

Adani Ports and Special Economic Zone Limited

Sustainability Charter

- 1 About the Charter**
- 2 Purpose of the Charter**
- 3 Reaffirmation of Important Sustainability Principles**
- 4 Architecture of Oversight Institutions**
- 5 Duties and Powers**
- 6 Meetings**
- 7 Reporting to the APSEZ Board**
- 8 Miscellaneous**

1. About the Charter

APSEZ believes that sustainable development balancing economic, social, environmental and intergenerational equity considerations should be at the heart of mainstream policy and administration in all areas of human endeavour. Achieving sustainable development requires a fundamental shift in the way that resources are used and social decisions are made. Selectively applying sustainable development principles to some areas but not to others is inappropriate. In this perspective, APSEZ appreciates that sustainability journey is as important as attainment of specific sustainability target and that the journey could be better guided by clear searchlight and direction from policy framework. **Therefore,**

This Sustainability Charter (hereafter referred to as the Charter) is intended to serve as a policy statement seeking to guide and enlighten ongoing voluntary programme; demonstrating the commitment of APSEZ operations and infrastructure development to function in the most sustainable manner possible.

The Charter offers a structure to APSEZ that allow stakeholders, especially operating managers at all levels, to communicate key sustainability issues, set targets and regularly report progress in achieving short, medium and long term goals.

2. Purpose of the Charter

The overall purpose of the Charter is to promote best practice in the design, implementation and reporting of social, environmental and economic sustainability imperative in port development and operations. Inter alia, it is also designed to promote shared learning within the organisation.

The Charter is designed to:

- I. Demonstrate sustainability commitment to key stakeholders
- II. Exhibit the sustainability credentials of APSEZ port development projects and operations
- III. Provide a clear structure to allow reporting of progress towards short, medium and long term goals
- IV. Encourage an organisational focus on delivering continuous improvement
- V. Nurture a portfolio of tangible sustainability projects resulting to greater efficiency and reduced costs
- VI. Facilitate harnessing shared learnings from worthy peers internally and globally

3. Reaffirmation of Important Sustainability Principles

- I. Corporate Governance aiming at sustainability is an art of balancing the economic, environmental and social objectives of the business entity in all decision making covering short, medium and long term perspectives.

- II. In situations where precise and determinate scientific guidance and predictions are unavailable, sound risk management aided by precautionary principle should guide decision making so that environmental impacts do not become unmanageable and grave for the society and future generations.
- III. Ideally, the use of non-renewable resources should be limited to the extent that exhaustibility of the resource does not become foreseen in near future. In a context where this seems infeasible in the prevalent modes of production or rendering services, offsets should be adopted in parallel.
- IV. No release of effluents and emissions shall exceed the capacity of the ecosystem to assimilate them. The economic and social cost of such externalities shall be estimated and factored into the decision making process.
- V. Business decisions should be efficacious to meet the challenges of global competition. Free market competitiveness alone can provide the moat for long lived sustainable business success.
- VI. Planned, risk mitigated and proactive solutions, clearly articulated to all stakeholders and to the community at large, are preferable to reactive decisions and opaque actions.
- VII. Integration of human rights concerns and standards into all discussions, policies, processes and business decisions is essential for sustainability. Human rights constitute a non-negotiable framework of essential values.
- VIII. Occupational health, safety and worker well-being are essential ingredients for economic attainments of the business.
- IX. The stakeholders provide the ever continuing rationale for the existence of a business. Inclusive, communicative and transparent engagement with stakeholders is essential for enduring success in the business.
- X. Corporate Governance integrates & harmonises the following:
 - Imperatives of business ethics,
 - transparency,
 - financial performance,
 - employee development,
 - human rights,
 - risk management,
 - worker-safety & well-being
 - environment management,
 - engagement with supply chain,
 - Corporate Social Responsibility and compliance to attain the goal of Sustainable Development

4. Architecture of Oversight Institutions

- I. The framework for oversight in Sustainability journey of APSEZ will primarily consist of committees at three levels: The Board, corporate management and site management. The Sustainability and CSR Committee of the APSEZ Board will be the Apex body to guide this journey.
- II. At the corporate management level the Sustainability Leadership Committee (SLC), a standing committee of senior management, will envision future, guide decision making on emergent issues, prioritize goals and monitor results. The CEO, APSEZ will be the Chairperson of the SLC. The SLC may appoint one of its members to function as co-chair to facilitate smooth working. The Committee should consist of at least seven members and all major functions such as Finance, HR, Operations, EHS and CSR representative from the Foundation would be represented in the SLC. The Sustainability Department of APSEZ will provide secretarial support to the SLC for the purposes of driving the sustainability journey of APSEZ.
- III. At each site a Sustainability Steering Committee (SSC) consisting of senior most managers encompassing the operating areas listed in the previous paragraph will be constituted. Site CEO/ head will be the Chairperson of the Committee. This Committee, consisting of at least five members including the Chairperson, shall function under overall direction and guidance provided by the SLC.

5. Duties and Power

The SLC will have the following duties.

- I. Preparation of discussion paper for the APSEZ Board in supervision with respect to formulating, developing, implementing, monitoring and reporting on the Company's social and environmental policies in line with the APSEZ Code of Conduct;
- II. To prepare material and data for meetings of the APSEZ Board on the Sustainability performance information;
- III. SLC will have access to all relevant data, and records in all offices of the Company.
- IV. While performing its duties the SLC may seek assistance or information from one or more experts appointed by it
- V. The SLC may only exercise such powers as are explicitly attributed or delegated to it by the APSEZ Board and may never exercise powers beyond those exercisable by the APSEZ Board as a whole.

6. Meetings

- I. Meeting of the Sustainability Leadership Committee are called by the secretariat on half-yearly basis in consultation with the Chairperson of the Sustainability Leadership Committee. The Sustainability Leadership Committee shall meet, besides the half-yearly schedule if it deemed necessary by the Chairperson of the Committee.
- II. The agenda for the meeting shall be sent at least five working days before the meeting to all members of the Sustainability Leadership Committee. To the extent possible, written explanations and/or other related documents will be enclosed for each item on the agenda. If the members of the Sustainability Leadership Committee agree meetings can also be held via audio/video conference call.
- III. The Secretary SLC or any other person designated for such purpose by the Chairperson of the meeting shall draw up minutes of the meeting of the SLC.

7. Reporting to the APSEZ Board

- I. The SLC must inform APSEZ Board in a clear and timely manner about the way it has used delegated powers and of major developments in the areas of its responsibilities.
- II. The Chairperson, Sustainability Leadership Committee and Secretariat, Sustainability Department shall present the report of its deliberations and findings during Board meetings.
- III. If requested, the Chairperson of the SLC shall at meetings of the APSEZ Board provide the Sustainability and CSR Committee with further information on the outcome of the discussion of the Committee.
- IV. Sustainability and CSR Committee members shall have unrestricted access to all records of all Sustainability Leadership Committee.

8. Miscellaneous

- I. The Chairperson of the SLC (or one of the Committee members) shall be available to answer questions regarding the SLC's activities at the annual General Meeting of Shareholders.
- II. The APSEZ Board may occasionally decide not to comply with this Charter, subject to applicable law and regulations.
- III. The SLC shall review and reassess the adequacy of this Charter annually, report its assessment to the Sustainability and CSR Committee and recommend, where appropriate, any proposed changes to the APSEZ Board.

- IV. The APSEZ Board can at all times amend this Charter and/or revoke any powers granted by it to the Sustainability Leadership Committee.
- V. This Charter and the composition of the Sustainability and CSR Committee shall be posted on the Company's website.