

An overview of Biodiversity and RWE - Scotland

INTRODUCTION

RWE is a global energy company and is the UK's second largest power producer, employing around 2,600 people in the UK and supplying around 12% of UK electricity. In Scotland RWE operates wind, hydro and biomass power stations with a total capacity of 473MW¹.

As a holder of a licence under section 6(1) of the Electricity Act 1989 some RWE Generation UK plc operations are considered an undertaking in the context of the Nature Conservation Act (2004). Within Scotland RWE's licensing structure is such that the biodiversity reporting duty applies only to its hydro power sites.

In the exercise of its functions RWE seeks to maintain and enhance biodiversity so as to promote the resilience of ecosystems so far as is consistent with the proper exercise of those functions in accordance with the Nature Conservation Act (2004).

This document provides a review of RWE's activities in Scotland and how we have contributed to maintaining and enhancing biodiversity. Having regard to Scottish government guidance RWE has structured this report to provide the information required by Scottish Government's Biodiversity Reporting Framework using examples from the RWE portfolio². RWE will regularly review and update this report.

RWE'S CORPORATE ENVIRONMENT & BIODIVERSITY POLICIES

RWE has in place policies for Environmental Protection³ and a commitment to biodiversity at both the corporate and operational level. We have incorporated environmental protection and energy efficiency measures into our business practices. We have committed to use natural resources responsibly and to support the use of environmentally friendly technologies in our processes. Furthermore, RWE companies embed

¹ RWE in Scotland

² <u>Biodiversity duty reporting: guidance - gov.scot (www.gov.scot)</u> RWE has a number of hydro power sites within Scotland some of which, because of the licensing and ownership structure, will be subject to the reporting requirements of the Nature Conservation (Scotland) Act 2004.

³ Environmental protection at RWE



environmental responsibilities into the requirements of job roles. Environmental Officers have specific responsibilities to ensure that, as part of the environmental management system, the operation of our business aims to ensure a high level of environmental protection and follows our sustainability practices. Strict environmental legislation, licenses, permits or other authorisations provide the framework for our operational activities in the regions where we are active. RWE invests in environmental protection to ensure continuous improvement in areas such as energy, water, biodiversity, emissions as well as wastewater and waste.

RWE's Corporate Guidelines on Environmental Protection identify the officers at board level responsible for environment⁴ and sets out a requirement for the group companies to operate in accordance with ISO 14001: 2015 "Environmental management systems - requirements with guidance for use".

RWE's Corporate Responsibility Report⁵ cover our commitments on biodiversity. Since 2015, RWE has adopted a Biodiversity Policy⁶. This establishes the approach of RWE to the protection and promotion of biodiversity as the company carries out its business activities.

When planning new developments biodiversity is an important consideration for RWE and these considerations are integrated into the process of gaining the necessary consents and permits. In addition to following current legislative requirements RWE has also engaged with Natural England and other stakeholders in the development of the Net Gain tools.

RWE has its own in-house staff to advise on environmental issues. When planning and undertaking development and maintenance activities at our sites RWE will supplement internal staff with external experts to provide each project team with advice on the environmental aspects of the work. Any necessary survey work required for projects are undertaken by appropriate specialists.

The importance of biodiversity at RWE is further evidenced by staff training and how we undertake our activities. All RWE Generation staff involved in letting contracts undertake a training course which now includes a section on the requirements of Biodiversity Reporting and the importance of biodiversity in general. This material has also been shared with those hydro staff who haven't attended the most recent training.

⁴ https://www.rwe.com/-/media/RWE/documents/09-verantwortung-nachhaltigkeit/environmental-protection.pdf

⁵ https://www.rwe.com/-/media/RWE/documents/09-verantwortung-nachhaltigkeit/cr-berichte/EN/cr-report-2019.pdf

⁶ biodiversity-policy.pdf (rwe.com)



PROVIDING LOW CARBON ELECTRICITY – PROTECTING BIODIVERSITY

Climate change is known to be one of the main drivers⁷ of biodiversity loss. RWE's generation sites in Scotland are all carbon neutral or renewable energy sites and therefore contribute to tackling climate change and hence biodiversity loss. The RWE group as a whole has an aim to be carbon neutral by 2040⁸.

Currently RWE is one of the largest renewable generators in the UK, with a diverse operational portfolio of renewables including onshore wind, offshore wind, hydro and biomass amounting to over 2.1GW (pro rata). In addition to its growing renewables portfolio, RWE operates around 7GW of modern and efficient gas-fired capacity in the UK, making us one of the largest providers of firm flexible generation, which is crucial for affordability and security of supply. In 2021 RWE's Scottish hydro sites generated 81,486.4 MWhrs of renewable electricity (equivalent to the average use of 20 600 households).

