main stakeholder in bringing in community development, we positioned ourselves to bridge the gaps by providing safe drinking water, generating employment and contributing to good health practices. We have constructed schools, mother and childcare units and a shed for water filter unit in Dahanu and all of these were largely appreciated by the community.



### Integrated Tribal Development Programme

ADTPS falls in the tribal belt of Maharashtra and the tribal villages in the vicinity of is one amongst most backward and neglected areas with minimal development. The community had limited income sources to develop their land and were unable to meet their daily needs and requirements. Under our development initiative, we introduced a sustainable livelihood development programme to support the community. We provided them with training on land development and to take up agriculture and horticulture activities. The initiative was taken up in collaboration with NABARD and farmers were groomed on best practices in framing with extended support in availing government schemes. The programme was a huge success and contributed immensely in uplifting their livelihood means.

**Empowering communities:  
AESL's commitment to corporate social responsibility**

Areas of engagement



**Empowering the marginalized:  
Making a Lasting Impact**



# Our Laurels

**Global Sustainability Leadership Award**  
in Best Sustainable Strategies - Power Industry category

Recognised by ICAI for **contributing to SEBI ICAI BRSR** back testing exercise

**Platinum award for Restoration Management**  
at 43<sup>rd</sup> CII National Kaizen Competition

Certified as a **Great Place to Work**, reflecting a collaborative culture, positive work environment and vibrant practices

**CII Platinum Innovation Award**  
in Office category for presenting a case study at National Office innovation Competition

**US\$ 700 Mn revolving facility** as a Green loan second party opinion provided by Sustainalytics

**Outstanding Achievements Award for Business Excellence**  
at the 15<sup>th</sup> international business conclave by international achiever's conference.

**Product Innovation Award** and Quality Improvement in Processes Award at Greentech Quality and Innovation Summit 2022

**People First HR Excellence Awards 2022** for leading practices in Employee Engagement and Talent Management

**Platinum award for Quality Management** at 15<sup>th</sup> CII National Competitiveness and Cluster Summit.

**First Indian electrical utility to attain 'Zero Waste to Landfill'** certification, **'Water Positive certification'** and **'Single-use Plastic Free Company'** recognition.

**Emerging Company of the Year Award - 2022**  
ET Corporate Excellence in recognition of its growth, scale, and sustainable business practices

**Adani Electricity recognised India's no. 1 power utility** according to Ministry of Power's 11<sup>th</sup> Annual Integrated Rating and Ranking for Power Distribution Utilities, based on a report prepared by Mckinsey and Company.



**United Nations**  
Global Compact

# Alignment with Standards and Frameworks



# GRI Content Index

**Statement of Use** Adani Energy Solution Limited has reported in accordance with the GRI Standards for the period 01 April 2022 to 31 March 2023

GRI 1 Used: GRI 1: Foundation 2021

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
<b>General Disclosures</b>						
GRI 2: General Disclosures	2-1 Organizational details	About Energy Solutions Limited (01, 23)	-	-	-	-
	2-2 Entities included in the organization's sustainability reporting	Our Approach to Reporting (07)	-	-	-	-
	2-3 Reporting period, frequency and contact point	Our Approach to Reporting (07)	-	-	-	-
	2-4 Restatements of information	Our Approach to Reporting (07)	-	-	-	-
	2-5 External assurance	Our Approach to Reporting (07)	-	-	-	-
	2-6 Activities, value chain, and other business relationships	About Energy Solutions Limited (23, 99, 101)	-	-	-	-
	2-7 Employees	Our Social system Employees (84)	-	-	-	-
	2-8 Workers who are not employees	Our Social system Workers (84)	-	-	-	-
	2-9 Governance structure and composition highest governance body	Our Robust Governance Structure (39-41)	-	-	-	-
	2-10 Nomination and selection of the highest governance body	Our Robust Governance Structure (40)	-	-	-	-

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
GRI 2: General Disclosures	2-11 Chair of the highest governance body	This has been covered in Integrated Annual Report (226)	-	-	-	-
	2-12 Role of the highest governance body in overseeing the management of impacts	Our Robust Governance Structure (43-44)	-	-	-	-
	2-13 Delegation of responsibility for managing impacts	Our Robust Governance Structure (43-44)	-	-	-	-
	2-14 Role of the highest governance body in sustainability reporting	Our Robust Governance Structure (07, 32, 40)	-	-	-	-
	2-15 Conflicts of interest	Our Robust Governance Structure (45)	-	-	-	-
	2-16 Communication of critical concerns	Our Robust Governance Structure (42)	-	-	-	-
	2-17 Collective knowledge of the highest governance body	This has been covered in Integrated Annual Report (280)	-	-	-	-
	2-18 Evaluation of the performance of the highest governance body	This has been covered in Integrated Annual Report (202)	-	-	-	-
	2-19 Remuneration policies	This has been covered in Integrated Annual Report (230, 231)	-	-	-	-



GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
GRI 2: General Disclosures	2-20 Process to determine remuneration	This has been covered in Integrated Annual Report (230, 231)	-	-	-	-
	2-21 Annual total compensation ratio	Our Robust Governance Structure (43)	-	-	-	-
	2-22 Statement on sustainable development strategy	Message from MD (08-09)	-	-	-	-
	2-23 Policy commitments	Our Robust Governance Structure (46)	-	-	-	-
	2-24 Embedding policy commitments	Our Robust Governance Structure (46)	-	-	-	-
	2-25 Processes to remediate negative impacts	Our Robust Governance Structure (45, 46), Stakeholder Engagement and Materiality Assessment (30-31)	-	-	-	-
	2-26 Mechanisms for seeking advice and raising concerns	Our Robust Governance Structure (46)	-	-	-	-
	2-27 Compliance with laws and regulations	Our Robust Governance Structure (45)	-	-	-	-
	2-28 Membership associations	Our Robust Governance Structure (53)	-	-	-	-
	2-29 Approach to stakeholder engagement	Stakeholder Engagement and Materiality Assessment (29-31)	-	-	-	-
GRI 2: General Disclosures	2-30 Collective bargaining agreements	Our Social Systems (87)	-	-	-	-

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
<b>Material Topics</b>						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment (32)	-	-	-	-
	3-2 List of material topics	Materiality Assessment (33-34)	-	-	-	-
<b>Occupational health and safety</b>						
GRI 403: Occupational Health and safety	403-1 Occupational health and safety management system	Occupational Health and Safety (94)	-	-	-	-
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety (95)	-	-	-	-
	403-3 Occupational health services	Occupational Health and Safety (95)	-	-	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety (96)	-	-	-	-
	403-5 Worker training on occupational health and safety	Occupational Health and Safety (96)	-	-	-	-
	403-6 Promotion of worker health	Occupational Health and Safety (98)	-	-	-	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety (95)	-	-	-	-

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
GRI 403: Occupational Health and safety	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety (96)	-	-	-	-
	403-9 Work-related injuries	Occupational Health and Safety (98)	-	-	-	-
	403-10 Work-related ill health	Occupational Health and Safety (98)	-	-	-	-
<b>Business Ethics and Values</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Robust Governance Structure (45)	-	-	-	-
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics and Values (45)	-	-	-	-
<b>Customer Orientation and Satisfaction</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Elevating Customer Experience (101-102)	-	-	-	-
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Elevating Customer Experience (101-102)	-	-	-	-
<b>Corporate Governance</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Robust Governance Structure (39-40)	-	-	-	-
<b>Compliance</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Compliance (45)	-	-	-	-

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
<b>Economic Performance</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Economic Performance (52)	-	-	-	-
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance (52)	-	-	-	-
	201-2 Financial implications and other risks and opportunities due to climate change	Risk Management, Managing impacts of Climate Change (47-49, 58-60)	-	-	-	-
	201-3 Defined benefit plan obligations and other retirement plans	This has been covered in Integrated Annual Report (338)	-	-	-	-
	201-4 Financial assistance received from government	Economic Performance (52)	-	-	-	-
<b>Anti-Corruption</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Ethics and Values (45)	-	-	-	-
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics and Values (45)	-	-	-	-
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics and Values (45)	-	-	-	-
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics and Values (45)	-	-	-	-
<b>Climate Change</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Managing impacts of Climate Change (57-58)	-	-	-	-

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Emission Management (62)	-	-	-	-
	305-2 Energy indirect (Scope 2) GHG emissions	Emission Management (62)	-	-	-	-
	305-3 Other indirect (Scope 3) GHG emissions	Emission Management (62)	-	-	-	-
	305-4 GHG emissions intensity	Emission Management (62)	-	-	-	-
	305-5 Reduction of GHG emissions	Energy Management (67)	-	-	-	-
	305-6 Emissions of ozone-depleting substances (ODS)	Air Emissions (65)	-	-	-	-
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Emissions (65)	-	-	-	-
GRI 302: Energy	302-1 Energy consumption within the organization	Energy Management (67)	-	-	-	-
	302-2 Energy consumption outside of the organization	Energy Management (67)	-	-	-	-
	302-3 Energy intensity	Energy Management (70)	-	-	-	-
	302-4 Reduction of energy consumption	Energy Management (67)	-	-	-	-
GRI 302: Energy	302-5 Reductions in energy requirements of products and services	Energy Management	-	-	-	-

