

"At Adani Energy Solutions Limited [AESL], we recognize that our operations, spanning Power Generation, Transmission, and Distribution, are inseparable from the intricate web of life that constitutes our planet's biodiversity. Our unwavering commitment to preserving natural habitats and species diversity stands as the cornerstone of our sustainability journey.

It is not merely a compliance exercise, but a strategic imperative as we firmly believe that a thriving natural environment is not only essential for the well-being of ecosystems but is also inextricably linked to the vitality and longevity of our business.

Objective:

This policy outlines the commitment of Adani Energy Solutions Limited [AESL] driven by the Precautionary Principle, taking proactive measures to safeguard biodiversity, even in the face of uncertainty. By doing so, AESL aims to:

- ✚ be leader in Energy Solutions space, setting new benchmarks on responsible and sustainable practices.
- ✚ to prioritize and actively engage in biodiversity conservation measures in alignment with the Indian Business and Biodiversity Initiative (IBBI) and in compliance with national and international standards and frameworks.
- ✚ systematically integrate biodiversity considerations into our IMS processes, ensuring that biodiversity impacts are assessed and addressed in all aspects of our operations.

Policy statement:

1. Commitment to Biodiversity Conservation:

- AESL is dedicated to working towards the conservation of Rare, Endangered / Endemic & Threatened species in high priority Biodiversity conservation areas. We recognize the intrinsic value of biodiversity and its critical role in maintaining ecological balance and providing ecosystem services.

2. Compliance with Legal and Regulatory Frameworks:

- We commit to full compliance and exceed where possible, with all relevant local, national, and international laws, regulations, and agreements including adherence to the Convention on Biological Diversity (CBD) and other applicable biodiversity-related conventions, in addition to the requirements of ISO 14001:2015, ISO 50001:2018, ISO 9001:2015, and ISO 45001:2018.

3. Integration of Biodiversity Considerations:

- AESL will integrate biodiversity considerations into our day-to-day decision-making processes across all levels of the organization, ensuring that biodiversity impacts are assessed and mitigated in all business activities.

4. Biodiversity Impact Assessment:

- We will conduct thorough biodiversity impact assessments for all new projects and significant operational activities, including in plans for decommissioning, closure, and rehabilitation to identify potential risks and opportunities for biodiversity conservation, aligning with the risk assessment procedures outlined in ISO 14001:2015 standard and or any other global framework.

5. [Stakeholder Engagement](#):

- AESL will actively engage with relevant stakeholders, including local communities, governmental and non-governmental organizations, and biodiversity experts, to seek input, share knowledge, collaborate, and support the conservation of threatened, rare, and endemic species, as well as critical conservation areas. Together, we strive towards a future where our operations contribute positively to the restoration and enhancement of biodiversity.
- We will advocate for policies and regulations that promote biodiversity conservation and sustainable land management practices. Through constructive dialogue, we aim to contribute to the development of a regulatory framework that supports long-term environmental sustainability.

6. Sustainable Sourcing and Supply Chain Management:

- We will work towards ensuring that our supply chain partners and vendors adhere to biodiversity-friendly practices and promote sustainable sourcing of natural resources.
- We prohibit any business with suppliers in sites containing globally or nationally important biodiversity.

7. Habitat Restoration and Conservation Initiatives:

- We support the implementation of [the mitigation hierarchy](#) (avoidance, minimization, restoration and rehabilitation, and offsets), especially the avoidance phase and the initial stages of offset design.
- We will undertake active measures for habitat restoration and conservation, including the establishment of protected areas, reforestation, and the creation of biodiversity corridors where applicable, consistent with the environmental management framework of ISO 14001:2015.

8. Capacity Building and Employee Training:

- Our employees are our ambassadors in this endeavor. We empower them with the knowledge and awareness needed to be stewards of biodiversity, fostering a culture of environmental responsibility. Through ongoing training and education, we equip our employees, contractors, and partners to increase awareness, understanding of biodiversity conservation principles and implementing practices in preserving natural habitats and species diversity.

9. Reporting and Transparency:

- We are committed to regular and transparent reporting on our biodiversity conservation efforts, including progress updates, success stories, and challenges faced. This information will be made available to all stakeholders, including the public.

10. Research and Innovation:

- We will actively support research and innovation initiatives focused on biodiversity conservation, both internally and by collaborating with research institutions and conservation organizations.

11. Continuous Improvement:

- We commit to set biodiversity related targets, regular monitor and report our progress, continuously seek opportunities for continual improvement in our biodiversity performance with an aim not merely to achieve 'No Net Loss' of biodiversity, but to achieve 'Net Positive Gain' (NPG) of biodiversity, land, air, and or water management; affirming our global responsibility to protect our shared natural heritage and demonstrating transparency and accountability in preserving natural habitats and species diversity efforts.

