Adani Power Limited

March 24, 2026

Rating Rationale

Adani Power Limited (APL)	Rating Symbol*	Rating Score	Rating Action
ESG Rating	CareEdge-ESG 1+	80.0	Assigned

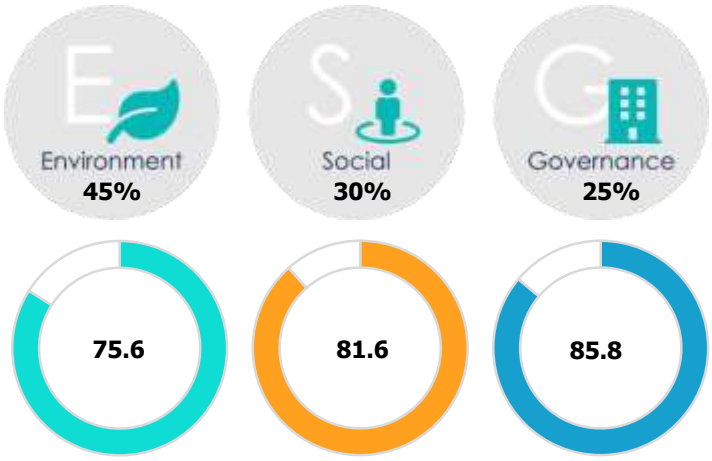
** Please refer www.careedgeesg.com for detailed understanding of CareEdge-ESG's rating symbols and definitions.*

***Leadership** position in managing ESG Risk through **best-in-class** disclosures, policies, and performance*

ESG Score

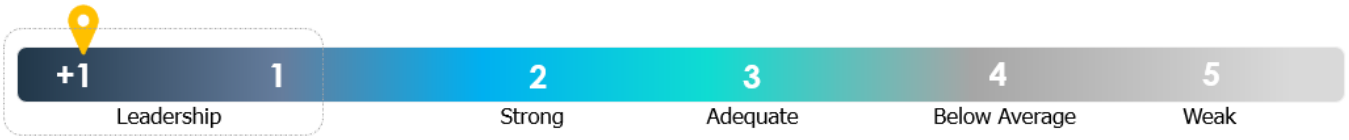
Data Transparency Level: **High**
Data Reporting Boundary: **Consolidated**
Overall Transition Pathway Trajectory: **Strong**
Environment Transition Pathway Trajectory: **Leadership**
Social Transition Pathway Trajectory: **Strong**

Pillar Weights & Scores



All scores are on the scale of 0 – 100

Rating Scale



CareEdge-ESG Rating Assessment Criteria

India & globally aligned	Physical and Transition risk evaluation	Comprehensive analysis

APL's Policy Analysis

Comprehensive	Board approved	Regularly reviewed

APL's Initiatives Impact

Mitigation

ESG Disclosures

BRSR Report	2024-2025	2023-2024
Integrated Annual Report	2024-2025	2023-2024
ESG Report	2024-2025	2023-2024

Rating Rationale

The ESG rating of 80.0 assigned to Adani Power Limited (APL) reflects a strong environmental and governance performance within a structurally high-impact thermal power sector, supported by systematic climate risk management, operational efficiency gains, and robust policy frameworks. On the environmental pillar, which carries the highest weight for the power sector (45%), the company outperforms industry peers with a score of 75.6 versus the sector median of 50.2, driven by measurable reductions in emissions and resource-use intensities, lower auxiliary power consumption, and climate change risk assessments conducted for their operations. APL ranks in the top quartile on carbon and other emissions management, anchored in the large-scale deployment of supercritical and ultra-supercritical technologies that now account for over 60% of installed capacity. Investments in flue gas desulphurization systems, continuous emissions monitoring, and digital optimization platforms further strengthen regulatory compliance and emissions control. The company's phased decarbonization roadmap toward net zero by 2070—combining near-term efficiency improvements with medium-term alternative fuels and long-term advanced technologies—demonstrates strategic alignment with India's NDCs and Paris Agreement objectives.

From a social perspective, APL demonstrates moderate-to-strong performance in occupational health and safety, community development, and employee wellbeing, reflecting a declining level of operational and reputational risk. The company's occupational health and safety (OHS) framework is aligned with ISO 45001 standards and incorporates behavior-based safety systems along with process safety management initiatives. During FY25, injury and fatality rates remained broadly in line with industry medians, and no health and safety complaints were reported. Community engagement is institutionalized through Board-level CSR oversight and a formal grievance redressal mechanism with 100% resolution of reported grievances, while CSR programs reached over 1.23 million beneficiaries, including vulnerable groups, strengthening its social license to operate. Employee wellbeing and human capital development are supported by universal insurance coverage, wellness initiatives, and substantial training investments exceeding industry benchmarks. However, structural weaknesses persist in diversity and

inclusion outcomes, with a low female workforce ratio, limited union representation, and incomplete monitoring of training for contract workers. Human rights governance appears relatively well established, supported by plant-level due diligence mechanisms and institutional safeguards such as POSH training. However, there remains scope to expand POSH and human rights training to achieve universal coverage across the organization, which would further strengthen the company's social performance and overall ESG score.

On governance, APL demonstrates strong formal compliance and oversight maturity through a comprehensive Code of Conduct, Anti-Corruption and Anti-Bribery Policy, Whistleblower Policy, and adherence to SEBI (Prohibition of Insider Trading) Regulations, 2015. The company reports no incidents of insider trading, corruption, or anti-competitive conduct during the review period, and has instituted structured mechanisms for conflict-of-interest management and related party transaction approvals through independent board committees and shareholders. Investor and shareholder grievance redressal systems show high resolution effectiveness, reinforcing stakeholder confidence. ESG and climate governance are embedded through a multi-tier architecture led by the Board, Corporate Responsibility Committee, and Risk Management Committee, with execution driven by the Apex Sustainability Committee and Chief Sustainability Officer across operational units. Board composition reflects high compliance with independence and committee requirements, though limited gender diversity and zero women in senior management constrain inclusivity and long-term leadership depth. A potential area for improvement lies in the operationalization of certain governance practices. While the company has established a comprehensive policy framework, formal training on the Code of Conduct and whistleblower mechanism has not yet been rolled out, resulting in limited employee training coverage on these ethics-related components. In contrast, the implementation of mandatory anti-bribery and anti-corruption (ABAC) training appears more advanced, indicating an opportunity to extend similar training efforts to other key governance areas.

Overall, APL Limited's ESG score of 80.0 reflects a relatively strong environmental and governance foundation supported by efficiency-led decarbonization, structured climate risk management, robust business ethics policies, and institutionalized social and community frameworks. The rating is moderated by inherent sectoral carbon intensity, rising absolute emissions from expansion, weak gender diversity outcomes, partial value-chain ESG coverage, and uneven execution of ethics and whistleblower training. Addressing these gaps—particularly by strengthening workforce inclusion, expanding supplier ESG assessments, and improving training penetration—presents a clear pathway for further enhancement of its ESG performance and long-term risk resilience.

