

PARADEEP PHOSPHATES LIMITED

BIODIVERSITY AND NO DEFORESTATION POLICY

Purpose

PPL has instituted a biodiversity protection and No Deforestation policy to establish a sustainable relationship between business operations and the ecosystem. The policy clearly articulates PPL's commitment to proactively understand the strategic nature of biodiversity within the business framework. It commits to continuous efforts to maintain and enhance biodiversity through innovation, technology, and stakeholder consultations. As a result, these endeavors have propelled PPL to implement a robust policy.

Scope of Application

PPL, including its subsidiaries, are subject to the “PPL’s Biodiversity & No Deforestation Policy” (from now on referred to as “this policy”). In addition, PPL engages suppliers, joint ventures, and all stakeholders in the supply chain to comply with this policy. The Company will exert efforts to establish a sustainable supply value chain through initiatives such as preventing harm to biodiversity, promoting the propagation of the need to protect biodiversity to the local communities and reforestation and afforestation activities through collaboration with related organizations in our worksites and the surroundings.

Policy Framework

The framework comprised the following essential functions:

1. **Integrated Approach:**
 - Implementing environmentally, socially, and economically positive activities to achieve a net positive impact on biodiversity.
 - Striving for a harmonious balance between conservation efforts and economic development.
2. **Sustainable Resource Management:**
 - More Emphasis on recycling, reusing, and reducing products to promote sustainable resource use in the operations.
3. **Afforestation and Reforestation:**
 - Undertaking extensive tree plantation drives to contribute to afforestation efforts.
 - Committing to no gross deforestation in operational areas and compensating through future reforestation/afforestation initiatives.
4. **Risk Mitigation:**
 - Identifying and assessing biodiversity and deforestation risks, implementing hierarchies to mitigate these risks effectively.
5. **Avoidance of Critical Biodiversity Areas:**
 - Avoid operating in or minimize sourcing from areas of critical biodiversity.
 - Reducing land use change through gross deforestation by adopting responsible sourcing practices.

6. **Conservation and Restoration:**
 - Safeguarding, sustaining, and restoring biodiversity and degraded ecosystems, including threatened species.
 - Contributing to maintaining atmospheric and marine equilibrium and supporting all forms of life within operational areas to mitigate the impact of climate change.
7. **Stakeholder Engagement:**
 - Engagement with stakeholders, including local communities, employees, partners, and suppliers, to raise awareness and encourage biodiversity conservation and afforestation.
8. **Alignment with Global Frameworks:**
 - Aligning policies with the UN Global Biodiversity Framework, India's National Biodiversity Action Plan, and other relevant regional and local laws.
 - Supporting Sustainable Development Goals (SDGs) 15, 12, and 13, emphasizing responsible consumption, sustainable production, and climate action.
9. **Support for Global Initiatives:**
 - Committing to the UN Convention on Biological Diversity (CBD) principles.

Implementation

PPL has established a working-level team responsible for putting biodiversity protection and no deforestation policy into action and performing related tasks. The team's key roles include evaluation of biodiversity/deforestation and implementation of biodiversity and nature preservation-restoration-expansion activities.

Review and Amendment

PPL retains the authority to revise or alter this policy, in its entirety or partially, without assigning any justification.

Raising a concern

We are in the process of streamlining our roadmap towards being net nature positive. As a part of this initiative, PPL will setup a mechanism where stakeholders will have the option to report concerns about nature and biodiversity related aspects through various channels.

Policy References

This policy is shaped by both best practices and principles enshrined in India's National Biodiversity Action Plan (NBAP), 2008, Biological Diversity Act (India), 2002, the Biodiversity Initiative of the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Environmental & Social Management System (IUCN ESMS) standard of the International Union for Conservation of Nature, UN Convention on Biological Diversity (CBD), Kunming-Montreal Global Biodiversity Framework and the United Nations Sustainable Development Goals (UNSDGs).

Other Internal Policy References

1. Environment, Occupational Health, Safety and Sustainability Policy
2. Supplier Code of Conduct
3. Code of Conduct

This version is approved by Chief Sustainability Officer (CSO), PPL