## Adani Enterprises Limited (AEL)

| Adani Enterprises Limited (AEL) | Previous Score | Rating Symbol | Rating Score | Rating Symbol | Rating Movement |
|---|---|---|---|---|---|
| ESG Rating | 83.0 | CareEdge-ESG 1+ | 83.1 | CareEdge-ESG 1+ | |

* *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**

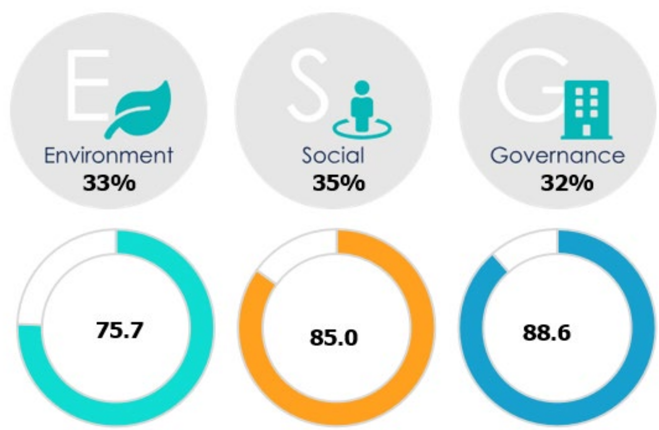
Data Reporting Boundary: **Consolidated**

Overall Transition Pathway Trajectory: **Leadership**

Environment Transition Pathway Trajectory: **Leadership**

Social Transition Pathway Trajectory: **Leadership**

### Pillar Weights & Scores





*Please*

*note: all scores mention in this document are on the scale of 0 – 100*

### CareEdge-ESG Rating Assessment Criteria

India & globally aligned | Physical risk evaluation | Comprehensive analysis

### AEL's Policy Analysis

Comprehensive | Board approved | Regularly reviewed

| AEL's Initiatives Impact | | |
|---|---|---|
| Adaptation | Mitigation | Resilience |

| ESG Disclosures | | | |
|---|---|---|---|
| BRSR report | 2025-26 | 2024-25 | 2023-24 |
| Integrated Annual Report | 2025-26 | 2024-25 | 2023-24 |
| ESG factbook | 2025-26 | 2024-25 | 2023-24 |

## Rating Rationale

The rating assigned to Adani Enterprises Limited (AEL) reflects its leadership position in ESG stewardship, supported by strong governance practices, comprehensive sustainability initiatives, and proactive management of environmental and social risks across its diversified business portfolio. With an environmental score of 75.7, AEL performs significantly above the industry median, demonstrating robust policies and initiatives related to biodiversity conservation, climate risk management, emissions reduction, resource efficiency, waste management, and sustainable sourcing. The company has strengthened biodiversity management by increasing the number of sites covered under Biodiversity Management Plans (BMPs) and continues to align its climate strategy with globally recognised frameworks. However, increases in Scope 1, Scope 2, and Scope 3 emissions intensity, energy intensity, and water consumption intensity during FY26 indicate that operational expansion has outpaced efficiency gains, highlighting opportunities to further strengthen decarbonisation and resource optimization efforts.

AEL's strong social score of 85.0 and governance score of 88.6 reflect its mature approach to human rights, employee health and safety, cybersecurity, community development, stakeholder engagement, and ethical business conduct. The company maintains ISO 45001-certified safety systems, comprehensive human rights and grievance management frameworks, strong cybersecurity controls with no reported data breaches, and extensive CSR programmes focused on vulnerable communities. During FY26, AEL reported a significant improvement in LTIFR and increased investment in employee wellbeing, while female workforce representation also improved. Governance remains a key strength, supported by independent board oversight, robust risk management practices, anti-corruption mechanisms, strong disclosure standards, and structured ESG governance. Continued progress in workforce diversity, employee retention, contractor safety, renewable energy adoption, and emissions intensity reduction will further strengthen AEL's ESG profile going forward.

**Environment Score**

**75.7**

Transition Pathway Trajectory

**Leadership**

The trading companies and distributors industry generally carries a lower direct environmental footprint compared to heavy manufacturing industries as it primarily operates in a service-oriented sector. While direct environmental impacts are limited, indirect impacts may arise through logistics operations, energy consumption in facilities, waste management, and supply chain-related emissions. Given the sector's role in enabling large-scale movement of goods and influencing upstream and downstream activities, environmental considerations such as carbon and other emissions, climate risk management, energy use, waste generation and water consumption remain relevant. Accordingly, the Environmental pillar carries a weightage of 33% within the assessment framework. With an overall Environmental score of 75.7 in FY26, AEL continues to perform above the industry median across most environmental themes, reflecting the company's mature environmental governance framework, comprehensive sustainability policies, strong operational controls, and long-term commitment towards responsible growth.

AEL demonstrates leadership-level performance in Biodiversity, achieving a score of 97.0, significantly above the industry median of 73.8. The company has established a formal Biodiversity Policy and integrates biodiversity considerations throughout project planning, environmental impact assessments, and operational decision-making. Biodiversity impact assessments are conducted across operations, and Biodiversity Management Plans (BMPs) are developed with clearly defined objectives, mitigation measures, monitoring frameworks, and stewardship responsibilities. During FY26, the number of sites covered under Biodiversity Management Plans increased from 5 sites in FY25 to 8 sites, demonstrating strengthened biodiversity governance and wider integration of ecological management practices across operations. The company ensures compliance at all locations operating within ecologically sensitive areas and undertakes habitat restoration, afforestation, ecological monitoring, invasive species management, and landscape-level conservation initiatives. Its biodiversity framework is aligned with globally recognized standards such as the TNFD, Nature Positive Initiative, Kunming-Montreal Global Biodiversity Framework, and SDG 15 (Life on Land), reflecting a structured approach towards achieving No Net Loss and, where feasible, Net Positive Impact outcomes.

