Welcome to your CDP Water Security Questionnaire 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Adani Ports and Special Economic Zone Limited (APSEZ) is the largest commercial ports operator in India accounting for nearly one-fourth of the cargo movement in the country. With a national presence across 14 domestic ports in seven states - Gujarat, Maharashtra, Goa, Kerala, Andhra Pradesh, Tamil Nadu, and Odisha - APSEZ boasts of an extensive footprint with excellent hinterland connectivity. The port facilities are equipped with top-of-the-line cargo-handling infrastructure, enabling them to handle the largest vessels that call at Indian shores. APSEZ's ports can handle a variety of cargos, including dry cargo, liquid cargo, crude, and containers. Over time, APSEZ has transformed into a provider of integrated port infrastructure services, with the Mundra SEZ in Gujarat serving as a landmark testament. The Mundra Economic Hub covers more than 8,000 hectares and provides investment opportunities as the largest multi-product SEZ, Free Trade and Warehousing Zone (FTWZ), and Domestic Industrial Zone. APSEZ's integrated services across three verticals - Ports, Logistics, and SEZ - have allowed it to form partnerships with prominent Indian businesses, solidifying its position as an undisputed leader in the Indian port sector.

APSEZ has an established Environmental and Social Management System (ESMS) for its business activities to increase compliance, enhancement of corporate governance, reduce environmental, occupational and community health, safety risks.

In line with our goal to build resilience towards climate change and commitment to reduce our impact on the environment, we undertake several measures including process improvements and technology integration. We accomplish this by improving process efficiencies, investing in electrification of port infrastructure, and setting up renewable energy plants wherever feasible.

APSEZ has achieved several overarching milestones:
- First Indian Port who has signed up Business ambition for 1.5°C.
- 20 MW of total renewable installed capacity and 15 MW of renewable energy procurement
- 6.44% of the total energy requirement are fulfilled by renewable sources.
- APSEZ is signatory to the UNGC and discloses its performance against the 10 UNGC principles.
- APSEZ is member of IUCN and working towards conserving and improving the biodiversity in the areas we operate.
- APSEZ has signed commitment to set the emission reduction targets under SBTi for net zero. The target setting is in progress and same will be submitted to SBTi for validation.
- We have taken a target to achieve zero waste to landfill goal across all the port locations. Six sites (Mundra, Ennore, Dhamra, Goa, Tuna and Kattupalli sites) have been assessed by CII as per ZWL framework and the certification is awaited.
- APSEZ has been conferred with national CSR Award by The President of India for the exemplary work done by the Company for the communities in the areas we operate.

As part of our commitment to water stewardship, we are endorsing United Nations CEO Water Mandate and have set targets to reduce our water footprint significantly. We assess all our sites on water stress risk in line with guidance from Central Ground Water Authority (CGWA) and the analysis is being used to plan for investments in projects to achieve our water targets. In FY 22-23, we made investments worth INR 11.6 crore on various projects on water and waste treatment, storm water discharge, and water supply. We are also involved in community initiatives for water infra development like deepening of ponds, building wells, and rainwater harvesting infrastructure to improve water availability. Around 330 potable water facilities have been built for villagers till now. As a recognition for our performance in water management, the Adani Foundation received the 3rd National Water Award from the Ministry of Jal Shakti.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th></th>
<th>Start date</th>
<th>End date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting year</td>
<td>April 1, 2022</td>
<td>March 31, 2023</td>
</tr>
</tbody>
</table>

W0.3

(W0.3) Select the countries/areas in which you operate.
India

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.
INR

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.
Companies, entities or groups over which financial control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?
Yes

W0.6a

(W0.6a) Please report the exclusions.

<table>
<thead>
<tr>
<th>Exclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>All offices premise like corporate office and marketing office</td>
<td>We have excluded corporate office and marketing offices from our disclosure as it forms a very small portion of our total water usage (i.e., 0.003 %) and related risks. At these office premises, water is primarily used for domestic purposes like drinking and flushing. Offices other than the corporate office are in shared premises which makes it difficult to monitor the input and output water data. Hence, we currently do not include it in our water accounting.</td>
</tr>
</tbody>
</table>

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?
Indicate whether you are able to provide a unique identifier for your organization.  
Yes, an ISIN code  
INE742F01042

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

<table>
<thead>
<tr>
<th>Sufficient amounts of good quality freshwater available for use</th>
<th>Direct use importance rating</th>
<th>Indirect use importance rating</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Important</td>
<td>Important</td>
<td>Direct usage: Good quality water is essential for APSEZ’s port operations and is used in tank cleaning, workshop cleaning, and for WASH purposes by our employees. Good quality water is required to ensure that contamination does not happen during tank cleaning and also to maintain quality of material does not degrade due to contaminated water. Water is primarily needed for domestic purposes in logistics and Agri-logistics. Our current dependency on freshwater is 50%. In FY 2022-23, 73% of our water use was for industrial purposes and remaining 27% is for non-industrial purposes like drinking and sanitation etc. Our six ports namely Mundra, Dahej, Dhamra, Tuna, Krishnapatnam and Hazira operate in water-stressed areas, wherein more than 68% of its water is used for cargo handling i.e., only industrial consumption. Hence, we identify direct usage of good quality freshwater as 'important' for our operations. Indirect usage: Most of our critical suppliers operate at APSEZ owned sites and get water from us, as they provide manpower or operate outsourced activities within our operation site or for equipment like cranes deployed at our site. All other suppliers are primarily traders and service providers for whom water requirement is very low essentially for drinking water. Availability of good quality water for our suppliers and other stakeholders is important for</td>
<td></td>
</tr>
<tr>
<td>Sufficient amounts of recycled, brackish and/or produced water available for use</td>
<td>Vital</td>
<td>Important</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
</tbody>
</table>

**APSEZ to sustain our business operations and revenue streams.**

**Future:** Future dependency on good quality freshwater for our direct operations will be reduced by integrating water saving initiatives such as sourcing of treated wastewater from industry, rainwater harvesting measures, etc. in line with target to achieve ‘less than 20% freshwater withdrawal share’ by 2025. Considering kind of water usage, many of our operations can be carried out with recycled water. We expect a 50% rise in water demand by 2025 for direct usage due to increase in cargo handled as we intend to achieve 500 MMT of managed cargo by 2025.

Direct usage: Recycled/brackish water can be used for activities like dust suppression, maintaining moisture and firefighting, sanitation, etc. We have rated this as ‘Vital’, as increased use of recycled water can improve the water security in our operations. We are working towards reducing our dependency on fresh water supplies and replacing it with desalinated sea water and recycled wastewater in our other operations too. As APSEZ moves towards achieving water positivity, we are integrating water efficient technology in our business. We also purchase treated wastewater of other industries, municipal corporations & other utilities. In our total water mix, we have increased the share of treated wastewater of other industries from 2% in FY16 to 15% in FY23. 100% of our own effluent is recycled and reused. As most of our critical suppliers operate at our site and receive water from us, we engage with them through meetings and quarterly reviews with the aim of promoting water conservation practices.

Indirect usage: Recycled/treated brackish water is used by our suppliers for few of industrial purposes where the water characteristics meet their requirements. Recycled water can improve the autonomy and water availability for our suppliers, and mitigate risks related to water shortage in our supply chain. Hence, we have rated it as ‘Important’.

**Future:** APSEZ’s future dependency on recycled, brackish water in direct usage is expected to proportionately increase with increase in our cargo volume handled by 2025 to achieve our sustainability goals. This is important especially in water stressed areas, where freshwater is...
less available. One of our goals for 2025 is to recycle and reuse 10 MLD of wastewater. In FY 2022-23, we have reused and recycled 1023ML wastewater which has increased by 38% from last year.

**W1.2**

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

<table>
<thead>
<tr>
<th>% of sites/facilities/operations</th>
<th>Frequency of measurement</th>
<th>Method of measurement</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water withdrawals – total volumes</td>
<td>100%</td>
<td>Monthly</td>
<td>All water that enters our operational boundary is measured and directly monitored through water meters installed at site and volumetric measurement methods wherever water meters are absent or non-piped system of water entry.</td>
</tr>
<tr>
<td>Water withdrawals – volumes by source</td>
<td>100%</td>
<td>Monthly</td>
<td>All water that enters our operational boundary is measured and directly monitored through water meters installed at site and volumetric measurement methods wherever water meters are absent or non-piped system of water entry.</td>
</tr>
<tr>
<td>Water withdrawals quality</td>
<td>100%</td>
<td>Daily</td>
<td>Essential quality parameters viz pH, TDS, etc. are checked on a daily basis at the in-house lab. Besides water quality of WTP inlet, outlet, DM, RO of desalinated water, and all other</td>
</tr>
</tbody>
</table>

MoEF&CC (Ministry of environmental forest and climate change), CPCB, SPCB, SCZMA.

Our response covers 100% of our operations. Rationale: Data monitoring helps us to understand current state of water availability and develop appropriate strategies for minimizing water withdrawal in response to these conditions. Total water withdrawal volume from sources-surface water, groundwater, seawater/desalinated water, third-party water as well as other sources-rainwater & wastewater from other industries is monitored and measured at all locations monthly. External environmental audits (ISO 14001) are done annually, internal audits occur every 6 months. Total water withdrawal volumes of all sites are compiled in Sustainability Information Management Systems on monthly basis at corporate level, verified internally & independent third-party assurance is as per ISAE 3000 by EY LLP. We submit environment compliance including half-yearly compliance report of Environment & CRZ clearance & annual Environment Statement (Form V) to regulatory authorities like MoEF&CC, CPCB, SPCB, SCZMA.

Our response covers 100% of our operations. Rationale: This is to ensure we meet the standards for domestic and operational requirements. Data monitoring helps us to understand current state of water quality and develop appropriate strategies for ensuring water withdrawal quality.
<table>
<thead>
<tr>
<th>Water discharges – total volumes</th>
<th>100%</th>
<th>Continuously</th>
<th>We conduct continuous/ real-time monitoring at the various outlets to ensure zero discharge compliance. We conduct direct monitoring.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>The quality of water sourced (surface water, groundwater, seawater/desalinated water, third-party water as well as other sources such as rainwater and wastewater from other industries) is monitored at all location. In locations where we use desalinated water RO, Demineralization unit (DM) Water Treatment Plant (WTP) has been put in place and essential quality parameters viz pH, TDS, etc. are checked on a daily basis at the in-house lab. Besides water quality of WTP inlet, outlet, DM, RO of desalinated water, and all other types of water used is monitored and checked by NABL accredited laboratory and monitoring reports are submitted to all the concerned statutory authorities (MoEF&amp;CC, CPCB, SPCB, SCZMA, etc.).</td>
</tr>
</tbody>
</table>

Our response covers 100% of our operations. Rationale: This is to ensure we meet regulatory requirements. We do not discharge water outside our premises. For locations, where zero discharge is mandated by Pollution Control Board, we have implemented and maintained adequate systems to ensure compliance. To maintain legal compliance, we ensure that there is no discharge by real-time monitoring at the various outlets. In other sites, we have mechanisms in place to treat the sewage/effluent as per the statutory guidelines. Treated wastewater (filtration, physio-chemical, biological treatments) from ETP/STP/ CETP are utilized for plantation and greenery purposes within our organizational boundary.
| Water discharges – volumes by destination | 100% | Continuously | We conduct continuous/real-time monitoring at the various outlets to ensure zero discharge compliance. Continuous direct monitoring is done. | Our response covers 100% of our operations. Rationale: This is to ensure we meet regulatory requirements. We neither discharge water to any surface water bodies, groundwater, sea, etc. nor do we send it to third parties. For locations, where zero discharge is mandated by Pollution Control Board, we have implemented and maintained adequate systems to ensure compliance. To maintain legal compliance, we ensure that there is no discharge by real-time monitoring at the various outlets. In other sites, we have mechanisms in place to treat the sewage/effluent as per the statutory guidelines. Treated wastewater (filtration, physical-chemical, biological treatments) from ETP/STP/ CETP are utilized for plantation and greenery purposes within our organizational boundary. |
| Water discharges – volumes by treatment method | 100% | Quarterly | We carry out quarterly monitoring of physio-chemical, biological, and microbial parameters depending upon the site as per the statutory requirement provided by SPCB. We conduct direct monitoring. | Our response covers 100% of our operations. Rationale: This is to ensure we meet regulatory requirements. No amount of water is discharged outside our premises. For locations, where zero discharge is mandated by Pollution Control Board, we have implemented and maintained adequate systems to ensure compliance. In other sites, we have mechanisms in place to treat the sewage/effluent as per the statutory guidelines. Treated wastewater (filtration, physico-chemical, biological treatments) from ETP/STP/ CETP are utilized for plantation and greenery purposes within our organizational boundary. Monthly sampling and analysis of the seawater quality is carried out along the entire waterfront where we have
operations. We carry out quarterly monitoring of physio-
chemical, biological, and microbial parameters as per
the statutory requirement provided by SPCB. This
further ensures that no contamination of seawater
occurs due to our operations.

