Environment & Social Management System

Applicable to SAEL Industries Limited (Renewable Energy Portfolio)

Private & Confidential

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S.No	Version	Revision Date	Implementation Date	Signing Authority
1	Version 1	July 2023	June 2023	Mr. Laxit Awla - CEO 
2	Version 2	February 2024	February 2024	Mr. Laxit Awla - CEO 

1 Introduction

1.1 Business Overview

SAEL Industries Limited (Hereinafter referred to as "SAEL" or "Company") was incorporated in the year 2022. Formerly known as SAEL limited, a Private Limited Company, incorporated in the year 1999. SAEL is engaged in developing, operating and managing the renewable energy projects (Rooftops Solar Projects, Ground Mounted Solar Projects, Biomass based waste to energy power plants, and Module Assembly Unit). SAEL has contracted a total solar capacity of 382 MW across 11 projects (7 are Operational & 4 are Under-Construction which are near COD). This includes an operating capacity of 212 MW and an additional 170 MW of capacity of committed/near COD. An additional 300MW solar PV Module assembly plant is being set up in Punjab.

SAEL is the Leader in the paddy straw-led, waste-to-energy generation business in India. It has expertise in the design, construction and operation of a waste-to-energy plant for large-scale generation of power. SAEL has partnered with global technology suppliers such as BWSC, to develop waste-to-energy technology for Indian conditions. With over 10 years of experience, SAEL offers reliable and efficient solutions in the most advanced biomass technologies. The biomass plants use paddy straw, a by-product of paddy harvesting, to produce energy. Paddy straw, which otherwise would be burned, leading to degradation of soil quality and air pollution, is efficiently converted to energy through an advanced boiler mechanism. The company also installs biomass plants for other customers on a BOT (build, operate, transfer) basis.

In line with the requirements of applicable reference framework, SAEL , has established this Environmental & Social Management System (ESMS) to be implemented at corporate level for renewable energy portfolio . The ESMS embodies a series of supporting Management Plans and Standard Operating Procedure (SOPs). These documents will be implemented as part of overall E&S management at SAEL and will be periodically updated as and when necessary to ensure the management system remains responsive to varying environmental, human health and safety management requirements. Collectively, the measures and supporting documents included in this ESMS constitute a flexible management approach that is based directly on applicable reference framework and can readily accommodate changing needs of process related functions associated with SAEL's operations.

1.2 Applicability of ESMS and its Implementation

This ESMS will be applicable to all business operations of SAEL including operational, under construction as well as the development new plants. The coverage of certain aspects has a mandate for inclusion of contractors, subcontractors, vendors, etc.

Implementation of this system will be driven by Corporate E&S Committee supported by the corporate E&S manager, as detailed in ***Section 4*** of this manual. Corporate ESMS committee includes representatives from HR, Legal, Technical & Engineering, and Supply Chain divisions.

1.3 Overview of ESMS

The ESMS takes course through four stages, namely 'Planning', 'Implementation', 'Checking and Review', and 'Initiating Changes Post Checking & Review', for overall EHS and social management, commonly known as the Plan-Do-Check-Act cycle (PDCA).

A management system is a set of processes and practices to consistently implement company's policies to meet their business objectives. The goal is to make sure that appropriate policies and procedures are in place and that responsible team consistently follow them. The management system shall help to assess and control the E&S risks associated with their operations. There shall be an ongoing process of reviewing, correcting and improving your system. The Plan-Do-Check-Act cycle (PDCA) is described below:

The section below defines various Components that constitute the ESMS structure whilst listing associated procedures / supporting documents that will have to be maintained as part of the management system.

1.4 Structure of Manual

SAEL's ESMS, Procedures, and Records have been established in an auditable structure to support effective management of EHS&S risks associated with SAEL's ongoing and proposed operations. The documentation system ensures that the ESMS conforms to specified requirements, legal aspects and effectively manage and control all EHS&S related aspects. To effectively implement the ESMS by various entities, the procedures and tools across an asset lifecycle have been summarized in below. The management system is appended with various Appendixes, as given in table below, which will provide systems and protocols for management of Identified EHS&S risks.

Table 1-1 Associated documents of ESMS

Plan/Do Check/Act Stages	S.No	ESMS Components / Activities	Description	Implementation Responsibility	Associated Management Plans
Planning (Stage 1)	1	Leadership and accountability through Policy	The policy developed as part of this ESMS shall be communicated to all levels of hierarchy to showcase the SAEL's commitment towards environmental and social management by establishing, documenting, implementing, maintaining and improving the ESMS	**CEO and ESMS Manager (also the ESG Head at corporate level)** The E&S and other policies shall be signed and duly approved by the 'CEO' and the 'ESMS Manager'. The ESMS Manager shall ensure that approved copies of the Policies are displayed at various places inside the site premises and also at security.	• E&S Policy ***(Section 3.1)*** • Land Procurement Policy **(Section 3.2)** • Corporate Social Responsibility Policy **(Section 3.3)** • Stakeholder Engagement & Communication Policy **(Section 3.4)** • Other Existing Governance Policies **(Section** Error! Reference source not found.**)**
	2	Objectives, targets and plans	Define objectives, targets, criteria and actions for the management of potential impacts	**CEO, ESG Head and Department Heads** ESMS Head and Manager shall ensure all objectives and targets with respect to E&S management are outlined and measures prescribed in this ESMS are implemented for achieving set targets / goals for each calendar year	E&S Goals, KPI & Objectives **(Section 7**Error! Reference source not found.**)**
	3	Compliance to Applicable Reference framework	Identify and provide access to legal requirements and other obligations	**HR Head, Legal Head and ESG Head** The legal register presented under of the ESMS presents Company's legal requirements.	• Applicable Legal & Institutional Framework ***(Section 2 and Appendix A)***
	4	Aspect identification, impact assessment and risk assessment	Identifying associated impacts & risks associated throughout the Project life	**ESMS Manager (corporate E&S Head) & ESMS Officer (Respective Plant Head), Deputy EHS&S Manager, CLO with support from all HODs** ESMS Manager & Officer shall initiate risk identification for Environmental & Social aspects in accordance with procedures outlined in Identification Risks & Impacts of the ESMS as well as the generic impact and risk as outlined in ***Section 5.2.***	• E&S Risk and Impact identification ***(Section 6.1.1 and 6.1.2)*** • Hazard Identification and Risk Assessment Form ***(Appendix I)*** • E&S Aspects and Impacts Checklist ***(Appendix B)***
Implementation (Stage 2)	5	Roles and responsibility	Establish roles and responsibilities for implementation of ESMS & providing sufficient management sponsorship of human resources	**Plant Head, Site ESMS Manager, HR Manager, CLO and all Functional Head at site** ESMS Officer and Manager shall ensure that Roles and Responsibilities outlined in this ESMS are diligently carried out by concerned personnel	Organizational Capacity – Resources, Roles and Responsibilities ***(Section4)***
	6	Contractors, suppliers and vendors	Considering E&S management and performance in the selection and management of third-party services	**HR Head, ESMS Officer (respective plant head), Legal Head , SCM Head & Liasoning Head** All contractors engaged by SAEL shall be required to conform to measures prescribed under this ESMS for effective EHS management. HR, Legal & and ESMS Officer shall be responsible for scrutinizing E&S performance of contractors and sub-contractors, whereas SCM head and Liasoning Head will also be involved in Selection and Onboarding	• Contractor Management ***(Section 6.2.1.1)*** • Contractor Identification & Selection *(Appendix S)* • Contractor Induction to safety procedures ***(Appendix S)*** • Supplier Code of Conduct ***(Appendix U)***
	7	Competence, training and awareness	Make personnel aware of their responsibilities and enable them to be competent to meet their responsibilities	**Plant Head, HR Head and ESMS Manager Site** SAEL staff is required to undergo Safety training in order to be qualified for working on the projects. ESMS Officer and Site Deputy EHS&S Manager shall maintain a training calendar for undertaking Safety refresher and Safety induction trainings	• Competency, Training and Awareness ***(Section 8)*** • Training Records ***(Appendix J)***
	8	Operational controls and maintenance	Implement operational controls and maintain equipment to uphold E&S performance and compliance and to manage impacts and risks	**Engineer Head, Plant Head and ESMS Manager (Site Level)** All procedures outlined in this ESMS for effective E&S management shall be diligently supervised for its implementation. E&S Performance shall be assessed on bi-annual basis at corporate Level	**Environment Management Procedures & Forms** • Air Emissions Management **(Appendix G and Section 5.5.1)** • Water & Wastewater Management **(Section 5.5.3)** • Noise and Vibration Management **(Section 5.5.4)** • Waste Management **(Section 5.5.5)** • Fly Ash Management **(Section 5.5.2)** • Pesticide Use and Management **(Section 5.5.6)** • Biodiversity Conservation & Management • Traffic Management

Plan/Do Check/Act Stages	S.No	ESMS Components / Activities	Description	Implementation Responsibility	Associated Management Plans
					• Resource Efficiency **(Appendix F)** • Environment Monitoring Framework ***(Appendix G)*** **Social Management Procedure & Management Forms** • Stakeholder Engagement **(Appendix Q)** • Security Management **(Appendix M)** • Labour Accommodation **(Appendix N)** • Internal Grievance Redressal Mechanism **(Appendix W)** • External Grievance Redressal Mechanism **(Appendix X)** **OHS Management Procedures & Forms** • Accident & Incident Investigation **(Appendix P)** • Permit to work system **(Appendix H)** • Personal Protective Equipment **(Appendix H)** • Lock out and tag out **(Appendix H)** • Confined Spaces **(Appendix H)** • Hot Works **(Appendix H)** • Working at Height **(Appendix H)** • Electrical Safety Management **(Appendix H)** • Slips trips and falls **(Appendix H)** • Pressure Vessels & Boiler Management **(Appendix H)** • Ergonomic Management **(Appendix H)** • Emergency Response & Fire Protection **(Appendix H)** • Medical & First Aid **(Appendix H)** • Erection, Stringing & Maintenance of Transmission Lines **(Appendix H)**
	9	Documentation and record keeping	Control and maintain documents and records associated with E&S management	**ESMS Manager, HR, CLO and Functional Heads** The ESMS Manager along with the Deputy EHS&S Manager is required to maintain documents as per tiers identified as per procedures outlined for control of records	Documentation Control Procedures **(Section 7.4)**
Check & Review (Stage III)	10	Assessing, correcting and improving performance	Ensure non-conformances are promptly reported and take corrective and preventative actions to reduce the likelihood of recurrence. Undertake audits, inspections, monitoring and reviews Report on compliance with the ESMS performance to senior management	**Plant Head and ESMS Manager, HR , Legal and Other Function Heads** Both ESMS Manager & ESMS Officer along with the HR, Legal and other HOD's are required to check and review ongoing implementation status of the E&S Management System, review non-conformances and assess the need for initiating additional measures if necessary as per procedures outlined in Checking and review.	• E&S Performance Monitoring, Reporting & Communication **(Section 7.2)** • Internal E&S Monitoring **(Section 7.2.1)** • Legal & Regulatory Compliance Monitoring **(Section 0)** • External Monitoring & Third Party Audits **(Section 7.2.4)**
Review & Updation (Stage IV)	11	ESMS Review & updation	Review the suitability, adequacy and effectiveness of the ESMS and identify improvement actions to facilitate continuous improvement. Modify the ESMS in response to changes in the Project and to changes in the organisation, personnel, operations and processes.	**ESMS Committee** ESMS Officer & Manager along with other HOD's (ESMS committee) are required to initiate changes to the ESMS and edit / append requisite measures to the ESMS . The CEO (ESMS Head) are required to implement Management of Change procedures for changes that may arise in the organization structure set up for implementation of the ESMS	• ESMS Management Review & updations **(Section 7.4)** • Document & Control Procedures

2 Applicable Legal & Institutional Framework

The reference framework that guides the development of the Corporate ESMS of SAEL takes into consideration the following key standards:

- IFC Performance Standards (PS), 2012
- IFC's EHS guidelines for Electric Power Transmission and Distribution, 2007
- World Bank Group (WBG) & IFC Environmental, Health and Safety (EHS) General Guidelines, 2007
- Norfund's ESG policy
- International Labour Organisation (ILO) Core Conventions
- IFC/World Bank Guidelines for Converting Biomass to Energy, A guide for developers and Investors, June 2017
- Applicable local, national and international environmental and social (including occupational health and safety) legislations
- Other applicable laws and regulations, including country obligations under relevant international treaties such as the UN Declaration on the Rights of Indigenous Peoples, and International Covenant on Economic, Cultural and Social Rights
- IFC ESMS Development Toolkits.

The present section provides a brief overview and understanding on these aforementioned standards.

2.1 National E&S Regulations

The statutory central regulations guiding the corporate level ESMS have been broadly divided into three broad areas comprising Environmental Regulations, Social Regulations and Health and Safety related Regulations. The details on these are covered in the subsequent sections. Further details on the same has been provided in Appendix A (applicable national regulatory framework) for this corporate ESMS.

Table 2-1 Summary of E&S Regulations applicable to the projects

S. No	Name of Regulation	Pre-Construction/ Construction/ Operation
	Environment Protection	
1.	National Green Tribunal Act, 2010	Pre-Construction, Construction, & Operation
2.	The Environment Protection Act, 1986	Construction & Operation
3.	The Water (Prevention & Control of Pollution) Act, 1974 and associated rule thereunder	Construction & Operation
4.	The Air (Prevention & Control of Pollution) Act, 1981 and associated rule thereunder	Construction & Operation
5.	Noise Pollution (Regulation and Control) Rules, 2000 and the Noise Pollution (Regulation and Control) (Amendment) Rules, 2010	Construction & Operation
6.	The Indian Wildlife (Protection) Act, 1972	Pre-Construction
7.	The Biological Diversity Act, 2002	Pre-Construction
8.	The Public Liability Insurance Act, 1991	Construction & Operation
9.	The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Construction & Operation
10.	The Manufacture, Storage & Import of Hazardous Chemicals (MSIHC) Rules, 1989 and Amendment in 2000	Operation
11.	Batteries (Management and Handling) Rules, 2022	Operation
12.	E waste (Management and Handling) Rules, 2022	Construction & Operation
13.	Solid Waste Management Rules, 2016	Construction & Operation
14.	The Plastic Waste Management Rules, 2016, as amended	Construction & Operation
15.	Ozone Depleting Substances (Regulation) Rules, 2000 as amended	Construction & Operation

S. No	Name of Regulation	Pre-Construction/ Construction/ Operation
16.	EIA Notification 2006 – Environmental Clearance and Public consultation	Pre Construction
17.	Permission for extraction of groundwater - Central Groundwater Authority (CGWA), Ministry of Jal Shakti, Notification dated 24 September 2020	Construction & Operation
18.	Bio-Medical Waste Management Rules, 2016, as amended	Construction & Operation
	Health & Safety	
19.	The Factories Act, 1948 and State Rules as amended	Operation
20.	Building and Other Construction Workers Act 1996	Construction
21.	The Petroleum Act, 1934 and the Petroleum Rules	Con
22.	Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulations, 2010	Construction & Operation
23.	Gas Cylinder Rules, 2016 as amended	Construction & Operation
24.	Motor Vehicle Act, 1988 and Rules	Construction & Operation
25.	State specific Fire Safety Act and Rules	Construction & Operation
26.	State specific Lift Acts and Rules	Construction & Operation
27.	The Dangerous Machines (Regulations) Act 1983 as amended	Construction & Operation
28.	National Disaster Management Act, 2005	Construction & Operation
	Social	
29.	The Bonded Labour System (Abolition Act), 1976	Construction & Operation
30.	The Factories Act, 1948 and rules therein	Construction & Operation
31.	The Child Labour (Prohibition and Regulation) Act, 2012	Construction & Operation
32.	The Minimum Wages Act, 1948	Construction & Operation
33.	The Contract Labour (Regulation & Abolition) Act, 1970 and Rules	Construction & Operation
34.	Employees Compensation Act, (erstwhile Workmen Compensation Act) 1923	Construction & Operation
35.	Employees Provident Funds and Miscellaneous Act, 1952	Construction & Operation
36.	Employees State Insurance Act, 1948 as amended	Construction & Operation
37.	The Equal Remuneration Act, 1976, as amended	Construction & Operation
38.	The Industrial Disputes Act, 1947, as amended	Construction & Operation
39.	The Industrial Employment (Standing Orders) Act, 1946	Construction & Operation
40.	The Industries (Development and Regulations) Act, 1951	Construction & Operation
41.	The Interstate Migrant Workmen (Regulations of Employment and Conditions of Service) Act, 1979	Construction & Operation
42.	The Maternity Benefit Act, 1961, as amended	Construction & Operation
43.	The Payment of Bonus Act, 1965	Construction & Operation
44.	The Payment of Gratuity Act, 1972	Construction & Operation
45.	The Payment of Wages Act, 1936	Construction & Operation
46.	Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	Construction & Operation

S. No	Name of Regulation	Pre-Construction/ Construction/ Operation
47.	The Trade Unions Act, 1926 as amended	Construction & Operation
48.	The Un-organized Workers' Social Security Act, 2008	Construction & Operation
49.	The Weekly Holiday Act, 1942	Construction & Operation
	Land Related Regulations	
50.	Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013	Pre-construction phase
51.	Forests Rights Act, 2006	Pre-construction phase
52.	State specific Land Acquisition, Rehabilitation and resettlement Acts and Rules	Pre-construction phase

2.2 IFC Performance Standards 2012

The Performance Standards (PS) on Environmental and Social Sustainability (January 2012) established by IFC stipulates that any project shall meet certain requirements throughout the life cycle of an investment by IFC or other relevant intermediary financial institution or commercial banks such as Equator Principle Financial Institutions (EPFIs) that adopt the standards. The Performance Standards are supported by a general as well as sector specific guidelines for management of EHS issues.

