

SOCIAL & RELATIONSHIP CAPITAL





SOCIAL CAPITAL

Aspirations for a better world must include the goal of creating an equitable society with growth opportunities for all. At Apraava Energy, development of communities and society at large has been integral to our vision of prosperity as a Company. Even as we move towards clean energy and non-generating forms of business, we continue to consolidate our Corporate Social Responsibility (CSR) initiatives to enable better futures. We aim to positively impact two million lives by 2025. Apraava Energy's dedication and commitment to deliver lasting impact has been recognised through two awards. The first of them is the coveted CII-ITC Sustainability Award in the CSR domain. The CII National Award for Excellence in Water Management was received in the beyond the fence category for the work we have done around water security over the last six years in Khandke, Maharashtra.

Vision

Engage in development initiatives so that every child, young person and adult has a reason to believe in the prospect of a better future.



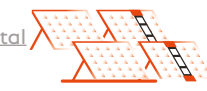
Material Topics

Integrated Village Development

Youth & Women Empowerment

We have established long-term partnerships with credible not-for-profit organisations that have national, regional, or local reach to implement our CSR projects. Over time, we have prioritised building strong relationships with local communities and conducted need assessments to identify prevailing issues and challenges through periodic discussions. Regular reviews to assess outcomes ensure that we are able to calibrate programmes to deliver relevant interventions and consistent impact. Our CSR initiatives are designed for integrated development of catchment villages with a focus on youth and women empowerment. During the reporting period, we continued to provide avenues to the most disadvantaged communities for better health and nutrition, and sustainable livelihoods; contributed towards climate change adaptation and resilience, and enabled community infrastructure development. Our projects are clearly mapped to the United Nation's Sustainable Development Goals (UN SDGs).

During FY 2022-23, apart from the projects that we have been running across various business locations in the country, we have made significant advances in setting up community initiatives in the northeast in the catchment area of the Kohima-Mariani Transmission Limited (KMTL). Two multi-year projects, Sanjeevani - focused on water security and Utthan - prioritising health and education, especially for adolescent girls and women, were launched at Jhajar.



Key CSR Statistics

FY 2022-23



Obligated Spends v/s Actual Expenditure on CSR

Metric	FY 2020-21	FY 2021-22	FY 2022-23
CSR Obligation (INR million)	145.9	126.6	110.6
Actual Expenditure (INR million)	148.3	131.5	111.30

Social Responsibility in Action

Apraava Energy primarily works with communities in and around existing plants and aspirational locations but also extends support in geographies where there may be a need.

With a long-term focus and through strategic partnerships, we implement need-based interventions that involve participation from the communities right from the start. This ensures high degree of involvement and ownership among community members. Apraava Energy employees are deeply committed to the causes we support and are leveraged suitably for effective project implementation. The total volunteering hours clocked in calendar year 2022 were 1,548 as opposed to 814 hours in calendar year 2021.



CSR Stakeholder Engagement

Stakeholder engagement plays a crucial role in ensuring that social impact projects remain effective in the long run. At Apraava Energy, stakeholder engagement has been a crucial cornerstone both in business as well as CSR initiatives. From the time we envisage a project to the various stages of implementation and periodic assessments, we involve relevant stakeholders. Apraava Energy's senior leaders are deeply involved in the CSR stakeholder engagement exercise and contribute to shaping the direction of programmes based on community interactions. One such stakeholder engagement is the Apraava Social Conclave. In this financial year, the Apraava Social Conclave was held in May 2022, with the intent to share learnings and best practices. We will continue to engage with stakeholders across the spectrum to effect best practises and implement impactful programmes.

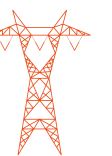
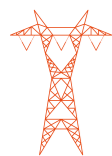


Facilitating Conversations on Driving Impactful Change

The Apraava Social Conclave was held on May 5-6, 2022 at the Rambhau Mhalgi Prabodhini in Mumbai. Apraava Energy's senior management including the Managing Director (MD) and Chief Financial Officer (CFO) presided over the day's proceedings and contributed to setting the agenda for the exchange. Over 60 participants from 20 organisations across India came together to discuss ideas, share best practices, and come up with ways to make programmes more impactful. Delegates included project managers from various not-for-profits and the Tata Institute of Social Sciences (TISS). During the conclave, partners showcased their innovative and successful projects, while Apraava's CSR team facilitated group sessions on challenges faced while implementing projects and integrating a result-based management framework into project reports. The MD, CFO and other senior management leaders spent considerable time discussing ways to enhance Apraava's CSR programmes with partner organisations. Director-HR conducted a session and emphasised on cross-sectoral partnerships for better outcomes in the development sector. The event also included an insightful session from Professor Rukhaiya Joshi on Social Return on Investment.



