**Independent Verification Statement: Performance against Sustainability Performance Targets**

**Introduction**

DNV represented by DNV Business Assurance India Private Limited (‘DNV’) has been commissioned by the management of Adani Electricity Mumbai Limited (‘the Company’ or ‘AEML’, with Corporate Identification Number: U74999GI2008PLC107256) to carry out an independent verification of the of the performance against following Key Performance Indicator’s (KPI’s) and Sustainability Performance Targets (SPTs) taken by the company under its Sustainability Linked Bond (‘SLB’) Framework issued related to Integrated Power Utility business in Mumbai, India and disclosed in AEML’s GHG Emissions and Renewable Power Share Report 2021-22 version 1.0 dated 27th June 2022 (‘GHG Report’) for the period 1st April 2021 – 31st March 2022:

**Key Performance Indicator’s (KPI’s) and Sustainability Performance Targets (SPTs)**

- **KPI-1:** Increase Renewable power mix in the overall power purchase mix
  - Attain at least 60% of renewable power procurement mix by end of FY2027
- **KPI 2:** Reduction in GHG Emission Intensity (Scope 1 and Scope 2) (GHG Emission Scope 1 and Scope 2 emissions measured by tCO₂ divided by EBITDA of AEML)
  - **SPT 2:** Reduce GHG Emission Intensity (Scope 1 and 2) by 60% by end of FY2029, compared with FY2019

AEML has prepared its GHG Inventory in accordance with the requirements of the “Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised edition)” published by World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) and GRI Standards adopted for sustainability reporting and in its own bespoke spread sheets.

We performed our verification (Type 2, Moderate level) activities based on AccountAbility’s AA1000 Assurance Standard v3, and DNV’s assurance methodology VeriSustain™. In doing so, we evaluated the qualitative and quantitative disclosures related to KPI’s and SPT’s presented in the GHG Report prepared based on and the Guiding Principles of WBCSD Framework, together with AEML’s protocols for measuring, recording and reporting GHG and associated performance data. This verification applies a ±5% materiality threshold towards errors and omissions based on DNV VeriSustain.

AEML is responsible for the collection, analysis, aggregation, preparation (conversion factors, assumptions, methodology, calculations) and presentation of GHG Emissions and all power purchased as part of its disclosures. Our responsibility of performing this work is to the management of Company and in accordance with terms of reference agreed with the Company.

The verification engagement is based on the assumption that the data provided to us is complete, sufficient, true and free from material misstatements. DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this verification statement. The verification was carried out during May 2022 – June 2022 by a team of qualified sustainability and GHG assessors.

**Scope, Boundary and Limitations of Verification**

The scope of work agreed upon with Company includes verification of its GHG Inventory as below:

- **Direct GHG emissions** (Scope 1 emissions) covering fossil fuels (Diesel, Petrol, LDO, Liquefied Petroleum Gas (LPG)) used in stationery and mobile equipment’s and coal used in electricity generation process and releases of SF₆ and refrigerant gases used in equipment.
- **Indirect GHG emissions** (Scope 2 emissions) arising from consumption of purchased electricity towards auxiliary power consumed in generation, transmission and distribution assets owned by AEML and T&D losses incurred.
- **Verification of GHG emission intensity (performance against SPT-2) – Scope 1 and 2 i.e GHG Emission Intensity (Scope 1 and 2 measured by tCO₂ divided by EBITDA of AEML)**
- Verification of mix of Renewable power sourced by AEML to meet its Renewable power obligations and its commitment to source certain amount of green power in its power purchase portfolio (performance against SPT-1)

The operational boundary selected by AEML for reporting and consolidation of direct, indirect and other indirect GHG emissions data and power purchased is based on the operational control criterion and includes its 100% of Integrated Power Utility Business for power distribution to consumers in Mumbai,

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1 The VeriSustain protocol is available on request from www.dnv.com and is based on our professional experience, international assurance best practices including the International Standard on Assurance Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and GRI’s Reporting Principles, GRI’s Principles for defining Report Content and Quality.
Maharashtra. We did not come across any limitations to the agreed scope of work. The reported data on economic performance and other financial data (EBITDA) of AEML within the Report are based on audited financial statements which have been subjected to a separate independent statutory audit process and is not included in our scope of work.

Verification Methodology
The verification was conducted by DNV in accordance with the requirements as set out in AA1000AS and VeriSustain for a limited level of verification, that is, a customized engagement was performed based on the principles of completeness, accuracy and reliability, while adopting a risk-based approach towards selection of samples for assessing the robustness of the underlying data management system, information flow and controls. Due to the COVID-19 pandemic and associated travel restrictions, we carried out hybrid assessments with AEML in line with DNV’s audit methodology. We carried out the following activities:

- Desk review of the Company’s Power purchased, Energy and GHG emissions data for FY 2021-22 for the business sites including embedded generation) provided in AEML’s bespoke spreadsheet.
- Review of the Power and GHG data management system used to generate, aggregate and report GHG emission data, as well as assessment of the completeness, accuracy and reliability of the data.
- Onsite assessments at Adani Dahanu Thermal Power Plant at Dahanu, Transmission business sites (Aarey, Versova and Goregaon) and remote site assessments of distribution sites at Mumbai in India to review and confirm the identified emission sources, activity data and related evidence maintained by the management teams at the respective plants on a sample basis.
- Sample based review of the system in place for collection of data pertaining to Power purchase and GHG emission, as well as associated emission factors and calculation methodologies and internal governance mechanism.
- Interaction with key managers and data owners to review data consolidation systems of the Company and sampled operational plants including reviews of emission factors and assumptions used for calculations of selected KPI.
- Review of the performance against Renewable Power mix (SPT-1), consolidated GHG Scope 1 and Scope 2 emission categories and Emission Intensity (SPT-2) as mutually agreed with the environment and sustainability teams of AEML.

