

Adani Sustainability Report 2020-21

Innovating
Sustainability





Sowing paddy in Agri fields by countrywomen in Chhattisgarh

adani

Natural
Resources

Adani Sustainability Report 2020-21

**Innovating
Sustainability**



Innovating Sustainability

Sustainability and safety has come into sharp focus since 2020, when COVID-19 became a global pandemic. It has significantly impacted every aspect of business operations. Businesses that had integrated sustainability and safety strategically into their business operations were much more resilient and agile in responding to the unexpected events and shocks that followed. Moreover health, safety and wellbeing became central to the resiliency and sustainability discussion in a way that has never occurred before.

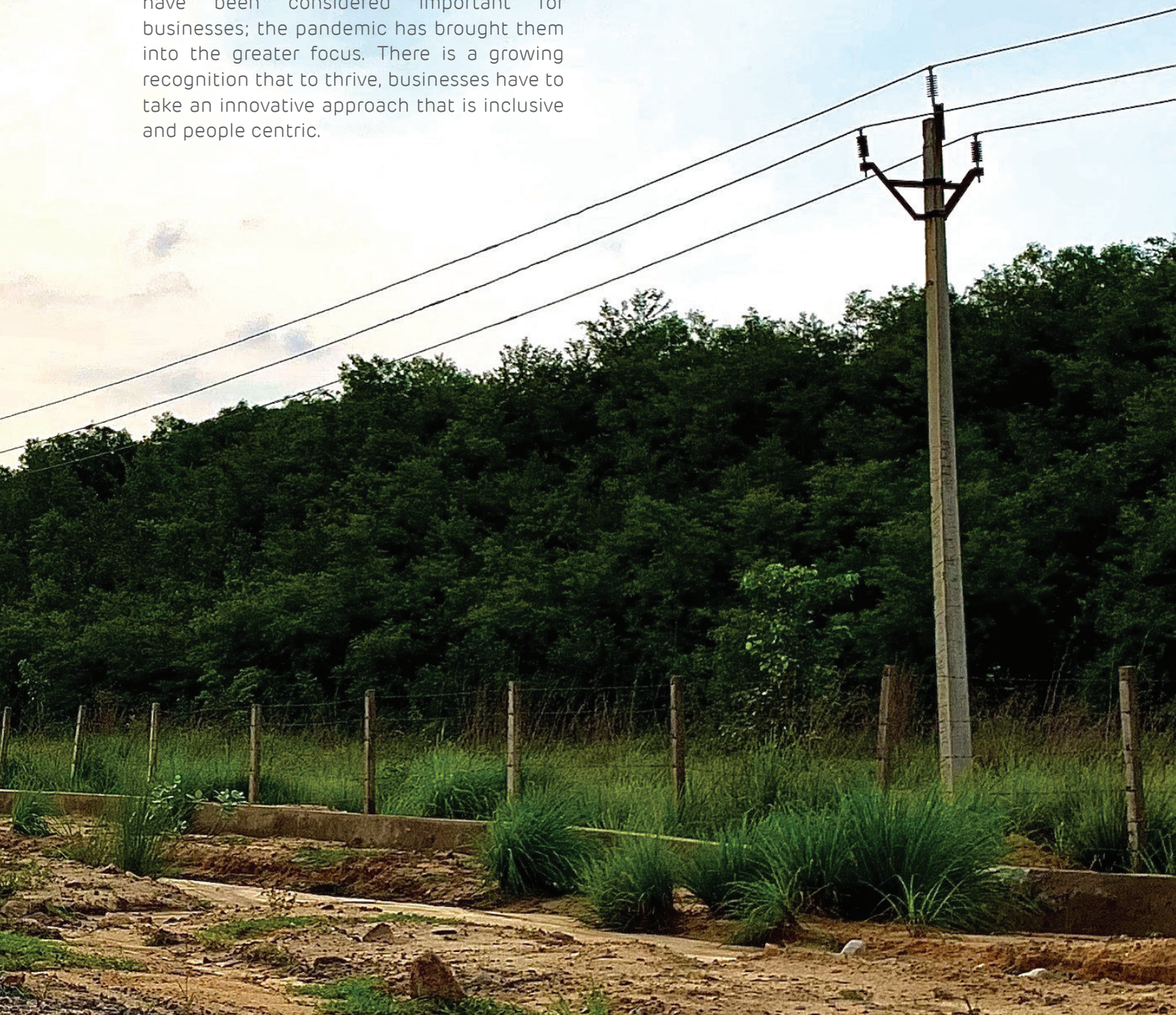
*Green-belt development
at Safety zone, PEKB
mine, Chhattisgarh*



The COVID-19 crisis has highlighted the vulnerability and gaps in several of our basic systems, including healthcare, social protection, education, value chains, production networks, financial markets, transit systems, and ecosystems. There is a need for a coherent roadmap, which can support governments in strengthening mechanisms for ensuring a sustainable recovery. As governments and businesses move towards recovery, recent experiences can offer lessons to shape sustainable policy decisions and coherent actions in line with the commitment to accelerate progress and achieve the SDGs by 2030.

For a long time, health, safety and sustainability have been considered important for businesses; the pandemic has brought them into the greater focus. There is a growing recognition that to thrive, businesses have to take an innovative approach that is inclusive and people centric.

We at Adani Enterprises Limited, Natural Resources Division, undertook special measures to protect the safety and wellbeing of employees, contractors and communities, and were able to keep people safe and healthy while keeping our operations running. Despite the radical changes required, especially at our operations, we are proud to have delivered a second straight year with zero fatalities. Our sustainability framework is established on earning the trust of our stakeholders, employees, partners and society. Running a safe, responsible and profitable business is the foundation of our approach. Through the 'Adani Intelligent Mining' initiative, we are using technology in our operations to enhance sustainability outcomes.





*Afforestation on back-filled
land with drip-irrigation*



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Approach to Reporting

About The Report

Adani Enterprises Limited: Natural Resources Division's Sustainability Report for FY 2020-21. The report contains information pertaining to the reporting period April 1st, 2020 to 31st March, 2021, and information for preceding years has been provided only where available and applicable. The company's most recent Sustainability Report was released in FY 2019-20.

This sustainability report aims to provide information on the relevant disclosures and information that meet the needs of individuals and groups across various stakeholder groups, and investors. To maintain a high standard for reporting, we engaged with outside experts to review and consider any constraints with

data availability and quality, our reporting commitments and stakeholder expectations, and the appropriate level of assurance.

Reporting Frameworks

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option. In line with the requirements for the 'Core' option, we have reported against at least one indicator related to each Material aspect identified. The CSR activities are aligned with the UN Sustainable Development Goals.

Additionally, the environmental performance reflected in the report has been calculated using the factors and values provided in the greenhouse gas (GHG) protocol and inter-governmental panel on climate change (IPCC). Various national and local rules, regulations and guidelines have also been followed to assist in AEL- Natural Resources business's environmental and social footprint evaluation.





Reporting Principles and Approach

The report considers the guiding principles of strategic focus and future orientation, consistency and comparability, reliability and completeness; and connectivity of information.

Stakeholder relationships and materiality form the foundation of our reporting process. The report has been guided by the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness.

Assurance

We believe that assurance of key non-financial information forms part of good corporate governance and enhances strategic decision making. The report is therefore externally assured by an independent agency. This journey includes undertaking assurance readiness reviews for key performance indicators (KPI's) in different areas of our business, followed by the implementation of

recommendations for improvement resulting from the readiness reviews completed.

The report has been externally assured by Intertek. The company is an independent agency with no financial interest in the company other than assessment and assurance of this report. Company's senior management was proactively involved in the reporting process including assurance of the report.

Scope and Boundary

The report covers information for the mining operations in India including PEKB, GP111, Talabira II and III Coal Blocks. There are no changes in the report boundary.

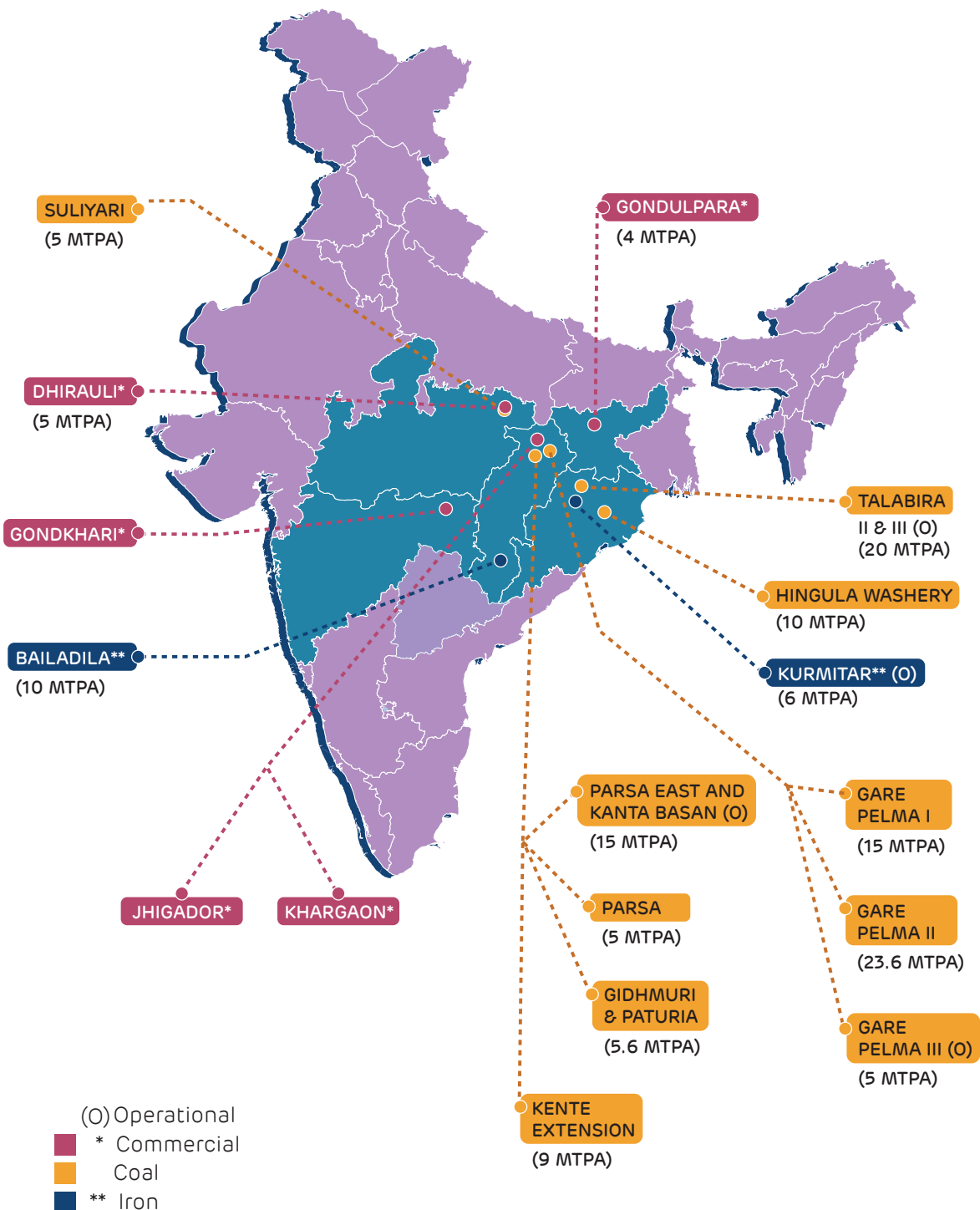
Feedback

In alignment with its commitment towards sustainable development, the AEL: Natural Resources business produces its sustainability report on an annual basis. For your suggestions and feedback, kindly write to us at pramod.kumar2@adani.com.

Our Footprints

We have established our presence in emerging coal markets such as Sri Lanka, Thailand, Vietnam, China, Dubai etc and operational presence at 11 locations in India with global presence too.

With four global offices, 18 branch centres and a head office based out of Ahmedabad, our footprint is international. Our expansive country-wide network of more than 10 marketing offices and 20 operational ports enables us to have the reach and scale to provide services to business partners.



Message from Managing Director



Friends,

I've been inspired by the dedication, selflessness, and resilience seen across our business in the recent past testing months. Despite sailing through uncharted waters, we ended the financial year on a positive note meeting the targeted KPI's. The COVID-19 pandemic year that has gone by taught us lessons galore and we have had to discover and capitalize on opportunities therein. While there have been constraints in executing our daily jobs, we tried to innovate, identify

'Growth with Goodness' promises to expand our portfolio in coal and other mineral business. We are also concerned about enfolding biodiversity, human rights, gender equity, ecosystem services in our realms.

new opportunities, and evolved digital savvy. We felt and deepened our commitment to Environmental, Social and Governance (ESG) issues – not just in the focus but also on implementation.

Environment conservation and restoring the ecosystem is the greatest challenge today. Protecting biodiversity, ensuring climate resilience at our operations, managing water use, being carbon neutral to a trajectory of net-zero emissions. The focus is on environment conservation and building social infrastructure so that prosperity and happiness reaches the bottom of the pyramid touching millions of lives of the citizenry.

Natural Resources Business has expanded manifold during last three years. In the reporting year, we started AIM (Adani Intelligent Mining) - a digital initiative for the mining business. The project is gathering momentum as we explore and seek new technology-driven solutions that provide end to end visibility.

Good safety performance and full statutory compliance is the minimum standard. A zero-harm culture is perpetually being inculcated by the absolute elimination of hazards in the entire workflow supply chain.

'Growth with Goodness' promises to expand our portfolio in coal and other mineral business. We are also concerned about enfolding biodiversity, human rights, gender equity, ecosystem services in our realms.

Establishing values and culture in our enlarged portfolio is vital and I seek your all-round support for the same.

Jai Hind!!!

Rajesh S Adani
MD

Message from CEO



2020- The year that was, has changed all of us a bit. Among the disruption and challenges galore, we strived together to build a strong foundation for the future and celebrated success. Our journey evolved further to be a responsible and intelligent miner creating continued value for our stakeholders. I do not doubt our capability to be resilient, demonstrating strong business and sustainability performance across all our operations.

Adani Natural Resources (ANR) means “Quality lead performance”. We have been India’s first private mining company to pioneer the concept of Mine Developer and Operator (MDO). It is a first-of-its-kind project in India to undertake mining operations for Rajasthan state-owned power utility on a turnkey basis.

Adani Natural Resources (ANR) means “Quality lead performance”. We have been India’s first private mining company to pioneer the concept of **Mine Developer and Operator (MDO)**. It is a first-of-its-kind project in India to undertake mining operations for Rajasthan state-owned power utility on a turnkey basis. We also offer end-to-end mining solutions through our Mineral Resource Exploration Division.

To contribute to a significant pie towards achieving energy security for India remains in our larger focus. Our coal mining projects are now touching millions of lives and their smiles - employing more than 400 tribal at Parsa East and Kanta Basan (PEKB Mine). We are working closely to improve educational and healthcare facilities in India’s hinterlands. Also, we offer vocational skill training to women and unemployed youth to make them financially independent. The football academy in Ambikapur is fostering the rocketing aspirations of our tribal youth.

Sustainability guides the holistic aspects of our business viz. ecology, economy, society, and relations thereof. Environmental stewardship is essential to our relationships with host communities, regulators, and others. We have demonstrated sustainable improvements in our safety, environmental, social, and operating performance, and our goal is to continue to strengthen our approach to sustainability. We will continue to implement key initiatives that support our sustainability performance.

Embracing diversity and inclusion is representative of our core values. The protection and promotion of Human Rights are inherent in our core. Values of Respect and Integrity, Code of Conduct, Ethical Values and Anti-Corruption Policy, Diversity and Inclusion Policy, and from Responsible Mining to Adani Intelligent Mining is the road ahead for Adani Natural Resources.



Our team continuously works to assess existing practices related to Human Rights and identify opportunities to enhance commitment to the Universal Declaration of Human Rights. Last year, we adapted to the community investment plan to respond to the COVID-19 pandemic, identifying the immediate needs of the community impacted by such a health crisis. People are the most important asset of any business and their safety, health, and wellbeing are our top priority.

We work to create a safe and healthy environment through visible and caring leadership, a strong system, and the verification of critical controls. We believe in achieving a zero harm culture at our workplace that unfolds across teams and contractors. To be an employer of choice and a company that continues to attract, develop, and retain talented and engaged employees, we are investing in our people, their careers, and

offering diverse and inclusive employment prospects.

Diversification and sustainable growth are the driving force of our business. It is imperative to mention our sustainable presence in Tamnar, Surguja in Chhattisgarh, Talabira, and Kurmitar in Odisha, Suliyari, and Dhirauli in Madhya Pradesh, and Gondulpara in Jharkhand spanning coal to Iron ore. We are entering into the Copper beneficiation and cement business as well.

We aim to build a robust company prepared for future opportunities while adhering to the traverse trajectory of decarbonization, carbon neutrality, and net-zero commitments. ANR is positioning itself towards evolution into the next quantum and solicits all your support in this pioneering endeavor.

Vinay Prakash
CEO

About the Company



Adani corporate house, Ahmedabad

Adani Enterprises Limited

We have diversified interests in various businesses such as mining, renewables, defence & aerospace, airports, roads and infrastructure. We are an industry leader in providing solutions, supported by robust safety standards, superior execution and technical proficiency. AEL was founded in 1988 and has been publicly traded on BSE and NSE since 1994.

The Company is headquartered in Ahmedabad India, with exploration activities (including operational and non-operational) at India and Indonesia.