Apraava's Senior Management Team with Community Stakeholders at the Apraava Social Conclave



Feeding the Future

Apraava Energy's commitment to making quality nutrition and healthcare services available to communities has remained steadfast over the years. During the financial year, Apraava Energy, along with other funders, partnered with the Akshaya Patra Foundation and set up a mid-day meal kitchen at Jorhat in Assam. The kitchen was inaugurated by the chief minister of the state in July 2022. Designed to serve about 25,000 meals a day, the kitchen currently feeds 13,853 school children per day and provides employment to 62 locals including women. The menu of the mid-day meal is in line with local socio-cultural norms and food practices. Further, five food distribution vehicles serve meals to about 95 government schools within a 25 km radius. Availability of wholesome meals is likely to have a positive impact on student attendance and in turn, result in better educational outcomes.

We are also funding a mobile medical van project for providing essential health services across 35 catchment villages near Jhajjar, Andhra Lake and Veltoor, impacting 28,533 lives positively.

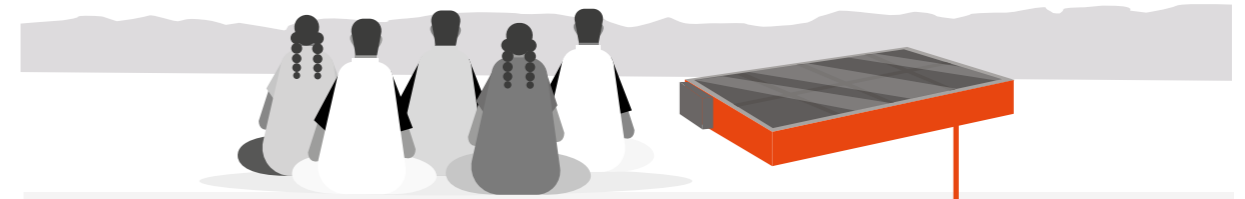


A Student Enjoying his Mid-Day Meal at Jorhat

Enabling Secure Livelihoods



Apraava Energy is committed to empowering local communities including farmers with the knowledge and support to implement sustainable practises. These are intended at adoption of clean technology while empowering communities to reap the benefits of leveraging them. The Centre for Environment Education (CEE) helps us in implementing this vision into action through Project Aarohan.



Project Aarohan: Empowering farmers through solar dryers

The site for Project Aarohan lies in a semi-arid zone in Gujarat. Perennial challenges to farming in the region include size of the agricultural land, quality and quantity of water. Project Aarohan supports enthusiastic farmers in these regions who are willing to explore sustainable ways to preserve and sell their agricultural produce.

As part of the project, alternative preservation techniques were explored using solar technology such as solar dryers. Solar drying enhances the shelf-life of agricultural produce and also aids food security. In its absence, rural farmers are compelled to sell their harvest immediately and inexpensively to avoid food spoilage, especially during monsoons.

Project Aarohan's three thematic areas include: Water, Education and Livelihood. Phase 1 was implemented in 18 villages across Samana and Mahidad. Phase 2 builds on the activities, achievements and learnings from Phase 1. In Phase 2, solar dryers were provided to the Mahidad and Samana clusters. The total number of villages covered under the project is now 24 with six new villages.

Benefits of solar dryers over conventional drying techniques:

-  Eco-friendly, quick and hygienic drying process
-  Multiple batches of vegetable can be dried simultaneously



Solar Dryer being used by Women for Preservation of Farm Produce



Nurturing for Nature



Our greening ambition extends to locations beyond our plant and office premises. In FY 2022-23, Apraava Energy carried out a large-scale tree plantation initiative at Ramtek in Maharashtra. As part of this project, 30,000 mixed saplings were planted under the 'Trees for Tigers' initiative on the community land of the Karwahi village panchayat, located on the fringe of the Pench Tiger Reserve. The saplings were carefully chosen in consultation with local community members and villages.