A list of the IFC Performance Standards is provided in:

Table 2-2 IFC Performance Standards

Performance Standard	Objectives	Applicability to Renewable Energy Portfolio
Performance Standard 1	***Assessment and Management of Environmental and Social Risks and Impacts*** This PS aims to assesses the existing social and environmental management systems of SAEL potential investment Projects and to identify the gaps with respect to their functioning, existence and implementation of an environmental and social management plan (ESMP), a defined EHS Policy, organization chart with defined roles and responsibilities, risk identification and management procedures as well as processes like stakeholder engagement and grievance management.	Applicable
Performance Standard 2	***Labour and Working Conditions*** This PS is guided by a number of international conventions and instruments on labour and workers' rights. It recognizes that the pursuit of economic growth through employment creation and income generation should be accompanied by protection of fundamental rights of workers. The PS covers following themes: human resource policy and management, workers' organization, non-discrimination and equal opportunity, retrenchment, protecting the workforce and occupational health and safety.	Applicable
Performance Standard 3	***Resource Efficiency and Pollution Prevention*** PS-3 covers the use resources and materials as inputs and wastes that could affect human health. The objective of PS-3 are: to avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities; to promote more sustainable use of resources, including energy and water, and to reduce project related GHG emissions. Key themes covered under PS-3 are: pollution prevention, resource conservation and energy efficiency, wastes, hazardous materials, emergency preparedness and response, greenhouse emissions, pesticide use and management.	Applicable

Performance Standard 4	*Community Health, Safety and Security* This PS-4 requires due diligence to anticipate and avoid adverse impacts on the health and safety of the affected community during the project life from both routine and non-routine circumstances. It also requires to ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimizes risks to the affected Communities. Key areas of compliance screened under PS-4 includes: infrastructure/equipment safety, hazardous material safety, natural resource issues, exposure to disease, emergency preparedness and response, and security personnel requirements.	Applicable
Performance Standard 5	*Land Acquisition and Involuntary Resettlement* PS-5 requires project proponents to anticipate and avoid, or where avoidance is not possible, minimize adverse social and economic impacts from land acquisition or restrictions on land use. The key themes covered under this are: compensation and benefits for displaced persons, consultation and grievance mechanism, resettlement planning and implementation, physical displacement, economic displacement. The PS-5 also prescribes private sector responsibility to supplement government actions and bridge the gap between governments assigned entitlements and procedures and the requirements of PS-5.	Limited Applicability. Applicable in context of development of projects with land procured through government acquisition process or through negotiated settlement though not through willing buyer and willing seller process. However, the process of land procurement will need to be clearly documented for all projects of SAEL.
Performance Standard 6	*Biodiversity Conservation and Sustainable Management of Living Natural Resources* PS 6 aims to protect and conserve biodiversity; to maintain the benefits from ecosystem services; and to promote the sustainable management of living natural resources through the adoption of practices that integrates conservation needs and development priorities.	Limited Applicability. Applicable only when projects are setup closer to or within ecologically sensitive areas such as wetlands, lakes, riverine, forests etc. or such areas identified by the government to be ecologically sensitive.
Performance Standard 7	*Indigenous Peoples* This Performance Standard applies to communities or groups of Indigenous Peoples who maintain a collective attachment, i.e., whose identity as a group or community is linked, to distinct habitats or ancestral territories and the natural resources therein. PS-7 endeavor to ensure that the development process fosters full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples. Key themes covered under PS-7 are: avoidance of adverse impacts, consultation and informed participation, impacts on traditional or customary lands under use, relocation of IPs from traditional or customary lands, and cultural resources.	Limited Applicability. Applicable only when land procured in Scheduled V areas or ST families are impacted in a way so as to trigger this requirement.
Performance Standard 8	*Cultural Heritage* For the purposes of PS-8, cultural heritage refers to (i) tangible forms of cultural heritage; (ii) unique natural features or tangible objects that embody cultural values; and (iii) certain instances of intangible forms of culture that are proposed to be used for commercial purposes. The requirements of PS-8 apply to cultural heritage regardless of whether or not it has been legally protected or previously disturbed.	Limited Applicability. Applicable only when projects and associated facilities impact cultural heritage site.

2.3 World Bank Group/IFC General EHS Guidelines

These General EHS Guidelines are designed to be used together with the relevant Industry Sector EHS Guidelines which provide guidance to users on EHS issues in specific industry sectors.

The EHS Guidelines contain the performance levels and measures that are generally considered to be achievable in new facilities by existing technology at reasonable costs. Application of the EHS Guidelines to existing facilities may involve the establishment of

site-specific targets, with an appropriate timetable for achieving them. The applicability of the EHS Guidelines should be tailored to the hazards and risks established for each project on the basis of the results of an environmental assessment in which site-specific variables, such as host country context, assimilative capacity of the environment, and other project factors, are taken into account.

Link for WB/IFC General EHS Guidelines: http://www.ifc.org/wps/wcm/connect/554e8d80488658e4b76af76a6515bb18/Final%2B-%2BGeneral%2BEHS%2BGuidelines.pdf?MOD=AJPERES

2.4 IFC/World Bank Guidelines for Converting Biomass to Energy, A guide for developers and Investors, June 2017

The guide specifically covers modern biomass-to-energy technologies where the biomass is derived as residues from the agricultural (including livestock and biomass from any crop), food and beverage processing, and wood processing sectors. The guide discusses three general types of proven technologies for producing steam/heat and electricity from biomass: steam technology (combustion), Organic Rankine Cycle (ORC)1 technology, and biogas technology. This guide focus primarily on secondary and tertiary bio-residues, as the social and environmental risks associated with using primary biomass for energy purposes are much higher. It is therefore important that the main biomass input is bio-residues to ensure environmental and social sustainability.

2.5 IFC/World IFC's EHS guidelines for Electric Power Transmission and Distribution, 2007

The EHS Guidelines for Electric Power Transmission and Distribution include information relevant to power transmission between a generation facility and a substation located within an electricity grid, in addition to power distribution from a substation to consumers located in residential, commercial, and industrial areas.

2.6 IFC ESMS Development Framework and Toolkit

2.6.1 ESMS General Toolkit

IFC has developed a general ESMS toolkit for companies that provides for practical guidelines and tools to build or enhance the company's environmental and social management system (ESMS), such as sample documents, blank forms, flowcharts, checklists and templates. The various facets from this toolkit have been utilised in development of this corporate ESMS.

2.6.2 ESMS Implementation Toolkit

IFC has developed this ESMS handbook which is intended to be a practical guide to help companies develop and implement an ESMS which should help to improve overall operations. The various facets from this handbook has been utilised in development of this corporate ESMS

[1] This technology has been proposed to be used

3 Corporate Policies

SAEL shall adopt the following policies for managing the business operations in a sustainable and responsible manner. These policies will be implemented uniformly across all areas of operations of its portfolio – offices, Under construction project sites and operational assets.

3.1 Environment and Social (E&S) Policy

Name of policy	Document no.	Effective date	Reviewed by	Approved by
Environment & Social (E & S) Policy	SAEL/ESMS/E & S Policy/Revision 1	July,2023	Head-ESG Ambuj Mishra	CEO-Laxit Awla

3.1.1 Policy Scope

The Policy of SAEL will define EHS&S objectives and principles for its operations, which will guide the organisation in achieving its performance goals in compliance with the Applicable Reference Framework of this ESMS.

The EHS&S policy is applicable across all its plants/ assets/ offices, including all direct and indirect employees, contractors and subcontractors working or to be engaged by SAEL.

SAEL believes that effective management of EHS&S issues is fundamental to success. SAEL is committed towards continually improving its EHS&S performance by setting up and monitoring of objectives and targets, periodic EHS&S Monitoring, necessary training, engagement with stakeholders, coordination with investors, and management review.

3.1.2 Policy Objective

SAEL shall conduct its operations in a manner that ensures compliance with legal requirements and meets the highest level of commitment towards protection of People and Environment. SAEL shall strive to safeguard the environment and natural resources and promote resource efficiency in its operations.

This above is achieved through the following commitments:

- Comply with all applicable national and state level legal requirements and regulations pertaining to environment, health & safety and social aspects and provide a good workplace practices for its employees, contractors and contract workers across its operations and services
- Implement, maintain and continually improve its management systems, process and practices that enable a safe work environment, protect the health of workers, use resources optimally reduce pollution and ensure integrity of its contractors and subcontractors;
- Regularly assess the potential E&S impacts, and risks associated with business operations and make sustained efforts to reduce the identified impacts by implementing good international industry practices (GIIP) in its operations
- Protect valuable natural resources, such as water, air and soil from contamination/degradation by ensuring strong waste management procedures and resource efficiency interventions and Take precautions to avoid environmental pollution;
- Plan for emergency support systems for handling emergences including accidents, blackouts and natural calamities, climate change impact;
- Will not restrict workers from developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment.
- Optimize technologies and formulations, operate its equipment and technologies in accordance with the environmental protection and occupational safety rules;
- Include health, safety and environment aspects in overall decision making process and Develop occupational health and safety and emergency response related awareness amongst contractors, including sub-contractors, as well as direct and indirect employees and workers engaged by and for the company, to prevent occurrence of accidents (personnel injuries and property damage) and occupational diseases;
- Employ capable and trained human resources, and build competency by providing necessary awareness and culture building activities on environment, health and safety;

- Constantly educate and train employees, contractors and indirect workforce, and strongly encourage them to protect the environment and adhere the occupational safety principles; to design the training so as to motivate the employees performing their jobs to prevent or reduce negative impacts of all activities on the environment;
- Maintain safe and conducive environment at workplace to achieve a zero accident rates and also Communicate our EHS risks, performance and progress to all our internal and external stakeholders;
- Encourage/support the adoption of an environment friendly approach by vendors (suppliers and contractors) for commitment of management and all stakeholders to the cause of protecting the environment;
- Develop communication and cooperation with the public administration bodies, professional public, employees and other parties concerned with the environmental protection issues and safety and health protection during work. Ensure participation of workers or their representatives in discussing tasks and objectives in the area of safety and health protection during work;
- Select suppliers and contractors, including sub-contractors considering their ability to operate in environmentally and socially responsible manner, and to provide safe and healthy work environment to their employees and workers, in compliance with this Policy, other applicable Policies of the SAEL's ESMS and specific Environmental, Health, Safety and Social contractual requirements;
- Committed to employing individuals on the basis of merit, having readiness to align with the business strategy, possessing required competencies to fit in the organization's culture and will integrate smoothly and productively into the organisation to meet current and future business requirements;
- Committed to be an equal opportunity employer and does not discriminate against any employee or job applicant because of his or her community, colour, religion, national origin, gender, orientation, or age;
- Strongly opposes the use of child labour and does not employ persons below 18 years of age. SAEL also mandated that its vendors (suppliers and contractors) does not employee child labour and comply with the local laws in this regard;
- Strongly oppose gender-based violence and harassment, and mandate that its vendor(s) will oppose gender-based violence and harassment;
- Strongly oppose any form of modern slavery or forced labour[2] within the workforce or vendors and implement sufficient systems to monitor the same;
- Recognizes that all employees have a right to work in an environment in which the dignity of individuals is respected and which is free from harassment. It is committed to eliminating intimidation or harassment of or in any form;
- Safeguard the interests of stakeholders and affected communities through periodic engagement participation and information disclosure, and effective management of grievances resulting from operations and services as well as any unplanned events;
- Implement necessary safeguards to maintain the identity, dignity, and protect human rights of all the employees;
- Implement socially useful programs for welfare and sustainable development of the local community through targeted Corporate Social Responsibility (CSR) initiatives.

[2] Definitions

"ILO Core Conventions" means the Core Labour Standards as set out in the ILO Declaration on Fundamental Principles and Rights at Work adopted in 1998, as set out in the terms and standards of any ILO convention signed and ratified by any of the Relevant Jurisdictions, as well as Core Labour Standards and Basic Terms and Conditions of Employment or covenant on human rights covering four areas: i) freedom of association and the right to collective bargaining, ii) the elimination of forced and compulsory labour, iii) the abolition of child labour and iv) the elimination of discrimination in the workplace;

"ILO Core Labour Standards" means the requirements as applicable to the Company and its Subsidiaries on child and forced labour, discrimination and freedom of association and collective bargaining, stemming from the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, adopted in 1998 and covering: (i) freedom of association and the right to collective bargaining (No. 87, 98), (ii) the elimination of forced and compulsory labour (No. 29, 105), (iii) the abolition of child labour (No. 138, 182) and (iv) the elimination of discrimination in the workplace (No. 100, 111);

"Forced Labour" means any work or service not voluntarily performed that is exacted from an individual under threat of any force or penalty, including any kind of involuntary or compulsory labour. Forced Labour Indicator shall be used when assessing whether Forced Labour takes place;

"Forced Labour Activity" means acquiring, using or supplying any goods where there has been any Forced Labour or any other form of exploitation involved in the production or supply of such goods or of any parts or materials used in the production of such goods or in the supply of services related to such goods, parts or materials;

"Forced Labour Indicator" means any indicator set out in the "ILO indicator of Forced Labour" publication, dated 1 October 2012 and available at https://www.ilo.org/global/topics/forced-labour/publications/WCMS_203832/langen/index.htm;

- SAEL will undertake analysis of alternatives prior to retrenchment to reduce the adverse impacts on workers. Committed to comply with all legal and contractual requirements related to notification of public authorities, and provision of information to, and consultation with workers and their organizations
- Establish an information disclosure and reporting mechanism to apprise relevant environmental and social information to relevant stakeholders, and especially to the impacted community.
- Establish procedures to monitor and measure the effectiveness of the management program, as well as compliance with any related legal and/or contractual obligations and regulatory requirements.
- Establish key E&S performance indicators through adoption of E&S goals and objectives and ensure continuous improvement through performance evaluation across all operations

The primary agency responsible for implementing this policy and its objectives across the organization is the ESMS Committee of SAEL. In order to meet its objectives successfully, the same shall be supported by other departments of SAEL as per requirement

3.2 Land Acquisition Policy

Name of policy	Document no.	Effective date	Reviewed by	Approved by
Land Acquisition (L A) Policy	SAEL/ESMS/LA Policy/Revision 1	July,2023	Head-Land Acquisition	CEO- Laxit Awla

The land acquisition policy sets the minimum requirements for land acquisition before any site-related project development, or construction activity commences to minimize project development risk. The rights and need of formal and informal land users related to land acquisition should be assessed and addressed prior to impact through interactions that foster trust and mutual respect.