Conclusion
Based on our verification methodology and scope of work agreed upon, nothing has come to our attention to believe that the Renewable Power mix in power portfolio (SPT-1) and GHG Emission Intensity (SPT-2) as brought out in the table below are not materially correct and is not a fair representation of the performance against SPT’s taken by company during FY 2021-22 for its operational entities in Mumbai India. We observed minor data inaccuracies during the verification process, and these were found to be attributable to transcription, interpretation and aggregation errors and the errors have been communicated and corrected.

Renewable Power Mix in Purchased Electricity (KPI-1): Units in Million (Mus)

<table>
<thead>
<tr>
<th>Description</th>
<th>FY-2018-19 (3)</th>
<th>FY-2021-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement of electricity from the eligible renewable energy sources(^{1})</td>
<td>a</td>
<td>280.73</td>
</tr>
<tr>
<td>Procurement of electricity from other than renewable energy sources(^{2})</td>
<td>b</td>
<td>9,032.91</td>
</tr>
<tr>
<td>Total electricity procured</td>
<td>c=a+b</td>
<td>9,313.64</td>
</tr>
<tr>
<td>Percentage of procurement of electricity from the eligible renewable energy sources</td>
<td>a/c</td>
<td>3.01%</td>
</tr>
</tbody>
</table>

Notes:
1. Eligible Renewable Energy sources are considered as per ‘Renewable Purchase Obligation, its Compliance and Implementation of Renewal Energy Certificate Framework Regulations, 2019’ issued by Maharashtra Electricity Regulatory Commission (the “Regulation”) which means renewable sources such as mini hydro, micro hydro, small hydro, wind, Solar, biomass including bagasse, bio fuel cogeneration, urban or municipal waste and such other sources as are recognized or approved by Ministry of New and Renewable Energy, Government of India.
2. This includes utilisation of 3,268.16 Mus in FY 2018-19 and 2,974.87 Mus in FY 2021-22 through embedded captive generation as per power purchase arrangement for the years ended on March 31, 2019 and March 31, 2022.
3. The FY2018-19 (Baseline year) numbers are referred from assured numbers reported by AEML.
GHG Emissions (Scope-1 & Scope-2) Summary

<table>
<thead>
<tr>
<th>Scope</th>
<th>Emission Source</th>
<th>Total GHG Emissions 2021-22 (tCO₂e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope-1</td>
<td>Fossil fuels (Coal, Diesel, Petrol, LDO, LPG) used in stationery and mobile equipment’s and coal used in electricity generation process, SF₆ and Refrigerants used in operations &amp; maintenance activities</td>
<td>2,690,622</td>
</tr>
<tr>
<td>Scope-2</td>
<td>Emissions arising from consumption of purchased electricity towards auxiliary power consumed in generation, transmission and distribution assets owned by AEML and T&amp;D losses incurred</td>
<td>547,204</td>
</tr>
</tbody>
</table>

GHG Emission Intensity (KPI-2):

<table>
<thead>
<tr>
<th>Boundary of emission within the company</th>
<th>FY-2018-19</th>
<th>FY-2021-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG tCO₂e</td>
<td>AEML: Scope 1 &amp; Scope 2</td>
<td>3,750,069</td>
</tr>
<tr>
<td>EBITDA in INR- in Crore</td>
<td>AEML</td>
<td>1,664</td>
</tr>
<tr>
<td>Emission Intensity (tCO₂e/ EBITDA in INR in Crore)</td>
<td>2,254</td>
<td>1,554</td>
</tr>
</tbody>
</table>

Notes:
- The reported data on EBITDA of AEML within the Report are based on audited financial statements of respective year.
- 1 Crore = INR 100,000,00
- The FY2018-19 (Baseline Year) numbers are referred from assured numbers reported by AEML.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct during the assurance engagement and maintain independence where required by relevant ethical requirements as detailed in DNV VeriSustain. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data included in the Report except for this Verification Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process. DNV did not provide any services to AEML or its subsidiaries in the scope of assurance during FY 2021-2022 that could compromise the independence or impartiality of our work.

For DNV

Vadakepath Nandkumar
Lead Verifier
DNV Business Assurance India Private Limited, India.

Kiran Radhakrishnan
Technical Reviewer
DNV Business Assurance India Private Limited, India.

Bengaluru, India, 27th June 2022.

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The DNV Code of Conduct is available on request from www.dnv.com (https://www.dnv.com/about/in-brief/corporate-governance.html)