Tree Plantation Project in Progress

The project was aimed at strengthening the habitat of tigers and other wildlife, conserve the biodiversity of the region, and create forest assets for the community in the form of fruits, fodder, fuelwood, and other Non-Timber Forest Products (NTFPs). This project has a direct impact on rural livelihoods by creating employment for local communities, enhancing the forests' capacity to store carbon, combating climate change, and enhancing wildlife habitat, especially for tigers. The initiative supports the survival and viability of endangered tiger populations which face several threats such as fragmented habitats, developmental activities, poaching, human-animal conflict, and resource exploitation. Apart from restoring degraded land and improving wildlife habitats, this initiative has also created employment opportunities for the local community, of which 50% were women, thereby contributing to rural livelihoods.

The tree cover ensures carbon uptake after maturity. On an average, plantation of 30,000 trees can absorb 600,000 kgs of CO₂ per year, which can improve the micro climatic conditions of that region, thus benefitting the local community.

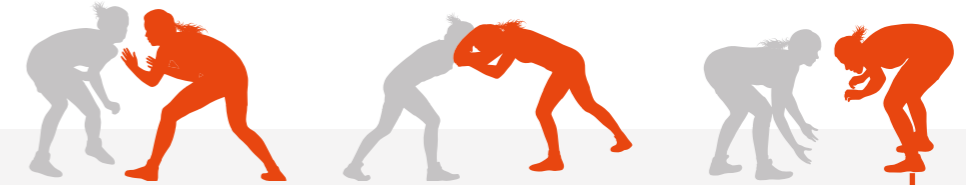
Further, during the financial year, an additional 33,927 saplings were planted across Apraava Energy's business catchments across the country.

Equity Through Opportunity



We seek to empower women and youth in all our endeavours. Over the last several years, we have been supporting a wrestling academy in Jhajjar that has been able to nurture many-a-aspiring athletes. The gold medal winner in under 15 women's wrestling, 54 kg weight class at the 2022 Asian Championships held in Bahrain was 15-year-old Neha Sangwan from Haryana. Neha had received her training at the Krishan Akhara wrestling academy, which is situated in the village of Khanpur Khurd in Haryana and is supported by Jhajjar Power Limited (JPL).

During FY 2022-23, we launched Utthan, a three-year program in Jhajjar with a two-pronged focus: education and empowerment. It includes working with ~40 Anganwadi centres and 11 schools across 12 villages in Jhajjar. Through the project, we aim to establish five model Anganwadi centres; conduct trainings to enhance the skills of frontline workers; promote awareness around health, nutrition and reproductive health among adolescent girls, and provide functional literacy and computer skills to women.



JPL-supported Wrestling Academy's Rising Stars

Apraava Energy supported two young girl wrestlers for Asian Wrestling Championship 2023. Anjali Gehlawat and Neha Sangwan, who have been training at Apraava Energy's JPL-supported academy - Krishan Akhara in Haryana won two Gold Medals in this competition and brought laurels to India. Anjali competed in the Under-23 category, in the 59 kg weight class. Neha Sangwan has clinched the Gold medal in the under-17, 57 kg weight category. The competition took place in Bishkek, Kyrgyzstan.

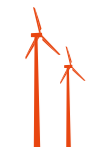
The achievements of these young girls have motivated other girls in various communities to pursue their dreams and work towards them. With the support of JPL, these young wrestlers are on their way to becoming future champions in Wrestling.



Neha Sangwan



Anjali Gehlawat



Empowering Communities with Infrastructure Support



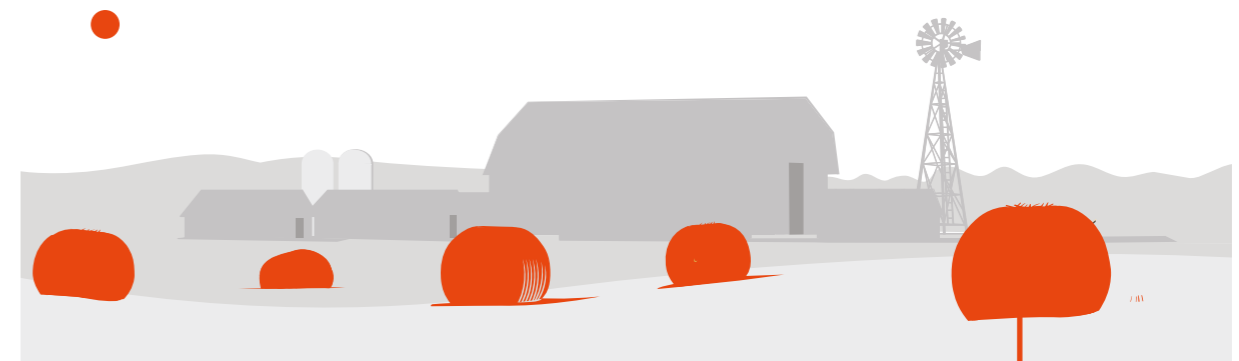
We have supported community-led water management projects at Khandke, Jath, Theni, Sidhpur and Sakri through repair and construction of water harvesting structures such as check dams, sunken ponds, and by carrying out de-silting activities leading to improvement in water security in the villages.

