

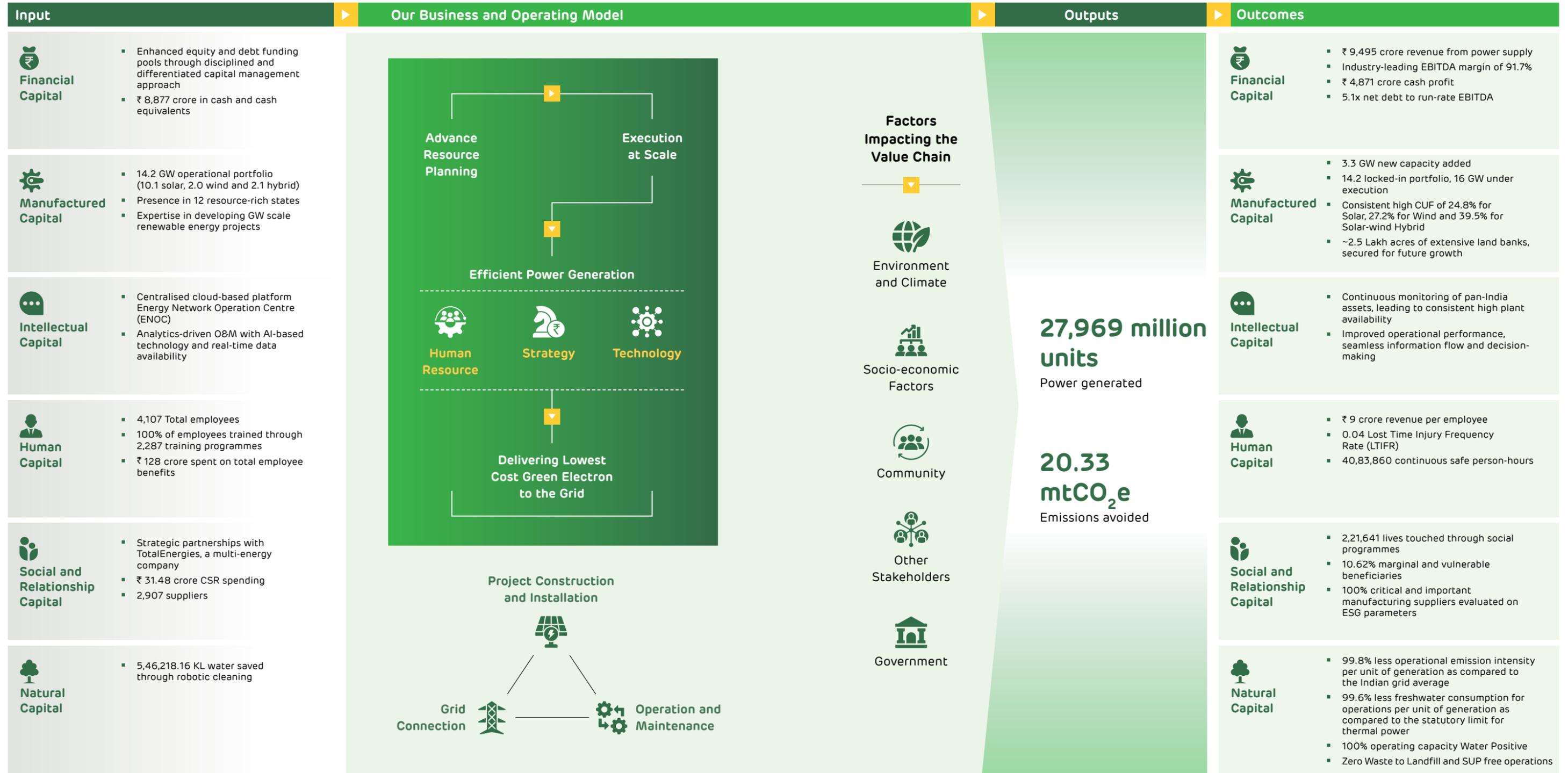
STRATEGIC REVIEW

- 56** Business Model
- 58** Stakeholder Engagement
- 64** Material Matters
- 78** Risk and Opportunities
- 90** Key Performance Indicators
- 91** Operational Performance Review



Business model

Value creation model



Stakeholder engagement

Creating sustainable value for stakeholders

Our ability to operate with speed and scale and set industry benchmarks is driven by our enduring relations with stakeholders. Our ongoing engagements address their concerns and help gain insights that ensure our success. This deep collaboration enables us to create long-term value for stakeholders and seize opportunities to deliver on our goals.

How We Engage with Our Stakeholders

We follow a structured process to identify, prioritise, and engage with our internal and external stakeholders based on business impact, responsibility, and influence. Impactful results are ensured through a robust stakeholder engagement policy, governance for oversight, and continual improvement by sharing best practices with our Board and Senior Management. We further have a holistic grievance mechanism to promptly address stakeholder concerns.



Our Engagement Mechanism



Led by a Comprehensive Governance Mechanism



▶ Click here to read our stakeholder's policies

▶ Refer pages 214 and 210 to read on the responsibilities of CRC and SRC



Shareholders and Investors

They provide debt and equity that support our expansion. We ensure sustained availability of capital by communicating our performance and strategy.

Their Needs and Expectations

- Prudent financial management
- Business growth, dividend, and share price appreciation
- Strong governance, risk management, and sustainability disclosures

How We Create or Preserve Value

- New agreements: 25-year PPA (5 GW) with MSEDCL and C&I deal (61 MW) with Google
- Holdco bond redemption and equity infusion by TotalEnergies
- Enhanced merchant and C&I portfolio for revenue maximisation
- 50 GW growth planning in place

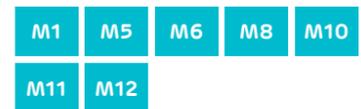
42%

5-year Capacity Additions CAGR

37%

5 Years EBITDA CAGR

Related Material Themes



Capitals Impacted



Shareholders



Material Topics

- | | |
|---|--|
| M1 GHG Emissions and Climate Change | M7 Employee Well-Being |
| M2 Waste Management | M8 Human Rights |
| M3 Water Management | M9 Human Capital Development |
| M4 Biodiversity and Habitat Management | M10 Business Ethics and Transparency |
| M5 Operational Efficiency and New Business Opportunities | M11 Supply Chain Management |
| M6 Occupational Health and Safety | M12 Corporate Governance and Organisational Culture |

Customers

They procure power which drives our business growth.

Their Needs and Expectations

- Compliance with grid code transmission availability
- Reconciliation of accounts
- Faster grievance redressal

How We Create or Preserve Value

- Power generation planning and scheduling
- Timely communication on reconciliation and settlements
- Timely grievance resolution
- Tech-enabled O&M – delivering generation higher than PPA commitment

20,483 million units

under PPA

2,213 million units

on merchant basis

5,274 million units

under PPA, currently sold on merchant basis

Related Material Themes



Capitals Impacted



Employees (Own and Contractual)

Employees execute strategy, drive operations and address customer requirements. The contractual workforce ensures seamless project execution and O&M across multiple locations.

Our engagement focusses on their skill-building, development and well-being to deliver on our strategy.

