

Biodiversity Management Policy



EnBW Energie Baden-Württemberg AG
Durlacher Allee 93
76131 Karlsruhe

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The EnBW Board of Management's commitment

EnBW is one of the largest integrated energy companies in Germany and Europe, and supplies electricity, gas, water and heat together with products and services related to energy and infrastructure to its customers. Environmental protection and climate action are integral parts of the Group strategy and the EnBW Board of Management resolutely defines targets and implements measures to pursue these objectives. For us, comprehensive environmental protection and climate action include a commitment to decarbonization, consistent application of our environmental management plan, a forward-looking approach to managing climate risks, a focus on reducing pollutants, a resource-saving waste and water management strategy and protection of biodiversity.

Our environmental principles described below define our strategic approach in these areas.

EnBW is committed to delivering a secure and sustainable energy supply

- We consider sustainable business practices to involve simultaneously taking economic, environmental and social responsibility.
- As a company, we share responsibility for protecting our environment and maintaining biodiversity. We not only consider the potential negative impacts of our activities on the climate and environment but also focus on the future-oriented and sustainable use of all natural resources.
- Our energy mix aims to guarantee security of supply, combined with careful environmental management and appropriate economic efficiency.
- We take precautionary measures to ensure the safe operation of our plants and protection of the environment by managing our impacts, risks and opportunities.


EnBW promotes communication of environmental matters and helps to raise awareness of them

- We engage in open dialogue with politicians, authorities, the world of science, the general public and social groups on environmental matters and develop and maintain partnerships.
- The environmentally responsible conduct of our suppliers and contractors is important to us.
- Our employees act with the environment in mind and are continuously updating their qualifications.

EnBW is committed to environmentally compatible activities across all its business areas

- Within our value creation processes, we are committed to complying with the legal requirements. In addition, we voluntarily comply with other, more far-reaching standards for sustainable corporate management.

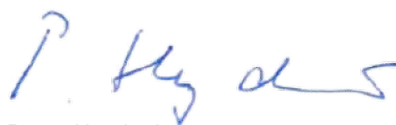
Biodiversity Management Policy

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- We provide our customers with innovative products and services for the efficient use of energy and are continuously improving them.
 - We are resolutely committed and dedicated to the continuous improvement of our environmental performance, provided this is economically viable. To this end, we define ambitious environmental targets and publish our environmental data.

A handwritten signature in black ink, appearing to read "G. Stamatelopoulos".

Dr. Georg Stamatelopoulos

Chief Executive Officer

A handwritten signature in blue ink, appearing to read "P. Heydecker".

Peter Heydecker

Chief Operating Officer, Sustainable Generation Infrastructure

1 Purpose of the policy

This policy is designed to serve as a frame of reference for the integration of biodiversity into EnBW Group's strategy, defining corresponding rules of conduct as well as overriding targets. Accordingly, this policy contributes to the higher goal of protecting and promoting biodiversity. This policy has been produced in line with recognized frameworks such as the Sustainable Development Goals (SDG 14 "Life below water" and SDG 15 "Life on land"), the Kunming-Montreal Global Biodiversity Framework (GBF), the EU Nature Restoration Law, the Taskforce on Nature-related Financial Disclosures (TNFD) initiative and the UN Global Compact.

2 Obligations and aims

EnBW is committed to promoting and protecting biodiversity. It recognizes that its activities may have an impact on various ecosystems, landscapes and species. Accordingly, its aim is to minimize any negative impact as a necessary consequence of its business activities and, where possible, make positive contributions to maintaining biodiversity. This is of particular importance to the company, wider society and the environment because biodiversity is essential for underpinning life on our planet. EnBW's commitment includes taking into account relevant biodiversity aspects in its strategic considerations and it aims to adopt the most careful and efficient approach to managing natural resources in the course of its business activities.

A commitment to "no net loss" and "no net deforestation": EnBW is committed to avoiding biodiversity loss and forest loss in the course of its projects, if at all possible and reasonable, and to off-setting or replacing unavoidable losses. Wherever possible, EnBW helps to promote biodiversity at its new project sites, making its projects "net positive" in the process.

Compliance with legal requirements and voluntary measures: EnBW complies with all relevant legal requirements. To this end, depending on the scale of the project, the relevant nature conservation authorities are involved and environmental surveys (e.g. environmental impact assessments / environmental reports, protected species surveys, reports on measures designed to offset any disruption and Natura 2000 assessments) are prepared by qualified external experts in order to determine the impact of a new construction project on biodiversity. Measures are taken as required by the authorities. EnBW also examines the option of taking voluntary measures where appropriate and economically viable, and it keeps up to date with the latest scientific developments in relation to biodiversity.

