

EXECUTIVE SUMMARY

Project Background

ERM India was commissioned by Adani Green Energy Limited (AGEL) to undertake Human Rights Risk Assessment (HRRA) for three hybrid power projects having a combined capacity of 1690MW in the districts of Jaisalmer and Barmer in Rajasthan, India. AGEL intends to secure project finance from Equator Principles Financial Institutions (EPFIs). In order to align the project's assessment documentation (three ESIA and Environmental and Social Management Plan reports¹) to the requirements of the Equator Principles 4 (2020), ERM was appointed to undertake this supplementary study.

Project Description

The 1690 MW Hybrid Project is proposed to be developed at Fatehgarh and Pokhran tehsil of Jaisalmer District, and Sheo tehsil of Barmer District in the state of Rajasthan.

- 390 MW Hybrid Power Project in the name of M/s Adani Green Energy Eighteen Limited;
- 600 MW Hybrid Power Project under two SPVs, i.e. M/s Adani Green Energy Seven Limited and M/s Adani Green Energy Nine Limited; and
- 700 MW Hybrid Power Project in the name of M/s RSEPL Hybrid One Limited.

Internal transmission for the 1690 MW Hybrid Project will be pooled into five (5) pooling substations from where transmission lines will evacuate the energy generated to interstate transmission substations (ISTS) developed and operated by the Power Grid Corporation of India Limited (PGCIL).

The three ESIA-ESMP (September 2020) developed by ERM categorised the projects as Category A due to their location being with potential conservation areas of the Great Indian Bustard (GIB) landscape².

Standards and Guidelines

The HRRA considers the requirements of:

- Equator Principles 4 (2020);
- IFC Performance Standards on Social and Environmental Sustainability (2012);
- United National Guiding Principles on Business and Human Rights (UNGPs), 2011;
- Voluntary Principles on Security and Human Rights; and
- ILO Fundamental Conventions including the core conventions on labour and the Universal Declaration of the Rights of Indigenous Peoples.

As a part of the assessment, certain thematic guidance and/or standards that have evolved on topics that cover the use of security forces (IFC Good Practice Handbook: Use of Security Forces, 2017); conflict minerals; gender and vulnerable social groups have also been referred.

¹ Undertaken by ERM between March and September 2020

² The Great Indian Bustard (*Ardeotis nigriceps*) (GIB) is one of the rarest bird species with less than 150 individuals left in the world. The species is categorized as Critically Endangered (IUCN CR v. 2020-2) and listed under Schedule I of the Indian Wildlife (Protection) Act, 1972. The GIB landscape of Rajasthan (across priority and potential conservation areas and the Thar Desert National Park) holds about 75% of the global population of GIB and thus the sustenance of the species critically depends on this area.

ERM has also referred to the Renewable Energy & Human Rights Benchmark (2020) published by the Business and Human Rights Resource Centre.

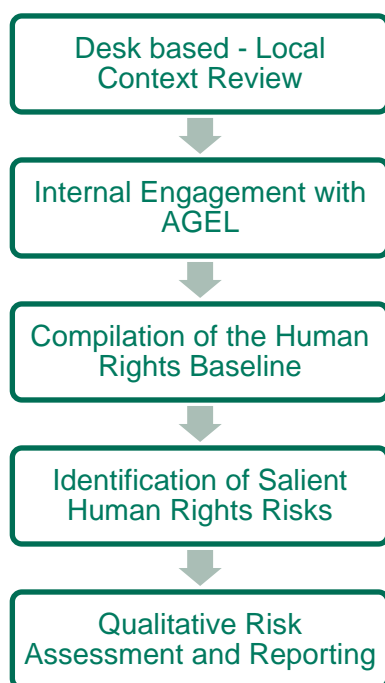
Objectives and Scope of Work

The objectives of the Human Rights Risk Assessment (HRRRA) is to supplement the 1690 MW Hybrid Project's ESIA and ESMP by providing an understanding of human rights risks, impacts and opportunities. The scope of the HRRRA entailed a desk-based review and compilation of readily available information (as a part of the ESIA-ESMP, AGEL embedded controls and publically available data) in order to:

- Identify actual or potential adverse human rights risks and impacts from the Project;
- Understand additional studies, management measures or safeguards that are required to mitigate potential adverse human rights risks and impacts concurrent to the ESIA-ESMP; and
- Recommend enhancement measures on human rights opportunities during the project's lifecycle.

