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Wintershall Dea

ESG (ENVIRONMENT, SOCIAL, GOVERNANCE) PRINCIPLES

1 Purpose

Our four corporate values trust, care, open-mindedness and bravery are extremely important to us in all our relations – both internally and externally. We all at Wintershall Dea must continuously examine our own actions so that we meet our own standards even – as the case may be – beyond the current legal framework.

We are committed to acting responsibly and making a positive contribution to solving global challenges within our sphere of influence. We are a proud signatory of the United Nations Global Compact and thoroughly support its ten principles for environmental protection, human and labour rights, and anti-corruption. We also want to contribute to the achievement of the UN Sustainable Development Goals.

We are convinced that a responsible approach is an essential component of long-term success. Therefore, we have integrated ESG (Environment, Social, Governance) topics into our corporate strategy and across all areas of our operations. These ESG topics support our business decision-making at all levels and provide a frame of reference for how we want to deal with business opportunities and risks in the context of direct and indirect ESG impacts.

2 Scope

This ESG Principle is a voluntary commitment by Wintershall Dea to abide by the globally valid corporate values and standards on which our business activities and more detailed internal company regulations are founded.

This Principle is binding for Wintershall Dea GmbH (in future: Wintershall Dea AG; WintershallDea GmbH or Wintershall Dea AG hereinafter the “Company”) and its subsidiaries, i. e. those companies in which the Company directly or indirectly holds a majority of voting rights or over which the Company can exercise a controlling influence under the law, a company statute or an agreement and can therefore order this Principle to be implemented (the Company and its subsidiaries together “Wintershall Dea”). It is also binding for joint venture companies in which the Company exercises sole control. This Principle does not apply to the regulated gas transport companies (e.g. GASCADE).

15 Dec 2020

Internal



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3 Commitments

In all our activities we will ensure compliance with applicable national law and international regulations as well as our own standards, which are guided by internationally recognized principles. When our own requirements are more stringent, we operate according to these higher standards. When faced with conflicting requirements or standards, e.g. in countries where domestic laws, rules, or customs deviate from international standards, restricting or contradicting the latter, we apply the international standards as far as local law allows.

ENVIRONMENT

Climate and Energy

We believe that we can contribute to a better world for today's and future generations by simultaneously taking on two major challenges: meeting the growing need for reliable and affordable energy and helping to transform to a low-carbon economy. We support the Paris Agreement and the EU's climate-neutral by 2050 objective, the World Bank's "Zero Routine Flaring by 2030" initiative, the "Methane Guiding Principles", the "UNEP Oil and Gas Methane Partnership 2.0 Framework" and the recommendations of the "Task Force on Climate-related Financial Disclosure".

We are committed to reduce our greenhouse gas emissions in our upstream activities towards net zero (Scope 1 and 2 own-operated and partner-operated at equity) via:

- **optimising our portfolio:** We focus on low-carbon portfolio opportunities esp. on natural gas and crude oil reservoirs that can be produced relatively CO₂-efficient.
- **strict emission management:** We minimise our footprint by continuously reducing our greenhouse gas emissions resulting from the production of natural gas and crude oil (Scope 1+2) as much as economically and technically possible. This applies both to our own operated and non-operated production facilities worldwide. We continuously increase the energy efficiency of our machinery and facilities by implementing diverse measures, while we reduce our methane intensity.
- **investment in carbon mitigation solutions:** We intend to compensate and offset emissions that cannot be avoided or reduced through the above-mentioned measures by investing in nature-based solutions. Therefore, we explore and invest in opportunities to offset the emissions. In addition, we invest in technologies like CCS and hydrogen, which are key drivers for decarbonising the economy.
- **high transparency:** We enhance our climate-related disclosure and continuously optimise our reporting on it. Our greenhouse gas emission footprint is reported in accordance with internationally recognized standards.



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Environmental Protection

Wintershall Dea is aware of the potential environmental impact of their business activities. Therefore, managing it is a key priority and we recognise that strong environmental performance underpins our success supported by Best Available Technology (BAT) and As Low As Reasonable Possible (ALARP)- principles whenever appropriate.

