Adani Power Limited (APL)

July 8, 2026

Rating Rationale

Adani Power Ltd (APL)	Previous Score	Rating Symbol*	Current Score	Rating Symbol	Rating Movement
ESG Rating	**80.0**	**CareEdge-ESG 1+**	**80.0**	**CareEdge-ESG 1+**	⟷

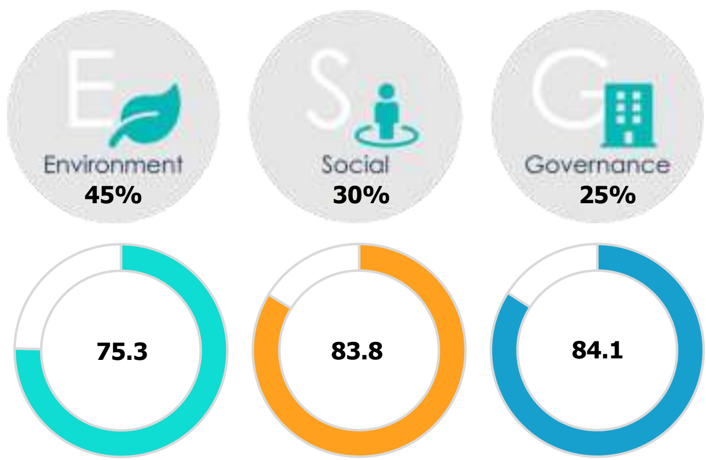
* *Please refer www.careedgeesg.com for detailed understanding of CareEdge-ESG's rating symbols and definitions.*

***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: **Adequate**
Environment Transition Pathway Trajectory: **Adequate**
Social Transition Pathway Trajectory: **Adequate**

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	2025-2026	2024-2025
Integrated Annual Report	2025-2026	2024-2025
ESG Report	Yet to be disclosed	2024-2025

Rating Rationale

CareEdge-ESG has carried out an annual review of the ESG Rating and material event review based on BRSR publication of Adani Power Limited. The ESG rating of 80.0 , with category CareEdge-ESG 1+, has been reaffirmed for Adani Power Limited (APL). The score 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 75.3 versus the sector median of 50.6. APL ranks in the top quartile on carbon and other emissions management, anchored in the large-scale deployment of supercritical and ultra-supercritical technologies. 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 FY26, 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 1.81 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.

Transition Pathway
Adequate

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 75.3 compared to the industry median of 50.6, APL has outperformed its peers due to carbon and emission management, 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 74.1 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

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 FY26, the company reported an SO_2emissions intensity of 2.62 MT/GWH (FY25: 2.97 MT/GWh) , NO_x emissions intensity of 1.14 MT/GWH (FY25: 1.26 MT/GWh), and particulate matter emissions intensity of 0.16 MT/GWh (FY25: 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 FY26, total Scope 1 emissions increased by approximately 4%, rising to 9,00,65,058.43 tCO_2e from 8,64,27,664.95 tCO_2e in FY25. This increase has been accompanied by an in increase in the company's reported Scope 1 emissions intensity, which increased marginally to 857.7 tCO_2e per unit of production in FY26 from 845.7 tCO_2e per unit of production in FY25. The increase is largely attributable to the integration of newly acquired thermal power assets, including facilities operating sub-critical technologies that exhibit lower thermal efficiency compared to the company's supercritical fleet. While the increase indicates some pressure on emissions performance, it remains relatively modest considering the scale of capacity additions and operational expansion. Ongoing efficiency measures, including boiler optimization, combustion improvements, turbine overhauls, burner upgrades, and biomass co-firing initiatives, continue to mitigate the growth in emissions intensity.

The company's use of supercritical technology remains a significant competitive advantage from an emissions perspective. These units operate at higher temperatures and pressures than conventional thermal plants, enabling lower coal consumption and reduced direct emissions per unit of electricity generated. APL has also continued biomass co-firing trials and alternative fuel initiatives across selected facilities to incrementally reduce dependence on fossil fuels and improve carbon performance over time.