Their Needs and Expectations

- Safe, engaging and rewarding workplace
- Career growth and well-being
- Grievance redressal and human rights
- Timely and fair salaries and contractual payments

How We Create or Preserve Value

- OHS system, automation and safety innovations for zero harm
- Programmes for training, skill development, diversity and inclusion
- Employee well-being covering financial, wellness, health and family benefits

₹ 128 crore

Total employee benefits

Related Material Themes



Capitals Impacted



**Vendors
(Suppliers and Contractors)**

They are pivotal to our value chain.

We engage to align expectations and business objectives, strengthening relations and building supply chain resilience.

Their Needs and Expectations

- Steady orders, pricing, and negotiation
- Ethical and fair practices
- Capacity building and ESG support
- Timely payments and grievance redressal

How We Create or Preserve Value

- Conducted technical training and ESG workshops
- Supplier risk and ESG assessment, with corrective action plan
- Digital payment system support
- Grievance redressal mechanism
- Fairness with code of conduct and structured onboarding process

62.6%
Procurement from suppliers within India
(36.7% allocated to local MSMEs/small producers)

**Government/
Regulator**

They are pivotal in shaping our industry's legal and regulatory framework and monitoring our business operations. Collaborative engagements ensure a conducive business environment, legal compliance, and aligning our business objectives with national priorities.

Their Needs and Expectations

- Adherence to regulatory compliance
- Transparency in tax payments
- Employment generation, community development and stable green power supply
- ESG practices and focus on climate change

How We Create or Preserve Value

- Published ESG and tax transparency reports
- On-time statutory payments and information/report submissions
- Robust compliance and governance framework
- Long-term PPAs and target to meet ~10% of India's green power capacity by 2030

₹ 10,653 crore
Payment to national exchequer

**Local
Community**

Engagements build trust and create opportunities for shared growth, helping promote a positive work culture and securing our social licence to operate.

Their Needs and Expectations

- Access to clean water and sanitation facilities, roads, etc.
- Quality healthcare infrastructure, mobile health units and community awareness efforts
- Schools, educational programmes, and rural educational infrastructure support

How We Create or Preserve Value

- Transforming learning nationwide through 36 schools and programmes to improve outcomes in government schools and inspiring young minds
- Offering mobile healthcare units, health camps, rural clinics, and hospitals
- Water conservation projects in Jaisalmer and Barmer
- Enhancing productivity and breed quality of livestock through farmer training in Rajasthan and Gujarat
- Providing workshops on menstrual hygiene, family planning, nutrition, and mental health

₹ 31.48 crore
Contribution to community development

2,21,641
Direct and indirect beneficiaries

**Media and
NGO**

They help effectively communicate our vision and strategies to the wider public and stakeholders, helping shape our perception and improving visibility for business growth.

Their Needs and Expectations

- Transparent communications on business and sustainability
- People, community and planet responsibility
- Legal compliance and robust management systems

How We Create or Preserve Value

- Investment in socio-economic and environmental programmes
- Integration of environmental, energy and OHS management systems
- Communication/reporting through multiple published documents, press releases and media briefings

14
Number of press releases issued in FY 2024-25

360
Social media posts in FY 2024-25

Related Material Themes

M1

M2

M3

M4

M6

M8

Capitals Impacted

Related Material Themes

M1

M3

M4

M8

M10

M12

Capitals Impacted

Refer to the Business Responsibility & Sustainability Report page 263 for more information on our engagement methods and frequency

Material matters

Aligning priorities with purpose

Understanding and addressing material issues is critical as we strive to create value reliably and responsibly. We employ a holistic approach to identify the economic, environmental, social, and governance topics of significance to our business performance and stakeholder interests. We integrate them into our strategy to ensure the resilience of our operations and seize emerging opportunities.

Our Approach to Materiality Assessment

We have followed the double materiality assessment to identify critical ESG topics that affect the environment, people, and economy by analysing impact materiality and financial materiality.

We conducted our first such exercise in FY 2023-24 based on the European Financial Reporting Advisory Group's (EFRAG) methodology under the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) and aligned with IFRS standards' requirements. 16 high-priority material topics were prioritised through the materiality matrix based on responses from all internal and external stakeholders. These topics are aligned with our strategic priorities and risks and opportunities, which are integrated into our Enterprise Risk Management (ERM) framework and reviewed annually to ensure relevance. Our Board of Directors and Senior Management have reviewed and signed off the materiality matrix.

In FY 2024-25, while no fresh assessment was conducted, we revisited the topics to review and update their material impact.



Impact Materiality

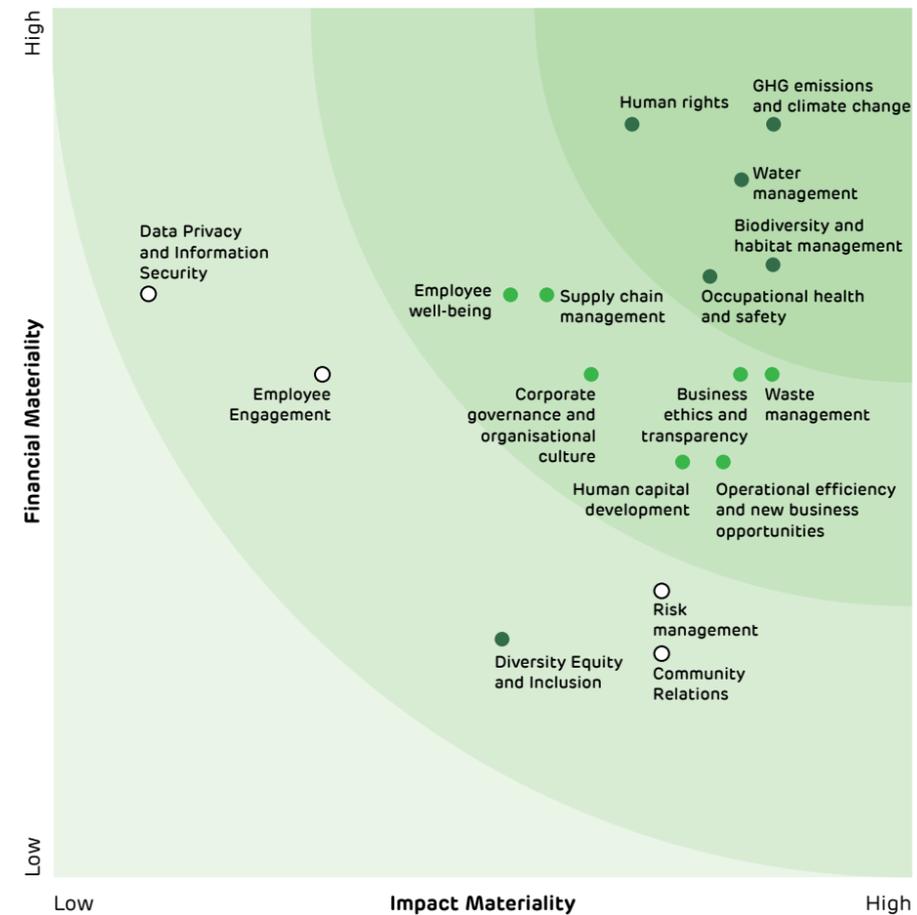
We assessed our organisation's sectoral and operational context to determine actual and potential impacts on various internal and external stakeholder groups and the environment, evaluating their materiality based on severity and likelihood.



