

Managing Director's Message

Aspirations light up the path of action. At Apraava Energy, we believe in purpose-led growth and pursue all that we do with the courage, commitment, and perseverance needed to turn aspirations into reality.

Over two decades, we have diligently built a financially resilient business, constantly striving to create value for all our stakeholders. Through this second edition of our Integrated Report for FY 2022-23, I am honoured to showcase the remarkable strides we have taken thus far and our ambitious goals.

Our investors, CDPQ, a global investment group, and CLP Group, one of the largest investor-owned power businesses in Asia, now have an equal stake in Apraava Energy. This reinforces CDPQ's and CLP's joint commitment to support the acceleration of the transition to a greener economy in India. We are excited to partner with the nation in achieving bold energy targets.

With an identity transformation a couple of years ago and a refreshed Purpose, Vision, Mission, Values (P-VMV) framework, Apraava Energy is consolidating its existence as a board-driven company. In FY 2022-23, we expanded our board level committees to include the Audit Committee, Risk Management Committee, and Nomination and Remuneration Committee to better manage the strategic priorities of our business.

The Environmental, Social and Governance (ESG) framework that has always directed our business is deeply embedded within the organisation. Apraava Energy is among the handful of companies in the power sector in India to commit to the Science Based Targets initiative (SBTi) and only the second in the sector to have them validated. We developed a measurable science-based emissions reduction target under a 1.5°C scenario which was validated by SBTi in June 2023. Our SBTi target is to reduce generation-related GHG emissions intensity (Scope 1 & Scope 2) by 46.3% per tCO₂e/MWh by 2027 from a 2022 base year. In a similar vein, we received our first ESG rating - 47 on 100, through an independent ESG evaluation carried out by S&P Global Ratings.

Apraava Energy's vision is to partner in India's energy transition by being the most trusted, inclusive, and integrated energy solutions provider. In line with this ambition, we have

been steadily foraying into low carbon growth opportunities. Our entry into the Advanced Metering Infrastructure (AMI) business during this financial year is one such significant move. We have been awarded contracts to deliver metering infrastructure services in Assam and Gujarat, providing smart meters to over three million customers across both states. The Government of India's Revamped Distribution Sector Scheme (RDSS) is a key reform, and Apraava Energy installed the country's first smart meter as part of the RDSS scheme in Assam. We also secured two greenfield transmission assets in Fatehgarh, Rajasthan, further strengthening our transmission portfolio. There has been continued progress on the construction and commissioning of our largest wind asset, a 250 MW project in Sidhpur, Gujarat. It is expected to be fully commissioned in FY 2023-24.

Our renewable energy, conventional generation and transmission businesses have been performing steadily over the last few years and we would like to sustain this momentum. In FY 2022-23, Apraava Energy's net profit after tax stood at INR 12,335 million, as compared to INR 1,313 million in FY 2021-22. Retained earnings for FY 2022-23 aggregated INR 36,905 million, as compared to INR 24,471 million in FY 2021-22.

During the reporting period, Jhajar Power Limited (JPL), our only thermal power plant, generated ~5% more power in comparison to the previous year owing to increased demand from the grid for thermal electricity. Power sent out from our wind portfolio decreased by ~7% whereas solar power sent out increased by ~4%. Our Greenhouse Gas (GHG) emission intensity for the reporting period is 0.71 tCO₂e/MWh, compared to 0.70 tCO₂e/MWh in FY 2021-22. The completion of the Sidhpur wind asset as well as future investments in renewable projects will reduce our GHG intensity significantly.

Conscious and efficient use of resources is a priority for us. In FY 2022-23, we successfully completed extended trials for dry cleaning solar panels at two of our sites located in water-stressed regions using robots. We also evaluated the water status for two of our renewable sites as the first step towards achieving 'water positive' status for all renewable sites in the future. In November 2022, JPL was awarded a 'Single-Use Plastic free' certification by the

Confederation of Indian Industry (CII). We are also targeting a 'Zero Waste to Landfill' goal for JPL and are taking the necessary measures to achieve it.

Embracing technology as an enabler, we achieved the first milestone in our implementation of a proprietary Enterprise Resource Planning (ERP) system. Our vision is to build an integrated business platform that will enable us to leverage technology to provide holistic business insights, drive greater operational efficiencies through better transparency, provide agility, and ensure enhanced employee engagement.

Our workforce is our greatest asset, and we take pride in investing in their professional growth and personal well-being. We introduced a new competency framework called G.R.O.W in FY 2021-22 to equip our employees for the next phase of growth. Putting it into action, we assessed 124 of our mid-to-senior level employees in FY 2022-23 to identify leadership strengths and behaviours that can be honed further and tailored Individual Development Plans (IDPs) for each of them.

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Safety is a non-negotiable aspect of our operations, and we provide adequate training on health and safety aspects to ensure well-being and productivity. We are committed to enhancing diversity within our workforce and providing a conducive environment for all-round growth and development, regardless of background. A Diversity, Equity, and Inclusion (DE&I) Council as well as a roadmap for enhancing DE&I at Apraava Energy are already in place.

Our aspirations for a better world include the communities and individuals impacted by our business. Through transformative initiatives across a multitude of areas, we empower our beneficiaries with opportunities. In FY 2022-23, for instance, we helped set up a mid-day meal kitchen in Assam to offer nutritious meals for school students; provided solar lighting systems in villages, schools and community amenities and facilitated plantation of over 30,000 indigenous saplings under the 'Trees for Tigers' initiative that resulted in an increase in green cover and also employment for locals. Further, it is heartening for me to see that two young girl wrestlers from the wrestling academy supported by JPL have won laurels for India at the Asian championship.

We welcome all our stakeholders to collaborate with Apraava Energy in our unwavering commitment to shape a better world through clean energy and the sustainable pursuit of growth. I am grateful to our regulators, investors, customers, and communities for supporting us in this journey. Above all, I am thankful to the Apraava team for being instrumental in giving their all to our growth and transformation. We hope that this report provides you a comprehensive overview of our sustainability journey. Your suggestions and feedback are solicited.

Let us pursue bigger aspirations and work towards making them a reality in a better world.

Thank You.

Rajiv Ranjan Mishra

Managing Director

Mumbai, 12 July 2023