Approach to the Assessment

The HRRRA was undertaken on the basis of the following:



Human rights landscape in India

There have been substantial reforms in the legal system of the country to protect the human rights of the citizen. In addition to India's three tiered appellate judicial system and law codes that govern criminal and civil law, India is also a signatory to a number of international conventions and agreement relating to human rights management.

The human rights aspects are potentially at risk for the 1690 MW Project due to the project's environmental and social impacts linked to availability of land, livelihood dependence on the commons/grazing land, scarcity of water, disruption of natural habitat of Great Indian Bustards (GIB), discrimination, community health etc.

- Land related risks:** The development of a large number of plants has resulted in a reduction of availability of land for uses of local communities. Land is a source of livelihood and is central to economic rights. The large land take by solar and wind plants envisages violation

of the land rights of the legitimate landowners. In addition, for solar developments (including solar parks in Jaisalmer and Barmer), the government has been allocating revenue land (not privately owned), but which represents common property resources such as grazing lands, thereby impacted livelihoods based on dependence on livestock, transhumance etc.

- b. **Water Related risks:** The situation in Jaisalmer and Barmer district is challenging due to the frequency of drought, deficient and erratic rainfall and minimal surface water leading to over-extracted groundwater. The high growth of solar power projects in the area have resulted in increased pressure on the per capita availability of water in the area. The scarcity or reduction of water due to the presence of solar plants in the area will challenge the basic Human Rights to the water of local communities.
- c. **Court Case on allotment of Land to Solar Park:** A case challenging government land allotment to AGEL's Fathegarh Ultra Mega Solar Park is presently ongoing with a stay on construction activities. The local communities contest that the Government land was allotted for Agriculture and in 2017 changed to Barren, as per the article the appellants say that it is unlawful to change the allotment as there is dependence on that land.³ The community allegation has further raised the potential violation of land rights of the legitimate landowners. The local community argued that the allotted land belongs to them because they use it and have dependence on it.
- d. **Issues with fundamental human rights to no-discrimination:** Across the local area and the local communities, women are among the most disadvantaged people and are the once who faced challenges in enjoying the fundamental human rights of freedom from discrimination. The other form of violation of the right to non-discrimination in the local area can be envisaged in the process of employment. The employment process of the local community in the plant can violate the human rights of non-discrimination. Corruption, Accountability and Transparency.
- e. **Right to Health:** As per the WHO, Rajasthan has a poor record for several health and human indicators. Morbidity due to communicable disease is high; the infant mortality rate in the state is 63, against the average of 53 at the national level; the maternal mortality rate is 388 against the national average of 254, and the birth rate is 27.5/1000, compare to the national average of 22.8/1000.

Salient Human Rights and Human Rights Risk Assessment

Review of project activities, resource requirements, socio-economic features of the AOI, and human rights landscape and local context has provided potential arenas where project may lead to human rights risks. These have been termed as 'potential sources of human rights conflict' w.r.t this project.

To minimize the potential for human rights risks or impacts to occur, management measures should be strengthened and developed concurrently with the ESMP and its associated management plans, such as the SEP and GRM. The following table provides a summary of the salient features of the HRRA and the key mitigation measures in the form of policies/management measures and initiatives/safeguards that will accompany the ESMP to demonstrate AGEL's commitment to respect human rights.

³ <https://www.livemint.com/news/india/how-solar-farms-fuel-land-conflicts-11600612526037.html> (Accessed on December 01, 2020)