Avoiding operations in areas with the highest biodiversity value: EnBW is committed to avoiding any new construction projects in areas with the highest biodiversity value, such as nature reserves, national parks and legally protected biotopes, unless there are no economically viable alternatives. In such cases, measures are taken to minimize and offset the impact or replace unavoidable losses, adhering to its commitment to "no net loss" and "no net deforestation."

Application of the mitigation hierarchy principles of avoidance, minimization, restoration and off-setting: EnBW embraces the principles of avoidance, minimization, restoration, offsetting and re-placement – as also detailed by the TNFD and SBTN under the term mitigation hierarchy – in all phases of its projects in order to minimize the impact on biodiversity.

Integration of biodiversity into the corporate strategy: EnBW considers biodiversity to be an important aspect of its corporate strategy. To this end, environmental aspects, including biodiversity, are taken into account as part of its investment processes.

Cooperation with interest groups: EnBW is involved in industry dialogue formats and associations to promote dialogue on biodiversity, among other things. EnBW participates in selected research projects or supports them financially. In addition, EnBW works with local communities and interest groups where relevant. EnBW's principles and obligations in respect of its stakeholders are published in the Stakeholder Engagement Policy.

Raising awareness among employees: EnBW and its companies regularly raise awareness among their relevant employees in order to draw attention to the importance of biodiversity. This ensures that everyone involved understands and embraces the principles and objectives of this policy.

Defining biodiversity measures and targets: EnBW formulates targets to minimize any negative impact and promote biodiversity. Measures are devised with the aim of achieving the agreed targets.

Annual reporting: EnBW reports on the progress made and measures taken to promote biodiversity in its Annual Report. This includes documenting the measures taken to achieve its biodiversity targets.

Conducting audits: To ensure a high degree of coverage, environmental aspects, including biodiversity, are continuously monitored in regular external or internal audits. At the same time, their legal compliance is determined and potential for improvement is identified.

3 Scope of application

This policy is binding for EnBW Energie Baden-Württemberg AG (EnBW AG) as well as for all domestic and foreign majority shareholdings that can be instructed by EnBW AG by means of a domination agreement or in another legal manner. The other majority shareholdings of EnBW AG, which are de facto controlled, have agreed to the direct or analogous application of the policy. The policy does not apply to TransnetBW GmbH, terranets bw GmbH and Ontras Gastransport GmbH. These companies are requested to apply this accordingly.

4 Energy supply and biodiversity

Biodiversity encompasses the diversity of life on our planet in all its forms – including individuals, species and ecosystems. It is of vital importance for keeping the environment intact. It also provides the basis for human life and is essential to economic, social and cultural development.

Business activities covering energy supply have a significant influence on biodiversity and can have both a positive and negative impact on natural habitats and biodiversity. The key influencing factors are:

Land use and habitat loss: The construction and operation of energy infrastructures – such as power plants, transmission lines, wind farms and PV parks – requires the use of land. This can cause the fragmentation and destruction of natural habitats, affecting the habitat of flora and fauna, which in turn can lead to a decline in biodiversity.

In order to counteract these effects, EnBW is committed to considering its impact on biodiversity when selecting locations and planning new projects. At the same time, it takes as many measures as possible to minimize habitat loss. EnBW also takes measures to upgrade habitats – at its operating locations, for example, and by adopting a management approach that promotes biodiversity at its PV parks. Furthermore, it supports the “Stimuli for Diversity” program aimed at protecting habitats for amphibians and reptiles and restoring the ecological passability of dams in water bodies. Local communities can also be affected by land use. The principles and obligations for dealing with them are published in the Stakeholder Engagement Policy.

Climate change: Greenhouse gas emissions from the use and transport of fossil fuel contribute to climate change, which in turn changes habitats and has an impact on the availability of resources for many species. This can lead to a loss of biodiversity because species may not be able to adapt quickly enough to the changing conditions.

EnBW’s principles and obligations in the area of environmental protection and climate action are published in the Environmental & Climate Action Policy.

Water use: Energy generation, especially in conventional power plants and hydropower plants, requires the use of water and has an impact on water quality and the structure of water bodies. This can negatively affect aquatic ecosystems and the species that live in them.