Adani Enterprises Limited- Natural Resource Division

We are also focused on growing coal production and mineral reserves through the exploration and management of mines

allocated to public sector undertakings under the coal mines act, 2015. As a company supported by a team of experienced staff and latest technology, we are widely recognised as the first private company to pioneer the concept of mine developer and operator (MDO) in India. As a mine developer, we carry out the entire gamut of activities right from land acquisition, mine planning to development and operation of mine and coal extraction and coal transportation up to the owner's loading silo on behalf of the mine owner who holds the mining lease. We have won contracts in 9 coal blocks and successfully running operations at three locations in India, a joint venture coal operation in Bunyu, Indonesia and Carmichael, Australia.

We fulfill the gap in the availability of coal in India by sourcing high quality coal from ASEAN and Pacific countries namely South Africa, USA, Indonesia.

Awards and Recognitions



Adani Natural Resources wins the CII National Award for Excellence in Water Management (Project Jeewan Amrit, Surguja Cluster)



Adani Enterprises Limited – Natural Resources at the Annual Greentech Environment & Safety Summit-2020, Mahabalipuram, Tamil Nadu.



Adani Foundation wins the ICC (Indian Chamber of Commerce) Social Impact Award for Natural Resources



Adani Enterprises Limited – Natural Resources at the Annual Greentech Environment & Safety Summit-2020, Mahabalipuram, Tamil Nadu.



Corporate Governance

Corporate Governance is about meeting our strategic goals responsibly and transparently while being accountable to our stakeholders. AEL: Natural Resources is committed to maintaining high standards of ethics, corporate governance, honesty and accountability, aligned with our vision and values, in all aspects of our business. We are equipped with a robust framework of corporate governance that considers the long-term interest of every stakeholder as we operate with a commitment to integrity, fairness, equity, transparency, accountability, and values. The framework lays down procedures and mechanisms for enhancing leadership for smooth administration and productive collaboration among employees, the value chain, community, investors and the government. A critical element in our governing approach is to regularly monitor and review our overall performance. Further, all operations and activities are subjected to regular internal as well as external reviews and

audits. This is to ensure that our employees understand, and consistently abide by the code of conduct.

Our Board of Directors

We are spearheaded by a competent, knowledgeable and committed Board of Directors. The board provides strategic guidance and independent views to the company's senior management. The board of directors (the board) is primarily responsible for the oversight of management, and AEL: Natural Resources' strategy and business affairs. The board ensures that appropriate governance mechanisms are in place to monitor the company's performance, including progress and continuous improvement efforts concerning its economic, environmental and social performance.

The board has eight members, consisting of Executive and Non-Executive Directors, including independent professionals, who

Board of Directors



Gautam S. Adani
Executive Chairman



Rajesh S. Adani
Managing Director



Pranav Adani
Director



Vinay Prakash
Director



Hemant M. Nerurkar
Non-Executive
Independent Director



V. Subramanian
Non-Executive
Independent Director



Vijaylaxmi Joshi
Non-Executive
Independent Director



Narendra Mairpady
Non-Executive
Independent Director

50%
Representation of Independent
Directors on the Board

20+
Average experience of top
management (in years)

play a crucial role in board processes and provide independent judgment on issues of strategy and performance.

Committees of the Board

The board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of the diverse matters. The board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are performed by members of the board, as a part of good governance practice. The board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the board for review. As on date, the board has established the following Committees:

Ultimate responsibility and accountability for the company's sustainability strategy, priorities and performance rests with our Board of Directors, and the company's board is ultimately accountable for ensuring that we execute as per our sustainability approach. They take a hands-on approach to monitoring and managing sustainability activities around the Group.

Our core values are courage, trust, commitment for people underpin our approach to sustainability. The Company believes that sustainable and long-term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavor to achieve excellence in business along with active participation in the growth of society, building of environmental balances and significant contribution in economic growth. The Company complies with the conditions



of corporate governance as required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as applicable.

Sustainability Strategy

Sustainability is fundamental to our ability to provide energy solutions to our customers while balancing the long-term interests of all stakeholder groups. Our commitment to corporate responsibility and sustainability is built on a strong foundation of transparency, governance, and ethics. It creates value for us and our stakeholders by helping us mitigate risks, reduce costs, build brand value, and identify new market opportunities.

Embedding Sustainability into Business

We have embedded sustainability in our strategy, our business processes and our decision-making. We have set clear goals that address our key sustainability challenges. Sustainability is core to our project planning and operational activities. Our ability to reach

our strategic ambitions hinges on how we respond to competing forces. We continuously assess the external environment, the markets as well as the underlying economic, political, social and environmental drivers that shape them. We evaluate changes in competitive forces and business models and assess the resilience of our strategy. These are embedded in our responsible mining framework which provides comprehensive guidance for execution, monitoring and management of topics most important to our business. The framework is an auditable process specifically outlining mandatory requirements to implement management systems at all Adani mining sites.

Under the Sustainable Mining Framework, we clearly define policies that guide our strategic direction to enhance economic, social and environmental performance. We engage with stakeholders to identify the most critical issues which require our action.

We set ambitious goals for our company and make strategic investments to advance in the areas of environmental sustainability, and



social impacts. Through our expertise, we enable more people to access energy and help address society's most complex issues—from economic empowerment to human rights. We empower and invest in attracting and retaining talented employees who enable the fulfillment of our goals.

Our effective utilization of natural resources and focus on corporate responsibility result in trusted relationships that support the growth of our business. Through these activities, we strive to efficiently manage our workforce, improve the communities in which we operate, and, ultimately generate financial capital that is reinvested in our business and returned to stakeholders.

Running a Safe and Responsible Business

Safety is important to us not only because we care for the people we work with, but because a safe business is an operationally productive and resilient business. Profitability enables us to meet our commitments to our

shareholders and assumes leadership in other areas, including sustainability.

Protecting the Environment

Effective environmental management is integral to the success of all of our mining operations, from day-to-day activities on-site to corporate strategic planning. We are committed to responsible mining and in compliance with applicable laws and regulations. We are implementing processes of international standards and investing in technology to minimise negative impacts, conserving natural habitats and preserving resources.

Creating Co-Benefits for the People

We do this, is by undertaking development activities in the region, supporting government efforts through timely tax payments and providing livelihood opportunities to the marginalized. Our business is often the major source of jobs and livelihoods and also, one of few avenues to opportunity.

Sustainability Implementation



Human Rights



AEL: Natural Resources is committed to upholding fundamental human rights in line with the legitimate role of business. Our approach includes adherence to corporate business policies and compliance with applicable laws including internationally recognized human rights, as set out in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Guiding Principles for Human Rights

- ▶ Conduct business in a manner that respects the rights and dignity of all people, complying with all legal requirements.
- ▶ Recognize our responsibility to respect human rights and avoid complicity in human rights abuses.
- ▶ Treat everyone who works for us fairly and without discrimination. Employees, agency staff, vendors, customers and suppliers are entitled to work in an environment and under conditions that respect their rights and dignity.
- ▶ Respect the rights of people in communities impacted by our activities. We will seek to identify adverse human rights impacts and take appropriate steps to avoid, minimize and/or mitigate them.
- ▶ Within our sphere of influence, we promote awareness and realization of human rights across our value chain.
- ▶ Ensure compliance and adherence to all the applicable human rights laws and national laws. The Group's policies strive to percolate these values at all levels in the organization.

Governance Structure

We have established an organizational structure with roles and responsibilities to ensure conformance with the requirements of the IFC Performance Standards 2. This stipulates a grievance mechanism for workers to raise workplace concerns, respond to communities' concerns and where there are Affected Communities, establish a grievance mechanism directed to receive and facilitate resolution of the Affected Communities concerns and grievances.

All mining sites and operations follow the requirements with regards to resolving both employee and other external stakeholder grievances. Local concerns over the impact of a project are expressed in the form of a complaint both formally or informally and encompass relatively minor concerns as well as more entrenched, serious or long-term issues.



Sampling of PM_{10} and $PM_{2.5}$ in dust emission

Grievance Management

We have robust and credible local mechanisms to systematically handle and resolve any complaints that might arise from both real and perceived impacts so that they do not escalate and present a risk to operations. In order to manage internal and external grievances effectively, all AEL: Natural Resources sites must comply with the following;

- a. Separate grievance mechanism for employees
- b. Proactive stakeholder engagement to avoid, a situation where a grievance occurs.
- c. Acknowledge and address concerns over both real and perceived impacts in the same way and with the same level of care;
- d. Address even minor complaints, both formal and informal to avoid escalation into serious grievances;
- e. Grievance mechanisms are established as early as possible in the project cycle and at all Operations;

- f. Transparent and easily understandable Grievance mechanisms process that is readily accessible, culturally appropriate and proactively communicated

Reporting and Recording

All grievances are received, registered, documented and tracked within a secure database with controlled access. This helps in tracking overall trends and patterns in concerns allowing emerging issues to be flagged and understood at an early stage.

Monitoring and Evaluation

The employee and external stakeholder grievance mechanism is subject to monitoring and evaluation for every two years (or sooner) by the sustainability committee to ensure its effectiveness. AEL: Natural Resources reports regularly to the public on its measures to address grievances while protecting the privacy of individuals.



Compliance and Risk Management

AEL: Natural Resources recognizes that risk is inherent to its business and that effective risk management is critical for the protection and creation of value for stakeholders. We believe that effective risk management is fundamental to good corporate governance.

We are exposed to risks resulting from exchange rate fluctuation and interest rate movements. We manage our exposure to these risks through derivative financial instruments. Our risk management activities are subject to the management, direction and control of the Treasury Team of the Company under the framework of Risk Management Policy for Currency and Interest rate risk

as approved by the Board of Directors of the Company. The Company's Treasury Team ensures an appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The decision of whether and when to execute derivative financial instruments will be governed by the risk management policy framework while also considering the prevailing market conditions and the relative costs of the instruments.



GP III – Overburden bench formation at mines

AEL: Natural Resources has established strong internal control systems and best in class processes commensurate with its size and scale of operation. We have a dedicated risk management committee to ensure the adequacy and effectiveness of internal control systems including those related to the strengthening of a company's risk management policies & systems. The Board, its committees, and management devote a significant amount of time to the identification, management, reporting and mitigation of risk. We manage our material business risks through the implementation and monitoring of various corporate and operational level policies.

As a proactive organization, we believe in preparing ourselves for uncertainties. In line with this, we have developed and established a comprehensive risk management system in accordance with ISO 31000: 2009, that facilitates identifying both internal & external risks.

The senior management of the Company regularly reviews the risk management processes of the Company for effective risk management. Within the business, the corporate risk management cell (CRMC) works with each business vertical to establish and monitor the specific strategic, financial and operational risks. CRMC is responsible for assessing each risk and determining which of them are critical for the business which in turn is addressed on priority.

Our CRM process intends to:

- ▶ Drive our corporate strategy by using risk-based information to inform decision-making.
- ▶ Improve our corporate performance, including ESG ratings, by identifying and managing principal risks such as climate change and the energy transition, the impact of our operations on the communities in which we operate, ethical business practices, and the health and safety of our employees.



- ▶ Promote good corporate governance through defined accountabilities and transparency on principal risks.

Our CRM framework establishes the process, governance, and minimum requirements for managing the risks that are most critical to us achieving our strategic objectives whilst maintaining an acceptable balance between risk and reward. It embeds risk awareness into all decision-making to foster a group-wide risk culture and support decision-makers in managing risk effectively to improve business performance. A full-fledged legal, as well as environment department, has been

established specifically for mining businesses to ensure compliance with various rules and regulations including environmental laws.

Six-Step CRM Process

We utilize a six-step process for understanding and managing corporate risks, as shown in the CRM Process diagram. This process provides a systematic method for managing and communicating potential risks in a way that allows us to inform decisions and respond to risks and opportunities as they arise at all stages of the business and investment cycle.



Each step of the CRM process involves various roles and responsibilities to successfully manage potential risks. The CRM governance structure provides a mechanism for communication, oversight, and guidance on all risk-related issues. The governance structure is divided into three lines of accountability and establishes the minimum requirements for accountable parties within the CRM ecosystem. It provides for a coordinated response to specific risks within departments and assets as well as the reporting of risk information to be aggregated at a Group level.

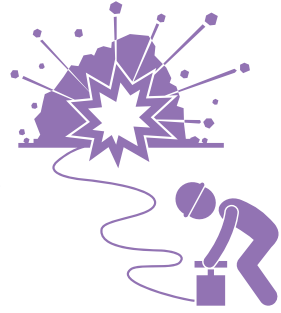


Land reclamation at work



Stakeholders' engagement and employee gathering

Stakeholder Engagement



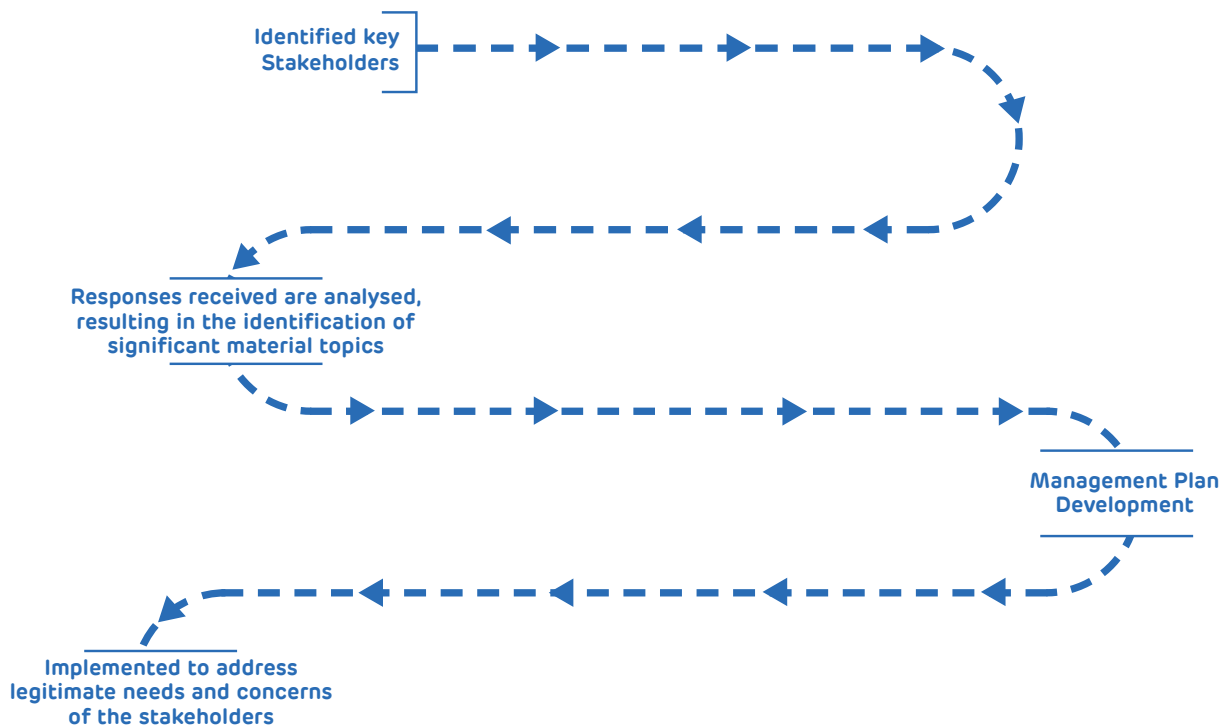
Strong and mutually-respectful relationships with our stakeholders are critical to the success and sustainability of our business. We recognise that robust, respectful and two-way relationships with our stakeholders are essential to translate stakeholder needs into organisational goals and create the basis of effective strategy development. Through building constructive and transparent relationships with our stakeholders, we can strengthen our approach locally and improve our operating processes and performance.

Effective stakeholder engagement enables stakeholders to be appropriately engaged and informed of the environmental, social and other potential positive and negative impacts which could affect them through a process of information disclosure, consultation, participation and meaningful dialogue. It

supports the maintenance of a constructive relationship with stakeholders on an ongoing basis. Stakeholder engagement, when undertaken successfully will reduce financial and reputational risk, operational delay, increase operational value and enhance the social benefits for communities.







Our stakeholder engagement programs are tailored to suit the needs and expectations of each stakeholder. We maintain stakeholder engagement plans at corporate, regional and site levels to ensure regular, transparent communications with our stakeholders and to keep them informed about our activities while also listening to their concerns and perspectives. This enables better decision-making, promotes mutually-beneficial outcomes and helps manage the risks present in our business.

Stakeholder Engagement Process



As part of our stakeholder engagement process, our corporate sustainability team obtains stakeholder inputs from the senior management, community, and suppliers to determine key sustainability issues, risks, and opportunities. We have identified six key stakeholder

groups based on their importance to AEL: Natural Resources and the influence they have on our business - workforce, investors, customers, local communities, contractors and regulators. An overview of our stakeholder engagement process is described below;

STAKEHOLDERS	MODES AND FREQUENCY OF ENGAGEMENT	ISSUES DISCUSSED
 <p>Investors</p>	<p>Quarterly investor meets, Annual Report, Annual General Meeting, Investor communications, Half-yearly financial reporting, Market announcements, and industry conferences.</p>	<p>Profitability, Business growth, Compliance</p>
 <p>Community</p>	<p>Regular site visits and team interactions with leaders and communities, complaints and grievance mechanisms.</p>	<p>Water Impact, CSR activities, Safety, Employment</p>
 <p>Employees</p>	<p>Monthly web sessions, Quarterly town-hall meetings, newsletter, social events, performance reviews, direct engagement between employees, leaders and their teams.</p>	<p>Employment, Diversity, Benefits, Training & Development, Employee Performance</p>
 <p>Customers</p>	<p>Monthly meetings, reports, face-to-face discussions.</p>	<p>Customer Satisfaction, Cost, Production</p>
 <p>Contractors</p>	<p>Face-to-face discussions and Annual meets.</p>	<p>Quality, payments, safety and labor management etc.</p>
 <p>Regulators</p>	<p>Face-to-face meetings, regular briefings, direct engagement</p>	<p>Compliance, Environment Impact</p>



Materiality Assessment

We undertake materiality assessments as part of our sustainability framework and to help us better understand the sustainability priorities for our business. The results inform our strategic thinking, help us manage risk, and demonstrate to our stakeholders that their views matter.

