

CareEdge-ESG Assigns ESG Rating of a Power Generation Company

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CARE ESG Ratings Limited (CareEdge-ESG) assigns ESG rating to NTPC Limited

CARE ESG Ratings Limited (CareEdge-ESG), a Securities & Exchange Board of India (SEBI)-registered Issuer-pays ESG Rating Provider (ERP) and a wholly owned subsidiary of CARE Ratings Limited, assigned the ESG Rating of a power generation entity. CareEdge-ESG assigned an EGS Rating to NTPC Limited (NTPC).

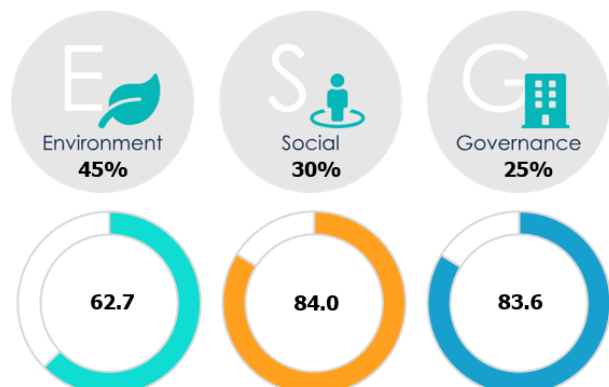
NTPC Limited (NTPC) is India's largest power generation company, with a diversified portfolio anchored in thermal generation and an expanding renewable energy pipeline. The Company has established a structured approach to environmental, social, and governance (ESG) performance, supported by Board-approved policies, defined governance structures, and integration of sustainability considerations across its operations. CareEdge-ESG has assigned NTPC an **ESG Rating of CareEdge-ESG 1** with an **ESG score of 74.3**, reflecting its ESG positioning within the power sector. Please follow the link for a detailed rationale of NTPC's ESG rating.

The rating assigned to NTPC Limited (NTPC) reflects its scale-driven approach to sustainability, supported by the implementation of emissions control technologies across its fleet, structured energy management systems, and a clear roadmap for renewable capacity expansion. The Company demonstrates strong community engagement through inclusive CSR programmes and formal stakeholder consultation processes. Its governance framework is characterised by Board-level oversight, integration of ESG considerations within enterprise risk management, and structured monitoring of sustainability performance. NTPC's ESG profile of 74.3 is further supported by investments in clean energy technologies and large-scale transition initiatives, differentiating it through institutional depth and execution capability.

ESG Score



Pillar Weights and Scores



Rating Scale



CareEdge-ESG's ratings are derived from a comprehensive analysis of the environmental, social and governance risks and opportunities associated with a company. A composite score is calculated based on the company's performance across key indicators, addressing the significant themes from the three ESG pillars. CareEdge ESG's methodology encompasses approximately 430 indicators across 21 themes. The environmental pillar is highly relevant due to its significant ecological impact, including carbon emissions, intensive water use, energy consumption, and considerable waste generation. The environmental pillar has been assigned a weight of 45%.

Although ESG ratings are relatively new, their importance is rapidly increasing among investors, regulators, and other stakeholders. These ratings help investors make informed decisions by highlighting an entity's exposure to and management of non-financial risks, as well as its long-term performance objectives and values. Companies with strong ESG credentials often demonstrate superior financial performance and are more successful in attracting a diverse array of investors and raising capital. Moreover, ESG ratings offer valuable insights to rated entities through peer benchmarking and industry medians, allowing them to pinpoint areas for improvement, incentivising sustainable transitions, and encouraging responsible business practices.

Ravindra Kumar, Director (Operations), NTPC Ltd, " NTPC's ESG rating of 74.3 reflects the steady evolution of our engineering practices and our continued focus on sustainability across operations. Through targeted interventions in emissions management, resource efficiency, and the adoption of advanced technologies, we are strengthening the sustainability performance of our generation portfolio. We are aligning our growth with energy transition imperatives through diversification into low-carbon and emerging areas such as nuclear, green hydrogen, green chemicals, and energy storage, including pumped storage and BESS, while continuing to enhance environmental performance across our thermal fleet through advanced emission control measures, including reduction in SOx and NOx emissions."

Our focus on circular economy practices, particularly large-scale ash utilisation, promotion of sustainable brick manufacturing, Biomass and MSW charcoal cofiring along with 'Reduce, Reuse, Recycle' initiatives, further strengthens our sustainability outcomes. Beyond operations, our net-zero initiatives across offices and townships, along with a continued emphasis on inclusive community development, reinforce our commitment to sustainability. Going forward, we will continue to deepen ESG integration across our value chain and accelerate our journey towards a resilient, low-carbon energy future.

Saikat Roy, Chief Executive Officer, CareEdge-ESG, "CareEdge-ESG's rating of NTPC Limited reflects the company's evolving approach to sustainability within a sector that is inherently resource and emission-intensive. NTPC has established defined systems for environmental management, strengthened oversight mechanisms, and continues to scale investments in renewable energy and cleaner technologies on a group level as part of its transition pathway. These efforts indicate a gradual alignment of business strategy with emerging sustainability expectations across the power sector."

In the current macroeconomic environment, where capital providers are increasingly assessing risk through an ESG lens, the ability to demonstrate structured processes, consistent disclosures, and progress on transition initiatives becomes a key differentiator. NTPC's ESG profile provides a clearer framework for communicating these aspects to investors and can facilitate engagement with sustainability-linked financing opportunities. Through this engagement, CareEdge-ESG aims to support NTPC in strengthening its ESG positioning and enhancing its ability to access diversified sources of capital aligned with long-term strategic priorities.

Nikunj Dube, Chief Ratings Officer, CareEdge-ESG: The ESG rating of 74.3 for NTPC reflects a balanced performance within a carbon-intensive power generation sector, where operational factors continue to influence key environmental and social outcomes. Compared with peers, the company demonstrates stronger institutionalisation of ESG practices through defined governance structures, structured monitoring mechanisms, and consistent community engagement initiatives. These contribute to greater stability in ESG performance and support effective management of operational and stakeholder-related risks.

At the same time, environmental intensity metrics and workforce capability indicators remain aligned with, or below, industry benchmarks. The rating captures this balance between established frameworks and operating constraints, with NTPC's impact more evident in governance effectiveness and community outcomes. At the same time, environmental and workforce-related performance continues to evolve in line with sector dynamics.

About CARE ESG Ratings Limited

CareEdge-ESG is a category I ERP registered with SEBI and a wholly owned subsidiary of CARE Ratings Limited. With over thirty years of experience as an Indian credit rating agency, CARE Ratings' move to expand into ESG ratings through its subsidiary would help to enhance investor confidence while promoting accountability and transparency in businesses. Through our comprehensive and nuanced ESG assessments, CareEdge-ESG enables stakeholders to make informed sustainability decisions, fostering positive transformation and enhancing stakeholder trust.

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About Us:

CareEdge is a knowledge-based analytical group that aims to provide superior insights based on technology, data analytics and detailed research. CARE ESG Ratings Limited (CareEdge-ESG) is one of India's leading ESG rating providers, fostering sustainability with ESG insights. With an aim of being a catalyst for change for a sustainable future with the most credible ESG assessments, CareEdge-ESG provides a 360-degree appraisal for the ESG performance benchmarking cum transition, enabling ESG risk mitigation and enhanced decision-making capabilities for all stakeholders.

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