Financial Materiality

We identified the financial risks and opportunities associated with these impacts and evaluated their materiality based on the probability of occurrence and potential financial effects.

Mapping Our Material Topics



List of High Priority Material Topics

- Environment**
 - GHG emissions and climate change
 - Water management
 - Biodiversity and habitat management
 - Operational efficiency and new business opportunities
 - Waste management
 - Social**
 - Human rights
 - Human capital development
 - Occupational health and safety
 - Employee well-being
 - Governance**
 - Business ethics and transparency
 - Corporate governance and organisational culture
 - Supply chain management
- Critical ● High

Managing High-Priority Material Matters in Our Operating Context

Strategy

- S1** Focussed on delivering renewable energy with storage solutions,
- S2** Increased focus on C&I and merchant opportunities to maximise value creation,
- S3** Developing RE projects at an unparalleled scale and speed,
- S4** Driving operational excellence through increased digitalisation,
- S5** Fully funded growth with disciplined capital management,
- S6** Driving improvements across environmental, social and governance aspects

+ Positive - Negative

M1

GHG Emissions and Climate Change

GRI Alignment

GRI 302, 305

SDG Alignment



Financial Implication



Impact Materiality (Impacts) and Possible Impact on Capitals



- Rising GHG emissions contribute to climate change
- Growing cost-effectiveness of wind and solar plants reduces dependency on fossil fuels

Financial Materiality and Possible Impact on Capitals

Risk



- GHG emissions compliance may increase operational costs, while non-compliance risks may result in reputational damage
- Extreme weather events can damage assets
- Investments are also needed in climate action

Opportunity



- New regulations and focus on RE present opportunities to expand, enter new markets, and grow market share
- Investment in R&D may increase RE's cost-effectiveness, efficiency and reliability, while reducing fossil fuel usage

Business Strategy

- Policies on climate change (with Board oversight) and energy management
- Completed climate scenario analysis and comprehensive climate change risk assessment (TCFD), implementing recommendations
- Energy efficiency using advanced bifacial modules/ trackers technologies, digital technologies and ENOC
- Implemented Internal Carbon Pricing (ICP) mechanism
- Working towards 65% EV adoption across the value chain by 2030
- Engaged 87% manufacturing suppliers to help them set their net-zero targets

Strategic Response



Stakeholders Impacted



Performance against KPIs	FY 2024-25	FY 2023-24
GHG emissions avoided by renewable capacity (tCO ₂ e)	20.33 million	15.64 million
% EV adoption	46%	12.2%

M2

Waste Management

GRI Alignment

GRI 306

SDG Alignment



Financial Implication



Impact Materiality (Impacts) and Possible Impact on Capitals



- Circular waste management conserves resources and reduces the ecological footprint of solar technology

Financial Materiality and Possible Impact on Capitals

Risk



- Inadequate waste management can increase operational costs, reduce overall efficiency, create health and environmental hazards, potentially leading to legal and reputational issues

Opportunity



- Effective waste management and recycling can optimise raw materials use, decreasing costs and increasing profitability

Business Strategy

- All our operational sites are zero-waste-to-landfill and single-use plastic free certified
- Developed action plans to reduce waste generation including training employees

Performance against KPIs	FY 2024-25	FY 2023-24
Total Waste Recycled/Reused (MT)	8,495.94	5,859.63

Strategic Response

S6

Stakeholders Impacted



M3 Water Management

GRI Alignment
GRI 303

SDG Alignment



Financial Implication



Impact Materiality (Impacts) and Possible Impact on Capitals



- Excessive water usage during construction in water-stress regions strain ecosystems and local communities
- Robotic cleaning techniques for solar PV panels reduce freshwater consumption

Financial Materiality and Possible Impact on Capitals

Risk



- High water consumption without replenishment can increase operational costs and reduce efficiency

Opportunity



- Efficient systems for water conservation, recycling, and replenishment
- Robotic cleaning technology reduces water consumption and operational costs

Performance against KPIs	FY 2024-25	FY 2023-24
Water withdrawal/consumption for operations (m ³)	4,10,928	4,48,461
Operational water intensity (KL/MWh)	0.015	0.021

Business Strategy

- Water-saving technologies, rainwater harvesting and robotic cleaning techniques (including all new sites) to prevent use of freshwater
- Conducting water use assessments to improve the efficiency of our water management initiatives
- Water Positive for 100% operational locations

Strategic Response

S6

Stakeholders Impacted



M4 Biodiversity and Habitat Management

GRI Alignment
GRI 304

SDG Alignment



Financial Implication



Impact Materiality (Impacts) and Possible Impact on Capitals



- Loss of habitat and degradation of the natural ecosystem

Financial Materiality and Possible Impact on Capitals

Risk



- Large RE farms need huge land areas, impacting the flora and fauna
- Biodiversity non-compliance or natural habitat destruction may damage reputation

Opportunity



- Biodiversity impact assessment identifies risks and remedial actions

Business Strategy

- Comprehensive biodiversity assessment in progress using the LEAP approach
- Conducted Bird and Bat monitoring studies and installed bird flight diverters, guards, insulation sleeves, cotton flags, and reflectors on the transmission line to protect them
- Proper reservoir placement and trap-and-haul programmes to prevent fish entrapment in PSP hydro project turbine

Performance against KPIs	FY 2024-25	FY 2023-24
Biodiversity risk assessments conducted	6	3

Strategic Response

S3 S6

Stakeholders Impacted



M5

Operational Efficiency and New Business Opportunities

GRI Alignment
GRI 201

SDG Alignment



Financial Implication



Impact Materiality (Impacts) and Possible Impact on Capitals



- Technological advancement for reducing environmental impact

Financial Materiality and Possible Impact on Capitals

Opportunity



- Advanced technologies boost efficiency and power supply creating new business opportunities
- Innovative solutions reduce costs, create new jobs, enhance competitiveness, and ensure long-term success

Business Strategy

- State-of-the-art Centre of Excellence and other automation projects to efficiently monitor sites
- Deployed innovative RE technologies (PV optimisers, module price intelligence, aerial imagery analytics, WTG vibration analysis, and digital twins) to increase operational efficiency
- Expanded presence across RE value chain with energy storage to ensure a reliable, green power supply and C&I opportunities
- Identified various development prospects: hybrid power, a smarter grid which facilitates two-way interchange and developing integrated business ecosystem with backward integration

Strategic Response



Stakeholders Impacted



Performance against KPIs	FY 2024-25	FY 2023-24
Revenue from operations (₹ crore)	11,212	9,220

M6

Occupational Health and Safety

GRI Alignment
GRI 403

SDG Alignment



Financial Implication



Impact Materiality (Impacts) and Possible Impact on Capitals



- Workplace hazards and accidents can harm workers, contractors, and local communities

Financial Materiality and Possible Impact on Capitals

Risk



- Safety incidents could result in fines, corrective action or settlement costs, productivity loss, and reputational damage