Our process for Assessment

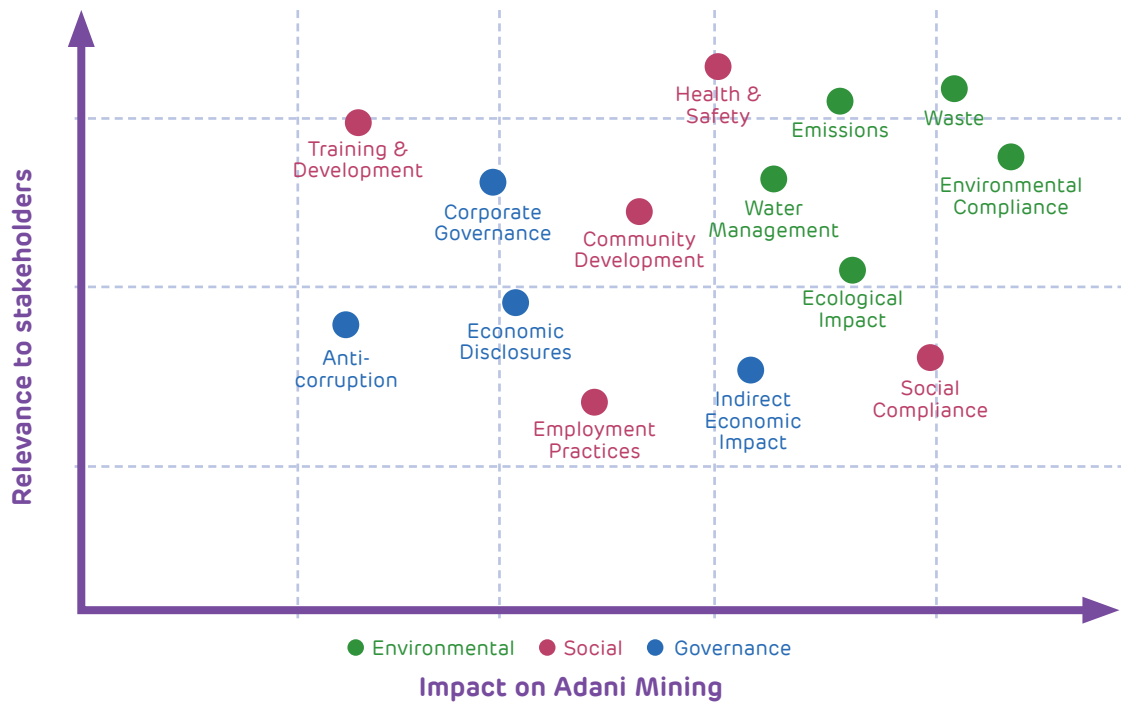
We follow a three-step process for materiality assessment in alignment with the GRI Standards which is reviewed annually.

Materiality Assessment Process

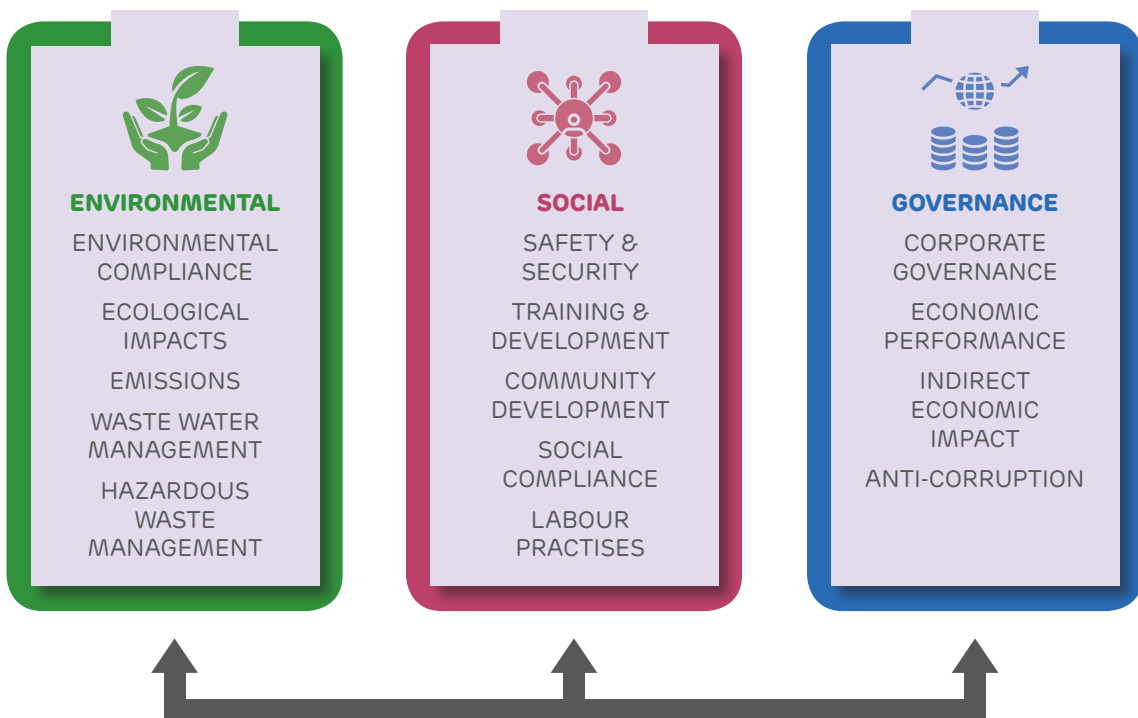


Identifying the issue	Survey stakeholders	Analyze and validate the results
We compiled an extensive list of sustainability topics linked to mining which could be material to our business. Issues were identified; in alignment with the GRI Standards	We reach out to relevant stakeholders in addition to consultation with subject specialists and employees, about the most important sustainability issues, and determining key risks and opportunities for AEL: Natural Resources	We evaluated the material issues by seeking inputs from management, various functions and department heads, and key stakeholders like investors, global partners, and government and regulators. We reviewed the results alongside peer group companies' assessment. The resultant topics were defined on a broad range of high, medium, and low importance.

Materiality Matrix



Management Approach



Management approach: Environment

Effective environmental management is integral to the success of AEL: Natural Resource operations, from day-to-day activities on-site, to corporate strategic planning. Our approach to environmental management is based on the robust identification, assessment and management of risks (both threats and opportunities) across all phases of our operational activities, including exploration, development, operation and closure.

Environmental compliance

We are committed to complying with applicable environmental laws and regulations at all our sites. Our operations are subject to regulation and periodic monitoring by local environmental protection authorities.

Ecological impacts

The nature of our activities may have a significant impact on land and biodiversity. Therefore, we are committed to contributing to a resilient environment beyond the immediate areas of our operational activities.

Supporting conservation efforts is a targeted way of creating value for society, our customers and the communities that are present around our operation sites.

Emissions

Climate change and greenhouse gas (GHG) emissions are material topics for us due to the energy-intensive nature of our extractive industry sector, associated carbon footprint, and adaptation and mitigation planning considerations. AEL: Natural Resources acknowledges climate change as an international concern, and that our climate-related disclosures are of increasing interest to our stakeholders.

Water and wastewater management

Responsible use and stewardship of water is a material topic for AEL. A significant quantity of this shared resource is required for our mining and mineral processing operations, and much of that water is returned to the natural environment. Potential impacts that can occur at the source, point-of-use or downstream are

related to water availability, recreational use, ecosystem health or community needs.

Waste and hazardous materials Management

We are actively identifying, monitoring and mitigating the hazardous waste material generated within our business.

Management Approach: Social

Our workforce is the foundation of our business and we believe that supporting the wellbeing of our people and promoting an inclusive and diverse culture are vital for maintaining a competitive advantage. We thrive by having a workforce from different backgrounds, cultures and beliefs. This diversity brings the new ideas, innovation and different ways of working that are a core part of who we are at AEL: Natural Resources

Safety and Security

Due to the inherent hazardous nature of coal mining, safety is of paramount importance. We prioritise the safety and health of our employees and contractors and recognise that the success of our business is dependent on a safe and healthy workforce. We take a preventative approach towards health and safety to establish a proactive safety culture. Each employee, including contractors are provided safety training regularly.

Training and development

We give a lot of emphasis on inculcating safety in the lives of our employees. We provide training to our workers as well as the supervisors in their respective fields of operation.

Community development

Supporting community development in partnership with communities creates meaningful and outcome-focused initiatives and supports the achievement of local priorities. Our endeavour is to make a positive contribution to communities where we have a presence and minimise adverse impacts where these cannot be avoided. Community development includes community investment and enabling all members of the community, to develop skills and competencies to take greater control of their own lives and contribute to inclusive local development.

Social compliance

Being a socially compliant company can bolster our image and build our brand equity. Social responsibility empowers employees to leverage the corporate resources at their disposal to do well. This in turn can lead to greater productivity in the workplace.

Labor practices

We believe that fostering an engaged workforce is fundamental to our ability to successfully operate. Consistent and effective operation of our mines is vital to meet the customer and market demand for our products. We uphold commonly accepted labor standards in the workplace including, labor laws that comply with the internationally accepted norms and standards. We provide fair wages and overtime pay and other basic worker's rights.

Management Approach: Economic

At AEL: Natural Resources, we continuously monitor our performance and objectives, conduct opportunity and risk assessments, and integrate these findings into our economic strategy.

Economic Performance

The economic sustainability of our business is important to all our stakeholders. Delivering

shared value through effective partnerships and innovation while maintaining balance sheet strength and flexibility to act on compelling growth opportunities is a key priority. We strive to create meaningful value through responsible acquisition, development, operation and closure of mines.

Indirect Economic Impact

Indirect economic impact of our operations results in development of local economy and the communities and creates job opportunities in the region. We recognize the importance of achieving meaningful economic benefits to the communities, businesses and governments of the localities and regions where we operate.

Anti -Corruption

Cases related to anti-corruption can potentially result in penalties, both monetary and non-monetary, that could have adverse impacts on our business and reputation. We have identified and taken into account the potential for these risks across our operations. We, therefore maintain an anti-bribery compliance program and train our employees concerning such matters, in line with our policy of zero tolerance to such incidents.

Supply Chain Management



We are committed to responsible business practice in our operations and throughout our value chain. Mining in remote locations requires a reliable supply chain and transport logistics for both supplying materials and sourcing products. Our supply chain partners/ vendors are based locally and we enter into long-term contract agreements with them. Our business performance is dependent upon our supply chain and the responsible, innovative and reliable supply of products to our customers. There have been no significant changes in the location of suppliers and structure of supply-chain in the reporting year

Our approach to Responsible Sourcing

Responsible supply practices are vital to our partner-to-operate approach, establishing sustainable supply chains for our customers and meeting the increasing expectations for greater transparency about our supply chain. We take responsible mining seriously, seeking to achieve high industry standards and expect this of our value chain partners too. In particular, we are committed to understanding and addressing the risk of human rights violations in our supply chains.

Where possible, we buy goods and services locally. However, often our operations are in remote regions and the skills, goods and standards we require may not be readily available. This means we must set up new supply chains. We offer training and development programs to help local communities take advantage of employment and procurement opportunities.

Our economic contributions are part of the lasting benefit we make to the communities where we work. This includes payment of tax to local and national governments, dividends to shareholders, the direct and indirect employment we generate, procurement opportunities and investment in community programs.

Our ambition is to understand and address social, ethical, environmental and human rights risks in our supply chains in line with our values.

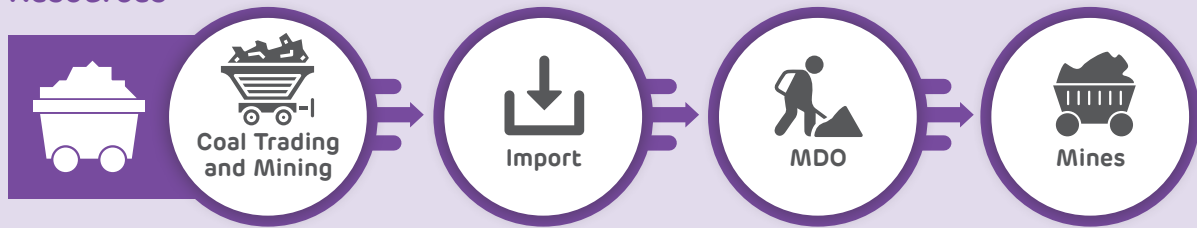
Performance

We have created a robust pit to power plant delivery model including all activities from extraction of coal to the delivery through railway wagons at the customers' railway siding. We provide customer delight through our unique supply chain proposition by ensuring quality and timely delivery of coal to the customers. We have the expertise to perform the entire gamut of activities as a responsible miner - starting from OB removal, coal extraction, processing the coal to meet the quality requirements, managing the logistics for transportation of coal to designated railway sidings and thereafter, to the power plant through close coordination with Indian Railways.

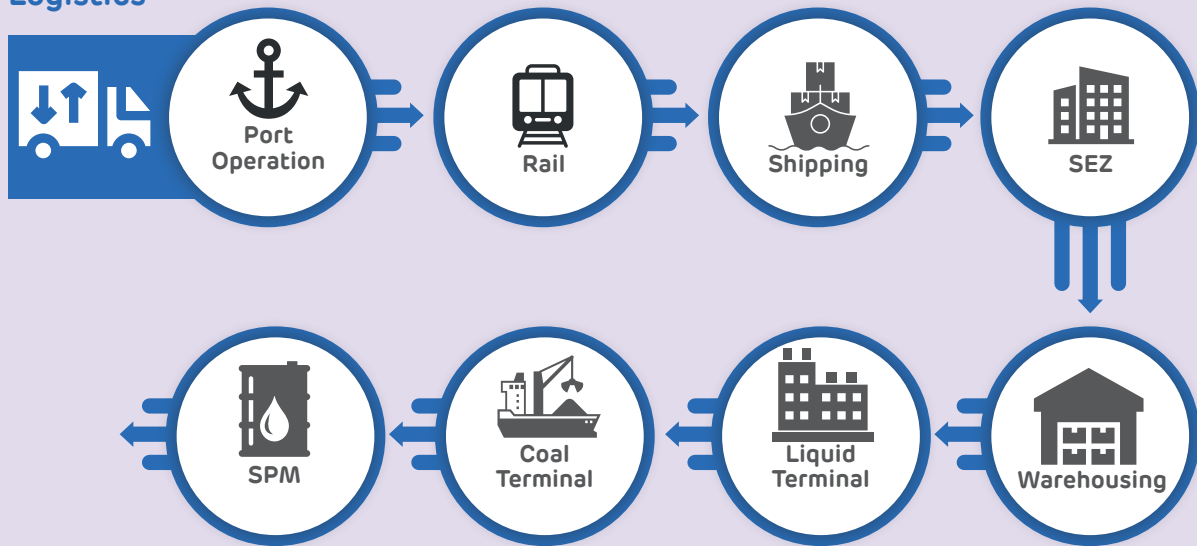
Our "door to door - coal delivery model comprises taking the risk, responsibility and accountability of sourcing the coal from suppliers, managing sea-borne logistics, providing an intermediate holding facility at discharge ports and inland transportation to finally delivering coal at the doorstep of customers. We have scaled up the business by integrating a unique approach that has allowed us to create a base of over 600 satisfied customers across various industries such as power, cement, steel and iron amongst others.

- **Resources:** obtaining coal from the mines, including oil & gas production in the future
- **Logistics:** multimodal network of rail & road logistics and sea-ports
- **Energy:** Power generation, transmission and distribution; renewable energy & gas distribution

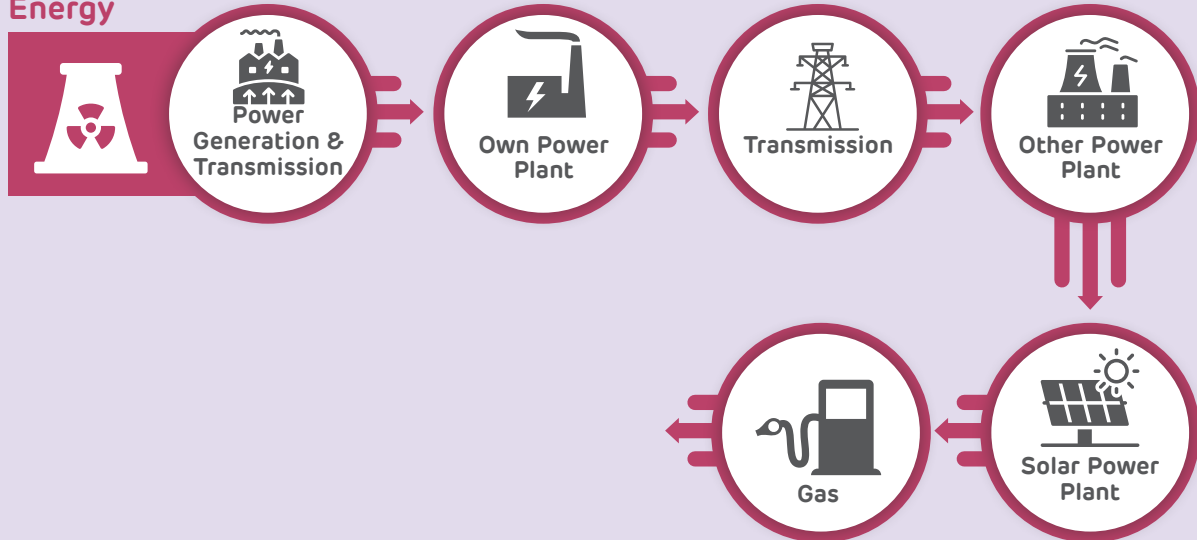
Resources



Logistics



Energy





Operational Excellence

The growth narrative of AEL: Natural Resources has been in sync with the needs of the nation. In just about two years after setting up our mining business unit, we pioneered the Mine Developer and Operator (MDO) model in 2009 starting with the Parsa East and Kanta Basan Coal Block. This project from planning to production was done in a record time of 3.5 years, which is a benchmark for the coal mining industry in India. From pioneering the Mine Developer and Operator (MDO) model to providing end-to-end mining solutions. Our vision is to make India self-reliant and reduce the dependency on imports. Just about a decade since our inception, we became one of the largest developers and operators of coal mines in the country.