### Water discharge quality – by standard effluent parameters

<table>
<thead>
<tr>
<th>Water discharge quality – by standard effluent parameters</th>
<th>100%</th>
<th>Quarterly</th>
<th>All standard quality parameter of STP &amp; ETP (Inlet &amp; outlet) is monitored and checked by NABL accredited laboratory on a quarterly basis. Direct monitoring is done.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Our response covers 100% of our operations. Rationale: To maintain legal compliance, we ensure that there is no discharge by real-time monitoring at the various outlets. No amount of water is discharged outside our premises. For locations, where zero discharge is mandated by Pollution Control Board, we have implemented and maintained adequate systems to ensure compliance. In other sites, we have mechanisms in place to treat the sewage/effluent as per the statutory guidelines. Treated wastewater (filtration, physico-chemical, biological treatments) from ETP/STP/ CETP are utilized for plantation and greenery purposes within our organizational boundary. All standard quality parameter of STP &amp; ETP (Inlet &amp; outlet) is monitored and checked by NABL accredited laboratory on a quarterly basis and monitoring reports are submitted to all the concerned statutory authorities (MoEF&amp;CC, CPCB, SPCB, SCZMA, etc.) and kept on Company website as part of six-monthly compliance report.</td>
</tr>
</tbody>
</table>

### Water discharge quality – emissions to water (nitrates, phosphates)

<p>| Water discharge quality – emissions to water (nitrates, phosphates) | Not relevant |           | Our response covers 100% of our operations. Rationale: No amount of water is discharged outside our premises. For locations, where zero discharge is mandated by Pollution Control Board, we have |
| Pesticides, and/or other priority substances | | Implemented and maintained adequate systems to ensure compliance. To maintain legal compliance, we ensure that there is no discharge by real-time monitoring at the various outlets. In other sites, we have mechanisms in place to treat the sewage/effluent as per the statutory guidelines. Treated wastewater (filtration, physico-chemical, biological treatments) from ETP/STP/ CETP are utilized for plantation and greenery purposes within our organizational boundary. All standard quality parameter of STP &amp; ETP (Inlet &amp; outlet) is monitored and checked by NABL accredited laboratory on a quarterly basis and monitoring reports are submitted to all the concerned statutory authorities (MoEF&amp;CC, CPCB, SPCB, SCZMA, etc.) and kept on Company website as part of six-monthly compliance report. |
| Water discharge quality – temperature | 100% | Continuously | All standard quality parameter of STP &amp; ETP (Inlet &amp; outlet) is monitored and checked by NABL accredited laboratory on a quarterly basis. Continuous direct monitoring is done. Our response covers 100% of our operations. Rationale: No amount of water is discharged outside our premises. For locations, where zero discharge is mandated by Pollution Control Board, we have implemented and maintained adequate systems to ensure compliance. To maintain legal compliance, we ensure that there is no discharge by real-time monitoring at the various outlets. In other sites, we have mechanisms in place to treat the sewage/effluent as per the statutory guidelines. Treated wastewater (filtration, physico-chemical, biological treatments) from ETP/STP/ CETP are utilized for plantation and greenery purposes within our organizational boundary. |
| Water consumption – total volume | 100% | Monthly | APSEZ measured more than 85% of the water consumption through water meters, and the rest of it was measured through dipstick, quantity of water cans received, or by other volume and weight methods. Water consumption-total volume is measured at a monthly frequency by our Utility/Engineering/Administrative department which varies depending upon the site. Direct monitoring is done. | Our response covers 100% of our operations. Rationale: Data monitoring helps us to understand current state of water availability and develop appropriate strategies for minimizing water consumption in response to these conditions. During FY 22-23, APSEZ measured more than 85% of the water consumption through water meters, and the rest of it was measured through dipstick, quantity of water cans received, or by other volume and weight methods. Water consumption volumes of all sites are compiled in our Sustainability Information Management System (SIMS) on monthly basis at corporate level and are verified internally and an independent third-party assurance as per ISAE 3000 is carried by EY LLP. Environment compliance including half-yearly compliance report of Environment &amp; CRZ clearance and annual Environment Statement (Form V) is submitted (disclosing the water consumption) on time to regulatory authorities like MoEF&amp;CC, CPCB, SPCB, and State Coastal Zone Management Authority (SCZMA). |</p>
<table>
<thead>
<tr>
<th>Water recycled/reused</th>
<th>100%</th>
<th>Quarterly</th>
<th>We monitor and record the volume of recycled/reused water throughout the year on quarterly basis. Direct monitoring is done.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The provision of fully-functioning, safely managed WASH services to all workers</td>
<td>100%</td>
<td>Continuously</td>
<td>We regularly monitor the water network that provides for WASH services to assess whether our drinking water and sanitation facilities are aligned to WASH standards or not. Continuous direct monitoring is done.</td>
</tr>
</tbody>
</table>

Our response covers 100% of our operations. Rationale: Data monitoring helps us to understand current state of water availability and develop appropriate strategies for minimizing water consumption. To achieve a 60% reduction in water consumption intensity by FY 2025 we are reducing our water withdrawal, leading to higher dependency on water recycling/reusing. We use treated wastewater from ETP, STP, and CETP to use it for dust suppression, horticulture, or gardening. We monitor and record the volume of recycled/reused water throughout the year on quarterly basis. Consolidated database at business level is maintained through our SIMS on a monthly basis at corporate level and verified internally and an independent third-party assurance as per ISAE 3000 is carried by EY LLP. Environment compliance including half-yearly compliance report of Environment & CRZ clearance and annual Environment Statement (Form V) is submitted on time to regulatory authorities like MoEF&CC, CPCB, SPCB, SCZMA.

The provision of fully-functioning, safely managed WASH services to all workers is monitored in 100% of our ports. We provide safe drinking water, clean & hygienic sanitation, and restrooms to all our employees and contract workers working at all our locations. We have extended the facility of restrooms, bathrooms, and toilets to our transporter's drivers visiting our port locations. One of our sustainability goals for 2025 is to complete WASH assessment for our 12 ports.
FY 2022-23, we have undergone the self-assessment process of WASH for all the port sites using WASH in the workplace Self-Assessment Tool that assess the status of access to safe WASH at our sites. It is structured across the following categories: General; Workplace Water Supply; Workplace Sanitation; and Workplace Hygiene and has helped us to identify the potential gaps. Monitoring of WASH services is done to ensure health and hygiene of our employees and other stakeholders.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

<table>
<thead>
<tr>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Primary reason for comparison with previous reporting year</th>
<th>Five-year forecast</th>
<th>Primary reason for forecast</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total withdrawals</td>
<td>5,590.74</td>
<td>Higher</td>
<td>Higher</td>
<td>Mergers and acquisitions</td>
<td>Our water withdrawal increased by 8% as compared to last year owing to an increase in cargo volume being handled (i.e., 6% growth in cargo managed and 19% increase in revenues during the last financial year) and full year consideration of newly acquired Gangavaram port. However, we were able to bring down the water intensity for port operations by 4% compared to the previous year. Future trend: Future water withdrawal is expected to</td>
</tr>
</tbody>
</table>
increase due to the expected increase in cargo handled as we intend to achieve 500 MMT of managed cargo by 2025 and due to anticipated future acquisitions. However, as part of our sustainability strategy to reduce the water footprint, we have made commitments to reduce the total freshwater use across our operations to below 20% by 2025 and source at least 80% of our entire requirement from non-competing sources (e.g., desalination, wastewater from other industries, rainwater harvesting) by 2025. We are evaluating construction of a desalination (5 MLD) plant and some STP projects. These will easily take our share of total water supply from non-competing sources to over 80% in the next few years. Currently we use 50% water from non-competing sources.

Rationale: Comparison with previous year helps us understand our business performance and impact of mergers and acquisitions and provide insights on our water management practices. Analysis of future projections provides us with valuable information to make well-informed decisions, enhance operational effectiveness, and actively promote the responsible and sustainable management of water resources, enabling us to achieve our water-related objectives.

Threshold: Lower (Reduction within 3-10%
<table>
<thead>
<tr>
<th>Total discharges</th>
<th>0</th>
<th>About the same</th>
<th>Maximum potential volume reduction already achieved</th>
<th>About the same</th>
<th>Other, please specify</th>
</tr>
</thead>
</table>

- We do not discharge any water outside our premises. The water used for dust suppression and maintaining desired moisture content in coal and other similar cargo is absorbed by the product and/or evaporates. Thus, all water used for dust suppression does not contribute to any effluent. The rest of the wastewater is collected and treated at onsite STP/ETP and reused at our port sites for various purposes which primarily include gardening and landscaping.

Future trend: We expect the total discharges from our operations to remain zero in the future as well.

Rationale: Through previous year performance measurement and future forecast, we gain a clear understanding of our adherence to regulatory standards and requirements. It enables us to assess our level of compliance and ensure that we are meeting the necessary guidelines and obligations set forth by regulatory authorities.
<table>
<thead>
<tr>
<th>Threshold</th>
<th>Total consumption</th>
<th>Mergers and acquisitions</th>
<th>Mergers and acquisitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower (Reduction within 3-10% compared to previous year); Much Lower (&gt;= 10% compared to previous year), About same= +- 0-2% compared to previous year, Higher (Increase within 3-10%compared to previous year); Much Higher (&gt;=10% compared to previous year)</td>
<td>5,590.74</td>
<td>Higher</td>
<td>Higher</td>
</tr>
</tbody>
</table>

Our water consumption increased by 15% as compared to last year primarily due to increase in cargo volume (i.e., 6% growth in cargo managed and 19% increase in revenues during the last financial year). To counter this in FY 2022-23, we increased the reuse of wastewater by 281 ML compared to the previous year. Currently, our ports represent 99% of our total water consumption and the remaining 1% is contributed by logistic business. Our water consumption intensity has reduced by 60% from the base year 2016 and we have set the target to reduce it by 60% by 2025.

Future trend: we expect our total water consumption to increase due to anticipated future acquisitions but our water intensity will reduce owing to the following aspects:

- We have assessed and set a target to meet 80% of our water requirement from non-competing sources by 2025.
- We are increasing the share of wastewater recycled and reused.
- We are integrating water saving technology and
strategies so that water consumption intensity is in decreasing trend.

Rationale: Comparison with previous year helps us understand our business performance and impact of mergers and acquisitions and provide insights on our water management practices. Analysis of future projections provides us with valuable information to make well-informed decisions, enhance operational effectiveness, and actively promote the responsible and sustainable management of water resources, enabling us to achieve our water-related objectives.

Threshold : Lower (Reduction within 3-10% compared to previous year); Much Lower (>= 10% compared to previous year), About same= +- 0-2% compared to previous year, Higher (Increase within 3-10%compared to previous year); Much Higher (>=10% compared to previous year)

<table>
<thead>
<tr>
<th>W1.2d</th>
</tr>
</thead>
</table>

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.
<table>
<thead>
<tr>
<th>Row</th>
<th>Withdrawals are from areas with water stress</th>
<th>% withdrawn from areas with water stress</th>
<th>Comparison with previous reporting year</th>
<th>Primary reason for comparison with previous reporting year</th>
<th>Five-year forecast</th>
<th>Primary reason for forecast</th>
<th>Identification tool</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>11-25</td>
<td>Lower</td>
<td>Investment in water-smart technology/process</td>
<td>Lower</td>
<td>Increase/decrease in efficiency</td>
<td>WRI Aqueduct</td>
<td>Our response covers 100% of our operations. At APSEZ, WRI Aqueduct tool has been applied to assess water stress in the catchment of our operating areas, wherein both baseline and future stress parameters have been noted. Based on the baseline value percentage provided by the Aqueduct tool, which is calculated using the ratio of total water withdrawals to available renewable surface and groundwater supplies of that region, we have categorized our port locations into categories of water stress. Other baseline parameters including water depletion, seasonal variability, coastal flood risk and drought risk are also analysed. For long term water stress assessment, future water stress changes relative to</td>
</tr>
</tbody>
</table>
the baseline (2030-2040) are included in our assessment, wherein we have looked into parameters: water stress, supply stress, demand stress and seasonal variability. As per our definition water stressed withdrawals include those where: 1. Baseline Water stress is high to extremely high; 2. Future water stress is medium to high, high, or extremely high; and 3. All sites with water withdrawal share more than 5% of our total water requirement are located in water stressed regions. We undertake this assessment on an annual basis.

To determine the water risk at each port, we have adopted a severity and likelihood matrix based on various parameters supported by information drawn from internationally recognized publicly available sources and our business-specific criteria. Exposure to water resources with competing use, local
stakeholders’ interaction and concerns regarding existing and upcoming water regulations, sudden regulatory changes and sensitivity of local ecosystem and habitats are the issues contributing to our water risk assessment. The adopted model has indicated that Dahej, Hazira, Mundra, Dhamra, Krishnapatnam and Tuna are at the highest water risk. These 6 ports also contribute to 65 % of APSEZ's water withdrawal in FY22. However, we have identified alternative sources of water in-order to make our dependency on fresh water source low in such areas, i.e., 50% of total water is sourced from desalinated sea water, treated wastewater and rainwater. Also, by implementation of several water efficiency measures we have decreased our water consumption.

Comparison: Withdrawal is reduced from the water stress as
the efficiency of process improved after implementing the smart water solution for tracking and reducing the losses in minimal amount of time. We use the information to understand the water efficiency due to installation of smart water technologies. In the future we expect the withdrawal to decrease from water stress areas as we intend to derive more water efficiency initiatives in our operations.

Threshold: Lower (Reduction within 3-10% compared to previous year); Much Lower (>= 10% compared to previous year), About same= +/- 0-2% compared to previous year, Higher (Increase within 3-10% compared to previous year); Much Higher (>=10% compared to previous year)

**W1.2h**

(W1.2h) Provide total water withdrawal data by source.
<table>
<thead>
<tr>
<th>Relevance</th>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Primary reason for comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh surface water, including rainwater, water from wetlands, rivers, and lakes</td>
<td>Relevant</td>
<td>841.49</td>
<td>Much higher</td>
<td>Mergers and acquisitions</td>
</tr>
</tbody>
</table>

Fresh surface water withdrawal has increased by 15.1% in FY23 as compared to FY22 considering sources other than third party source, groundwater due to acquisition of Gangavaran port. We monitor the freshwater withdrawal from all sources which includes rainwater/ water stored in our water reservoir and ponds.

Though we expect our total water withdrawal to increase due to expected increase in cargo handled as we intend to achieve 500 MMT of managed cargo by 2025 and anticipated future acquisitions. We expect fresh surface water to withdrawal to decrease due to water efficiency initiatives, investment in smart technologies and increased use of recycled water.

Rationale: comparison with previous year helps us understand our business performance and impact of mergers and acquisitions and provide insights on our water management practices.

Measurement: Data is sourced from direct measurements.

Threshold: Much Higher (>=10% compared to previous year)
<table>
<thead>
<tr>
<th>Source of Water</th>
<th>Relevance</th>
<th>Value (Megalitres)</th>
<th>Increase/Decrease</th>
<th>Mergers and Acquisitions Discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brackish surface water/Seawater</td>
<td>Relevant</td>
<td>1,241.29</td>
<td>Much higher</td>
<td>Desalinated sea water withdrawal increased by 20.87% this year over FY22 i.e., 1027 megalitres due to acquisition of Gangavaran port. We monitor all the water withdrawn from various sources using appropriate methods. In the future, we anticipate an increase in desalinated sea water withdrawal from due to our endeavors to reduce dependence on freshwater sources. Measurement: data is sourced from direct measurements. Rationale: The comparison with previous year helps us understand our business performance and impact of mergers and acquisitions and provide insights on our water management practices. Threshold: Lower (Reduction within 3-10% compared to previous year); Much Lower (&gt;= 10% compared to previous year), About same= +- 0-2% compared to previous year, Higher (Increase within 3-10%compared to previous year); Much Higher (&gt;=10% compared to previous year)</td>
</tr>
<tr>
<td>Groundwater – renewable</td>
<td>Relevant</td>
<td>353.99</td>
<td>Much higher</td>
<td>Water withdrawal from ground water sources has increased by 60% in FY23 as compared to FY22 (133 megalitres) due to increase of our business activities although, the share of ground water in total withdrawal is only 5%. In the future we expect withdrawal to decrease due to water efficiency</td>
</tr>
</tbody>
</table>
initiatives, investment in smart technologies and increased use of recycled water. We have set an internal target of reducing freshwater withdrawal share to less than 20%.

