26. Overview of the Entity's Material Responsible Business Conduct Issues

S. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate the positive/negative implications)
1	Business Ethics and Integrity	Risk	Ethical conduct, integrity, and transparent two way communication are critical for regulatory compliance and building stakeholder trust. Failure to uphold these principles can lead to legal penalties, financial losses, reputational damage, and erosion of business value.	We uphold the highest standards of integrity, ensuring compliance with all applicable laws, regulations, and global benchmarks. Our commitment extends to gender respect, zero tolerance for sexual harassment, ethical conduct, fair employment practices, respect for human dignity, and environmental responsibility. The Company follows a robust Code of Business Conduct and Ethics for the Board and senior management in line with SEBI Listing Regulations, alongside the Adani Group's Code of Conduct applicable to all employees.	Negative
2	Regulatory Compliance	Risk	Ensuring regulatory compliance is critical to avoiding legal penalties, financial losses, and operational disruptions. Non compliance can erode stakeholder trust, harm brand reputation, and reduce market confidence and business opportunities. As regulations evolve, sustained compliance requires proactive monitoring, regular reviews, and timely alignment with emerging legal and policy requirements.	AEL has implemented robust compliance frameworks and regularly updates its policies to align with evolving regulatory requirements. Periodic compliance audits ensure adherence across operations, supported by structured training and awareness programs that keep employees informed of regulatory changes and their business implications.	Negative
3	Climate Change Adaptation and Mitigation	Risk / Opportunity	**Risk** Climate change poses regulatory, physical, and reputational risks for businesses. Stricter climate policies and regulations may increase compliance requirements and costs, with non compliance potentially resulting in penalties. Physical impacts such as extreme weather and resource stress can disrupt operations, while inadequate climate action may expose the Company to reputational risks. **Opportunity** Climate Change Adaptation and Mitigation also creates opportunities for AEL to enhance resilience and competitiveness. Evolving regulations can drive the adoption of low carbon technologies, energy efficient operations, and climate resilient infrastructure. Proactive compliance and transparent disclosures strengthen stakeholder confidence and improve access to sustainability linked capital, while leadership in emissions reduction and clean energy can enhance brand value and unlock opportunities in the growing green economy.	AEL operates in emissions intensive businesses and engages subject matter experts to identify and manage risks arising from evolving regulations. The Company assesses impacts across regulatory, legal, health, safety, environmental, community, and reputational dimensions. To mitigate these risks, AEL invests in clean technologies and renewable energy to reduce its carbon footprint and improve energy efficiency, while staying aligned with climate related regulatory developments. By embedding climate risk management into its strategy, AEL mitigates risks and capitalises on growth and innovation opportunities in the evolving energy landscape.	Negative/ Positive

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4	Energy and Emissions Management	Risk/ Opportunity	**Risk** AEL's operations require a strategic approach to energy use and emissions management to align with evolving environmental regulations. As India moves toward its net zero target by 2070, stricter energy and emissions laws are expected. Failure to anticipate and prepare for these requirements could expose AEL to higher compliance costs, penalties, reputational risks, operational disruptions, and reduced stakeholder confidence. **Opportunity** India's long term net zero pathway offers AEL opportunities to enhance sustainability and competitiveness. Early preparation for stricter energy and emissions standards can enable cleaner technologies, improved efficiency, and lower carbon operations. This proactive approach can reduce long term compliance costs, strengthen resilience, enhance stakeholder confidence, and position AEL to capture growth opportunities in the emerging low carbon economy.	AEL integrates renewable energy across its operations and follows a comprehensive Energy Management Policy to optimise energy use and reduce emissions. Continued investments in energy efficient technologies and process improvements help lower the Company's carbon footprint, enhance operational efficiency, and support long term sustainability goals.	Negative/ Positive