Opportunity



- Automating health and safety monitoring systems can prevent accidents, electrical hazards and streamline safety operations

Business Strategy

- Implementation of Standard Operating Procedures (SOPs), stringent health and safety norms, ISO 45001:2018 management system, and robust governance to ensure zero harm
- Continuous monitoring and evaluation of safety performance and conducting audits for system improvement
- Implemented Video Analytics for real-time PPE monitoring and safety alerts

Performance against KPIs	FY 2024-25	FY 2023-24
TRIFR / LTIFR	0.04	0.40
Fatality	4	0

Strategic Response



Stakeholders Impacted



M7

Employee Well-Being

GRI Alignment
GRI 401

SDG Alignment

Financial Implication



Impact Materiality (Impacts) and Possible Impact on Capitals



- Excessive workloads can drive mental health illnesses

Financial Materiality and Possible Impact on Capitals

Risk



- Employees mental health issues may lead to missed work days and decline in productivity and efficiency

Opportunity



- Support for stress management, preventing burnout, and mental health sessions can enhance loyalty

Business Strategy

- Comprehensive wellness programmes covering mindfulness sessions, yoga and stress management workshops
- Adani Care programme for confidential counselling and comprehensive aid for emotional well-being

Strategic Response

S6

Stakeholders Impacted



Performance against KPIs	FY 2024-25	FY 2023-24
Total Employee Benefits (₹ crore)	128	77

M8

Human Rights

GRI Alignment
GRI 407 to 410

SDG Alignment

Financial Implication



Impact Materiality (Impacts) and Possible Impact on Capitals



- Child/forced labour, poor working conditions, discrimination and harassment can violate human rights

Financial Materiality and Possible Impact on Capitals

Risk



- Human rights violations can lead to fines, pose regulatory and reputational risk, and negatively impact employee morale and productivity

Opportunity



- Good working conditions with respect for human rights provide social, physical and psychosocial protection and personal development opportunities, enhancing productivity

Business Strategy

- All our sites are assessed for child/forced labour, sexual harassment, discrimination, and wages
- Human rights due diligence conducted through head office and sample site visits, including ESG valuation/screening of suppliers
- Training on workplace discrimination and harassment with a transparent process for reporting incidents

Performance against KPIs	FY 2024-25	FY 2023-24
Human rights assessment conducted	6	3
Instances of human rights violation	0	0

Strategic Response

S6

Stakeholders Impacted



M9 Human Capital Development

GRI Alignment
GRI 401, 404

SDG Alignment

Financial Implication
+

Impact Materiality (Impacts) and Possible Impact on Capitals



- Improved productivity and performance, and value proposition through talent management

Financial Materiality and Possible Impact on Capitals

Risk



- Insufficient training hampers skill development and growth of employees and company
- Poor workforce planning and talent gaps can overload existing staff, causing stress and burnout

Opportunity



- Training enhances employee growth, retention, and productivity, optimising production costs
- Capability gaps can be closed through future workforce scenario analysis and forecasting workforce requirements

Business Strategy

- Robust mechanism to assess (forms and one-on-one discussions) competency and identify training needs to create Individual Development Plans (IDPs)
- Proactive assessment of workforce needs through department head and key stakeholders' meetings to identify organisational structure gaps
- Strategic workforce plan to make informed talent acquisition and retention decisions

Strategic Response

S3 S6

Stakeholders Impacted



Performance against KPIs	FY 2024-25	FY 2023-24
Average training hours per employee	94	70

M10 Business Ethics and Transparency

GRI Alignment
GRI 205, 206

SDG Alignment
8 DECENT WORK AND ECONOMIC GROWTH
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Financial Implication
- +

Impact Materiality (Impacts) and Possible Impact on Capitals



- Enhancing stakeholder relationships through transparency
- Corruption and bribery harm intangible assets and anti-competitive practices risk the economic exclusion of small producers and livelihoods

Financial Materiality and Possible Impact on Capitals

Risk



- Delayed or inadequate disclosure of corrupt and anti-competitive practices poses regulatory, reputational, and legal risks; it can lead to exclusion from contracts affecting future earnings

Opportunity



- Regulatory adherence and fair practices enhance our reputation
- Strategic partnerships drive synergies, market access, and resource sharing, ensuring a sustainable and competitive business environment
- Capability gaps can be closed through future workforce scenario analysis and forecasting workforce requirements

Business Strategy

- Robust corporate communication mechanism for effective engagement with internal and external stakeholders, including updates on performance through the Integrated Annual Report, ESG Report, and the company website
- Adhering to the Adani Code of Conduct (CoC) and business ethics with zero tolerance for bribery, corruption, illegal payments, etc.
- Stringent policies and whistleblower mechanisms to prevent unethical business practices
- MySOPs application for managing and accessing process documents



Code of Conduct adherence and periodic audits ensures safeguards operations, reputation and financial stability

Strategic Response

S2 S4 S6

Stakeholders Impacted



Performance against KPIs	FY 2024-25	FY 2023-24
Instances of corruption and bribery	0	0

M11 Supply Chain Management

GRI Alignment

GRI 308, 414 and 204

SDG Alignment

Financial Implication



Impact Materiality (Impacts) and Possible Impact on Capitals



- Poor supply chain management (SCM) practices risk environmental and human rights violations

Financial Materiality and Possible Impact on Capitals

Risk



- Inefficient SCM can cause disruption and elevate costs
- Raw materials impact the environment and society, and can disrupt operations due to community protests, legal or regulatory action, and increased extraction costs
- Cases of child/forced labour or any other human rights violations may lead to statutory breaches

Business Strategy

- Ensuring assessment of the suppliers' ESG performance while considering country-, commodity-, and sector-specific risks

Strategic Response

S3 S4 S6

Stakeholders Impacted



Performance against KPIs	FY 2024-25	FY 2023-24
Percentage of critical/important manufacturing suppliers:		
Evaluated on ESG parameters	100	100
Trained	100	100

M12 Corporate Governance and Organisational Culture

GRI Alignment

GRI 3-3, Multiple disclosures under GRI 2

SDG Alignment



Financial Implication



Impact Materiality (Impacts) and Possible Impact on Capitals



- Robust governance practices ensure ethical value creation and drive stakeholder trust
- Strong organisational culture strengthens employer branding and customer trust
- A well-structured board with independent oversight enhances decision-making and protects stakeholder interests

Financial Materiality and Possible Impact on Capitals

Risk



- A weak governance structure can lead to corrupt practices, negatively impacting the reputation, employee morale and productivity, and financial penalties and legal liabilities

Opportunity



- A collaborative organisational culture encourages idea-sharing, loyalty, and satisfaction
- Independent directors provide an unbiased viewpoint and guide in identifying new growth opportunities

Business Strategy

- Strong governance framework with diverse directors (50% independence) and experienced leadership team
- Robust corporate/ESG governance framework
- "Your Voice Matters" survey to gauge employee satisfaction, from daily operations to strategic direction

Performance against KPIs	FY 2024-25	FY 2023-24
Proportion of independent directors on the Board	50%	50%