We are committed to:

- **preserving biodiversity:** We strive for protection of the natural ecosystems in the regions where we are active. We protect species and habitats by finding solutions, which focus on minimizing adverse impacts on biodiversity, maintaining ecosystem services, and sustainably managing living natural resources.
- **protecting water:** We carefully manage water use in our operations as water is an essential natural resource. Therefore, we minimize our water related environmental impacts in our operations by reducing freshwater consumption, finding solutions to reuse or recycle wastewater and increasing water efficiency.
- **minimizing waste and effluents:** We manage and reduce waste and effluents effectively across our operations, applying the waste hierarchy by focusing in order of preference on prevention, re-use, recycling, other incineration – whenever reasonable – and as a last resort, land disposal. We strive for zero waste to landfill. We ensure that all non-preventable waste is safe handled and stored, recycled or disposed in an environmentally responsible way.
- **properly managing chemicals:** We handle, store and dispose chemicals in properly and in an environmentally safe manner. To prevent hazards to the environment, we will not use any blacklisted chemicals in our operations and strive to do so also in our non-operated operations globally; blacklisted refers to chemicals that are on the list of substances of very high concern and forbidden under local legislation in any of the countries we are active in.
- **minimizing emissions to air:** We protect the air quality, which can affect human health, flora and fauna or cultural heritage sites by reducing our emissions into the atmosphere.
- **minimizing noise protection:** We are aware of potential noise sources and the local requirements and we understand the impact of noise on the surrounding community. We therefore develop solutions to mitigate noise issues.
- **preventing spills:** We pursue the goal of preventing any loss of containment, leak, or spill into the environment to the greatest possible extent. In the event of an accident, we are prepared to minimize its impact and consequences and strive to risk based remediation of contaminated sites.



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SOCIAL

Human Rights

Respecting human rights is an important element of how we assume our social and societal responsibility. With our Global Code of Conduct, applicable to all our employees and members of management bodies, we uphold our standards worldwide, even where they voluntarily exceed local legal requirements.

We recognize that we cannot act alone to advance the realization of human rights. Being engaged in several value chains and embedded in many societies, we rely on partners and encourage them to respect international human rights standards.

We acknowledge the sovereignty of states and their role to stipulate laws. States have the duty to protect human rights and companies the obligation to comply with the laws while respecting human rights.

We are committed to conducting business in a manner that respects the human rights and dignity of everyone affected by our operations, i. e. employees, contractors and external stakeholders. We are a signatory of the United Nations Global Compact and our commitment to human rights is based on the United Nations Guiding Principles on Business and Human Rights and both the OECD Guidelines for Multinational Enterprises and the Tripartite declaration of principles concerning multinational enterprises and social policy (MNE Declaration). Our approach is further guided by the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

Our human rights due diligence process is the basis to address our human rights impacts wherever we operate. In particular, we have a longstanding commitment to addressing our most salient human rights risks, including:

- **occupational health and safety:** Occupational health and safety is a core for us, and we continuously aim to develop further. We care for our employees and strive to provide a safe and healthy working place for all those working on our behalf. We seek to prevent injuries and physical and mental illness in all our activities by continuously assessing, controlling and mitigating risks to people.
- **forced and child labour:** We reject any form of slavery, child or forced labour in our operations and value chain and will act against such practices as are identified.
- **non-discrimination & equal opportunity:** All employees should be respected – irrespective of their nationality or ethnic origin, gender and gender identity, religion or beliefs, disability, age or sexual orientation and identity. We therefore strive to create an open, inclusive and integrative workplace and corporate culture. It is based on mutual respect, empathy and appreciation of every single person and



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different viewpoints. Abuse or harassment at the workplace is not tolerated. We target fair proceedings with fair outcome.

- **freedom of association, collective bargaining and dignity:** We go beyond the minimum statutory requirements in our commitment to freedom of association, collective bargaining agreements and social partnerships, fair pay and fringe benefits in accordance with local market conditions, reasonable working hours and paid vacation, and proportionality in disciplinary measures.
- **human rights and security:** We are responsible for the security of our employees and protection of our premises. Globally, the security personnel of sites are trained to abide with local laws and situations. We want to achieve that response of security personnel will always be competent, appropriate, and proportional to a security threat, while at the same time respecting human rights.
- **human rights locally and indigenous peoples' rights:** We are aware of the impact the company's activities have on local populations. We want to be a good neighbour and citizen, to respect the rights and help to meet the needs of residents as well as the development of sustainable livelihoods.