Environment Score

The power sector has substantial effects on the environment due to its large ecological impact associated with high emissions, substantial energy and water consumption, and significant waste generation. Hence, for the sector, the pillar carries a high weight of 45%. With an environmental score of 75.6 compared to the industry median of 50.2, APL has outperformed its peers due to significant reductions in emission and resource-use intensities, lower auxiliary

power consumption, the integration of renewable energy to meet administrative electricity requirements, and ongoing energy efficiency enhancements across its operations.

APL ranks in the top quartile among its peer group, achieving a score of 77.5 in the theme of GHG Emissions and Climate Change and Risk Management. Despite operating in a carbon-intensive thermal power sector, the company has anchored its decarbonization approach in enhanced operational efficiency, delivering tangible improvements while preparing for long-term energy transition pathways. In FY25, APL increased its Plant Load Factor (PLF) to 71%, up from 64.7% in FY 2023–24, reflecting improved asset utilization and efficiency gains. A central element of its emissions management strategy is the large-scale deployment of supercritical and ultra-supercritical technologies, which now constitute more than 60% of its installed capacity and underpin all future capacity additions. These advanced technologies significantly improve thermal efficiency and reduce coal consumption per unit of electricity generated, thereby lowering CO_2 emission intensity relative to conventional sub-critical plants.

APL has undertaken significant technological and operational measures to reduce non-greenhouse-gas (non-GHG) air pollutants such as sulphur dioxide (SO_2), nitrogen oxides (NO_x), and particulate matter. To address this, the company has invested heavily in pollution control infrastructure across its facilities. Key interventions include the installation of Flue Gas Desulphurisation (FGD) systems, including India's first seawater-based FGD unit at the Mundra power plant, which effectively removes SO_2 from exhaust gases before release into the atmosphere. In addition, high-efficiency Electrostatic Precipitators (ESPs) have been deployed to capture particulate matter, while Continuous Emissions Monitoring Systems (CEMS) enable real-time monitoring and ensure compliance with regulatory standards. In FY25, the company reported an SO_2emissions intensity of 2.97 MT/GWh, NO_x emissions intensity of 1.26 MT/GWh, and particulate matter emissions intensity of 0.17 MT/GWh.

Alongside hardware upgrades, APL has integrated digital and analytics-driven platforms into plant operations. These systems enable continuous monitoring of emissions and energy performance, facilitating predictive maintenance and automated operational controls. By using data-driven optimization techniques, the company is able to detect inefficiencies early, reduce fuel losses, improve combustion efficiency, and minimize abnormal emission events. This combination of technological upgrades and operational discipline has enabled the company to maintain high plant load factors while keeping emissions intensity per unit of electricity generation relatively lower.

Scope 1 emissions, which arise from direct fuel combustion in power generation units and other on-site source, account for the majority of APL's GHG footprint, representing approximately 99% of the company's combined Scope 1 and Scope 2 emissions. In FY25, total Scope 1 emissions increased by approximately 18%, rising to 86,427,664.95 tCO_2e from 72,948,754.50 tCO_2e in FY24. This increase is primarily driven by the addition of three new plants—at Dahanu, Korba, and Mutiara—to the company's operational portfolio, which expanded generation

capacity and led to higher fuel consumption. Despite this increase in absolute emissions, the company has managed to maintain relatively stable emissions intensity levels, reflecting improvements in operational efficiency. This is reflected in company's reported Scope 1 emissions intensity, which stands at 845.67 tCO_2e/GWh, representing a 1% reduction compared to FY24 and remains below the industry median (847.06 tCO_2e/GWh in FY25). This reduction in intensity reflects ongoing efforts to improve plant efficiency and reduce fuel consumption per unit of electricity generated. Through the deployment of energy-efficient technologies and energy conservation initiatives, the company avoided approximately 403.15 tonnes of CO_2 emissions during the reporting period. Several operational improvements have contributed to these gains. Boiler optimisation measures—including boiler water washing, furnace air-infiltration rectification, superheater coil replacement, and spray reduction—improved plant heat rates by up to 9.5 kCal/kWh in certain units. Similarly, upgrades such as Air Preheater (APH) basket replacement, duct leakage arresting, and seal rectification reduced air leakage and enhanced combustion efficiency. Burner replacement and alignment, along with secondary air distribution corrections, further improved combustion efficiency and reduced coal consumption per unit of electricity generated. Improvements in turbine and condenser performance—through cleaning, rotor levelling, and overhauling—also enhanced heat transfer efficiency and reduced auxiliary power demand.

The company's use of supercritical boiler technology across several units (60% of total capacity) also plays an important role in reducing Scope 1 emissions intensity. Supercritical boilers operate at higher temperatures and pressures compared to subcritical units, enabling higher thermal efficiency and lower coal consumption per unit of electricity produced. This technological advantage contributes to lower direct GHG emissions relative to conventional coal-fired plants. Additionally, the company has undertaken initiatives such as biomass co-firing trials with 5–10% blending in coal-fired units and the use of biomass pellets in certain plants. These initiatives reduce reliance on fossil fuels and contribute to incremental reductions in Scope 1 emissions.

Scope 2 emissions, arising from purchased electricity used for auxiliary operations, administrative facilities, and other non-generation functions, remain minimal relative to Scope 1 emissions. From FY24 to FY25, location-based Scope 2 emissions declined from 5,253.81 tCO_2e to 1,366.59 tCO_2e, representing a reduction of approximately 74%. Scope 2 emissions intensity remained very low at approximately 0.013 tCO_2e/GWh, reflecting the company's reliance on internally generated electricity for most operational requirements. This represents a 78.2% decline in intensity compared to FY24, largely due to a reduction in plant blackout events during the year, which lowered the need to procure electricity from the grid. Electricity is typically utilised only under exceptional circumstances, such as temporary outages or plant start-up operations. As a result, purchased electricity constitutes only a small share of the company's overall energy consumption.

To further reduce reliance on grid electricity, APL has implemented a range of energy efficiency and energy management initiatives. These include upgrades to lighting systems, HVAC systems, administrative facilities, and

auxiliary equipment. The replacement of high-pressure sodium vapour lamps and conventional fluorescent lighting with LED systems has significantly reduced electricity consumption across facilities. Additional measures such as the installation of variable frequency drives (VFDs), energy-efficient motors, and power factor correction systems have improved electrical efficiency and reduced internal power demand.

Operational optimisation measures have also contributed to electricity savings. For example, the optimisation of cooling water pumps—such as operating fewer pumps during winter months or deploying lower-capacity pumps based on condenser performance—resulted in electricity savings of 18.68 million units annually in certain plants. Transport air compressor optimisation and other equipment improvements reduced station electricity consumption by more than 5 million units annually in some facilities.