Going forward, the UK will play a key role in RWE's strategy to grow its renewables portfolio and become carbon neutral by 2040. Overall, and including its committed investments in projects already under construction, RWE expects to invest around £15billion in new green technologies and infrastructure in the UK by 2030. In addition to growing wind powered generation RWE is investing in the development of technologies such as batteries⁹, hydrogen¹⁰ and carbon capture. These will be important paths to the decarbonisation of the electricity supply system and of industrial energy usage.

Where appropriate RWE supports staff engagement with local communities and has processes in place to reduce waste.

⁷ Key pressures on biodiversity | NatureScot

⁸ cr-report-2020.pdf (rwe.com)

⁹ Battery storage (rwe.com)

¹⁰ RWE and Kawasaki plan to build one of the world's first 100% hydrogen-capable gas turbines on industrial scale in Lingen, Germany



SCOTTISH CASE STUDY: GLEN NOE HYDRO

The work undertaken by RWE and its contractors during the Glen Noe project is a good example of the how RWE undertakes its business whilst having a strong focus on biodiversity.

The Glen Noe hydro power station¹¹ is a 2MW run of the river hydro scheme, located within the Glen Noe Estate, near Loch Etive in the west of Scotland. The scheme was consented in 2016 and consists of 3km of buried pipe lines that convey the water from three weirs to a power house.

There was a strong emphasis on quality restoration by the civil works contractor during the latter stages of the construction of the hydro scheme. RWE staff worked with stakeholders including NatureScot to define the restoration works. NatureScot informed the project team that they considered the work to be a good example of what can be achieved in a sensitive site. RWE continues to work to further improve the site and ensure the project sets a high benchmark for sensitive development.

Between 2019 and 2021 during the construction of the Glen Noe scheme a professional monitoring program was set up for a nesting pair of golden eagles and mitigation measures were implemented to ensure that their breeding was not affected. The breeding by a pair of Golden eagles (Figure 1) during the works is evidence of the success of the mitigation measures adopted by RWE.



Figure 1 Juvenile Golden Eagle hatched during construction works at Glen Noe

¹¹ RWE officially inaugurates Glen Noe Hydro Scheme



INVESTING IN PEOPLE AND COMMUNITIES

RWE provides skilled employment opportunities in the areas where it operates. In addition to the contribution to local economies that this represents many of RWE's renewable energy projects also contribute directly to community benefit funds. The value of the contributions varies between the different sites but currently the Scottish projects we operate invest over £690 000 per annum into community benefit funds. RWE community benefit funds are delivered in line with Scottish Government best practise and are designed to support communities living closest to our projects. Contributions generally continue for the operational lifetime of the project and decisions about funding applications are made by representatives of the local community . As an example the recently commissioned Glen Noe Hydro Scheme will provide a fund worth £3,000 for each year for the operational lifetime of the development to be administered by Taynuilt Community Council.

RWE has invested in a district heating system in Glenrothes which helps to lower energy bills, prevent fuel poverty and avoid climate change. Whilst this latter example is from a site that is not subject to the reporting requirements it demonstrates another beneficial socio economic outcome from RWE's activities in Scotland.

RWE supports staff volunteering days and where possible works with local schools to provide educational opportunities. As an employer RWE offers a range of career options and apprenticeships. For RWE Generation UK staff that have responsibility for purchasing goods and services the company has a training scheme that includes material on the importance of waste reduction and considering biodiversity in all our activities.

It is common for RWE to undertake pre construction surveys and operational monitoring around our generation sites. The reports from these surveys are shared with regulators and contribute to a wider understanding of both the ecology and the success of mitigation incorporated into the project design.



SUMMARY

This report has provided examples of how RWE's actions align with Scottish biodiversity policies. These include:

- Having a management structure which embeds responsibility for the environment and biodiversity within the corporate structure.
- Contributing to local economies and sustainable economic growth within Scotland
- Having regard for and safeguarding important habitats and species
- Contributing to the achievement of Net Zero and hence the mitigation of climate change which is one of the main pressures on biodiversity.



BIODIVERSITY: NEXT STEPS

RWE's ambition for the next few years is to ensure that we continue to operate in line with our Biodiversity Policy and Corporate Guidelines on Environmental Protection and to continue to keep the consideration of biodiversity as a guiding principle for our activities.

This report will be reviewed and reissued in three years from the date of publication. An action to trigger the review will be entered in to RWE's Portfolio Action Tracker system which assigns the activity to a named individual.

Whilst our current practise and behaviours align with the Scottish biodiversity policies we plan to promote best practise for biodiversity within the UK RWE group of companies. This will be achieved by bringing together representatives individual sites, sharing experiences and comparing actions.

The Biodiversity Plan review will, for each existing and any new sites, document biodiversity related activities at the site since the publication of the present report and compare the outcomes to our expectations. The next review will also report on our progress with sharing biodiversity enhancement best practise across our UK sites.