

Managing Director's Message

Apraava Energy is focused on building a clean energy portfolio to support India's transition to Net-Zero alongside working with our people, stakeholders and communities to create a sustainable future for all

Dear Reader,

It gives me immense pleasure to present Apraava Energy's first Integrated Report (IR).

The IR for FY 2021-22 has been created in adherence with the reporting framework defined by the International Integrated Reporting Council (IIRC). The report content also refers 'In accordance core criteria' of the Global Reporting Initiative (GRI) and follows Task Force on Climate-related Financial Disclosures (TCFD) as well. In addition to these frameworks, the financial and non-financial aspects reported in this IR are referenced to the essential indicators of the Business Responsibility and Sustainability Report (BRSR) framework.

An Environmental, Social and Governance (ESG) evaluation of the Company is already underway while we put together an ESG roadmap. As we strive towards building a clean and green energy portfolio along with transitioning into low or no carbon businesses, we thought it is fit to step up to Integrated Reporting to help us better report the strides we are making towards sustainable operations.

The reporting strategy with the Six Integrated Capitals, namely Manufactured Capital, Intellectual Capital, Natural Capital, Human Capital, Social & Relationship Capital and Financial Capital will enable us to enhance operational efficiencies, develop scientific solutions, and create positive impact on the communities we work with.

We have also set ambitious targets for ourselves. The Company is intent on doubling its clean energy portfolio by 2025, all with clean energy investments which would also enable us to seek participation from local shareholders in the medium term. We have committed to the Science Based Targets initiative

(SBTi) and target formulation is under progress for validation by SBTi. We became the signatory of India Business and Biodiversity Initiative (IBBI) to strengthen our ongoing efforts towards biodiversity conservation.

Apraava Energy's net profit after tax for FY 2021-22 stood at INR 1,313 million (as compared to INR 3,373 million for FY 2020-21). Retained earnings (including reserves) for FY 2021-22 aggregated INR 24,297 million, an increase of 3.73% from INR 23,424 million in FY 2020-21. Going forward, the Company will only invest in low-carbon growth areas, including renewable energy, power transmission and distribution, as well as other non-generation, customer-focused energy businesses.

In the reporting period, Jhajjar Power Limited (JPL), our only thermal power plant generated ~59% more power in comparison to the previous year owing to increased demand from the grid for thermal electricity. Consequently, Apraava Energy's Greenhouse Gas (GHG) emission intensity for the reporting period is 0.70 tCO₂e/MWh, compared to 0.62 tCO₂e/MWh in FY 2020-21, a 12% increase. We continue to operate JPL in an environmentally responsible manner with the adoption of cleaner technologies while we aggressively expand our renewable portfolio.

Power sent out from our wind portfolio grew by ~8% whereas solar power sent out decreased by ~3% in FY 2021-22. The completion of an under construction 250 MW wind power project in FY 2022-23 as well as future investments in renewable projects will reduce our GHG intensity. During the year, we completed acquisition of a 49% stake in Kohima-Mariani Transmission Ltd (KMTL), an interstate transmission project in north-eastern India.

Safety remains a key cornerstone of our operations - one that we do not compromise on under any circumstances. We always prioritise the health and safety of our employees and contract partners. Our Health, Safety, Security and Environment performance undergoes timely monitoring, review, and analysis to prevent untoward incidents. We also have a robust training and awareness module to keep employees informed and educated about health, safety and environmental risks.

The Company is adopting a dynamic and customised Enterprise Resource Planning (ERP) system for leveraging latest technologies. A digital transformation roadmap has been formulated and is under implementation to meet our future needs and to augment our business' cybersecurity.

As Apraava Energy, we undertook a revisit of our Purpose-Vision-Mission-Values to align them with our strategy and new brand identity. Through an organisation-wide engagement involving leadership consultation, focus group discussions and large-scale interactive processes, each and every employee

was involved in developing the new Purpose-Vision-Mission-Values. Similarly, a new competency framework - Growth Mindset, Result Orientation, Openness to Change and Working with Synergy - G.R.O.W. has been evolved to prepare our employees for the future of Apraava Energy.

We continue to work towards enhancing diversity within the workforce and have created an environment that aids the development of employees' full potential, irrespective of their background. We are signatories to the Women's Empowerment Principles established by United Nations Global Compact (UNGC) and UN Women.

Active participation in the development of communities located around our operational sites has been a deeply ingrained practice at Apraava Energy. Our CSR initiatives, aligned with United Nations Sustainable Development Goals (UNSDGs), are centered around issues like climate change, education, health & sanitation and skill development with a special emphasis on empowering women and youth. By 2025, we aim to positively impact two million lives through community investments.

I believe that the information curated in this report will be helpful in maintaining a transparent relationship with our stakeholders. As we pursue this ambitious mission of being a clean energy producer with far-reaching impact on the people and the planet, your support and valuable feedback in this endeavor is essential. Together, we can create a sustainable tomorrow.

Thank you



Rajiv Ranjan Mishra

Managing Director

Mumbai, 15 July 2022