The company has also begun integrating renewable energy into plant operations through rooftop solar installations and small solar plants across facilities such as Mundra, Tiroda, Raigarh, Kawai, and Dahanu. These systems supply electricity to administrative buildings and auxiliary loads, directly offsetting grid electricity consumption and reducing Scope 2 emissions.

APL's energy performance is closely linked to the efficiency of its thermal power generation processes. In FY25, the company reported an energy intensity of 9,512 GJ/GWh, reflecting a ~0.63% improvement from 9,572.45 GJ/GWh in FY24, and remaining below the industry median of 9,595.6 GJ/GWh. Maintaining lower energy intensity indicates that the company is generating electricity more efficiently relative to sector averages. During the reporting year, the company invested INR57.15 crore in energy efficiency and conservation projects, reflecting its continued focus on improving operational performance. Several operational optimisation initiatives contributed to improved energy efficiency. For instance, the selective use of low-capacity cooling water pumps during winter months helped reduce electricity consumption without compromising condenser performance. Compressor optimisation, improved temperature control systems, and enhanced monitoring of plant parameters also resulted in energy savings. Process optimisation measures further improved fuel efficiency. Reducing unburnt carbon in fly ash and bottom ash improved combustion efficiency and resulted in coal savings exceeding 19,000 tonnes in certain plants. Additional measures, such as reductions in demineralised water make-up requirements and improved chemical dosing systems, also contributed to lower energy consumption.

Beyond operational improvements, the company has expanded the deployment of energy-efficient infrastructure and low-carbon operational practices. These include LED lighting retrofits, rooftop solar systems for auxiliary and administrative loads, biomass co-firing trials, and the deployment of battery-operated vehicles for internal mobility within plant premises. Collectively, these initiatives contribute to reductions in both energy consumption and emissions intensity.

The company has also accounted for its Scope 3 emissions. In FY25, APL reported total Scope 3 emissions of approximately 24,13,55,598 tCO_2e. The largest share of these emissions arises from Category 3: Fuel- and energy-related activities, which accounted for 98% of the total scope 3 emissions. These emissions primarily originate from upstream activities associated with the extraction, production, and transportation of fuels such as coal, oil, and diesel, as well as transmission and distribution losses related to purchased electricity. Other notable contributors include waste generated in operations (1.1% of total Scope 3), purchased goods and services (0.3% of total Scope 3), capital goods (0.08% of total scope 3), business travel and employee commuting (0.02% of total scope 3). Several categories, such as downstream transportation, product use, and end-of-life treatment, are not applicable because the company produces electricity rather than physical products.

To address Scope 3 emissions, APL has begun implementing strategic interventions across its supply chain and logistics operations. One such initiative is the introduction of pipe conveyor systems at the Mahan plant, which connect coal mines directly to the power station. This system eliminates the need for road-based coal transport, thereby significantly reducing emissions associated with upstream logistics. In addition, pipe conveyors facilitate the movement of fly ash, reducing secondary transport requirements and further lowering environmental impacts. The company has also increased the use of washed coal, which contains lower ash content and burns more efficiently. This reduces both fuel consumption and the amount of fly ash generated, thereby lowering emissions associated with fuel production (Category 3) and waste generation (Category 5). By integrating cleaner fuel options, optimising logistics infrastructure, and improving operational efficiency, APL is gradually addressing value-chain emissions while maintaining reliable power generation.

APL has integrated climate change considerations into its enterprise risk management framework, enabling systematic identification and assessment of both physical and transition risks across its operations and value chain. Climate risks are evaluated across short-term (0–5 years), medium-term (5–10 years) and long-term (10–20 years) horizons to inform strategic planning, asset resilience and operational decision-making. The company undertakes climate scenario analysis based on the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report under the Representative Concentration Pathway (RCP 4.5) scenario, which projects temperature increases of approximately 1.7°C–3.2°C. This analysis assesses indicators such as maximum temperature trends, precipitation patterns, drought probability and flood-prone areas for the periods 2020–2039 and 2040–2059 across all operational and upcoming power plants. Insights from these assessments are translated into location-specific adaptation measures to manage both acute risks—such as floods, cyclones and droughts—and chronic stresses including heat and water scarcity. Infrastructure strengthening, enhanced drainage systems, maintenance of water reserves at plant sites, and continuous monitoring of coal inventories help maintain operational continuity and protect assets against climate variability.

In parallel, APL is addressing transition risks arising from evolving regulatory frameworks, market expectations

and decarbonisation pathways through a combination of technology upgrades, efficiency improvements and gradual portfolio diversification. The company aligns its climate strategy with India's Nationally Determined Contributions (NDCs) and emerging policy mechanisms such as Renewable Purchase Obligations (RPOs), while also enhancing transparency through disclosures and scenario-based planning. The firm has also identified potential climate-related financial risks—such as water shortages, increased cooling demand during heatwaves and disruptions in coal supply—with an estimated impact of INR883.59 crore over a 10-year period, and has initiated mitigation strategies including improved resource management and supply chain monitoring

APL has also formulated a decarbonisation strategy for FY 2025–26 based on a phased roadmap grounded in a detailed assessment of its current emissions profile and efficiency improvement potential. In the short term, the strategy emphasizes efficiency-led decarbonisation through enhanced energy conservation measures, optimal use of solar power to offset auxiliary consumption, and scaling up pilot initiatives. The medium-term focus is on technology integration and fuel transition by deploying techno-commercially viable solutions such as alternative fuels (biomass, ammonia, and compressed biogas) and energy storage technologies. In the long term, APL aims for deep decarbonisation to achieve net-zero emissions by 2070 through the adoption of next-generation energy technologies, including green hydrogen and small modular reactors (SMRs) for new thermal power plants, alongside neutralising residual emissions via technically and commercially feasible CCUS pathways.

In the Water Usage and Management theme, the company achieved a leadership score of 56.0, significantly higher than the industry median of 35.8. While its water consumption intensity stands at 2,169.42 KL/GWh, which is above the industry median, it has declined by 3.5% compared to FY24, indicating progress in improving water efficiency.APL's water efficiency performance is underpinned by a comprehensive Water Management Strategy that integrates advanced technologies, real-time monitoring and circular water practices tailored to the geographical context of each plant. APL prioritises minimising freshwater withdrawal, maximising reuse and ensuring long-term water sustainability through strict regulatory compliance and robust treatment systems. The company has recycled and re-used 20% of its total water withdrawn, Hinterland plants operate as Zero Liquid Discharge (ZLD) units with 100% reuse of treated wastewater, while coastal plants safely discharge rigorously treated effluents into the sea under continuous online monitoring, ensuring adherence to environmental standards and absence of harmful contaminants. The company has strengthened governance through its ISO 46001:2019-certified Water Efficiency Management Programme, which conducts plant-level assessments to identify inefficiencies, optimise processes and embed a culture of conservation. Despite higher overall water withdrawals driven by portfolio expansion, specific water consumption improved in 60% of operating plants—including Mundra, Tiroda, Kawai, Raigarh, Mahan, and Godda. This improvement, including at facilities located in water-stressed regions, reflects the company's continued focus on enhancing operational efficiency and water management practices. The company's water discharge intensity has increased from FY 24, as in FY25, APL acquired two additional coastal power plants—Tuticorin and Dahanu. This has directly resulted in an increase in discharge of

treated water into the sea.