Ground water consumption is recorded through water meters
Measurement: Direct measurement with flow meters
Rationale: comparison helps us to understand our business expansion and performance to provide insights on our water management practices. We consume ground water at only 3 ports: Dhamra, goa and Dighi. we are planning to take industrial wastewater at goa port.
Threshold: more than 10% increment in water withdrawal from ground water sources is considered as much higher.

| Groundwater – non-renewable | Not relevant | | | We do not draw water from any non-renewable ground water sources and do not intend to do so in the near future and hence the groundwater from non-renewable sources is non-relevant and will remain non-relevant in the future as well. |
|----------------------------|--------------|-----------------|-----------------|
| Produced/Entrained water | Not relevant | | | Our operations do not lead to produced or entrained water withdrawal and hence, this does not apply to our area of operations and in future as well it will not be applicable. |
| Third party sources | Relevant | 3,269.2 | Higher | Mergers and acquisitions | Third party sources of water include water supplied by municipality, treated wastewater from industries and water supplied by private party. Water withdrawal |
from third party sources increased by 3% in FY23 as compared to FY22 (i.e., 3170 megalitres) as a result of a strategic decision to reduce freshwater withdrawal. In the future, we expect a rise in our efforts to shift away from relying on freshwater sources.

Rationale: We monitor all the water withdrawn from various sources using appropriate methods. The comparison with previous year helps us understand our business performance and impact of mergers and acquisitions and provide insights on our water management practices.

Measurement: sourced from direct measurements

Threshold: Lower (Reduction within 3-10% compared to previous year); Much Lower (>= 10% compared to previous year), About same = ± 0-2% compared to previous year, Higher (Increase within 3-10% compared to previous year); Much Higher (>=10% compared to previous year)

W1.2i

(W1.2i) Provide total water discharge data by destination.

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Volume (megaliters/year)</th>
<th>Comparison with previous reporting year</th>
<th>Primary reason for comparison with previous reporting year</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh surface water</td>
<td>Relevant</td>
<td>0</td>
<td>About the same</td>
<td>Other, please specify</td>
</tr>
</tbody>
</table>
No amount of water is discharged outside our premises. Control Board, we have implemented and maintained adequate systems to ensure compliance. To maintain legal compliance, we ensure that there is no discharge through real-time monitoring at the various outlets. In other sites, we have mechanisms in place to treat the sewage/effluent as per the statutory guidelines. Treated wastewater (filtration, physico-chemical, biological treatments) from ETP/STP/ CETP are utilized for plantation and greenery purposes within our organizational boundary.

Future trend: We expect the withdrawal to be about the same which is zero as we intend to maintain ensure no liquid discharge.

Measurement: sourced from direct measurements
Threshold: About same = +- 0-2% compared to previous year

<table>
<thead>
<tr>
<th>Brackish surface water/seawater</th>
<th>Relevant</th>
<th>0</th>
<th>About the same</th>
<th>Other, please specify</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No amount of water is discharged outside our premises.</td>
</tr>
</tbody>
</table>

No amount of water is discharged outside our premises. For locations, where zero discharge is mandated by Pollution Control Board, we have implemented and maintained adequate systems to ensure compliance. To maintain legal compliance, we ensure that there is no discharge through real-time monitoring at the various outlets. In other sites, we have mechanisms in place to treat the sewage/effluent as per the statutory guidelines. Treated wastewater (filtration, physico-chemical, biological treatments) from ETP/STP/ CETP are utilized for plantation and greenery purposes within our organizational boundary.

Future trend: We expect the withdrawal to be about the same which is zero as we intend to maintain ensure no liquid discharge.
<table>
<thead>
<tr>
<th>Groundwater</th>
<th>Relevant</th>
<th>0</th>
<th>About the same</th>
<th>Other, please specify</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No amount of water is discharged outside our premises.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>For locations, where zero discharge is mandated by Pollution Control Board, we have implemented and maintained adequate systems to ensure compliance. To maintain legal compliance, we ensure that there is no discharge through real-time monitoring at the various outlets. In other sites, we have mechanisms in place to treat the sewage/effluent as per the statutory guidelines. Treated wastewater (filtration, physico-chemical, biological treatments) from ETP/STP/CETP are utilized for plantation and greenery purposes within our organizational boundary.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Future trend: We expect the withdrawal to be about the same which is zero as we intend to maintain ensure no liquid discharge.</td>
</tr>
</tbody>
</table>

| Third-party destinations | Not relevant |          |                        | No amount of water is discharged outside our premises. For locations, where zero discharge is mandated by Pollution Control Board, we have implemented and maintained adequate systems to ensure compliance. To maintain legal compliance, we ensure that there is no discharge through real-time monitoring at the various outlets. In other sites, we have mechanisms in place to treat the sewage/effluent as per the statutory guidelines. Treated wastewater (filtration, physico-chemical, biological treatments) from ETP/STP/CETP are utilized for plantation and greenery purposes within our organizational boundary. |
Future trend: We expect the withdrawal to be about the same which is zero as we intend to maintain ensure no liquid discharge.

### W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

<table>
<thead>
<tr>
<th>Relevance of treatment level to discharge</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tertiary treatment</td>
<td>This parameter is not relevant to our operation as no amount of water is discharged outside our premises and there is zero discharge facility at our operations. To maintain legal compliance, we ensure that there is no discharge through real-time monitoring at the various outlets. All our ports are zero liquid discharge, hence, treatment level to discharge is not relevant. However, we are treating 100% of our effluent and recycling it. Treated wastewater (filtration, physico-chemical, biological treatments) from ETP/STP/ CETP are utilized for plantation and greenery purposes within our organizational boundary. In other sites as well, we have mechanisms in place to treat the sewage/effluent as per the statutory guidelines. We have internal and external audits in place as per ISO 14001 to verify our water discharge parameters and these are also subjected to GRI assurance. Anticipated future trend: There will be no discharge from the premise as we are aligned to ZLD.</td>
</tr>
<tr>
<td>Secondary treatment</td>
<td>This parameter is not relevant to our operation as no amount of water is discharged outside our premises and there is zero discharge facility at our operations. To maintain legal compliance, we ensure that there is no discharge through real-time monitoring at the various outlets. All our ports are zero liquid discharge, hence, treatment level to discharge is not relevant. However, we are treating 100% of our effluent and recycling it. Treated wastewater (filtration, physico-chemical, biological treatments) from ETP/STP/ CETP are utilized for plantation and greenery purposes within our organizational boundary. In other sites as well, we have mechanisms in place to treat the sewage/effluent as per the statutory guidelines.</td>
</tr>
</tbody>
</table>
guidelines. We have internal and external audits in place as per ISO 14001 to verify our water discharge parameters and these are also subjected to GRI assurance.

Anticipated future trend: There will be no discharge from the premise as we are aligned to ZLD.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Relevance</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discharge to the natural environment without treatment</td>
<td>Not relevant</td>
<td>This parameter is not relevant to our operation as no amount of water is discharged outside our premises and there is zero discharge facility at our operations. To maintain legal compliance, we ensure that there is no discharge through real-time monitoring at the various outlets. All our ports are zero liquid discharge, hence, treatment level to discharge is not relevant. However, we are treating 100% of our effluent and recycling it. Treated wastewater (filtration, physico-chemical, biological treatments) from ETP/STP/ CETP are utilized for plantation and greenery purposes within our organizational boundary. In other sites as well, we have mechanisms in place to treat the sewage/effluent as per the statutory guidelines. We have internal and external audits in place as per ISO 14001 to verify our water discharge parameters and these are also subjected to GRI assurance. Anticipated future trend: There will be no discharge from the premise as we are aligned to ZLD.</td>
</tr>
<tr>
<td>Discharge to a third party without treatment</td>
<td>Not relevant</td>
<td>This parameter is not relevant to our operation as no amount of water is discharged outside our premises and there is zero discharge facility at our operations. To maintain legal compliance, we ensure that there is no</td>
</tr>
</tbody>
</table>
discharge through real-time monitoring at the various outlets. All our ports are zero liquid discharge, hence, treatment level to discharge is not relevant. However, we are treating 100% of our effluent and recycling it. Treated wastewater (filtration, physico-chemical, biological treatments) from ETP/STP/ CETP are utilized for plantation and greenery purposes within our organizational boundary. In other sites as well, we have mechanisms in place to treat the sewage/effluent as per the statutory guidelines. We have internal and external audits in place as per ISO 14001 to verify our water discharge parameters and these are also subjected to GRI assurance.

Anticipated future trend: There will be no discharge from the premise as we are aligned to ZLD.

| Other      | Not relevant | This parameter is not relevant to our operation as no amount of water is discharged outside our premises and there is zero discharge facility at our operations. To maintain legal compliance, we ensure that there is no discharge through real-time monitoring at the various outlets. All our ports are zero liquid discharge, hence, treatment level to discharge is not relevant. However, we are treating 100% of our effluent and recycling it. Treated wastewater (filtration, physico-chemical, biological treatments) from ETP/STP/ CETP are utilized for plantation and greenery purposes within our organizational boundary. In other sites as well, we have mechanisms in place to treat the sewage/effluent as per the statutory guidelines. We have internal and external audits in place as per ISO 14001 to verify our water discharge parameters and these are also subjected to GRI assurance. | Anticipated future trend: There will be no discharge from the premise as we are aligned to ZLD. |

### W1.3

**W1.3**

(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Total water withdrawal volume (megaliters)</th>
<th>Total water withdrawal efficiency</th>
<th>Anticipated forward trend</th>
</tr>
</thead>
</table>
In FY22-23, total water withdrawal increased by 17% as compared to last year though our water intensity decreased by 4%. Increase in water withdrawal is mainly due to Gangavaram port acquisition (7% contribution). In reporting year, 6% growth in cargo managed & 19% increase in revenues. We are focusing on improving the efficiency of operational freshwater use, lesser dependency on freshwater (<20% withdrawal by 2025), increase buyback of treated effluent from other industries.

### W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

<table>
<thead>
<tr>
<th>Products contain hazardous substances</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>We are not a manufacturing entity and are in the business of handling and storage of cargo and providing logistic solutions to customers.</td>
</tr>
</tbody>
</table>

### W1.5

(W1.5) Do you engage with your value chain on water-related issues?

<table>
<thead>
<tr>
<th>Supplier/Partner</th>
<th>Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
<td>Yes</td>
</tr>
<tr>
<td>Other value chain partners (e.g., customers)</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

- **Row 1**
  - Assessment of supplier impact
Yes, we assess the impact of our suppliers

**Considered in assessment**
- Basin status (e.g., water stress or access to WASH services)
- Supplier dependence on water
- Supplier impacts on water quality
- Procurement spend

**Number of suppliers identified as having a substantive impact**
19

**% of total suppliers identified as having a substantive impact**
Less than 1%

**Please explain**
To assess and classify the supplier's impact as substantial or not, we use our supplier ESG Assessment criteria adopted by APSEZ which is a methodical process to assess our suppliers' impact on water security. We first identify suppliers who hold significant importance who large volume transactions directly with our company, we then assess these suppliers to understand the basin risk (water stress) which is done through WRI Aqueduct tool. We assess the supplier's dependence on water to manufacture product/ provide services and the impact of supplier on water quality. We prefer suppliers with ISO 14001 certification. Accordingly, we have identified 19 of them (i.e., less than 1%) to have substantial impact on water security.

**Threshold:**
- Supplier spend (based on volume of transaction-more than 5 crore)
- Basin Risk- High to Very High
- Supplier Dependence- High
- Impact on Water quality- Water Quality Index

**W1.5b**
(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?
W1.5c

(W1.5c) Provide details of the water-related requirements that suppliers have to meet as part of your organization’s purchasing process, and the compliance measures in place.

<table>
<thead>
<tr>
<th>Water-related requirement</th>
<th>Complying with going beyond water-related regulatory requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of suppliers with a substantive impact required to comply with this water-related requirement</td>
<td>100%</td>
</tr>
<tr>
<td>% of suppliers with a substantive impact in compliance with this water-related requirement</td>
<td>100%</td>
</tr>
</tbody>
</table>

Mechanisms for monitoring compliance with this water-related requirement
- Certification
- Off-site third-party audit
- Supplier self-assessment

Response to supplier non-compliance with this water-related requirement
- Retain and engage

Comment
We strongly advocate surpassing mere compliance & expect our suppliers to share same commitment. To ensure sustainability, we have developed comprehensive procurement policy & Supplier CoC. APSEZ also established specific KPIs & targets for supply chain sustainability, which apply to Tier 1 suppliers. These suppliers hold significant importance as they engage in large volume transactions. We
prioritize these suppliers because they provide critical components & services that are challenging to replace. We have a supplier ESG program in place to help us identify material ESG risks and impacts. All our suppliers are encouraged to hold ISO140001 certification, by FY 25 we will ensure all our suppliers have certification. We actively promote suppliers with better ESG performance by assigning minimum weight to ESG criteria during supplier selection & contract awarding processes. Suppliers failing to achieve specified ESG criteria within predefined timeframe are excluded from contracting with APSEZ.

**Water-related requirement**

Complying with a water-related certification

| % of suppliers with a substantive impact required to comply with this water-related requirement | 100% |
| % of suppliers with a substantive impact in compliance with this water-related requirement | 100% |

**Mechanisms for monitoring compliance with this water-related requirement**

Certification

**Response to supplier non-compliance with this water-related requirement**

Exclude

**Comment**

At APSEZ, we place significant emphasis on environmental responsibility and sustainability. To ensure that our suppliers align with our values, we encourage suppliers to hold ISO 14001 certification. This certification serves as evidence of their commitment to implementing and maintaining an effective environmental management system including water management systems. We intend to ensure that all our suppliers will have ISO 14001 certification by FY 25 which reflects our unwavering commitment to environmental protection and sustainability. It will allow us to build a network of responsible partners who share our vision of creating a greener and more sustainable future.
W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

**Type of engagement**
- Innovation & collaboration

**Details of engagement**
- Educate suppliers about water stewardship and collaboration
- Engage with suppliers to advocate for policy or regulatory change to address WASH provision challenges
- Engage with suppliers to advocate for policy or regulatory change to address water availability and pollution challenges

**% of suppliers by number**
- 100%

**% of suppliers with a substantive impact**
- 100%

**Rationale for your engagement**

APSEZ recognizes that the successful implementation of its supplier ESG program depends on the collaboration and dedication of both its buyers and internal stakeholders. To ensure these individuals are well-prepared, APSEZ offers comprehensive training on their respective roles within the supplier ESG program. This training covers various aspects, including educating suppliers and internal stakeholders about the regulatory requirements and updated if any, ESG requirements established by APSEZ which includes the criteria and process for screening and evaluating suppliers, and the importance of adopting sustainable procurement practices. By providing this training APSEZ ensures a consistent and knowledgeable approach to integrating supplier ESG practices effectively.

