BIODIVERSITY POLICY

OF

LLOYDS METALS AND ENERGY LIMITED

(CIN: L40300MH1977PLC019594)

Registered Office: Plot No. A 1-2, MIDC Area, Ghugus, Chandrapur, Maharashtra - 442505

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The Policy shall be maintained through the following revision and approval record:

Date of Approval

03-11-2026

The Policy shall be approved by the Board of Directors and shall be reviewed periodically to ensure its continued relevance and effectiveness.

1. Introduction

At Lloyds Metals and Energy Limited ("the Company" / "LMEL"), we recognize that biodiversity and ecosystem services are essential for environmental sustainability, community well-being, business resilience and long-term value creation. As a responsible metals and mining company, LMEL is committed to conducting its operations in a manner that respects, conserves and, wherever feasible, restores biodiversity and natural ecosystems.

The Company shall integrate biodiversity considerations into relevant business decisions, operations, project development, mining, land management, restoration, procurement and stakeholder engagement processes. Biodiversity risks and opportunities shall be considered in environmental and project decision-making, particularly where operations may affect habitats, species, water bodies, forests or ecosystem services.

2. Objective

The objective of this Policy is to provide a framework for identifying, assessing, managing, monitoring and reporting biodiversity-related risks, impacts, dependencies and opportunities across LMEL's operations and, where applicable, its value chain.

To implement this Policy, LMEL shall establish risk-based biodiversity objectives and action plans appropriate to the scale, nature and location of its operations. These objectives shall be supported, where practicable, by measurable indicators, responsibilities and timelines.

- Maintain compliance with applicable biodiversity, forest, wildlife, environmental and land-related laws and regulations.
- Assess biodiversity-related risks and impacts across relevant operations, project sites, adjacent areas, supply chains and business relationships.
- Apply the mitigation hierarchy to seek No Net Loss of biodiversity in priority areas where significant residual impacts are identified, and progressively contribute to Nature Positive outcomes where feasible and appropriate.
- Avoid illegal or unnecessary conversion of natural habitats and minimize land-use impacts associated with operations, subject to applicable approvals and legal requirements.
- Engage with communities, experts, suppliers, contractors and other relevant stakeholders for biodiversity stewardship.
- Set measurable, time-bound biodiversity objectives and monitor performance using defined indicators to support continual improvement.

3. Scope and Applicability

The scope of this Policy shall be applicable to all operations and locations of LMEL, including mines, plants, offices, project sites, warehouses and other locations under the Company's operational control.

The Company shall communicate relevant biodiversity expectations to contractors, suppliers, service providers, transporters, business partners, joint ventures, project partners and other value-chain partners within its sphere of influence. Where material biodiversity risks are identified, appropriate contractual, screening, assessment or monitoring requirements may be established.

4. Governance and Accountability

The implementation of this Policy shall be overseen by Executive Management and/or the designated Board-level Committee, as considered appropriate.

Respective business heads, plant heads, mine heads, site heads and environment / sustainability teams shall be responsible for implementing biodiversity-related actions within their areas of responsibility.

The Company shall establish suitable governance mechanisms for biodiversity-related risk assessment, approval and implementation of Biodiversity Management Plans, monitoring of biodiversity performance, stakeholder engagement, periodic review of commitments and targets, incident escalation, document

control and internal/external reporting, as applicable. Significant biodiversity risks and material incidents shall be escalated through the Company's established management governance process.

5. Policy Commitments

5.1 Legal Compliance

The Company shall comply with applicable laws and regulations relating to biodiversity, forests, wildlife, protected areas, land use, environmental approvals, mine closure, restoration and ecological conservation.

5.2 Biodiversity Risk and Impact Assessment

The Company shall undertake risk-based biodiversity assessments for new projects, major expansions and existing operations where material biodiversity risks are reasonably foreseeable. Assessments shall consider baseline conditions, sensitive habitats and species, protected/regulated areas, ecosystem services, direct and indirect impacts, cumulative effects where relevant, dependencies, risks and opportunities, and changes over time. Assessment findings shall inform project design, operational controls, Biodiversity Management Plans, restoration and closure planning. Where material residual impacts remain, any offset or compensation shall be considered only after application of the mitigation hierarchy and in accordance with applicable law and approved plans.

5.3 Biodiversity Management Plans

For locations identified as having significant biodiversity risks or impacts, LMEL shall develop and implement Biodiversity Management Plans, as appropriate, with defined baseline information, risks and impacts, mitigation measures, restoration actions, responsibilities, timelines, resources, monitoring indicators, reporting arrangements and corrective actions. Plans shall be reviewed periodically and updated when material changes occur.

5.4 Mitigation Hierarchy

The Company shall apply the mitigation hierarchy in the following order: avoid impacts wherever possible; minimize unavoidable impacts through design and operational controls; restore or regenerate affected habitats and ecosystems; and consider biodiversity offsets or other compensation only for significant residual impacts, where legally permissible, technically appropriate and consistent with approved plans. Offsets shall not be used to justify avoidable impacts.

5.5 No Net Loss and Net Positive Impact

LMEL shall strive to achieve No Net Loss of biodiversity in priority locations where significant biodiversity impacts are identified. The Company shall work towards a Net Positive Impact / Nature Positive approach over time by undertaking restoration, conservation and enhancement initiatives, wherever feasible and relevant to its operations.

5.6 No Deforestation Commitment

LMEL shall strive to avoid deforestation associated with its operations and shall work towards a No Net Deforestation approach, in accordance with applicable laws and approved project requirements. The Company shall also encourage relevant suppliers, contractors and business partners to avoid activities that may contribute to illegal or uncontrolled deforestation.