In the theme of Carbon and Other Emissions, AEL achieved a score of 68.1, above the industry median of 64.3, supported by a comprehensive carbon management framework, regulatory compliance mechanisms, emissions monitoring systems, science-based target approach, and independent assurance. The company complies with the Air (Prevention and Control of Pollution) Act and the Environment Protection Act and maintains formal policies aimed at reducing greenhouse gas emissions, air pollutants, and energy consumption. AEL has aligned its emissions reduction targets and conducts independent third-party assurance of its carbon and energy disclosures. The company reports comprehensive Scope 1, Scope 2, and Scope 3 emissions, covering a broad range of business segments including airports, mining services, solar manufacturing, data centers, and copper operations. During FY26, Scope 1 emissions increased from 3,04,428 $tCO_2e$ in FY25 to 4,22,295 $tCO_2e$, while Scope 2 emissions increased from 4,19,927 $tCO_2e$ in FY25 to 7,17,833 $tCO_2e$ in FY26. Scope 3 emissions intensity also increased from

93,65,982 $tCO_2e$ in FY25 95.67 to 1,23,87,917 $tCO_2e$ in FY26, primarily attributable to business expansion, operational scale-up, and inclusion of additional business units. AEL continues to strengthen its decarbonisation efforts through electrification of equipment and fleets, deployment of renewable energy, implementation of continuous emissions monitoring systems, exploration of carbon capture and utilisation technologies, internal carbon pricing mechanisms, and development of a green hydrogen ecosystem. Several business units have also established net-zero roadmaps, with airports and data centers targeting operational net-zero emissions by 2029 and 2030 respectively. AEL maintains a strong position in Climate Change Risk Management, achieving a score of 77.7, substantially above the industry median of 63.6. The company has established a structured framework to identify, assess, monitor, and mitigate climate-related risks and opportunities across multiple time horizons. Climate scenario analysis, stress testing, and enterprise-level climate risk assessments are undertaken to evaluate both physical and transition risks. Climate-related disclosures are aligned with globally recognized frameworks including TCFD and IFRS S2, while climate considerations are integrated into project development, capital allocation, operational planning, and business continuity processes. The company has implemented mechanisms to manage climate risks during both project execution and ongoing operations, further strengthening resilience across its diversified portfolio. Climate governance is also supported through independent verification of climate-related targets and performance indicators, reinforcing transparency and accountability.

The company continues to strengthen its Energy Management framework through policies, operational initiatives, independent assurance, and ISO 50001-certified energy management systems. However, energy consumption increased from 5,98,020 GJ FY25 to 8,09,671 GJ in FY26, reflecting the expansion of energy-intensive businesses across the infrastructure portfolio. Renewable energy continues to play an important role in AEL's energy transition strategy. The company has established policies and targets to increase renewable energy usage and currently utilizes renewable energy across multiple business segments. Renewable energy consumption represented approximately 8.06% of total energy consumption in FY26, compared to 8.78% in FY25, remaining broadly aligned with the industry median of 10%. AEL continues to invest in captive solar and wind generation, renewable power procurement, low-carbon technologies, and energy-efficient infrastructure. Airports within the portfolio have also adopted renewable electricity sourcing strategies and energy-efficient technologies, including low-GWP refrigerants and environmentally friendly fire suppression systems, contributing to long-term emissions reduction and operational efficiency.

AEL achieved a score of 68.9 in Effluent and Waste Management, outperforming the industry median. The company has established formal waste management policies and circular economy initiatives focused on waste reduction, recycling, reuse, recovery, and landfill diversion. Several business units have implemented and achieved Zero Waste to Landfill mechanisms. Total waste generated increased marginally from 3,28,453 MT in FY25 to 3,46,659 MT in FY26, primarily due to increased operational scale and infrastructure expansion. Despite this increase, waste intensity remains substantially lower than the industry median, reflecting effective waste management practices. The company also maintains dedicated hazardous waste reduction programmes, safe disposal mechanisms, and resource recovery initiatives across multiple business segments. Circular economy practices are further strengthened through the utilization of industrial by-products, sustainable construction materials, and advanced waste processing infrastructure.

In Green Value Chain Management, AEL achieved a score of 75.0, outperforming the industry median of 50.0. The company maintains formal policies, targets, and initiatives aimed at promoting environmentally responsible supply chain practices and integrating ESG considerations into procurement decisions. During FY26, AEL significantly strengthened its supply chain environmental governance, with 100% of value chain partners assessed for environmental impacts. This represents a substantial improvement in supplier ESG oversight and demonstrates the company's increasing focus on extending environmental accountability beyond its direct operations. Sustainable procurement practices, supplier engagement programmes, and ESG-based vendor assessments contribute to stronger environmental risk management across the value chain.

AEL also demonstrates strong performance in Product Footprint and Stewardship, achieving a score of 73.7, significantly above the industry median of 39.5. The company maintains policies to promote environmentally responsible products and services and supports the clean energy transition through multiple business verticals. Product lifecycle considerations are integrated through Life Cycle Assessments (LCAs), external verification processes, and adherence to internationally recognized standards such as ISO 14040 and ISO 14044. The company conducts third-party verified LCAs, promotes product recyclability and reuse, and incorporates circular economy principles into product development and operational practices. Its portfolio includes products and services that contribute to renewable energy development, sustainable infrastructure, and environmental improvement, further strengthening its product stewardship performance.

The company achieved a score of 92.9 in Raw Material Sourcing, significantly outperforming the industry median of 78.6. AEL has established comprehensive sustainable sourcing initiatives focused on reducing environmental impacts associated with raw materials. The company actively monitors safety risks arising from raw materials, promotes responsible procurement practices, encourages recycled material usage, and undertakes initiatives aimed at reducing hazardous and toxic substances. These efforts contribute to improved resource efficiency, reduced environmental impacts, and stronger sustainability performance across procurement and supply chain activities.