In FY 2022-23, we have identified 270 significant suppliers out of 5343 suppliers based. Our Company identifies the Significant supplier’s basis upon the High-volume suppliers or similar, Significant component suppliers or similar, non-substitutable suppliers or similar, ESG risk including water related risk & past performance in ESG area, country-specific risk, sector-specific risk, commodity-specific risk, social and governance
impacts related to a country's political, social, economic, environmental, or regulatory. We use sustainability risk matrix to assess and evaluate the sustainability risks associated with its suppliers. Suppliers who cannot achieve 60% in the matrix are identified as significant suppliers to our company. Therefore, we have engaged with 100% of our significant suppliers who could not achieve 60% on our risk matrix. During FY 2022-23, we have engaged with our significant suppliers in the following:

a. Conducted physical sessions on a range of topics including innovation, productivity, sustainability, and APSEZ's supplier code of conduct.
b. Conducted an annual due diligence, which includes site visits and on-site assessments to ensure thorough evaluation and assessment of various aspects.

Impact of the engagement and measures of success

In FY 2022-23, we assessed our suppliers on pre-defined impact evaluation criteria, and it was observed that one of our suppliers failed to meet our ESG related requirements including water. As a testament to the effectiveness of our supplier engagement efforts and compliance requirements, we have blocklisted the vendor to eliminate any supplier-related risks from the ecosystem. To deepen supplier engagement further, we are in the process of setting up new systems. We reinforce engagement with specific vendors through various platforms, such as annual vendor meets and supplier vendor audits, to ensure business continuity. At APSEZ, we value our partnerships with suppliers and partners and believe that collaboration can enhance efficiency and deliver the best value to our customers and lead to improvement in suppliers' performance, disclosure and understanding on ESG which leads to reduction in number of exclusion of suppliers not meeting ESG criteria. We conduct regular supplier audits to ensure that our supply chain operates ethically and complies with our Supplier Code of Conduct. This approach minimizes risk for APSEZ, our suppliers, and customers, which ultimately contributes to our competitive edge. In addition to conducting audits, we have also established a framework for strategic supplier relationships. This framework helps us safeguard our supply chain and identify opportunities for collaborative value creation. We understand that our vision of becoming the world's largest port utility by 2030 hinges on the strength of our partnerships, and we remain committed to nurturing and developing these relationships for our mutual benefit.

Comment

To ensure that our suppliers are well-informed about our Supplier Code of Conduct and our supplier ESG program, we provide them with necessary information and trainings through our Supplier Development program - Suraksha Samvad and Sampark:
W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

**Type of stakeholder**
- Customers

**Type of engagement**
- Education / information sharing

**Details of engagement**
- Educate and work with stakeholders on understanding and measuring exposure to water-related risks
- Share information about your products and relevant certification schemes

**Rationale for your engagement**
We actively collaborate with our 100% of our customers to identify opportunities for reducing emissions through joint efforts. To foster customer engagement, we regularly connect with them through various platforms. One of the key avenues for customer engagement is Engagement Forums which provide space for customers to meet, share ideas, and discuss innovations in cargo transfer services while also addressing water related concerns. Additionally, we organize Customer Meets, which serve as platforms to understand and discuss water related aspects, as well as to engage customers in the dialogue. As part of our long-term strategy, APSEZ aims to involve all customers in water-related engagement activities over the next 2-4 years. Currently, we have initiated this engagement process during customer meets. These customers primarily represent those involved in the upstream and downstream transportation of material.

The interaction with customers is in line with our strategy on water stewardship and our goal of reducing the consumption of freshwater by using more recycled water from operations, treated effluent, and other non-freshwater sources. We work with customers to minimise their consumption as part of our goal to reduce overall water consumption. Our customers (shipping lines) are required to follow Berthing Guidelines, which provide guidance on the efficient provisions of pilotage services and agreed operational parameters and environment & safety measures endorsed by Marine Department.

**Impact of the engagement and measures of success**
To measure our performance, we use customer feedback as a barometer and aim to achieve a customer satisfaction score of 4.75/5 by 2025. In our most recent efforts, we conducted a Customer Satisfaction Survey for our customers in the container cargo, liquid cargo, dry cargo, SEZ, dredging, and logistics business verticals. We achieved 4.3/5 in FY 2022-23. This survey aimed to capture compliance on ESG parameters, alignment with our sustainability goals, gauge customer credentials on various ESG parameters, measure satisfaction levels, and identify areas for improvement.

Engagement with customers in the upstream and downstream transport sectors had several positive impacts on reducing water footprint and promoting sustainable practices:

Long-term Partnerships and Collaboration: APSEZ’s engagement with customers in the upstream and downstream transport sectors involves building long-term partnerships and fostering collaboration. By working closely with customers, APSEZ encourages the adoption of sustainable transportation solutions and jointly explores opportunities for improving efficiency. This collaborative approach facilitates the exchange of ideas, promotes innovation.

**W2. Business impacts**

**W2.1**

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

**W2.2**

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

<table>
<thead>
<tr>
<th>Water-related regulatory violations</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 No</td>
<td>During the reporting year, APSEZ was not subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations.</td>
</tr>
</tbody>
</table>
W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

<table>
<thead>
<tr>
<th>Identification and classification of potential water pollutants</th>
<th>How potential water pollutants are identified and classified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Yes, we identify and classify our potential water pollutants</td>
<td>Our Environmental Policy &amp; Technical Standard for water management align with IFC PS and CEO Water Mandate. We assess water impacts and risks for all activities and develop a mitigation strategy. We have processes in place to identify &amp; classify water pollutants: 1. Regulatory Guidelines: Environmental regulations &amp; guidelines specify acceptable limits for different pollutants in wastewater discharge serve as starting point to identify potential water pollutants. 2. Site-Specific Assessments: We conduct site-specific assessments i.e., analysis of all the inputs, processes &amp; outputs associated with our operations to identify the potential sources of water pollutants within our processes. 3. Sampling &amp; Analysis: Regular sampling and analysis of wastewater effluents are conducted to determine the presence &amp; concentration of pollutants. Laboratory testing helps identify specific contaminants &amp; assess potential impact on water quality. 4. Standard testing procedures available which consists of Sampling and Collection of samples, Preservation, Laboratory Analysis &amp; Quality Control. Following indicators with control levels to classify the pollutants. pH Level, Dissolved Oxygen (DO), Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD), Total Suspended Solids (TSS), Nutrient Levels, Temperature, Turbidity, Conductivity, Fecal Coliform &amp; E. coli &amp; Heavy Metal Concentrates. All our processing sites adhere to the ZLD principle, recycling &amp; reusing all water within our operations with no liquid discharge.</td>
</tr>
</tbody>
</table>
W3.1a

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

**Water pollutant category**

Inorganic pollutants

**Description of water pollutant and potential impacts**

Inorganic pollutants refer to chemical substances such as heavy metals (e.g., lead, mercury, cadmium) and salts (e.g., chlorides, sulfates) that can contaminate water bodies, leading to adverse effects on marine life and ecosystems. The presence of salts can increase water salinity, affecting the survival and distribution of sensitive species. These impacts can disrupt the biodiversity and ecological balance of the port's marine environment.

**Value chain stage**

Direct operations

**Actions and procedures to minimize adverse impacts**

- Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
- Beyond compliance with regulatory requirements
- Implementation of integrated solid waste management systems
- Industrial and chemical accidents prevention, preparedness, and response
- Water recycling
- Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

**Please explain**

We take following measures to reduce potential impacts on water and ensure compliance with regulatory requirements:

- Implement water recycling initiatives to minimize freshwater usage and reduce wastewater discharge into water bodies and APSEZ is having ETP, STP and CETP across sites to treat wastewater
- Employs sector-specific processes designed to address unique characteristics and pollutants associated with different industries operating within port for treating and managing wastewater discharge
- Conduct regular assessments of critical infrastructure, such as storage facilities, pipelines, and tanks, to identify and mitigate potential risks of leakage, spillages, pipe erosion, or other issues
- Adopt proactive measures to protect water resources. This includes setting internal standards that exceed minimum legal obligations, implement best practices for water management, and engage in voluntary initiatives to enhance environmental sustainability
- Implement integrated solid waste management practices to prevent waste generation and ensure proper waste handling and disposal.
- Prevent industrial and chemical accidents that could result in water pollution by developing preparedness and response plans, safety drills, and training to employees and stakeholders to minimize the risk of accidents.

We measure the success of the implemented measures by standard Key performance indicators and reviews the same on regular frequency.

**W3.3**

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

**W3.3a**

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

- **Value chain stage**
  - Direct operations

- **Coverage**
  - Full

- **Risk assessment procedure**
  - Water risks are assessed as part of an established enterprise risk management framework

- **Frequency of assessment**
How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise risk management
International methodologies and standards
Databases

Tools and methods used

WRI Aqueduct
COSO Enterprise Risk Management Framework
Environmental Impact Assessment
ISO 14001 Environmental Management Standard
Regional government databases

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Impact on human health
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers
Employees
Investors
Local communities
Regulators
Water utilities at a local level

**Comment**

APSEZ has established a robust Enterprise Risk Management (ERM) framework with a top down and bottom-up approach for risk identification, assessment, and mitigation mechanism. Also, there are standard operating processes and guidelines, along with a strong overview and monitoring system at the Board and senior management levels to combat potential internal and external risks. Our Risk Management and Audit committees formed under the ERM framework facilitates periodic review of risk areas, evaluate consequences, initiate risk mitigation strategy, and implement corrective and preventive measures. This framework is extended to water-related risk assessment. We also align the assessment against the ISO 14401 certification.

To assess the water risk, WRI Aqueduct tool is applied. Over and above the tool, the localized challenges being faced by APSEZ, and the possible changes are also applied to arrive at the corporate water risk. The process of risk assessment at the Board level is conducted under the guidance of Corporate Responsibility Committee with inputs from the Stakeholder Relationship, Risk Management and Audit Committees and the Board as a whole. Risks are continuously identified and reported using templates and tools such as WRI Aqueduct. Identified risks are analysed and assessed to determine triggers, impact, and likelihood. As part of the risk assessment, APSEZ monitor and assess the current state of water and air quality, and the health of the local marine ecosystem. Exposure to water resources with competing use, local stakeholders’ interaction and concerns regarding existing and upcoming water regulations, sudden regulatory changes, impact on human health, and sensitivity of local ecosystem and habitats are some of the contextual issues contributing to our water risk assessment.

At corporate level, the implementation plans are reviewed quarterly by our Sustainability Leadership Committee (SLC), and at site level, corresponding actions are implemented by Sustainability Steering Committee (SSC). Each site has a dedicated competent environment & sustainability team who is responsible for implementing, monitoring, and regulating the actions.

**Value chain stage**

Supply chain
Coverage
Partial

Risk assessment procedure
Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Other

Tools and methods used
Internal company methods

Contextual issues considered
Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered
Suppliers

Comment
APSEZ conducts supplier screening, assessment, and engagement through an online platform called Ariba, which was fully implemented during FY21-22. The ESG framework has been integrated into Ariba system and training was given to all the suppliers on the newly implemented Ariba platform. Vendor registration and on-boarding are critical for a stable vendor eco-system that reduces risks concerning third parties, provides clarity in supplier processes and practices, minimises the incidence of fines and mitigates reputation risks. For vendor selection, we consider various parameters like quality of service, availability of manpower, experience, and compliance with environmental and social norms. At the time of supplier screening the background check is carried out based on ESG criterion by sustainability team and only after their approval the vendor registration process completes. We put a premium on long-term relationships that strengthen the stability of our supply chain and generate a superior return on investments. All suppliers are required to adhere to APSEZ’s Supplier Code of Conduct, which provides comprehensive guiding principles for our vendors and suppliers to comply with APSEZ’s expectations, including environment, health, safety, and ethical employment. This initiative also helped us to engage and understand the water related risk management in our supply chain. The current implications of water (supplier’s water withdrawal/use or water discharge management) are assessed under our sustainable sourcing commitment. This helps to refine their performances helps them to improve by identifying their areas for progress yearly.

W3.3b

(W3.3b) Describe your organization’s process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

<table>
<thead>
<tr>
<th>Rationale for approach to risk assessment</th>
<th>Explanation of contextual issues considered</th>
<th>Explanation of stakeholders considered</th>
<th>Decision-making process for risk response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk function has been established to incorporate a systematic approach to business risk management using ERM process. Risk measurement and detection process have been implemented, enabling the identification and assessment of potential risks, in order to address them proactively and ensure business’s stability and success. Our approach</td>
<td>As part of the risk assessment, APSEZ monitor and assess the current state of water and air quality, and the health of the local marine ecosystem. Exposure to water resources with competing use, local stakeholders' interaction and concerns regarding existing and upcoming water regulations, sudden</td>
<td>Our water risk assessment has considered following stakeholders: Customers, Employees, Investors, and Local communities. These stakeholders are always considered because: Our customers (shipping lines) are assessed through surveys wherein we try to understand</td>
<td>Water-related risks in operations and across value chain are effectively monitored through robust policy, governance mechanism and integrated environmental management system (EMS). Our risk management &amp; audit committee formed under ERM framework facilitates periodic review of risk areas, evaluate consequences, initiate risk mitigation strategy &amp; implement</td>
</tr>
</tbody>
</table>
Adani Ports & Special Economic Zone CDP Water Security Questionnaire 2023 Thursday, July 27, 2023

This aims to comprehensively address risks in direct operations while partially covering supply chain aspects. This approach ensures an understanding of potential vulnerabilities while acknowledging practical limitations. Risks assessed in the context of ISO 14001 certifications also form an input for ERM assessments.

For direct operations, we conduct thorough evaluation using combination of internal data analysis and WRI's Aqueduct tool & provides valuable insights on water-related risks, enabling us to identify, mitigate water scarcity, quality, and regulatory challenges. To address supply chain risks, we adopt pragmatic approach due to limited resources & data availability.

Furthermore, we integrate regional government databases to gain broader understanding of local regulations, natural hazards & socioeconomic risks. This enhances our ability to anticipate legal, environmental & community-related risks that may regulatory changes, impact on human health, and sensitivity of local ecosystem and habitats are some of the contextual issues contributing to our water risk assessment.

Accordingly, our risk assessment tool comprises of following parameters: water stress in the region, quantity of water needed, quantum of water sourced from the shared resources, water by each source, geographical location of the operation, is more than one source of water available, is there a potential or a tie up for treated water / wastewater in the region, price, and seasonal fluctuation in water availability. Sometimes, additional parameters like type of cargo handled and quality of water required for respective cargo is also added to the list of items determining the risk.

their perception when using water. Environment protection and conservation of water resources is a shared responsibility of our customers who have a significant impact on marine biodiversity.

Employees must be aware of water-related risks and impacts to engage them in our activities. Access to fully-functioning, safely managed WASH services for all are an essential part of a safe and health-promoting workplace.

Investors are relevant as they are increasingly becoming conscious about importance of good water management. They recognize that water related risk and opportunities can have an impact on company's result and in their investment decisions.