No Deforestation

AESL is dedicated to achieving a green transformation using natural resources while prioritizing sustainability and no/minimal disruption to the ecosystem. We strive to carry out projects in an environmentally friendly manner, making a conscious effort to steer clear of forested areas. If a project encounters forest land, AESL follows established procedures for Forest Diversion to secure the necessary Right of Way (RoW) for execution. Any environmental impact is addressed through Compensatory Afforestation in accordance with regulatory guidelines.

This policy is not static; it is a living testament to our enduring commitment. We will continuously review, enhance, and adapt our strategies to reflect emerging best practices and the evolving needs of our planet. At AESL, we stand resolute in our mission to lead the way in sustainable Energy solutions, always mindful of our duty to protect and preserve the rich tapestry of life on Earth."

This policy is endorsed by the Board of Directors of AESL and will be communicated to all employees, stakeholders, and made publicly available on our website.

Through our operations, we pledge to meticulously identify, assess, and manage biodiversity-related aspects, systematically evaluating risks and impacts. We champion the integration of conservation needs with our business imperatives, ensuring that every phase of our projects, from inception to decommissioning, including closure & rehabilitation, reflects our dedication to preserving natural habitats and species diversity.

Stakeholder Engagement for Biodiversity Conservation

At AESL, we understand that biodiversity conservation is a collective endeavor that requires the active participation and collaboration of a diverse range of stakeholders. We are committed to fostering meaningful and transparent relationships with local communities, non-governmental organizations (NGOs), governmental bodies, academic institutions, and other relevant stakeholders.

1. Local Communities:

- 1.1. **Empowering and Involving:** We recognize the vital role local communities play in the preservation of biodiversity. Through open dialogue and inclusive decision-making processes, we actively seek to involve local communities in our biodiversity conservation initiatives. This includes consulting them in the early stages of project planning and design to understand their unique perspectives, concerns, and traditional knowledge related to local ecosystems.
- 1.2. **Capacity Building and Education:** We invest in programs aimed at enhancing the capacity of local communities to actively participate in biodiversity conservation efforts. This may include training in sustainable land management practices, wildlife monitoring, and other relevant skills. By providing these resources, we empower local communities to become stewards of their own natural heritage.
- 1.3. **Sharing Benefits:** We are committed to ensuring that biodiversity conservation initiatives bring tangible benefits to local communities. This may include opportunities for eco-tourism, sustainable livelihoods, and educational programs. By sharing the benefits of conservation, we aim to create a sense of ownership and pride among local communities.

2. Non-Governmental Organizations (NGOs):

- 2.1. **Collaboration and Partnerships:** We actively seek to collaborate with reputable NGOs that have a track record of successful biodiversity conservation efforts. Through strategic partnerships, we aim to leverage the expertise, resources, and networks of these organizations to enhance the impact of our initiatives.
- 2.2. **Joint Initiatives:** We support and participate in joint initiatives with NGOs that focus on specific biodiversity conservation goals. This may involve co-funding projects, providing technical expertise, or offering logistical support. By working together with NGOs, we amplify our collective ability to address complex conservation challenges.

3. Governmental Bodies and Regulatory Authorities:

- 3.1. **Compliance and Beyond:** We are committed to not only meeting but exceeding regulatory requirements related to biodiversity conservation. We actively engage with governmental bodies and regulatory authorities to ensure that our initiatives align with national and local conservation priorities.
- 3.2. **Policy Advocacy:** We advocate for policies and regulations that promote biodiversity conservation and sustainable land management practices. Through constructive dialogue, we aim to contribute to the development of a regulatory framework that

supports long-term environmental sustainability.

4. Academic and Research Institutions:

4.1. **Knowledge Exchange:** We value the expertise and research capabilities of academic and research institutions. We actively seek opportunities for knowledge exchange, collaborative research projects, and joint studies that contribute to a deeper understanding of local ecosystems and conservation strategies.

4.2. **Innovation and Best Practices:** We support and promote research that leads to the development of innovative solutions for biodiversity conservation. By staying at the forefront of scientific advancements, we can implement cutting-edge practices that yield maximum benefits for biodiversity.