In the theme of Effluent and Waste, the company has achieved a score of 78.1, APL's waste management framework is anchored in a structured, end-to-end process covering collection, segregation, transportation, reprocessing, recycling, and safe disposal, with practices tailored to different waste streams including fly ash, municipal, hazardous, biomedical, and e-waste. Fly ash remains the principal solid waste, and the company prioritises its utilisation in compliance with regulatory standards. Hazardous wastes such as used oil, spent resins, and empty containers are handled through authorised agencies in line with Hazardous Waste Management Rules. The strategy is guided by four core pillars—waste minimisation, reuse and recycling, safe disposal, and innovation and technology—aimed at reducing waste at source, diverting materials from landfills, and strengthening environmentally responsible disposal practices through continuous process optimisation and technological adoption.

Operational initiatives demonstrate strong execution and measurable outcomes. The company has installed a High Concentration Slurry Disposal (HCSD) system at Tiroda to immediately solidify ash and reduce fugitive emissions, developed infrastructure for fly ash sales to cement and allied industries, and achieved single-use plastic-free certification at nine of twelve generating units. It has supported circular economy outcomes by training local entrepreneurs in fly ash brick manufacturing, producing around 12,000 bricks and 1,000 tiles daily for internal use, establishing a Fly Ash Utilisation Promotion and Research Park, and enabling rail-based transport of fly ash through specialised wagons. Non-recyclable hazardous waste is disposed of via State Pollution Control Board-approved Treatment Storage and Disposal Facilities, while organic waste is composted with fly ash to generate manure for greenbelt development. Quantitatively, waste intensity stands at 151.2 MT/GWh—below the industry median—while absolute fly ash generation has increased in line with capacity expansion, but utilisation improved from 89% in FY24 to 100% in FY25. The company has further committed to a 5% annual reduction in waste generation intensity, underscoring a forward-looking approach to continuous environmental performance improvement.

APL demonstrates a structured and risk-based approach to biodiversity management, with clear safeguards to prevent operations from affecting high biodiversity value areas, protected regions, or endangered species within a 10 km radius of its facilities. The absence of International Union for Conservation of Nature (IUCN) Red List and nationally protected species across operating locations materially lowers exposure to biodiversity-related regulatory and reputational risks. Biodiversity Management Plans have been implemented at five ecologically sensitive sites, reinforcing alignment with the company's 'No Net Loss' commitment. Its participation in the World Economic Forum Trillion Trees Platform , with a quantified target of planting 7.85 million trees by 2030 and interim achievement of 5.74 lakh saplings, provides measurable evidence of long-term nature-positive capital deployment. Further, the linkage of biodiversity KPIs—such as environmental compliance and greenbelt development—to CEO

remuneration embeds accountability at the highest governance level, strengthening execution credibility. The company also targets to conduct biodiversity assessments as per the Taskforce on Nature-related Financial Disclosures (TNFD) LEEP Framework by FY26.

From a systems and controls perspective, biodiversity oversight is supported by a policy framework that exceeds statutory requirements and active alignment with the India Business and Biodiversity Initiative and the Convention on Biological Diversity. The use of external scientific institutions, including National Accreditation Board for Education and Training (NABET)-accredited agencies, the National Institute of Oceanography and the National Environmental Engineering Research Institute, enhances the robustness and independence of biodiversity assessments. Continuous monitoring of flora and fauna through Quadrat surveys, Shannon Diversity Index, and wildlife tracking in line with statutory and IUCN guidelines enables early identification of ecological impacts and mitigation planning. Overall, this framework reflects moderate-to-strong biodiversity risk management maturity, with quantified targets, executive accountability, and third-party scientific validation supporting a positive ESG assessment.

Social Score

APL's Occupational Health and Safety (OHS) framework indicates a shift from basic compliance to a more structured, behaviour-driven risk management system aligned with international standards such as ISO 45001. Safety training coverage reached 69% of employees and 77% of workers in FY25, which is broadly in line with the industry median, highlighting a solid foundation with clear scope for further expansion. Performance outcomes present a mixed but stable risk profile: the workforce fatality rate (~0.00005) and Total Recordable Injury Rate (0.00036) are marginally above the industry median, while the Average Lost Time Injury Frequency Rate (0.095) remains at par with peers. Additionally, no health and safety complaints were received for FY25. Collectively, these indicators suggest that preventive measures—including mandatory inductions, periodic refresher programmes, and site-specific safety protocols—are supporting improved control over workplace hazards and contributing to greater workforce resilience and operational continuity.

From a governance and leadership perspective, safety is embedded through behavioural standards and structured accountability under initiatives such as Project Chetna 2.0, which strengthens Process Safety Management across mechanical integrity, hazard analysis (HAZOP), critical equipment tracking, and KPI-based dashboards. The articulation of defined safety leadership behaviours—ranging from mentoring and reporting to rewarding compliance and reprimanding violations—signals a shift toward proactive cultural reinforcement rather than reactive incident management. Plant-level safety innovations (e.g., fire sensors, visitor induction kiosks, video analytics-based alerts, and traffic risk mitigation systems) further demonstrate decentralised execution aligned with enterprise-wide standards. Overall, APL's OHS performance reflects strong risk mitigation maturity, with low

injury and fatality rates, broad workforce training penetration, and structured safety governance contributing positively to its ESG profile and indicating reduced operational, regulatory, and reputational risk over the medium term.

APL's community development and CSR strategy is underpinned by a structured governance framework and participatory engagement model that reduces social risk while enhancing the durability of its social licence to operate. Oversight at the Board-level CSR Committee, supported by site-level teams and the Adani Foundation, ensures alignment with national priorities, regulatory expectations, and organisational sustainability goals. The presence of a formal grievance redressal mechanism—with designated officers, documented registers, escalation protocols, and 100% resolution of 30 grievances received during the reporting period—demonstrates operational maturity and accountability. Regular need assessments, impact evaluations across eight sites, and continuous dialogue through Program Officers indicate that interventions are data-driven rather than ad hoc. Importantly, the absence of any significant actual or potential negative community impacts during the year suggests effective risk anticipation and mitigation through structured engagement, transparent communication, and feedback loops.