Dr. Surendra Babu Akkala
(Head Projects – Adani Natural Resources)

The vast experience gained over the years and expertise of our committed team helps to create value for customers by providing end-to-end solutions. Our competitive advantage is derived from the synergy between our businesses by leveraging the state-of-art-infrastructure and support facilities. We have scaled up the business by integrating the complete supply chain from coal mines to the customer through our business model which hinges on operational excellence.

Smart design - Adani Intelligent Mining

We started AIM (Adani Intelligent Mining) - a digital program for our mining operations in the reporting year. Through our AIM- Adani Intelligent Mining program, we harness new and emerging technologies to make our operations more efficient, safer and environmentally responsible. We do this all through the mining life cycle: as we design, build, operate and close our assets.

AIM aims to enhance new emerging technology in terms of automation and the use of data – making mining safer and more

Safety talk prior to operations



productive. Fully integrated mine operation and simulation systems will allow for significant operational efficiencies and the delivery of quality products on time and at the lowest cost.

Concurrently, we are actively pursuing emerging technologies, software and equipment that complement and are supported by digital platforms. This will allow our operations to optimise their planning, improve safety, maintenance and productivity – and will be accessible in real-time in the field and increase productivity - now and in the future.

Tech-led innovations have not just propelled operational efficiency but played a vital role in improving carbon footprints. We are the pioneers for using surface mining technology clubbed with water sprinkling which helped in regulating dust pollution at the mining sites.

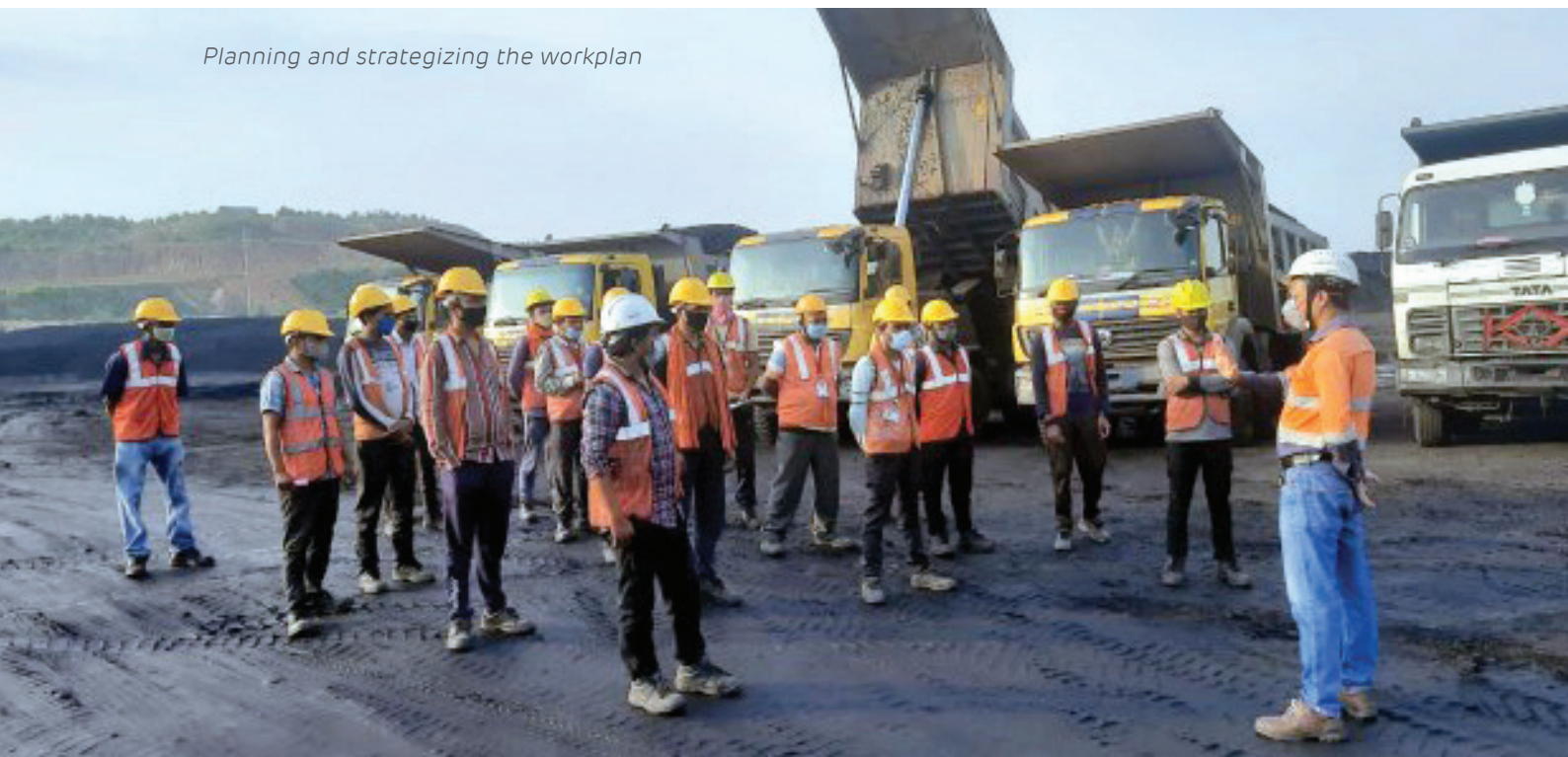
Building Intelligently through MDO- Mine Developer and Operator

We are the pioneers of the concept of *Mine Developer and Operator (MDO)*. It is the first-of-its-kind project in India which comprises undertaking mining operations on a turnkey basis for a state-owned power utility in Rajasthan. We dispatched the first rake in February 2013. The mining business has

forayed into commercial mining, added new MDO projects and new minerals as part of the diversification of the portfolio. Learning from the pandemic and its impact on the business, the Natural Resources business took an active step towards being digital. The significance of being digital will enable the businesses to become more agile and sustainable in meeting any future uncertainties. Through this mega transformation exercise, we aim to become a smart miner, to meet the future needs of business at competitive cost. This will help us in realizing our vision of a technologically advanced mine as we march towards a bigger and impactful portfolio that's going to aid Energy Security and at the same time ensuring inclusive growth for community's near by project sites. With the addition of new projects, we are also aligning towards effective resource planning to achieve our goals.

We also offer end-to-end mining solutions through our *Mineral Resource Exploration Division*. This division provides complete mining solutions for surveying, coal block exploration and grading assessment. The mining division manages exploration activity for the group in addition to providing services to other companies. Using technology to construct assets intelligently, and with respect for the environment and local communities, has always been our priority.

Planning and strategizing the workplan



ADANI INTELLIGENT MINING

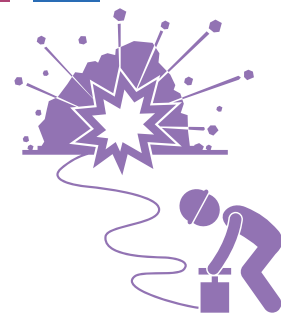
AIM initiatives spans across mining business value chain

	Business development	Pre Project D exploration	Technical services	Mine operation	Processing and handling	Dispatch and logistics	EHS and Security	Other functions
Functional 30	Cloud storage financial model tool	Smart EPC-OPC Satellite technology geophysics imagery Advanced geological modeling Exploration QA/QC Drilling new blocks Assay laboratory 2D seismic survey	Integrated mine plan Dozer push and drill GIS dashboard Change detection Drill & blast excellence Optimization of SME capacity	FMS at PEKB Mass balancing (auto billing) Slope stability monitoring Blasting hole stemming plug Traffic management plan FMS for large SME Alternate fuel	Advanced plant OSM	Logistic control tower	Integrated EHS sustainable mining Solar power plant SRCPL surveillance	Smart contract management Outsourcing model for mining Strategy to operate high capacity mine
Investigative (7)				Alternate fuel	Digital twin		Smart worker Human old solution	Future proof AR/VR Integrated business tool
				Mobility Platform				
Cross functional (3)				Smart document management FAQ automation (Chatbot)				Back office automation
Capacity Building (6)				Digital boardroom Command control Center Security dashboards Departmental Dashboards Operational dashboards & KPI Advanced analytics platform				
Underpinning Infrastructure (4)				Integrated platform Organizational data model IT-CT integration Mine network				

*Drip irrigation
system for developed
greenbelt at PEKB*



Land Resettlement Management



We recognize the increasing competition for acquiring land and the challenge this presents to all land users. Securing access to land and managing it effectively are essential components of our commitment to operate our mines responsibly.

AEL: Natural Resources recognizes that resettlement is associated with a range of adverse impacts for people and communities. The planning and implementation of mitigation measures for resettlement & rehabilitation cannot guarantee complete success. Emphasis is therefore given to fulfilling our commitment towards minimizing the negative impact of land take and resettlement by adopting such project design and location alternatives that reduce the number of people potentially affected and minimize the severity of potential impacts.

Preference is given to land purchase over land expropriation through government agencies to considerably reduce the risks of significant adverse impacts and increased vulnerabilities. We make sure that the sites adhere to the local regulatory requirements wherein the project is developed and also meet the requirements of applicable local standards & guidelines regarding land and resettlement management aspects. Where households are physically displaced, our land reclamation policy ensures that such households are provided with alternate housing which is culturally appropriate, in resettlement sites in suitable locations chosen in consultation with the households to be resettled. We also ensure adequate monitoring and evaluation processes are in place to assess the implementation of the Resettlement Action Plan.



*Pond development
at Parsa village*

*Environment
monitoring at site*



Workplace Health and Safety



We conduct all our operational activities in such a manner as to avoid harm to employees, contractors, stakeholders and the community at large. During the pandemic, we continued with our best safety practices and shifted to online platform for training our workforce. We made use of modern training practices through virtual reality, simulator-based training to dumper operators and 3D animation videos. We reached out to our front-line contractual workforce to create awareness and promote safety culture across sites. In the reporting year, we focused on hazard identification and training our workforce to identify and report any hazards to take preventive steps to avoid occurrence of risk.

Rajendra Ingle

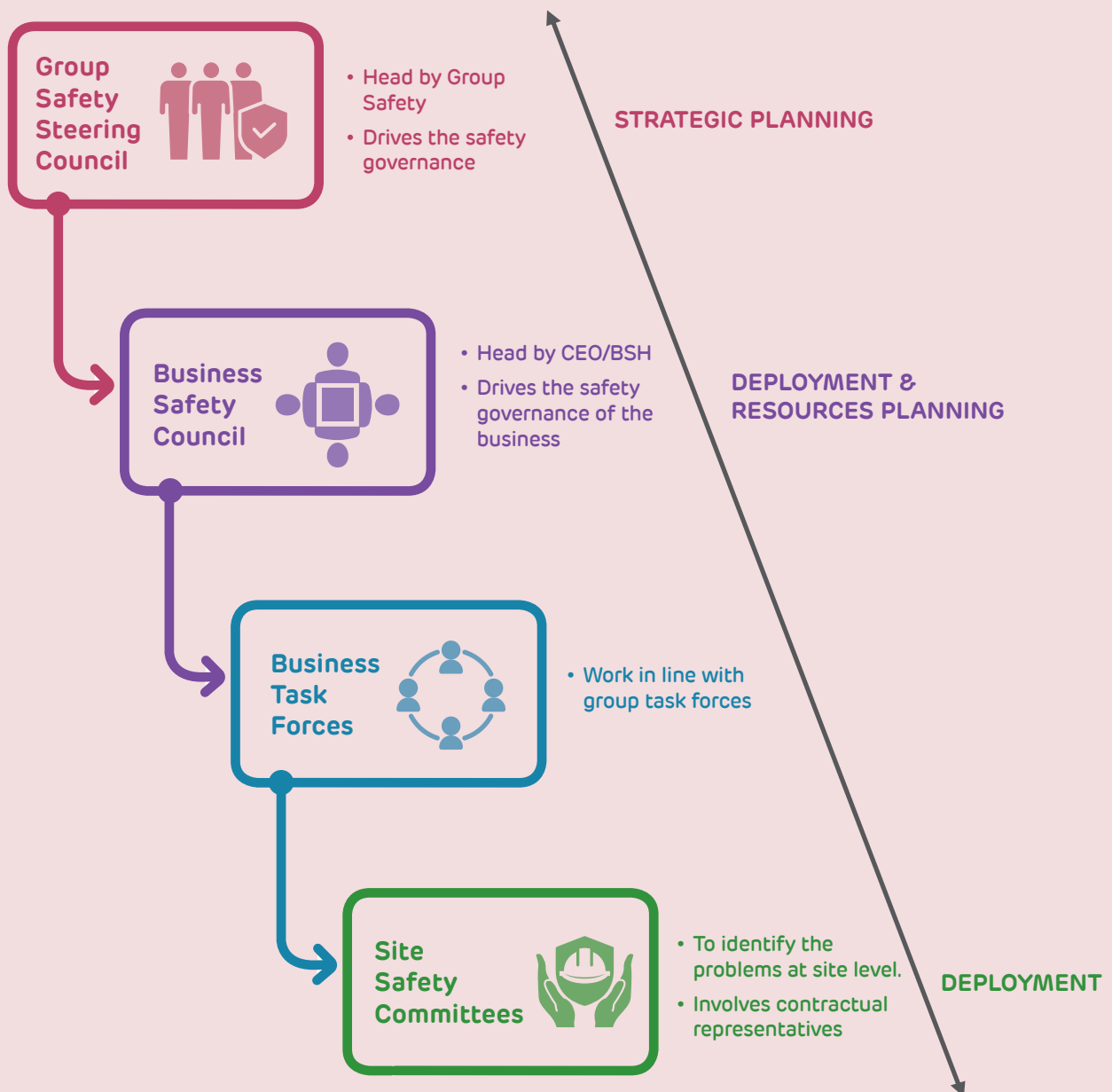
(Chief Commercial Officer – Adani Natural Resources).



At Adani, Safety is a core value of operations. Safety forms the foremost pillar of sustainable growth and progress. We believe that safety and production are interdependent and they move hand in hand to achieve success and business excellence.

Adani has a strong safety governance policy to inculcate safety behavior among employees and contractual workers. As it is evident that most of the incidents happen

not because of apparent human behavior but because of underlying unsafe conditions & acts, we are focused on identifying the unsafe acts and their rectification. This promotes a positive environment among the workforce and makes them not only responsible but also accountable for safety. We believe in collective growth and hence we handhold our contractual partners to develop a safety culture in line with strong Adani Safety values.



The risk management committee oversees safety across the organization. The committee identifies and manages workplace hazards by establishing minimum expectations, mandatory fatal hazard protocols, life-saving behaviors and safety tools. We have also constituted a senior management safety committee along with the Pre-Tip inspection safety committee which implements the health and safety policy and sets the annual safety targets.

We have put to use Integrated Security Command center PEKB that provides a holistic view to the security team, covering surveillance and safety. This technology helps us to monitor real-time activities by transmitting the required data to the base office. This is instrumental in preventing casualties and injuries in the mines.

Management approach

Strong safety culture, Robust safety management at site, and effective control mechanism are the three pillars of our safety governance. These three pillars are supported by appropriate systems and controls to enable a risk-free environment and empower our people to take timely action for working safely.