3.2.1 Policy Scope

The policy will apply to all the projects (Renewable Energy) of SAEL Limited, or any entity controlled by the SAEL Limited. In addition, were explicitly stated in an applicable contract, it may be applying to SAEL' or any entity that is controlled by the SAEL' vendors, contractors, land aggregators, and other types of business partners. Further, it applies to all phases of the projects, including planning, design, construction, operation, and closure.

The policy will not apply to resettlement resulting from voluntary land transactions (i.e., market transactions in which the land sellers are not obliged to sell, and the buyer cannot resort to expropriation or other compulsory procedures sanctioned by the legal system of the host country if negotiations fail).

3.2.2 Policy Objectives

General

- In order for procurement of land, SAEL or any entity controlled by the SAEL will consider "willing buyer/willing seller" process. Further, the willing buyer/willing seller transaction will take place, and the SAEL or any entity controlled by the SAEL will provide fair compensation at prevailing market rate.
- Land acquisition and involuntary resettlement activities shall be carried out in compliance with applicable laws, regulations and other obligations or requirements set by investors and lenders relative to resettlement, compensation and/or livelihood restoration activities.
- Resettlement and livelihood restoration activities (if required) shall ensure that impacted households maintain or improve income-earning capacity, production levels, and standards of living.

- Current and future land requirements and feasible alternative designs and facility locations shall be considered to avoid or minimize physical and/or economic displacement while balancing environmental, social, and financial costs and benefits of the Project (s), paying particular attention to impacts on vulnerable households.
- Stakeholder engagement processes shall be established in collaboration with affected communities and households to discuss decision-making processes on land procurement and options and alternatives related to resettlement/livelihood restoration.
- Wherever feasible, benchmarking exercises shall be conducted to ensure compensation strategies and rates for non-inhabitable structures, productive uses (i.e. crops) and land valuation are commensurate at market rate.
- Compensation for loss of assets and/or use of assets shall be offered at full replacement cost to affected communities and persons with resettlement assistance provided as necessary to help restore standards of living and livelihoods.
- Compensation standards shall be transparent and applied consistently to communities and persons affected by the displacement. When livelihoods of displaced persons are land-based or where land is collectively owned, SAEL or any entity that is controlled by the SAEL, when feasible and desired by the affected community, will offer land-based compensation alternatives.
- Formal and informal land users with physical or economic interests (including livelihood, legal and/or traditional) in the proposed land for the Project (s) shall be identified prior to acquiring land or executing involuntary resettlement, including an assessment of vulnerable groups. The vulnerable groups and informal land users will be identified during the screening, scoping and impact assessment stage for any project SAEL or any entity controlled by the SAEL.
- Socio-economic baseline data shall be gathered in sufficient detail and quality to document stakeholder who will be displaced (physically or economically) by the Project. Further shall determine who will be eligible for compensation and/or assistance and discourage ineligible persons such as opportunistic settlers from claiming benefits. To the extent possible, baseline data planning should be considered to establish resettlement and livelihood restoration criteria used to determine completion success.
- A Moratorium or “cut-off date” shall be established and communicated, which will be well documented and disseminated to all the formal and informal land users along the Project area at the appropriate time to avoid and minimize encroachments. The communication can be done through the appointed local land partner, project land team or any designated team. The mode of communication can be in the form of – in-person, over the telephone, a written form of communication, through an electronic source of communication, etc. Further, the communication will be in a format and language that is readily understandable and tailored to the target stakeholder groups.
- A resettlement and/or livelihood restoration entitlement framework shall be established and agreed upon with the affected community/persons or their representatives or in consultation with the local authorities; and
- Qualified external experts shall be engaged to review Resettlement and Livelihood Action Plans or equivalent to inform plan adequacy prior to finalization.

Physical Resettlement

- A Resettlement Action Plan (RAP) or equivalent plan shall be developed to mitigate the negative impacts of physical displacement; identify development opportunities; develop a resettlement budget and schedule; and establish the entitlements of the categories of affected households. Particular attention will be focused upon the needs of marginalized and/or vulnerable groups.
- Physically displaced households shall be offered choices among feasible resettlement options, including replacement housing or cash compensation and the alternative physical residence can be verified prior to relocation. Replacement housing shall be in line with local customs and meet relevant applicable building regulations.
- Relocation assistance suited to the needs of each household shall be offered, with particular attention paid to the needs of marginalized and/or vulnerable groups to facilitate the restoration or improvement of living standards at the relocation site.
- Replacement property such as non-habitable structures and assets shall be of equal or of higher value;
- Security of tenure at the relocation site shall be provided, to the extent feasible, through the legally defensible title in accordance with relevant laws and custom of the jurisdiction; and
- Structures that are owned and occupied at the time of eligibility cut-off date shall be compensated for at full replacement cost.

Compensation

- Compensation negotiation processes and rates shall be, at a minimum, consistent with local laws and regulations, and use of the land and related assets to ensure full and informed participation of affected persons.

- A comprehensive baseline and impact assessment shall be developed for affected persons and household to document assets for which compensation will be provided as indicated by the "cut-off-date".
- A fair market value basis shall be established for compensation levels for land uses and improvements (crops, non-occupied structures, culturally significant sites) as set by government processes or negotiated directly with the owner/community.
- Loss of assets shall be promptly compensated for at full replacement cost.
- In cases where land acquisition affects commercial structures, the affected business owner shall be compensated for the cost of re-establishing commercial activities elsewhere, for lost net income during the period of transition, and for the costs of the transfer and reinstallation of the reinstallation of commercial structure shall be paid; and
- Transitional support shall be provided, as necessary, based on a reasonable estimate of the time required to restore affected household income earning capacity, production levels and standards of living.

Economic Displacement

- A Livelihood Restoration Plan (LRP) or equivalent plan shall be developed to mitigate adverse economic impacts on displaced persons and/or communities. The LRP shall establish the entitlement of affected persons and/or communities, and ensure these are provided in a transparent, consistent, and equitable manner.
- Affected communities/households who may not be physical affected but who are economically displaced shall be considered in the LRP; and
- Economically displaced persons whose livelihoods or income levels are adversely affected shall be provided opportunities to improve, or at least restore, their means of income-earning capacity, production levels, and standards of living.

Biodiversity Conservation

- If SAEL or entity controlled by the SAEL acquire forest land, it will assess the biodiversity and the possible impact of the project on it. If no critical habitat is identified in the assessment, then the SAEL or entity controlled by SAEL will approach the concerned forest department/relevant authorities/stakeholders to initiate the land conversion process. However, if any critical habitat triggered, then the SAEL or entity controlled by the SAEL will initiate the Critical Habitat Assessment study of the Project area.
- In case tree cutting is required due to the project or the project components of SAEL, the project will undertake the tree enumeration and basis of tree enumeration the approach of revegetation/plantation should be conducted in coordination with the concerned forest department.

Indigenous Peoples[3]

- SAEL or any entity controlled by the SAEL, will avoid the procurement of land under the ownership or common usage of Indigenous People. In case avoidance is not feasible, SAEL or any entity controlled by the SAEL, will consider the procurement of land under the ownership or common usage of Indigenous People (as required for setting of the project), only after Free Prior Informed Consent (FPIC) are obtained from the affected communities of Indigenous People and the land is not used for important activities such as religious, cultural, subsistence, and economic livelihood, etc. Further, to avoid the adverse impact on Indigenous People, Projects at the planning phase will undertake social screening[4] to establish there is no presence of ST population in the project area or do not have collective attachment to the project area.
- SAEL or entity controlled by the SAEL prior to land procurement will assess that the identified land will not impact any Common Property Resources (CPR). If the CPR is identified, then the SAEL or entity controlled by the SAEL will recognize the loss of access to CPR, and a proper mitigation will be taken to mitigate the loss of access.

Cultural Heritage

[3] Characteristics of Indigenous people as per IFC-PS 7
- Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others.
- Collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories.
- Customary cultural, economic, social, or political institutions that are separate from those of the mainstream society or culture.
- A distinct language or dialect, often different from the official language or languages of the country or region in which they reside.

[4] Refer Appendix C for the E&S site screening requirements.

- SAEL or entity controlled by the SAEL prior to land procurement will assess that the identified land will not impact any cultural heritage[5]. SAEL will avoid land selection where there are cultural and heritage activities and assets on the site. Where there is high number of cultural heritage, screening with respect to cultural heritage will be done and necessary buffer to be provided from the project boundary.

3.2.3 Implementation and Management

- SAEL or any entity that is controlled by the SAEL shall provide adequate resources to implement Resettlement and LRP or any equivalent plans.
- Needs and associated budget allocations shall be evaluated to fulfil longer term "maintenance" requirements of resettlement and livelihood restoration activities into operations, as required; and
- Land acquisition and involuntary resettlement complaints and grievances shall be prioritized and addressed in accordance with the site grievance mechanism.

3.2.4 Performance Monitoring

Monitoring and evaluation of RAP and LRP or equivalent plans shall be established on a monthly basis during the first 12 months and then as necessary, until completion, to ensure progress against stated objectives, requirements and desired outcomes. The extent of monitoring activities will be commensurate with the Project's risks and impacts. Senior management shall review and ensure corrective actions are taken to address deficiencies with RAP and LRP or equivalent plans on a quarterly basis;

RAP and LRP or equivalent plans will be audited annually, at a minimum, by a qualified external expert to ensure that activities are undertaken in accordance with applicable reference framework of adopted ESMS and are meeting the needs of affected persons. External monitoring frequency may be increased depending upon the complexity of the resettlement action and reports will be provided head ESG and to head of people & process; and

SAEL or any entity that is controlled by the SAEL shall commission a completion audit by a qualified external expert for the RAP and LRP or equivalent plans once actions have been substantially completed and displaced persons are deemed to have been provided adequate opportunity and assistance to restore and/or improve their livelihoods. The completion audit will include, at a minimum, a review of the totality of mitigation measures implemented by the site against agreed objectives, and a conclusion as to whether the monitoring process can be concluded. Any remaining issues shall be transferred to the Project(s)' corrective action plan.

3.3 Corporate Social Responsibility (CSR) Policy

Name of policy	Document no.	Effective date	Reviewed by	Approved by
CSR Policy	SAEL/ESMS/CSR Policy/Revision 1	July,2023	Head-Legal	CEO-Laxit Awla

3.3.1 Policy Scope

SAEL has established a CSR Policy in line with the Companies Act, 2013, which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare and sustainable development of the society.

3.3.2 Policy Objectives

The key objectives of this policy are as follows:

- Implement sustainable, replicable and scalable programs that creates a measurable socio-economic and ecological impact in the communities around SAEL's operations

[5] Cultural heritage refers to (i) tangible forms of cultural heritage, such as tangible moveable or immovable objects, property, sites, structures, or groups of structures, having archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values; (ii) unique natural features or tangible objects that embody cultural values, such as sacred groves, rocks, lakes, and waterfalls; and (iii) certain instances of intangible forms of culture that are proposed to be used for commercial purposes, such as cultural knowledge, innovations, and practices of communities embodying traditional lifestyles.

- Partner with development agencies NGOs/CBOs to implement appropriate community development programs
- SAEL commits to prioritize its CSR activities around six (6) focus area of work, which include, a) Rural Transformation, b) Health, c) Education, d) environment, e) Animal Welfare, f) disaster response.
- Promote appropriately environmentally responsible and sustainable interventions
- Involve and integrate beneficiaries, employees and stakeholders to maximise impact
- Advocate transparency and open communication about SAEL 's CSR initiatives
- Conduct an annual review of the CSR plan developed as part of the policy

3.4 Stakeholder Engagement and Communication Policy

Name of policy	Document no.	Effective date	Reviewed by	Approved by
Stakeholder engagement and communication policy	SAEL/ESMS/SECP Policy/Revision 1	July,2023	Head-ESG Ambuj Mishra	CEO-Laxit Awla

3.4.1 Policy Scope

The policy applies to all relevant stakeholders of SAEL be it either internal stakeholder such as lenders, employees, contractors, contract employees etc. and external stakeholders such as community, local administration, media etc. engaged by SAEL across all its locations, operations and services during the project lifecycle.

3.4.2 Policy Objectives

The key objectives of this policy are as follows:

- SAEL in its capacity as a company shall define and identify its key stakeholders that it will engage during the due course of any project or its workplace.
- SAEL in its capacity shall assess and prioritize these stakeholders with respect to level of Impact and Influence with preferential status being provided to the highest stakeholders.
- SAEL will develop appropriate methodology, tools and carry out relevant activities for engaging the assessed Stakeholders.
- SAEL will establish relevant communication tools and strategies in order to communicate with the stakeholders in respect to relevant disclosures and grievances.
- SAEL will actively strive to enhance this engagement process overtime in order to maximise efficiency.

A sample stakeholder engagement and communication plan along with developed tool for stakeholder engagement has been developed and provided for as part of ***Appendix Q***

The successful implementation of the Stakeholder engagement and communication policy requires active participation and engagement of the various departments of SAEL with their respective stakeholders, and for them to successful communicate, address, and negotiate with the same. It also requires management and recording of these aforementioned processes on a continuous basis across project lifecycles.

3.5 Contractor Management & Supply Chain Policy

Name of policy	Document no.	Effective date	Reviewed by	Approved by
Contractor Management & Supply Chain (CMSP) Policy	SAEL/ESMS/CMSP Policy/Revision 1	July,2023	Head-EPC & Procurement-Yogesh Mahajan	CEO-Laxit Awla

3.5.1 Policy Scope

The purpose of this policy is to establish a companywide Contractor Management Policy governing contractor's/suppliers (as part of supply chain /vendors (hereinafter referred to as contractors) evaluation across SAEL's operations, services and supply chain[6]. The contractors providing services to SAEL shall abide to the requirements of the Policy as SAEL engages with contractors for a diverse range of services such as construction, procurement, operation, routine and major maintenance, housekeeping, security management, transport, labor, etc

3.5.2 Policy Objectives

The key objectives of this policy are as follows:

- SAEL will ensure that the contractor be suitably qualified and competent to undertake the intended task;
- SAEL will ensure that all its contractors along with the ones engaged with the supply chain comply with applicable statutory and regulatory requirements and reasonable workplace practices across its operations and services;
- SAEL engages contractors solely on the basis of meritocracy (including education, formal training and experience) and as per requirement. It does not engage in any form of nepotism or favouritism as part of its contractor selection process. SAEL has developed a Contractor Selection Checklist (refer Appendix S) that covers contractor/ supplier selection criteria and related safeguards to be integrated in the agreements with Contractors.
- SAEL will not employ any contractor held liable in the past for major labour rights violations as per national or international laws including engaging child, forced or bonded labour, trafficked labour etc. The services of the contractor shall be terminated immediately in-case such violations or activities comes into notice of the company during project activities. The same will be extended to the contractors engaged in supply chain management;
- SAEL shall extended its policy and monitoring system to supply chain with respect to child labour, forced labour and workers safety
- SAEL will ensure that the contractor understands the scope of the work to be completed and is aware of any specific safety or operational considerations identified;
- SAEL will ensure availability of risk assessments and method statements detailing how the work will be done where significant hazards have been identified;
- SAEL believes in high moral and ethical standards of integrity and physical conduct from its contractors and their employees across services and operations.
- SAEL is strongly committed in observing the highest ethical standards in all its procurement activities. SAEL will adhere to the developed Supplier Code of Conduct (SCC) to provide clear summary of SAEL's expectation from the contractors in all procurement dealings. The SCC defines the non-negotiable minimum standards that we ask our contractors to respect and to adhere to when conducting engaging with SAEL. Details of SCC have been provided as Appendix T.
- SAEL will also ensure a monthly and regular auditing mechanism for monitoring the sub-contractors and suppliers (as part of the supply chain) with respect to compliance to the applicable reference framework, in terms of resources, migrant workers, child labour and forced labour, health and safety, payment of wages etc.