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
<b>Biodiversity</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Biodiversity (78-79)	-	-	-	-
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity (78-79)	-	-	-	-
GRI 304: Biodiversity	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity (78-79)	-	-	-	-
	304-3 Habitats protected or restored	Biodiversity (80)	-	-	-	-
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity (78)	-	-	-	-
<b>Employee Engagement</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Social System (84-86)	-	-	-	-
	401-1 New employee hires and employee turnover	Strengthening our workforce: Hiring Practices (85)	-	-	-	-
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Wellbeing (86)	-	-	-	-

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
GRI 401: Employment 2016	401-3 Parental leave	Employee Wellbeing (86) This has been covered in Integrated Annual Report (286)	-	-	-	-
<b>Water Stewardship</b>						
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	Water Managment (75-77)	-	-	-	-
	303-2 Management of water discharge related impacts	Water Managment (77)	-	-	-	-
	303-3 Water withdrawal	Water Managment (77)	-	-	-	-
	303-4 Water discharge	Water Managment (77)	-	-	-	-
	303-5 Water consumption	Water Managment (77)	-	-	-	-
<b>Training and Education</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Upskilling Ourselves: Learning and Development (88)	-	-	-	-

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Upskilling Ourselves: Learning and Development (88)	-	-	-	-
	404-2 Programs for upgrading employee skills and transition assistance programs	Upskilling Ourselves: Learning and Development (91)	-	-	-	-
	404-3 Percentage of employees receiving regular performance and career development reviews	Upskilling Ourselves: Learning and Development (91)	-	-	-	-
<b>Diversity and Equal Opportunity</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity and Equal Opportunity (87)	-	-	-	-
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board of Directors, Employees (40, 84)	-	-	-	-
	405-2 Ratio of basic salary and remuneration of women to men	Employee Wellbeing (86)	-	-	-	-
<b>Freedom of Association and Collective Bargaining</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights (87)	-	-	-	-
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights (87)	-	-	-	-
<b>Child Labour</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights (87)	-	-	-	-



GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
GR 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights (87)	-	-	-	-
<b>Forced or compulsory Labour</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights (87)				
GRI 409: Forced or compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights (87)	-	-	-	-
<b>Non-Discrimination</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights (87)				
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Rights (87)	-	-	-	-
<b>Waste</b>						
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	Material Mangement (72)	-	-	-	-
	306-2 Management of significant waste-related impacts	Material Mangement (72-73)	-	-	-	-
	306-3 Waste generated	Material Mangement (72-73)	-	-	-	-
	306-4 Waste diverted from disposal	Material Mangement (73)	-	-	-	-
	306-5 Waste directed to disposal	Material Mangement (73)	-	-	-	-
<b>Supplier Environmental Assessment</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Robust Supply chain: Fostering Partnerships (99)	-	-	-	-

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Our Robust Supply chain: Fostering Partnerships (99)	-	-	-	-
	308-2 Negative environmental impacts in the supply chain and actions	Our Robust Supply chain: Fostering Partnerships (100)	-	-	-	-
<b>Supplier Social Assessment</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Robust Supply chain: Fostering Partnerships (99)				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Our Robust Supply chain: Fostering Partnerships (99)	-	-	-	-
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	Our Robust Supply chain: Fostering Partnerships (100)	-	-	-	-
<b>Local Communities</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Growing Together with our Communities (103)	-	-	-	-
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Growing Together with our Communities (103)	-	-	-	-
GRI 413: Local communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	Growing Together with our Communities (103)	-	-	-	-

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted)	Reason	Explanation	
<b>Materials</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Management (72)				
GRI 301: Materials	Disclosure 301-1 Materials used by weight or volume	Material Management (72)	-	-	-	-
	Disclosure 301-2 Recycled input materials used	Material Management (72)	-	-	-	-
GRI 301: Materials	Disclosure 301-3 Reclaimed products and their packaging materials	Not Reported		Not applicable due to nature of our business	As we are an energy solutions company, we do not have any products that require packaging.	
<b>Procurement Practices</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Robust Supply chain: Fostering Partnerships (100)				
GRI 204: Procurement Practices	Disclosure 204-1 Proportion of spending on local suppliers	Our Robust Supply chain: Fostering Partnerships (100)	-	-	-	-