Engagement with local communities that are exposed to water risks and water use corrective and preventive measures.

Outcomes of risk assessment are used for following activities Risk Prioritization Risk Mitigation and Management Strategies, Resource Allocation, Project and Investment Decisions, Contingency Planning, Compliance and Regulations and Risk Communication

At site level the site CEO/top management reviews the water related risks as part of Sustainability Steering Committee (SSC) meetings which reviews the progress on a quarterly basis at each site. At the corporate level all matters related to water and climate are discussed at Sustainability Leadership Committee (SLC) chaired by CEO. At the Board level, the Corporate Responsibility Committee (CRC) has an oversight of all material sustainability topics, including climate, water, etc. It addresses risks and opportunities towards sustainability strategy, policy, environmental and social compliance while the Risk Management Committee of the Board, reviews the water-related risk on a quarterly basis. From the executive team, water risk
**W4. Risks and opportunities**

**W4.1**

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain.

| Impact operations and supply chain dynamics. By leveraging WRI Aqueduct, EIA & regional government databases, we achieve a well-rounded risk assessment. This approach equips us to prioritize mitigation strategies and allocate resources effectively. | Might compete with other's water uses is also fundamental to our assessments. Other water users at a basin/catchment who might be impacted by the water quality and quantity in catchments where our ports/sites are considered. Regulators and regulatory risks related to water withdrawal or usage have potential to impact our business and are always factored in our water risk assessments. They provide consent to operate which covers permissions and conditions related to water usage. | Management is the responsibility of ESG Head (Chief Risk Officer) with the reporting to CEO-APSEZ. |
W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

One of the risks found by APSEZ's enterprise risk management methodology is water risk. In order to determine if the risk associated with water has a strategic influence or not, we employ a likelihood and severity matrix combination. We give weightages to both likelihood and severity, i.e., 30% weightage is given to the likelihood of occurrence of a risk scenario and 70% weightage is given to the severity of the scenario.

Likelihood of occurrence of any of below activities are considered in risk matrix:
- a) Water withdrawal from shared resource > 20%
- b) Present in regions with water stress (baseline and future) as Extremely high or High (as per WRI Aqueduct Tool)
- c) Groundwater self-extraction/ procurement from vendor without CGWA permissions

APSEZ defines substantive financial or strategic impact on the business when any of the issues mentioned above brings a change in the following:
- Change of ±1% to the EBITDA in the reporting year,
- >1% change in our cargo facilities: 1% decrease in cargo handling means complete 3 days of complete shutdown of our operations.
- >0 Occurrence of fatality within our operations
- Any significant breaches and financial penalties > INR10,00,000

Consider the following as an example of substantive impact we consider:

Water is one of the critical resources in Hazira Port where we consume water for tank cleaning for High quality chemicals cargo. The tanks store chemicals which are used in various consumer sensitive industries such as pharma, food & beverages. Any impurities in the water that is used for cleaning can have a potential impact on the quality of cargo. To maintain the operational sensitivities and safeguard the reputation, we source high quality water from municipal sources at a cost of INR 70/KL of water viz. a secondary water sourced from other industries at INR 28/KL of water. The freshwater sourced from municipal sources is again treated to remove any impurities. Any deviation in the quality of cargo can attract huge financial penalties which is part of the customer contracts. The amount of penalty varies by the customer and by the value of cargo with a minimum capping of 1% of cargo value. Since the value handled with any customer exceeds INR 10 crores, there is high chance that any significant breaches may lead to a financial penalty > INR10,00,000.
(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

<table>
<thead>
<tr>
<th>Row</th>
<th>Total number of facilities exposed to water risk</th>
<th>% company-wide facilities this represents</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6</td>
<td>1-25</td>
<td>As per WRI Aqueduct Tool assessment 6 out of 45 sites are exposed to water risk which can have substantial financial impact as these are strategic ports. These facilities are within a region of water stress and hence have been defined as high risk as our business is dependent on water and water scarcity can impact our business operations. For the purpose of reporting, we define facilities based on operations i.e same location may have two different operations they will be counted as 2 facilities.</td>
</tr>
</tbody>
</table>

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

**Country/Area & River basin**
- India
  - Other, please specify
  - Luni River

**Number of facilities exposed to water risk**
- 1

**% company-wide facilities this represents**
% company’s total global revenue that could be affected
  31-40

Comment
  1 site - Adani Ports and Special Economic Zone Ltd, Mundra, Gujarat

Country/Area & River basin
  India
  Tapti River

Number of facilities exposed to water risk
  1

% company-wide facilities this represents
  1-25

% company’s total global revenue that could be affected
  1-10

Comment
  1 site - Adani Hazira Port Private Ltd, Hazira, Gujarat

Country/Area & River basin
  India
  Narmada
Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

% company’s total global revenue that could be affected
1-10

Comment
1 site - Adani Petronet Dahej Port Private Ltd., Dahej, Gujarat

Country/Area & River basin
India
Brahmani River (Bhahmani)

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

% company’s total global revenue that could be affected
1-10

Comment
1 site - The Dhamra Port company Ltd, Dhamra, Odisha

Country/Area & River basin
India
Penner River

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

% company’s total global revenue that could be affected
1-10

Comment
1 site - Adani Krishnapatnam Port Company Limited, Andhra Pradesh

Country/Area & River basin
India
Other, please specify
Luni River

Number of facilities exposed to water risk
1

% company-wide facilities this represents
1-25

% company’s total global revenue that could be affected
1-10

Comment
1 Site: Adani Kandla built terminal Pvt. Ltd
W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin
India
Other, please specify
our water stress locations falls in the following river basins: Luni river, Tapi river, Narmada river, Penna river and Brahmani river

Type of risk & Primary risk driver
Chronic physical
Water stress

Primary potential impact
Increased operating costs

Company-specific description
Our port operations are spread across the states of Gujarat, Maharashtra, Goa, Kerala, Tamil Nadu, Andhra Pradesh and Odisha. Six of our ports are situated in water stress areas and according to WRI Aqueduct scenario analysis, situation is likely to worsen every year. According to water risk assessment matrix, all our ports range from ‘Extremely High to High’ Baseline Catchment/ Basin Level Risk. As water is critical in our business, seasonal supply of water variability would pose a high risk to our operations. Our future water stress assessment is for the timeframe of 2030-2040, Water stress at Mundra, Tuna and Dahej region will multiply by 1.4 times from the baseline as predicted by WRI Aqueduct Water Tool. These ports contribute 60% to the overall revenue/cargo. At the same time, moderate seasonal variability will increase at ports in Tamil Nadu and Krishnapatnam. By and large, the seasonal variability and water stress at all other ports will continue to be nearly the same. This might lead to shortage of water in the operations. As water is critical to our operations, we will have to source water from other sources which will increase the operating costs. Less precipitation due to climate change and regulatory constraints on water withdrawal would impact our business growth. Therefore, APSEZ is working towards mitigating these risk.
Timeframe
Current up to one year

Magnitude of potential impact
Medium-high

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
494,775,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial impact
The total financial impact of water is as follows:
Current water withdrawal = 5591 ML per year
Estimated future water withdrawal=6597
Current average price = INR 75, 000/ ML
With shortage in water or regulatory issues, the price of water for us from all the sources is expected to double, i.e. become INR 150,000/ ML
The impact for us will be 150,000-75,000 = INR 75,000/ ML
Overall impact will be 6597*75,000 = INR 494,775,000

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices
Description of response
To ensure water security, we focus on reducing reliance on freshwater and reducing water use at our sites. We have adopted localized site level water strategies, and the following are initiatives have been taken up at sites, which are in high water-stressed area:
- Sensor-based automatic on/off pump as per water level by installing water level controller at building and RMU location and installation of the electromagnetic water meter to track the water level.
- Installation of the ETP and STPs across the sites to recycle and reuse the same water in our premises as part of our water conservation practices.

Cost of response
14,800,000

Explanation of cost of response
Cost of response has been calculated by integrating the following:

1. Installation of electromagnetic water flow meter and development of data acquisition system for tracking = INR 4,800,000
2. Installation of cumulative capacity of 1000KLD of ETP and STP at port site = 10,000,000

Therefore, total cost of response = INR 4,800,000 + INR 10,000,000 = INR 14,800,000

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin
India
Other, please specify
It is in the ocean
Stage of value chain
Other, please specify
Customer ships/liners docked at our ports

Type of risk & Primary risk driver
Reputation & markets
Increased stakeholder concern or negative stakeholder feedback

Primary potential impact
Fines, penalties or enforcement orders

Company-specific description
Marine pollution has consistently been a priority for stakeholders. Ports generate waste at various stages of their life cycle from project construction through port operations. APSEZ also takes into account oil spills that may start on land and reach the shore areas. Oil spills on land have the potential to contaminate the environment, affect soil aeration conditions and kill flora and fauna. Solid and liquid waste clearance is a requirement by customer ships/liners docked at our ports. If the waste is not handled appropriately and if it finds its way to the sea, it can cause damage to the ecosystem. As we handle more and more liquid cargo, there is a greater risk of spillage during our service, which can lead to reputational risk due to negative feedback and coverage by prominent stakeholders like media, local community, and regulatory authorities. This may lead to heavy penalties or temporary/complete shutdown of our ports by regulatory bodies. Such incidents can attract negative media coverage. Therefore, this would impact our business growth and have a negative impact on the revenue.

Timeframe
Current up to one year

Magnitude of potential impact
Medium

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range
Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)
156,111,111

Potential financial impact figure - maximum (currency)
1,092,777,778

Explanation of financial impact
An oil spill has a potential to lead to a complete shutdown of our operations. While it is difficult to estimate minimum and maximum periods for which a typical oil spill impact our operations, however, for this analysis, we are assuming that it could impact our major port which handles largest cargo volume and contributes up to 27% to the overall revenue from 1 day to a week.

Based on our assumptions, the estimated financial impact range works out to INR 156,390,000 to INR 1,094,730,000

Current revenue contribution of our key port (Mundra) in overall year operation revenue = INR 56,200,000,000
a. Estimated loss of revenue based on the above assumption of shutdown of major port operations for 1 day = INR \((\frac{56,200,000,000}{12}) \times \frac{1}{30}\) = INR 156,111,111
b. Estimated loss of revenue based on the above assumption of shutdown of major port operations for a week (7 days) = INR \((\frac{56,200,000,000}{12}) \times \frac{7}{30}\) = INR 1,092,777,778

Primary response to risk
Direct operations
Include in Business Continuity Plan

Description of response
To prevent soil and water pollution and prevent disaster, we have institutionalised an Oil Spill Action plan, in accordance with the National Oil Spill Disaster Contingency Plan (NOS-DCP) and International Petroleum Industry Environmental Conservation Association to prevent and reduce spills (oils, lubricants, fuels, and other oily liquids) associated with activities like anchoring, berthing, and cargo handling. We have set up APSEZ’s 7-point Oil Spill Action Plan
• Leak proof containers for transporting waste internally and externally
• Closed containers for storage and transportation of hazardous wastes like used/ burnt/ furnace/ transformer/ light diesel oil.
• Proper stacking of containers
• Use of tarpaulin to cover the waste loaded transportation vehicle.
• First-aid box in the case of minor injuries
• Periodic inspection to identify potential spills, including the maintenance and replacement of existing containers.
• Adopting a safe working procedure during handling and operations
• Incorporation of these above actions in our operations will help APSEZ to continue its business. In this reporting year, we did not suffer any spillage and fines.

Cost of response
20,600,000

Explanation of cost of response
We have calculated the cost of response by considering the following CAPEX required in FY 2022-23:

a. Oil spillage monitoring = INR 6,00,000 (i.e., INR 50,000 for each of the 12 sites)
b. Zero Waste to Landfill (ZWL) implementation cost = INR 25,00,000 for 1 site

For ZWL certification of remaining 6 sites = INR 20,00,000,000 (i.e., INR 1.5 crores for enabling infrastructure, compliance, certification, audit, and manpower + 50 lacs as contingency) by 2025.
Therefore, Total cost of response = INR 6,00,000 + INR 20,00,000 = INR 20,600,000

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes, we have identified opportunities, and some/all are being realized
W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

**Type of opportunity**

Efficiency

**Primary water-related opportunity**

Improved water efficiency in operations

**Company-specific description & strategy to realize opportunity**

We target to become ‘Green Ports Company’ and also become carbon neutral by 2025. Our commitments to water and aspire to be a leader in creating water security for our business and communities around us.

We had a target to reduce water consumption water intensity by 60% in FY 20225 which has already been achieved in FY 23.

We have set the goal to lead the water revolution in the Indian port sector. Our international commitments are supported by goals of certifications with global water standards backed by an array of targets to be fulfilled by 2025. As water is significant to our operations, improving our water efficiency acts as an opportunity to us. We have integrated several water savings technology and initiatives to increase our efficiency and reduce freshwater consumption in our business. We are auditing our water management process annually and also update the site-specific water management plan. We track monthly water consumption by the key business units to detect spikes in water use. Thus, conducting water audit and aiming to be a leader in water practices created opportunity to not only save water but also save money and reputation. In view of the water stewardship initiative, and the advantages witnessed through water efficiency measures, a systematic levelled process for water performance review and audit is proposed for implementation.

For example, at Goa port, we have initiated laying of pipeline in order to transfer STP outlet water from Kattum Baina STP to the port, which will then be used for plantation and sprinkling.

**Estimated timeframe for realization**
Current - up to 1 year

**Magnitude of potential financial impact**
Low

**Are you able to provide a potential financial impact figure?**
Yes, a single figure estimate

**Potential financial impact figure (currency)**
22,538,750

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact**
We can reduce our cost of sourcing water by exploring alternate sources of water for e.g- treated wastewater from other industries. This will lead to an estimated cost of saving.
Estimated amount of water required = 237,250 KL
Difference in water price from alternate source (INR 120/KL- INR 25/KL) = INR 95/KL
Financial impact = Difference in water price* Amount of water sourcing = 237,250*95 = INR 22,538,750

**W5. Facility-level water accounting**

**W5.1**

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.
Facility reference number
Facility 1

Facility name (optional)
Adani Ports and Special Economic Zone Ltd, Mundra, Gujarat

Country/Area & River basin
India
Other, please specify
Luni river

Latitude
22.84

Longitude
69.72

Located in area with water stress
Yes

Total water withdrawals at this facility (megaliters/year)
1,597.38

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
1,184.912
<table>
<thead>
<tr>
<th>Water Source</th>
<th>Amount (megaliters/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Withdrawals from groundwater - renewable</td>
<td>0</td>
</tr>
<tr>
<td>Withdrawals from groundwater - non-renewable</td>
<td>0</td>
</tr>
<tr>
<td>Withdrawals from produced/entrained water</td>
<td>0</td>
</tr>
<tr>
<td>Withdrawals from third party sources</td>
<td>412.469</td>
</tr>
</tbody>
</table>

**Total water discharges at this facility (megaliters/year)**

0

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

0

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

1,597.38
Comparison of total consumption with previous reporting year

Lower

Please explain

Water consumption has reduced by 4% as compared to last year. This is due to various of water conservation measures taken:- Process improvements, Cargo diversification, Sensor-based pump on/off has cut down on overflow, Water level sensor installed in water tanks to prevent overflow, Leakage points bypassed in the water supply line.
As this is a ZLD facility, no water is discharged outside our premises. All our treated wastewater from ETP, STP, and CETP is utilized for plantation and greenery purposes within our organizational boundary.
Our water withdrawal increased by 8% as compared to last year owing to an increase in cargo volume being handled (i.e., 6% growth in cargo managed and 19% increase in revenues during the last financial year) and full year consideration of newly acquired Gangavaram port.
However, we were able to bring down the water intensity for port operations by 4% compared to the previous year.