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5	Occupational Health and Safety	Risk	Safeguarding employee health and safety is essential for sustaining productivity, maintaining operational efficiency, and reducing legal exposure. Unsafe working conditions can result in accidents, injuries, and reputational harm, ultimately affecting employee morale, engagement, and retention.	AEL conducts regular safety trainings, performs comprehensive hazard assessments, and implements stringent safety protocols to ensure a safe and secure working environment. The Company also promotes a strong safety culture by encouraging employees to report potential hazards and actively participate in safety initiatives and improvement programs.	Negative
6	Product/ Service Quality and Safety	Risk / Opportunity	**Risk** Maintaining high standards of product and service quality is critical, as any decline can result in customer dissatisfaction, legal challenges, and potential product or service recalls. Poor quality performance may also damage the company's brand reputation, reduce profitability, and ultimately lead to a loss of market share. **Opportunity** A strong commitment to product and service quality enables the company to build customer trust, enhance brand loyalty, and differentiate itself in the marketplace. By consistently delivering high quality offerings, the company can improve customer retention, strengthen competitive advantage, and create opportunities for sustainable growth and increased market share.	AEL employs robust quality control systems, continuous improvement processes, and structured customer feedback mechanisms to ensure the reliability and consistency of its products and services. The Company also invests in research and development to advance innovation and enhance the performance, sustainability, and value of its offerings. These efforts support AEL's commitment to delivering high quality solutions while contributing to long term stakeholder trust and sustainable growth.	Negative/ Positive

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7	Circular Economy and Waste Management	Risk / Opportunity	**Risk** Ineffective waste management practices can increase environmental impact, lead to non compliance with regulatory requirements, and raise operational costs associated with improper disposal. Poor waste management performance may also expose the company to legal penalties, reputational damage, and higher long term liabilities. **Opportunity** Effective waste management allows the company to reduce its environmental footprint, improve compliance, and lower disposal and process related costs. By considering Waste as a resource and practicing circular business models, the company can create new revenue streams through reuse, recycling or waste to product innovations.	AEL follows the 3R principles - Reduce, Reuse, and Recycle through comprehensive waste management policies that encourage sustainable practices and limit waste generation. The Company also invests in advanced technologies and process improvements to strengthen its waste treatment and recycling capabilities, supporting long term environmental stewardship.	Negative/ Positive
8	Human Rights	Risk	Addressing human rights considerations is a critical component of AEL's ESG commitments. Proactive management of human rights risks helps prevent reputational harm, reduce legal exposure, and ensure alignment with internationally recognised standards and frameworks. Failure to uphold these expectations can erode brand value, diminish stakeholder trust, and result in heightened scrutiny from regulators, investors, and other stakeholders.	AEL upholds its human rights commitments through a dedicated Human Rights Advisory Forum and by integrating human rights considerations into business operations. Targeted employee training and active stakeholder engagement support responsible conduct and promote best practices across the value chain.	Negative

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9	Community Engagement	Opportunity	Engaging with communities strengthens social impact, builds meaningful relationships, and contributes to a positive and supportive work environment for employees. It also enhances business sustainability, reinforces corporate reputation, and aligns with the organisation's broader corporate social responsibility objectives.		Positive
10	Customer Satisfaction	Risk / Opportunity	**Risk** Low customer satisfaction poses a significant risk to business continuity, profitability, and competitive positioning. Poor customer experiences can result in loss of business, negative reviews, declining loyalty, and reputational damage, all of which can weaken the company's market presence. **Opportunity** Higher customer satisfaction provides an opportunity to strengthen loyalty, enhance competitive advantage, and support long term business growth. By consistently meeting or exceeding customer expectations, the company can build a strong reputation, attract repeat business, and reinforce its overall market credibility.	AEL prioritizes the delivery of high-quality products and services, actively seeking feedback and implementing enhancements to meet customer expectations. Additionally, the Company invests in specialized training and technology to further elevate the customer experience.	Negative/ Positive