| Thematic Area | Source of Risk | Description of Human Rights | Key Human Rights Risks | Mitigation and/or Enhancement |
|--|--|---|--|---|
| Loss of land and Livelihood, and Access to resources | <ul style="list-style-type: none"> ■ Land Procurement of private and government land on permanent and temporary basis ■ Water supply for the project | <ul style="list-style-type: none"> ■ It was understood that the landholdings are typically large within the project area. The project is believed to lead to some economic loss in the area. There is some patta land in the project area that has been identified for the WTG locations. ■ Ground water and IGNP canal are the only source of irrigation in Jaisalmer district. The primary source of water for the Project is Indira Gandhi Nahar Pariyojna (IGNP) canal through private tankers. A total of 1261 KLD will be required for construction and 17KLD for operations phase. The area is beset with scarcity of water (drinking and irrigation) which has led to cases of instances of conflicts linked to water supply between community and local government, and between community and local industries. ■ The status of gender with respect to health, diet intake and employment participation is very low at state level, suggesting discrimination towards women, lack of opportunities and limited role in the decision making process. Although, there are “Self Help Women Groups” in almost all the villages within the project area, access to market and mobility for women is very limited. | <ul style="list-style-type: none"> ■ Loss of livelihoods of the land owners/users households, triggering migration of household members or shift to other sources of livelihood ■ Potential conflict with local community regarding water availability and access | <ul style="list-style-type: none"> ■ AGEL should ensure that all land procured is through good faith negotiations, rates are aligned with market rates, land users and agricultural labourers and other vulnerable households are identified. ■ AGEL should develop livelihood development measures and community development measures for land owners/users affected by the project ■ AGEL should ensure that ground water extraction for project activities is avoided. ■ AGEL should implement water conservation and watershed development programmes |
| Labour to Working Conditions | <ul style="list-style-type: none"> ■ Project construction and operations ■ Deployment of workers | <ul style="list-style-type: none"> ■ The 7000-8000 skilled and semi-skilled workers required for the project during the construction phase, will reportedly be sourced from the local area as much as possible. In cases where skilled workers are sourced through | <ul style="list-style-type: none"> ■ Occupational Health and Safety risks during construction and operations ■ Discrimination of workers in wages, working conditions and facilities, and differential access to remedy to complaints/grievances ■ Sexual Harassment at workplace | <ul style="list-style-type: none"> ■ Implementation of AGEL’s ESMS including Occupational Health and Safety Policy and Procedure, to include development of job hazard analysis, hazard identification and risk assessment, provisions of adequate PPEs, accident-incident reporting etc |

| Thematic Area | Source of Risk | Description of Human Rights | Key Human Rights Risks | Mitigation and/or Enhancement |
|---------------|--|--|--|--|
| | <ul style="list-style-type: none"> ■ Setting up of labour camps ■ Procurement of materials | <p>migrant laborers, the appointed sub-contractors will provide accommodation facility during construction phase. However, locations of labour camps are yet to be decided.</p> <ul style="list-style-type: none"> ■ Discrimination can also occur due to unfair treatment of migrant workers based on their caste, ethnicity or region they belong to. ■ There can also be cases of sexual harassment against women workers. ■ Any efforts to discourage or inhibit workers from forming means of collective bargaining may impinge on the workers right to peaceful assembly and form associations ■ AGEL will prohibit child labour, forced labour and modern slavery within their organization and among their contractors. ■ Procurement of materials from conflict prone areas is not to be undertaken by AGEL. | <ul style="list-style-type: none"> ■ Workers forming association or unions for collective bargaining ■ Engagement of child and forced labour ■ Risks of procuring materials from vendors engaged in forced labour and child labour or from conflict prone areas | <ul style="list-style-type: none"> ■ Implementation of AGEL HR Policies and Procedures to ensure prohibition of child/forced labour at corporate and project sites, directly or indirectly ■ Payment of wages as per the minimum wages and with no disparity between local migrant workers and male and female workers ■ Implementation and trainings on Prevention of Sexual Harassment at Workplace Policy ■ Implementation of IFC/EBRD Worker Accommodation ■ Appointment of a designated labour compliance officer ■ Contractor to carry out formal briefing of contractors and contract workers and explain the terms and conditions of employment, social security etc. ■ Contractor to provide proper ID cards, employment terms on document, and salary slips indicating deductions. ■ AGEL should allow workers to form associations or other means of collective bargaining ■ AGEL should ensure that no workers below 18 years of age should be deployed either directly or through contractors as well as local suppliers. ■ AGEL should ensure that regular monitoring of contract workers, migrant workers is undertaken by Labour Compliance Officer on aspects related to forced labour. |