Land and natural resources: We acknowledge and respect the individual's connection to land, natural resources, and water.

Indigenous people's rights: We recognize and respect the particular cultures, histories, and rights of indigenous people who may be particularly vulnerable to resource activities in many parts of the world. We follow national law on indigenous consultation and endeavour to attain free, prior, and informed consent (FPIC) wherever necessary.

Resettlement: We are taking action to avoid involuntary resettlement of local communities and/or individuals. In such cases where this cannot be avoided, our engagement will be in accordance with relevant International Finance Corporation (IFC) Performance Standards.

- **human rights in our business relationships:** In our business, we rely on partners e.g. in joint ventures, as contractors and suppliers, which also rely on further partners along the value chain. We encourage all our partners to comply with internationally recognized human rights standards and to replicate them further along the value chain with their subsequent partners.

Within joint ventures: In joint ventures, where we have the operational lead, we aim to live respect for human rights as we do in our own operations, while respecting the rights of our joint venture partner(s). In joint ventures, where we have a minority of shares or have transferred the operational lead, we target to live respect for human rights in the joint venture based on international human rights standards, together.

With suppliers and contractors: We expect our suppliers and contractors to respect human rights. Our Supplier Code of Conduct is part of our standard purchasing contracts and conditions of purchase. We expect them to have processes in place to prevent, mitigate, and remediate human rights violations



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that they may cause or contribute to. We reserve the right to terminate a business relationship if a supplier fails to meet these obligations.

Where appropriate, we support our partners, contractors, civil society, or cross-industry initiatives for managing related challenges together. This includes further the communication of our human rights statement and positions to our external and internal stakeholders.

Community Involvement and Development

We acknowledge that the presence of our business has direct and indirect impacts on local communities. Therefore, we believe that an open and responsive dialogue with affected communities and other relevant stakeholders as well as building strong and constructive relationships with them are essential for successful partnerships. By understanding stakeholder issues and striving for joint solutions, we can maintain our social license to operate.

We are committed to:

- contributing to the development of local communities especially where we have long-term operations. Through information sharing, consultation and collaboration, we aim to achieve and maintain strong relationships with them based on our corporate values.
- identifying relevant stakeholders in each project environment and seeking to consult with them throughout the project cycle. We strive to transparently inform them of our plans and seek to ensure that they are engaged and kept informed through accessible and culturally appropriate methods of communication.
- mitigating or minimizing any potential adverse impacts to the livelihoods, land, environment, cultural heritage, health and wellbeing of local communities, including vulnerable groups and indigenous people.
- establishing grievance mechanisms at operational level from the start of our own operated activities.
- making community investments to ensure the creation of social impact in society and corporate value for us. These activities – for example within the framework of development programmes, sponsoring or donations – are carried out in consultation with representatives of the local community and other stakeholders.

GOVERNANCE

Political Relations and Advocacy

We pursue a constructive dialogue with political stakeholders to ensure our license to operate. This exchange helps us to understand trends and anticipate regulatory expectations and developments as well as to advocate for and communicate our views.



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We are committed to:

- **fostering transparency:** We are in favour of fostering transparency in advocacy and will participate in transparency or external advocacy (“lobby”) registers, where possible.
- **political neutrality:** As a company, we place our trust in the rule of law and the free democratic basic order. We do not maintain contacts with parties or politicians who do not advocate those principles. We have set ourselves clear principles for avoiding any suggestion that it improperly influences political decision-making processes. We are not affiliated with any political party, individual members of parliament or incumbents or candidates for a political office.
- **no donations to political parties and sponsoring:** We do not fund political parties. The same applies to members of government, parliament and electoral candidates. Sponsoring of individual events in a political context is governed by our internal guidelines. Any such sponsoring will strictly adhere to Wintershall Dea’s fundamental neutrality in politics. All sponsoring will be made transparent in an adequate way.
- **non-involvement ahead of elections:** During an election period, we will observe the principle of political neutrality. A “Quiet Period” ahead of elections will be observed during which we and our representatives do not present, give or participate in a publicly visible platform for political parties or electoral candidates. A duration of two month before election will in general be regarded as appropriate. However, national election specifics may make a longer or shorter period necessary. Where necessary, Wintershall Dea will issue further guidance specifying the local implementation of this rule.
- **promoting commitment of company employees:** We explicitly welcome civic, political and social engagement by our employees outside work, provided it is consistent with our free democratic basic order and Wintershall Dea’s corporate values. We regard this engagement as a private matter; the company does not pursue any interests of its own as part of it.
- **promoting staff exchange:** We welcome temporary staff exchange and staff transfer between political organizations, institutions, public administrations and Wintershall Dea and vice versa. We are aware of the conflicts of interests around the issue of “revolving doors”. We respect all applicable regulations concerning a cooling-off period and if employing former officials or other staff of government or government agencies or assistants or trainees, respect the obligation of such employees to abide by the rules and confidentiality requirements which apply to them.
- **avoiding involvement of public affairs agencies or other agencies/partners:** We aim to conduct political relations and advocacy with our own staff resources. Relevant contacts and meetings between Wintershall Dea and political stakeholders