In Water Usage and Management, AEL achieved a score of 74.9, above the industry median of 33.0, supported by a comprehensive water stewardship framework encompassing water conservation, recycling, reuse, treatment, monitoring, and water positivity initiatives. The company maintains formal water management policies and subjects' water-related disclosures to independent external assurance. Several operations have implemented and achieved Zero Liquid Discharge (ZLD) systems. Volume of water discharged improved from 15,09,232 KL in FY25 to 14,33,713 in FY26, reflecting enhanced wastewater management and discharge control measures. However, total water consumption increased, largely driven by the expansion of infrastructure-intensive businesses and increased operational activity. Despite this increase, AEL continues to invest in wastewater treatment infrastructure, rainwater harvesting, desalination facilities, recycling systems, alternative water sourcing, and advanced monitoring technologies to improve long-term water efficiency and resilience. Water treatment performance remains broadly aligned with industry benchmarks, while dedicated water positivity initiatives further strengthen the company's water stewardship efforts.

Overall, AEL's environmental performance reflects a mature and comprehensive sustainability framework characterized by strong biodiversity management, advanced climate governance, effective waste recovery systems, responsible sourcing practices, robust supply chain oversight, and comprehensive water stewardship initiatives. While certain intensity metrics increased during FY26 due to significant business expansion, the company continues to strengthen its environmental management systems, sustainability governance structures, and long-term decarbonisation, resource efficiency, and resilience strategies, positioning it favorably relative to industry peers.

**Social Score**

**85.0**

Transition Pathway Trajectory

**Leadership**

The Social pillar carries a weightage of 35% within the overall sector assessment. With a Social score of 85.0, Adani Enterprises Limited (AEL) continues to perform significantly above the industry average, reflecting the company's strong performance across material themes such as employee health and safety, human capital development, human rights management, diversity and inclusion, cybersecurity and data privacy, product quality and stewardship, responsible supply chain management, and community development. The score reflects the presence of mature governance structures, robust management systems, strong stakeholder engagement practices, and continued investments in workforce wellbeing and community upliftment. The company's performance demonstrates that social sustainability considerations are increasingly embedded within its operational and strategic decision-making processes. AEL achieved a score of 80.8, substantially higher than the industry median of 40.0, reflecting its strong health and safety management systems, safety culture, and risk mitigation practices. Employee health and safety remain one of the most material themes for AEL considering the operational complexity and risk profile associated with its diversified portfolio spanning airports, logistics, mining services, infrastructure development, manufacturing, renewable energy, digital infrastructure, and industrial operations. The company continues to maintain a comprehensive health and safety governance framework supported by a dedicated Health & Safety Policy, ISO 45001-certified Occupational Health and Safety Management Systems, and dedicated health and safety teams across operations. The framework is reinforced through periodic risk assessments, workplace inspections, internal audits, emergency preparedness drills, permit-to-work systems, contractor safety management protocols, and leadership oversight mechanisms designed to identify and mitigate operational risks. A key improvement observed during FY26 is the strengthening of safety assurance coverage across the organization. FY26 data indicates that 100% of the company's plants and offices were assessed for health and safety practices and ISO 45001 compliance, demonstrating a significant enhancement in monitoring, governance, and oversight. This reflects AEL's commitment to ensuring consistent implementation of safety standards across all business verticals and operating locations. The company's investments in safety culture and preventive measures have translated into improved performance outcomes. LTIFR improved significantly in FY26, declining from 0.14 to 0.049 for employees and from 0.13 to 0.065 for workers. This improvement suggests that the company's ongoing efforts around workforce training, hazard identification, contractor management, behavioral safety initiatives, and digital monitoring systems are contributing positively to workplace safety outcomes. Similarly, the Total Recordable Injury Rate remained low at 0.001, while the workforce fatality rate stood at 0.0003, indicating continued efforts to maintain safe working environments despite the inherently high-risk nature of several business operations. The company continues to provide comprehensive health and accident insurance coverage to 100% of employees and extends healthcare services beyond occupational health requirements. Regular medical examinations, occupational health assessments, awareness campaigns, toolbox talks, emergency preparedness drills, and competency enhancement programs continue to form an integral part of AEL's safety ecosystem. AEL recorded a score of 66.4 in the theme of human capital exceeding the industry median of 47.7, supported by its focus on employee development, wellbeing, training, and workforce engagement programs. The company also deploys digital workforce management platforms and contractor monitoring systems to strengthen compliance and reduce safety-related risks among third-party workers and contractors, who typically represent the highest risk category in large infrastructure and industrial projects. Beyond safety, AEL continues to strengthen its human capital management practices, which remain a key contributor to its overall social performance. The company maintains comprehensive policies and strategies covering diversity and inclusion, employee wellbeing, training and development, grievance management, equal opportunity, and workforce engagement. These frameworks are designed to create a safe, inclusive, and productive work environment while supporting long-term employee growth and organizational capability building. A notable positive development during FY26 is the continued increase in investments toward employee wellbeing. The cost incurred on wellbeing measures increased from 0.36% of revenue in FY25 to 0.48% in FY26, indicating enhanced spending on employee health, wellness, engagement, and support programs. This increase reflects management's recognition of the importance of employee wellbeing as a driver of workforce productivity, retention, and organizational resilience. The company also continues to demonstrate strong grievance management practices. During FY26, approximately 87.8% of workforce complaints were resolved, supported by formal grievance redressal mechanisms, employee engagement platforms, leadership interactions, and structured communication channels. The company also continues to provide paid paternity leave and maintains multiple employee committees that facilitate workforce participation and collective dialogue on workplace matters. AEL's workforce diversity performance showed gradual improvement during FY26. The ratio of female employees to male employees increased from 9 in FY25 to 12 in FY26 (Per 100 male employees), demonstrating progress in improving gender representation despite operating predominantly in sectors such as infrastructure, logistics, mining, and industrial manufacturing, which have historically lower female participation rates. Similarly, the ratio of female workers to male workers slightly declined from 10 in FY 25 to 9 in FY 26 (Per 100 male employees). While these figures remain below global best-practice benchmarks, the year-on-year improvement indicates positive momentum and continued efforts to attract and retain women across different levels of the organization. However, certain diversity-related indicators continue to present opportunities for improvement. The ratio of median pay of female employees to median pay of male employees declined from INR 86 in FY25 to INR 58 (Per Rs. 100 of male employees' median pay) in FY26. At the worker level, however, the median pay ratio of female workers to male workers stood at INR 111.6. These mixed trends indicate that while progress has been made in workforce representation, continued focus on equitable pay structures and advancement opportunities remains important.