SAEL has developed a Contractor Selection Checklist that covers contractor selection criteria and related safeguards to be integrated in the agreements with Contractors. After selection of Contractors, aspects like HSE and labour compliance criterion to be followed are included in the contract agreement with clearly stipulated guidelines and timelines for completion of action items. The key requirements for Contractor and Supplier Selection, Management and Evaluation have been presented in ***Appendix S.***

The SCC defines the non-negotiable minimum standards that is expected from the contractors to respect and to adhere to when conducting engaging with SAEL. Details of SCC have been provided as Appendix T.

The contractor's employees performing work for SAEL shall adhere to the following clauses:

- General Safety Rules.
- List of Personal Protective Equipment required on Site.
- Prevention of Pollution to Environment and Client Premise.

[6] Supply chain of the Project include the transportation of raw material form its source to the plant/project premises.

- Engagement of Staff and Labour.
- Security of Equipment.
- Safe Conduct and Behavior.
- Fire Safety and Prevention.
- Safe Material Handling and Storage.
- Safe Manual Handling.
- Electrical Safety; and
- Permit to Work.

The ESMS Committee of SAEL is responsible for implementing this policy and its objectives across the organisation. In order to meet its objectives successfully, the same shall be supported by other departments of SAEL as per requirement.

3.6 HR Policies

Name of policy	Document no.	Effective date	Reviewed by	Approved by
HR Policies	SAEL/ESMS/HR Policy/Revision 1	July,2023	Chief Human Resource Officer- Supreet Gupta	CEO-Laxit Awla

These policies are part of existing HR policies.

- Updated POSH Policy
- Attendance Management Policy
- Employee Leave Policy
- Employee Travel Policy
- Dress Code Policy

Policy Documents have been attached as Appendix B.

3.7 Legal & Compliance Policies

Name of Policy	Document No.	Effective Date	Reviewed By	Approved by
Legal & Compliance Policies	SAEL/ESMS/LCP/Revision 1	July,2023	Head- Legal	CEO- Laxit Awla

These policies are part of existing Legal & Compliance Policies

- Anti-Bribery & Corruption Policy
- Code of Conduct Policy

3.8 Signing Authority and Policy Disclosure

The aforementioned corporate policies shall be attested by CEO, who holds authority to advocate and implement the commitments made through these policies at each and every stage of project implementation. All employees are expected to

conduct themselves in accordance with the spirit of the policy. Furthermore, only Head-ESMS and Corporate ESMS Manager have the authorities to amend these policies. The amended versions shall further be attested by CEO.

These signed policy statements shall be displayed at the corporate office and at all sites as well as at the website of the company in designated official format or template.

3.9 Policy Flow and Implementation

The Corporate Policies will govern the overall project development and operations in an environmentally and socially sustainable manner. The employees, contractors, vendors and all those associated with SAEL will be encouraged to implement this policy and associated guidelines, with guidance and support from SAEL.

These policies, driven by the top management of SAEL are suitably reflected in the various procedures, guidelines and plans and applied to the various projects in which SAEL is presently involved or proposes to get involved.

3.10 Communication and Disclosure

SAEL will reflect these policies, suitably in the various manual, procedures, management plans and guidelines and applies to existing and future assets of SAEL.

The E&S Policies shall be adopted by SAEL and also communicated to its contractors and sub-contractors, and other stakeholders for their adoption and implementation. Ongoing communication on the requirements under the E&S Policy and ESMS will be included as a core component in the induction process for new employees

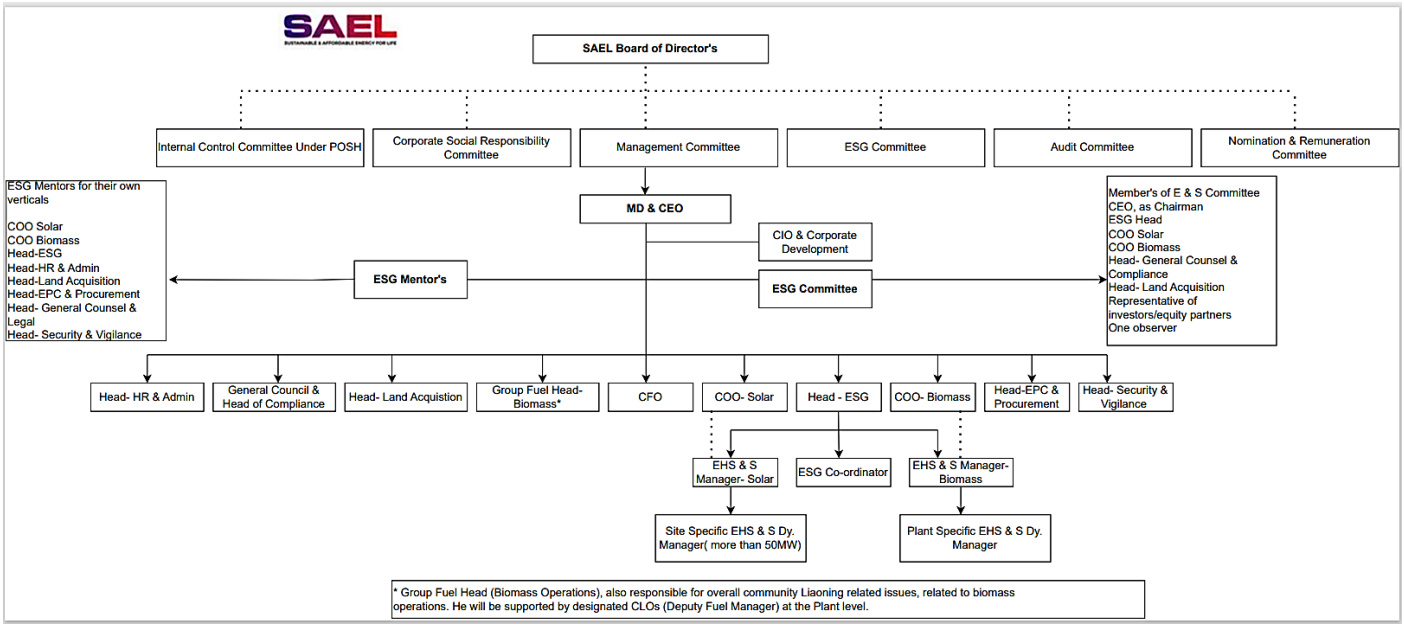
4 Institutional structure for ESMS Implementation

The Company, shall establish, maintain, and strengthen as necessary an organizational structure that defines roles, responsibilities, and authority to implement the ESMS. Specific personnel, including management representative(s), with clear lines of responsibility and authority should be designated. Key environmental and social responsibilities should be well defined and communicated to the relevant personnel. Sufficient management sponsorship and human and financial resources will be provided on an ongoing basis to achieve effective and continuous environmental and social performance.

This section presents the organizational structure at the corporate level depicting various departments. The organizational structure is supplemented with a brief understanding of the roles and responsibilities. This understanding is then followed by ESMS function integration at the corporate level and at the Plant/ Asset/ Site level. It also goes on to explain the inter-linkages of the ESMS function at the corporate level and Plant level and the ESMS Committee at the corporate level.

4.1 Organizational Structure

Figure 4-1 Organization Structure of SAEL



** Group Fuel Head (Biomass Operations), also responsible for overall community liasoning related issues, related to biomass operations. He will be supported by designated CLOs (Deputy Fuel Manager) at the Plant level.*

4.2

4.3 ESMS/ESG Committee:

Membership and Attendance

The E&S Committee shall comprise the following members:

- CEO, as Chairman of the E&S Committee
- ESG Head
- ESG Coordinator
- COO – Solar
- COO - Waste to Energy
- Compliance Head
- Head of Land Acquisition
- Representative fro investors/lenders/equity partners
- One observer

The attendance of SAEL ESG Head is compulsory at every meeting. Members of the Board can attend at their discretion. The Company Secretary (or his/her nominee) shall be the Secretary of the E&S Committee.

Meetings:

- The E&S Committee shall meet formally at least four times per year. Where applicable, meetings shall be held in conjunction and before a scheduled board meeting.
- A meeting of the E&S Committee may be called at any time.
- Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, paper as per Section 6 reporting requirement and supporting papers (where appropriate), shall be forwarded to each member of the E&S Committee and to each other person invited to attend, not fewer than five working days prior to the date of the meeting.
- A member of the E&S Committee may participate in an E&S Committee meeting either in person or virtually.
- Any E&S Committee must include participation by Investors's Nominee Director (or representative delegated by Investors's Nominee Director) and ESG Head from SAEL Industries Limited throughout the meeting. Where there are unavoidable circumstances, the E&S advisor and/or E&S Head can formally appoint a proxy acceptable to the committee to be circulated by email at least three (3) days prior to meeting.
- In the absence of the E&S Committee Chairman (and/or an appointed alternate member), the members present shall elect one of their number to chair the meeting.
- The Secretary shall keep appropriate records of all meetings of the E&S Committee with minutes of the proceedings and resolutions including recording the names of those present and in attendance.

Duties:

The E&S Committee is responsible for driving the Company's mission to be an operating power company and developer of energy projects that is 'best-in-class' from an E&S perspective.

The E&S Committee is responsible for supervising and supporting the development of high-quality energy projects and the operation of power generation assets that adhere to best available techniques and world-class E&S standards. The duties of the E&S Committee shall include:

- making recommendations (including, where appropriate proposing alterations and amendments) for new or improvement of the E&S policies, procedures and management systems; proposals to the Board of Directors
- overseeing, supervising, monitoring and reviewing the established E&S policies, procedures and management systems.
- overseeing the compliance with relevant local E&S laws and regulations concerning environmental safety and social matters[7]; overseeing the compliance on the asset and corporate levels with Norfund's E&S requirements and any other requirements set out by SAEL's Environmental and Social Management System and Environmental Social Action Plan, as agreed with the shareholders and lenders;[8]
- overseeing grievance mechanism and any investigation relating to breaches of E&S laws, regulations and standards and/or E&S policies, procedures and management systems[9];
- providing strategic advice and guidance to the Board in relation to systemic and strategic E&S issues which affect the Company's business model and strategy.
- recommending to the Board the appointment, removal and/or replacement of senior personnel responsible for the implementation, operation and maintenance of the E&S procedures and management systems
- monitoring and supervising projects across project lifecycle (i.e. under development, construction, operations and abandonment), to ensure that E&S matters have been adequately considered in relation to the same;
- monitoring and supervising emergency preparedness and response procedures with respect to major incidents which could materially impact upon business operations (including major social unrest such as war, strike, riot and disease outbreak).

[7] For the purposes of these Terms of Reference, social matters include issues relating to, or arising from, laws concerning labour, social security, industrial relations, the protection and regulation of ownership of land rights, immovable goods and intellectual and cultural property rights, the protection of indigenous peoples and ethnic groups, the protection of cultural heritage, the payment of minimum wages, and/or health & safety matters.

[8] Including the 2012 IFC Performance Standards on Social and Environmental Sustainability (as amended and/or supplemented from time to time); good international industry practice (as defined by technical reference documents known as World Bank Group Environmental, Health and Safety (EHS) Guidelines); the conventions of the International Labour Organization; the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the UN Convention Against Corruption; and the ESG policies Norfund, in each case so far as applicable to the operations of the Group.

[9] Including the investigation of serious incidents and recommending remedies to management.

- reviewing and make recommendations for Board of Director's approval for release any annual public sustainability report.
- ensuring that the Company's Board, officers, directors, employees and agents are appropriately trained in relation to E&S laws and standards and E&S policies, procedures and management systems.
- reporting back to the Board of Director in respect of key issues raised during, and provisional recommendations agreed at, each E&S Committee meeting; and
- addressing any such other issues concerning E&S matters as it deems appropriate from time to time, or as otherwise as may be referred to it by the Board.

Access to Information and Other Powers:

E&S Committee shall be entitled to full access to E&S-related documentation and other papers and records. E&S Committee shall be entitled to visit any premises of the Company and to talk to any member of the executive management team or member of staff (including third parties who are under the direction of the Company) as the E&S Committee deems necessary or desirable to carry out the E&S Committee's duties. The Company shall provide such administrative and other support to the E&S Committee as it may require from time to time. The E&S Committee shall be entitled to engage such professional advisers as it, acting reasonably, sees fit to assist it in fulfilling its duties. The reasonable costs of such advisers shall be paid for by the Company.

Reporting and Notifications:

The Company's ESG Head (or other relevant Company employee responsible for E&S management) shall prepare a paper for E&S Committee summarizing:

a. ESAP Compliance and Progress
b. Progress on E&S requirements and key E&S issues for pipeline, under development, construction, commissioning projects as per the ESMS
c. Any E&S issues related to operational assets
d. Any E&S incident arising or continuing since the date of the last E&S Committee meeting.
e. Any other matters, as deemed fit by the ESG Head

The Company shall ensure that the E&S Committee's Members and secretary are promptly notified of the following E&S Incidents (and in any event within 3 days after discovery of their occurrence):

- any incident of an environmental nature (including, without limitation, any explosion, spill or workplace accident) which results in death, serious or multiple injuries or material environmental contamination.

- any incident of a social nature (including, without limitation, any violent labour unrest or dispute with local communities or any incident with adverse impacts on human rights or any incident involving sexual exploitation, abuse or harassment) involving the Company or any member of the Company Group or any of their Subsidiaries or their respective assets, employees, representatives, or contractors/suppliers which:

    - has or could reasonably be expected to have, a material adverse effect or impact on the Company Group, the environment, communities or the workforce of any member of the Company Group or any of their Subsidiary
    - which results in a loss of life, severe permanent injury, severe permanent damage to health or a material effect on the environment, or
    - involves or causes, or is reasonably likely to involve or cause, any material breach of the E&S Requirements
    - obtaining knowledge of any Forced Labour Indicator, the Company shall notify the Investor specifying the nature of the event and any effect resulting or likely to result therefrom, and the measures the Company is taking or plans to take to address them and to prevent any future similar event and keep the Investor informed of the on-going implementation of those measures and plans.

- Receipt of a notice of claims which is of environmental and social relevance.

Upon being supplied with such information, the E&S Committee shall prepare a statement in relation to the same incorporating, in each case, a specification of the nature of the incident, together with details of the on-site and off-site effects and any potential liabilities associated with such events.

The E&S Committee Minutes of Meeting to be distributed to the E&S Committee within five working days post meeting or before the Board of Director meeting, whichever comes first by the Company Secretary.

Information flow to the Board

The E&S Committee shall be responsible for reporting on E&S matters and raising E&S-related concerns to the Board and Shareholders. The Chairman of the E&S Committee shall report to the Board on material issues that have been raised at each E&S Committee meeting (including any and provisional recommendations that have been made which concern amendment to E&S policies, procedures and management systems). The minutes of all meetings of the E&S Committee, or summaries thereof, shall also be submitted to the Board.

The E&S Committee shall liaise with the Board to ensure that the agenda for each Board meeting shall provide an opportunity for the Chairman of the E&S Committee to report orally on any matter of importance discussed at E&S Committee meetings.