United Nations  
Global Compact

# Alignment with United Nations Global Compact Principles

Principle No.	UNGC Principle	Section in the Report	Page Number
<b>Human Rights</b>			
1	Business should support and respect the protection of internationally proclaimed human rights	Our Social System Human Rights	87
2	Make sure that they are not complicit in human right abuses	Our Social System Human Rights	87
<b>Labour</b>			
3	Business should uphold the freedom of association and the effective recognition of the right to collective bargaining	Our Social System Human Rights	87
4	Elimination of all forms of forced and compulsory labour	Our Social System Human Rights	87
5	Effective abolition of child labour	Our Social System Human Rights	87
6	Elimination of discrimination in respect of employment and occupation	Our Social System Human Rights	87
<b>Environment</b>			
7	Business should support a precautionary approach to environmental challenge	Nurturing our ecosystem	56
8	Undertake initiatives to promote greater environmental responsibility	Nurturing our ecosystem	67
9	Encourage the development and diffusion of environmentally friendly technologies	Nurturing our ecosystem	67
<b>Anti-Corruption</b>			
10	Business should work against corruption in all its forms including extortion and bribery	Business Ethics and Code of Conduct	45



# Alignment with Task Force on Climate- related Financial Disclosures

Topic	Recommended Disclosure	Section in Report	Page Number
<b>Governance</b>	a) Describe the board's oversight of climate-related risks and opportunities.	Climate Governance	43-44
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Climate Risk & Opportunity Management	43-44
<b>Strategy</b>	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate Risk & Opportunity Management	58-60
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Climate Risk & Opportunity Management	58-60
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Climate Risk & Opportunity Management	58
<b>Risk Management</b>	a) Describe the organization's processes for identifying and assessing climate-related risks.	Risk Management, Climate Risk & Opportunity Management	47-47, 58-60
	b) Describe the organization's processes for managing climate-related risks.	Risk Management, Climate Risk & Opportunity Management	47-47, 58-60
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Risk Management, Climate Risk & Opportunity Management	47-47, 58-60
<b>Metrics and Targets</b>	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Climate Governance	62-67
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Nurturing the Ecosystem Emission Management	62
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Materiality Assessment	35



# Alignment with International Finance Corporation – Performance Standards (IFC-PS)

Performance Standard Number	Description	Section in the Report	Page Number
Performance Standard 1	Assessment and Management of Environmental and Social Risks and Impacts	Risk Management, Environmental Stewardship, Stakeholder Engagement, Policies, Grievance Mechanism	47-49, 31-33, 58-60
Performance Standard 2	Labor and Working Conditions	Occupational Health and Safety, Human Rights	87, 92-98
Performance Standard 3	Resource Efficiency and Pollution Prevention	Emission Management, Supplier Code of Conduct, Water, Waste Management, Emission Management, Energy Management	61-77
Performance Standard 4	Community Health, Safety, and Security	Growing together with our Community	103-107
Performance Standard 6	Biodiversity Conservation and Sustainable Management of Living Natural Resources	Biodiversity	78-80

Performance Standard 5, 7 and 8 not disclosed as it is not applicable to our business.



# Alignment with World Economic Forum metrics (WEF)

Theme	Core Metric and Disclosures	Section in the Report	Page Number
<b>Governance</b>			
<b>Governing Purpose</b>	Setting purpose	Adani Portfolio of Companies	20
<b>Quality of Governing Body</b>	Board Composition	Board of Directors	40
<b>Stakeholder Engagement</b>	Impact of material issue on stakeholders	Stakeholder Engagement and Materiality Assessment	33-34
<b>Ethical Behaviour</b>	Anti-corruption	Business Ethics and Code of Conduct	45
	Protected ethics advice and reporting mechanism	Business Ethics and Code of Conduct	45-46
<b>Risk and Opportunity Oversight</b>	Integrating risk and opportunity into business process	Risk management	47-49
<b>Planet</b>			
<b>Climate Change</b>	Greenhouse gas (GHG) emissions	Emission Management	62
	TCFD-aligning reporting	Climate Risk Management	58-60
<b>Nature Loss</b>	Land use and ecological sensitivity	Biodiversity	78-79
<b>Fresh water availability</b>	Fresh water consumption in water stressed areas	Water	77
<b>People</b>			
<b>Dignity and Equality</b>	Pay equality		86
	Diversity and inclusion	Employees (Permanent and Temporary)	84
	Wage level		86
	Risk of incidents of child and forced labour	Human rights	87
<b>Health and Well-being</b>	Health and Safety	Our Safety Performance	98
<b>Skills for the future</b>	Training provided	Upskilling Ourselves: Learning and Development	88
<b>Prosperity</b>			
<b>Employment and Wealth Generation</b>	Absolute number and rate of employment	Strengthening our Workforce: Hiring Practices	85
	Economic contribution	Economic performance	52
<b>Community and Social Vitality</b>	Community investment	Economic performance	52
	Country by country tax reporting	Not applicable	