Scope 2 emissions remain a relatively small component of the company's overall carbon footprint; however, Scope 2 emissions intensity increased significantly from 0.01 tCO_2e per unit of production in FY25 to 0.50 tCO_2e per unit of production in FY26. The increase was primarily driven by the acquisition and revival of the Vidarbha Industries Power Limited (VIPL) Butibori Thermal Power Plant during FY26. The 600 MW (2 × 300 MW) facility, based on sub-critical technology, was non-operational at the time of acquisition and became fully operational only in July 2025 following extensive restoration activities. During the revival and commissioning phase, substantial auxiliary power requirements were met through electricity imports from the grid, resulting in higher purchased electricity consumption and consequently elevated Scope 2 emissions. While Scope 2 emissions continue to represent only a small proportion of APL's overall emissions profile relative to Scope 1 emissions, the increase reflects temporary operational requirements associated with asset integration as well as a broader shift in the company's generation portfolio. The inclusion of additional sub-critical thermal capacity has increased the share of relatively less efficient technology within the generation mix, contributing not only to higher Scope 2 emissions intensity but also exerting upward pressure on overall greenhouse gas emissions intensity and energy intensity during the reporting period.

To 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.

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 remains broadly competitive relative to peers, although efficiency metrics weakened during FY26. Energy intensity increased from 9,512.2 GJ per unit of production in FY25 to 9,601.1 GJ per unit of production in FY26. The deterioration is primarily attributable to the acquisition and integration of thermal power plants operating sub-critical technology, which inherently exhibit lower thermal efficiency. Despite this increase, the company continues to invest in energy conservation projects, process optimisation, and operational improvements aimed at improving heat rates, reducing auxiliary consumption, and enhancing overall plant efficiency. Continued deployment of supercritical technologies and low-carbon operational practices is expected to support long-term efficiency improvements

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.

APL has also quantified and disclosed its Scope 3 emissions footprint. Scope 3 emissions intensity increased marginally from 236.1 tCO_2e per unit of production in FY25 to 240.8 tCO_2e per unit of production in FY26. Fuel- and energy-related activities remain the largest contributor to Scope 3 emissions, reflecting the upstream impacts associated with coal extraction, processing, transportation, and fuel supply chains. To address these emissions, the company continues to pursue logistics optimisation measures, including pipe conveyor systems that reduce road-based coal transportation, increased use of washed coal, and initiatives aimed at improving fuel quality and reducing waste 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 INR 883.59 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 63.9, significantly higher than the industry median of 37.1. Water consumption intensity improved from 2,169.4 KL per unit of production in FY25 to 2,127.6 KL per unit of production in FY26, representing an approximately 2% reduction. More notably, water consumption intensity in water-stressed areas declined from 207.7 to 184.6 KL per unit of production, demonstrating progress in managing water-related risks in vulnerable operating regions. Water discharge intensity increased significantly from 5,084.8 KL per unit of production in FY25 to 6,970.4 KL per unit of production in FY26, an increase of approximately 37%, primarily reflecting the integration of additional coastal assets and associated discharge practices.

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's 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.

In the theme of Effluent and Waste, the company has achieved a score of 84.1, 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 increased from 151.2 MT per unit of production in FY25 to 159.9 MT per unit of production in FY26, reflecting higher waste generation associated with expanded operations. Nevertheless, the company maintained strong waste management practices, including complete fly ash utilisation and continued investments in circular economy initiatives. The proportion of waste safely disposed also improved marginally during the year.

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

Transition Pathway
Adequate

APL's Occupational Health and Safety (OHS) framework demonstrates a meaningful improvement in safety outcomes during FY26. While employee training coverage remained broadly stable at 64% and worker training coverage declined from 77% to 63%, operational safety performance improved substantially. The workforce fatality rate declined from 0.00005 to 0.00004, the Total Recordable Injury Rate reduced from 0.00036 to 0.00011, and the Lost Time Injury Frequency Rate improved significantly from 0.095 to 0.035. These trends indicate enhanced effectiveness of risk management systems and safety controls across operations.

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, 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 1.81 million beneficiaries. The company continued to maintain a broad CSR footprint and exceeded its cumulative CSR obligation over the last three years, with CSR expenditures being made that are beyond the mandatory 2% obligation. However, the share of beneficiaries from vulnerable and marginalised groups declined from 38% to 24%, while spending intensity in aspirational districts also decreased. The company's CSR includes 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 1.8 lakh training hours. Average training hours per employee (35.5 hours for men and 54.1 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 proportion of employees receiving skill upgradation training increased from 47.5% to 85.9%, while worker training coverage increased from 0% to 62.8%, supported by the establishment of skill development centres around plant locations. These improvements materially enhance workforce capability and support long-term organisational resilience. 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.