EnBW’s principles and obligations for dealing with water as a resource are published in the Water Management Policy. When generating energy by means of hydropower, EnBW also takes measures to protect fish populations wherever possible.

Emissions and air pollution: The burning of fossil fuel to generate power leads to the release of pollutants such as nitrogen oxides, sulfur dioxide and particulate matter, among others, which in turn can affect air quality and have a negative impact on human, animal and plant health.

EnBW’s principles and obligations in the area of emissions are published in the Pollutants Management Policy.

Operating energy infrastructures can also produce light and noise emissions that may disrupt wild-life behavior and habitats. Wherever necessary, EnBW takes measures to reduce light and noise pollution in order to minimize the negative impact on wildlife.

5 Responsibility

5.1 Responsibility at board and individual company level

In its Business Allocation Plan, the Board of Management of EnBW AG has delegated responsibility for the universal task of “environmental protection” to the Chairman of the Board of Management. The Chairman of the Board of Management represents EnBW’s interests concerning overarching environmental issues within the Group, creating the conditions for the introduction and maintenance of environmental management systems at Group level and appointing a management officer to deal with environmental protection matters within the Group.

It is the responsibility of the individual Group companies to organize suitable measures for managing the impact on biodiversity and reporting on these matters, based on their business activities and the laws and requirements that apply to them and taking into account the available resources and structures.

5.2 Responsibility in the various specialist departments

The management officer for environmental protection matters within the Group reports directly to the member of the Board of Management with responsibility for the environment. In terms of matters concerning the environment, the environmental protection officer is particularly tasked with ensuring Group-wide reporting of key performance indicators and reporting on the achievement of the targets. The officer is also responsible for promoting Group-wide knowledge transfer on environmental management matters and reporting information on serious environmental incidents within the EnBW Group to the Board of Management.

6 Non-compliance

The reporting channels set up as part of EnBW AG’s whistleblower system are available to (anonymously) report violations of the provisions contained in this policy as well as any other (potential) compliance violations that arise in connection with EnBW’s business activities. The measures put in place by EnBW AG define clear responsibilities and processes for dealing with compliance violations, guarantee confidentiality and offer the greatest possible protection for all parties involved. The rules of procedure for the whistleblower system set out the responsibilities, the process and the underlying principles.

7 About this policy

This policy is the currently valid version. It is regularly reviewed to ascertain whether any changes need to be made and updated as necessary. Depending on the change made, approval will be given by the Board of Management or a body authorized by it.

No claims or other third-party rights may be asserted on the basis of this policy.

8 Definitions

Biodiversity	The diversity of life on our planet in all its forms – including genetic diversity within species and diversity of ecosystems. It is essential for a healthy and functioning environment and provides the basis for human life. It is also important for economic, social and cultural development.
Mitigation hierarchy	A sequence of four steps (in order of descending priority) designed to minimize the negative impact on biodiversity: avoid, minimize, restore, offset.
Net positive impact	A situation where the positive impact on biodiversity outweighs the negative impact.
No net deforestation	No net deforestation means that clearance or conversion of forests is permitted in one area as long as an area the same size is reforested elsewhere.
No net loss	A target where the impact on biodiversity caused by a project is fully compensated by avoidance, minimization, restoration and compensation measures, resulting in no net loss.
Project	A project is “a plan that is essentially characterized by the unique nature of the conditions as a whole, such as the objectives and time frame, as well as any financial, personnel-related and other limitations, differentiation from other projects, and project-specific organization” (GPM German Association for Project Management). The following criteria are added to the above definition for the purposes of this policy: <ul style="list-style-type: none"> • This involves new construction projects, renovation work or conversion of existing sites.

- A high degree of objective relevance for biodiversity:
A project has a significant and objectively demonstrable impact on biodiversity.
- Official proceedings – including any administrative procedure undertaken by a state administrative authority with the aim of effecting legalization under public law, in particular notification or approval procedures, irrespective of the specific name given to the form of the decision.

The implementation of projects that serve the overriding public interest must be guaranteed (e.g. flood protection, energy supply, telecommunications).

SBTN

The Science Based Targets Network (SBTN) is a group of organizations working to shape the impact of industry and cities on nature by means of science-based targets.

TNFD

The Taskforce on Nature-related Financial Disclosures (TNFD) is an initiative that provides guidance to enable organizations to respond to nature-related issues. It is a science-based initiative supported by governments.

Ecosystem

A dynamic complex of plants, animals and microorganisms as well as their inanimate environment, which all interact as a functional unit.