# Alignment with Sustainability Accounting Standards Board (SASB)

Topic	Accounting Metric	Code	Section in the Report	Page number
Greenhouse Gas Emissions & Energy Resource Planning	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations	IF-EU-110a.1	Emission Management	63
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	IF-EU-110a.3	Emissions Management	63
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	IF-EU-120a.1	Emissions Management	63
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	IF-EU-140a.1	Water Management	76
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	IF-EU-140a.2	Environmental Stewardship	56
	Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-EU-140a.3	Water Management	76
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	IF-EU-320a.1	Occupational Health and Safety	98
Grid Resiliency	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	IF-EU-550a.1	Cybersecurity and Data Privacy	50
	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	IF-EU-550a.2	Grid Resilience	68



# Glossary of Abbreviations

Acronym	
ADTPS	Adani Dahanu Thermal Power Station
AEML	Adani Electricity Mumbai Limited
AESL	Adani Energy Solutions Limited
AMA	Ahmedabad Management Association
ASSOCHAM	Associated Chambers of Commerce and Industry in India
AT&C	Aggregate Technical and Commercial Losses
B2B	Business-to-Business
B2C	Business-to-Consumer
B2DS	Beyond 2 degree Celsius
BCP	Business Continuity Plan
BFP	Boiler Feed Pump
BRSR	Business Responsibility and Sustainability Report
CBI	City Biodiversity Index
CEO	Chief Executive Officer
CEA	Central Electricity Authority
CFO	Chief Financial Officer
CGRF	Consumer Grievance Redressal Forum
CII	Confederation of Indian Industry
CKMS	Circuit kilometer
CO <sub>2</sub>	Carbon dioxide
COC	Code of Conduct
COSO	Committee of Sponsoring Organisation
CRC	Corporate Responsibility Committee
CRO	Chief Risk Officer
CSA	Corporate Sustainability Assessment
CSM	Contractor Safety Management
CSR	Corporate Social Responsibility
CVF	Critical Vulnerability Factors
DG	Diesel Generator
DISCOMS	Distribution Company
DJSI	Dow Jones Sustainability Index
DLP	Data Loss Prevention
DMP	Disaster Management Plan
EBITDA	Earnings before interest, tax, depreciation, and amortization

EDP	Entrepreneurship Development Program
EFDB	Emission Factor Database
EHS	Environment Health and Safety
EIA	Environment Impact Assessment
EMS	Environment Management System
ENOC	Energy Network Operating Centre
EPTA	Electric Power Transmission Association
ERM	Enterprise Risk Management
ESG	Environment, Social and Governance
ESHG	Entrepreneurship Self Help Group
ESIA	Environmental and Social Impact Assessment
ESM	Ecosystem Service Matrix
ESP	Electrostatic Precipitator
EV	Electric Vehicles
FGD	Flue Gas De-sulfurisation
FICCI	Federation of Indian Chambers of Commerce and Industry
FTSE	Financial Times Stock Exchange
GCCI	Gujarat Chamber of Commerce and Industry
GEC	Green Energy Corridor
GHG	Green House Gas
GJ	Gigajoule
GRI	Global Reporting Initiative
GSC	Gujarat Safety Council
HIRA	Hazard Identification and Risk Assessment
HP	High Pressure
HR	Human Resource
IBBI	India Business and Biodiversity Initiative
IEA	International Energy Agency
IFC	International Finance Corporation
ILO	International Labor Organisation
IMS	Integrated Management System
INR	Indian Rupees
IPCC	Intergovernmental Panel on Climate Change
IP	Intermediate Pressure
IPPAI	Independent Power Producers Association of India
ISO	International Organisation for Standardization
IT	Information Technology
JSA	Job Safety Assessment