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|--|--|---|---|--|
| | | | | <ul style="list-style-type: none"> ■ A Contractor Selection and Management mechanism to include |
| Community Health and Safety and security | <ul style="list-style-type: none"> ■ Deployment of security personnel ■ Transport of project components ■ Project construction and operations ■ Site construction and related access controls and restrictions | <ul style="list-style-type: none"> ■ Project has reported that armed security guards will not be deployed. However, unarmed security personnel still may use force which may be excessive, inappropriate and disproportionate, in cases of local conflict such as community agitations, worker strikes, and in worst cases violent protests/riots which is a threat to right to life. ■ The project will improve local roads to enable movement of heavy vehicles. However, there will be increased road traffic in the local area, which may lead to road accidents leading to serious injuries and fatalities posing a threat to right to life and liberty. Road accidents can also lead to cattle kills ■ Project land procurement may lead to disruption of local access routes to private land, common resources or infrastructure, increasing the time/distance to access ■ Setting up of labour camps may increase risk of vector borne diseases, communicable diseases ■ Labour camps and influx of large workforce may also lead to conflict with local community, pressure on local resources, and cases of gender based violence. | <ul style="list-style-type: none"> ■ Community Health and Safety risks due to use of force, deployment of armed personnel ■ Community Health and Safety risks due to movement of vehicles ■ Access Restrictions – project site fencing, guarding. ■ Community health and safety risks linked to vector borne, and communicable diseases ■ Potential conflict and violence between migrant workers and local community, and potential cases of gender based violence. | <ul style="list-style-type: none"> ■ Trainings to security guards on community engagement, judicious use of force only if needed, and human rights. ■ Development and implementation of traffic management plan ■ Road safety awareness as part of CSR activities in local community ■ AGEL should engage with local community and understand any access related concerns. ■ Implementation of IFC/EBRD Worker Accommodation Guidelines for worker accommodation. |

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| Informed Consultation and Participation | <ul style="list-style-type: none"> ■ Land procurement ■ Project construction and operations | <ul style="list-style-type: none"> ■ Contract workers including migrant workers may also be danger of being provided unequal/inadequate access to remedy through partial or lack of grievance redress; ■ Some land owners may be vulnerable due to their identity (belonging to marginalised sections like scheduled castes, or low income households) ■ There are also chances of agricultural labourers and land users being left out of the negotiation process and hence receiving less, or no compensation during land procurement. ■ Local community may also want to demonstrate against the project in a peaceful manner to raise demands or communicate concerns and grievances. | <ul style="list-style-type: none"> ■ Discrimination of workers access to remedy to complaints/grievances ■ Unfair means of negotiations for land procurement leading to different principles of rate finalisation | <ul style="list-style-type: none"> ■ Development of project specific stakeholder engagement plan and development of external grievance redressal mechanism ■ Extension of grievance mechanism for contract (local and migrant) workers and local community ■ Identification of land users/ non-titleholders of impacted private and government land such as woman headed households, scheduled castes households, landless households, land users, agricultural labourers etc. ■ Good faith negotiations and consultations with all land sellers ■ In cases of demonstrations, or assemblies, AGEL should liaison with local community or workers and manage the situation in a human rights sensitive manner. |

Management and Mitigation Strategy

In addition to the mitigation measures proposed in the table above, AGEL has established human rights and community relations policies wherein the senior management has committed to upholding fundamental human rights in line with International Bill of Human Rights and those established in the International Labour Organizations Declaration on Fundamental Principles and Rights at work, and the eight Fundamental Conventions⁴ that comprise them. These include:

2. Human rights policy
3. Land procurement policy
4. CSR Policy
5. Whistle-blower Policy
6. Other governance practices and policy
7. Legal Register
8. Child Labor and Forced Labor policy
9. Stakeholder engagement plan
10. Grievance Redressal Mechanism

Monitoring and Evaluation

Human rights risks and impacts and the corresponding management measures presented should be including as a part of the Environmental and Social Management Plan (ESMP) implementation throughout the life of the project.

The objectives of the monitoring are to:

- Verify the predicted risks and issues;
- Verify that the mitigation measures are being implemented as planned;
- Assess the effectiveness of the management measure;
- Adopt corrective actions;
- Provide data for the necessary internal reporting.

Access to an internal and external grievance process which is efficient and transparent as well as consistent training, capacity building (to reiterate potential human rights risks) and regular documentation will also need to be prioritised through AGEL's Human Rights and E&S Safeguards Teams.

⁴ ILO Convention 87 on Freedom of Association and Protection of the Right to Organize
ILO Convention 98 on the Right to Organize and Collective Bargaining
ILO Convention 29 on Forced Labour
ILO Convention 105 on the Abolition of Forced Labour
ILO Convention 138 on Minimum Age (of Employment)
ILO Convention 182 on the Worst Forms of Child Labour
ILO Convention 100 on Equal Remuneration
ILO Convention 111 on Discrimination (Employment and Occupation)