These Terms of Reference shall be reviewed annually or as agreed by SAEL ESG Head and Investors's Nominee Director on SIL (SAEL Industries Limited) Board.

4.4 ESMS Implementation

4.4.1 ESMS Committee

SAEL has established a corporate level ESMS committee which oversees the implementation of ESMS, including compliance to E&S aspects, monitoring and reporting activities from Plants and reporting on E&S aspects to external stakeholders.

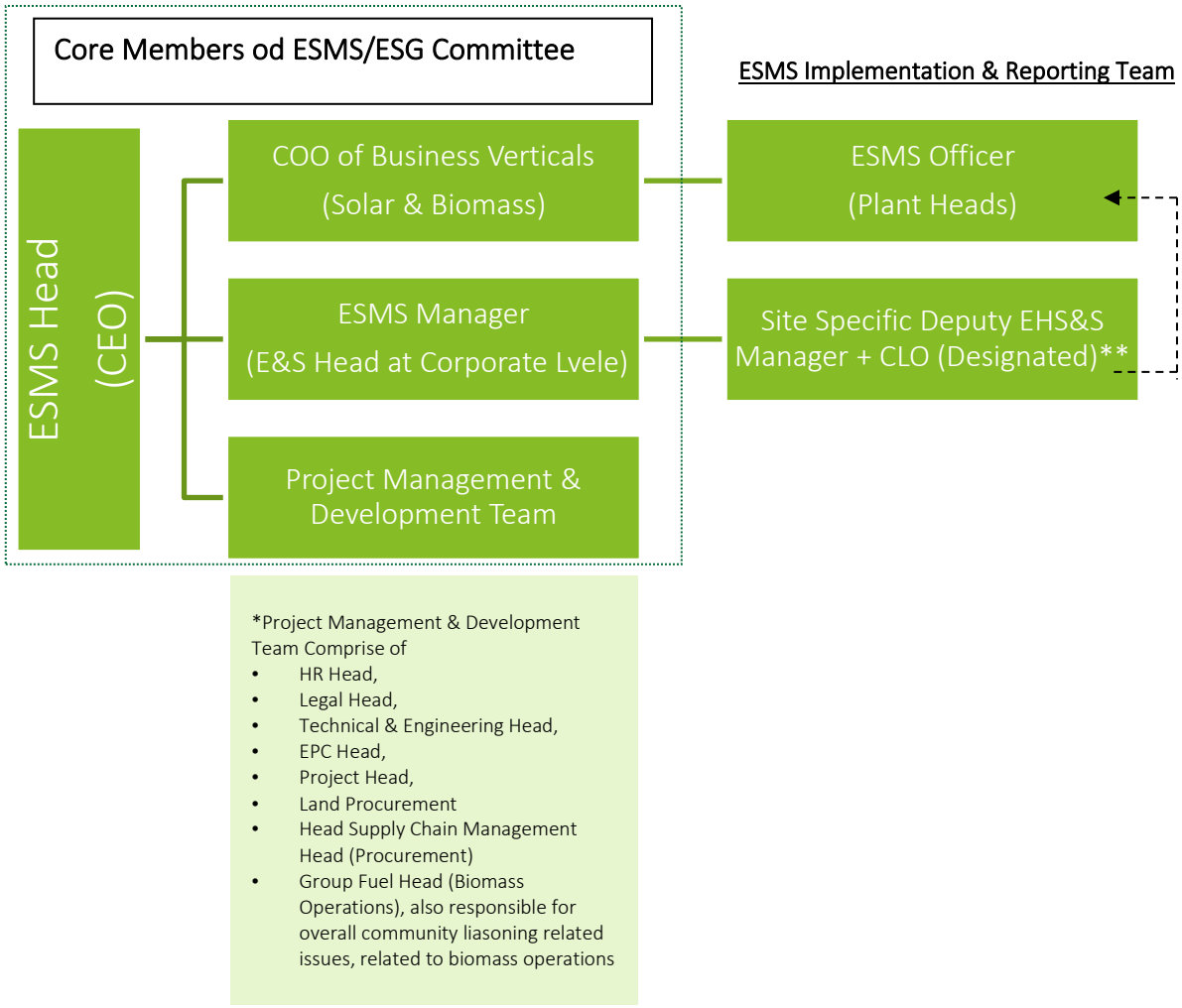
The Key Management Team/ Leadership Team that drives the functioning of SAEL will be overall responsible for driving the execution of the ESMS across levels. This team comprises of Chief Executive Officer (CEO), ESG/ EHS head at Corporate Level and HODs from various Departments including but not limited to HR department, land department, liasioning department, legal, technical & engineering & supply chain department will form the core committee of the ESMS committee. The Key Management Team/ Leadership Team reports to the Board of Directors, whose obligation is to report to the investors and Lenders.

The implementation of the various requirements of the Corporate ESMS will largely remain with the corporate level. The ESMS Committee shall be supported by Plant head and Site level E&S Managers, responsible for driving the implementation of Environmental and Social Management Systems at the Plants/ Assets. Participation of representatives from various departments governing environmental and social management (including but not limited to HR department, land department, liasioning department, legal, technical & engineering & supply chain department) would also be required.

The indicative organisational structure for ESMS Implementation is shown in

Figure 4-2. The company shall constitute ESMS organogram comprising of dedicated ESMS Head & E&S Managers or responsibility of ESMS implementation can be assigned as add on responsibility to appropriate resource having relevant EHS background/ skillset/ bandwidth to handle EHS aspects, depending on scale of the company and associated risk. The *Table 4-1* below is indicative of the roles and responsibilities of ESMS Committee, ESMS Head and E&S Managers for ESMS Implementation to ensure effective execution.

Figure 4-2 Organization Structure of ESMS Implementation



There will be an ESMS Officer on site (generally Plant Head) to monitor and manage ESMS related requirements at the site and the Plant Level ESMS officer will be supported by Site Safety EHS Officer.

Any potential development decision will have to be sent to the ESMS committee for review of E&S aspects. And any E&S decision with serious business implications will need to be reported to Board of Directors for review and approval.

** For Biomass operations, deputy fuel manager will be designated as community liasoning officer (CLO). He will be engaged during the land procurement process and will support land acquision executive and land aggregator on community related engagements, consultations and also support negotiating with the landowners and regulators on land matters. During the operation phase of Biomass plant, he will be responsible for all community related engagements along with fuel procurement. He will be reporting to GM – Fuel Procurement, at the plat level.

For Solar Projesct, during the land procurement stage, land acquision executive will be designated as community liasoning officer (CLO). He will be reporting to Manager (Land Acquision). During the construction phase, project head/site in charge will be designated as CLOx. He will be supported by deputy EHS&S Manager & HR/Admin Manager on community engagement. During Operations, Plant Head will be designated as CLO.

4.4.2 Roles & Responsibilities

SAEL will allocate resources essential to the implementation and control of the ESMS. The CEO will be accountable for compliance of SAEL's operations to meet the requirements of the ESMS. This section broadly defines the role of each team member and their responsibilities towards E&S management across SAEL's business. These roles will need to be updated and modified per requirement basis (since ESMS will be a live document).

4.4.2.1 ESMS Committee

An ESMS committee will be set up to oversee the ESMS implementation across projects/sites. The main roles and responsibilities of the ESMS committee are laid down below:

- Facilitate appointment of key environment and social personnel at various levels based on requirement.
- Advice on matters related to significant material E&S issues identified, including findings from the Screening Study, ESIA report and other additional E&S studies (if any), and provide recommendations accordingly.
- Oversee the implementation of ESMS of the entire portfolio through bi-annual meetings.
- Issue directions to the key teams on EHS & Social policy commitments, E&S resourcing and capacity building needs, contractor engagement and E&S management measures related to portfolio assets.
- Review organization's E&S goals and KPIs for effectiveness and advise Board on the overall E&S performance of the Company.
- Review periodic E&S reports submitted by sites.
- Review and approve correction or append (as may be necessary) to ESMS Procedures so as to meet requirements of the applicable reference framework and fulfil E&S policy objectives;
- Undertake annual review of the ESMS document and updates if deemed necessary

4.4.2.2 ESMS Committee Members

The table below gives the roles and responsibilities of ESMS Head, ESMS Managers and ESMS Officer and for ESMS Implementation, in order to ensure effective implementation.

Table 4-1 Roles & Responsibilities for ESMS Committee Members

Role	Responsibilities
ESMS Head	• Ensuring implementation of Corporate ESMS related requirements, both at Head Office as well as at all plants • Approve the annual EHS training calendar of the plants/ sites • Review findings of internal audit and monitoring reports • Ensuring annual E & S reporting to Lenders • Review and present changes in corporate ESMS to the ESMS Committee • Control of all amendments, revisions, issues and circulation of corporate ESMS
ESMS Manager	• Supporting ESMS Head for ensuring implementation of ESMS at all the plants • Maintenance of necessary documentation supporting corporate ESMS and its annexures by liaising with the responsible teams/ personnel • Supporting land acquisition team on E&S screening and other E&S studies/assessments during the process. • Ensuring that the job specific training and ESMS induction training needs are identified based on the specific requirements of the ESMS and delivered • Ensuring that any gaps or corrective and preventive actions identified/ implemented during various stages of E&S implementation and assessment are recorded and a systematic follow up is done to ensure their effectiveness • Ensure ESDD & ESIA reviews are conducted and incorporated into the decision-making process at SAEL; • ESAP and ESMP are documented, accepted, and incorporated into the action plans at the site and all offices of SAEL • Ensuring closure of findings from internal audits and documentation of the same, by Plant level ESMS Managers • To ensure that all the legal compliance w.r.t. Environment, Health, Safety and Social aspects are being done to carried out operations • Conducting and facilitating meetings along with Business Development team with the local communities to understand their concerns and expectations

Role	Responsibilities
	• Identification of ESMS related trainings and induction • Identification of EHS related training to be delivered at Plants • Undertake periodic internal audits at all the Plants • Annual E&S reporting for lenders and other stakeholders.
COO- Business Verticals	• Overseeing the development of implementation plans for the ESMS, including setting targets, defining roles and responsibilities, and establishing monitoring and evaluation mechanisms in thier business. • Resource Allocation: Ensuring adequate resources (financial, human, and technical) are allocated to support implementation of ESMS, including training & capacity building initiatives in their businesses. • Monitoring & Ensuring closure of findings from internal audits and documentation of the same, by Plant level ESMS Managers. • Compliance Assurance: Monitoring regulatory requirements and industry standards related to environmental and social performance and ensuring that the business vertical remains in compliance with relevant laws and regulations. • Risk Management: Identifying environmental and social risks associated with solar and biomass operations, and implementing measures to mitigate these risks effectively. • Integration with Business Operations: ensuring that environmental and social considerations are integrated into all aspects of the business vertical's operations, from project development and procurement to construction, operation, and decommissioning.
ESG Co-ordinater	• Co-ordination & Collaboration: Coordinating all ESG related activities within organisation. Liasing with different departments, teams & stakeholders to ensure alignment with ESG goals & objectives. • Monitoring & Reporting: Tracks KPI's related to environmental impact, social initiatives & governance practices. Prepare regular reports to update stakeholders on progress & compliance with ESG Goals. • Compliance & Assurance: Co-ordinate internal & external audits to verify adherance to ESG Policies. • Stakeholder Engagement: Engage with internal & external stakeholders to gather feedback, communicate ESG initiatives, & address concerns.
ESMS Officer	• Communicate implementation of ESMS at site • Tracking of E&S compliance related aspects for regulatory and lenders' requirements • Ensuring incident reporting to ESMS Committee • Identifying training and capacity building needs at Plants and coordinating with HR on training • Communication and reporting to ESMS Committee.
Community Liasoning Officer (Designated)	• During land acquisition, support land acquision executive and land aggregator on community related engagements, consultations and also support negotiating with the landowners and regulators on land matters. • Ensuring Effective implementation of ESMS and Safety Management system at the Site • Conduct consultation programs in formal and informal ways through regular interactions with various stakeholders i.e., local communities, farmers, local authorities, etc. • Building strategic relations, establishing parameters to build collaborative efforts, communicating environment & social impact and opportunities of the project and answering queries/concerns that come up with stakeholders. • Collaborates with internal and external stakeholders for the purpose of building effective communication & enhancing relationships. • Receiving their grievance (if any) and communicating to reporting manager
Project Specific Deputy EHS&S Manager	• Communicate implementation of ESMS at site • Ensure Implementation of on-site procedures related to the ESMS • Conduct relevant EHS trainings for the site staffs. • Prepare and Collate E&S reports at the site level and share the same to the Project Level ESMS Officer • Monitoring initiatives and progress against ESMS policy to be submitted to the ESMS Officer at the frequency established • Ensuring incident reporting to ESMS Committee • Supervision of implementation of the ESMP, ESAP and other action plans developed for the Plants • Ensuring contractors, sub-contractors and vendors adhere to practices, trainings, etc. in line with ESMS; To supervising contractors and workers in reporting E&S violations and assisting them to effective implementation of corrective action & preventive action

Role	Responsibilities
Project Management & Development Team	• To assisting the ESMS Manager in conducting assessment of social and environmental risks of project sites. • To coordinate with the State regulatory authorities for environmental approvals / permits. • Liasoning and coordinate with the local administration, police, medical facilities, fire station, etc. • To communicate project's E&S requirements to the contractors. • To report E&S violations to the ESMS Manager and assisting in implementation of corrective measures; and • To conducting meetings with the local communities

4.4.3 Project/Portfolio Monitoring

SAEL will put in place an overall E&S monitoring process which shall be overseen by the "ESMS Head" in coordination with the Managers. The key mechanisms on overall ESMS monitoring will include:

- Regular and frequent monitoring of each Project Company along with recording of the documentation
- Contractors & Subcontractors monitoring and management along with reporting mechanism
- To identify successes, good practices and improvement areas on occupational health and safety environmental and social performance and sharing them across Projects; and
- To assess the effectiveness of ESMS implementation, identify the necessary corrective and/or preventive actions and maintain records. The format to be used to track progress has been attached as ***Annexure T (ESAP Progress Report Format).***

Details of Internal and External monitoring and measurement of the effectiveness of ESMS has been detailed in ***Section 7 (Reporting, Monitoring, Verification & Review).***

5 Project Operations and E&S Risk Profiling

5.1 SAEL Project Lifecycle Stages

The section highlights the four lifecycle stages of Biomass and Solar Power and Module Assembly Units including the key activities carried out for the projects. SAEL will follow the specific project planning schedule considering the key activities for various project stages.

Stage	Key Activities
Planning	• Site Selection & Feasibility Assessment • Commencement of land procurement process • Detailed Project Report (DPR) preparation or Environment and Social (E&S) Studies (as applicable) • Initiation of Permits & Clearances • Finalization of EPC/O&M contractor • Finalization of Contractors • Finalization of mechanical/electrical/ Technical components of the project
Construction	• Procurement of construction resources and equipment • Mobilization of Contractors and their Workforce along with Procurement of construction resources and equipment • Levelling and Site Preparation, Development of Access/ Internal Roads • Construction of Onsite Facilities & required structures • Setting up Substations/Switchyards/Solar Panels & Electric Wiring/Assembly units/TL Lines etc (as applicable to the specific projects)
Operation	• Project specific operations & Maintenance • Procurement of Raw Materials
Decommissioning	• Land restoration • Dismantling of the existing facility or physical structure • De-installation of electrical infrastructure • Clearance of waste material and debris

5.2 Potential E&S Risks and Impacts

This section of the ESMS identifies potential impacts that could arise from the activities of the project from the project life-cycle. Once an understanding of the various project lifecycle stages is established, some of the key environmental and social risks that may emanate during the project lifecycle for all the projects as part of renewable energy portfolio are taken into consideration. Though the aforementioned type of projects are clean forms of energy, there are risks that are required to be managed through the various stages of project lifecycle as discussed in the previous section. In the subsequent section, the management and addressal of these identified risks through proper tools, checklists and other implementation measures has been discussed.