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. Female participation improved across both employee and worker categories, with the female-to-male employee ratio increasing from 0.02 to 0.03 and the female-to-male worker ratio rising significantly from 0.0009 to 0.026. The company also achieved parity in median pay between female and male workers. However, the median pay ratio of female employees to male employees declined from 0.62 to 0.51, indicating persistent gender pay equity challenges at the employee level. Although women account for 12% of Board representation, operational and management-level participation remains limited, especially in STEM and revenue-generating roles. Taken together, APL's human capital profile indicates a company that has made credible and measurable progress on capability development while leaving material gaps in equitable workforce participation. Closing these gaps — particularly through targeted interventions in gender pay equity and functional representation — will be essential to translating training investments into sustainable and inclusive organisational performance.

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.

While the company maintains a comprehensive human rights framework, training coverage weakened during

FY26. The proportion of employees trained on human rights policies declined significantly from 57% to 19%, representing a key area requiring management attention to ensure that policy commitments remain effectively embedded across the workforce.

The company reported no POSH complaints during FY26, compared with one complaint reported and resolved in FY25, indicating continued effectiveness of workplace grievance mechanisms

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. 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. While the training on Anti-corruption and Anti-bribery is mandatory, employee training on Anti-Corruption and Anti-Bribery policies declined significantly from 61% to 32%.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

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.

Strong water stewardship supported by efficient resource management and water-risk mitigation.

Adani Power demonstrates above-industry water performance through reduced water consumption intensity, significant reductions in water use in water-stressed regions, and a comprehensive water management framework incorporating Zero Liquid Discharge (ZLD) systems, real-time monitoring, and wastewater reuse. These initiatives strengthen operational resilience to water scarcity while lowering long-term regulatory and resource-related risks, despite operating in a water-intensive thermal power sector.

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 0.03 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.

Higher emissions and energy intensity following expansion of sub-critical thermal assets

The acquisition of older, less efficient thermal power plants increased Scope 1 and Scope 2 emissions intensity as well as energy intensity in FY26. Although the increase was partly due to temporary asset integration and commissioning activities, it highlights continued dependence on carbon-intensive thermal generation and the challenges associated with expanding fossil fuel-based capacity.

Key ESG Parameters of APL

Parameters	Unit	2025-26	Industry Median
Environment			
Scope 1 intensity	tCO2e/GWh	857.8	853.1
Scope 2 intensity	tCO2e/GWh	0.50	1.3
Scope 3 intensity	tCO2e/GWh	240.8	158.9
Energy intensity	GJ/GWh	9601.1	9640.1
Water consumption intensity	KL/GWh	2127.7	1925.5
Waste generation intensity	MT/GWh	159.9	126.2
Social			
Employee turnover	%	12%	9.6%
Female to male employees' ratio	Per 100 male employees	3	5
Female to male employees' median pay	Per Rs. 100 of male employees' median pay	50.7	72.1
Health insurance coverage	%	100.00%	100.00%
Accident insurance coverage	%	100.00%	100.00%
Differently abled workforce	% of total workforce	0.0%	0.2%
Average lost time injury frequency rate	#	0.035	0.084
Workforce fatality rate	Per employee	0.00004	0.00001
Total recordable injury rate	#	0.00011	0.00023
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	63.45	26.3

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 18 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 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
1	ESG Rating	CareEdge-ESG 1+	80.0	March 24th, 2026: CareEdge-ESG 1+, 80.0	-	-

Annexure: Graphical summary of key rating drivers[2]