Strategic Response

S6

Stakeholders Impacted



Risks and opportunities

Managing risks effectively for long-term success

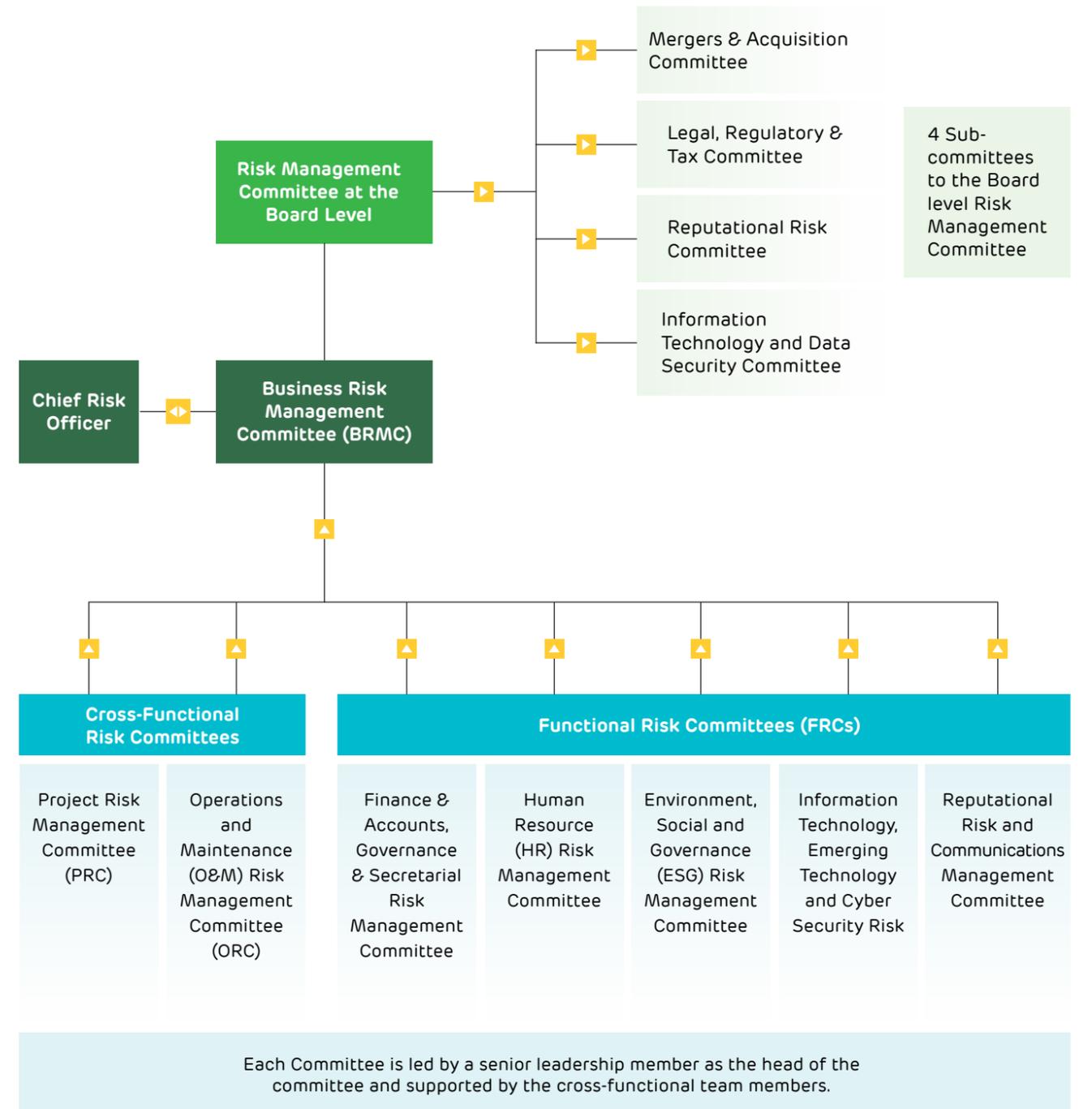
As a leader in renewable energy, we focus on proactive risk management to protect our assets and optimise operations. Our comprehensive Enterprise Risk Management (ERM) framework enables us to identify, assess, and address risks while capitalising on opportunities to drive long-term growth and success.



Risk Governance

Adani Green has adopted a three-tier risk governance structure with defined roles & responsibilities for the stakeholders involved in the risk management process.

Risk Governance Structure



Roles & Responsibilities of Risk Management Team:

1. Risk Management Committees at the Board-level

- Review the strategic risks & provide guidance

2. Business Risk Management Committee (BRMC)

- Oversee the enterprise risks and implementation of the mitigation plan
- Provide guidance on top-priority risks and their mitigation plans
- Advise on risks addition or deletion to the Enterprise Risk Register

3. Functional/Cross-Functional Risk Committees

- Conduct periodic risk review meetings involving the members of respective risk committees
- Review and discuss new or existing risks for the respective risk register
- Review and guide the implementation of risk mitigation plans
- Review and approve the quarterly updated version of the risk register and associated mitigation plans
- Sign off the deletion of any risk from the risk register along with risk committee meeting minutes
- Share updated risk register, associated mitigation plans, and minutes of the risk review meeting with the Chief Risk Officer every quarter

4. Chief Risk Officer (CRO)

- Develop and maintain the Risk Management Framework
- CRO, as a coordinator of Enterprise Risk Management, anchors the Risk Mitigation process
- Prioritises risks at the business level
- Highlight prioritised risks, potential impact, and plan for mitigation to BRMC
- Maintain communication between the Business Risk Committee and the Functional Risk Committees
- Provide feedback and guidance to the Risk Subcommittees
- Conduct regular BRMC meetings

5. Risk Owner & Risk Champions

- Implementation of risk mitigation plans
- Control or mitigate a particular risk and be accountable for it

ERM Framework and Risk Management Process

The following are the objectives of the Enterprise Risk Management:

- Ensure sustainable business growth by managing the organisation's risk landscape proactively through set practices, procedures and plans
- Establish a consistent, systematic and clear approach to identify, analyse, evaluate, treat, monitor, report and benchmark enterprise risks
- Provide a clear and strong basis for informed decision-making regarding risk management at all levels of the organisation
- Engage internal and external stakeholders for effective risk management. The stakeholder requirements, needs & expectations, and associated risks shall be identified, analysed, and treated through the ERM processes
- Ensure process resilience & continuity against business operation disruptions, natural disasters, climate change, and information & data security through risk assessment, continuity planning, testing, security controls, and incident management
- Strive towards strengthening risk management through continuous monitoring, improvement, and learning. Adopt technology or information systems for ERM implementation & sustenance
- Create a risk management culture by encouraging employee participation and ensuring that every employee is recognised as having a role in risk identification and mitigation
- Develop risk management skills and knowledge through periodic training and communications. Ensure access to risk management processes and information for employees and other stakeholders

Risk Categorisation

Adani Green has categorised risks into eight broad categories listed below:

Business & Commercial Risks

This entails potential risks arising from business strategy, expansion, market instability, infrastructure needs, and policy shifts during ongoing operations or entering new businesses.