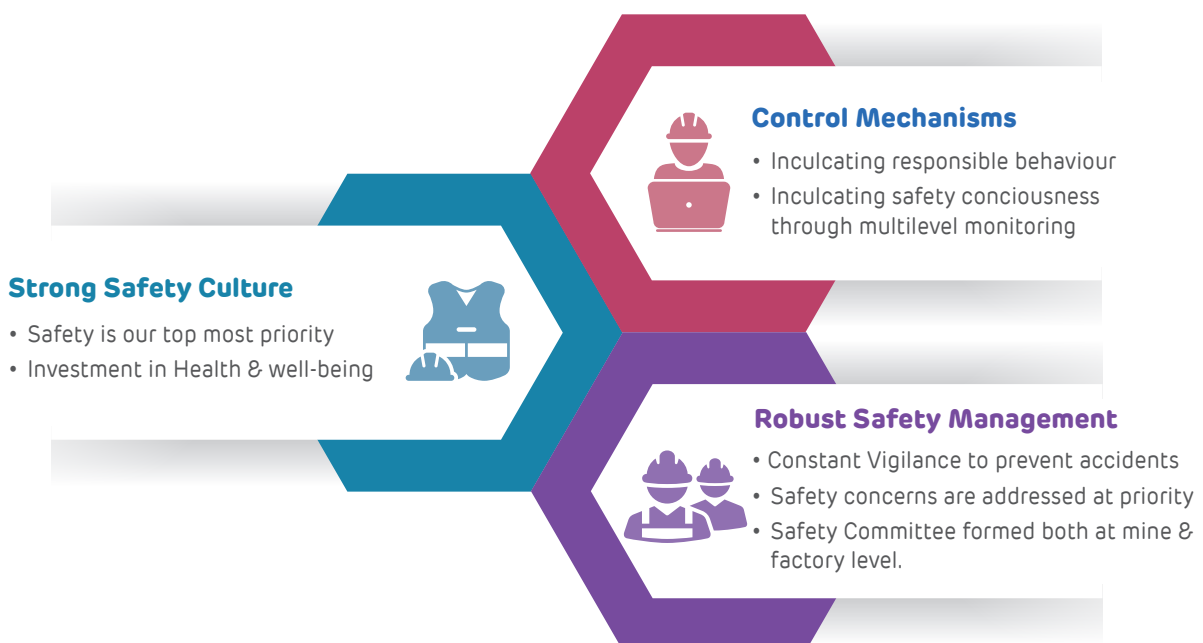
Strong Safety culture

Safety is our topmost Priority

Safety is of paramount importance in coal mining due to its inherent hazardous nature. In India, the Directorate General of Mines Safety (DGMS) has laid out stringent standards of the mining operation to ensure workers' safety at mines. Adani Mining believes in absolute adherence to the highest level of safety standards and the same has been recognized by DGMS over the years. The company has been awarded first in 'Publicity Propaganda' and second-best in 'Surveying' at the Annual Safety Fortnight Meet 2015 among SECL & all private captive coal mines of Bilaspur, Jabalpur & Raigarh region.

We have a well-laid health and safety policy that lays a lot of emphasis on inculcating safety in the lives of our employees. Each employee, including contractors are provided safety training regularly. Every quarter, Safety Week is celebrated. There have been Zero unsafe incidents in the mining area since the inception of operation in the year 2013 at the Parsa mine site, which is a remarkable achievement. Safety is an ongoing endeavor and we are determined to raise the bar day by day.

Workplace health and safety



Investment In Health and Well-Being

Building a resilient organization is only possible with a workforce that is healthy, agile and fit to undertake operations and push boundaries. With significant investment in health and wellness programs we have increased our productivity and ensured greater employee satisfaction across all levels. During the pandemic, we ensured that our employees, workers and their families were protected. For critical operations that continued, we implemented various health and hygiene measures including emergency response for covid, virtual doctor consultations.

We provide online guidance on mental, emotional, and nutritional health in addition to government-mandated directives. In the reporting year, we increased our investment in health check-ups for all the employees, contractors and workers by a dedicated team of doctors. (Online during covid-19). We also understand that a healthy workforce is a product of a healthy environment so we started sports and fitness initiatives for the employees. We organized seminars and workshops on mental health, yoga, stress management and meditation. In addition to pre-employment medical screening, we also organized regular medical check-ups for all our personnel to monitor their health & well-being. We conduct routine blood tests for

traces of heavy metals, hearing tests and respiratory and lung function monitoring on a regular basis. For the staff & workers exposed to hazardous chemicals, we conduct regular biological and radiation testing.

Workmen Safety Induction

Our engineers, workers and contractors undergo extensive training to operate in a complex environment. Every person prior to entry into the mining area is made aware of the safety precautions through a pre-loaded video module. In addition to this, they are also trained in all other general aspects of safety & health to improve, control and prevent the occurrence of incidents. Safety-in-charge, engineers and stewards receive best in class infrastructural support to keep round-the-clock vigil and identify and avert any incident that is likely to cause harm to life or property.

Robust safety management

We believe that constant vigilance can prevent accidents and work towards 'scratch-less' mining. Our focus is to streamline the process and to ensure that safety concerns are addressed on priority. We have established Safety Committees both at the mine level and factory level. Robust process safety management aims to systematically and comprehensively manage the risks to protect our people and the environment.

Safety Policy



Plan and perform work preventing pollution, injury, and ill-health



Promoting open communication with all stakeholders and sharing HSE knowledge



Improve HSE performance through a robust HSE governance process, regular audits and learning from HSE events



Zero deviation in compliance of any legal, regulatory, customer or AEL: Mining Business requirements



Demonstrate visible leadership and personal accountability for HSE at all levels in our business



Implement HSE Management System compliant with ISO 14001, OHSAS 18001 and AEL: Mining Business Standards.



Safety interactions

Inculcating Responsible Behaviour and Safety Consciousness through Multilevel Monitoring

To improve awareness and enhance safety standards, continuous assessment and analysis are carried out at each stage of risk. At our mining sites and office locations, we have rigorous multilevel monitoring of risks. We do this by our process which anticipates, identifies, evaluates, controls and monitors every incident that is likely to cause harm.

Control Mechanisms

Bolstering our commitment towards safe practices, we have developed Standard Operating Procedures (SOP), safety manuals, on-site emergency plans as guidance documents for employees. During the reporting period, we continued a strong focus

on embedding the Control Management System into the way we operate, to ensure that the most important, life-saving controls is known, in place and working.

Our system comprises of:

- ▶ The Emergency medical assistance system consisting of First Aid room, first aid boxes installed at the location, ambulances, and Automated External Defibrillator (AED)
- ▶ Heavy Earth Moving Machinery (HEMM) equipped with the latest safety features
- ▶ Hi-VIS Shirts for all
- ▶ Online Incident Reporting System
- ▶ A mobile app to undertake incident recording is in development to improve the ease of use and the effectiveness of the system.

Life Saving Safety Rules



Work with a valid work permit when required. Prior Hazard identification and risk assessment shall be necessary in the form of JSA for all activities covered under site's Permit to Work (PTW) System;



Use vehicle fit for the purpose and follow traffic safety mandates—Use of seat belt (4 wheelers) & crash helmet (2 wheelers) is compulsory at any time a vehicle engine is running; Do not use mobile phone and exceed speed limits.



Working / driving under influence of alcohol and drugs is banned. Do not smoke, sleep at workplace.



No physical contact with moving machinery, ensure machine guarding as per design, to prevent human contact with energized equipment.



Verify energy isolation process (LOTO) prior to commencing any maintenance or servicing work in which the unexpected energization or startup of the machines or equipment, or release of stored energy may occur.



Obtain authorization on written lift plan before lifting material including prevention of people movement under suspended loads.



Protect yourself against fall while ascending, descending or working at height (≥ 1.8 meters).



Obtain written authorization and ensure safe atmosphere before entering into a Confined Space.



Obtain written authorization before disabling safety critical equipment; or bypassing any established safety practices / procedure or safe operating limits.

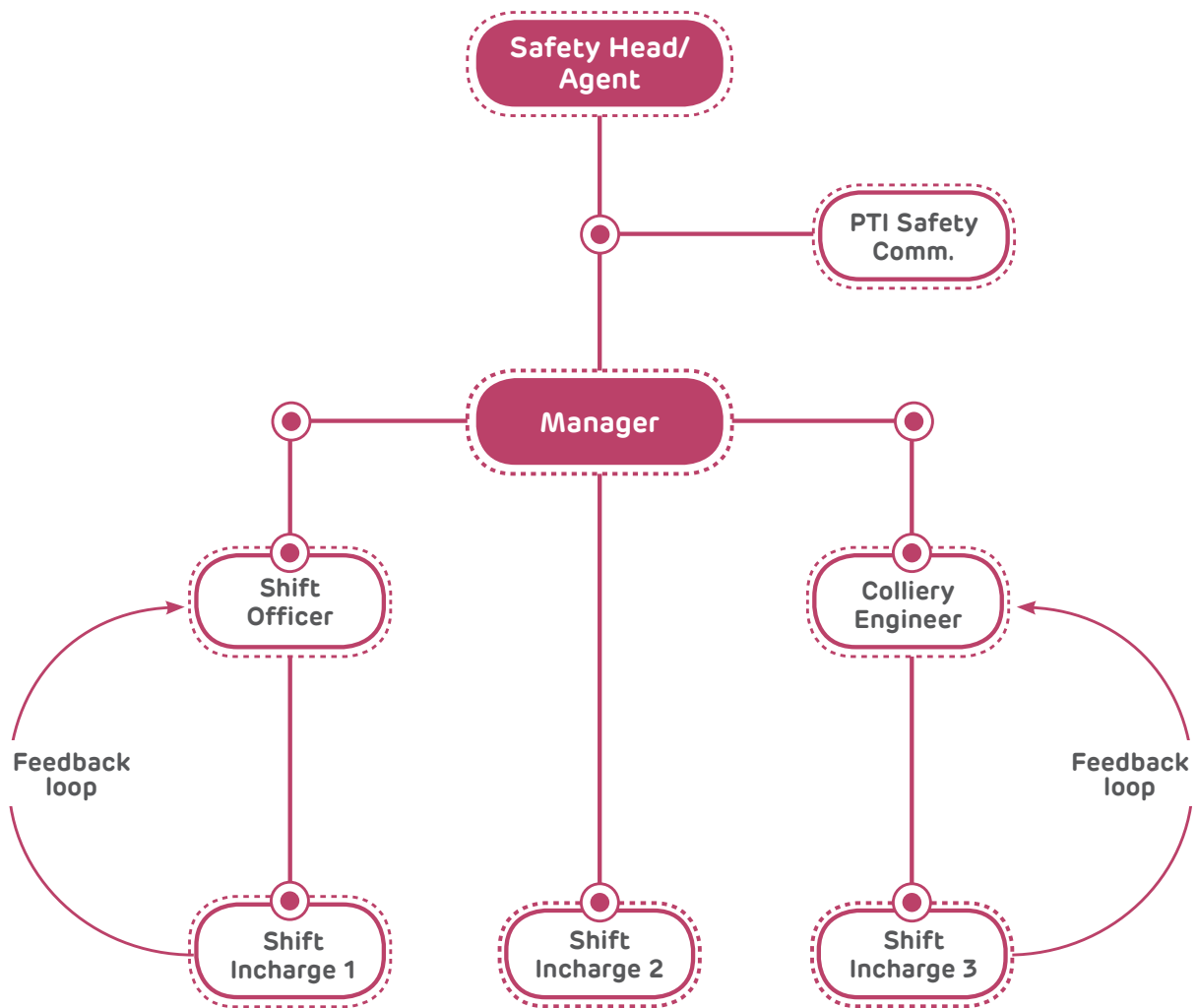


All incidents must be recorded, reported, investigated and recommendations acted upon in a time bound manner.

We are governed by AEL Natural Resources' Safety framework

- ▶ Effective Safety Governance mechanism.
- ▶ Focus on increasing Safety Leading indicators.
- ▶ Adani Life Saving Safety Rules which reach out not only to work place but also to social realms.
- ▶ Online portal for reporting of near miss/incidents and action tracking system.
- ▶ Safety Awareness programs focused on improving behaviour safety.
- ▶ Adopting international safety work practices.
- ▶ Internal capability building to promote safe practices.
- ▶ Investigation of near-miss/incidents with time bound action plan for improvement.
- ▶ Effective Safety Governance program.
- ▶ Improving Contractual work practices & handholding them to step up safety culture.
- ▶ Use of digital platform to promote safe practices such as use of smart PPE's; online training sessions & use of digital safety devices.

Safety Organisation at Mine



Safety Deployment Strategy

In line with our hazard identification procedure, we are strategically addressing safety under four broad categories.

Process safety	Product Transportation	Emergency Preparedness & Feedback	Safety through Technology
Managing the integrity of our facilities by good design, engineering and operating practices; incorporate rigorous safety standards and procedures; and monitoring OHS and emerging regulatory environmental issues.	Implement safety and environmental standards for transporting coal and attentively maintain and monitor infrastructure to analyze and prevent third-party damage or illegal encroachment in our rights of way.	Established emergency support groups and incident administration teams to develop and practice emergency response, safety, health and workplace strategies.	Leveraging technology like video analytics, intelligent operation control platform, incident management by setting up an integrated security command center.





PEKB – Morning safety oath

Performance

Our safety performance has seen strong improvements in recent years, as a direct result of being a targeted goal. The reporting year was the year with zero lost time injury

frequency and zero total number of lost time injuries recorded. The incidents are thoroughly investigated, and preventative action is taken to eliminate similar incidents in the future.

Safety statics	Unit	PEKB	GP III	Talabira	Total
Near Miss	Nos.	34	21	23	78
Safety Training Program (Batches)	Nos.	67	12	2	81
Employees Trained	Nos.	1178	141	16	1335
Training Man Hours	Hr.	1178	16074	64	17316
Safety Notification raised	Nos.	0	80	0	80
Fatalities	Nos.	0	0	0	0
Major & Reportable	Nos.	0	0	0	0
Fire Incident	Nos.	3	0	0	3
Vehicle related incident	Nos.	2	0	0	2
Property damage incident	Nos.	0	0	0	0
Leak-spill incident	Nos.	0	0	0	0

Safety committee	Number of members FY' 20- 21	Number of meetings held
Statutory safety committee	41	48
Internal business safety taskforces	45	72

Empowering the Employees



Our people are instrumental in our progress and the sustainability of our operations. AEL has been successful in managing employee relations, which continues to be a key to our success. We train the best people across geography and help them develop into professionals who can handle challenges and the dynamic working conditions of our business. We have actively fulfilled the responsibility towards our employees, and made efforts and obtained achievements in aspects of value creation and staff care through various initiatives. Our people practices encourage professionalism and promote individual dignity. Our human resource initiatives operate in consonance with the UN SDGs – United Nations Universal Declaration of Human Rights and ILO's core conventions on labor standards.

Amitabh Mishra
(Head HR – Adani Natural Resources).

At AEL: Natural Resources, we firmly believe that people are our key asset and the business strategy is planned and executed in partnership with our people. Our people are involved as partners in the entire process of running the organization in a structured manner. This includes strategy formulation, communication, action planning, deliverables, execution and results. The sustained success of AEL: Natural Resource is pivoted on the commitments and contributions of its people. We have been successful in managing employee relations, which continues to be a key to our success. Championing employee causes through proactive actions is another focus area. These have resulted in developing a relationship of trust, faith and credibility.

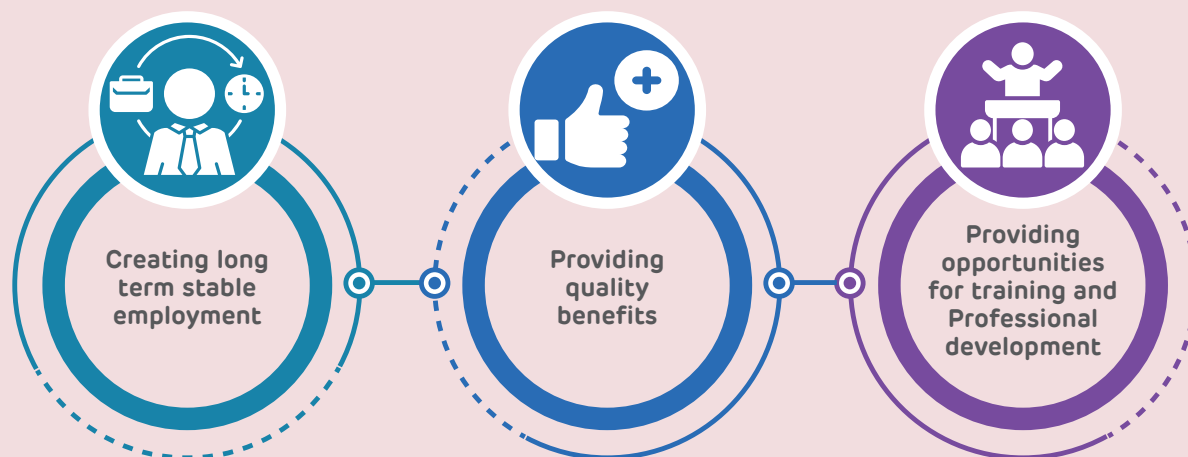
Employee Engagement

Engaging with employees helps us to have effective strategies in place, helps create a better work culture, reduces staff turnover, increases productivity, and builds better stakeholder relationships that enhance the company's brand value.

We engage with our employees through various mechanisms like the in-house Evolve newsletter, and the reward and recognition program helps the employees to stay connected. To make the employees feel connected we have envisioned a policy of 'Adani Parivar' that fosters warmth and helps develop camaraderie amongst the employees. Engaged employees care about their work and about the performance of the company, and feel that their efforts make a difference. We organize peer learning and networking events across all our mines, where workers from different sites learn from each other and share technical expertise. In order to keep our workforce motivated we empower them through the requisite training to become responsible, responsive individuals capable of taking crucial decisions.

We encourage our employees and their family members to participate in fun activities and webinars that focus on mental health, sportsmanship, and various interactive sessions for ensuring the wellbeing of our workers and their families. We motivate our employees by rewarding and recognizing their achievements. We do this through various exercises like the Employee of the month award, Spot recognition awards, communication champion awards and the Pratishta awards. These initiatives are introduced to appreciate individual performances and to promote healthy employee engagement.

Key Priorities for Managing our Human Capital



Employee Count

	2018-19		2019-20		2020-21	
	Male	Female	Male	Female	Male	Female
Permanent	380	15	554	15	608	13
Contractual	496	0	490	0	604	0
Total	876	15	1044	15	1212	13

Employee Turnover

Employee turnover is the key to being on track on our growth plans and ensuring smooth operations.

