



BIODIVERSITY POLICY OF PPC SA



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1. Introduction – General principles

The Convention on Biological Diversity signed on June 15th, 1992 by the participant countries in the Rio Conference on Environment and Development is considered as the key legal instrument for sustainable development. The Convention's main objectives are the following:

- the conservation of biological diversity,
- the sustainable use of biodiversity components,
- the fair and equitable sharing of the benefits arising out of the utilization of genetic resources.

Biodiversity is considered paramount for all aspects of human life as it provides humanity with food, drinking water, clean air, contributes to maintaining equilibrium in nature, and is also of particular importance for the economy.

The protection of biodiversity is considered of pivotal importance for the rational management of climate change and the successful mitigation of risks in various areas, including public health risks (COP 27, COP 28).

The proper management of biodiversity, as an essential component of ecosystems, contributes to their functional stability and is key to the sustainable use of the natural resources available to humanity.

The new United Nations Global Biodiversity Framework (Kunming-Montreal Global Biodiversity Framework - Post-2020 Global Biodiversity Framework - COP 15) aims to transform the relationship of society with biodiversity and ensure the vision for a harmonious coexistence between humanity and nature by 2050.

The EU Biodiversity Strategy for 2030 is a major element of the European Green Deal for a sustainable and climate-neutral Europe by 2050 and commits Member-States to put biodiversity on a track for recovery by 2030.

The efforts deployed by the EU to protect biodiversity and ecosystems rely on legislation that includes: the Birds and Habitats Directives, the Water Framework Directive, the new Nature Restoration Law, the Marine Strategy Framework Directive, the Forest Strategy, the Soil Strategy, agriculture, and fisheries policies, etc. Legislation on areas, such as pollution, invasive alien species and climate change also contributes to the preservation of biodiversity by eliminating the causes of its loss.

For companies and financial institutions, the degradation of global biodiversity is regarded as a direct threat because it results in the depletion of both the natural resources available for use and the ecosystem services which support their activities.



This dual importance of biodiversity was recognized by the EU in the amendment of the legislative framework on corporate sustainability reporting (Directive (EU) 2022/2464, Corporate Sustainability Reporting Directive - CSRD) and the Regulation on Sustainable Disclosure (Regulation (EU) 2019/2088, Sustainable Finance Disclosure Regulation - SFDR), which require companies and financial institutions to disclose the impact of their activities on biodiversity.

The protection and restoration of biodiversity and ecosystems are among the six objectives that need to be met in order to determine the environmental sustainability of any particular economic activity based on Regulation (EU) 2020/852 (on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 – Regulation on the classification of environmentally sustainable economic activities).

As a result of the two Regulations mentioned above, asset managers and financial institutions request more information regarding the management of biodiversity from the companies they invest in or assess.

Consequently, biodiversity management must be considered in the strategic and business decisions of companies, the activities of which affect ecosystems. Furthermore, it is imperative that all companies implement actions to reduce and palliate the negative impact of their activities on biodiversity.

2. Terms and Definitions

Biodiversity: the variety of living organisms of all origins including, inter alia, the terrestrial, marine and other aquatic ecosystems and ecological complexes of which they form part.

Biodiversity Policy: an Organization's pursuits and orientation associated with the management of biodiversity.

Compliance Obligations: legal and other requirements.

Compliance/non-compliance: meeting requirements/not meeting requirements.

Continuous improvement: repeated activity to enhance performance.

Stakeholder: person or organization that may affect or be affected by a decision or activity.



3. Objective

The Biodiversity Policy (Policy) engages the Company in responding to the long-term visions and targets of the United Nations Convention on Biological Diversity (CBD), the Sustainable Development Goals (SDGs) and the EU strategy on Biodiversity.

The protection of biodiversity is inextricably linked to the goal of combating climate change. The loss of biodiversity cannot be dealt with without addressing climate change; and vice versa.

The Policy is in line with the other corporate policies as well as with the corporate values of responsibility, integrity, transparency, efficiency, and innovation. It applies to all areas of the Company's economic activity, such as lignite mining, power generation, commercial operations, offices, support services, including contracting and subcontracting.

The Policy is drawn up, implemented, and updated in order to keep pace with the needs and requirements arising from the relevant European and international law and ensure the continuous improvement of the Company.

Decisions about the actions to be taken and the evaluation of achievement of Policy targets should take place on a systematic basis in the context of PPC's Environmental Policy and Sustainable Development Policy.

The Policy is necessary in order to:

- ✓ modernize the Company,
- ✓ comply with Environmental, Social, and Governance standards (ESG),
- ✓ respond to the requirements of the investors' community,
- ✓ respond to the Convention on Biological Diversity and the EU's new development strategies, such as the European Green Deal and the Biodiversity Strategy for 2030, and,
- ✓ transforme PPC SA group at large.

4. Scope of application

This Policy applies to all the Company's economic activities, such as power generation, lignite mining, commercial operations, offices, support services, including contracting and subcontracting. To this effect, the Company encourages consortia, suppliers and other third parties to adhere to the principles of this Policy.



This Policy is binding on (i) Board members, (ii) persons with managerial functions, and (iii) all other Company's personnel.