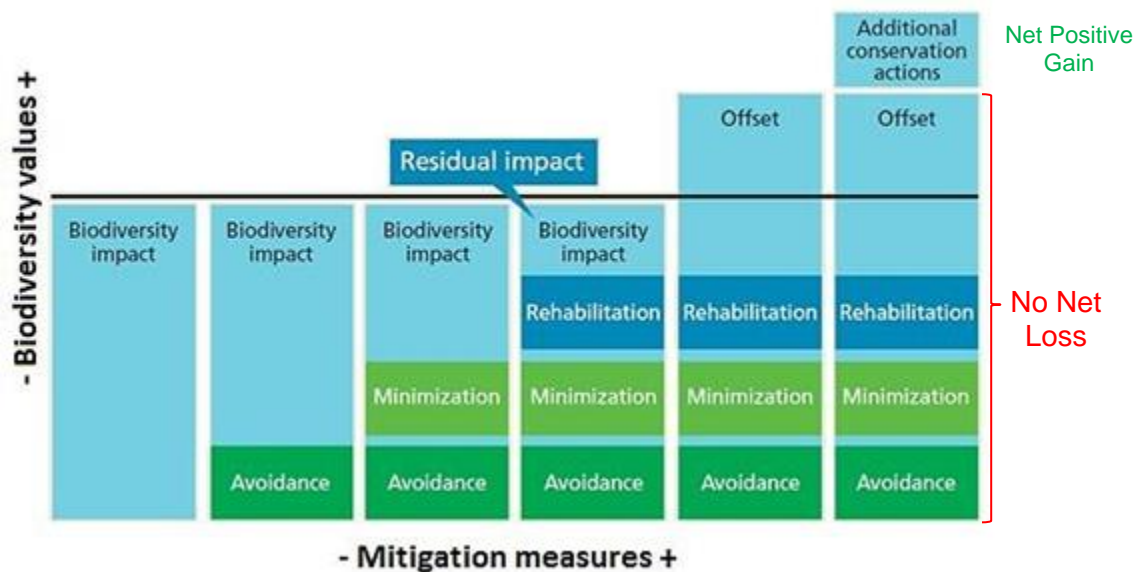
At AESL, we view stakeholder engagement as an ongoing and dynamic process. We are committed to maintaining open lines of communication, soliciting feedback, and adapting our strategies based on the insights and perspectives of our valued stakeholders. Together, we are dedicated to achieving meaningful and lasting biodiversity conservation outcomes.

The Mitigation Hierarchy

The mitigation hierarchy is a framework that enables businesses to manage environmental impacts across different phases of a particular project cycle.

The mitigation hierarchy includes the following sequential actions:

1. **Avoidance:** measures taken to avoid creating impacts from the outset, such as careful spatial or temporal placement of infrastructure elements to prevent any impact on certain components of biodiversity.
2. **Minimization:** measures taken to reduce the duration, intensity and/or extent of impacts (including direct, indirect, and cumulative impacts, as appropriate) that cannot be completely avoided, as far as is practically feasible.
3. **Rehabilitation/restoration:** measures taken to rehabilitate degraded ecosystems or restore cleared ecosystems following exposure to impacts that cannot be completely avoided or minimized, to achieve no net loss or a net gain of biodiversity.
4. **Offset:** measures taken to compensate, in a like-for-like (or better) fashion, for any residual significant adverse impacts that cannot be avoided or minimized, to achieve no net loss or a net gain of biodiversity.



The steps in the mitigation hierarchy are likely to overlap during the life of a project.

For example, restoration and rehabilitation efforts might occur while offsetting activities are being implemented. In any case, rehabilitation/restoration and biodiversity offsets should only be considered as a last option after a company has implemented the other steps in the mitigation hierarchy. In addition, it is critical to be aware that rehabilitation/restoration and biodiversity offsets are not always possible.

Not all impacts on biodiversity can be compensated for and some biodiversity features,

because of their high value either for biodiversity or for people (or both), are simply not offsetable.

The mitigation hierarchy is a valid framework for companies to adopt to achieve

No Net Loss (NNL) or Net Positive Gain (NPG) at the end of a project cycle.

Supporting Conservation Actions (SCAs): measures to recompense, make good or pay damages for loss of biodiversity caused by a project that can fall short of achieving no net loss or a net gain. For instance, this may occur if: conservation actions have been planned to achieve no net loss; losses and gains of biodiversity have been quantified; no mechanism is in place for long term implementation; it may be impossible to offset the impacts; or compensation payments are used for training, capacity building, research or other outcomes that will not result in measurable conservation outcomes on the ground.

Compensation actions that cannot be counted as offsets may be considered supporting conservation actions or additional conservation actions. They cannot be included in metrics to assess offsets or measure progress towards NNL or NPG, although they can still be beneficial for biodiversity.

Examples: environmental education or support for research on data-deficient ecosystems.