From an outcome perspective, APL's CSR portfolio shows breadth, scale, and inclusion, with over 1.23 million beneficiaries and 37.5% drawn from vulnerable and marginalised groups, strengthening its social equity profile. Programmes in education, healthcare, livelihoods, and infrastructure highlight a focus on both philanthropy as well as capability building initiatives. Large-scale health interventions—such as Mobile Healthcare Units delivering over 2.5 lakh treatments, specialised medical camps, and insurance coverage through the Aarogya Card—address structural gaps in rural healthcare access, reducing long-term community vulnerability. Livelihood initiatives including dairy cooperatives, mushroom cultivation, vermicomposting, and skill development centres demonstrate measurable economic impact through income generation, employment creation, and women's empowerment. Climate and infrastructure projects (tree plantation, water conservation, solar installations, and sanitation facilities) further integrate environmental and social objectives. Overall, the company's CSR approach reflects a relatively high level of institutionalisation, with strong governance, grievance handling, and outcome orientation contributing positively to its ESG risk profile by lowering community conflict exposure and strengthening long-term stakeholder trust.

APL's employee wellbeing framework reflects a relatively high degree of institutionalisation, integrating physical, mental and preventive healthcare through structured programmes, digital health platforms and on-site medical infrastructure. Universal coverage of health insurance, accident insurance, maternity and paternity benefits, and daycare facilities for employees and workers significantly reduces exposure to health-related productivity and attrition risks. High return-to-work and retention rates following parental leave (both at 100%) further suggest that benefit design is translating into workforce stability and continuity. However, employee satisfaction scores have plateaued around 4.1 over four years, indicating that while baseline wellbeing provisions are strong,

incremental gains in engagement may require more differentiated interventions linked to career progression, workload management and inclusion.

From a human capital development perspective, APL demonstrates substantial investment in training and leadership pipelines, with over 3.27 lakh training hours and ₹20.76 crore spent on learning and development in FY25. Average training hours per employee (78 hours for men and 51 hours for women) and the breadth of digital platforms (AE Varsity, e-Vidyalaya, APTRI) signal a systematic approach to capability building aligned with operational performance and future-readiness. The fact that 51% of employees received skill upgradation training—above the industry median—strengthens its long-term employability and transition readiness, particularly in the context of energy transition and digitalisation. Leadership programmes such as Power Up, Takshashila and Young Leaders have generated measurable business outcomes in promotions, efficiency gains and cost optimisation, linking learning investments directly to organisational performance. In contrast, skill upgradation training for workers, while rolled out, is not tracked or monitored regularly, representing a gap in data maturity and limiting visibility on whether human capital investments are equitably distributed across employment categories.

Inclusion and labour practices present a more mixed risk profile. While APL has robust DEI policies, accessibility infrastructure, human rights certifications (SA 8000 at select plants), and zero reported violations on child or forced labour, gender diversity indicators remain structurally weak. The female-to-male workforce ratio stands at 0.02, below the industry median, and the median pay ratio of female to male employees at 0.61 also trails peer benchmarks, pointing to persistent representation and equity gaps despite exceeding its own internal targets. Although women account for 33.3% of Board representation, operational and management-level participation remains limited, especially in STEM and revenue-generating roles. Freedom of association is formally recognised, but union presence is restricted to only Dahanu and Tuticorin plants, suggesting limited collective bargaining coverage across the wider workforce. Taken together, APL's human capital strategy is strong on wellbeing infrastructure and skills development, but comparatively weaker on diversity outcomes and worker-level training governance, which could pose medium-term social and reputational risks if not addressed through more granular monitoring, targeted hiring, and pay equity interventions.

APL's human rights framework demonstrates a relatively high level of institutionalisation, anchored in a Board-approved Human Rights Policy aligned with international standards such as the UN Guiding Principles on Business and Human Rights and ILO conventions. The company has embedded human rights due diligence (HRDD) into its operational risk management through plant-level risk registers, integration into the enterprise risk matrix, and 100% coverage of plants and offices under human rights assessments during the reporting period. The scope of assessment—covering forced labour, child labour, freedom of association, discrimination, harassment and impacts on vulnerable groups including women, migrant workers and indigenous communities—indicates a comprehensive

risk lens rather than a narrow compliance approach. Training and awareness initiatives further support implementation, with structured e-learning modules, induction programmes and 98.8% of security personnel trained on human rights. The resolution of a single reported POSH complaint during the year reflects functional grievance redressal and disciplinary mechanisms. However, the absence of tracked training data for contract workers and incomplete coverage of POSH training point to execution gaps at the operational edge of the workforce.

APL has adopted a structured approach to integrating ESG considerations across its value chain, aligned with SEBI's BRSR value chain disclosure guidelines by identifying significant suppliers contributing individually 2% or more and cumulatively up to 75% of total procurement value. Supplier onboarding is routed through the ARIBA portal, where vendors are screened against defined ESG parameters alongside commercial and operational criteria, with ESG indicators embedded into purchase order conditions. In FY 24–25, 344 new value chain partners were onboarded, all of whom underwent environmental and social screening, out of a total base of 2,512 tier-1 suppliers—implying that about 14% of value chain partners were assessed for ESG impacts during the year. While this reflects an emerging governance mechanism for responsible sourcing, the limited coverage highlights a transitionary phase in maturity. The company's plan to conduct ESG assessments of identified critical value chain partners from FY 25–26 indicates a forward-looking intent to deepen risk-based supplier oversight and strengthen end-to-end ESG integration across its procurement ecosystem.

APL's business ethics framework reflects a strong formal alignment with regulatory and governance requirements, anchored in a comprehensive Code of Conduct, Anti-Corruption and Anti-Bribery (ABAC) Policy, Whistleblower Policy and compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The company has instituted structured mechanisms to manage conflicts of interest at the Board level, regulate Related Party Transactions (RPTs) through Audit Committee and shareholder approvals, and extend ethical expectations to suppliers and business partners via codes of conduct and contractual obligations. During the reporting period, no incidents of insider trading, corruption, bribery or anti-competitive conduct were reported, and no serious concerns related to conflicts of interest were disclosed, indicating a stable control environment. Investor and shareholder grievance redressal mechanisms are formally established, with a high proportion of complaints resolved within the reporting period, suggesting operational effectiveness of stakeholder engagement and dispute resolution systems. The whistleblower mechanism, administered through the Chairman's Office, provides confidential and anonymous reporting channels with explicit protection against retaliation, reinforcing procedural safeguards for ethical accountability.

However, while APL demonstrates strong policy architecture and governance oversight, execution maturity remains uneven, particularly in the area of employee capacity building. Despite the presence of a Code of Conduct

and whistleblower framework, no formal structured training has been conducted on Code of Conduct and whistleblower protection policy. In contrast, Anti Bribery and Anti-Corruption training is mandatory and delivered through the e-Vidyalaya platform, including for the Board, indicating a more advanced implementation in anti-corruption controls than in broader ethics awareness.Overall, APL's business ethics practices exhibit strong compliance orientation and low reported incident risk, but strengthening structured training coverage on Code of Conduct and whistleblower protection, along with enhanced disclosure on corrective actions and supplier oversight, would be critical to transition from a rules-based framework to a more deeply internalized culture of ethical conduct.