5. Management & Compliance

The Environment Department is responsible for drawing up the present Policy.

The Board and the executives of the Company have pledged to contribute to the project of biodiversity protection by promoting know-how, awareness-raising, and through decisions to support concrete actions to address threats and seize opportunities for improvement.

The Company's Management exercises leadership and demonstrates its commitment to the protection of biodiversity by:

- ❖ approving the Company's Biodiversity Policy,
- ❖ ensuring that the Company's strategy is in line with the Biodiversity Policy,
- ❖ training, motivating, guiding, and supporting personnel so that they contribute to meeting the biodiversity goals,
- ❖ promoting continuous improvement,
- ❖ allocating adequate and appropriate resources to protect and reduce risks against biodiversity.

All personnel and third parties with access to PPC's services or systems are mandated to contribute actively to keeping up with the statutory requirements of the applicable legislation on biodiversity and to comply with the respective rules as incorporated in the Policy.

Violation of the Policy may result in sanctions as stipulated in the effective statutory framework.

6. General Lines

In endorsing the basic actions of the EU Biodiversity Strategy for 2030 to (i) create protected areas covering at least 30% of the EU's land and sea areas, (ii) restore degraded ecosystems throughout Europe by 2030, (iii) allocate funds to the protection and promotion of biodiversity, and (iv) create an ambitious global framework for biodiversity, PPC's management pledges to:

- **integrate** the protection and conservation of biodiversity into the Company's strategies and internal decision-making processes,
- **comply with** legal requirements on biodiversity and with internal or other regulations adopted in the course of carrying out its operations,



- **adopt and implement** the “principle of mitigation hierarchy” in its decisions in order to avoid and prevent any negative impact on biodiversity,
- **restore, indemnify, and offset** any negative impact on biodiversity, if not avoided in the first place,
- **limit** the development of new facilities in areas of high value for biodiversity,
- constantly **monitor, identify** και **evaluate** any real or potential impact, as well as the risks and opportunities arising from the operation of its facilities, on natural assets and biodiversity – with special emphasis on vulnerable and protected plant and animal species – and **take** appropriate measures,
- **restore** biodiversity in natural habitats and landscapes in lignite mining areas to mitigate/minimize environmental impacts and achieve environmental stability,
- **avoid** deforestation or, where it cannot be avoided, restore/create areas of equivalent ecological value, according to the principle of No Net Deforestation,
- **use** appropriate species in restoration that pose no threats to ecosystems in the areas bordering the Company's facilities/operations,
- **calculate/evaluate** the Company's footprint on biodiversity throughout the chain of its activities,
- **publish** data and relevant measurement indicators about the Company's performance on the management of biodiversity through its Sustainable Development Report and inform the public and relevant stakeholders,
- **cooperate** with local community agencies, environmental organizations, and institutions as well as with research centers to promote studies and develop actions to preserve biodiversity,
- **inform, educate, and raise awareness** among its personnel and all stakeholders in matters related to the protection of biodiversity, and,
- **ensure** that the principles of the Company's Biodiversity Policy are complied with.

All PPC SA personnel and partners have a responsibility to comply with the principles of the Biodiversity Protection Policy. The Policy is available to the public and is regularly updated/amended by Company Management to keep up with requirements and forecasts as may arise.



7. Delimitation / Sources

The Policy is an essential pillar of PPC's Environmental and Sustainable Development Policies.

In developing this Policy, the following were considered:

1. The Convention on Biological Diversity (entered into force in December 1993) for developing national strategies, and for the conservation and sustainable use of biodiversity.
2. Kunming-Montreal Global Biodiversity Framework (<https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf>)
3. <https://unfccc.int/cop28>
4. <https://www.businessfornature.org/make-it-mandatory-campaign>
5. The World Economic Forum's Nature Risk Rising report, which explains how nature-related risks matter to businesses and why they should be integrated urgently into risk management strategies.
6. Biodiversity Strategy for 2030, which aims to put European biodiversity on a track to recovery by 2030 through specific actions and commitments.
7. The "European Green Deal" [COM (2019) 640 final of 11.12.2019].
8. Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector - SFDR.
9. Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Regulation on the classification of environmentally sustainable economic activities).
10. Birds and Habitats Directives: Directive 92/43/EEC, Directive 2009/147/EEC (formerly 79/409/EEC) on the conservation of wild birds.
11. Water Framework Directive (Directive 2000/60/EC): the European Union has developed this Directive to establish the basic principles of a sustainable water policy.
12. Marine Strategy Framework Directive (Directive 2008/56/EC): EU action in the field of marine environment policy.
13. Forest strategy and zero-imported deforestation: part of the Green Deal initiatives. It forms a key part of efforts to reduce greenhouse gas emissions by at least 55% by 2030. Planting 3 billion new trees in the EU by 2030, as deforestation and forest degradation have an impact on biodiversity.



14. Official website of the European Union.
15. https://ec.europa.eu/environment/nature/ecosystems/pdf/8461_Summary%20EU_Guidance_Draft_02_17.07.2020.pdf
16. Official website of The World Economic Forum (The World Economic Forum).
17. Official website of the European Environment Agency.
18. PPC's Sustainable Development Report for the year 2022.