KPI	Key Performance Indicator
KRA	Key Responsibility Area
KVTL	Kharghar Vikhroli Transmission Line
LARR	Land Acquisition Rehabilitation and Resettlement Act
LBTL	Lakadiya Banaskantha Transmission Line
LMRA	Last minute risk analysis
LOTO	Lock out and Tag Out
LODR	Listing Obligations and Disclosure Requirements
LP	Low Pressure
LTIFR	Lost Time Injury Frequency Rate
MAAS	Management Audit and Assurance Services
MIS	Management Information Systems
MPCB	Maharashtra Pollution Control Board
MPSEZ	Mundra Port and Special Economic Zone Limited
MRC	Management Risk Committee
MSMM	Meri Sangini, Meri Margdarshika
MU	Million Units
MUL	MPSEZ Utilities Limited
MW	Megawatt
MWh	Megawatt hour
NABL	National Accreditation Board for Testing and Calibration Laboratories
NABARD	The National Bank for Agriculture and Rural Development
NAPS	National Apprenticeship Promotion Scheme
NDC	Nationally Determined Contribution
NNL	No Net Loss
NPG	Net Positive Gain
NRC	Nomination and Remuneration Committee
NRPC	Northern Regional Power Committee
NZE	Net Zero Emissions
O&M	Operations and Maintenance
ODS	Ozone Depleting Substances
ODP	Ozone Depleting Potential
OH	Over Hauling
OHS	Occupational Health and Safety
OPGW	Optical Ground Wire
PAT	Perform, Achieve and Target
PSSC	Power Sector Skill Council
QCFI	Quality Circle Forum of India

R/O	Risks and Opportunities
RCP	Representative Concentration Pathways
RE	Renewable Energy
RMC	Risk Management Committee
ROW	Right of Way
SBTi	Science Based Targets initiative
SIA	Social Impact Assessment
SFRA	Safety Risk Field Audits
SLB	Sustainability Linked Bonds
SMART	Simple, Measurable, Achievable, Realistic, Time Bound
SO <sub>2</sub>	Sulphur Dioxide
SOP	Standard Operating Procedure
SPIS	Safety Performance Indicator Scorecard
SPO	Second Party Opinion
SRFA	Safety Risk Field Audits
STRAP	Safety Strategic Action Plan
T&D	Transmission and Distribution
TCFD	Task force on Climate-Related Financial Disclosures
tCO <sub>2</sub> e	Tonnes of Carbon Dioxide equivalent
TL	Transmission Lines
UNEC	United Nations Energy Compact
UNGC	United Nations Global Compact
UNSDG	United Nations Sustainable Development Goals
VPN	Virtual Private Network
VSR	Vulnerable Safety Risk
WEF	World Economic Forum
WRI	World Resources Institute
WRSS	Western Region Strengthening Scheme
ZWL	Zero-Waste-to-Landfill

## Independent Assurance Statement

### Introduction

DNV represented by DNV Business Assurance India Private Limited ('DNV') was engaged by Adani Energy Solutions Limited, which is the rebranding of Adani Transmission Limited ('AESL', Corporate Identity Number: L40300GJ2013PLC077803) to undertake an independent assurance of the Company's sustainability/non-financial performance disclosures in its ESG Report 2022-2023 ('the Report'). The disclosures in the report are prepared in accordance with the reporting requirements of the Global Reporting Initiative's ('GRI's') Sustainability Reporting Standards ('GRI Standards'). AESL has also considered other sustainability reporting frameworks such as, United Nations Global Compact (UNGC) Principles, United Nations Sustainable Development Goals (SDGs), Task Force on Climate-related Financial Disclosures (TCFD), World Economic Forum (WEF) ESG Core Metrics, Sustainability Accounting Standards Board (SASB) and ESG requirements such as CDP, Dow Jones Sustainability Indices (DJSI) for preparation of this Report. The intended user of this Assurance Statement is the management of the Company. Our assurance engagement was planned and carried out during period from May 2023 to September 2023.

We planned and performed our work using AccountAbility's AA1000 Assurance Standard (AA1000AS v3) and DNV's assurance methodology VeriSustain<sup>TM1</sup>, to obtain the evidence we considered necessary to provide a basis for our assurance opinion for providing a **Type 2 Moderate Level of assurance**. The agreed scope of work included information on non-financial performance which were disclosed in the Report prepared by AESL based on GRI Topic-specific Standards for the identified material topics for the activities undertaken by the Company during the reporting period **1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023**. The reported topic boundaries of non-financial performance are based on the internal and external materiality assessment covering AESL's operations as brought out in the sections 'About the Report' and 'Reporting Scope and Boundary' section of the report.

### Responsibilities of the Management of Adani Energy Solutions Limited and of the Assurance Provider

The Management of the Company has the sole responsibility for the preparation of the Report and are responsible for all information disclosed in the Report as well as the processes for collecting, analysing and reporting the information presented in the Report. AESL is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on sustainability performance. In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of AESL.