As part of ESMS, SAEL has developed a Screening Checklist **(Refer Appendix C)** along with detailed Scope for Risk Assessment Studies and Hazard Identification & Risk Assessment **(Refer Appendix I).** procedures to identify the potential environmental and social risk & impacts likely to arise as a result of the Project by matching the project components with the surrounding environmental and sociocultural resources.

Table 5-1 Typical E&S Concerns

S.No	Aspect	Potential Impacts & Risks (Renewable Energy Portfolio)
Environment		
1	Land Use Change	• Land Development • Permanent change in land use
2	Alteration of Topography and drainage	• Levelling of land can change the drainage of the area • Removal of topsoil and vegetation can affect soil erosion • Modification of the terrain will be undertaken through grading, excavation and cut-and-fill operations.
3	Aesthetics	• Establishment of the facilities/units in near vicinity of residential area and along access road may cause psychological discomfort to the locals • Vehicles carrying waste may cause anaesthetic appeal to the locals
4	Soil Contamination	*Construction Phase* • Removal of topsoil and vegetation can affect soil erosion • Possibly increase erosion of soils • Construction shall involve extensive disruption to or displacement of soil • Changes in the absorption rates, drainage patterns, or the rate and amount of surface water runoff. • Soil contamination from spillage of oils, chemicals and hazardous substances • Soil contamination from construction debris *Operation Phase* • Sewage generated from domestic activities of workers at the site can be potential source of contamination if not managed properly Specific to Biomass Facility • If the concentration of toxic metals exceeds the limits in the fly ash generated, it will be classified as hazardous and will lead to soil contamination and leaching of heavy metals
5	Air pollution	*Construction Phase* • The potential dust sources associated with construction activities are loading and unloading of the materials, topsoil removal, travel over unpaved roads and wind erosion etc • Fugitive Dust generation due to construction activities • Dust, smoke, fumes emission due to construction machinery, DG sets and vehicle movement • Trucks and heavy equipment must be checked for compliance with emission standards before they are used during construction *Operation Phase* • Fugitive Dust generation due to maintenance activities Specific to Module Assembly Unit • Fugitive Emission while assembly of modules

S.No	Aspect	Potential Impacts & Risks (Renewable Energy Portfolio)
		Specific to Biomass Power Plants • Vehicles bringing Biomass shall be covered to prevent spillage during transit • Particles from handling and drying of raw material • Emissions from boiler stack • Emissions from Diesel Generator (DG) set stack used during emergencies • Ash blowout during fly ash collection, storage and disposal • Vehicular emissions from vehicles carrying waste and fly ash within the premises
6	Water Resource and Quality	*Construction Phase* • Preparation of designated area of land for subsequent development activities involves levelling the ground surface, removal of vegetation, stockpiling and generation of construction waste. The site formation may produce large quantities of run-off with high suspended solids loading in the absence of appropriate mitigation measures. • Ground water consumption in water scarce areas can affect the community resource • Contamination of ground and/or surface water due to improper disposal of wastewater • Accidental spillage of hazardous chemicals stored on site • Leakages from pipe burst Biomass Power Plant- Operational Phase: If the concentration of toxic metals exceeds the limits in the fly ash generated, it will be classified as hazardous and will lead to soil contamination and leaching of heavy metals in the ground
7	Noise Pollution	*Construction Phase* • Generation of noise from operation of construction machinery and vehicular movement • The major activities, which produce periodic noise, during construction phase, are Foundation works, Fabrication of structures, Plant/machinery setup etc. • Trucks and heavy equipment must be checked for compliance with emission standards before they are used during construction • Noise and vibration are generated during operation phase due to compactor, transportation vehicles, JCB and operation of Machinery & DG sets *Operation Phase* • Not anticipated from Operation & Maintenance from Solar Power Plant Specific to Biomass Power Plants • Operation of heavy duty at the Plants including boiler, stream turbine generator, Flue gas cleaning systems, Compressors, Pumps, blowers, shredders, feed conveyer belt, digestion chambers etc. will generate noise • Biomass transportation vehicles and vehicular movement for staff mobilization will also lead to generation of noise • Vehicular movement for loading / unloading inside plant premises and approach roads Specific to Module Assembly Unit • Operation of heavy duty machineries for assembly
8	Fly ash generation	*Specific to Biomass Power Plants: Operation Phase*

S.No	Aspect	Potential Impacts & Risks (Renewable Energy Portfolio)
		• If the concentration of toxic metals exceeds the limits, it will be classified as hazardous and will lead to soil contamination and leaching of heavy metals in the groundwater • Fugitive emissions from open improper storage
9	Impact on Ecology	• Removal of flora at site due to clearing of vegetation may have impact on local ecosystem • Removal of vegetation may also impact small mammals present in the area • Removal of vegetation may also impact fauna present in the area.
10	Hazardous waste generation	*Construction & Operation Phase* • Hazardous waste (e.g., waste oil and grease, empty drums, oil-soaked rags, used filters, waste oil, boiler blow down etc) generated during operations if not handled properly can lead to soil and groundwater contamination.
Occupational Health & Safety		
11	Workplace & Health Hazards	*Construction Phase* • Vehicular Accidents during the movement of construction vehicles/equipment's • Injury due improper handling, operation and execution, • Occupational hazards like high noise, electric shocks etc., • Working at Height/ Risk of Falling/ Slip/Trips/ inadequate fall safe arrangements *Operation Phase* • Vehicular Accidents during the movement of raw material and finished goods • Injury due improper handling, operation and execution, • Occupational hazards like high noise, electric shocks etc., • Exposure to hazardous substances etc. • Working in plants involves hazardous material, contact with oil & grease, exposure to heat radiation, flying particles, fine dust particles, fumes, mists, etc. which can cause occupational H&S hazards and accidents • Workers will be exposed to physical, biochemical and psycho-social hazards • Back and joint injuries from driving heavy loading equipment; • Puncture wounds leading to tetanus, hepatitis, and possible HIV infection; • Injuries at dumps due to surface subsidence, underground fires, and slides • Lead poisoning from burning of materials with lead-containing batteries, paints, and solders • Emergency/Fire Hazards/Explosion • Electrical Hazards • Working at Height/ Risk of Falling/ Slip/Trips/ inadequate fall safe arrangements • Ergonomics and Muscoskelton issues due to long standing hours Specific to Biomass Power Plant • Vehicular Accidents during the movement of biomass from secondary collection points to project site • Potential health hazards especially among workers working near the boiler/turbines

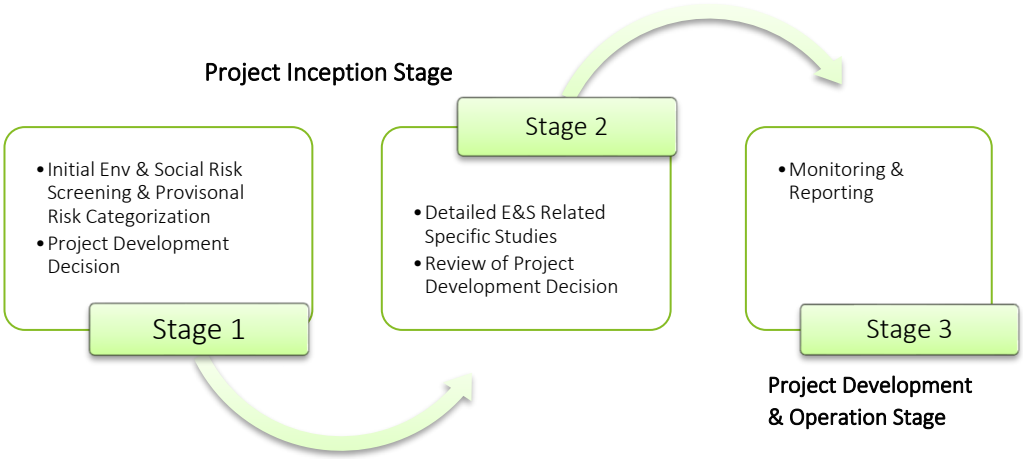
S.No	Aspect	Potential Impacts & Risks (Renewable Energy Portfolio)
12	**Occupational Noise**	All construction Activities Operation Phase- • Operation of heavy duty at the Plants including boiler and steam generation system, stream turbine generator, Steam turbine generator, Flue gas cleaning systems, Compressors, Pumps, blowers, shredders, feed conveyer belt, digestion chambers etc. will generate noise • Vehicular movement for loading / unloading inside plant premises and approach roads
13	**Air Pollution**	• Air emissions from hauling trucks and heavy equipment can also be pervasive. These particulates (especially PM10) and emissions from exhausts vehicles may pose some levels of health hazards to workers at the site • Land development and civil works can generate substantial number of dusts particularly from excavations and dirt roads. • Respiratory illness from ingesting particulates, bio-aerosols and volatile organics during waste collection, and from working in smoky and dusty conditions at open dumps; • Headaches and nausea from anoxic conditions where disposal sites have high methane, carbon dioxide, and carbon monoxide concentrations.
Land & Labour		
14	Terms of Employment	• Lack of contracts, use of contracts not understood by workers, or use of contracts with terms that are different from actual working conditions • Inadequate wages, benefits and contracts • Verbal and physical (sexual) harassment • Lack of freedom of association or grievance mechanisms • Discriminatory hiring and promotion practices
15	Exploitation of migrant or temporary workers by labour contractors, including unlawful wage deductions (e.g. excessive recruitment fees, transportation/housing costs)	• Inadequate wages, benefits and contracts • Forced labour • Human rights violations • Deprivation of basic livelihood necessities • Conflict with local community • Illegal employment, human trafficking • Discrimination • Gender-based violence/discrimination
16	Supply Chain Risks	• Cases of forced/ bonded or child labour • Human Rights violation and abuse • Inadequate payment of wages
17	Poor living and working conditions	• Violation of labour accommodation guidelines • Disciplinary abuse and harassment • Lack of freedom of movement • Lack of clean adequate space, livelihood facilities

S.No	Aspect	Potential Impacts & Risks (Renewable Energy Portfolio)
		• Excessive charges for the use of the accommodation
18	Land Procurement	• Land acquisition and rehabilitation and resettlement issues in case the land is not purchased, and acquired through government • Loss of land-based livelihood including agriculture/grazing and economic impact • Displacement of settlements (at times including tribal population) • Legacy issues • Community agitation and revolt and conflicts • Unrest among the community due to dislocation of any structure or thing of cultural belief • Physical displacement • Economic impacts
19	Procurement of land in Schedule V or tribal dominated areas	• Impact on indigenous people's rights including land and forest-based rights to settlement, livelihood and income • Marginalization of vulnerable groups • Threat to indigenous culture and heritage • Degeneration of socio-economic baseline of that area • Community agitation and revolt
20	Impact on cultural heritage	• Chance finds of items of cultural assets during construction activities • Displacement and relocation of assets of cultural importance
Community Health & Safety		
21	Traffic and Transportation	*Construction Phase* • Increase in traffic due to transportation of material and machinery. • Deterioration of road conditions due to frequent movement of heavy vehicles and equipment • Disruption of traffic on connecting roads due to unplanned parking, vehicle breakdown *Operation Phase* • Increase in traffic due to transportation of Biomass and other raw materials at Site Random parking of vehicles and unplanned loading/unloading areas can lead to inconvenience
22	Air quality, Noise & Odour	• The local residents in the vicinity of the project site might be affected by increased noise levels, air emissions and traffic. • **Biomass Power Plant:** Noise generation during operation phase due to operation of various equipment's, Operation of Boiler, movement of trucks for biomass loading and unloading which has the potential to affect the health of the people in the vicinity
23	Poor housekeeping	• Improper storage of waste leading to breeding of disease vectors • Spillage and littering • Discharge of effluents in open • Storm water accumulation

S.No	Aspect	Potential Impacts & Risks (Renewable Energy Portfolio)
E&S Risks due to string of Transmission Line and Installation of Transmission Towers		
24	Land procurement/acquisition under Right of Way	• Loss of land/ livelihood • Disturbance to local livestock population • Unrest among the community due to dislocation of any structure or thing of cultural belief • Impact on indigenous people due to land intake from ST people and use of village resources • Conflicts with local community
25	Site Clearance/ Clearing and grading for right of way Preparation	• Visual impact on landscape • Soil Erosion • Air Pollution • Negative impact on flora and fauna • Noise pollution and negative impact on habitant • Depletion of natural resource • Job opportunities creation • Conflicts with local community • Near miss, injury, accident and fatalities
26	Installation of transmission tower and stringing of wires	• Noise pollution • Job opportunities creation • Conflicts with local community • Near miss, injury, accident and fatalities
27	Transportation of material, machineries, equipment and workforce to site	• Noise & Air pollution due to increase in vehicles • Conflicts with local community • Accident and fatalities due to increased vehicular traffic
28	Operational TL	• Death & Electrocution of Avifauna

6 ESMS Management Frameworks

The section explains the typical stages of an ESMS Framework and the aspects covered are required to be implemented within the Company and applied to its services. An effective ESMS requires attention to E&S matters at all stages of the project from conceptualization to stages of planning & scheduling, contractor & supplier selection, mobilization & construction, operations and decommissioning.



6.1 Project Inception & Preliminary Risk Screening

6.1.1 Stage 1: Initial Project Screening

Post project development decision, project inception and risk assessment are initiated. The project planning and scheduling varies on the nature and scale of the project to be developed by SAEL.

Risk and impact identification process developed are appropriate to the nature and scale of the Project. The process varies from the single stage screening to multiple stage risk and impact identification process, as detailed below.

- Screening and Identification of E&S Impacts
- Environmental and Social Impact Assessments (ESIAs).
- Environmental and social due diligence (in case of projects being financed by Lenders & Equity Partners)

SAEL will undertake preliminary screening for identification of environmental and social impacts for the preliminary site screening checklist for new greenfield project.

A exclusion list (***Appendix Y***) includes a list of Categorically Prohibited Criteria's where potential adverse environmental or social impacts are anticipated. SAEL will ensure that none of the criteria's mentioned are triggered in any of the facilities and nor will any of the operations of SAEL will trigger any of the below mentioned criteria. This screening will identify the issues and to provisionally categorize the project on the basis of the assessment. The intent is to identify high level issues and risks with regards to the project location, environmental interactions, sensitive receptors, indigenous people, cultural heritage, or labour issues and any other reputational risks. This initial risk assessment can also be part of the technical site survey exercise and would be supported by member/s from the SAEL ESMS or EHS team having required technical competencies.

On case-to-case basis, SAEL may also engage third party E&S consultant firms to carry out such screening exercises and assist in categorizing project which will further support in Go-No-Go decision. SAEL will categorize the project on the basis of the E & S categorization provided by IFC PS. This categorization will in turn allow for the identification of the additional assessments that

Go No Go Decision: SAEL will not develop/ acquire project located in a critical habitat (CH), Schedule V areas or if the project development or operational activities adversely impact any Indigenous People (IP), unless adequate assessment is undertaken, and all potential impacts are mitigated or compensated/offset for.

IFC Categorization

might be required to substantiate and support the category assigned for the project in subsequently have bearing on project level impact mitigation plan and overall E&S compliance monitoring.

This ESMS Framework has provided for three (3) category levels that can be assigned to the projects. These definitions used for these categories have been influenced by categorizations provided by IFC. The below ***Table 6-1*** provides an understanding of the project categories and the recommended studies basis the categorization.