	2018-19	2019-20	2020-21
Employees Turnover (%)	5.8	8.8	10.8

Training and Development

We ensure that our employees learn continuously and for this, we are associated with leading learning institutes which not

only open their doors for career opportunities but also make them feel valued.

To develop leadership skills among the employees, we are undertaking various initiatives to enhance learning of our employees like the **E-learning-license program from Harvard**. We have partnered with Emeritus Institute of Management, Singapore for the executive management program for our employees. Our employees can enroll for the **Post Graduate Diploma from AIIM, which will** equip them with interdisciplinary approaches to problem-solving in areas like infrastructure, energy, health care, education etc.

Category	2018-19	2019-20	2020-21
Total training man-days	21,670	16,062	14,901
Total training man-days of on-roll employees	645	1,278	1,015
Total training man-days of contractual employees	21,024	14,784	13,976

Employment Practices

An organization's output is only the sum total of its employee's endeavours. AEL: Natural Resources has actively fulfilled the responsibility toward its employees and made efforts and gained new achievements in aspects of value-creation and staff care by undertaking various measures.

We value employees as our most valuable resource and this is evident in the organizational strategy towards developing capabilities and realizing the best potential of our people. It is needless to say that committed human resources go a long way in providing competitive advantage

Compensation and Incentives

Our compensation programmes are structured to support to ensure that employees who deliver their best performance against their goals are rewarded accordingly. We also recognize the performance of both individual and business unit while rewarding. We encourage our employees to share their feedback, ideas, opinions in doing things differently. We have introduced initiatives like 360-degree feedback mechanism and two-way communication which helps the organization to promote healthy work environment.

Our employees and their family members also enjoy medical insurance, ESIC and EPF benefits, benefits at local hospitals with variable compensation according to their dedication and results towards their work.

Labour practices

The objectives of labour policy are to bring about a qualitative change in the structure and pattern of employment and promote growth of good and quality work opportunities. We are committed to abide by all the legal requirements of the local and national laws. We ensure that the legal requirement that relates to the Environment, Factory Act and Human rights are being followed. We also have policy on Freedom of association, Collective Bargaining, Worker health safety committee, Worker committee, Freedom to associate with Union, No Discrimination Policy and transparent communication between Employer and Employee. We are certified **for ISO 9001(Quality), ISO 14001 (Environment) and ISO 18001 (Health and safety)**

The issues mentioned below were identified and addressed by the management and all the relevant policies are made publicly available.

- ▶ Job protection and employment creation.
- ▶ Extending legal protection to the unorganized sector.
- ▶ Efforts were made to improve the living standards and link wages to productivity.
- ▶ Providing vocational training and skill development programs to the employees.
- ▶ Trade union recognition
- ▶ Workers' participation in management at all levels, and workers to takeover of sick units through cooperatives and worker ownership
- ▶ Social security benefits, including pension to be extended to workers.

Fostering Community Development

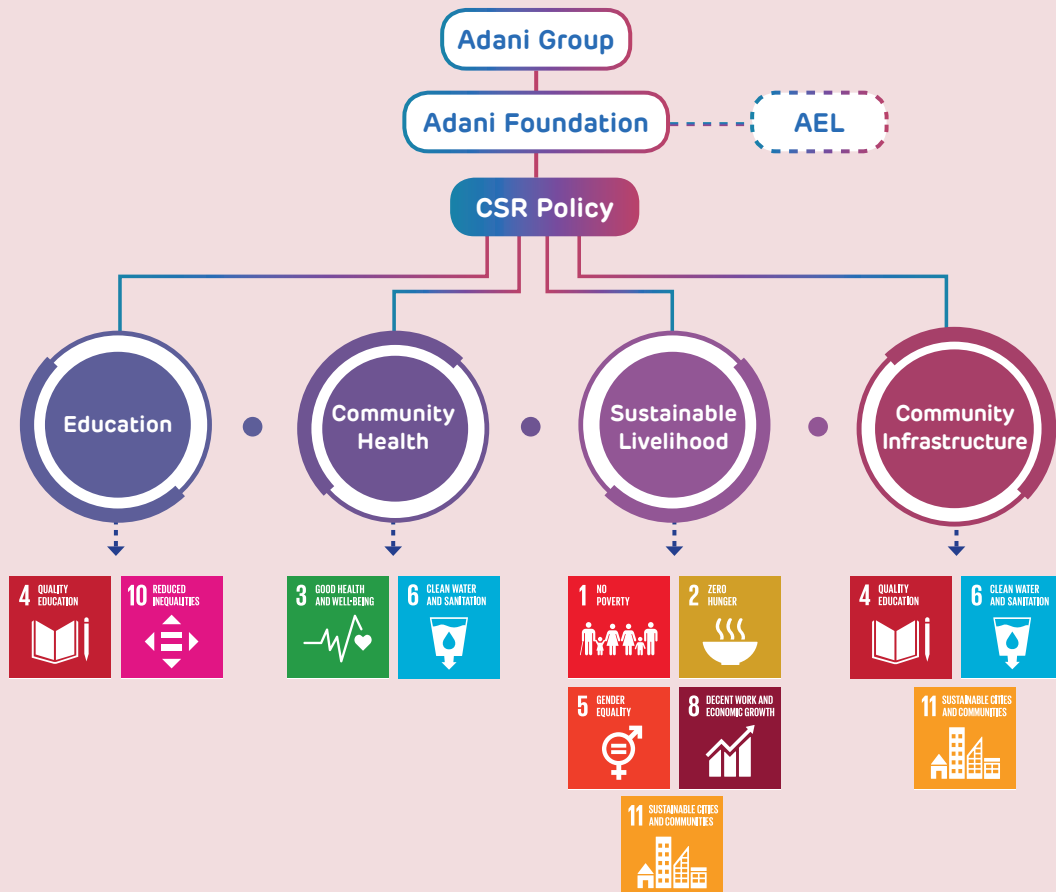


AEL believes in working in line with the principles of sustainability while striving to achieve long-term business success on a viable basis. Our approach towards mining activities aims to establish harmony with society. A key aspect of our sustainable management approach involves deploying sustainable mining practices and creating value for the community.

Community development is an integral part of our business strategy. We continuously strive to improve our sustainability performance and

further develop our strategy, defining it more precisely. To this end, we have established a company-wide strategy cascaded to subsidiary-specific sustainability activities.

Our community development programs, place a special focus on the lasting and effective establishment of a culture of respect and trust between us and the communities. We follow a comprehensive CSR policy with an overall aim of building long-term socio-economic self-reliance among communities where we operate.



Community engagement is a critical aspect of our approach to community development. We engage with those who are impacted due to our mining activities, as early as possible. We undertake environmental and social impact assessment in line with laws and regulations of the land during our investment decisions, before the start of operations and during operations.

The CSR initiatives are targeted towards the marginalized and underprivileged sections of society. They are classified under four focus areas; Education, Community Health, Sustainable Livelihood and Community Infrastructure. The CSR project initiatives are driven by our local leadership with the support of the CSR team and Adani Foundation, a society established under the Adani Group.

Adani Foundation prepares and executes annual action plans and budgets for all programs. Adani Foundation leverages the expertise and integrates funds from

various Adani group of companies to make a meaningful impact in the communities.

Category	FY19-20	FY 20-21
Direct beneficiary	5556	5621
Indirect beneficiary	3857	3792

CSR committee is the key custodian and responsible for monitoring the CSR projects and initiatives that drive social and economic growth of the local communities. It engages with the key stakeholders to seek opportunities and overcome challenges in a transparent manner. The CSR committee also directs and oversees the strategic guidance and supervision of developments to address the sustainability requirements of the company.



Covid awareness program for children at Adani Vidya Mandir

CSR Expenditure

Focus Area	FY 19-20 (in Crores)	FY 20-21 (in Crores)
Education	6.37	1.01
Community Health	0.78	0.5
Sustainable Livelihood	0.46	1.08
Community Infrastructure	1.35	2.21

Education

AEL shows its concern and gratitude to the local community by focusing its efforts on holistic growth, primarily through education and other various skill-building measures. The company has undertaken numerous high-impact social activities to shape the lives of countless children by empowering them with quality education.

SDGs Impacted



Adani Vidhya Mandir

This is one of the first flagship program of the Adani group founded on the concept of access to free and quality education for children. It is the first school affiliated with CBSE and is located in Salhi Surguja District of Chhattisgarh which caters to 672 students enrolled in various classes from LKG to Class IX. The school provides free education to children from economically challenged families.

The school is equipped with world-class facilities such as an art room, audio-visual room, sports, dance and music room. As



a measure to encourage the families to send their children to school, the school provides free transportation, school uniforms, textbooks, breakfast and lunch to the students at no additional cost.

Project Sankalp

Through this project we prepare students of class X to XII to appear for competitive exams. Through one-to-one mentorship focus is placed on subjects such as Science, Mathematics and English is given to students who are appearing for the board examinations. 78 students were supported through this initiative.

Kaushal Vikas Kendra

Kaushal Vikas Kendra is a platform for developing skills in the areas of; like Sewing Machine operator, fitters, welders, electricians and hospitality. Thus, we eliminate the gap between demand and supply of skilled human resources and enhance economic development. The state-of-art centre has a hostel, kitchen and recreational are for students enrolled in the long duration residential training programs.

Digital Gram

In line with the government of India's ambitious project to digitalise Gram Panchayats, we have partnered with Gram Panchayat of Parsa, Shivnagar and Ghatbarra in Surguja District, Chhattisgarh to promote computer literacy. Under this project, local communities are provided basic computer education, and are sensitised to make digital transactions.

Adani Surguja Football Academy (ASFA)

This academy was established to promote and prepare aspiring footballers for an international and national sports league. The academy offers free football training to underprivileged and talented players from age group 10-17. 46 Students were enrolled.

Community Health

We believe that equality in health is the foundation to achieving equality in other important socioeconomic areas such as education, pay, access to resources and

wealth. Health challenges for individuals impose massive economic, productivity, and social costs on business and governments around the world. The areas that AEL - Natural Resources operates in are mostly remote where communities have limited access to basic healthcare. To overcome these barriers, affordable and accessible basic healthcare facilities is an area where we invest.

SDGs Impacted



Adani Foundation wins ICC Social Impact Award

ICC Social Impact Award was bestowed upon Adani Enterprises Limited-Natural Resources at the Annual Greentech Environment & Safety Summit-2020, Mahabalipuram, Tamandu for outstanding achievements in "Industry Sector Safety Excellence" and "Environment Protection" at Parsa East & Kanta Basan.

Project SuPoshan

Project SuPoshan aims to address malnutrition and obesity and targets children under 0-5 years, adolescent girls, pregnant and lactating mothers. Project SuPoshan strives to address these two challenges and train women from the community as SuPoshan Sangini. These trained women spread awareness, provide referrals and promote behavioural change among the target groups to achieve the target of the program. We conduct monthly health camps near our sites and the same has received active participation from communities. Around 5000 people are benefitted from this project.

Mobile Health Care Unit (MHCU)

Mobile care Units (MHCUs) are deployed to bring basic healthcare services to the doorstep in remote rural areas. These units offer free of cost general health check-up facilities and primary medical treatments to the villages, apart from spreading awareness on common health issues, from time to time. The Mobile Health Care Unit located at Raigarh treated 1,399 patients during the month of November. Around 592 men, 558 women and 249 children have received treatment so far for various ailments at the MHCU.

Mega Health Camps

Mega health camps are organised periodically to offer free of cost health check-ups and administer necessary medication. Specialist doctors of ophthalmology, ENT, gynaecology, etc. participate in these camps based on the specific needs of the community.

World Toilet Day 2019

Students of Milupara High School commemorated the World Toilet Day on November 19th. The students led a march through the neighbouring areas to raise awareness about the benefits of using toilet, the importance of maintaining clean and hygienic toilets and the ill-effects of open defecation.

Project Sanjeevani

This project has been launched as an integrated health programme to address the health situation in the villages of Surguja District, Chhattisgarh. The objective of this





Project is to increase the role of rural women in creating an accessible and gender-just health service within the village. It provides a platform to the people of the community to debate and discuss health issues and bring to focus transformative ideas on health, hygiene, sanitation and safe motherhood.

Sustainable Livelihood

The sustainable livelihood program of AEL - Natural Resources is focused on empowering lives and broadening the scope of economic opportunities. This program focuses on building social capital by promoting the collective strength of the communities. This is done by forming women cooperatives and by introducing the latest farming techniques

to enhance the income of small and marginal farmers.

Project Annapurna

We introduce sustainable agricultural practices for the farmers who are affected by our mining project. This sustainable agricultural practice increases the quality of seeds, using the latest tools and technologies. 600 farmers have benefited from this project.

Project Vasundhara

Project Vasundhara was initiated in 2016 which enhances the income of small farmers. It also ensures the participation of women with the encouragement of best practices in farming.

Project Unnayan- Women Cooperative

Women are the backbone of any society and have an equal place in decision-making as men. Our Women-led Self Help Groups (SHGs), empower women to make economic decisions for themselves and their families. A single unit consisting of 10 women belonging to the same socio-economic status engage and collaborate on various individual and community concerns. Around 25 such SHGs in PEKB have come together to form a women's cooperative – Mahila Udyami Bahuddehiya Sahakari Samiti

SDGs Impacted





ADANI initiative for drinking water at Talabira mine, Odisha

(MUBSS) that has taken charge to alleviate themselves to uplift their socio-economic status. The women have forayed into a diverse range of business activities. This 250-member group is charting an inspiring story of change with their rural group entrepreneurship model. MUBSS today has become the only women's cooperative from the state of Chhattisgarh to market its authentic and rustic line of products on India's leading e-commerce platform - Amazon.in.

Some of the activities undertaken by them include stitching uniforms and bags, manufacturing sanitary pads for use in the villages, making cloth bags, processing and packaging quality spices, wheat flour, moringa leaf powder, manufacturing of white phenyl, supplying potable drinking water, and cooking midday meals for students of AVM,

Community Infrastructure

Infrastructure is critical to support other

SDGs Impacted



critical needs of the people. By strengthening rural infrastructure, our aim is to accelerate the economic growth and wellness of regions where we operate.

Jeevan Amrit- Providing Clean and Safe drinking water

One of the primary needs of the communities is water, and without access to clean and safe drinking water, the basic rights of people are compromised. We make progressive investments in strengthening rural water infrastructure by repairing hand pumps. We have also installed new hand pumps with tap water facility at accessible locations in the village that reduces the drudgery for women.

In our PEKB mine area, Project Jeevan Amrit has been initiated to ensure the availability of safe drinking water to community members residing in and around the mining operations. The filtration device treats the nitrate content in the water and makes it safe for consumption. The entire facility is run and managed by MUBSS. Since its inauguration in October 2018; 1,16,000 liters of safe drinking water were distributed in 9 villages in Surguja District, Chhattisgarh. 10000 people and 400 households have benefited from this initiative.



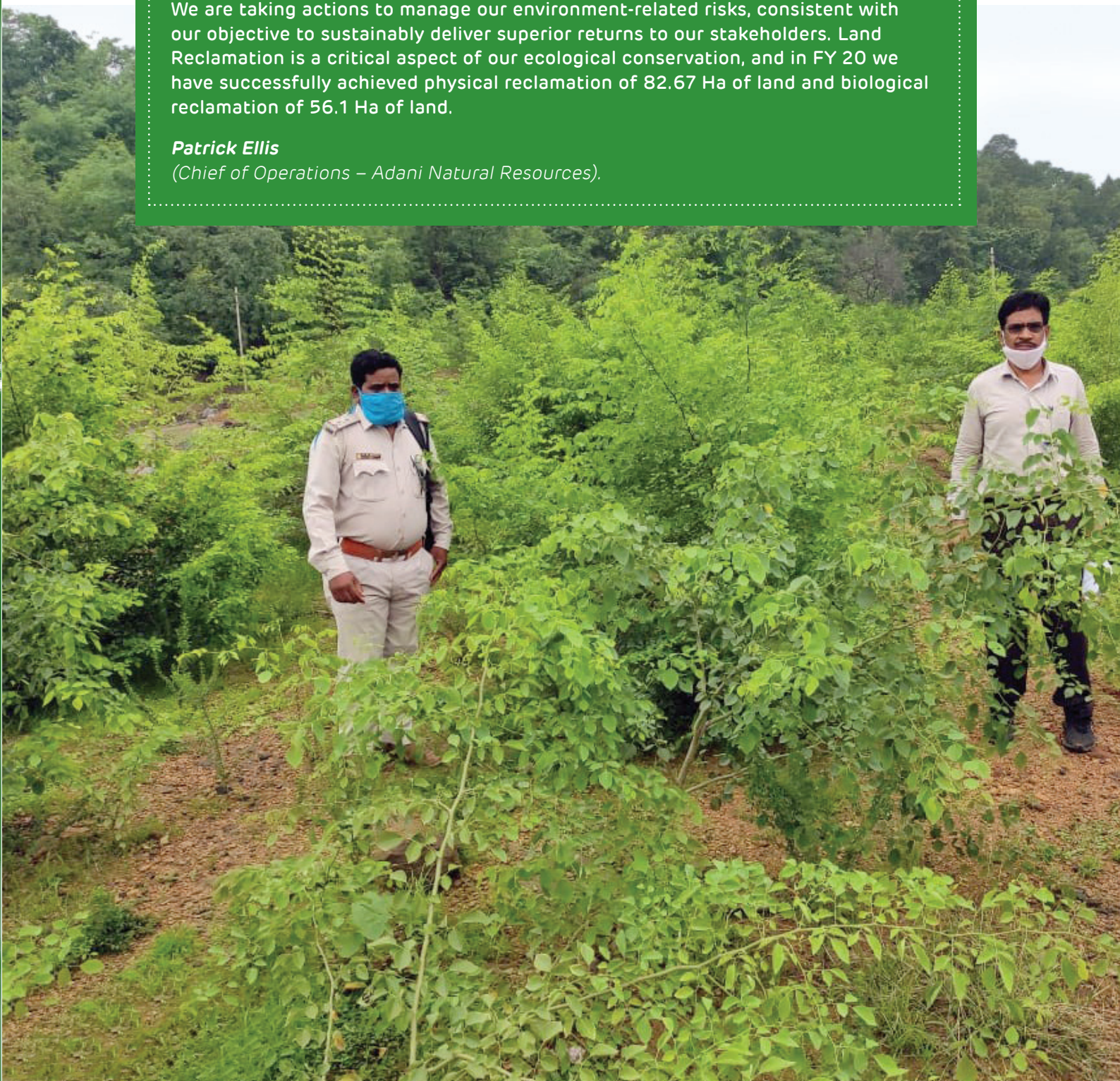
Protecting the Environment



Mining business by nature has impacts on the environment and can become a business risk, if not managed judiciously. Guided by our environmental policy, we are committed to avoiding, minimizing, mitigating environmental impacts and maintaining the overall health and resilience of the ecosystem in the areas we operate. Our environment policy is integrated into our operational decision-making. We are taking actions to manage our environment-related risks, consistent with our objective to sustainably deliver superior returns to our stakeholders. Land Reclamation is a critical aspect of our ecological conservation, and in FY 20 we have successfully achieved physical reclamation of 82.67 Ha of land and biological reclamation of 56.1 Ha of land.