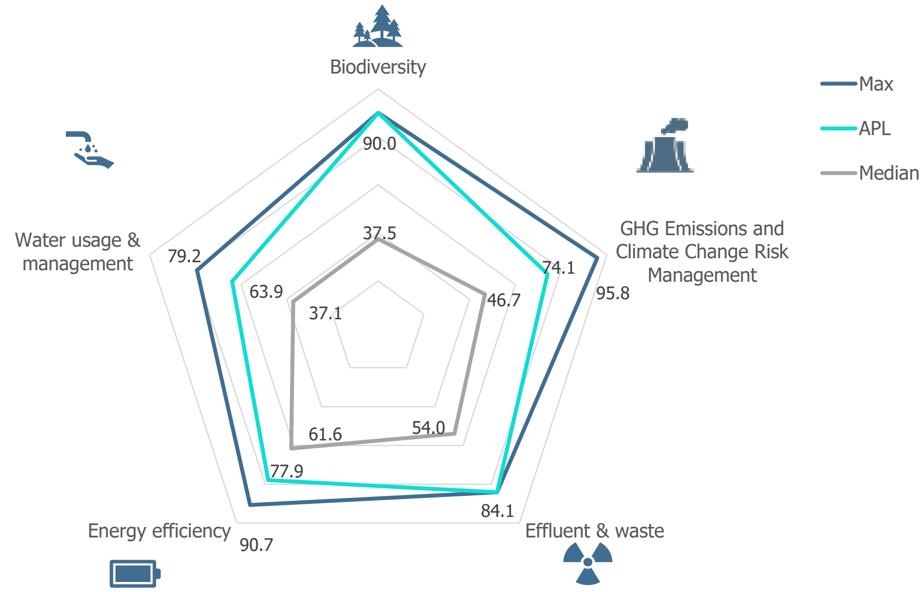
Hierarchy: While arriving at pillar level scores for APL, CareEdge–ESG has assigned theme weights based on relative importance and sectoral hierarchy as depicted in the exhibit below.