Table 6-1 Project Categorization and the Recommended studies based on categorization

Categorization	Greenfield
Category A • Category "A" projects are those that are likely to have significant adverse environmental and social impacts that are sensitive, diverse or unprecedented. These projects may affect an area broader than the sites or facilities subject to physical works. • These projects are likely to have irreversible land use change for a larger area. • These projects are likely those impacting an ecologically sensitive zone. • Typical project scenarios that would be categorized as A would include projects with critical environmental sensitivities (such as low water availability / over exploited zone/ notified zones) or critical ecological sensitivities (such as impact on critical habitats) or social sensitivities (economic displacement, physical displacement, land disputes etc.)	Full Scale ESIA; and any other specialized studies (such as Critical Habitat Assessment, Resettlement Action Plan, Livelihood Restoration Action Plan, Detailed Assessment for Indigenous Community) as applicable.
Category B • Category "B" projects are those that are likely to have potentially adverse environmental impacts on human populations or environmentally important areas – including wetlands, forests, grasslands and other natural habitats. But these impacts are likely to be less adverse than those of the Category A projects. These impacts are site-specific, with few, if any, being irreversible and in most cases the mitigation measures can be designed more readily than for Category A projects. • These are projects with limited or reversible land use change over a considerably smaller area and likely to have no significant impacts on any ecologically sensitive zones.	Full Scale ESIA
Category C Category "C" projects are those that are likely to have minimal or no adverse environmental and social impacts.	• Internal E&S checklists; and Management Procedural Guidelines and EHS Plan specific to the Plant and stage of project lifecycle

Note: In addition to the above-mentioned categorization, in case the equity partner/lenders have their own E&S project categorization criteria, this will be mutually discussed and agreed.

The Project team as well as other members of the senior management will take into consideration the results from the aforementioned screening exercise. It is to be noted that for Category A and B projects the final decision would be guided by the Environmental and Social Management Plan (ESMP)/ Environmental and Social Action Plan (ESAP) outcome of ESIA/ESDD and additional studies that might be triggered.

6.1.2 Stage 2: Detailed E&S Studies

Post the screening exercise has been completed, SAEL will engage a third party with desired technical expertise and requisite experience to undertake subsequent E&S Risk Assessment studies such as Environmental and Social Impact Assessments (ESIA) and Environmental and Social Due Diligence[10] (ESDD)study depending upon the project categorization. Brief Scope for the assessment studies have been included ***in Appendix D.*** The Project Categorization post these studies could be different from the initial provisional categorization.

On the basis of the outcome from the detailed E&S assessment of the project, SAEL may consider reviewing its project development decision. It is to be noted that for Category A and B (Greenfield) projects the project development decision review would be guided by the ESMP and additional thematic studies (in case triggered, refer ***Section 4.1.6 of Appendix D*** *Error! Reference source not found.* for Specific triggers for additional detailed assessment).

[10] In case the project is being financed by Investor or Lender . This will be undertaken basis the specific requirement.

It is to be noted that higher assessment parameters are required to be taken into consideration for Category A projects and a more stringent scrutiny to be undertaken by the senior management during its decision-making process.

6.2 Project Construction, Operations, Decommissioning

Construction phase of the project would typically include mobilization of contractors and subcontractors and their workforce for various construction activities, setting up of project office, workers camps and construction campsite and availing basic utilities for the onsite personnel, etc. Another major activity will be to ensure that all relevant regulatory requirements and compliances have been obtained prior to site mobilization. The project phase involves finalization of construction design, schedule methodology and integration of different activities

The Operation & Maintenance (O&M) phase functions will be managed completely by corporate level ESMS head & Project Manager. ESMS aspects at Plant level during O&M phase will be managed by the Project Head and Site Deputy EHS&S Manager overlooked by the Corporate Level Head Officer through internal/external monitoring.

The Management Frameworks and its procedures to be used across different stages in the project construction and operations as are described in detail in this section.

6.2.1 Stage 3: Implementation of Environmental & Social Management Plan

6.2.1.1 Contractor Management

SAEL will engage with contractors for a diverse range of services such as construction, procurement, operation, routine and major maintenance, housekeeping, security management, transport, labor, etc. For this, SAEL will have to:

- apply contractor/ supplier selection criteria,
- meet specific and generic contract requirements on E&S compliance management,
- formulate and execute management measures around
    - construction health and safety,
    - labour accommodation,
    - pollution prevention,
    - resource efficiency,
    - emergency response, and
    - capacity requirements,
- implement a criteria for their performance evaluation.

Selection of Contractors and Service Providers at SAEL takes place both at the corporate level as well as at the Plant level, depending on the requirements. Grading of existing suppliers and contractors will be undertaken at the corporate level based on aspects of price, service quality and time, etc. and whenever need arises, the existing Suppliers and Contractors will also be considered and an RFQ will also be floated.

SAEL has developed a Contractor Selection Checklist ***(refer Appendix S)*** that covers contractor/ supplier selection criteria and related safeguards to be integrated in the agreements with Contractors. After selection of Contractors, aspects like HSE and labour compliance criterion to be followed are included in the contract agreement with clearly stipulated guidelines and timelines for completion of action items. The key requirements for Contractor and Supplier Selection, Management and Evaluation have been presented in ***Appendix S.***

6.2.1.2 Supplier Code of Conduct

SAEL is strongly committed in observing the highest ethical standards in all its procurement activities. As such, this Supplier Code of Conduct (SCC) has been prepared to provide clear summary of SAEL's expectation from the suppliers in all procurement dealings. The SCC defines the non-negotiable minimum standards that we ask our suppliers to respect and to adhere to when conducting engaging with SAEL. Details of SCC have been provided as Appendix T.

6.2.1.3 Pollution Prevention Management

The construction and operation activities of renewable energy portfolio projects, in general, have a potential to generate a range of pollution sources that require proper planning from the outset to avoid resulting in impacts to human, ecological or other environmental receptors. These pollutants include emissions to air, water and soil, amongst others.

SAEL seeks to proactively manage potential pollution sources and to this effect will undertake various management program into consideration. Framework for pollution prevention and management has been provided as Appendix E.

6.2.1.4 Resource efficiency and Conservation

Proper resource efficiency and management planning of renewable energy portfolio will enable SAEL to promote sustainable growth while improving organizational efficiency and cost effectiveness of its business operations. In practical terms, it facilitates reduction, wherever possible, reducing the quantity and impact of waste and pollution at source. Addressing resource efficiency should be a key goal for the business and something to be actively managed in order to be sustainable. Appendix F enlists the steps for improving efficiency for the Renewable Energy Portfolio. The framework covers the list of records to be maintained, checklists, etc. pertaining to SAEL resource consumption and conservation strategies.

6.2.1.5 Environment Monitoring.

Environmental monitoring is to assess environmental conditions and trends at the project site and develop information for reporting. SAEL through the respective project Contractors at various project site will monitor the projects to ensure conformity with laws and regulations and to mitigate risks on the natural environment and protect the health of human beings. The monitoring will cover construction and operation phases.

Regular monitoring of critical environmental parameters is of immense importance to assess the status of environment during construction and operation stage. The monitored data can serve as an indicator for any change in environmental quality due to the Renewable Energy Project Portfolio's with respect to baseline environmental conditions, so that suitable mitigatory steps could be taken in time to safeguard the environment. The monitoring action plan covering various performance indicators, frequency has been provided in Appendix G.

6.2.1.6 Occupational Health and Safety

Workers working in all the projects of SAEL will be exposed to physical, biochemical, biological hazards and psycho-social hazards. These occupational H&S risks need to be identified and controlled. SAEL has established minimum mandatory requirements and guidelines for identifying such hazards and risks, their control and management, reporting and investigation of any incidents happening at any of their plants. SAEL will develop site specific plans for occupational health and safety. Appendix H will assist SAEL to identify the OHS risks and hazards associated with its *construction and operation phase* and then effectively manage them, minimize any incidents and accidents. Considering the prevailing situation of COVID 19, SOP for management of COVID 19 risk and return to work has been included as Appendix Z.

6.2.1.7 Hazard Identification and Management

Hazard Identification and Risk Assessment (HIRA) is a risk assessment tool that can be used to assess which hazards pose the greatest risk in terms of how likely they are to occur and how great their potential impact may be.

This Hazard Identification and Risk Assessment framework has been prepared at the corporate level to be carried out for E&S parameters prior to construction and operation stages at all SAEL's project sites. Appendix I shall be referred to at SAEL's facilities to identify site-specific hazards and assess the risks. Activities of SAEL's contractors will also be included in such HIRA tasks.

6.2.1.8 Emergency Preparedness and Response

SAEL shall maintain an Emergency Preparedness and Response Plan (EPRP) for all its Plant's operations in collaboration with all relevant stakeholders such as the contractors, associated facility operators like residential areas, labour colonies, district authorities etc. It shall address identification of areas where accidents and emergency situations may occur, communities and individuals that may be impacted, response procedures, provision of equipment and resources, designation of responsibilities, communications and periodic training to ensure effective response.

ESMS Manager would be supported by Site Manager/Site Safety Engineer/contractors' EHS officers (wherever applicable) and key personnel for any emergency arising at the Plants. The emergencies arising at any of the Plants shall be directly communicated to the ESMS Officer and ESMS Manager followed by ESMS Head. Periodic mock drills and emergency response trainings shall be conducted at project level by the Plant level Project Manager or Site Supervisor. Refer to Appendix J, outlining the key aspects that are captured within an EPRP which include Emergency Preparedness, Fire Safety and Explosion, Medical 7 First Aid, Hazardous Material Release, Natural Calamities, etc.

6.2.1.9 Traffic Management

A traffic management plan assists in the prevention of personal injury, damage to plant / vehicles and property, risk to community health & safety, etc. associated with the construction and operations of a plant. Construction phase involves transportation of raw material and manpower to the site and operations involve transportation of biomass, export of biomass residue & fly ash and movement of manpower to the plant. Such activities will thus have a significant impact on the nearby community and surrounding villages, especially near schools and hospitals. In order to ensure compliance and good practice measures, a traffic management plan proposes certain planned activities along with control actions followed by the SAEL, its contractors, and subcontractors involved. A Traffic Management Framework is provided in *Appendix L.*

6.2.1.10 Security Personnel Management

SAEL will engage security personnel at all its plants. SAEL will develop security personnel management plan for all its sites to support a safe work environment, to minimize unauthorized access to the Project site and protect the manpower, equipment and components of the Project from possible security threats. Security Personnel Management Framework is provided as Appendix M

6.2.1.11 Labour Accommodation

SAEL is responsible for management of workforce related risks and to ensure that the workers engaged by third parties are provided with safe and secure accommodation. Accommodation facility to be in line with the Worker's Accommodation Standards by IFC. The minimum requirement of local accommodation to be included in the EPC contract and adopted by SAEL are provided in Appendix N.

6.2.1.12 Community Health and Safety

SEAL will identify community health and safety risks and hazards associated with project life cycle and include mitigation for effectively managing the risks and minimize any incidents and accidents. Suggested mitigation measures are presented in Appendix O.

6.2.1.13 Incident Investigation Reporting

SAEL will investigate the all the incidents occurred at plants to determine root causes and ultimately determine corrective actions or controls designed to prevent a recurrence of the incident. Incident investigation and reporting is presented as Appendix P.

6.2.1.14 Stakeholder Engagement Framework

A stakeholder is "a person, group, or organization that has a direct or indirect stake in a project/organization because it can affect or be affected by the Project/organization's actions, objectives, and policies". Stakeholders thus vary in terms of degree of interest, influence and control they have over the project. Therefore, the stakeholders who have a direct impact on or are directly impacted by the project are known as Primary Stakeholders, those who have an indirect impact or are indirectly impacted are known as Secondary Stakeholders.

This stakeholder engagement framework (SEF) will guide the stakeholder engagement across SAEL's project lifecycles, demonstrating its commitment towards its stakeholders while adhering to IFC PS requirements. Based on the stakeholder identification and analysis process, SAEL has formulated a stakeholder engagement plan. These plans shall guide the process of engagement with the various stakeholder groups identified. A detailed Stakeholder Engagement Framework has been provided as *Appendix Q*

6.2.1.15 Biodiversity Conservation and Management

Biological diversity is the resource upon which families, communities, nations and future generations depend. It is the link between all organisms on earth, binding each into an interdependent ecosystem, in which all species have their role. Biodiversity loss can result in reduction and depletion of natural resources, which contribute to the economic prosperity and human development. This is especially relevant in developing countries where natural resource-based livelihoods are often prevalent. If the plant site is located near forest or waterbody areas, SAEL will undertake following Biodiversity Management procedure to avoid, reduce and mitigate the impact from the operation activities on the natural resources presented in Appendix R.

6.2.1.16 Internal Grievance Management

SAEL provides an equitable platform to all of its employees for registering any form of complaints and grievances and that the grievances would be addressed to a level acceptable to the aggrieved employee.

Grievances may take the form of specific complaints for actual damages or injury, general concerns about project activities, incidents and impacts or perceived impacts. The purpose of GRM is to provide a forum to the internal stakeholders to voice their concerns, queries and issues with the project. Such a mechanism would provide the stakeholders with a channel through which their queries/ concerns will be addressed and will ensure timely responses to each query/concern. This will allow for trust to be built amongst the stakeholders and prevent the culmination of small issues into hindrances in project activities. This GRM (Refer Appendix W) does not cover the grievances raised by external stakeholders, such as local communities, interested persons and local governments etc., who are to refer to SAEL's community grievance redressal mechanism. Internal grievances are those grievances that are received from internal stakeholders such as, employees, contractors, sub-contractors, workers (including migrant workers) etc.

6.2.1.17 External Grievance Management

The purpose of External GRM is to provide a forum to the external stakeholders to voice their concerns, queries and issues with the project. Such a mechanism (Appendix X) would provide the local community and other interested parties with a channel

through which their queries/ concerns will be addressed and will ensure timely responses to each query/concern. This will allow for trust to be built amongst the external stakeholders and prevent the culmination of small issues into hindrances in project activities.

SAEL will undertake ongoing engagement with the community during the construction and O&M phase to address any community grievances related to construction activities or project operations.

7 Performance Reporting, Monitoring & Review

SAEL shall monitor and measure the effectiveness of ESMS covering various stakeholders including contractors, labourers, suppliers and the local community impacted by the project operations activities and associated facilities. Project Level ESMS Officer will submit periodic reports to the ESMS Manager on E&S performance of respective assets. The reports will enable the ESMS Head, and eventually the ESMS Committee to understand the effectiveness of the ESMS and management plans/ procedures, status of compliances with legal and/or contractual obligations and regulatory requirements. The Project Specific Site Deputy EHS&S Manager will fully comply with the reporting requirements in terms of timely report submission with acceptable level of details. The E&S performance report will be submitted on Monthly & Quarterly Basis and the formats are provided in *Appendix T.*

SAEL's monitoring program shall be overseen by the ESMS Manager at the Corporate Office. The purpose of monitoring for SAEL shall be:

- To track performance and its compliance against the established benchmarks or requirements in the ESMS;
- To record information in order to track performance and establish relevant operational controls;
- To establish key quantitative and qualitative measures for environment, health and safety and social indicators;
- To verify progress towards the desired outcomes; and
- To reflect the necessary corrective and preventive actions in the ESMS.

7.1 KPI's, Objectives & Targets

SAEL has considered various international standards and benchmarks to map its activities and drive key performance indicators including IFC Performance Standards. Table 7-1 below shows the key performance indicators based on risks and opportunities associated with SAEL operations.