Employee turnover increased during FY26. Overall employee turnover rose from 16.7% in FY25 to 23.5% in FY26, while female employee turnover increased from 24.1% in FY25 to 28.1% in FY26 and male employee turnover increased from 16.2% in FY25 to 23.1% in FY26. The increase may be attributable to expansion across new businesses, workforce restructuring, changing labor market dynamics, and growing competition for talent. Despite higher turnover, the company continues to invest significantly in employee development, engagement, and wellbeing initiatives aimed at enhancing employee retention and workforce satisfaction. Capability development remains a major area of focus for AEL. During FY26, approximately 60% of employees were trained on BRSR principles, while 37.7% of employees and 50.1% of workers received skill upgradation training.

In the theme of human rights, AEL scored 85.6 compared to the industry median of 33.6, demonstrating robust human rights governance, grievance management mechanisms, and workforce awareness initiatives. The company also reported substantial training coverage across critical areas including health and safety, human rights, prevention of sexual harassment, cybersecurity, and data privacy. These initiatives support the development of a skilled, responsible, and future-ready workforce capable of adapting to changing business and regulatory requirements. Human rights governance continues to represent a strength for AEL. The company maintains a comprehensive Human Rights Policy aligned with international frameworks such as the Universal Declaration of Human Rights (UDHR), International Labour Organization (ILO) principles, and follows SA8000 standards. Human rights considerations are integrated into workforce management practices, supplier engagement processes, contractual arrangements, and operational decision-making. AEL also maintains a Code of Conduct, whistleblower mechanisms, grievance redressal systems, and Prevention of Sexual Harassment (POSH) policies to safeguard employee rights and workplace dignity. The company reported zero human rights complaints during FY26, while 100% of company plants and offices were assessed on human rights practices. Training and awareness efforts also remained strong, with approximately 54.41% of employees and 78.3% of workers receiving training on human rights policies. These indicators reflect the company's efforts to strengthen awareness, accountability, and compliance across its operations. Workplace dignity and anti-harassment management remain important areas of focus. During FY26, POSH complaints as a percentage of the female workforce declined from 0.52% in FY25 to 0.44%, indicating improved awareness and preventive measures. AEL scored 89.7, well above the industry median of 50.0, driven by comprehensive cybersecurity frameworks, data protection measures, and strong information security governance. the company continues to maintain structured investigation procedures, awareness programs, and grievance resolution mechanisms to address workplace harassment concerns effectively. Cybersecurity and data privacy have become increasingly material given AEL's growing presence in digital infrastructure, data centers, airports, logistics, and technology-enabled businesses. The company maintains a dedicated cybersecurity and data privacy policy supported by internal audits, vulnerability assessments, access control mechanisms, cybersecurity awareness programs, and ISO/IEC 27000-aligned information security frameworks. AEL reported zero data breaches during FY26, including no incidents involving personally identifiable customer information. The company's digital infrastructure is further supported by advanced cybersecurity controls, continuous monitoring systems, incident response frameworks, penetration testing exercises, and governance oversight, contributing to strong cybersecurity resilience and stakeholder confidence. The AEL also demonstrates strong performance in product quality, customer stewardship, and service excellence. Product and service quality management is supported through internationally recognized quality management systems, structured operational procedures, quality assurance mechanisms, internal audits, customer feedback systems, and continuous improvement processes. AEL conducts customer satisfaction surveys and maintains formal mechanisms to communicate service-related risks and disruptions where relevant. The company also reports effective consumer grievance management practices supported by structured resolution frameworks and continuous monitoring of customer concerns. Supply chain management and responsible sourcing continue to be important components of AEL's social performance. The company maintains policies covering supplier human rights, responsible business conduct, grievance management, statutory compliance, and sustainability considerations. AEL assesses human rights practices among value chain partners and incorporates responsible business requirements into supplier relationships and contractual agreements. During FY26, 100% of value chain partner complaints were resolved, demonstrating strong engagement and accountability mechanisms. However, the percentage of input materials directly sourced from MSMEs, and small producers declined from 34% in FY25 to 26% in FY26. While this decline represents an area for improvement, the company continues to maintain substantial MSME participation within its procurement ecosystem. Additionally, approximately 54% of procurement by value was sourced from suppliers within India, reflecting continued support for domestic supply chains and local economic development. Community development remains one of the strongest aspects of AEL's social performance. Through the Adani Foundation, the company continues to implement large-scale CSR initiatives focused on education, healthcare, livelihoods, women empowerment, community infrastructure, and rural development. The company remains compliant with CSR requirements under the Companies Act, 2013 and undertakes impact assessments for its social development programs. AEL, through the Adani Foundation, has established a structured and accessible mechanism for receiving and addressing community grievances. A grievance redressal register is maintained at each site under the supervision of the CSR representative, enabling systematic recording, tracking, and resolution of community concerns. The company also reported active job creation in rural and semi-urban areas. Income paid to persons employed in smaller towns increased marginally from 21.85% of total wage cost in FY25 to 22.05% in FY26, demonstrating continued contribution toward local employment generation and regional economic development. Overall, AEL's FY26 social performance reflects a highly structured and evolving social sustainability framework supported by strong governance systems, improving safety performance, investments in workforce wellbeing, enhanced diversity initiatives, robust human rights practices, strong cybersecurity controls, responsible supply chain management, and impactful community development programs. While opportunities remain in areas such as gender representation, pay equity, employee retention, and MSME sourcing, the company's demonstrated year-on-year improvements across multiple social indicators support its strong social score of 85.0 and reinforce its leadership position within the sector.