Financial Risks

Financial risks include reduced access to funds, increased project costs, and inability to deliver suitable returns. Other financial risks include sudden fluctuations in the stock market, increased interest rates, unfavourable economic climate, and failure of financial transactions.

Environmental & Social Risks

Environmental risks include changing weather patterns, which can impact business continuity. Social risks include social issues, community conflict, untended stakeholder relationships, employee health and well-being, supply chain management, and branding and communications.

Project Risks

Project risks arise from project development, engineering, procurement, construction, and management. They also include health and safety and disaster-related risks.

People Risks

People and human resource risks, as well as human rights risks, can impact the talent of an organisation, as well as other factors such as productivity and attrition of human resources.

Regulatory & Governance Risks

Regulatory risks emerge from a constantly changing regulatory environment and can negatively impact business.

Operations & Maintenance (O&M) Risks

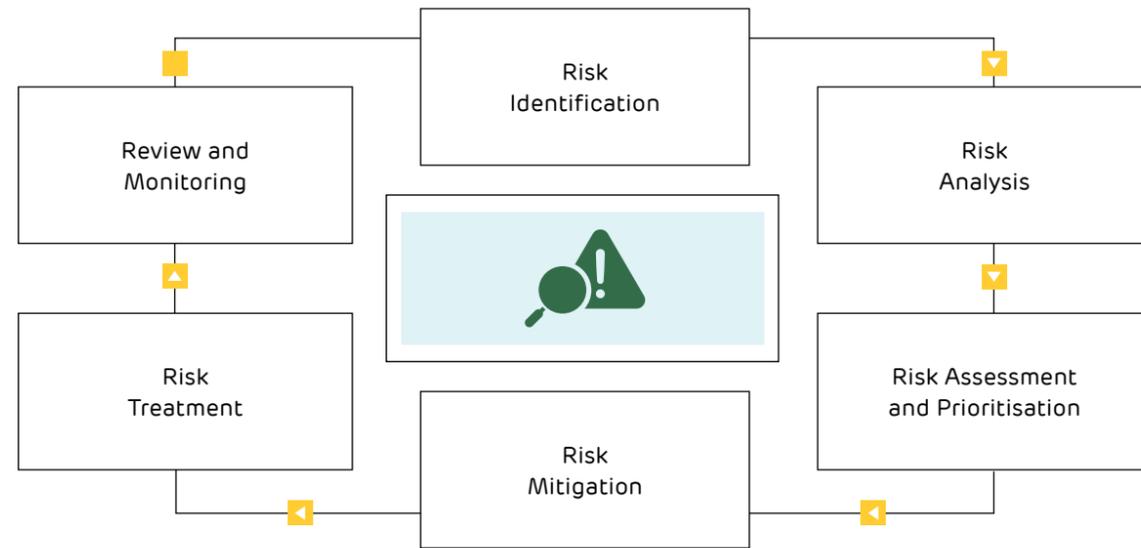
Operational risks include risks related to operations and maintenance, asset life cycle management, and events that can lead to closure of operational plants, interruptions and forced shutdowns.

Information Technology & Cybersecurity Risks

IT and cybersecurity risks include risks related to infrastructure availability, connectivity, integrity, and reliability of information technology. Cybersecurity-related risks such as breaches, data thefts, system hacking, and scams can also negatively impact the business.

Risk Management Process

The Adani Green risk management process consists of the following steps:



Risk Identification

- Identifying potential risks that can hinder operations from achieving its set objectives and expected targets
- Techniques and tools used to identify the risks include Brainstorming, Root cause analysis / assumptions and constraints / SWOT analysis, meetings and reviews
- Compilation of the identified risks in the risk registers

Risk Analysis

- Assessing the level of exposure of each identified risk based on its sources, likelihood of occurrence, magnitude of potential impact, and mitigation strategies
- Assigning a risk severity score and likelihood score to the risks

Risk Assessment and Prioritisation

- Prioritisation of the analysed risk based on the risk rating
- Assigning a timeline to prioritise and assess risks for the risk owners

Risk Mitigation

- Developing and implementing risk mitigation strategies by the risk owner and champions at each business level

- Monitoring of the responses by Risk Champions and Owners and making necessary interventions

Risk Treatment

- Treating the risk using the 4T approach: Transfer, Terminate, Tolerate, and Treat:
 - Transfer the risk by involving third parties by means of insurance
 - Terminate the risk by making changes in the process
 - Tolerate by accepting the risk that may have low impact on our operations
 - Treat by developing corrective action plans to derisk the functions to a tolerable level

Review & Monitoring

- Periodic reviewing and monitoring of the risk by the BRMC and Board-level Risk Committee to ensure compliance with defined mitigation strategies
- Measuring progress of mitigation actions for each risk
- Gathering the insights from the ongoing process for further analysis and developing an organisation-wide learning process

Our Top Risks

Risk	Category	Risk	Category
R1	Competition Risk	R9	Procurement & Supply Chain Risk
R2	Merchant Power Risk	R10	Attrition Risk
R3	Geographic Focus Risk	R11	Cybersecurity Risk
R4	Debt Repayment Risk	R12	SCADA Risk
R5	Liquidity Risk	R13	Solar & Wind Intermittency Risk
R6	Foreign Exchange or Interest Rate Risk	R14	Technology Obsolescence Risk
R7	Climate Change Risk	R15	Compliance Risk
R8	Project Management Risk	R16	Regulatory Risk



Key Risks and Mitigating Actions

R1
Competition Risk

Capitals at Risk 

Strategy at Risk S1 S2 S3 S4

Material Topics M5 M9 M11 M12

Risk Description
Increased competition and pressure on bid tariffs as well as merchant market

Impact on Value

- Decline in the electricity tariffs
- Lower margins
- Impact on growth rate

Mitigating Measures

- Strategic selection of projects with an attractive profitability and hurdle rate

- Strategic partnerships and cost reduction to enhance competitiveness
- Robust techno-commercial capabilities with integrated cross-functional support for competitive bids
- Adapting business strategy plans to changing market conditions
- Explore new business opportunities internally & externally like international markets, energy storage, etc.

R2
Merchant Power Risk

Capitals at Risk 

Strategy at Risk S2

Material Topics M5

Risk Description
Risk associated with volatility in electricity prices on the energy exchange

Impact on Value

- Loss of revenue
- Underutilisation of assets

Mitigating Measures

- Close monitoring of merchant rates on a concurrent basis

- Short-term or long-term arrangements for power sale with prospective buyers directly or through exchange at appropriate rates to ensure maximum profit & minimise the pricing risk for merchant plants
- Financial closure for merchant projects is made considering higher equity contribution in the project

R3
Geographic Focus Risk

Capitals at Risk 

Strategy at Risk S3

Material Topics M1 M5

Risk Description
Negative impact on the Company due to its higher geographical concentration

Impact on Value

- Concentration in select geographies & associated with changes in weather patterns or others causing disproportionate impact on revenue

Mitigating Measures

- Assets are strategically located in 12 diverse resource-rich states mitigating the impact of geographical concentration
- Capacity expansions are planned in Rajasthan and Gujarat, which are India's most wind and solar resource-rich states