Threshold: Lower (Reduction within 3-10% compared to previous year); Much Lower (>= 10% compared to previous year), About same= +/- 0-2% compared to previous year, Higher (Increase within 3-10% compared to previous year); Much Higher (>=10% compared to previous year)

Method of measurement: sourced from direct measurements

Facility reference number
Facility 2

Facility name (optional)
Adani Petronet Dahej Port Private Ltd., Dahej, Gujarat

Country/Area & River basin
India
Mahi River

Latitude
21.71

Longitude
Located in area with water stress
Yes

Total water withdrawals at this facility (megaliters/year)
436.97

Comparison of total withdrawals with previous reporting year
Much higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
436.97

Total water discharges at this facility (megaliters/year)
0

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
436.97

Comparison of total consumption with previous reporting year
Much higher

Please explain
With a significant increase in cargo volume handling in the current year, water consumption has also correspondingly gone up by about 10.6%. As this is a zero-liquid discharge facility, no water is discharged outside our premises. All our treated wastewater from ETP, and STP is utilized for plantation and greenery purposes within our organizational boundary.
Threshold : Lower (Reduction within 3-10% compared to previous year); Much Lower (>= 10% compared to previous year), About same = + - 0-2% compared to previous year, Higher (Increase within 3-10% compared to previous year); Much Higher (>=10% compared to previous year)
Method of measurement: sourced from direct measurements.

Facility reference number
Facility 3
Facility name (optional)
The Dhamra Port Company Ltd., Dhamra, Odisha

Country/Area & River basin
India
Brahmani River (Bhahmani)

Latitude
20.82

Longitude
86.96

Located in area with water stress
Yes

Total water withdrawals at this facility (megaliters/year)
727.92

Comparison of total withdrawals with previous reporting year
Much lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
674.912

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
53.01

Withdrawals from groundwater - non-renewable
0
Withdrawals from produced/entrained water
0

Withdrawals from third party sources
0

Total water discharges at this facility (megaliters/year)
0

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
727.92

Comparison of total consumption with previous reporting year
Much lower

Please explain
Water consumption in FY22-23 has reduced by 13.3% owing to an array of water conservation measures taken. As this is a zero-liquid discharge facility, no water is discharged outside our premises. All our treated wastewater from ETP, STP, and CETP is utilized for plantation
and greenery purposes within our organizational boundary. 

Threshold: Lower (Reduction within 3-10% compared to previous year); Much Lower (>= 10% compared to previous year), About same= +/- 0-2% compared to previous year, Higher (Increase within 3-10% compared to previous year); Much Higher (>=10% compared to previous year)

Method of measurement: sourced from direct measurements

Facility reference number
Facility 4

Facility name (optional)
Adani Hazira Port Private Ltd., Hazira, Gujarat

Country/Area & River basin
India
Narmada

Latitude
21.08

Longitude
72.63

Located in area with water stress
Yes

Total water withdrawals at this facility (megaliters/year)
736.53

Comparison of total withdrawals with previous reporting year
Much higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
Withdrawals from brackish surface water/seawater
0
Withdrawals from groundwater - renewable
0
Withdrawals from groundwater - non-renewable
0
Withdrawals from produced/entrained water
0
Withdrawals from third party sources
736.53

Total water discharges at this facility (megaliters/year)
0

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
Total water consumption at this facility (megaliters/year)
736.53

Comparison of total consumption with previous reporting year
Much higher

Please explain
With a significant increase in cargo volume handling in the current year, water consumption has also correspondingly gone up by about 15.12%.
As this is a zero-liquid discharge facility, no water is discharged outside our premises. All our treated wastewater from ETP, and STP is utilized for plantation and greenery purposes within our organizational boundary.
Threshold: Lower (Reduction within 3-10% compared to previous year); Much Lower (>= 10% compared to previous year), About same= +- 0-2% compared to previous year, Higher (Increase within 3-10% compared to previous year); Much Higher (>=10% compared to previous year)
Method of measurement: sourced from direct measurements

Facility reference number
Facility 5

Facility name (optional)
Adani Kandla Bulk Terminal Private Ltd. Tuna, Gujarat

Country/Area & River basin
India
Other, please specify
Sabarmati

Latitude
22.89

Longitude
70.1

Located in area with water stress
Yes

Total water withdrawals at this facility (megaliters/year)
415.98

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
415.98

Total water discharges at this facility (megaliters/year)
0

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
415.98

Comparison of total consumption with previous reporting year
Lower

Please explain
Water consumption has lowered by 2.94% in FY22-23 in comparison to the previous year due to water efficiency measures.
Threshold : Lower (Reduction within 3-10% compared to previous year); Much Lower (>= 10% compared to previous year), About same= ± 0-2% compared to previous year, Higher (Increase within 3-10% compared to previous year); Much Higher (>=10% compared to previous year)
Method of measurement: sourced from direct measurements

Facility reference number
Facility 6

Facility name (optional)
Adani Krishnapatnam Port Company Limited, Andhra Pradesh
**Country/Area & River basin**
- India
- Other, please specify
  - India East Coast

**Latitude**
- 14.28

**Longitude**
- 80.12

**Located in area with water stress**
- Yes

**Total water withdrawals at this facility (megaliters/year)**
- 1,059.36

**Comparison of total withdrawals with previous reporting year**
- Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**
- 138.22

**Withdrawals from brackish surface water/seawater**
- 0

**Withdrawals from groundwater - renewable**
- 0

**Withdrawals from groundwater - non-renewable**
- 0

**Withdrawals from produced/entrained water**
Withdrawals from third party sources
921.145

Total water discharges at this facility (megaliters/year)
0

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
1,059.36

Comparison of total consumption with previous reporting year
Higher

Please explain
Water consumption has increased by 2.57% in FY22-23 in comparison to the previous year due to increase in cargo handling at this port.
Threshold: Lower (Reduction within 3-10% compared to previous year); Much Lower (>= 10% compared to previous year), About same= +/- 0-
2% compared to previous year, Higher (Increase within 3-10% compared to previous year); Much Higher (>=10% compared to previous year)
Method of measurement: sourced from direct measurements

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified
76-100

Verification standard used

As per GRI Standard 303 and International Standards on Assurance Engagements 3000 (ISAE 3000)

Water withdrawals – volume by source

% verified
76-100

Verification standard used

1. As per GRI Standard 303
2. Accountability Assurance Standard (AA1000 AS v3) and Reasonable Assurance, as defined by International Standards on Assurance Engagements (ISAE 3000)
Water withdrawals – quality by standard water quality parameters

% verified
76-100

Verification standard used

As per WHO standards and ISO 10500

Water discharges – total volumes

% verified
76-100

Verification standard used

We do not have any water discharge the same has been verified by third-party audit. This is in compliance with Regulatory requirement of Consent to Operate by State Pollution Control Board.
1. As per GRI Standard 303
2. Accountability Assurance Standard (AA1000 AS v3) and Reasonable Assurance, as defined by International Standards on Assurance Engagements (ISAE 3000)

Water discharges – volume by destination

% verified
76-100

Verification standard used
We do not have any water discharge the same has been verified by third-party audit. This is in compliance with Regulatory requirement of Consent to Operate by State Pollution Control Board.

1. As per GRI Standard 303
2. Accountability Assurance Standard (AA1000 AS v3) and Reasonable Assurance, as defined by International Standards on Assurance Engagements (ISAE 3000)

**Water discharges – volume by final treatment level**

<table>
<thead>
<tr>
<th>% verified</th>
<th>76-100</th>
</tr>
</thead>
</table>

**Verification standard used**

We do not have any water discharge the same has been verified by third-party audit. This is in compliance with Regulatory requirement of Consent to Operate by State Pollution Control Board.

**Water discharges – quality by standard water quality parameters**

<table>
<thead>
<tr>
<th>% verified</th>
<th>76-100</th>
</tr>
</thead>
</table>

**Verification standard used**

We do not have any water discharge the same has been verified by third-party audit. This is in compliance with Regulatory requirement of Consent to Operate by State Pollution Control Board.

**Water consumption – total volume**

<table>
<thead>
<tr>
<th>% verified</th>
<th>76-100</th>
</tr>
</thead>
</table>
Verification standard used

As per GRI Standard 303 and AA1000 methodology

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?
Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Content</th>
<th>Please explain</th>
</tr>
</thead>
</table>
| Company-wide| Description of the scope (including value chain stages) covered by the policy | Our Water Stewardship Policy explains why APSEZ considers water as an important issue crucial shared natural resource and that its responsible consumption is one of the key drivers of innovative and sustainable economic prosperity. Through this policy, we acknowledge the linkages with climate change and the right of all humans to access clean water and sanitation. We also recognize that climate change will strongly influence water availability; therefore, we will focus on best management practices and its governance. Policy is company-wide in scope and is applicable to APSEZ, its subsidiaries and joint ventures. It lays down the following commitments:  
• Maintain legal compliance of water related applicable laws and regulations through progressive management plan  
• Utilize water resources efficiently through effective and economically viable management systems  
• Collect data on internal water performance, minimize freshwater withdrawal by using recycled water and use alternative water sources like rainwater harvesting wherever possible |
|             | Description of business dependency on water                           |                                                                                                                                               |
|             | Description of business impact on water                              |                                                                                                                                               |
|             | Commitment to align with international frameworks, standards, and widely-recognized water initiatives |                                                                                                                                               |
|             | Commitment to prevent, minimize, and control pollution               |                                                                                                                                               |
| Commitment to reduce or phase-out hazardous substances | • Ensure that wastewater generated through our operations is fully treated and utilized in our operations or other activities to the extent possible |
| Commitment to reduce water withdrawal and/or consumption volumes in direct operations | • Identify water-related business risks and opportunities and develop action plans for mitigating the risks |
| Commitment to reduce water withdrawal and/or consumption volumes in supply chain | • Develop and implement water strategies the company and its value chain through an effective engagement with stakeholders to increase awareness; and |
| Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace | • Measure, monitor, and review the performance related to water stewardship of organization in accordance with this policy at regular intervals and audit (internal/external) it before communicating to relevant stakeholders. |
| Commitment to stakeholder education and capacity building on water security | Policy shall be reviewed annually for its appropriateness and updated, as necessary. |
| Commitment to water stewardship and/or collective action |  |
| Commitment to the conservation of freshwater ecosystems |  |
| Commitments beyond regulatory compliance |  |
| Reference to company water-related targets |  |
| Acknowledgement of the human right to water and sanitation |  |
| Recognition of environmental linkages, for example, due to climate change |  |

[1] Environmental Policy.pdf
W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

<table>
<thead>
<tr>
<th>Position of individual or committee</th>
<th>Responsibilities for water-related issues</th>
</tr>
</thead>
</table>
| Chief Executive Officer (CEO)                | CEO of our company is in charge of making sure that sustainability is operationalized as a component of our strategy and is responsible for overseeing water-related issues, including approving long-term strategic and investment decisions relating to water. The CEO represents the company at Board level through Corporate Responsibility Committee (CRC) meetings that happen quarterly to assess the sustainability concerns risk and issues including water. Water being an important business topic, water performance is monitored monthly and reviewed by management. Sustainability Leadership Committee (SLC), the cross-functional committee is chaired by our CEO. CEO is a member of the Board and act as the representative of SLC at Board meetings. Responsibilities of CEO to oversee water-related issues in the company are:  
  • Check water-related strategies, policies, and practices to align APSEZ’s Sustainability frameworks, risks, standards, priorities, and community led initiatives & partnerships.  
  • Review and report to the Board on APSEZ’s water performance on key international sustainability trends, bench marking against peers; public disclosures. |

Sustainable Procurement Policy.pdf
Water Stewardship Policy.pdf
For example a water-related decision made by CEO in last 2 years: Under the leadership of our CEO, we have successfully established wastewater treatment plants with capacities of 450 KLD for Effluent Treatment (ETP) and 150 KLD for Sewage Treatment (STP) at Adani Hazira port. These initiatives will significantly decrease our reliance on freshwater, all while being both cost-effective and environmentally friendly.

| Board-level committee | Corporate Responsibility Committee (CRC) was formed at the Board level in FY21-22, entrusted with the responsibility for overseeing the implementation of the ESG Strategy and policies and ensures to maintain strategic alignment of sustainability standards and water related risks & opportunities with the business. Our Environmental, Energy and Emission, Water Stewardship policies were approved by the committee. The members of CRC are responsible for delivery against climate and water-related targets. The Committee ensures the operationalization of sustainability as part of our business strategy by overseeing strategies, policies, and practices on sustainability matters.