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

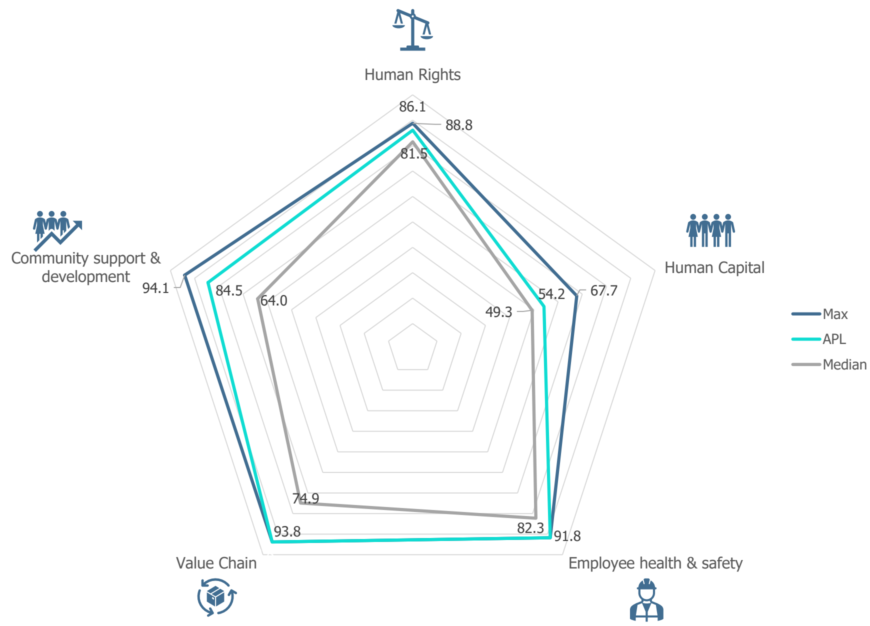
---

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

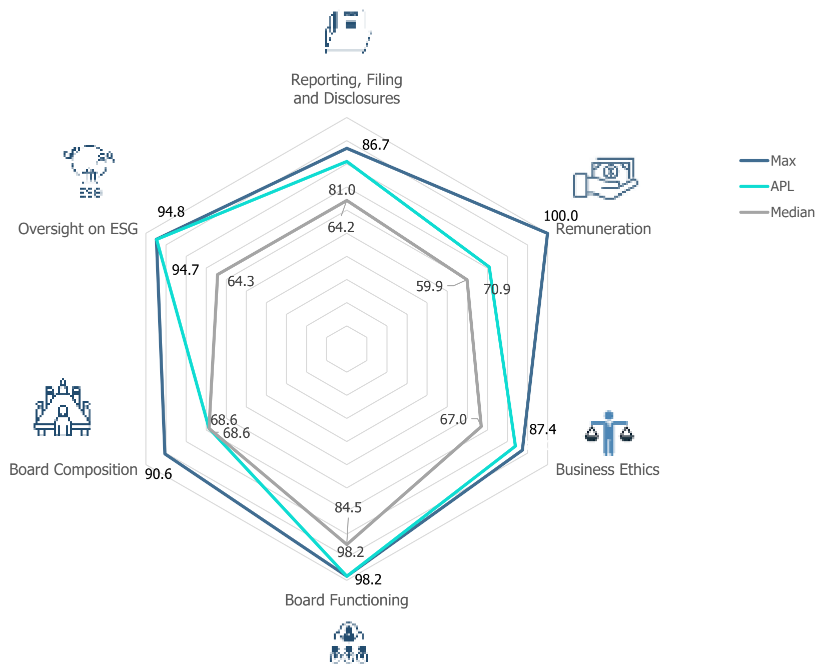
Environment Pillar: Adani Power's theme-wise performance and industry benchmarks



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	FY26	Industry Median
Biodiversity	90.0	37.5
GHG Emissions and Climate Change Risk Management	74.1	46.7
Effluent & waste	84.1	54.0
Energy Efficiency	77.9	61.6
Water usage & management	63.9	37.1
Total Environment Score	**75.3**	**50.6**
Human Rights	86.1	81.5
Human Capital	54.2	49.3
Employee health & safety	91.8	82.3
Value Chain	93.8	74.9
Community support & development	84.5	64.0
Total Social Score	**83.8**	**68.9**
Reporting, Filing and Disclosures	81.0	64.2
Remuneration	70.9	59.9
Business Ethics	84.0	67.0
Board Functioning	98.2	84.5
Board Composition	68.6	68.6
Oversight on ESG	94.7	64.3
Total Governance Score	**84.1**	**63.7**
Total ESG Score	**80.0**	**58.9**

Contact

Nikunj Dube	Director & Head – ESG Ratings	Nikunj.dube@careedge.in	+91 – 72191 09995
Sanghamitra Sarma	Lead 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
| 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.

Disclaimer:

The ratings issued by CARE ESG Ratings Ltd (CareEdge-ESG) are opinions about an issuer, regarding its ESG profile and relative position in managing ESG Risk through disclosures, policies and performance and are not recommendations or suggestion, directly or indirectly to any user, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. These ratings do not convey suitability of an investment or adequacy of market price for the investor. They shall not form the basis for any investment decisions or analysis and shall not be substitute for the skill, judgement and caution to be exercised by the user of such ratings while making business and investment decisions. CareEdge- ESG gives no representations or warranties regarding the use of these ESG Scores and related materials and/or their fitness for a particular purpose. The agency does not constitute an audit on the rated entity. CareEdge-ESG has based its ESG ratings/score based on information obtained from reliable and credible sources. CARE-ESG does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. CARE ESG reserves the right to change the ESG ratings/ score from time to time in accordance with the methodologies, policies and procedures. CareEdge ESG rating/ scoring report and any related material are meant for informational and reference purpose only and shall not be modified, reverse engineered, reproduced, or distributed, in whole or in part, for commercial purpose, in any form or by any means, or stored in a database or retrieval system. No part of the ESG rating/ score report or any other related material shall be quoted or used without CareEdge ESG's prior written consent, as an input or constituent for deriving results, outputs, inferences which have not been independently verified or validated by CareEdge, for commercial purpose or otherwise. The ESG scores / ratings have been issued by CareEdge ESG for use by users in the jurisdiction of India in accordance with the applicable regulations. Any usage of the ESG rating by the entity rated shall be for internal reference purpose, reference of investors or for usage on the webpage of the rated entity and / or in the annual report or similar usage, however in each case with appropriate source credit to CareEdge ESG. Most entities who are rated by CareEdge-ESG have paid a fee, based on the complexity of rating assignment. CareEdge-ESG or its subsidiaries/associates/promoter may also be involved with other commercial transactions with the entity. CareEdge-ESG is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CareEdge-ESG.