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11	Innovation and Technology	Risk and Opportunity	**Risk** Innovation is critical for sustaining a competitive edge and keeping pace with market shifts and technological advancements. A lack of innovation can lead to declining market share, reduced profitability, and the risk of products or services becoming obsolete. **Opportunity** Strong innovation capabilities enable the company to stay ahead of market trends, respond effectively to emerging customer needs, and leverage new technologies for growth. By fostering a culture of innovation, the company can enhance competitiveness and unlock new revenue streams.	AEL invests in research and development, nurtures a culture of innovation, and collaborates with technology partners to advance sustainable solutions across its operations. The Company actively monitors industry trends and emerging technologies to strengthen its competitive position and ensure alignment with its long term ESG and business objectives.	Negative/ Positive
12	Biodiversity and Land Use	Risk	Managing biodiversity and land use is central to AEL's environmental stewardship, helping minimise ecological impacts, ensure regulatory compliance, and maintain its social license to operate. Inadequate management can result in legal, reputational, and community-related risks.	AEL has established robust policies to reduce its ecological footprint, promote sustainable land use, and conserve biodiversity. The Company has aligned its biodiversity risk management framework with TNFD and other global standards, reinforcing proactive environmental stewardship through stakeholder engagement, regulatory compliance, and long-term operational sustainability.	Negative

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13	Water Stewardship	Risk	Effective water management is essential amid growing scarcity and quality challenges, as it directly impacts operational continuity, regulatory compliance, and community trust. Inadequate water stewardship can lead to operational disruptions, reputational risks, and increased costs.	AEL optimises water use through reuse and recycling initiatives, guided by its Water Stewardship Policy, to ensure responsible management and community engagement. The Company also invests in water efficient technologies to improve operational efficiency and enhance long term water resilience.	Negative
14	Talent Attraction and Retention	Risk	Attracting and retaining talent is essential for operational excellence, workforce capability, and sustained innovation. High attrition can lead to increased costs, loss of institutional knowledge, and reduced productivity.	AEL provides competitive benefits, strong career development pathways, and an inclusive work environment to attract and retain high quality talent. The Company further strengthens workforce commitment through focused employee engagement and recognition initiatives.	Negative
15	Diversity, Equity and Inclusion	Risk	Promoting diversity, equity, and inclusion is essential to fostering a respectful, engaging, and future ready workplace while supporting legal and ethical compliance. Weak DEI practices can lead to reputational and legal risks, erode trust, and adversely affect employee morale and organisational cohesion.	AEL fosters equal opportunity through inclusive policies, focused training, and structured diversity initiatives, with regular monitoring of key DEI metrics to ensure accountability. Active engagement with stakeholders further reinforces the Company's commitment to an equitable and inclusive workplace.	Negative
16	Learning and Development	Opportunity	Investment in employee learning and development enhances workforce capability, productivity, and job satisfaction, while fostering innovation and supporting long term talent retention by building future ready skills.		Positive

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17	Sustainable Supply Chain Management	Risk	Effective supply chain sustainability management is critical to mitigating operational and ESG risks, strengthening reputation, and meeting evolving regulatory and stakeholder expectations. Weak oversight can result in disruptions, reputational damage, and exposure to labour, human rights, safety, and material availability risks, adversely affecting business continuity and performance.	AEL integrates sustainability into supplier selection and management, working closely with partners to promote responsible practices across the value chain. Continuous performance monitoring and stakeholder engagement further strengthen the Company's commitment to a resilient and ethical supply network.	Negative
18	Data Security and Customer Privacy	Risk	Protecting data security and customer privacy is critical to maintaining stakeholder trust, avoiding regulatory exposure, and safeguarding sensitive information. Any lapse can result in financial, legal, and reputational risks, making robust data protection practices essential for long term operational resilience.	AEL implements strong data protection measures, regularly reviews its security controls, and ensures compliance with applicable privacy regulations. The Company also invests in advanced cybersecurity solutions and continuous employee training to enhance organisation wide data security resilience.	Negative