



BIODIVERSITY CONSERVATION AND SUSTAINABLE NATURAL RESOURCES MANAGEMENT POLICY

Version:	01	Effective date:	1 February 2022
Applicable to:	All employees	Control (C):	yes
Approved by:	Board of Directors	Date of approval:	28 January 2022



Introduction and Purpose

Elementum Energy Group (“**Elementum**” or “**Company**” or “**we**”) commits to powering a transition to a carbon-free society with affordable, reliable, sustainable and modern energy. We also commit to ensuring that our environmental, societal, economic and governance decisions benefit future generations.

We believe that fulfilling our commitments helps address global challenges and achieve UN Sustainable Development Goals (“**SDGs**”).

Elementum embeds the SDGs in its business strategy with SDG 7 “Affordable and Clean Energy” and SDG 13 “Climate Action” as our key goals.

Elementum believes that conserving biodiversity, maintaining ecosystem services and sustainably managing natural resources are fundamental to sustainable development and essential for climate change adaptation and disaster risk reduction, reducing vulnerabilities and increasing resilience.

This biodiversity conservation and sustainable natural resources policy (the “**Policy**”) sets out general principles to ensure that all of Elementum’s corporate activities are carried out sustainably. It is focused on avoiding, and if avoidance is impossible, minimising and mitigating potential adverse social and environmental impact on biodiversity, ecosystems and ecosystem services associated with Company’s project-related activities.

The general principles set forth in this Policy are further developed in specific environmental, social and corporate governance policies.

Scope

This Policy applies to all Elementum employees, regardless of their department and the position they hold.

Where Elementum participates in existing joint ventures as a non-controlling shareholder, Elementum will make the other shareholder(s) specifically aware of the significance of this Policy to Elementum and encourage such shareholder(s) to implement this Policy or one of a similar standard in the joint venture.

For new minority joint venture cooperation under consideration, Elementum will strive to commit the other shareholder(s) to adopt this Policy or one of a similar standard for the joint venture.

Policy Statements

1. SUSTAINABLE APPROACH TO NATURAL RESOURCES MANAGEMENT

Elementum commits to the sustainable management of natural resources. This involves the use, development and protection of these resources in a way or at a rate that enables people and communities to provide for their current social, economic and cultural well-being while sustaining the potential of these resources to meet the reasonably foreseeable needs of future generations.

2. ECOSYSTEM APPROACH

Elementum incorporates the ecosystem approach into its business strategy at the construction, reconstruction, operation and decommissioning stages for the integrated management of land, water and living resources, which promotes conservation and sustainable use in an equitable way.

The Company’s ecosystem approach ensures that ecosystem management:

- (a) is considered alongside economic and social considerations;
- (b) is integrated and works within the natural limits and utilises the natural functioning of ecosystems; and
- (c) is implemented with the involvement of interest groups and communities via efficient and effective decision-making processes.



3. PRECAUTIONARY APPROACH

Elementum applies a precautionary approach to identify potential adverse risks and impact related to biodiversity, ecosystems and ecosystem services early in project design. This approach requires:

- (a) taking preventive action in the face of uncertainty;
- (b) exploring a wide range of alternatives to possibly harmful actions; and
- (c) increasing public participation in decision making.

All project activities are screened and reviewed for potential direct, indirect and cumulative impact in the project’s area of influence, especially in natural areas that are sensitive, biologically diverse or protected.

Elementum integrates social and environmental considerations into project decision-making so that adverse impacts can be avoided and benefits can be delivered properly. Social and environmental assessment and adoption of appropriate mitigation and management measures are disclosed and discussed with stakeholders prior to implementation of any activities that may have adverse social and environmental impacts.

The Company’s risk reduction measures follow the mitigation hierarchy below:

- (a) avoidance;
- (b) minimising the duration, intensity and extent of potential impacts;
- (c) mitigation; and
- (d) residual impact offset or compensation.

4. ADVOCACY AND AWARENESS-RAISING

Elementum commits to increasing public appreciation, education and awareness of the value and importance of biodiversity, establishing clear links between biodiversity conservation and community health and welfare. It also promotes the idea that biodiversity is relevant to all people dependent on biological resources to fulfil their basic needs.

The Company makes every effort to engage the public in biodiversity conservation and ecosystem maintenance, sustainable management and use of renewable natural resources.

This Policy meets the requirements of:

- International Finance Corporation's Performance Standards (2012);
- The Biological Diversity Act 2002;
- The IUCN Global Species Programme;
- Environmental and Social Policy of European Bank for Reconstruction and Development (2019); and
- UN Sustainable Development Goals and national legislation.

Members of Elementum Energy Group include:

Elementum Energy Limited; and

Subsidiaries of Elementum Energy Limited.

Body/Function/Individuals	Roles and Responsibilities
Board of Directors	Approves the Policy.
Chief Operating Officer	Policy Owner: owns, endorses and ensures the implementation of the Policy. Advises on policy content, and ensures relevant and correct communication of policy efforts to internal and external stakeholders.



Management, employees and contract workers of Elementum Responsible for adhering to this Policy. Comply with the letter and spirit of the Policy. Engage and take responsibility for ensuring that all initiatives are developed in line with the Policy.

Deviations

No exemptions from this Policy can be granted unless there are exceptional circumstances or the Policy is obviously not applicable. All requests for exemptions must be made in writing to the Policy owner. The Policy owner must assess and decide on each request individually. Exemptions must be duly logged and documented.

Policy Revision

This Policy must be regularly reviewed in order to ensure its continued adequacy and relevance. It may be amended at any time with the approval of the Board of Directors. In the event of any discrepancies between the English version of this policy and a translated version, the English version will prevail.

Associated Policies and Procedures

- Sustainability Policy;
- Climate Change Policy;
- Environmental Policy;
- Biodiversity Conservation and Sustainable Management of Living Natural Resources Procedure.

Contact

For more information, please contact Chief Operating Officer.