Patrick Ellis

(Chief of Operations – Adani Natural Resources).

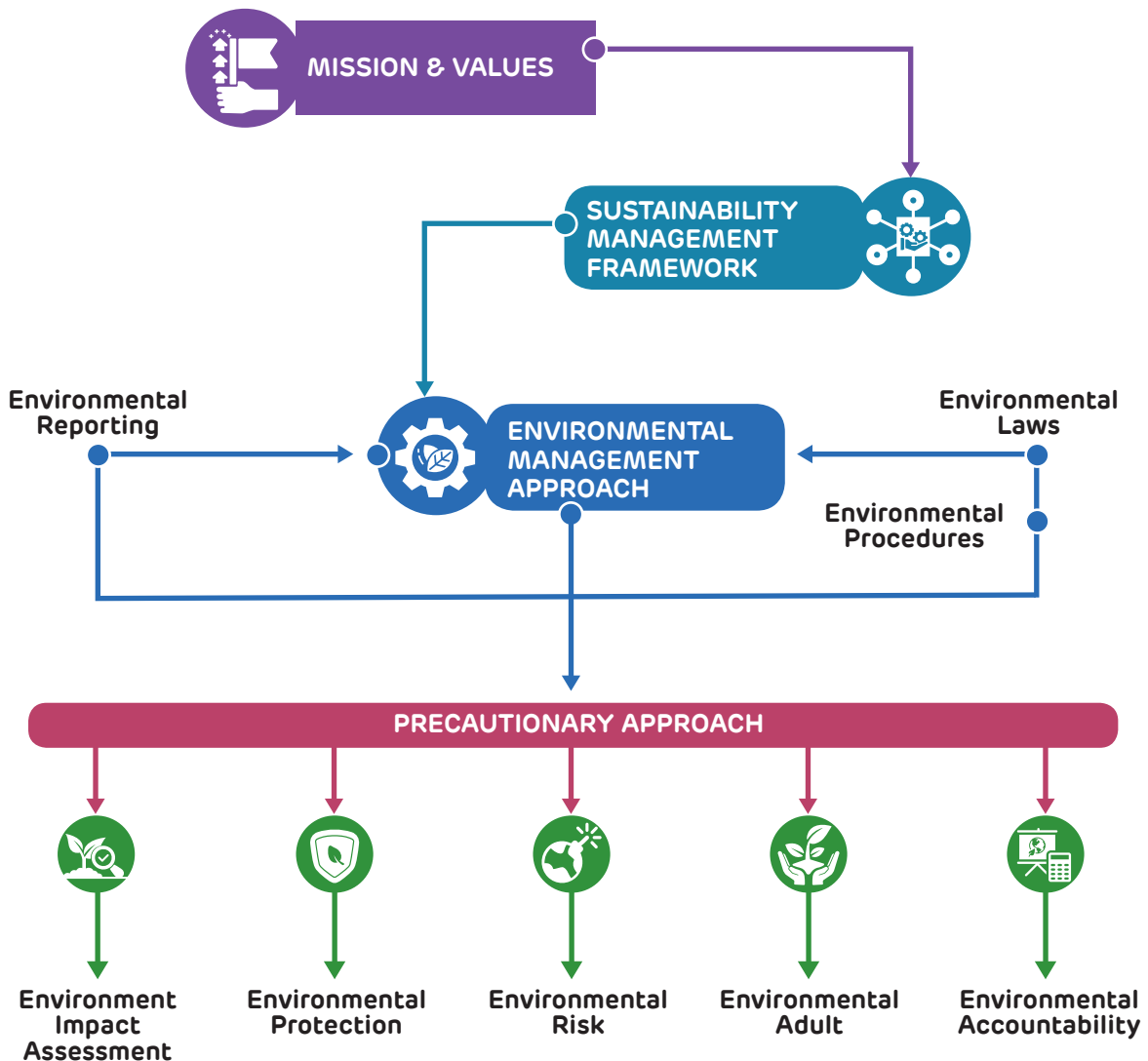


We practice responsible mining to promote environmental sustainability and longevity of natural resources and minimize environmental externalities. We adopt a precautionary approach towards environmental conservation and strive to bring a balance between business and nature. We undertake various initiatives to control land, water, and air pollution.

Our environmental policy guides us in institutionalizing our commitment to continually strengthen our environmental performance. The policy framework seeks to avoid, minimize, mitigate and/or remediate the impacts of our activities on the environment, and to maintain overall ecosystem health and

resiliency in the areas where we operate. A robust compliance assurance system is under implementation across all units and operations.

We are certified with Environment Management System i.e., ISO 14001:2015 at the PEKB mining site. The other mining sites where we started operations last year, are in the process of getting this certification. We fulfill the requirements of the standard which includes complying with applicable environmental regulations and internal monitoring systems within the mining sites. Regular internal audits are conducted with the help of third-party agencies.



Energy and Emissions

We are committed to address the global environmental issues such as climate change and global warming through energy conservation, efficient natural resource utilization and adoption of cleaner energy sources such as solar power. Since a significant part of our overall Greenhouse Gas (GHG) emissions is attributed to the combustion of fossil fuels from our operations, optimizing our energy performance has the greatest impact in reducing GHG emissions and thereby mitigating climate change. Our operations require certain energy inputs, which result in a variety of emissions, including GHG emissions. Our operations currently manage energy use on a site-specific basis. We consider energy requirements and inputs as part of our mine planning and optimization initiatives, including as part of project design. For example, by optimizing mining fleet, grinding processes, and logistics, we can increase our efficiency and reduce our energy requirements. Energy and emissions management are key components of AEL: Natural Resources. We employ extensive environmental monitoring to track emissions to ensure compliance with all applicable laws and regulations. We also conduct regular dust monitoring around our

operations and monitor the air quality of air emissions through installed control devices. The emissions / waste generated is within the permissible limits given by CPCB/SPCB.

Water Management

Water is the most critical aspect of mining operations. The seepage water as a part of mining operations is gathered into a temporary reservoir and the same is used for the mining operations. To date, we have ensured that 100% of the water used in mine washery is recycled.

Management Approach

We recognise access to safe and clean water and sanitation as a salient human right. We seek to fully understand and minimise our operational water footprint and manage our activities in a way that protects our shared water resources. We are committed to ensuring good water management at all of our sites. We undertake detailed assessments, target setting, monitoring and implementation of corrective actions. We consult the host communities and other relevant local water users to understand local priorities and to collaborate on sustainable solutions.

GHG Emissions (tCO ₂ e)					
Scope		PEKB	GP III	Talabira	Scope-wise total
Scope 1	Scope 1A	56979	9	141	
	Scope 1B	272	113	9	
	Scope 1C	337680	33768	22813	
	Scope 1D	4017	182	147	
Scope 1: Total		398948	34072	23111	456130
Scope 2		19218	203	31	
Scope 2: Total		19218	203	31	19452
Scope 3	Scope 3A	2101881	0	0	
	Scope 3B	5	2	1	
Scope 3: Total		2101881	2	1	2101884
Project-wise Total		2520046	34276	23143	



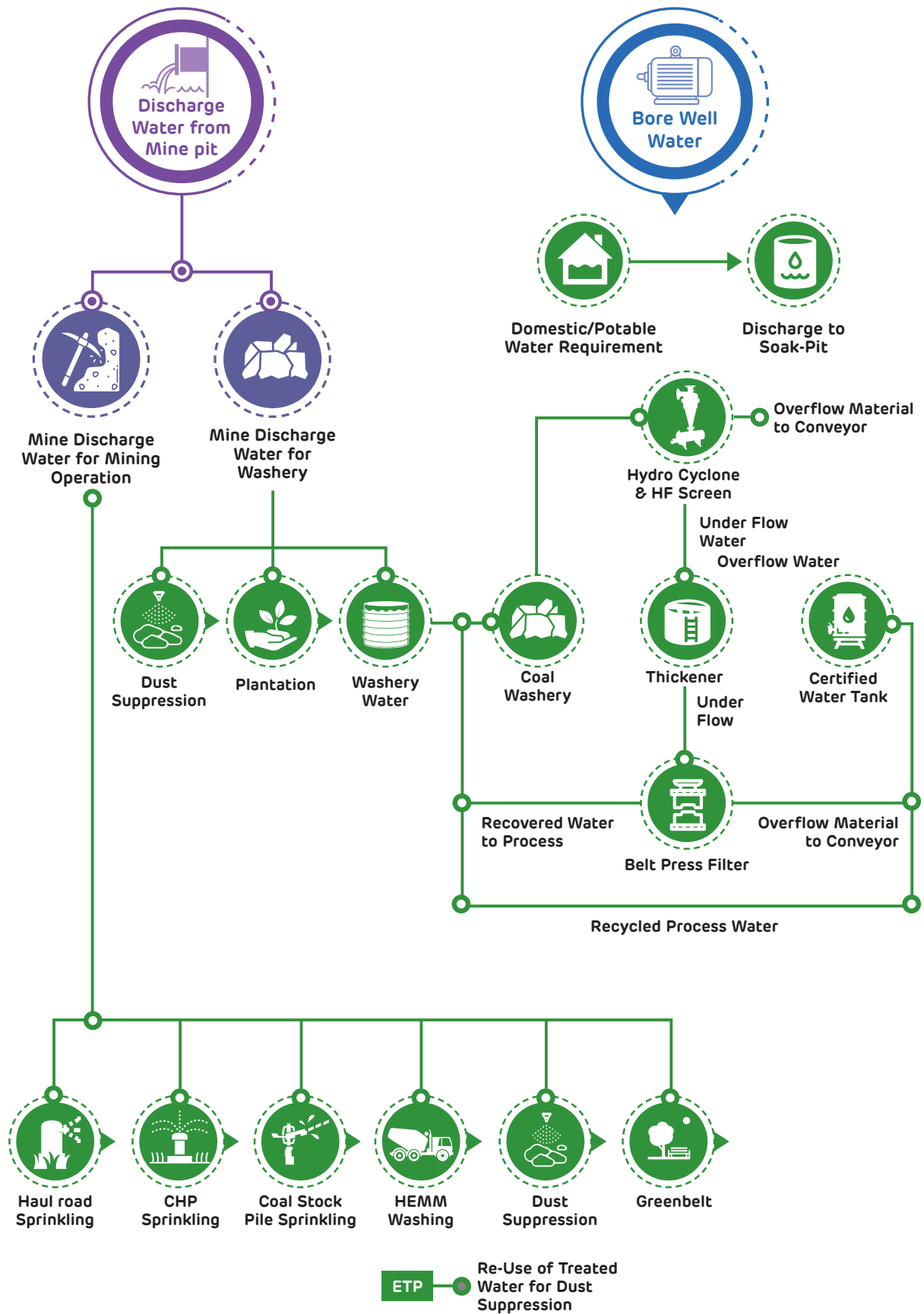
Project Jeevan Amrit – Water treatment unit

Additionally, the systems, technology and machinery are deployed to ensure minimal water usage. Through Adani Foundation, we also work in the nearby community areas to increase the capacity of ponds and build dams to enhance rainwater harvesting. These initiatives have helped increase the groundwater tables and made water accessible for irrigation and drinking purpose. Water has been a focus area in our company, and all sites have adopted a water management planning process for minimizing the negative impacts on water resources.

We are fully committed to responsible water stewardship, implementing a comprehensive water management planning process to minimize any negative impact on water sources, other water users and receiving environments. In FY 20-21, our operations continued to commit to improvements in water assessment, evaluating water-use efficiency, initiatives to prevent unnecessary

pressure on shared resources and measures to minimize environmental and social impacts aligned with our Sustainability Management Framework. Our mine operations all continuously seek to improve their site water management plans by routinely monitoring the water balance, conducting stakeholder consultations and reporting.

We launched Mine Water Recycling Project under which water abstracted from the mining area is treated and reutilized for washery operation, dust suppression and horticulture purposes. Owing to our commitment to minimize our environmental impact, we envisioned to adopting a water reclamation system with zero discharge at our washery. The used water collected from de-watering screens and other auxiliary equipment is passed through thickeners to recover all traces of water. The resultant slurry is disposed through authorized dealers while the water is recycled again for use in the washery.



Year	2018-19	2019-20	2020-21
Water Intensity (L/Tonne)	0.19	0.181	0.188
Water intensity = Water consumption per annum / coal production per annum			

Water used per annum	Units	PEKB	GP III	Talabira
Ground Water	KL	46474	3524	Nil
Seepage Water	KL	2493883	Nil	58754
Used for Washery	KL	750001	NA	Nil
Packed RO Water	KL	-	-	365

Waste Management

Waste can generate several problems in social and environmental terms and needs to be managed in a way that creates a sustainable growth for the surroundings. At AEL: Natural Resources, we are acquainted with the fact that mining generates a lot of waste during its operations which has a direct impact on the environment. This is because mining involves removing the top layer of the earth to dig out the minerals.

Once the minerals have been extracted, various kinds of waste are generated; such as solid waste, mine water, removed topsoil, process waste, suspended particulate matter, instrumental waste, oil spills, tailings, sludge etc. This should be neutralized or dumped through a proper channel for minimal impact of environment. We recognize that careful management of mine waste is very important

to ensure sustainability of our operations. We undertake safe disposal of waste even as we keep the effect on local communities in mind. Hazardous materials, used oil and explosives are managed appropriately and the same is reflected in our Environmental Audit Statement that are submitted to the Central Pollution Control Board and State Pollution Control Board in Form -V, etc.

AEL: Natural Resources has an agreement with third party for proper disposal of hazardous waste and the responsibility of its subsidiaries through the state government ensures no human or environmental impact.

We generate tailings in small amount as a result of processing of raw coal. These waste residues are collected and disposed through authorised dealers.

Waste	Units	PEKB			GP III			Talabira II, III
		2018-19	2019-20	2020-21	2018-19	2019-20	2020-21	2020-21
Non-hazardous Waste								
Overburden	m ³	3,28,13,460	3,93,70,466	3,15,40,000	3,28,10,000	14,88,656	44,10,000	5622771.11
Washery Reject	MT	30,20,471	32,91,170	28,29,516	30,20,471	-	-	-
Hazardous Waste								
Spent Oil	KL	21	20.2	69.49	21	1	14	9.87
Used Batteries	MT	7.48		25.495	7.48	0.032	0	-

Organic Waste Converter at GarePelma III

To convert food and other biodegradable waste (leaves, flowers, etc) to manure for sustainable management of the waste

About Project

Adani Natural Resource is working as Mine Developer and Operator (MDO) at GarePelma III Coal Mine Project, Raigarh, Chhattisgarh. An organic waste converter (OWC) was installed in Pit office to convert food and other biodegradable waste (leaves, flowers, etc) to manure which can be used as a fertilizer to grow and nurture plants.

Outcome

The fully automatic Bio-Mechanical Composter offers a complete solution to the problem of processing organic waste. It converts organic waste added to the machine into nitrogen rich compost by reducing its volume to almost 70- 80% of the original. It also eliminates the Greenhouse gases like Carbon dioxide (CO₂) and methane (CH₄) that would be generated by dumping food waste into landfills. It is a very environment friendly concept to Reduce, Recycle and Reuse organic waste.

Methodology



Organic Waste Converter installed at GarePelma III Coal Block

Environmental Compliance

Compliance with the applicable environmental and mining laws at all the mine sites is a business imperative. We adhere to the environmental laws and regulations laid down by the various regulatory authorities at the state and national level. In the reporting year there were no significant fines or non-monetary sanctions for non-compliance with environmental regulation in India.



World Environment Day celebrations at PEKB mine, Chhattisgarh

Mitigating Ecological Impact

It is our firm belief that to sustain business, we need to take proactive steps towards the restoration of the environment. We acknowledge the importance of biodiversity and strive to mitigate the impact of the mining activities on the ecology of the areas we operate.