**Governance Score**

**88.6**

The Governance pillar carries a weight of 32% for the sector. With a governance score of 88.6, AEL holds the leadership position among its industry peers, showcasing its strong governance framework and the efficient integration of ESG principles into strategic decision-making across top leadership levels. Key governance aspects such as business ethics, oversight on ESG, board composition, board functioning, remuneration, and reporting, filing and disclosures. The Governance pillar remains one of the strongest areas of performance for Adani Enterprises Limited (AEL), reflecting a mature governance framework supported by strong board oversight, comprehensive risk management systems, robust ethical conduct mechanisms, transparent stakeholder engagement practices, and well-established compliance processes. The company continues to demonstrate performance significantly above industry norms across several governance themes, reinforcing its position as a governance leader within the sector. AEL maintains comprehensive governance architecture aligned with the requirements of the Companies Act, 2013 and SEBI Listing Regulations. The company complies with all key governance-related statutory requirements, including the establishment and functioning of the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee (NRC), Stakeholders Relationship Committee (SRC), and Corporate Social Responsibility (CSR) Committee. The board composition also remains aligned with regulatory requirements relating to board independence, non-executive representation, board size, committee independence, and director rotation. The company continues to hold Annual General Meetings within the prescribed timeline and discloses AGM attendance, participation details, and proceedings, thereby supporting transparency and shareholder engagement.

Board effectiveness remains a key strength for AEL. The company reports that 100% of board members possess relevant industry experience, significantly strengthening strategic oversight and decision-making capabilities. In addition, 100% of board members and Key Managerial Personnel (KMPs) have been trained on BRSR principles, demonstrating strong board-level awareness of sustainability, ESG risks, and stakeholder expectations. Board meetings and committee meetings are conducted regularly in accordance with statutory requirements, with adequate attendance levels maintained throughout the year. The company also demonstrates strong expertise representation on ESG-related matters, with board members and senior management possessing knowledge and experience relating to environmental, climate-related, and social issues. The company demonstrates strong governance performance in ethics, integrity, and business conduct. AEL maintains a comprehensive Code of Conduct applicable to employees and management and extends ethical expectations across its value chain through supplier and vendor engagement. The company has established Anti-Corruption and Anti-Bribery Policies, Whistleblower Protection mechanisms, Anti-Money Laundering policies, insider trading controls, and conflict-of-interest management processes. Importantly, the company reported no major incidents relating to corruption, bribery, anti-competitive behavior, or conflicts of interest during the reporting period, indicating effective implementation of governance controls and compliance systems. AEL's whistleblower framework remains significantly stronger than the industry median. The company has a formal whistleblower protection policy and maintains multiple channels for confidential reporting and grievance escalation. These mechanisms are designed to protect employees and stakeholders from retaliation while encouraging ethical conduct and early identification of compliance risks. The absence of significant governance controversies during the year further supports the effectiveness of these systems.

Risk management remains a core strength of AEL's governance framework. The company has established an enterprise-wide risk management process covering strategic, operational, financial, legal, environmental, cyber, and sustainability-related risks. The Risk Management Committee oversees risk identification, assessment, mitigation, and monitoring processes across the organization. The company also maintains a Business Continuity Plan and dedicated Business Continuity Teams to strengthen resilience against operational disruptions and emerging risks. AEL's strong credit rating and absence of material financial restatements or delayed filings during the last two fiscal years further demonstrate financial discipline and effective governance oversight.

The company also demonstrates strong governance integration of ESG and sustainability considerations. AEL has established an ESG materiality assessment framework supported by a formal materiality matrix that prioritizes environmental, social, and governance issues based on stakeholder relevance and business impact. The company has designated board-level and management-level accountability for ESG performance and sustainability-related decision-making. ESG issues are reviewed periodically through governance structures, and performance against BRSR principles is reviewed quarterly. Importantly, there are no pending board reviews or compliance reviews relating to BRSR principles, demonstrating strong governance oversight of sustainability matters.

Stakeholder engagement is another area where AEL demonstrates governance maturity. The company maintains formal stakeholder engagement policies and processes and actively incorporates stakeholder feedback into the identification and management of material environmental and social topics. Stakeholder consultation outcomes are regularly communicated to management and the board, ensuring that stakeholder concerns are integrated into strategic decision-making processes. This structured engagement approach supports transparency, accountability, and long-term stakeholder trust. AEL also demonstrates strong performance in investor protection and shareholder rights. The company maintains dedicated grievance redressal mechanisms for investors and shareholders and reports high complaint resolution rates. The company also complies with SEBI requirements regarding related party transactions (RPTs), including audit committee approvals and shareholder approvals wherever required. A dedicated Related Party Transaction Policy further strengthens governance controls around related-party dealings. While related-party transactions remain relatively high in areas such as loans, advances, and investments due to the diversified group structure, these transactions remain subject to regulatory oversight, audit scrutiny, and shareholder governance processes. Transparency and reporting practices continue to remain strong. The company reported no financial restatements and no delays in regulatory filings over the last two fiscal years. External auditors issued an unqualified audit opinion on the company's financial statements, reflecting confidence in the integrity of financial reporting and internal controls. The company also undertakes regular internal and external audits across governance, compliance, financial reporting, and operational functions. Despite its strong governance performance, certain areas present opportunities for further enhancement. Board diversity remains a notable area of improvement. While AEL maintains compliance with gender diversity requirements, there is no women representation in senior management. Similarly, the company does not exceed the minimum board gender diversity threshold prescribed under the Companies Act. Increasing representation of women in leadership and senior decision-making positions could further strengthen governance diversity and improve alignment with global governance best practices.