APL's ESG and climate oversight architecture reflects a mature, multi-layered governance model that integrates climate considerations into strategic decision-making rather than treating them as a peripheral compliance function. The Board of Directors provides top-level accountability, supported by specialised committees including the Corporate Responsibility Committee (CRC) and Risk Management Committee (RMC), which embed climate and ESG risks into enterprise risk frameworks and ensure annual Board-level review of climate-related exposures. This structure strengthens strategic alignment between sustainability objectives and long-term business planning, particularly for a carbon-intensive sector such as thermal power generation. The inclusion of the Stakeholder Relationship Committee (SRC) and Corporate Social Responsibility Committee (CSRC) further broadens oversight beyond environmental risk to encompass social performance and stakeholder engagement, reinforcing a holistic ESG governance approach. Overall, this committee-based architecture indicates that climate risks and opportunities are institutionally recognised and systematically integrated into governance and control mechanisms.

At the management and operational levels, execution is driven through the Apex Sustainability Committee (ASC), chaired by the CEO and guided by the Chief Sustainability Officer (CSO), translating Board directives into actionable programmes across functions and sites. The presence of a Core ESG Working Group and Unit Sustainability Steering Committees (USSCs) ensures vertical and horizontal integration, enabling ESG performance to be monitored monthly and embedded into routine operational decisions.

APL Limited demonstrates strong regulatory compliance and structured board functioning, with all mandatory committees—audit, risk management, nomination and remuneration, CSR, and stakeholder relationship—constituted in line with the Companies Act 2013 and SEBI listing requirements and led largely by independent and non-executive members. The board meets prescribed frequency norms, maintains quorum, ensures shareholder rights in director appointments and removals, and discloses AGM participation and proceedings, reflecting procedural transparency and accountability. While board independence and functional expertise are well established—supported by sector-relevant experience and BRSR training of board members and key managerial personnel—gender diversity remains a weakness, as the company does not exceed statutory thresholds and reports zero representation of women in senior management. Overall, the governance framework reflects high

compliance maturity and operational discipline, though limited diversity at leadership levels constrains inclusivity and broader board effectiveness.

Controversy Assessment:

CareEdge-ESG defines controversies as any key material event or news that can have a negative ESG impact on the company's operations, products and sustainability. CareEdge-ESG categorizes each controversy based on company's involvement in the controversy, its severity and status.

In this context, references in the public domain relating to Adani Power has been comprehensively reviewed, with due consideration given to management clarifications on applicability, status, and supporting details. Further, substantial number of queries have already been resolved, details of which have been clarified upon by the company and available on the public domain and hence deemed closed. Based on this assessment, certain matters were determined to be either not directly attributable to the company's core operations or already addressed through regulatory or disclosure processes. The allegations of stock manipulation and accounting irregularities raised by Hindenburg Research have already been examined and subsequently dismissed by the Securities and Exchange Board of India (SEBI), thereby concluding this aspect of the controversy around Adani Group from a regulatory standpoint. Additionally, stakeholder concerns linked to the Godda Power Plant in Bangladesh continue to be monitored as evolving developments and are appropriately reflected in ESG scoring as part of ongoing governance and stakeholder-engagement considerations.

In APL, controversy management is embedded within the enterprise-level risk governance framework, drawing on an integrated ERM approach aligned with established methodologies such as COSO. This structure combines strategic oversight from the Board and designated risk committees with operational-level risk identification across business units, enabling early recognition and structured resolution of potential ESG, regulatory, reputational, or operational issues. Matters assessed as material are transparently disclosed through periodic reporting, with remediation supported by strengthened internal controls, stakeholder engagement, and continuous monitoring mechanisms. The resolution process typically involves structured escalation, defined accountability, periodic review, and closure tracking, supported by governance reviews and risk-register updates.

CareEdge Ratings continues to monitor controversies associated with the company and would take appropriate steps based on events unfolding in the future. Any negative outcome from conclusion of investigations into APL directly or Adani group that may have a bearing on APLs, impairing its operations and sustainability, shall remain a key rating monitorable.

Key Rating Drivers

Strengths

Efficiency-led decarbonization through advanced thermal technologies, higher efficiency, optimized fuel use, and lower emissions intensity

APL Limited demonstrates a strong environmental performance relative to peers by embedding efficiency-led decarbonisation into its core operating strategy. With over 60% of installed capacity based on supercritical and ultra-supercritical technology, the company has materially lowered coal consumption and emissions intensity per unit of electricity generated. This is reinforced by sustained improvements in Plant Load Factor (71% in FY25), large-scale deployment of flue gas desulphurisation (FGD) systems, continuous emissions monitoring, and digital optimisation platforms. Scope 1 emissions improved slightly to 845.7 tCO_2e/GWh (1% YoY reduction), remaining below the industry median due to continued efficiency gains and supercritical technologies. Scope 2 emissions remain negligible given the company's reliance on captive generation, declining by ~74% in FY25 with a very low intensity of ~0.013 tCO_2e/GWh, supported by operational stability, energy-efficiency measures, and rooftop solar integration. Together, these measures have enabled APL to outperform the industry median on emissions and energy intensity metrics, positioning it in the top quartile for carbon and air pollutant management despite operating in a high-impact thermal power sector.

Institutionalized climate risk management and long-term transition planning supporting a structured low-carbon pathway

A key strength lies in the company's structured integration of physical and transition climate risks into its enterprise risk framework across short-, medium- and long-term horizons. Scenario analysis, plant-level vulnerability assessments, and adaptation investments (flood barriers, drainage upgrades, cooling technologies, and early-warning systems) enhance asset resilience and business continuity. The phased decarbonisation roadmap toward net zero by 2070—combining near-term efficiency gains with medium-term alternative fuels and long-term technologies such as green hydrogen and CCUS—demonstrates strategic alignment with India's NDCs and Paris Agreement goals, improving preparedness for regulatory tightening and investor scrutiny.

Robust governance architecture and regulatory compliance

The company exhibits strong formal governance maturity through comprehensive business ethics policies (Code of Conduct, ABAC, Whistleblower Policy), absence of reported corruption or insider trading cases, and high effectiveness in shareholder grievance redressal. ESG and climate oversight are embedded in a multi-tier structure led by the Board, Corporate Responsibility Committee and Risk Management Committee, with execution driven by the Apex Sustainability Committee and Chief Sustainability Officer. Board functioning shows high compliance with Companies Act 2013 and SEBI listing requirements, with independent committees, regular meetings, and transparency in AGM disclosures, reflecting procedural discipline and accountability.

Advanced biodiversity risk management and nature-positive commitments

APL's biodiversity framework reduces ecological and reputational risk by ensuring that none of its operating plants are located in high biodiversity or protected areas within a 10 km radius. The implementation of Biodiversity Management Plans at ecologically sensitive sites and alignment with the World Economic Forum's Trillion Trees (1t.org) platform—with a quantified target of 7.85 million trees by 2030—demonstrate a structured, target-driven approach to nature stewardship. Linking biodiversity KPIs to CEO remuneration further strengthens accountability and execution credibility.

Weaknesses

Scope to improve diversity and inclusion across both workforce and leadership levels.