DNV provides a range of other services to AESL, none of which in our opinion, constitute a conflict of interest with this assurance work. Our assurance engagements are based on the assumption that the information provided by the client to us as part of our review has been provided in good faith and free from misstatement. We expressly disclaim any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

We did not come across limitations to the scope of the agreed assurance engagement during our assurance process. We understand that the reported data on economic performance, including expenses towards Corporate Social Responsibility (CSR) incurred by the business and contributions to the Adani Foundation towards CSR expenses, are based on disclosures and data from AESL's audited financial statements presented in its Integrated Annual Report 2022-23, which is subjected to a separate independent statutory audit process, and is not included in our scope of work.

### Basis of our Opinion

A multi-disciplinary team of sustainability and assurance specialists performed assurance work of AESL considering a moderate level of assurance using DNV's assessment guidance, this assurance is based on AA1000 AS. We adopted a risk-based approach, that is, we concentrated our verification efforts on the issues of

<sup>1</sup> The VeriSustain protocol is based on the principles of various assurance standards including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and the GRI Principles for Defining Report Content and Quality, international best practices in verification and our professional experience; and is available on request from [www.dnv.com](http://www.dnv.com)  
Project No: PRJN-504223-2022-AST-IND

high material relevance to Company's businesses related to operations and maintenance, projects which are within the boundary of the Report and its key stakeholders. We undertook the following activities:

- Review of AESL's approach to identification of material topics and the processes of stakeholder engagement, and AESL's responses as brought out in this Report. We did not have any direct engagement with external stakeholders.
- Interviewed stakeholders (personnels) responsible for the management of sustainability topics and reviewed selected evidence to validate the disclosures presented in the Report.
- Examined and reviewed sustainability performance documents and other information made available by the Company related to the non-financial disclosures and consolidating the sustainability performance information related to the identified GRI Topic-specific Standards.
- As part of the exercise, we assessed the site-level (sampled sites) sustainability performance through a remote verification engagement due to unforeseen weather conditions at sites. The sampled sites selected were, High Voltage AC Sub stations @ Akola-2, Badaun, Darbhanga, Deedwana, Dhanbad, Fathegarh, Ghamurwali, Koradi-3, Morena and Sami; High Voltage DC sub stations @ Mohindergarh and Mundra; Transmission Lines@ Western Transmission (Gujarat) Ltd. (WTGL), Maharashtra Eastern Grid Power Transmission Limited (MEGPTCL), "WTPL" Western Transmission Power Limited, Adani Transmission (Rajasthan) Ltd. (ATRL) and Adani Transmission (Haryana) Limited (ATIL). We were free to choose sites for conducting our assessment.
- Visited AESL's Corporate Office located in Ahmedabad in Gujarat, India to review sustainability performance at corporate level covering implementation of overall sustainability strategy.

### Opinion and Observation

On the basis of our assurance work undertaken, nothing has come to our attention that causes us to believe that the Report does not properly describe AESL's adherence to the chosen frameworks and standards, as well as criteria for reporting for the identified material topics. Without affecting our assurance opinion, we also provide the following observations.

- GRI 201: Economic performance 2016 – 201-1; 201-2, 201-3; 201-4
- GRI 204: Procurement Practices 2016 - 204-1
- GRI 205: Anti-corruption 2016 – 205-1, 205-2, 205-3
- GRI 206: Anti-competitive behaviour 2016 – 206-1
- GRI 301: Material – 301-1; 301-2; 301-3
- GRI 302: Energy 2016 – 302-1; 302-2; 302-3; 302-4, 302-5
- GRI 303: Water and Effluents 2018 – 303-1; 303-2; 303-3; 303-4, 303-5
- GRI 304: Biodiversity 2016 – 304-1; 304-2; 304-3; 304-4
- GRI 305: Emissions 2016 – 305-1; 305-2; 305-3 (Partial disclosure)<sup>2</sup>; 305-4; 305-5; 305-6; 305-7
- GRI 306: Waste 2020 – 306-1; 306-2; 303-3; 303-4, 303-5
- GRI 308: GRI 308: Supplier Environmental Assessment 2016 – 308-1
- GRI 401: Employment 2016: 401-1; 401-2; 401-3
- GRI 403: Occupational Health and Safety 2018 – 403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7; 403-8; 403-9
- GRI 404: Training and Education 2016 – 404-1; 404-2; 404-3
- GRI 405: Diversity and Equal Opportunity 2016 – 405-1,405-2
- GRI 406: Non-discrimination 2016 – 406-1
- GRI 408: Child Labour 2016 – 408-1
- GRI 414: Supplier Social Assessment 2016 – 414-1
- GRI 418: Customer Privacy 2016 – 418-1

