

No. 09/2022

12 July 2022

### Biodiversity and Forested Resource Conservation

At B.Grimm Power, we realise the importance of preventing, minimising, and mitigating the environmental impacts of our operations. Our efforts include the conservation of biodiversity—the variety of life, both flora and fauna, in a natural ecosystem—and the protection and preservation of water sources and forested land. We set commitments to develop, and implement group-wide compliance, monitoring, and restoration mechanisms as well as collaborate with external partners to generate a positive impact on biodiversity and no deforestation.

#### Our Commitments

- **Net Positive Impact (NPI)** on biodiversity set and reached in 2021 by investing in conservation and restoration of biodiversity and ecosystem service
- **No Net Deforestation** at all operating sites by implementing future reforestation to compensate current forest<sup>1</sup> loss, also set in 2021
- Avoid operating in significant wildlife habitats, legally protected lands, World Heritage areas, and IUCN Category I-IV protected areas

In addition to our operations, subsidiaries, and joint ventures under our control, we also extend these commitments and communicate our expectations to our Tier-1 Suppliers, Non-Tier 1 Suppliers, and business allies to uphold these standards.

#### Compliance and Monitoring

We have set mechanisms and processes to ensure group-wide compliance and monitoring as follows:

- To ensure compliance with local and state laws, regulations, and mandatory standards regarding biodiversity, forestry, and environment as minimum requirements.
- To carry out assessments on potential risks and impacts on biodiversity, as planned periodically across our operations and engage with stakeholders i.e. local communities, NGOs, conservation organisations, and governments, to gain their perspectives on local issues, needs and expectations.
- To ensure procedures that apply to our activities and operations that may endanger or damage land or aquatic biodiversity, in compliance with applicable laws and regulations, which include the Code of Practices (COP), the Initial Environmental Examination (IEE) and the Environmental Impact Assessment (EIA). New projects must undergo these steps (and more) before their construction can be approved.
- To manage our biodiversity and deforestation footprint across our operations, our approach is based on a **Mitigation Hierarchy**, a decision-making framework, consisting the following steps: avoidance, minimisation of inevitable impacts, followed by onsite-restoration, and finally offsetting biodiversity loss
- To prepare Biodiversity Management Plans for all relevant locations, to avoid, minimise, restore and offset our impacts, as well as monitoring mechanisms.

- To monitor our progress on Net Positive Impact on biodiversity periodically through collaborating with related organisations or experts.
- To ensure our commitment on No Net Deforestation and compliance to forestry laws, tailored data, and monitoring systems will be developed as required for all projects that raise deforestation risks. This extends to our operations and across supply chain.
- To engage with our tier 1 supplier, non-tier 1 suppliers assessing their risks and impacts on biodiversity and deforestation through engagement, annual risk assessments, and/or on-site audits to minimise our impact across the supply chain.
- To publicly communicate our progress and targets related to Net Positive Impact on biodiversity and no net deforestation commitments on annual basis.

#### External collaboration

Collaborate with external partners and stakeholders, particularly governments, local communities, related organisations and experts to promote biodiversity conservation, combat deforestation, and restore ecosystem service, through projects, academic research, and awareness raising campaigns to fulfil our biodiversity and no deforestation commitments

*-Signature-*

(Mr. Harald Link)

President

<sup>1</sup>A forest is defined as "land spanning more than 0.5 hectares with trees higher than 5 metres and a canopy cover of more than 10 per cent, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or urban land use," according to the Food and Agriculture Organisation of the United Nations (2020)