R4
Debt Repayment Risk

Capitals at Risk 

Strategy at Risk S3 S5

Material Topics M12

Risk Description
Any failure to repay or service the debt on time could impact Company's prospects

Impact on Value

- Decline in credit rating
- Reputation loss
- Unfavourable cost of debt

Mitigating Measures

- Periodic review of the liquidity management plan
- Maintaining adequate DSRA / Cash Balances for 6-9 months of Debt Servicing to ensure that there is no delay/default in debt servicing
- Project financing with a relatively low equity load and long-term debt exposure at low cost

R5
Liquidity Risk

Capitals at Risk 

Strategy at Risk S3 S5

Material Topics M12

Risk Description
Difficulties in meeting the Company's short-term financial obligations due to insufficient cash or liquid assets

Impact on Value

- Decline in credit rating
- Reputation loss

Mitigating Measures

- Review of Liquidity Management Plan regularly
- Proactive Capital Management Plan (long-term, short-term, and medium-term) for fund requirements of the company based on various scenarios including high growth phase

R6
Foreign Exchange or Interest Rate Risk

Capitals at Risk 

Strategy at Risk S5

Material Topics -

Risk Description
Potential for financial loss due to fluctuations/volatility in the exchange rate or interest rates

Impact on Value

- Currency movements and interest rates adversely affecting debt repayment obligations
- Exchange rate adversely affecting procurement costs

Mitigating Measures

- Well-defined policy in place for hedging foreign exchange exposure
- Long-term capital management plan to ensure optimised financial costs while meeting growth targets

R7 Climate Change Risk

Capitals at Risk

Strategy at Risk
S3 S6

Material Topics
M1 M3 M5 M12

Risk Description

Climate change risks include damage to infrastructure from extreme weather, reduced efficiency due to temperature changes, and other natural disasters

Impact on Value

- Business operations disruptions
- Asset damage
- Human casualty and injuries

Mitigating Measures

- Identify climate change risk in project planning stage and accordingly prepare management plan
- Area flood and drainage study before start of the project
- Insurance coverage of climate change risk

R9 Procurement & Supply Chain Risk

Capitals at Risk

Strategy at Risk
S3

Material Topics
M5 M8 M11

Risk Description

Risks of adverse commodity market trends, unavailability of key materials, or supply chain disruptions

Impact on Value

- Cost increases in critical material e.g. silicon wafers, solar cells and modules
- Unavailability of raw materials
- Disruptions in international supply chains

Mitigating Measures

- Disciplined approach to securing material costs, ensuring no open and vulnerable raw material positions while bidding for project tariff auctions
- Fixed rate contracts wherever possible and implementation of price variation clauses in contracts
- Strategic buying in bulk when the market is low
- Long-term strategic tie-up for logistics & FOB (Free on board) based freight booking

R8 Project Management Risk

Capitals at Risk

Strategy at Risk
S3

Material Topics
M5 M6 M10 M12

Risk Description

Risks that can negatively impact a project's objectives, such as scope, schedule, cost, and quality.

Impact on Value

- Delays in commissioning solar and wind energy projects
- Potential breach of PPA terms & conditions
- Delayed return on investment

Mitigating Measures

- Location due diligence and acquisition of land banks at strategic locations in advance, in line with the business plan

- Advance ROW clearance with the help of local stakeholders
- Identify and de-board non-performing vendors and contractors
- Engaging reputed agencies (Tier I or II) in project execution, including EPC mode of execution
- Vendor pre-qualification & Contractor performance evaluation
- Proactive approach and Public Relations with govt. bodies including PGCIL for power evacuation system readiness
- Streamlined coordination across resource assessment, land acquisition, construction readiness, technical studies and supply chain management

R10 Attrition Risk

Capitals at Risk

Strategy at Risk
S1 S3

Material Topics
M6 M7 M8 M9
M10 M12

Risk Description

Loss of critical talent and employee turnover

Impact on Value

- Loss of productivity
- Loss of institutional knowledge
- Disruption in business operations

Mitigating Measures

- Identification of high-potential individuals & critical roles and work on succession/career path
- Reward & recognition mechanism rewarding high-performing critical talent
- Employee Learning & Development interventions and employee engagement interventions
- Forum to connect with Leadership/Voice employee views

R11 Cybersecurity Risk

Capitals at Risk

Strategy at Risk
S3 S4

Material Topics
M12

Risk Description

Disruption of critical IT services and data loss due to cyber attack

Impact on Value

- Exposure of sensitive data
- Destruction or corruption of data
- Failure of IT services
- Network breakdown

Mitigating Measures

- Implementation of firewall at site IT network
- Compliance monitoring and protection tools
- Patch management process in place to mitigate vulnerability related to OEM product
- Policy and Procedure for Data Privacy, Employee Privacy Notice, Data Breach Management, Data Retention and Disposal, Privacy Compliance Monitoring, Privacy Notice
- Awareness sessions for all employees on phishing and other cybersecurity aspects

R12 SCADA Risk

Capitals at Risk


Strategy at Risk
S4

Material Topics
M5 M12

Risk Description

Potential threats and vulnerabilities associated with SCADA systems

Impact on Value

- Operational efficiency compromised
- Projects operating below optimal potential

Mitigating Measures

- Centralised and analytics-driven O&M system, Energy Network Operation Centre (ENOC), which facilitates real-time insights

- Periodic maintenance of SCADA
- VDI (Virtual Desktop Infrastructure) is in place for remote access to SCADA for integrating third-party systems. Remote solution implemented for access and authorisation of SCADA vendor
- Replacement of ILL (Internet Leased Line) line with MPLS (Multiprotocol Label Switching)

R15 Compliance Risk

Capitals at Risk
 

Strategy at Risk
S1 S3 S6

Material Topics
M5 M10 M12

Risk Description

Non-compliance with statutory requirements/EMP/regulatory clearances/guidelines, etc.

Impact on Value

- Penalty for non-compliance
- Reputation loss
- Litigations/Qualification in statutory reports
- Operational discontinuation

Mitigating Measures

- All compliance requirements are managed by department heads with periodic Board oversight on compliance reports and third-party assessments
- Legatrix system enables IT-enabled monitoring of economic, environmental and social compliance across all locations
- Robust internal controls cover documentation of policies, guidelines, approval procedures, monitoring, internal audit, non-compliance flagging and periodic reporting to management

R13 Solar & Wind Intermittency Risk

Capitals at Risk
 

Strategy at Risk
S4

Material Topics
M1 M5

Risk Description

Risk of insufficient energy supply due to variability in radiation or wind resources.