Management Approach

We promote sustainable management of living natural resources by fostering partnerships that seek to integrate conservation needs and development

priorities. We carry out Environmental Impact Assessment (EIA) to document conditions before the development of new mines. In order to minimize the impact of our operations on the ecology, a Biodiversity Management Plan is prepared and implemented at all our mine sites for the different stages of the mining operations right from the time of survey, through construction, exploration and the closure of the mine. We monitor and remain compliant with the requirements laid down in the biodiversity management plans.



Greenbelt Development at GP-III mine, Tamnar, Chhattisgarh

At the mine site, the responsibility of coordinating with departments for environmental monitoring rests with the Environment - Incharge. Complying with Environment procedures and policies are added in KRAs (Key Responsible Area) of officers at each operation site.

Impacts resulting from exploration are of the highest intensity and therefore constitute an essential strategy during the exploration. It is carried out in three phases; avoid, minimise, restore. Guided by our values, our first aim is to avoid degradation at all costs. In situations, where impacts can be minimised, we deploy techniques such as Tree Trans-planter which helps in transplanting trees of girth ≥ 6 inches to another location. This way we maintain the natural ecosystem. Trees, local to the region are planted on the reclaimed land. Further, we develop Geo-Green Erosion Control Blanketing on the reclaimed land that acts as a protective shield, preventing surface run off and dust emission.

We are the one of the first company to

deploy a tree trans-planter for transplanting Sal trees which are found within the mining area. Besides this we also aim to plant 29 trees against the loss of 1 tree, such that a dense secondary forest is developed at the end of the mine life over the mined-out area. We have successfully transplanted 8000 trees and planted 2,96,059 saplings at the Parsa site in Chhattisgarh with 80% survival rate. We have also established a nursery for developing the native species.

Our Approach towards Land Reclamation

Land reclamation, i.e., a process of restoring the mined- out land to its natural and economically usable state, is a regular practice. We started the reclamation to fill the void created after mining from the second year of its operation. **During FY 20, we have successfully achieved physical reclamation of 90.62 Ha of land and biological reclamation of 58.08 Ha of land. Our integrated model of ecological restoration is supported by an in-house nursery that developed 141213 saplings in FY 2020-21.**

Biodiversity	Unit	PEKB	GP III	Talabira II and III
Total Land disturbed	Ha	23.48	81.6	46.37
Biological Reclamation	Ha	55.17	1	Not Started
Physical Reclamation	Ha	32.04	8	Not Started
Plantation	No	155105	3480	2219
Transplantation	No	586	Nil	33

Economic Performance

A strong economic performance combined with a resilient business model has strengthened our ability to create value for our shareholders during uncertain times. We have re-evaluated our operations and are looking at opportunities by aligning our strategy with the changes in external factors affecting our business. This financial marked another year of robust performance, which was driven by strong growth in coal production across our mines. As we plan and adopt digital transformation, with the AIM program in our business, it becomes important to instill new agile culture by developing high-performing learning and growing for all, unleashing new skills and understanding at the level of all employees. We are well-positioned to be a leader in this new era, leapfrogging normal practice by the deployment of technology to deliver efficiencies both in the speed of execution and the elimination of error.

Manish Saxena

(Chief Financial Officer – Adani Natural Resources).

The economic sustainability of our business is important to all our stakeholders. We continuously monitor our performance and objectives, conduct opportunity and risk assessments and integrate these findings into our economic strategy. We regularly review and adjust our actions to reflect changing internal dynamics and external factors affecting our business.

Adani Mining operations contribute to economic development and prosperity in regions where we operate. Beyond wages and salaries paid to employees and contractors, and taxes paid to the government, we focus

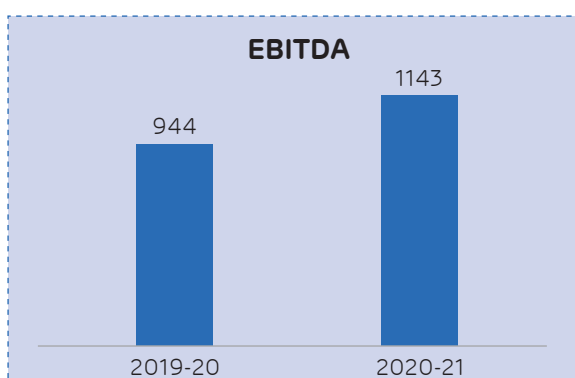
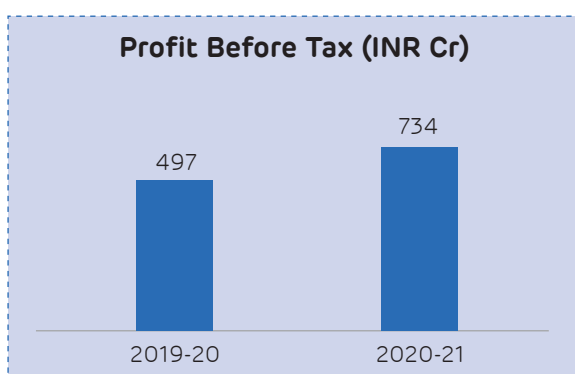
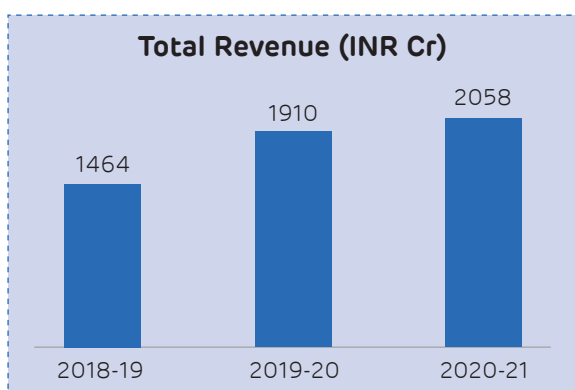
our major community investments on initiatives that advance sustainable development. These investments include education and skills training, infrastructure and building local capacity for economic empowerment.

A strong balance sheet combined with a resilient business model has strengthened our ability to create value for our shareholders during uncertain times. In the current scenario, we have re-evaluated our operations, and are closely looking at opportunities by aligning our strategy with changes in external factors affecting our business.

Performance in FY' 20-21

- Adani Enterprises possessed a mining service contract for nine coal blocks (aggregate capacity more than 100 MMT per annum) and two iron ore projects (16 MMTPA at LoA stage).
- Volumes increased 13% to 17.5 MMT; revenue increased 8% to H2,058 crore in line with growth in volumes; EBIDTA increased 21% to H1143 crore due to higher volumes
- The mines of Parsa East & Kanta Basan (PEKB) (15MT), Talabira (20 MT), GPIII (5MT) and Kurmitar (6MT) were in operation. Mining services production volume increased 13% to 17.5 MMT, including 15 MMT from PEKB, 1.5 MMT from GP3 and 1 MMT from Talabira mine
- Coal dispatch increased 33% to 15 MMT, including 12.3 MMT from PEKB, 1.7 MMT from GPIII and 1 MMT from Talabira, compared to 11.3 MMT from PEKB in FY 2019-20.
- The Company signed coal block development and production agreements for two commercial mines.
- 3 MMTPA in Dhirauli, Madhya Pradesh and 4 MMTPA in Gondulpara in Jharkhand.
- The Company received necessary approvals for the Carmichael mine project in Australia. The Company emerged as the lowest bidder in the Chandragupt coal mine (bid outcome awaiting confirmation).

Particulars Amount (In Cr.)	FY2018-19	FY2019-20	FY2020-21
Tota Revenue (INR Cr)	1464	1910	2058
Operating Expenses	512.86	790	684
Employee Benefits	29.1	65	101
Finance Cost	-	347	305
Depreciation	80.2	100	104
Other Expenses	88.38	110	130
Total Expenses	-	1412	1324
Profit Before Tax (PBT)	-	497	734
EBITDA	-	944	1143



- The Company signed an agreement with Ministry of Coal for Gondulpara and Dhirauli mines. These mines are expected to start within 44 months from January 2021.

- The Company is in LoA stage for GPII and GPI. The Company is expected to assume control of iron ore mines (Bailadila and Kurmitar) by April FY 2020-21.

Despite challenges accruing from a slowing domestic economy and the outbreak of a global pandemic, the financial year marked another year of our robust performance, driven by stronger growth in coal production across all our mines. Our PEKB mine reported a stable growth in domestic coal production during the year taking the rom to 15 MMT. During the reporting year, the organization entered into long-term MDO contracts of Bailadia iron ore mine (10 MMT) and Suliyari coal block (5 MMT) taking our total production capacity to 72 MMT.

With significant investment in our people & resources, we have been able to augment our extractive capacity with each passing year. The commissioning of new projects in the reporting year has strengthened our portfolio across high-value growth projects and helped our business stay strong and sustainable.

With the recent reforms in commercial coal mining getting implemented, we are confident to attract more investment from global investors and get access to the latest technologies. Additionally, the permission to excavate and sell methane including other minor minerals present in the coalfields is a favourable opportunity to advance our capabilities and contribute towards harnessing India's rich potential.

Our Mining services volumes increased 13% to 17.5 MMT in FY 2020-21. Mining revenues also increased by 8% to H2,058 crore in line with volume growth and EBIDTA increased 21% to H1143 crore due to higher volumes.

Strong stance against Anti-corruption & Bribery

AEL: Natural Resources has maintained a strong anti-corruption stance. We continue to make efforts to maintain a zero-tolerance organizational culture towards any form of corrupt practices within the organization or with external parties, including our value chain. All our operations are assessed for risks of corruption. All Group employees are informed about the Group's anti-corruption practices.

The Board of Directors is briefed on expected corporate behaviour and the need to maintain a strong anti-corruption mind-set in all company dealings upon appointment. During

induction, all new employees receive an anti-corruption briefing.

Cases related to anticorruption can potentially result in penalties, both financial and non-financial, that could have adverse impacts on our business and reputation. We maintain an anti-bribery compliance program and train our employees with respect to such matters, in line with our policy of zero tolerance to such incidents. Though we have limited control over our business partners and agents, we may be held liable to their actions. Our policies and procedures and Code of Conduct are therefore, communicated to our business partners through General Contract.



Total Quality. Assured.

Independent Assurance Statement

Intertek India Private Limited ('Intertek') was engaged by Adani Enterprises Limited : Natural Resource Division ("Adani") to provide assurance of the Sustainability Report for the reporting year 2020 – 21 .

Intended users

The intended users of this assurance statement are the management and stakeholders of Adani. Our responsibility in performing this task was limited to the verification of the Report, in accordance with the agreed scope of work. This assurance engagement is based on the assumption that the data and information provided to us is authentic and complete. Our assurance task was planned and carried out during Dec 2021.

Responsibilities of Adani and assurance provider

The management of Adani has sole responsibility for the preparation and content of Sustainability Report (hereafter, SR). Intertek's statement represents its independent and balanced opinion on the content and accuracy of the information and data held within.

Assurance standard

Intertek undertook the assurance in accordance with AA1000AS v3, Type 1 moderate-level assurance, covering:

- Evaluation of adherence to the AA1000APS (2018) Principles of inclusivity, materiality, responsiveness and impact (the Principles)
- Evaluation of adherence to requirements of GRI standards
- Verification of the reliability of GRI standards performance indicators and specific information related to the requirements for "In Accordance-Core"

Methodology

Assurance activity was done virtually, involving document review, data verification, interactions with the Senior Management, Facilities team, Sustainability head and Sustainability team.

Risk based approach was adopted and verification efforts were concentrated on the identified issues of high material relevance to Company's business and its stakeholders.

Assurance activities included the following:

- Review of the processes by which Adani defines the materiality issues that are relevant and material to its operations and its stakeholders
- Review of processes and systems used to gather and consolidate data
- Interviews with managers responsible for Sustainability, HR, EHS, Facility management
- Assessment of the extent to which Adani's Sustainability activities adhere to the Principles
- Reviewed approach to stakeholder engagement and its materiality determination process;
- Examined and reviewed documents, data and other information made available virtually;
- Conducted interviews with key representatives including data owners and decision-makers from different functions;
- Performed sample-based reviews of the mechanisms for implementing the company's sustainability related policies, as described in the Report;





Total Quality. Assured.

Scope and limitations:

Intertek was engaged to assure the Sustainability Report, encompassing the period of 1st April 2020 – 31st Mar 2021. Intertek was asked to assure the report based on the GRI standards – Core option.

The verification was based on the procedures, documents, records and data provided by client, and not verified physically at the site due to virtual nature of the assessment. Meetings, clarifications from client through concalls.

The reporting boundary is as set out in the Report, covering sustainability performance of Adani. During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement. No external stakeholders were interviewed as part of this assurance engagement. This statement relates specifically to the information disclosed in the sustainability, and may not be interpreted as validating environmental data reporting in other sources.

Findings, conclusions and recommendations

Based on the assurance task, the Report provides a fair representation of the Company's sustainability related disclosures. The Report includes statements and claims that reflect Company's achievements and challenges supported by documentary evidences and internal records. It is confirmed that the Report, along with the referenced information meets the requirement of Type-1, Moderate Assurance according to the AA1000AS and GRI standards – Core

Positive Observations:

- Strong thrust from all towards action projects. CFO's vision towards carbon neutrality
- Tree transplanter. 80% survival rate of saplings.
- Education at home – support to students by teachers visiting their homes and helping in studies

Recommendations:

- Adani can consider strengthening the reporting of performance with more data.
- Materiality reporting can be strengthened by enhancing details of policies, processes, review mechanisms, accountability etc

Conclusions:

PRINCIPLE	COMMENTS
Inclusivity: the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability	<p>Adani has mapped its internal and external stakeholders. Investors, Community, Employees, Customers, Contractors, Regulators are the Key stakeholders. Stakeholders' engagement is a continuous process. A list of key stakeholders is published in Annual Report.</p> <p>Adani engages with stakeholders through investors meet, Annual general body meeting, Investor communications, regular site visit & interactions with community leaders, grievance mechanism, face to face discussions, reports and also through the company website. The issues raised by the stakeholders are captured while identifying the material issues.</p>





Total Quality. Assured.

PRINCIPLE	COMMENTS
Materiality: determining the relevance and significance of an issue to an organization and its stakeholders	The stakeholder engagement conducted by Adani led to identifying material issues. Apart from that, Adani had taken inputs from top management, department heads, audit committee, RTI enquiries, Notices to internal departments, risk assessment, done peer companies benchmarking for identification of Material issues. The priorities, whether high, medium or low, are based on how the material issues impact the stakeholders and the Company's mutual sustainability journey.
Responsiveness: an organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions and performance, as well as communication with stakeholders	Adani attempts to respond to the stakeholder communications received and has incorporated the requirements in their sustainability projects. Internal initiatives include strong safety management system, E-vidyalay, Adani Intelligent mining, minewater recycling etc. Inputs from external stakeholders have been addressed through projects like Jeevan Amrut – drinking water project, Sustainable livelihood program for women, Adani vidya mandir for children for the community around the mining area. The response activities undertaken following stakeholder communication depend on the complexity and potential impact of each concern.
Impact: An organization's approach to monitor, measure and be accountable for how its actions impact broader ecosystems	Adani has systems to track materiality issues across sites. In addition, Adani adheres to regional regulations, and also has internal management systems. The monitoring of the actions and tasks happen at all the different levels of the organization. Internal and external audit procedures are in place to validate the data collection, storing, and management mechanisms that form the heart of the monitoring function.

Intertek's Competence and Independence

Intertek is a global provider of assurance services with a presence in more than 100 countries employing more than 45000 people. The Intertek assurance team included Certified Sustainability Assurance Professionals, who were not involved in the preparation of any statements or data included in the Report except for this Assurance statement. Intertek maintains complete impartiality towards any people interviewed.

For Intertek India Private Limited,

Lead Verifier
(Gayathri Ramanna)
New Delhi, Dec 21, 2021

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Director
(Sandeep Vig)



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GRI Content Index

GRI Foundation

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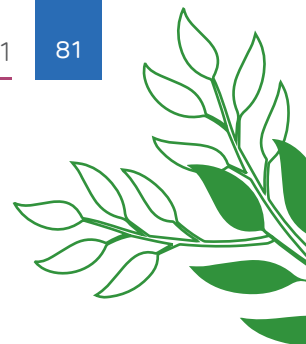
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Glossary of Abbreviations

Abbreviation	Full form
AEL	Adani Enterprises Limited
AIM	Adani Intelligent Mining
ABCI	Association of Business Communicators
ASEAN	Association of South East Asian Nations
BSE	Bombay Stock Exchange
CII	Confederation of Indian Industries
CPCB	Central Pollution Control Board
CRM	Compliance and Risk Management
CO ₂	Carbon Dioxide
CH ₄	Methane
CSR	Corporate Social Responsibility
DGMS	Directorate General of mine safety
ESIC	Employees' State Insurance Scheme
EPF	Employee Provident Fund
FY	Financial Year
GHG	Green House Gas
HEMM	Heavy Earth Moving Machineries
Ha	Hectare
HSE	Health Safety and Environment
ICM	Integrated Coal Management
ISO	International Organization for Standardization'
ICC	Indian Chamber of Commerce
KPI	Key performance Indicator
LTIFR	Lost Time Injury Frequency Rate
MMT	Million Metric Ton
MHCU	Mobile Healthcare Unit
MDO	Mine Developers and Operators
NSE	National Stock Exchange
OWC	Organic Waste Converter
PEKB	Parsa East and Kanta Basan
SOP	Standard Operating Procedure
SPCB	State Pollution Control Board



adani
Natural
Resources

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