The Board oversees interest in long-term sustainability and overall success of the Company’s business. It serves as the ultimate decision-making body of the Company and meets at least once in a quarter. In addition, the Board is supported by Risk Management Committee (RMC), who monitors performance, adherence to the standards and risks in the organisation. |

**W6.2b**

*(W6.2b) Provide further details on the board’s oversight of water-related issues.*

<table>
<thead>
<tr>
<th>Frequency that water-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which water-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Row 1</strong> Scheduled - all meetings</td>
<td>Monitoring implementation and performance Monitoring progress towards corporate targets</td>
<td>To ensure strategic alignment of the business to Sustainability targets including water-related targets, we have constituted the Corporate Responsibility Committee (CRC) at the Board level. The Committee oversees our positions and practices on sustainability issues, principally in relation to social, environmental matters that affect shareholders and other key stakeholders. As per the Sustainability charter of the CRC, the Committee is responsible for:</td>
</tr>
<tr>
<td>Overseeing acquisitions, mergers, and divestitures</td>
<td>To approve a strategy for discharging the Company’s corporate and social responsibilities in such a way as to provide an assurance to the Board and stakeholders</td>
<td></td>
</tr>
<tr>
<td>Overseeing and guiding public policy engagement</td>
<td>To oversee strategies, activities and policies regarding sustainable organisation including environment, social, governance, and related material issue</td>
<td></td>
</tr>
<tr>
<td>Overseeing and guiding scenario analysis</td>
<td>To oversee the creation of appropriate policies and supporting measures including water policies and partnerships to achieve water related goals</td>
<td></td>
</tr>
<tr>
<td>Overseeing major capital expenditures</td>
<td>To oversee sustainability risks related to supply chain, water risk and public policy</td>
<td></td>
</tr>
<tr>
<td>Overseeing the setting of corporate targets</td>
<td>To identify and monitor those external developments which are likely to have a significant influence on Company’s reputation</td>
<td></td>
</tr>
<tr>
<td>Overseeing value chain engagement</td>
<td>To review sustainability and ESG and Climate &amp; water reports or other disclosures such as environmental stewardship, water and energy use etc. and similar communications to stakeholders on ESG initiatives and activities by the Company</td>
<td></td>
</tr>
<tr>
<td>Providing employee incentives</td>
<td>To approve major capital investments towards achieving Sustainability Goals, including climate and water related goals</td>
<td></td>
</tr>
<tr>
<td>Reviewing and guiding annual budgets</td>
<td>To oversee the Company’s program for ESG (including Climate &amp; water) and to seek feedback on the same and make further improvement programs.</td>
<td></td>
</tr>
<tr>
<td>Reviewing and guiding business plans</td>
<td>To monitor and oversee progress on the Sustainability Goals including climate and water goals and targets (A detailed charter of the CRC is available on the website of the Company at <a href="https://www.adaniports.com/Investors/board-and-committee-charters">https://www.adaniports.com/Investors/board-and-committee-charters</a>)</td>
<td></td>
</tr>
<tr>
<td>Reviewing and guiding corporate responsibility strategy</td>
<td>The Corporate Responsibility Committee of the Board meets on a quarterly basis and the minutes of CRC Committee Meetings are reviewed by the Board at its subsequent meetings. In addition, monthly sustainability reports are also being reviewed by Board of Directors.</td>
<td></td>
</tr>
<tr>
<td>Reviewing and guiding major plans of action</td>
<td>The Merger &amp; Acquisition Committee, consisting of three members, most of whom are Independent Directors, examines proposals concerning mergers, acquisitions, investments, or divestments (“Transactions”). The committee evaluates these proposals, including assessing key risks and opportunities, risk appetite, tolerance, and the integration plan. If deemed suitable, the committee then proceeds to recommend relevant opportunities to the Audit Committee or the Board, as appropriate.</td>
<td></td>
</tr>
<tr>
<td>Reviewing and guiding risk management policies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reviewing and guiding strategy</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

<table>
<thead>
<tr>
<th>Board member(s) have competence on water-related issues</th>
<th>Criteria used to assess competence of board member(s) on water-related issues</th>
</tr>
</thead>
</table>
| Row 1 | Yes | Nomination and Remuneration Committee (NRC) of the Company, consisting exclusively of independent directors, screens and selects the suitable candidates, based on the defined criteria and makes recommendations to the Board on the induction of the directors. Firstly, the committee evaluates the knowledge, skill, industry & sector expertise of the Board members and accordingly recommend to the Board the requirements of a specific appointment. It also ensures that the potential candidates have the required criteria according to the company rules and requirement of the position.

The NRC has recommended three independent directors for the CRC, all of whom have a risk management experience as well as industry experience. All directors were taken through a detailed induction and familiarization program as well as deep dives and immersion sessions on Water & Strategy & Performance, water-related issues of the company. For the financial year ended 31st March 2023, the Board engaged Talentonic HR Solutions for facilitating Board evaluation. The evaluation process focused on Board dynamics and softer aspects and involved independent discussions with all Board members. A detailed Board effectiveness assessment questionnaire was developed based on the criteria and framework adopted by the Board. One-to-one discussions with the Board of Directors and discussions were held on key themes i.e., size and structure of the Board, Board involvement in strategy, quality of Board discussions, Board leadership and organization health and talent. The outcomes of the evaluation process were discussed with the Board and further actions were agreed upon. The results of evaluation showed high level of board effectiveness.
W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Chief Executive Officer (CEO)

Water-related responsibilities of this position
- Assessing future trends in water demand
- Assessing water-related risks and opportunities
- Managing water-related risks and opportunities
- Conducting water-related scenario analysis
- Setting water-related corporate targets
- Monitoring progress against water-related corporate targets
- Managing public policy engagement that may impact water security
- Managing value chain engagement on water-related issues
- Integrating water-related issues into business strategy
- Managing annual budgets relating to water security
- Managing major capital and/or operational expenditures related to low water impact products or services (including R&D)
- Managing water-related acquisitions, mergers, and divestitures
- Providing water-related employee incentives

Frequency of reporting to the board on water-related issues
Quarterly

Please explain
CEO is the Chairman of the cross-functional Sustainability Leadership Committee (SLC) and is responsible for ensuring the operationalization of Sustainability as part of our business strategy. Our CEO is a member of the Board of Directors and represents the SLC at the Board. In FY21,
CEO decided that the company should join CEO water mandate and became a signatory. CEO has the following key responsibilities:
- Oversees strategies, policies and practices on sustainability matters to attain APSEZ’s Sustainability frameworks, risks, standards, priorities, and community led initiatives & partnerships.
- Reviews and reports to the Board on APSEZ’s performance; key international sustainability trends, benchmarking against peers; public disclosures.

The CEO provides quarterly briefings to the Board on water-related issues, yearly targets, performance, and progress on targets.

**Name of the position(s) and/or committee(s)**

Sustainability committee

**Water-related responsibilities of this position**

- Assessing water-related risks and opportunities
- Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

Ensuring strategic alignment of sustainability and water security with the business, Board of Directors delegated matters related to ESG and sustainable management to the Corporate Responsibility Committee (CRC). The CRC has an oversight of all material sustainability topics, including climate, water, human rights, community etc. It addressed risks and opportunities towards sustainability strategy, policy, environmental and social compliance. The Board oversees interest in long-term sustainability and overall success of Company’s business. It serves as ultimate decision-making body of the Company and meets once in a quarter. In response to the changing landscape of business environment, Company has a well-established governance structure that reviews and evaluates various potential risks that may impact financial bottom line of Risk management committee at the board level oversees the risk.

**Name of the position(s) and/or committee(s)**
Chief Risk Officer (CRO)

**Water-related responsibilities of this position**
- Assessing future trends in water demand
- Assessing water-related risks and opportunities
- Managing water-related risks and opportunities
- Conducting water-related scenario analysis
- Monitoring progress against water-related corporate targets

**Frequency of reporting to the board on water-related issues**
Quarterly

**Please explain**
From the executive team, ESG Head (Chief Risk Officer) has the responsibility of business risk management and reports to CEO-APSEZ so as to ensure independence from other functions. The main responsibilities of ESG Head are the following:
- Development and implementation of water governance policies, system, framework, site specific management plan
- Setting the business and site level goals and target
- Identification of water & climate related risk and management strategy
- Capacity building at all levels on various water & climate related aspects
- Water and climate related policy advocacy at national global level
- Water and Climate related regulatory & voluntary disclosures
- Co-ordination with stakeholders at all level on ESG aspects including water & climate (investor, regulatory agencies, community, global forums, etc.)

**W6.4**

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

<table>
<thead>
<tr>
<th>Provide incentives for management of water-related issues</th>
<th>Comment</th>
</tr>
</thead>
</table>

87
Our system incorporates rewards, awards, and monetary incentives as part of our compensation structure. Specifically, the variable pay components for C-suite executives are designed to include factors such as safety performance, energy performance, and water management. This approach aims to incentivize and recognize positive contributions in these critical areas.

**W6.4a**

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

<table>
<thead>
<tr>
<th>Role(s) entitled to incentive</th>
<th>Performance indicator</th>
<th>Contribution of incentives to the achievement of your organization’s water commitments</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monetary reward</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>Reduction of water withdrawals – direct operations Reduction in water consumption volumes – direct operations Reduction of water withdrawal and/or consumption volumes – supply chain Improvements in water efficiency – direct operations Improvements in water efficiency – supply chain</td>
<td>The chosen performance indicators align with APSEZ’s Water Stewardship Policy and the FY25 sustainability goals that we aim to achieve. The following are our water targets for FY25: -Fresh Water Withdrawal Share (%): &lt;20% -60% Water Intensity Reduction (ML/Revenue) -Recycle and Reuse 10 MLD -20 Rainwater Structure Installed (Incremental) Reduction in water consumption volumes – direct operations helped the organisation to achieve the commitment of 60% reduction of water consumption intensity in FY23 from its base year level. The performance of the CEO as well as the</td>
<td>The pay structure of Executive Directors has appropriate success and sustainability metrics built in. For CEO-APSEZ, the variable pay is linked to the financial and ESG indicators including but not limited to - Revenue, EBIDTA, ROCE, Health &amp; Safety, Energy Intensity, Water Intensity. On the recommendation of the Nomination and Remuneration Committee, the remuneration paid/payable by way of salary, perquisites, and allowances (fixed component), incentive and/or commission (variable components), to the Executive Directors within the limits prescribed under the Act is approved by the Board of Directors and by shareholders in the General Meeting. In case of employees, those in O1 to E1 grades</td>
</tr>
<tr>
<td>Improvements in water efficiency – product use</td>
<td>Employees is assessed in light of the commitments set as per our Policy and these targets. Having such incentives in place has helped in making the employees more motivated to contribute towards APSEZ’s water commitments and targets.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvements in wastewater quality – direct operations</td>
<td>Supply chain engagement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvements in wastewater quality – supply chain</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved wastewater quality – product use</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased access to workplace WASH – direct operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased access to workplace WASH – supply chain</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation of employee awareness campaign or training program on water-related issues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation of water-related community project</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply chain engagement</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Employees in E2 to E4 grades have 15% of CTC component. This component was paid as per individual ratings on a 3-point scale of the Performance Management System. For GM and above, performance-based pay is based on organisational and individual performance. Financial and ESG performances are evaluated on ESG metrics including water intensity improvement targets.
| Non-monetary reward | Other, please specify all Employees | Reduction of water withdrawals – direct operations  
Reduction in water consumption volumes – direct operations  
Reduction of water withdrawal and/or consumption volumes – supply chain  
Improvements in water efficiency – direct operations  
Improvements in water efficiency – supply chain  
Improvements in water efficiency – product use  
Improvements in wastewater quality – direct operations  
Improvements in wastewater quality – supply chain  
Improvements in wastewater quality – product use | Nonmonetary rewards that APSEZ provides for employees contributes to our water commitments in several ways:  
- Employee Engagement and Motivation: Offering nonmonetary rewards, such as recognition, appreciation, and opportunities for personal growth, enhances employee engagement and motivation. When our employees feel valued and recognized for their contributions towards water conservation efforts, they are more likely to remain committed to our goals and actively participate in achieving our water commitments.  
- Behavioral Change and Adoption of Best Practices: Nonmonetary rewards can serve as incentives to encourage employees to adopt water-saving practices and behaviors.  
There are several award and recognition programs that incentivize employees on submission of implementable ideas, performance achievement.  
We have MADHYAM, an online reward scheme introduced at Group level in the year 2016. The objective of Madhyam is to provide employees with a channel to share their ideas, suggestions, and insights to the Chairman, on strategy, operations, organization, and technology. Based on the value addition or impact of the idea, it passes through various assessments. Ideas are further categorized into three categories based on the level of impact, financial impact and the impact sphere i.e., group, business, or department level impact. The financial incentive for the idea ranges from INR 5000 to INR 50000. Chairman awards the employee if the idea implements on ground.  
Also, we have formed an Innovation Counsel under which ideas on 6 key focus areas which includes resource efficiency and decarbonization are covered. Proposed ideas are evaluated and if found suitable, will be funded by the organization and on successful completion of the project, the individual will be recognized and rewarded. |
Increased access to workplace WASH – direct operations
Increased access to workplace WASH – supply chain
Implementation of employee awareness campaign or training program on water-related issues
Implementation of water-related community project
Supply chain engagement

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?
   - Yes, direct engagement with policy makers

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?
   - We maintain close collaboration with all stakeholders to employ policy influence in accordance with our water strategy & commitment. This involves actively engaging in consultation processes & working in partnership with various stakeholders, including communities, to seek & incorporate valuable...
feedback. We actively participate in industry-led initiatives like CII & FICCI, voicing our perspectives on sustainability, especially water-related issues. We support CEO Water Mandate, showing our strong dedication to responsible water management and sustainable practices. We have Water Stewardship Policy which is aligned to international best practices. At corporate level, responsibility of water stewardship lies with SLC and implementation is done under supervision of SSC at site. Engagement with policy makers & regulators: They provide consent to operate which covers permissions & conditions related to water usage. Our nodal agency for water related activities are Central Ground Water Authority (CGWA), CPCB & SPCBs.

For ex, at Mundra we engaged with Gujarat Pollution Control Board to channelize sewage water of nearby villages to our STP to reduce freshwater withdrawal.

If there is any inconsistency in our direct & indirect activities with our water policy & commitment, it is brought up for discussion at Board meeting & required actions are taken. For ex, if there is degradation of groundwater level we immediately stop sourcing our freshwater from ground & procure from third-party.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

APSEZ TCFD Report - 2023.pdf


W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

<table>
<thead>
<tr>
<th>Are water-related issues integrated?</th>
<th>Long-term time</th>
<th>Please explain</th>
</tr>
</thead>
</table>


<table>
<thead>
<tr>
<th>Long-term business objectives</th>
<th>horizon (years)</th>
<th>Strategies and actions to address water-related challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, water-related issues are integrated</td>
<td>11-15</td>
<td>Long-term, we anticipate significant shifts in rainfall &amp; weather patterns in regions where we operate, which could potentially affect cost of acquiring water. Also, our water risk assessment has revealed that 6 ports-Dahej, Hazira, Mundra, Dhamra, Krishnapatnam &amp; Tuna face highest water risk. These ports accounted for 89% of APSEZ's water withdrawal in FY23 &amp; thus it is important to address water-related challenges. An example of how these water-related issue is integrated into long-term business strategy is indicated in the primary long-term strategic goal to transform into Green Port by FY25, with strong commitment to reduce environmental impact, especially in terms of water usage. Water is crucial in our operations, with 73% of it being utilized for industrial purposes, while remaining portion serves non-industrial needs. APSEZ is dedicated to minimizing its water footprint &amp; aims to fulfill at least 80% of water requirement through non-freshwater sources. Examples of Integration of water-related issues: a) Explore alternates to fresh water source like seawater, treated effluent or provisions for treating raw effluent in all new projects b) Secure water through various sources to minimize water related costs, operational and regulatory risks in all existing operations c) Committed to reduce dependence on shared sources of water. d) Endorse &amp; commit to United Nations CEO Water Mandate &amp; are working towards being WASH compliant.</td>
</tr>
<tr>
<td>Strategy for achieving long-term objectives</td>
<td>horizon (years)</td>
<td>Strategies and actions to address water-related challenges</td>
</tr>
<tr>
<td>Yes, water-related issues are integrated</td>
<td>11-15</td>
<td>To support our long-term business objectives, we have made commitments to reduce the freshwater use across our operations to below 20% by 2025 and source at least 80% of our entire requirement from non-competing sources. We are evaluating construction of a desalination (500 MLD) plant and some STP and ETP projects as these will easily take our share of total water supply from non-competing sources to over 80% in next few years. Our approach to implementing water security at the ground has 4 tiles: •Replacing freshwater with alternate water sources •Implementing water conservation •Harvesting rainwater for groundwater recharge and use</td>
</tr>
<tr>
<td>Financial planning</td>
<td>Yes, water-related issues are integrated</td>
<td>11-15</td>
</tr>
<tr>
<td>--------------------</td>
<td>----------------------------------------</td>
<td>-------</td>
</tr>
</tbody>
</table>

**Undertaking watershed management activities**

Our priority is implementation of such initiatives in water stress regions. Our international commitments are supported by goals of certifications with global water standards backed by an array of targets to be fulfilled by 2025. We also work towards creating awareness and undertaking collaborative action through advocacy.