Overall, AEL demonstrates a highly mature governance framework characterized by strong regulatory compliance, effective board oversight, robust ethics and compliance systems, comprehensive risk management processes, transparent stakeholder engagement, and strong ESG governance integration. The company significantly outperforms industry medians across most governance indicators and continues to exhibit governance practices consistent with leading ESG performers. While improvements in board diversity, committee independence, and leadership representation can further strengthen performance, AEL's governance systems provide a strong foundation for sustainable value creation, stakeholder trust, and long-term organizational resilience.

## Key rating drivers

**Strengths**

### Strong environmental stewardship supported by comprehensive biodiversity and resource management practices

AEL demonstrates strong performance in biodiversity conservation and natural resource management, significantly outperforming industry benchmarks. The company has implemented Biodiversity Management Plans across multiple operational sites, undertakes biodiversity conservation initiatives, conducts impact assessments, and maintains compliance across ecologically sensitive areas. These efforts are further supported by robust water management, sustainable raw material sourcing practices, and initiatives aimed at reducing environmental impacts throughout its operations.

### Advanced climate governance and commitment towards low-carbon transition

AEL maintains a proactive climate risk management framework supported by climate scenario analysis, transition risk assessments, and science-based emissions reduction targets. The company has established policies and initiatives to reduce greenhouse gas emissions, increase renewable energy adoption, improve energy efficiency, and strengthen climate resilience across businesses. The integration of climate-related considerations into project planning and operational decision-making demonstrates a structured approach towards long-term decarbonization and sustainable growth.

### Robust product stewardship and sustainable business model

The company has embedded sustainability principles into its products and services through lifecycle assessment practices, product stewardship policies, circular economy initiatives, and environmentally responsible product development. AEL conducts Life Cycle Assessments (LCA), obtains relevant certifications, and promotes recycling, reuse, and responsible end-of-life management of materials, reflecting a strong commitment to minimizing product-related environmental impacts.

### Comprehensive employee health, safety, and wellbeing framework

Health and safety remain a key strength for AEL, supported by ISO 45001-certified management systems, dedicated safety teams, structured risk assessment processes, and extensive workforce training programmes. The company provides comprehensive health and accident insurance coverage, conducts regular safety audits and workplace assessments, and has demonstrated improvement in safety performance through a significant reduction in LTIFR during FY26. Increased spending on employee wellbeing further highlights its commitment to workforce welfare.

### Robust cybersecurity and data protection framework

Given its presence across digital infrastructure, airports, data centres, and technology-enabled businesses, AEL has established a strong cybersecurity governance framework aligned with internationally recognized standards such as ISO/IEC 27001 and the NIST Cybersecurity Framework. Continuous monitoring, internal audits, employee awareness programmes, and advanced security controls have contributed to zero reported data breaches during the reporting period.

## Weaknesses

### Increase in environmental intensity metrics despite ongoing sustainability initiatives

While AEL has established strong environmental governance systems and ambitious climate commitments, several key environmental intensity indicators witnessed deterioration during FY26. These trends suggest that operational expansion and increasing business activities have outpaced efficiency improvements, indicating a need for stronger decoupling of resource consumption and emissions from business growth.

### Relatively low renewable energy utilisation within overall energy consumption

Although AEL has established policies, targets, and initiatives to increase renewable energy usage, renewable energy consumption as a percentage of total energy consumption remains relatively low at approximately 8.1%. Furthermore, the share declined marginally from FY25 levels, indicating scope for accelerating renewable energy integration across operations. Given the company’s net-zero ambitions and climate commitments, increasing renewable energy penetration remains a key improvement area.

### Limited gender diversity across workforce and leadership positions

Despite improvement during FY26, gender diversity continues to remain relatively low across AEL's workforce. The female-to-male employee ratio improved; however, female representation remains significantly below desirable levels for a diversified workforce. Similarly, female worker participation remains low at approximately 9.2%. The median pay ratio of female employees to male employees also declined indicating a widening pay gap at the employee level. While the company continues to undertake diversity and inclusion initiatives, there remains significant scope for strengthening female representation, leadership participation, and gender pay equity.

### Rising employee turnover levels indicate retention challenges

The overall employee turnover rate increased from 16.7% in FY25 to 23.5% in FY26. Female employee turnover also increased from 24.1% to 28.1%, while male employee turnover rose from 16.2% to 23.1%. Although the company has increased spending on employee wellbeing initiatives, the rising turnover trend suggests potential challenges related to employee retention, workforce stability, or competition for skilled talent across its diverse business portfolio.

### Moderate performance in human capital relative to other social themes

While AEL demonstrates strong performance across human rights, community development, cybersecurity, and value chain management, its Human Capital score remains the lowest among all social themes. This indicates that workforce diversity, talent retention, employee engagement, leadership development, and workforce inclusion require additional focus to reach the performance levels achieved in other social dimensions.

## Controversy assessment

### AEL’s controversy redressal mechanism

All controversies are managed through standard risk management processes covering identification, assessment, mitigation, monitoring, and reporting. Each issue is evaluated using a risk and materiality assessment approach to determine its significance and the need for escalation or disclosure. Internal mechanisms governing these processes are described in the Risk Management chapter in the company’s Integrated Annual Report, which outlines its ERM approach, governance structure, framework components, process flows, and risk exposure review methodology. These sections explain how risks are assessed, impacts analyzed, and mitigation measures designed. Oversight is exercised by both the Board-level Risk Management Committee and Reputation Risk Management Committee (RRMC)—a sub-committee focused specifically on reputational matters and potential controversies. The mandate, roles, and scope of the RRMC are defined in its publicly available charter.

Controversies that have met the materiality thresholds have been transparently disclosed in the Integrated Annual Reports, along with the corresponding action plans and management responses.