Impact on Value

- Loss of revenue for solar projects due to radiation shortfall
- Loss of revenue for wind projects due to wind resource shortfall

Mitigating Measures

- In-house capability building of solar and wind forecast using AI/machine learning & continuous model training
- Analysis of CUF & generation budgeting based on the irradiation/wind speed forecasted by in-house tool
- Tracking minimum CUF penalty

R14 Technology Obsolescence Risk

Capitals at Risk
 

Strategy at Risk
S4

Material Topics
M5

Risk Description

Operational risks for commissioned renewable plants due to the obsolescence of technology

Impact on Value

- Higher cost and delay in delivery of spare components for obsolete technology
- Plant outages and unavailability

Mitigating Measures

- OEM support for critical technology products to maintain plant availability
- Clause in place in the contract for rights to access documents (design, drawing, etc.) in case OEM is obsoleting the technology or shutting the business
- Long-term contracts & buyback arrangements wherever possible

R16 Regulatory Risk

Capitals at Risk
 

Strategy at Risk
S3 S5

Material Topics
M5 M8 M10 M12

Risk Description

Changes in regulatory framework affecting long-term prospects of the Company

Impact on Value

- Adverse effect on financial viability of existing & new projects
- Potential censure and operational slowdown

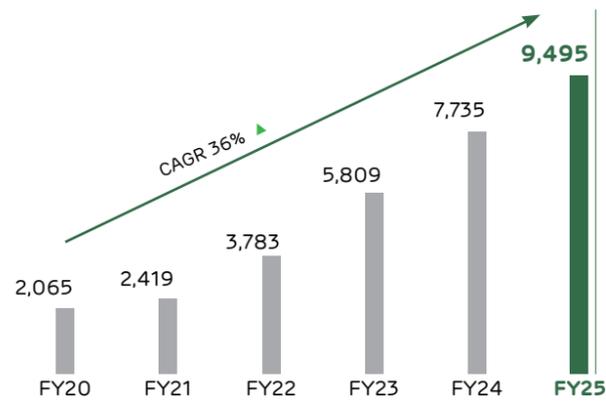
Mitigating measures

- Policy advocacy through industry associations to represent the issues that may be faced by the industry
- Consultations from experts in the respective field on all key regulatory matters
- Legal remedies from court / appellate tribunal as and when required

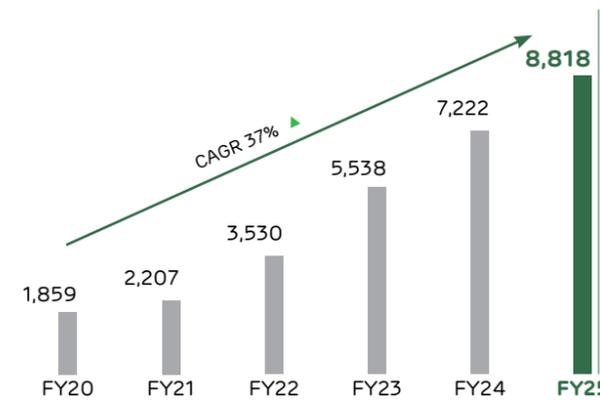
Key performance indicators

Demonstrating robust and resilient performance

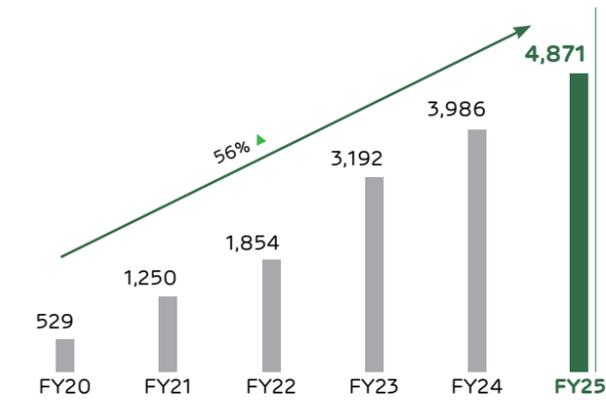
Revenue from Power Supply (₹ crore)



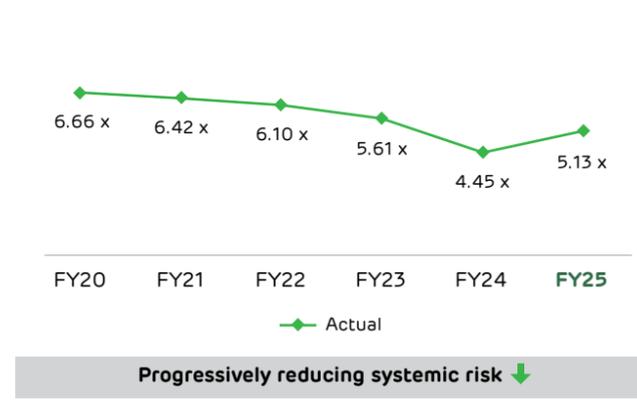
EBITDA from Power Supply¹ (₹ crore)



Cash Profit² (₹ crore)



Net Debt / Run-rate EBITDA



Notes

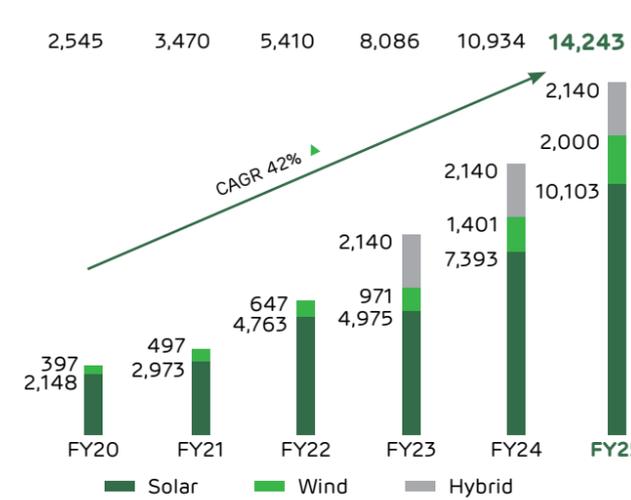
1 **EBITDA from Power Supply:** Revenue from Power Supply + Carbon credit income (part of Other Operating Income) + prompt payment discount - Employee Benefit Expenses excluding overseas expenses - Other Expenses excluding loss on sale of assets and such one-off expenses

2. **Cash Profit:** PAT + Depreciation + Deferred Tax + Distribution to TotalEnergies (up to Q3 FY24) + Exceptional Items - other non-cash adjustments

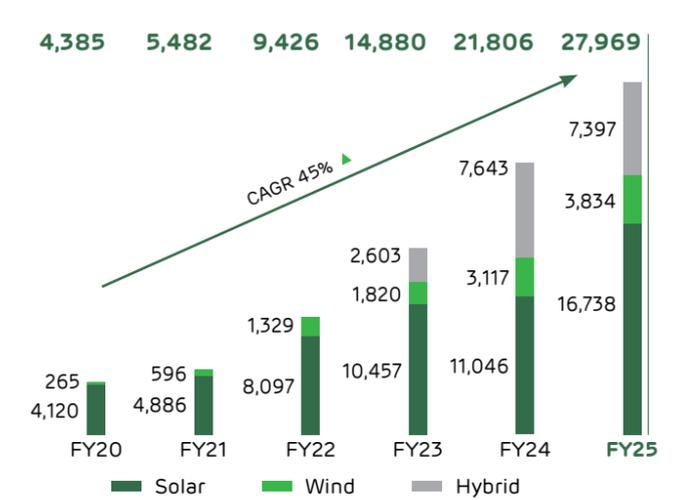
Operational performance review

Strong capacity addition and consistent operational performance

Operational Capacity (MW AC)



Sale of Energy (million units)



Energy generation for PPA-based operational capacity