A major social weakness is the company's persistently low gender diversity, with a female-to-male workforce ratio of around 0.02 and zero women in senior management, despite 33.3% Board representation. The female-to-male pay ratio also trails industry benchmarks, indicating equity gaps. Limited union presence across most plants further constrains collective bargaining coverage. These structural deficiencies weaken inclusivity, constrain leadership pipeline depth, and pose medium-term reputational and talent risks, particularly as ESG expectations increasingly emphasise workforce diversity.

Uneven implementation of business ethics training despite strong policy framework

Despite a robust business ethics framework supported by policies such as the Code of Conduct, Anti-Corruption and Anti-Bribery (ABAC) Policy, and Whistleblower Mechanism, implementation remains uneven at the employee level in Adani Power Limited. While ABAC training is mandatory and delivered through digital platforms, no formal training has been conducted on the broader Code of Conduct or whistleblower protection mechanisms. This limits employee awareness of ethical standards and reporting channels, indicating a gap between policy design and organization-wide internalization.

Partial coverage of human rights and POSH training.

While Adani Power Limited has implemented human rights and POSH training programmes, coverage remains incomplete, indicating scope to extend these initiatives to 100% of employees and workers to ensure stronger awareness and consistent workplace safeguards across the organisation.

Key ESG Parameters of APL

Parameters	Unit	2025-26	Industry Median
Environment			
Scope 1 intensity	tCO2e/GWh	845.7	847.1
Scope 2 intensity	tCO2e/GWh	0.01	1.4
Scope 3 intensity	tCO2e/GWh	236.2	159.2
Energy intensity	GJ/GWh	9512.2	9595.6
Water consumption intensity	KL/GWh	2169.4	1925.5
Waste generation intensity	MT/GWh	151.2	138.7
Social			
Employee turnover	%	7%	8%
Female to male employees' ratio	Per 100 male employees	2	5
Female to male employees' median pay	Per Rs. 100 of male employees' median pay	61.5	72.1
Health & safety complaints	#	0.00	0.00
Health insurance coverage	%	100.00%	100.00%
Accident insurance coverage	%	100.00%	100.00%
Differently abled workforce	% of total workforce	0.00	0.2%
Workforce fatality rate	Total Fatalities/Total Workforce	0.00005	0.00001
Governance			
No. of female in board	#	1	1
% board members trained on BRSR	%	100.00%	100.00%
% KMPs trained on BRSR	%	100.00%	100.00%
Income gap ratio (CEO pay to median pay of employees)	X:Y	66.1:1	30.0:1

Data source: company information, public sources, CareEdge-ESG research & analysis
NR = Not Reported | MT = metric tons | GJ = gigajoules | GWh=Gigawatt hour

Rating Sensitivities

Positive Factors:

- Strengthening diversity initiatives
- Increase in training coverage for POSH, Human Rights, Code of Conduct, Whistleblower
- Human rights policies and training to value chain partners
- Increase in water recycling rate

Negative Factors

- Increase in intensities
- Regulatory lapses leading to reputational damage
- Reduced focus on human capital development

Analytical approach

Rating boundary: CareEdge-ESG has considered standalone data of APL for assessment. The same is in line with their disclosure in BRSR. The transition parameters are also part of ESG rating model of CareEdge-ESG.

Methodology/Criteria

For detailed understanding of the criteria and methodology used by CareEdge-ESG, please refer to the methodology document available on www.careedgeesg.com

About the company and industry

Adani Power Limited, incorporated in 1996 and headquartered in Ahmedabad, is one of India's largest private sector thermal power producers and part of the diversified Adani Group. The company operates within the power generation industry and is primarily engaged in the production and sale of electricity. It supplies electricity to state utilities, distribution companies, and industrial consumers through long-term power purchase agreements as well as merchant power sales. Its portfolio mainly consists of large-scale thermal power plants, complemented by efficiency improvements and emerging initiatives related to cleaner energy transitions.

Over the years, Adani Power has expanded significantly to operate multiple power plants across states such as Gujarat, Maharashtra, Karnataka, Rajasthan, and Chhattisgarh, strengthening its position in India's power sector. With a large installed generation capacity exceeding 15 GW, it has established itself as a key contributor to meeting India's growing electricity demand, supporting both industrial development and household consumption.

The company plays an important role within the Indian power generation industry, a sector that underpins economic growth, infrastructure expansion, and rising energy demand. As India continues to urbanize and industrialize, reliable and affordable electricity supply remains critical for manufacturing, services, and overall economic productivity. Large private power producers like Adani Power complement public utilities by investing in capacity expansion, improving operational efficiency, and strengthening energy security across the country.

Moreover, Adani Power has increasingly aligned its strategy with broader sustainability and transition priorities in the energy sector. The company has focused on improving plant efficiency, adopting advanced technologies to reduce emissions intensity, and supporting responsible resource management. These efforts reflect a shift toward balancing reliable power generation with environmental stewardship and long-term energy transition considerations.

Source of information

While assigning the ratings, CareEdge-ESG has considered publicly available information such as annual reports

of the company and other policies, sustainability reports, certifications, BRSR reports, additional information and comments provided by the company.

Status of non-cooperation with previous ERP: Not applicable

Rating history for last three years:

Sr. No.	Name of Product	Current Rating		Rating history		
		Rating	Score	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1	ESG Rating	CareEdge-ESG 1+	80.0	-	-	-

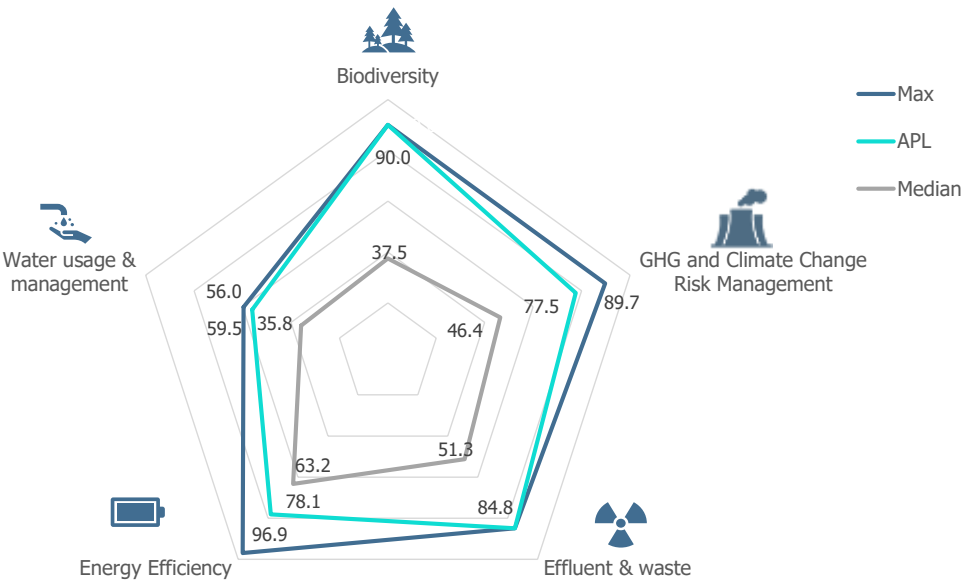
Annexure: Graphical summary of key rating drivers[2]

Hierarchy: While arriving at pillar level scores for APL, CareEdge–ESG has assigned theme weights based on relative importance and sectoral hierarchy as depicted in the exhibit below.