5.7 Critical Habitats and Protected Areas

LMEL shall avoid activities that are likely to cause significant adverse impacts on legally protected areas, critical habitats or other recognized ecologically sensitive areas, subject to applicable legal requirements and approvals. Where operations are located near or may influence such areas, appropriate screening and assessment shall be undertaken and site-specific management measures shall be implemented.

5.8 Invasive Species Management

The Company shall avoid the intentional introduction of invasive or potentially invasive non-native species at its operational sites. Where invasive species are identified within operational or restoration areas, the Company shall strive to manage or remove such species through appropriate ecological management measures.

5.9 Mine Rehabilitation and Ecological Restoration

LMEL shall integrate biodiversity considerations into mine planning, progressive reclamation, land rehabilitation and mine closure activities. The Company shall conserve and reuse suitable topsoil where practicable, prioritize ecologically appropriate native species, restore disturbed land, stabilize overburden and waste dumps, protect nearby ecosystems and water bodies, and implement approved mine closure and rehabilitation plans. Restoration success shall be evaluated using appropriate indicators such as survival, vegetation establishment, habitat condition and erosion/stability controls.

5.10 Stakeholder Engagement

LMEL shall engage with relevant stakeholders, including local communities, regulators, biodiversity experts, academic institutions, suppliers, contractors and other concerned stakeholders, as appropriate, to support biodiversity conservation and restoration. The Company shall strive to integrate traditional knowledge and scientific knowledge into biodiversity management, wherever relevant and feasible.

5.11 Supplier and Partner Engagement

The Company shall encourage suppliers, contractors and business partners to adopt responsible practices relating to biodiversity conservation, land stewardship, no deforestation, resource conservation and ecosystem protection. Where relevant, biodiversity expectations may be integrated into supplier engagement, procurement decisions, contractual requirements, supplier assessments or sustainability engagement programmes.

5.12 Training and Awareness

LMEL shall promote biodiversity awareness among employees, workers, contractors and relevant stakeholders. Training and awareness programmes may cover biodiversity importance, site-specific biodiversity risks, legal requirements, protected species and habitats, invasive species, land restoration, responsible plantation, ecosystem services, and roles and responsibilities in biodiversity protection.

5.13 Monitoring, Targets and Reporting

The Company shall monitor biodiversity performance for relevant locations and projects using risk-based indicators. Depending on site context, indicators may include habitat area and condition, restoration area, native species survival, invasive species incidence, wildlife observations/incidents, waterbody/ecosystem condition, land-use change and closure/reclamation progress. Monitoring results shall be documented, reviewed and used to define corrective or improvement actions.

5.14 Biodiversity Incidents and Corrective Action

Biodiversity-related incidents, including unauthorized tree cutting, wildlife injury or mortality, significant habitat disturbance, material pollution affecting biodiversity, or non-compliance with applicable biodiversity requirements, shall be reported, investigated and addressed through the Company's established incident management process. Corrective and preventive actions shall be tracked to closure.

5.15 Documentation and Record Keeping

Relevant biodiversity assessments, baseline studies, Biodiversity Management Plans, monitoring records, stakeholder consultations, training records, incidents and corrective actions shall be maintained in accordance with the Company's document retention requirements and applicable legal obligations.

6. Biodiversity Risk Assessment Approach

LMEL shall undertake biodiversity risk assessments using a documented, risk-based and proportionate approach. The assessment process may include:

- Screening of operational sites and project areas for biodiversity sensitivity.
- Identification of protected areas, forests, water bodies, wetlands and critical habitats near operations.
- Assessment of dependencies and impacts on ecosystem services.
- Identification of high-priority biodiversity locations.

- Evaluation of impacts across the project life cycle, including exploration, development, operation, closure and post-closure.
- Consideration of upstream and downstream biodiversity risks, wherever relevant.
- Integration of findings into environmental management, project planning, mine closure and risk management processes.

Where appropriate, LMEL may use recognized tools, approaches or frameworks such as the TNFD LEAP approach, IBAT, IUCN Red List, protected-area databases, local biodiversity studies, environmental impact assessments, baseline studies, expert assessments or regulatory biodiversity studies. Selection of tools shall be proportionate to the site's biodiversity sensitivity, potential impacts, regulatory requirements and available information.

7. Grievance and Feedback Mechanism

The Company shall provide appropriate mechanisms for employees, workers, communities, contractors, suppliers and other stakeholders to raise biodiversity-related concerns or grievances. Such concerns may relate to biodiversity loss, tree cutting, habitat disturbance, impacts on water bodies, wildlife concerns, land restoration, plantation survival, community ecosystem dependence or other biodiversity-related impacts.

The Company shall review and address such concerns in a fair and timely manner, maintain appropriate records, and communicate outcomes where appropriate, without retaliation against persons raising concerns in good faith.

8. Public Disclosure

LMEL shall make this Policy or its key commitments available to employees, contractors, suppliers, business partners, communities and other relevant stakeholders through appropriate internal and/or public communication channels, including the Company’s website, where applicable. Biodiversity performance information may be disclosed through applicable sustainability, annual or other statutory reporting channels, subject to legal, confidentiality and materiality considerations.

9. Review of Policy

This Policy shall be reviewed periodically, or earlier if required, due to changes in applicable laws, business operations, biodiversity risks, stakeholder expectations, regulatory requirements or sustainability commitments.