Continuing our efforts in enabling water security for our communities, during FY 2022-23, we launched Project Sanjeevani in Jhajjar. Through this three-year project focused on water and sanitation, the Company has invested significant funds for rejuvenation of village ponds and other water harvesting initiatives in the area.



Sanjeevani Project- Jhamri Pond, Jhajjar

We also supported village road infrastructure improvement in Pudunamei village in Senapati district of Manipur and Veltor in Telangana along with supplying power backup support at Zadima village in Kohima, Nagaland.



Cleaner Air, Better Life: The Crop Residue Management Initiative

Crop residue burning in the north-western states of India (especially Punjab and Haryana) has become a serious issue for public health, environment, and soil productivity. The Crop Residue Management Initiative, which was started in 2019, today brings multiple and long-term benefits to residents of 34 villages in four districts of Haryana. The programme focuses on behaviour change among farmers while deeply embedding sustainable farming practices amongst the agrarian community.

During FY 2022-23, the project continued to support more than 11,000 farmers. Key interventions included behaviour change among farmers, machinery support, technical trainings and handholding, mass awareness campaigns, and participatory monitoring. So far, more than 100 farming technological tools have been provided to local farmer groups based on a shared economy model. More than 52,000 acres of farmland was covered under the initiative.

The CII-ITC Centre of Excellence for Sustainable Development (CESD) provides independent research and knowledge support for the project to develop wider understanding of the issue and communicating the same to all stakeholders. Based on the impact assessment survey carried out by CESD in April 2022 and May 2022, it has been seen that farmers in 97% of the intervened area have adopted sustainable crop residue management practices.



Sustainable Management of Crop Residue using Indigenous Farm Technology



Testimonial



The Crop Residue Management (CRM) project initiated by CII Foundation and Apraava Energy has been a boon for many farmers like me, providing us with access to agricultural machinery at an affordable cost. The timely availability of machinery has helped us manage paddy straw by cultivating it into the soil. This has not only saved us money but also time, allowing us to sow wheat in a single cultivation with the use of a Super Seeder.

This initiative has been particularly beneficial for small farmers like me who do not possess tractors and other agricultural implements. I express my gratitude towards CII Foundation and Apraava Energy for their contribution to the project, which has facilitated our farming practices and enhanced agricultural productivity.



Manpreet Singh,
Sultanpuria, Rania, Sirsa
Total Farmland: 4 acres

RELATIONSHIP CAPITAL

Material Topics

Supply Chain Management

Labour Practices and Human Rights



Sustainable Supply Chain

Supply Chain Management (SCM) is an important area of business performance. Apraava Energy gives utmost importance to a sustainable supply chain that encompasses all stakeholders and helps create value for us as well as our suppliers, contract partners and customers.

Procurement is an integral part of our business process. We procure a wide range of products and services of significant value for electricity generation, transmission, and Advanced Metering Infrastructure (AMI) business. Our objective is to work with suppliers who are ethical and committed to sustainable development, have demonstrated Health, Safety, Security and Environment (HSSE) competence, high quality competitive pricing, meet expectations of our Supplier Code of Conduct, and are compliant with legal and business performance requirements. Apraava Energy strives to continually improve competitive advantage and deliver value to all stakeholders through formation of technically and commercially viable strategic relationships with preferred suppliers, and to maintain such relationships for long-term benefits of all involved.

Apraava Energy's Procurement Policy Framework

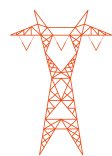
Apraava Energy designs fit-for-purpose sourcing strategies to select suppliers who are best suited to meet requirements and deliver most value. Supplier selections are typically conducted through competitive tendering processes. Apraava Energy's contract terms and conditions outline specific project requirements and business expectations.

All procurement commitments are in line with Company Management Authority Manual (CMAM) and must comply with Company policies, which include Apraava Energy's Value Framework, Procurement Policy, Responsible Procurement Policy Statement (RePPS) and Standard Operating Procedures (SOPs). Also, various internal and external audits are conducted to ensure compliance with Company procedures and processes.