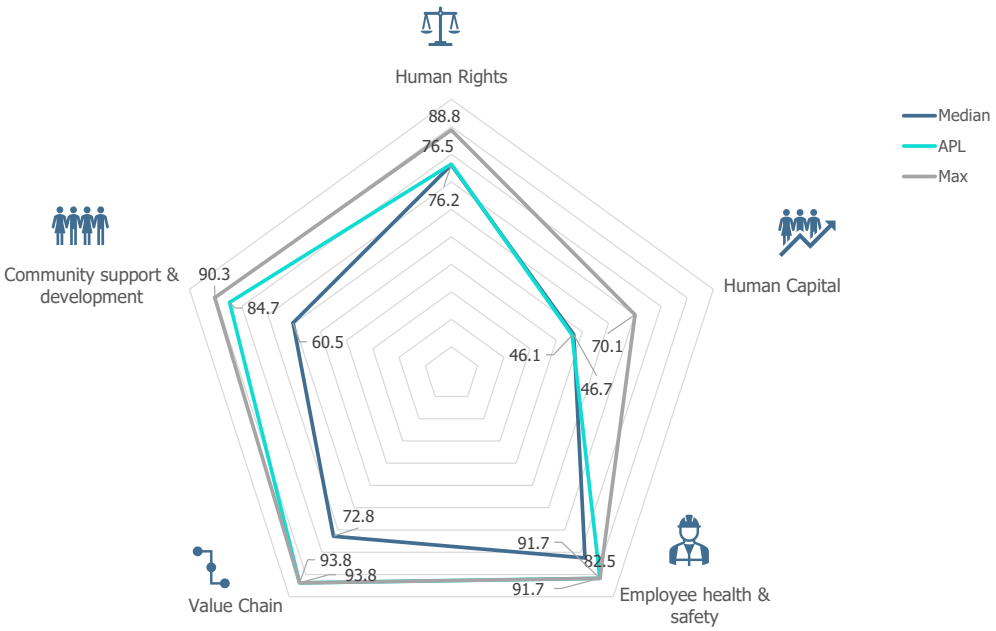
Materiality	Environment	Social	Governance
HIGH	GHG Emissions and Climate Change Risk Management Energy Efficiency	Employee Health & Safety Community Support & Development	Business Ethics Oversight on ESG
MEDIUM	Water Usage & Management	Human Capital Human Rights	Reporting, filling & disclosures Board Composition
LOW	Effluent & Waste Biodiversity	Value Chain	Remuneration Board Functioning

[2] *Comprehensive analytical insights, inferences and benchmarking is provided in CareEdge-ESG's detailed ESG Report*

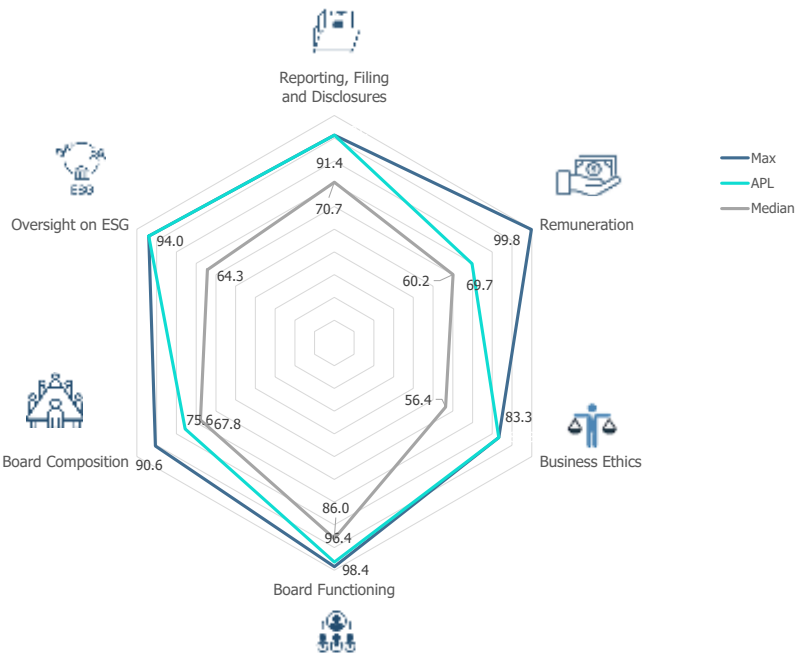
Environment Pillar: Adani Power's theme-wise performance and industry benchmarks



Social Pillar: Adani Power's theme-wise performance and industry benchmarks



Governance Pillar: Adani Power's theme-wise performance and industry benchmarks



Summary of Pillar & Theme Scores:

Theme	APL	Industry Median
Biodiversity	90.0	37.5
GHG and Climate Change Risk Management	77.5	46.4
Effluent & waste	84.8	51.3
Energy Efficiency	78.1	63.2
Water usage & management	56.0	35.8
Total Environment Score	**75.6**	**50.2**
Human Rights	76.5	76.2
Human Capital	46.1	46.7
Employee Health & Safety	91.7	82.5
Value Chain	93.8	72.8
Community support & development	84.7	60.5
Total Social Score	**81.6**	**69.0**
Reporting, Filing and Disclosures	91.4	70.7
Remuneration	69.7	60.2
Business Ethics	83.3	56.4
Board Functioning	96.4	86.0
Board Composition	75.6	67.8
Oversight on ESG	94.0	64.3
Total Governance Score	**85.8**	**63.4**
Total ESG Score	**80.0**	**59.1**

Contact

Nikunj Dube	Director & Head – ESG Ratings	Nikunj.dube@careedge.in	+91 – 72191 09995
Sanghamitra Sarma	Analyst	Sanghamitra.sarma@careedge.in	+91 – 22 – 6837 4400

Media Contact

Mradul Mishra	Director – Media Relations	Mradul.mishra@careedge.in	+91 – 22 – 6754 3596

Relationship Contact

Saikat Roy	Chief Executive Officer	Saikat.Roy@careedge.in	+91 – 84528 15872

CARE ESG Ratings Limited

Corporate Office: A Wing – 1102 / 1103, Kanakia Wall Street, Andheri Kurla Road, Chakala, Andheri (East), Mumbai – 400 093 Phone: +91 - 22 - 6837 4400
l CIN: U66190MH2016PLC285575

About:

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 the India's pioneer ESG rating provider fostering sustainability with ESG insights. With an aim of being a catalyst of 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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