The resolution of controversies follows a structured process that includes timely escalation, assignment of remediation responsibilities, periodic progress reviews, responding to the ESG rating queries and closure monitoring. Remedial actions typically involve strengthening internal controls, addressing process or system gaps, enhancing internal and external communication, or engaging with relevant stakeholders, as applicable. Monitoring is supported through quarterly governance reviews, integrated risk reporting, and risk register updates.

**CareEdge-ESG's assessment process**

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 remediation. In this context, all controversies mentioning AEL in public domain have been granularly assessed and thoroughly reviewed along with detailed explanation provided by the company with respect to applicability and status. Resulting from the assessment, CareEdge-ESG is of the opinion 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.

## Key ESG Parameters of AEL

| Parameters | Unit | 2025-26 | Industry Median |
|---|---|---|---|
| *Environment* | | | |
| Scope 1 emissions | Metric Tons of CO2 equivalent | 4,22,295 | - |
| Scope 2 emissions | Metric Tons of CO2 equivalent | 7,17,833 | - |
| Scope 3 emissions | Metric Tons of CO2 equivalent | 1,23,87,917 | - |
| Renewable energy consumption | % (of total energy consumption) | 8.06% | 14.10% |
| Energy intensity | GJ/ INR crore of turnover | 100.04 | 13.58 |
| Water consumption intensity | KL/ INR crore of turnover | 81.26 | 41.79 |
| Waste generation intensity | MT/ INR crore of turnover | 3.45 | 7.94 |
| Zero waste to landfill | Waste to landfill/total waste | 0.91 | - |
| Achieved Zero liquid discharge | Yes/No | Yes | - |
| *Social* | | | |
| Employee turnover | % | 23.49% | 182% |
| Female to male employees' ratio | Per 100 male employees | 12.00 | 46.00 |
| Female to male employees' median pay | Per Rs. 100 of male employees' median pay | 58.33 | 58.33 |
| Health & safety complaints | # | 0.00 | 0.00 |
| Health insurance coverage | % | 100.00% | 0.00% |
| Accident insurance coverage | % | 100.00% | 0.00% |
| Differently abled workforce | % of total workforce | 0.16% | 2.67% |
| POSH complaints upheld over reported | X/Y | 0/0 | 0/0 |
| Workforce fatality rate | Per employee | 0.03 | 0.00 |
| Total recordable injury rate | # | 0.10 | 0.00 |
| *Governance* | | | |
| No. of female in board | # | 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) | X: Y | 30.69 | 30.69 |

*Data source: company information, public sources, CareEdge-ESG research & analysis*

*MtCO2e = Metric tons of carbon dioxide equivalent | MT = metric tons | GJ = gigajoules | KL = Kilolitres*

## Rating Sensitivities

**Positive factors**

- Reduction in Scope 1, Scope 2, and Scope 3 emissions intensities across operations
- Increase in renewable energy usage
- Reduction in water and energy intensity
- Lower employee turnover rates

**Negative factors**

- Limited progress in diversity and inclusion
- Increase in water and energy consumption
- Deterioration in health and safety performance

## Analytical approach

**Rating boundary:** CareEdge-ESG has considered standalone data of AEL for assessment. The same is in line with their disclosure in BRSR.

## Methodology/Criteria

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

## About the Company and industry

Adani Enterprises Limited (AEL) is the flagship incubator company of the Adani Group and plays a central role in developing and scaling new infrastructure and energy businesses in India. Established in 1993, AEL is widely recognised as India's largest listed business incubator, focusing on building scalable businesses across four key sectors: energy and utilities, transport and logistics, consumer businesses, and primary industries. The company follows a unique incubation model, identifying emerging opportunities, developing businesses to scale, and subsequently spinning them off into independently listed companies. Through this approach, AEL has successfully incubated and listed several major companies, including Adani Ports and Special Economic Zone, Adani Power, Adani Energy Solutions, Adani Green Energy, Adani Total Gas, and creating significant long-term value for shareholders.

AEL's current business portfolio spans a diverse range of sectors aligned with India's infrastructure and energy transition needs. In the energy and utilities segment, the company is developing an integrated green hydrogen ecosystem, including renewable energy manufacturing, hydrogen production, and downstream derivatives such as green ammonia and fertilizers. In digital infrastructure, AEL is developing large-scale data centers through its AdaniConneX platform to support India's growing digital economy. In transport and logistics, AEL operates a major airports platform managing seven operational airports, Mumbai, Ahmedabad, Lucknow, Mangaluru, Jaipur, Guwahati, and Thiruvananthapuram and is developing the Navi Mumbai greenfield airport, alongside investments in road infrastructure projects.

In primary industries, AEL provides mining services, integrated resource management for coal sourcing, and operates commercial mining assets. The company is also expanding into industrial manufacturing, including a copper smelter project and initiatives in petrochemicals, metals, and defense manufacturing aimed at supporting India's industrial self-reliance.

Through its diversified portfolio and incubation-led strategy, AEL continues to develop large-scale infrastructure and industrial platforms aligned with India's long-term growth priorities, while creating scalable and independently sustainable businesses within the Adani Portfolio ecosystem.