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should therefore be made and held by Wintershall Dea representatives in person and not by agency or partner staff on behalf of Wintershall Dea. Exceptions should be kept to an absolute minimum and is stated within Wintershall Dea internal regulations.

4 Implementation

Processes and due diligence

Sustainability and ESG aspects are an integral part of our Business Management System at all levels, allowing us to identify, assess, reduce and monitor risks and impacts and identify opportunities. We set targets and commit ourselves to continuous improvement of our performance. In addition, we use appropriate tools including social and environmental evaluations, impact assessments, surveys, risk analysis, monitoring programs, management reviews and audits across our business processes. We integrate results in processes and systems to mitigate and manage them accordingly. We strive to implement best available, low impact technologies and practices, whenever appropriate.

Regarding climate and environment, our Business Management System is aligned with ISO 50001 (energy management) and ISO 14001 (environmental management). Regarding human rights, we seek to implement our commitment through human rights due diligence in line with the UN Guiding Principles.

We value well-informed and trained employees, because they are the foundation of our success for the implementation of this Principle. We provide them with the necessary resources, tools and training to ensure a competent work force and leadership.

Where appropriate, we support our partners, contractors, civil society, or cross-industry initiatives for manage related challenges together.

Grievance Mechanism and Remedy

Employees and third parties (incl. affected communities) have the opportunity to report potential compliance violations, incl. e.g. HSEQ, human rights via our whistleblower system SpeakUp. The report can be made in different languages, in total anonymity, either by telephone or via a secure website. The Compliance department will verify the plausibility of every report received and strive for respective measures where appropriate. Whistleblowers can rest assured that their report will be treated confidential and that Wintershall Dea will never make efforts to reveal the identity of an anonymous whistleblower. The SpeakUp process is communicated transparently to the public.

5 Responsibilities

The responsibility and accountability for the management of sustainability issues and the implementation of this Principle extends across Wintershall Dea. This includes the entire Management Board, having the overarching responsibility and the sustainability board committee, which is a monitoring and steering committee. Day-to-day leadership



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and oversight of climate and human rights issues rests with the Sustainability department; health, safety, environmental protection with the HSEQ division; community engagement and political relations and advocacy with the Corporate Communication division. These divisions and departments coordinate activities, set priorities, and lead Wintershall Dea's company-wide efforts. Finally, respective corporate units and business units are responsible for implementing all aspects in their daily operations.

6 Transparency and Collaboration

We foster openness, transparency and active engagement with our stakeholders. We are committed to transparency when it comes to our social and environmental impacts or regarding our political relations and advocacy. We monitor, report and disclose regularly our impact on as well as performance of HSEQ, human rights and, community engagement either within the sustainability report, on our website or on relevant external websites. Furthermore, we provide detailed updates on our projects and activities through local informational or open day events.

Internally, we inform our colleagues regularly by different means. We established different dialog-oriented communication channels (e.g. newsletter, intranet, employee magazine, management updates, talks) to inform on a regular basis as well as to give our employees the opportunity to ask their questions and talk about their concerns.

Many of the challenges facing the oil and gas industry cannot be solved by one company alone. Therefore, we welcome and value strategic, long-term partnerships. Collaboration and partnerships allow us to combine expertise and capabilities and finding sustainable solutions. We participate in initiatives, networks and working groups that deal with sustainability topics on national and international level. Some of the views of the organizations in which we participate may differ from our own. In cases, where we become aware of it, we would make our views known and enter in dialog with them.

Management Board