Example—Action plan to move to non-competing sources: In Mundra, water from desalination plant will meet the entire demand and turn the port to water neutral. Mundra alone accounted for 45% of the total cargo handled by APSEZ. Ports of Hazira and Goa terminal are discussing supply of STP water which will meet all the entire industrial (non-freshwater) demand at the sites. Once all plans are implemented, 80% water requirement of all ports will be met through non-competing sources.

To attain our water-related goals, we seamlessly integrate financial planning into our mid-term and annual budget processes. We carefully consider the quantity and quality of water needed, as well as the water stress and constraints in each location. Based on these factors, we devise plans for potential water sources and incorporate the associated costs into our financial planning.

Our financial planning takes into account long-term risks, such as those arising from drought, the acquisition of alternate or low-quality water sources, and water conservation projects. These factors are considered based on their specific requirements, and we ensure that budgetary estimates and provisions are made accordingly, including capex needs. Furthermore, if we identify any community concerns related to water, we proactively incorporate financial planning strategies to address and resolve these concerns.

Example of the water risk assessment integrated into financial planning:

Ports in Gujarat, Maharashtra, Tamil Nadu, and Andhra Pradesh experience extremely high-water stress in the catchment. Water stress at Mundra, Tuna and Dahej region will multiply by 1.4 times from the baseline as predicted by The Aqueduct Water Tool. To combat the risk APSEZ is allocating a share of CAPEX every year during financial planning to set up water efficient technology at those ports to mitigate the water-related risk in the long-term.
W7.2

(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)  
7

Anticipated forward trend for CAPEX (+/- % change)  
368

Water-related OPEX (+/- % change)  
6

Anticipated forward trend for OPEX (+/- % change)  
20

Please explain
In last 6 years, we spent over INR 94 Cr on water related CAPEX to establish STP/ETP, other infrastructure. CAPEX for FY19=INR 1.29Cr, FY20=INR 1.06Cr, FY21=INR 0.42Cr, FY 22=INR 11.26Cr & FY23=INR 12.05
In FY23, our CAPEX has increased compared to previous reporting year due to the following projects:
Installed ETPs and STPs with various capacities to treat the wastewater & reuse it.
Created storm water drainages to prevent rainwater mixing with different cargo types (Limestone, Coal, Fertilizer etc.)
Installed electro magnetic water meters to track water withdrawal & consumptions on real time basis & to reduce wastages through identification of leakages.

OPEX on water in FY19=INR 33.66Cr, FY20=INR 40.15Cr, FY21=INR 43.3Cr, FY22=INR 49.4Cr and FY23=INR 52.5Cr.
The increase in the OPEX is due to the maintenance of additional infrastructure built over the last year.
We anticipate ~20% increase in total operational costs for FY 24 due to investments in water-related infrastructure.
W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

<table>
<thead>
<tr>
<th>Use of scenario analysis</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Being signatories to TCFD and CEO water mandate, we are currently realigning our climate and water strategy in accordance with their recommendations. As part of this process, we have conducted a physical risk assessment for our ports, considering scenarios like SSP1RCP 2.6 and SSP1RCP 4.5. This analysis incorporates evaluations of climate and water stress-related factors to enhance our preparedness and resilience.</td>
</tr>
</tbody>
</table>

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

<table>
<thead>
<tr>
<th>Type of scenario analysis used</th>
<th>Parameters, assumptions, analytical choices</th>
<th>Description of possible water-related outcomes</th>
<th>Influence on business strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water-related, Climate-related, Socioeconomic</td>
<td>We apply a granular and qualitative climate related scenario analysis based on SSP1RCP 2.6 and SSP1RCP 4.5 scenario. To determine the relative water stress experienced at ports, we draw information from internationally recognized publicly available sources in the baseline and future water stress scenarios. For long term water stress assessment, future</td>
<td>The scenario analyses discussed in the previous column have various water-related outcomes. These outcomes involve alterations in water availability for both operations and downstream beneficial uses, shifts in water volumes, peak flows, and modifications in water quality that need to be addressed through water management and treatment infrastructure at our operations.</td>
<td>APSEZ uses the outcome of scenario analysis to inform their business strategy and budget allocations taking into account water-related risks. After analyzing the scenario results for water-stressed regions, we have made a strategic decision to invest in water conservation measures, with a specific focus on prioritizing actions in these vulnerable areas. Considering water stress and</td>
</tr>
</tbody>
</table>
scenarios until 2030-2040 are included in our assessment. We envisage that climate action worldwide will generate a positive impact on containing GHG emissions. Hence, an "optimistic" scenario with stable world economic development and carbon emissions peaking and declining by 2040, with emissions constrained to stabilize at approximately 650 ppm CO2 and temperatures to 1.1–2.6°C by 2100, is considered appropriate for future water stress assessment.

We carry out desktop studies as part of our operations to determine the boundaries of watersheds, locate water sources, understand potential impacts, evaluate availability, identify beneficial uses, and recognize key stakeholders, risks, and challenges. Additionally, we actively collaborate with watershed stakeholders to gain insights into the existing and future challenges facing the watershed. Our aim is to implement projects within the watershed that enhance sustainability, ideally focusing on outcome-based initiatives that contribute to achieving SDGs. To assess the effects of socioeconomic changes in the watershed, Using the WRI Aqueduct Water Tool, the assessment predicts a 1.4 times increase in water stress in the Mundra, Tuna and Dahej regions compared to the baseline. Additionally, moderate seasonal variability will rise at ports in Tamil Nadu and Krishnapatnam. In general, other ports will experience similar seasonal variability and water stress as before.

Alterations in water availability could potentially hinder growth. Variations in water volumes and peak flows might necessitate adjustments to the capacity of water management and treatment infrastructure, resulting in potential changes in costs for long-term water commitments. Our operations are situated in water-stressed areas, which may impact our operational efficiency and overall business performance.

seasonal variability as significant water-related risks, our business strategy incorporates the following measures: Target set to increase the share of non-competing sources of water to 80% by 2025. For this we have three-pronged approach- a) enter long term contract with nearby industry/ municipals to source their STP water for our operation, b) set-up or tie-up with desalination plants at various sites to meet our requirements, and c) carry rainwater harvesting wherever feasible.

We are investing to improve efficiency of water use through regular maintenance of infrastructure, installation of water meters at all the nodes to monitor and reduce water wastage and water audit to optimize demand & supply.

We are also working to increase the recycle & reuse of water within the operation.

Timescale for response: At APSEZ, we have implemented several water management strategies to mitigate risks and aim at achieving most of our targets by the end of FY2025.
W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?
Yes

Please explain
We are currently using Cost of desalination of water- to make investments in non-competing sources of water. This incentivizes us to make technology in alternative sources of water and reduce our dependence on competing sources. So, while evaluating investments/CAPEX, the cost of alternative sources is inbuilt to calculate a RoI.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

<table>
<thead>
<tr>
<th>Products and/or services classified as low water impact</th>
<th>Definition used to classify low water impact</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Yes</td>
<td>Low water impact are activities, practices, or processes that have minimal / negligible impact on water resources. We consider our services are low water impact after fulfilling the following conditions. - No incremental water withdrawal from</td>
</tr>
</tbody>
</table>
freshwater resources despite business volume growth.
- Zero liquid discharge at all operation sites (Water recycles and reuse is available at operation site)

measures such as increased reliance on brackish water & use of automated tarpaulin covering for trucks & conveyors to further decrease water usage in dry cargo handling, specifically for dust suppression.
For example: One of the services that we offer at our Ports (Mundra, Kattupalli) is Waste reception facility wherein wastewater of vessels/ships is taken at our facility and are treated in our STP/ETP and treated water after meeting the quality standards is utilized for gardening purpose.

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

<table>
<thead>
<tr>
<th>Category</th>
<th>Target set in this category</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water pollution</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Water withdrawals</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Water, Sanitation, and Hygiene (WASH) services</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>No, and we do not plan to within the next two years</td>
<td>We have the above related targets to Water and as of now we do not intend to undertake any other target.</td>
</tr>
</tbody>
</table>
W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number
Target 1

Category of target
Water pollution

Target coverage
Company-wide (direct operations only)

Quantitative metric
Increase in water use met through recycling/reuse

Year target was set
2020

Base year
2016

Base year figure
1.37

Target year
2025

Target year figure
10
Reporting year figure
3.3

% of target achieved relative to base year
22.3638470452

Target status in reporting year
Underway

Please explain
We have commissioned 450 KLD of ETP and 150KLD of STP at the Hazira site, which will further enhance the share of water use met through recycling and reuse. Additionally, we have revamped 35KLD STP at our Kattupalli port and also installed 15 KLD STP at Dighi port.

Target reference number
Target 2

Category of target
Water withdrawals

Target coverage
Company-wide (direct operations only)

Quantitative metric
Reduction in withdrawals per revenue

Year target was set
2020

Base year
2016
Base year figure
0.63

Target year
2025

Target year figure
0.25

Reporting year figure
0.25

% of target achieved relative to base year
100

Target status in reporting year
Achieved

Please explain
Our target was to reduce 60% of water consumption intensity by FY 2025. In FY 2022-23, we have already achieved more than the target was set to reduce our water consumption intensity. APSEZ has undertaken several measures to achieve water use efficiency such as improved monitoring across all water-related parameters, providing sensors in water pipes to track water losses, replacing low spread low dispersion water system with high spread high dispersion water systems for dust suppression, etc. Thus, all these measures are contributing to make the entire water value chain efficient.

Target reference number
Target 3

Category of target
Water, Sanitation and Hygiene (WASH) services
Target coverage
  Company-wide (direct operations only)

Quantitative metric
  Other, please specify
    No of sites completed the assessment of Water, Sanitation, and Hygiene (WASH)

Year target was set
  2020

Base year
  2016

Base year figure
  0

Target year
  2025

Target year figure
  12

Reporting year figure
  6

% of target achieved relative to base year
  50

Target status in reporting year
  Underway

Please explain
We have set the target to complete WASH assessment for all our sites. As of FY22-23, six of our sites have already completed this assessment.

**W9. Verification**

**W9.1**

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes


**W9.1a**

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

<table>
<thead>
<tr>
<th>Disclosure module</th>
<th>Data verified</th>
<th>Verification standard</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>W1 Current state</td>
<td>Water Withdrawal, Water Discharge and Total Water Consumption, Water Withdrawal Quantity and Sources, Water recycled/reused, No of sites completed the assessment of Water, Sanitation, and Hygiene (WASH)</td>
<td>ISAE 3000</td>
<td>Verified by third party auditor team.</td>
</tr>
<tr>
<td>W6 Governance</td>
<td>Board oversees Governance and management responsibility and Water Stewardship Policy</td>
<td>Other, please specify Internal Company Standard</td>
<td>Verified by internal team.</td>
</tr>
<tr>
<td>W8 Targets</td>
<td>Water Related Targets</td>
<td>Other, please specify</td>
<td>Verified by internal team.</td>
</tr>
</tbody>
</table>
W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

<table>
<thead>
<tr>
<th>Plastics mapping</th>
<th>Value chain stage</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Yes</td>
<td>Direct operations</td>
</tr>
</tbody>
</table>

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

<table>
<thead>
<tr>
<th>Impact assessment</th>
<th>Value chain stage</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Yes</td>
<td>Direct operations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supply chain Other, please specify Surrounding environment</td>
</tr>
</tbody>
</table>
environment and human health. This evaluation involves quantifying the severity and extent of impacts, identifying vulnerable populations or ecosystems, and assessing the significance of risks. It helps in prioritizing mitigation actions to reduce or eliminate adverse impacts.

**W10.3**

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

<table>
<thead>
<tr>
<th>Risk exposure</th>
<th>Value chain stage</th>
<th>Type of risk</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Yes</td>
<td>Direct operations</td>
<td>Regulatory</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supply chain</td>
<td>Reputational</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other, please</td>
<td>Physical</td>
</tr>
</tbody>
</table>
channels, and damage port infrastructure. This can disrupt operations, increase maintenance costs, and potentially result in delays or loss of business opportunities.

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

<table>
<thead>
<tr>
<th>Targets in place</th>
<th>Target type</th>
<th>Target metric</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Yes</td>
<td>Other</td>
<td>Other, please specify Phasing out single use plastics</td>
<td>APSEZ has set target for phasing out Single Use Plastics. By FY2025, we have set target to achieve Single Use Plastic Free Sites (9 Ports + 4 ICD + 17 Agri-logistics Sites).</td>
</tr>
</tbody>
</table>

W10.5

(W10.5) Indicate whether your organization engages in the following activities.

<table>
<thead>
<tr>
<th>Activity applies</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production of plastic polymers</td>
<td>No</td>
</tr>
<tr>
<td>Production of durable plastic components</td>
<td>No</td>
</tr>
<tr>
<td>Production / commercialization of durable plastic goods (including mixed materials)</td>
<td>No</td>
</tr>
<tr>
<td>Production / commercialization of plastic packaging</td>
<td>No</td>
</tr>
<tr>
<td>Production of goods packaged in plastics</td>
<td>No</td>
</tr>
<tr>
<td>Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)</td>
<td>No</td>
</tr>
</tbody>
</table>
W11. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

| Row 1 | Whole-Time Director and CEO of APSEZ | Chief Executive Officer (CEO) |

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

<table>
<thead>
<tr>
<th>Please select your submission options</th>
<th>I understand that my response will be shared with all requesting stakeholders</th>
<th>Response permission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>Non-public</td>
</tr>
</tbody>
</table>

Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

No
Please confirm below

I have read and accept the applicable Terms