## 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 the last three years:**

| Sr. No. | Name of Product | Current Rating | | Rating history | | |
|---|---|---|---|---|---|---|
| | | Rating | Score | Date(s) & Rating(s) assigned in 2025-26 | Date(s) & Rating(s) assigned in 2024-25 | Date(s) & Rating(s) assigned in 2023-24 |
| 1 | ESG Rating | CareEdge-ESG 1+ | 83.1 | March 30, 2026 CareEdge-ESG 1+ – 83.0 | - | - |

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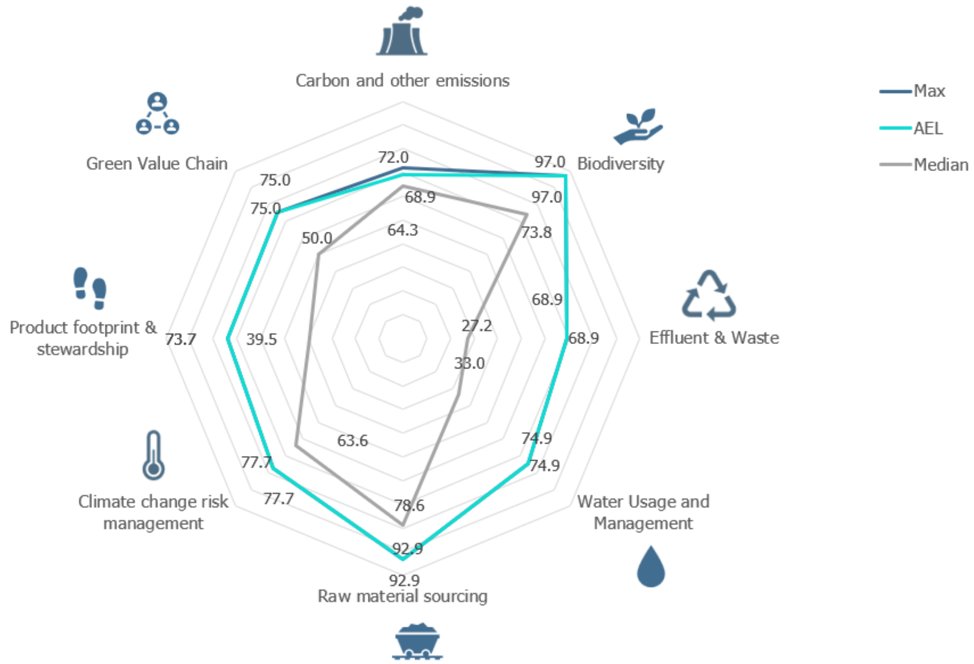
## Annexure: Graphical summary of key rating drivers[1]

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

| Materiality | Environment | Social | Governance |
|---|---|---|---|
| HIGH | Carbon and other emissions<br>Climate Change Risk Management | Employee Health & Safety<br>Product Safety & Quality | Oversight on ESG<br>Business Ethics |
| MEDIUM | Effluent & Waste<br>Biodiversity | Human Capital<br>Human rights | Board Composition |
| LOW | Water usage & management<br>Green Value Chain<br>Raw Material Sourcing<br>Product footprint & stewardship | Privacy & data security<br>Value Chain<br>Community support & development | Reporting, filling & disclosures<br>Board Functioning<br>Remuneration |

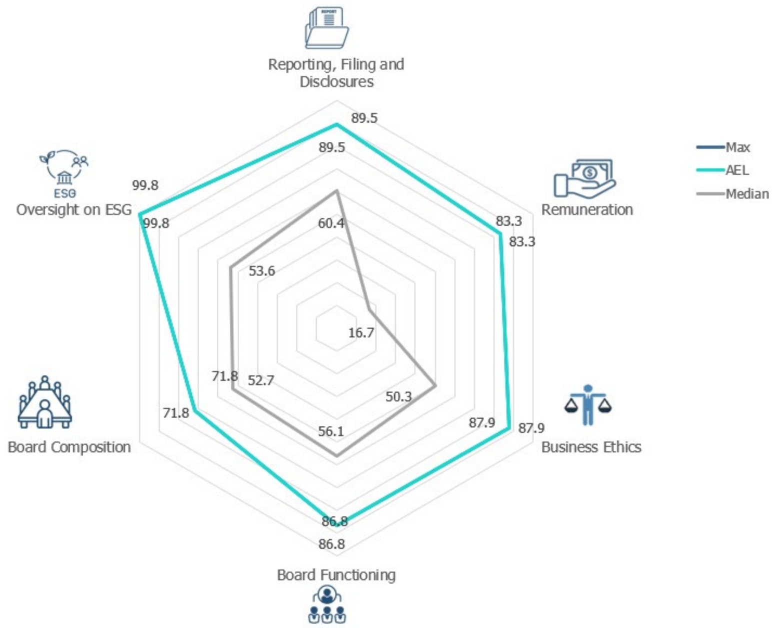
[1] *Comprehensive analytical insights, inferences and benchmarking is provided in CareEdge-ESG's detailed ESG Report*

### Environment Pillar: AEL's theme-wise performance and industry benchmarks




### Social Pillar: AEL's theme-wise performance and industry benchmarks

### Governance Pillar: AEL's theme-wise performance and industry benchmarks




## Summary of Pillar & Theme Scores

| Theme | AEL FY 26 | Industry Median |
|---|---|---|
| Biodiversity | 97.0 | 73.8 |
| Carbon and other emissions | 68.1 | 64.3 |
| Climate change risk management | 77.7 | 63.6 |
| Effluent & waste | 68.9 | 27.2 |
| Green Value Chain | 75.0 | 50.0 |
| Product footprint & stewardship | 73.7 | 39.5 |
| Raw material sourcing | 92.9 | 78.6 |
| Water usage & Management | 74.9 | 33.0 |
| Total Environment Score | 75.7 | 55.1 |
| Product safety & quality | 98.2 | 33.9 |
| Human Rights | 85.6 | 33.6 |
| Human Capital | 66.4 | 47.7 |
| Employee health & safety | 80.8 | 40.0 |
| Privacy & Data Security | 89.7 | 50.0 |
| Value Chain | 93.1 | 48.3 |
| Community support & development | 86.5 | 24.3 |
| **Total Social Score** | 85.0 | 37.9 |
| Reporting, Filing and Disclosures | 89.5 | 60.4 |
| Remuneration | 83.3 | 16.7 |
| Business Ethics | 87.9 | 50.3 |
| Board Functioning | 86.8 | 56.1 |
| Board Composition | 71.8 | 52.7 |
| Oversight on ESG | 99.8 | 53.6 |
| **Total Governance Score** | 88.6 | 51.0 |
| **Total ESG Score** | **83.1** | **47.9** |

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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 the India's leading 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.