Table 7-1 Key Performance Indicators

Overarching Themes	Performance Indicators
E&S Management	• Number of trainings conducted on EHS & Social Policy and ESMS • Regulatory issues identified proactively and resolved • Number of notices of regulatory violations • Number of internal EHS compliance audits conducted during a year across assets • Numbers of E&S findings and corrective actions from the audits
Labour Management & Working Conditions	• Adoption of a practices governing safe working conditions (including as access to water, sanitation) and PPE usage • Number and nature of internal grievances received, and time taken to redress the same • Improved % of women and differently abled as on roll employees and contractual workers • Voluntary and involuntary turnover rates of all employees
Pollution Prevention & Resource Efficiency	• Identification of organization wide opportunities or goals & targets to reduce consumption of resources such as electricity, water, fuel (diesel) etc. • Total water consumption in a year • Zero discharge of wastewater & Decrease in use of Fresh water; • Percentage reduction of greenhouse gas emissions • Percentage Reduction in air emissions. • Quantity of waste (hazardous and non- hazardous waste) generated • Reportable environmental incidents • Number of trainings conducted on sustainability aspects such as resource efficiency/resource conservation (e.g. water), GHG emission management amongst others • Ash management and use.
Health &Safety	• Number of EHS training/mock drills conducted during a year • Number of recordable injuries / illnesses that resulted in lost time • Number of near misses reported and recorded

	• Number of recordable incidents involving public/ community
Stakeholder Engagement	• Number of community outreach activities implemented by company

Based on the above identified KPIs, E&S policy commitments and asset specific risk registers, the ESMS Manager in coordination with department heads will review the significant aspects/ risks/ opportunities and consider for setting as organisational targets/ objectives. Also, whenever an aspects/ risks/ opportunity is leading to a business concern, it can be taken up as an objective along with the other set objectives. The final targets/ objectives will be approved by the ESMS Committee.

The E&S objectives and targets will thus be established based on:

- Environment & Social Policy commitments of the organisation.
- Legal and other requirements.
- Technological options - whether it is technically possible to reduce the scale of the risk.
- Financial requirements - whether a financial budget is available for implementing the necessary change.
- Operational requirements - what will be the operational control to reduce the impact/ risk.
- Business requirements - whether the objective will be important from a business point of view.

SAEL will maintain a record of targets to introduce more resource efficient technology. New techniques develop over time so these should be referred to regularly. Objectives & Targets should be specific, measurable, achievable, relevant and time-based and should be organized as short, medium and long term goals. The ESMS Manger shall maintain records in line with the adopted E&S Objectives and Targets. The E&S objectives and targets shall be communicated to all the relevant personnel for effective implementation of action plans and achievement of targets. The objectives and targets shall be reviewed every year by the ESMS Committee, if applicable, in light of new regulations, new projects and commitments and changes in operations and updated.

7.2 E&S Reporting & Communication

Regular inspection and monitoring of the environmental and social aspects as part of construction and operation phase activities will increase the effectiveness of the implementation of this system and will ensure that ESMS is addressing the most relevant risks. Through the process of inspection, audit and monitoring, SAEL will ensure that all the requirements of the applicable framework, as suggested within this manual, are effectively met including those of risk assessment checklists and action plans. The inspections and audits are done by SAEL's internal audit team and external agencies/experts as per requirement and the entire process of inspections and audits/ monitoring will be documented.

To maintain an open communication between the staff and management on E&S and social issues, regular team briefings are to be undertaken. Methods of communication have been designed into Management Procedures and Operational Procedures to promote interaction between all levels of the company. Responsibilities have been defined for recording, reporting and sharing of data and information. The procedures describing the instructions for communication with and between employees and interested parties on aspects concerned with E&S aspects has been detailed as ***Section 7*** *of the ESMS.*

7.2.1 Internal E&S Monitoring & Reporting

In order to monitor project's performance, the following aspects will be checked as part of the internal E&S Monitoring:

- E&S Monitoring conducted at the site shall broadly assess the following:
    - Compliance to commitments and implementation of EHS measures prescribed in the Procedures
    - Documentation and record keeping.
    - Implementation of previous corrective action plans and measures.
- Internal E&S Monitoring shall be conducted by the Site Deputy EHS&S Manager or Project Specific Deputy EHS&S Manager and the findings shall be captured in an E&S Monitoring report. A corrective plan shall be prepared and attached as part of the E&S Monitoring report and a time bound action plan is to be implemented for addressing non-conformances.

- The following are to be assessed during the internal E&S Monitoring:
  - Environment:
    - Compliance reports filed periodically with regulators.
    - Pollution management measures and implementation status
    - Inventory records of disposal for solid waste, hazardous waste
    - Records pertaining to root cause analysis of any environmental accidents
    - Minutes of meetings and records of corrective measures prescribed for avoiding such accidents
    - Additionally, training documents for relevant staff to be reviewed also include training records
  - Health and Safety:
    - Review logs of accident/incidents onsite along with corrective action plans prescribed;
    - Review onsite job safety/hazard analysis documents;
    - Check for records maintained on Emergency Preparedness and Fire Prevention, Hazardous Work permits, Site Access and Visitor access records, Special Equipment and operation permit, health check-up records amongst other records;
    - Provision of appropriate sign boards/PPEs;
    - Training records pertaining to behavioural aspects to be maintained onsite, basic first aid training, safety measures to be practiced during specific works such as confined space works, hazardous works, and work at heights amongst others.
    - Examine sites emergency response procedures as well as training logs that indicate workers have been trained on identified issues/emergencies. Review records pertaining to mock drills and ensure timely execution of such drills in accordance with schedule.
  - Monitoring and review of Social aspects: HR Personal is primarily responsible for overseeing social aspects. They shall ensure the following aspects are reviewed:
    - Grievance management and resolution: Documented complaints in compliant register, communications, records and logs of grievance handling, records for resolution of grievance handling;
    - Working conditions: Contracts for workers engaged onsite, wage records, benefits, hours and leave, personnel files, timecards, payroll records, criteria used to set performance pay bonuses, employment and termination records

An internal reporting schedule will be developed for each project/plant to ensure that E&S management procedures are effectively implemented at the project level in day to day operations. Other records will be maintained in the form of accident/ incident records register, grievance records, water consumption records, employee / staff and worker details, trainings records and other E&S compliance at required intervals. All the records and data will be submitted to the ESMS Officer along with monthly E&S Performance Reports.

S.No	Type of Report	Development Responsibility	Supervisory Responsibility	Frequency
1	Progress reports on ESAP and ESMP	Project level ESMS Officer	ESMS Manager	Monthly
2	Training registers for staff and workers	Project level HR/ Project Specific Deputy EHS&S Manager	Project level ESMS Officer	Monthly
3	Report on Compliance to Work Plan including tool box talks	Project level HR/ Project Specific Deputy EHS&S Manager	Project level ESMS Officer	Weekly
4	Compliance to Environmental licenses	Project Level HR Manager & Corporate Compliance Manager	Compliance Manager	Monthly

5	Compliance to Social/Labour related requirements	Project level HR Manager	Project level ESMS Officer	Monthly
6	Internal Audit Report	ESMS Manager	ESMS Head	Quarterly

7.2.2 Legal & Regulatory Compliance Monitoring

SAEL will ensure that permits for all projects under all applicable laws under national legislations are in place, current and valid. The EHS Personal, if necessary, in consultation with Legal and Compliance Team will regularly review the regulatory environmental and social licenses applicable to the projects. Based on the required licenses, the EHS Personal will maintain a document on monthly basis and update the license files. Project specific legal register should be available for each project, that will include details of the existing permits and licenses, their validity and next renewal date, conditions stipulated under the particular permit, and how the project is complying with the condition. Any non-compliances will be immediately identified and corrective action will be taken accordingly.

7.2.3 Internal Auditing Requirements

At a given point of time, the overall monitoring responsibility of project's E&S performance will lie with the ESMS Manager along with ESMS Officer (Project level). The ESMS Officer will undertake monitoring of routine activities as well as activities being undertaken by contractors as per the Internal Audit Checklist (*Section 20.4 of ESMS Appendix T*). The ESMS Manager will undertake periodic visits to work areas as well as accompany the ESMS Manager at the time of internal audits. Following monitoring and auditing schedule will apply to assets:

Table 7.2 E&S Monitoring and Auditing Schedule

S.No	Type of Report	Duration	Supervisory Responsibility
1	Routine inspections and monitoring	Monthly	ESMS Officer
2	Internal audit	Quarterly	ESMS Manager

An audit and monitoring schedule will be developed for each project by the ESMS Manager and shared with the ESMS officer (Project Level), who will be responsible for further communication of the schedule to respective departments, and organize the audits. The findings of the audit will be shared with the ESMS Committee in form of Internal Audit Report, including a time bound corrective action plan to be implemented at asset level for addressing non-conformances.

7.2.4 External Monitoring & Third-Party Audits

SAEL shall also undergo periodic monitoring by external consultants as a part of the management program. The findings of this monitoring shall be evaluated and documented and the monitoring documentation shall be maintained both at the Sites as well as the corporate level. The Project level ESMS Officer should maintain the records of the periodic monitoring in order to evaluate the gaps addressed and closed items of the action plan. The findings of these monitoring especially any open action items should be presented to the ESMS Committee by the Project level ESMS Officer or the ESMS Manager.

7.2.5 Annual E&S Performance Reporting to Lenders & Equity Partners

SAEL will prepare an Annual E&S Performance Report, covering all operational & under construction projects will include the following information:

- Overall environmental and social performance of SAEL;
- E&S compliance of each asset vis-a-vis ESAP;
- Status of E&S objectives and targets adopted by SAEL;
- Data on HSE Statistics, Grievances, Incidents, Fatal Accidents and Unplanned Events;
- Details on stakeholder engagement, community development and welfare activities undertaken;
- Data on any litigations, show-cause notices and/or regulatory action on any of the assets; and
- E&S Capacity Building undertaken.

7.3 Management Review

The ESMS committee of the company will bi-annually review the success of ESMS implementation at all project sites. Information required to conduct the review will be provided by the ESMS Manager. The agenda of the management review meeting covers:

- Discussion on relevant points from internal audits and external audits and giving directions to Project Specific ESMS Officer for effective implementation of the corrective actions.
- Discussion on amendments required in the corporate ESMS manual and presentation of the same to the ESMS Head for approval.
- ESMS Committee will also give its observation on the monitoring findings submitted to it and will decide to drive corrective actions at corporate or Site level based on the monitoring findings.
- The progress on the corrective actions agreed by the ESMS Committee will also be presented in the subsequent review meetings by the ESMS Manager with inputs from Site level ESMS In-charge.
- The need for changes to policy, objectives and other elements of the ESMS as appropriate
- Modifications in the E&S requirements in accordance with any amendments in the applicable national laws on environment, health and safety and social regulations
- Incorporation of any lender & Equity partner's reference framework, if required and more stringent;
- Documentation of good practices based on implementation of ESMS procedures
- Any other ESMS related aspects and key decision on E&S performance will be discussed in these meetings.
- The review will be based on organization-level Key Performance Indicators

7.4 Documentation & Control Procedures

The ESMS Manager lead by the ESMS Head is responsible for assuring control ESMS documentation including establishing document controls. Additionally all the staff are responsible for adhering to this procedure to assure that controlled documents are appropriately used, updated, and distributed in accordance with this procedure

7.4.1 Control of Documents

- Company employees may initiate requests for a new or revised document. Requests should be forwarded to the Quality Head. To ensure that technical and quality requirements are sufficiently, clearly, and accurately stated, each request will be reviewed and approved prior to release by the Quality Head as appropriate depending upon the content and nature of the request
- A draft document shall be created for review and approval by the ESMS Head and the ESMS Manager of a revised documents and a copy of the original version shall be maintained in case of any changes to existing procedures / policy.
- All documents associated with this ESMS shall be assigned a specific document control number (DCN) maintaining a consistent nomenclature for all documents. A master list shall be maintained in Master list of Procedures and Forms.
- Upon issuance of a document control number, the quality head shall maintain the document as a soft copy unless until deemed appropriate for hard copies for information disclosure onsite.
- Revision history of all documents shall include the current document name, revision number, existing number of controlled copies and location of such hard copies. It is to be noted that all printed copies are uncontrolled.
- The ESMS Officer will ensure parties are notified of all approved documents and network location of the master electronic controlled version. Any required hard copy documents are distributed according to an established distribution list to ensure availability at the location where the activity will be performed prior to commencement of work. The change is communicated by posting a Change Notification form the Company communicating that a change has occurred, the nature of the change, and the date it is effective.

8 Training & Capacity Building

Training is one common method of supplying individuals with additional skills and knowledge. In order to be successful, training programs need to be thought out carefully and systematically. A robust social and environmental, health and safety training plan is important for effective implementation of ESMS.

The ESMS committee and HR team at SAEL will ensure that the job specific training and EHS induction training needs are identified based on the specific requirements of the ESMS and existing capacity of site and project personnel (including the contractors and sub-contractors) to undertake the required actions and monitoring activities. Some of the specific trainings that will be carried out on routine basis have been provided in *Table 8-1*

Table 8-1 Training Requirement pertaining to SAEL's Construction & Operation phase

SN	Type of Training	Project Team	Contractors
1.	Environmental, Health & Safety	✓	✓
2.	Occupational Health & Safety	✓	✓
3.	Safety Induction	✓	✓
4.	Fire Safety and Prevention	✓	✓
5.	Electrical Safety	✓	✓
6.	Equipment Handling and Machinery Use	✓	✓
7.	Material Handling	✓	✓
8.	Training of security personnel on behavioral aspects	✓	✓
9.	Emergency Response Preparedness	✓	✓
10.	Lock Out & Tag Out	✓	✓
11.	Operational Training	✓	✓
12.	Hazard Identification & Risk Assessment	✓	✓
13.	First Aid	✓	✓
14.	Incident/Accident Reporting and Investigation	✓	✓
15.	Near Miss Reporting	✓	✓
16.	HR Induction Training	✓	✓
17.	Transportation	✓	✓
18.	Spill Control	✓	✓
19.	Contractor Management Training	✓	×
20.	PPE Training	✓	✓
21.	Biodiversity conservation, water management, pollution prevention	✓	✓
22.	Stakeholder engagement and grievance management	✓	×

The above listed trainings are the mandatory trainings which will be undertaken at the inception stage once the employee/worker joins the Company and/or Project. Post that, monthly refresher trainings can be undertaken, especially for the workers as per their

skill level. Any other applicable training will be identified and implemented during the project lifecycle as per the need assessment, as part of mitigation measure and also capacity building of the staffs.

Also, general environmental awareness will be increased among the project's team and workers to encourage the implementation of environmentally sound practices and compliance requirements of the project. This will help in minimizing adverse environmental impacts, compliance with the applicable regulations and standards, and achieving performance beyond compliance.

The same level of awareness and commitment will be imparted to the contractors and sub-contractors prior to the commencement of the project.

In case of subcontractors, the training and capacity building will be done by the site level Deputy EHS&S Manager and/or Site Safety Incharged. Trainings will be conducted in a language and format understandable to the target audience. Subsequently the training responsibility of the below listed trainings (Refer ***Table 8-2***) can be passed on to the Contractors EHS personnel and will be overlooked by the SAEL's Project Specific Deputy EHS&S Manager or Site Deputy EHS&S Manager .

Table 8-2 Training Requirement for the Subcontractors

SN	Type of Training	Training Responsibility
1	HR Induction Training	Once at Induction Stage by the SAEL Team and regular refreshers to be provided by EPC and/or O&M Contractor EHS Personal Overlooked by SAEL's Site Deputy EHS&S Manager
2	Operational Training	
3	Usage of PPE	
4	Vehicle safety/Driver safety	
5	Pollution Prevention, Resource Conservation and Waste Disposal (hazardous and non-hazardous)	
6	Environmental, Health & Safety	
7	Occupational Health & Safety	
8	Fire Safety and Prevention, Electrical Safety	
9	Material Handling	
10	Spill Control	
11	Emergency Response Preparedness	

8.1 Attendance & Record Keeping

Trainings imparted at the Project levels will be documented. The documentary proof of trainings imparted will be held as hard copy at the respective Project, and as soft / digital copy at the Corporate Level. The records of each training will include the following details:

- Day / Date;
- Name of personnel providing the training, and their designation;
- Training topic and coverage;
- Location;
- Time and Duration of training;
- List of equipment used;
- Name of all participants, along with signatures; and
- Photo log with time stamp