Assessing Supplier Performance

As part of our supplier relationship management, we review past performance, current requirements, future business needs, as well as technology and innovation roadmaps with suppliers. While supplier's performance is measured under a structured framework, they are also invited to provide feedback for bringing about continuous two-way improvement in the long run.

Apraava Energy has been conducting quarterly risk assessments for strategic Tier-1 non-fuel suppliers. The key risks identified are lack of competent manpower, human resource compliances,



adherence to Apraava Energy’s HSSE guidelines, support on spares supply and expert services for overhauls/emergencies. Risk mitigation plans are developed to address such identified risks to ensure business continuity and sustainability within the supply chain. Apraava Energy conducts periodic meetings with suppliers to discuss mitigation plans and to explore opportunities for further improvement.

Process Improvement

New ERP Implementation

New ERP system has enabled digitisation of procurement process from requisition to order. Similarly, inventory processes like material receipt, inspection and gate pass processes have also been digitised. This has led to process simplification, process automation, flexibility in access and approvals through system and mobile applications. This has helped in conserving resources and increasing productivity. This will further enable effective data analysis and decision making.












Inventory Optimisation

Over the last two years, there has been a focus on optimising inventory levels. This has been achieved through an Inventory Optimisation Exercise which involves category taxonomy implementation, ageing and obsolescence analysis of inventory items, and regular review of min-max and vital items.

Incorporating ESG parameters in Responsible Procurement Policy and Supplier Code of Conduct

Setting out specific requirements for suppliers to support Apraava Energy’s environment, social and business objectives, the Responsible Procurement Policy Statement Policy (RePPS) and Supplier code of conduct have been updated based on ESG parameters. The policy sets out 11 responsible procurement practices in the selection and management of our suppliers and their upstream supply chains. This is supported by the Supplier Code of Conduct which is an external facing general statement of our expectations from the suppliers we are doing business with and those who want to do business with us.

Responsible Procurement Practices in RePPS

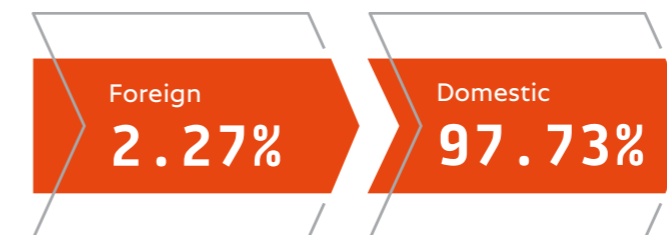
 Legal Compliance	 Business Ethics	 Cybersecurity	 Quality and Safety
 Environmental Management	 Climate Change	 Employee Health and Safety	 Labour Practices and Human Rights
 Diversity and Inclusion	 Community Relations	 Supply Chain Management	

Apraava Energy’s Non-Fuel Purchase from Domestic Sources v/s Imports in FY 2022-23 (Spend Basis)

Numbers of suppliers



Procured Goods (non-fuel)



Apraava Energy’s preference is to source locally and we endeavour building long-term market driven partnerships with local suppliers.

Contract Partners - Statutory Compliance Due Diligence at JPL

As a Company committed to ethical and legal business practices, we recognise the importance of ensuring that our contract partners meet statutory obligations and align with our values. We understand that compliance is crucial not only for the well-being of our employees but also for providing them with benefits, maintaining a positive reputation, and avoiding legal and financial penalties.

To achieve this, we have implemented a compliance Due Diligence process that involves conducting third-party independent audits on a monthly basis. During these audits, we thoroughly review the statutory records of each individual contract partner to ensure that they are compliant with all relevant laws and regulations. We also ensure that contract staff are provided with all necessary statutory benefits.

The findings of these audits are documented in an observation report, which is then discussed with the concerned contract partners. Based on the results, a compliance scorecard is issued accordingly to all contractors and departments. This scorecard reflects the compliance health of each individual contractor and department, allowing us to identify areas of improvement and take corrective actions in a timely manner.

The consolidated report is then shared with the plant head, providing them with an overview of the compliance status of all contract partners. By regularly monitoring compliance in this manner, we can ensure that our contract partners are meeting all statutory obligations and are aligned with our values, promoting ethical and responsible business practices in the organisation.

Apraava Energy's social responsibility initiatives continue to evolve with developing needs of the communities we work with and changing global realities. We are committed to deep impact and long-term engagements that focus on sustainable growth of people and conservation of natural resources. Our ambition of a better tomorrow involves holistic progress that benefits all.