<sup>2</sup> AESL has disclosed Scope 3 emissions under 4 categories out of 15 categories (as listed in the GHG protocol); Category 1: Purchased good and services, Category 4: Upstream transportation and distribution, Category 6: Business travel and Category 7: Employee commuting

### AA1000 Accountability Principles Standard (AA1000APS (2018))

#### Inclusivity

*The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.*

The Report brings out the stakeholders who have been identified as significant to AESL, as well as the modes of engagement established by the Company to interact with these stakeholder groups. The key topics of concern and

needs of each stakeholder group which have been identified through these channels of engagement are further brought out in the Report.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.**

#### **Materiality**

*The process of determining the issues that is most relevant to an organization and its stakeholders.*

The Report explains out the materiality assessment process carried out by the Company which has considered concerns of internal and external stakeholders, and inputs from peers and the industry, as well as issues of relevance in terms of impact for AESL's business. The list of topics have been prioritized, reviewed and validated, and The Company has indicated that there is no significant change in material topics from the previous reporting period.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.**

#### **Responsiveness**

*The extent to which an organization responds to stakeholder issues.*

The Report adequately brings out the Company's policies, strategies, management systems and governance mechanisms in place to respond to topics identified as material and significant concerns of key stakeholder groups. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.

**Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.**

#### **Impact**

*The level to which an organisation monitors, measures and is accountable for how its actions affect its broader ecosystems*

The Report brings out the key performance metrics, surveys and management processes used by AESL to monitor, measure and evaluate its significant direct and indirect impacts linked to identified material topics across the Company, its significant value chain entities and key stakeholder groups.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Impact.**

#### **Reliability**

*The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.*

The Report brings out the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting boundary. The majority of information mapped with data verified through our remote assessments with AESL's management teams and process owners at the Corporate Office and sampled sites within the boundary of the Report were found to be fairly accurate and reliable. Some of the data inaccuracies identified in the report during the verification process were found to be attributable to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed for post correction.

**Nothing has come to our attention to believe that the Report does not meet the principle of Reliability and Accuracy.**

#### **Additional principles as per DNV VeriSustain**

##### **Completeness**

*How much of all the information that has been identified as material to the organisation and its stakeholders is reported?*

The Report brings out the Company's performance, strategies and approaches related to the environmental, social and governance issues that it has identified as material for its operational locations coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of the GRI's Principle of Completeness.

**Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.**

**Neutrality**

The extent to which a report provides a balanced account of an organization’s performance, delivered in a neutral tone.

The Report brings out the disclosures related to AESL’s performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.**

**Statement of Competence and Independence**

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, 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<sup>2</sup> during the assurance engagement and maintain independence where required by relevant ethical requirements including the AA1000AS v3 Code of Ethics. This engagement work was carried out by an independent team of sustainability assurance professionals. We were not involved in the preparation of any statements or data included in the Report except for this Assurance Statement and the management report for internal use of AESL. DNV maintains complete impartiality toward stakeholders (personnels) interviewed during the assurance process.

**Purpose and Restriction on Distribution and Use**

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report.

For DNV Business Assurance India Private Limited

<p><b>Karthik Ramaswamy</b> Digitally signed by Karthik Ramaswamy Date: 2023.09.22 08:01:19 +05'30'</p> <p>Karthik Ramaswamy Lead Verifier, Sustainability Services, DNV Business Assurance India Private Limited, India</p>	<p><b>Sharma, Anjana</b> Digitally signed by Sharma, Anjana Date: 2023.09.22 14:51:56 +05'30'</p> <p>Anjana Sharma Head – Regional Sustainability Operations, DNV Business Assurance India Private Limited, India</p>	<p><b>Kakaraparthi, Venkata Raman</b> Digitally signed by Kakaraparthi, Venkata Raman Date: 2023.09.22 15:45:16 +05'30'</p> <p>Venkata Raman Kakaraparthi Assurance Reviewer, Sustainability Services, DNV Business Assurance India Private Limited, India</p>
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22 September 2023, Mumbai, India.



DNV Business Assurance India Private Limited is part of- Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnv.com](http://www.dnv.com)

<sup>2</sup> The DNV Code of Conduct is available on request from [www.dnv.com](http://www.dnv.com) (<https://www.dnv.com/about/in-brief/corporate-governance.html>)



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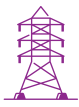
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# adani

Energy Solutions



Energy  
Grid



Retail  
Electricity



Smart  
Metering



Cooling  
Solutions

The feedback of stakeholders is valuable to us, and we aim to address all stakeholder concerns. For any questions or comments about our performance or this report, you may write to us at [cs0.energysolutions@adani.com](mailto:cs0.energysolutions@adani.com)

