

Biodiversity Commitment

Our vision is to establish a legacy of sustained economic growth, social responsibility and environmental stewardship reflective of a premier energy company. Environmental stewardship is one of four pillars that supports NiSource's <u>Sustainability Policy</u>. As stewards of the environment, we commit to conserving and enhancing biodiversity on lands under our responsibility. NiSource practices environmental stewardship by reducing our impact on the environment through pollution prevention and reduction programs, and through innovative conservation approaches. We're making significant investments to ensure that we can continue to deliver energy to our customers where and when they need it, and in a way that is environmentally responsible.

NiSource manages six electric and natural gas companies across six Midwestern and Mid-Atlantic states. Our operating companies include the Northern Indiana Public Service Company (NIPSCO) and the Columbia Gas companies in Kentucky, Maryland, Pennsylvania, Ohio and Virginia.

We manage energy generation facilities and transmission and distribution infrastructure across a large, diverse landscape. Our geographic footprint of owned lands and easements covers approximately 142,000 acres.

A Better Way

Delivering safe and reliable energy requires that vegetation be maintained in early-successional states. Grasslands, prairies, and shrub-scrub ecotones along forest edges provide excellent wildlife habitat for avian species, invertebrate insect-pollinators, and vertebrate mammals. Managing vegetation intentionally to provide safe and reliable energy and conservation benefit is a part of our commitment to sustainability.

Utility infrastructure traverses forested and grassland landscapes, and in some locations requires management to ensure the safe and reliable transmission and distribution of energy. We manage vegetation through a process known as integrated vegetation management (IVM): that is, the removal of incompatible plants, leaving compatibles to thrive and increasing the biodiversity of the lands that we manage. By using IVM, we protect the integrity of our infrastructure and provide living space for wildlife.

Evaluating Biodiversity Across our Lands

We strive to understand the opportunities that exist within our operations and managed lands to enhance biodiversity. In 2019, NiSource undertook a system-wide evaluation of our energy generation, transmission and distribution lands for classified protected areas under the <u>International Union for the Conservation of Nature (IUCN)</u>, Key Biodiversity Areas (KBAs), and critically endangered, endangered and vulnerable <u>IUCN Red List Species</u>. Results of this evaluation help us to understand direct and indirect impacts of our actions and to plan and implement conservation activities within sensitive areas and for sensitive species.

NiSource does not operate in <u>World Heritage</u> areas. However, where we share management responsibilities with our partners at globally and nationally important protected areas, we employ a mitigation hierarchy to protect sensitive habitats and species. Given the large and varied landscapes we maintain, targets for No Net Loss and Conservation Benefit are developed per site. A table describing the number and classification of protected area sites that we manage is found below. Biodiversity management plans are updated annually according to IVM cycles and are expected to be fully updated by 2023.

Classification	Number of Management Units	Managed Acres	Number of Biodiversity Management Plans	Acres Managed for Biodiversity
IUCN I-IV	24	860	17	657
KBAs	2	22	2	22

2019 Biodiversity Evaluation Results



Application of a Mitigation Hierarchy

Our commitment to biodiversity is achieved through application of a mitigation hierarchy that applies to each aspect of asset development, operation, and maintenance. Our planning framework is designed to avoid new development in globally and nationally important biodiversity areas, to minimize and restore unavoidable negative impacts from operations, and to offset any remaining impacts within biologically sensitive areas. NiSource uses this framework to manage biodiversity-related risks and to balance sustainable management of natural resources with development priorities.

Avoidance:

Avoidance typically applies to project siting, design, and scheduling. NiSource avoids siting new infrastructure in globally and nationally important biodiversity areas, as well as regionally and locally important areas like native prairies, savannahs and wetlands. Careful siting of infrastructure, selection of best management practices (BMPs), and seasonal scheduling can greatly reduce, and in some cases avoid, negative impacts to biodiversity and natural resources.

Minimization:

Minimization involves selection and implementation of conservation measures that reduce the duration and intensity of impacts to biodiversity and natural resources during construction and maintenance activities. NiSource's environmental construction standards (ECS) provide a suite of BMPs for resource protection. The ECS are designed to reduce negative impacts to natural resources and biodiversity throughout construction lifespans.

Restoration:

Restoration addresses unavoidable impacts that occur despite avoidance and minimization. Following construction, NiSource works to restore disturbed lands to closely match regionally appropriate early successional habitat types. A variety of seed mixes and application methods are employed to comply with erosion control standards. Locally appropriate, Right-of-Way (ROW) compatible, wildlife-friendly seed mixes are important for reestablishing native vegetation following construction and maintenance.

Offset:

And finally, offsets involve creation of measurable conservation value to compensate for significant unavoidable adverse impacts to sensitive areas and species. While NiSource commits to avoiding operations and maintenance within World Heritage areas, IUCN I-IV protected areas, and KBAs when possible, we do however maintain a small number of electric and gas lines within biologically sensitive areas. These special locations supply critical energy resources to industrial, commercial, and residential consumers and were developed prior to protected area designations. In these special locations, NiSource offsets continued operation of infrastructure through Habitat Conservation Plans (HCP) like one developed for the Karner Blue Butterfly (KBB) adjacent to the Indiana Dunes National Park, or through compensatory mitigation plans like the Reynolds to Topeka Electric System Improvement Project that restored 200 acres of rare wetland, prairie and savanna habitat.



Partnering to Provide Conservation Benefit

We believe that conservation efforts extend beyond simply complying with environmental regulations and that the best way to enhance biodiversity is through partnerships.

The following provides a brief summary of current and past conservation management activities.

1. Karner Blue Butterfly Habitat Conservation Plan

Partners: U.S. Fish & Wildlife Service, Indiana Department of Natural Resources and the National Park Service

Photo 1 Photo taken at Miller Woods ROW Unit A. Wild Lupine (Lupinus perennis) is the only larval host plant for the federally listed Karner Blue Butterfly (inset).



The Karner Blue Butterfly (*Lycaeides melissa samuelis*) was listed as federally endangered in 1992 in large part due to habitat loss and degradation. In coordination with the U.S. Fish & Wildlife Service (USFWS), NiSource developed a Karner Blue Butterfly (KBB) Habitat Conservation Plan (HCP) in 2005. Wild lupine (*Lupinus perennis*) is an obligate host plant for larval KBB. Under the HCP, NIPSCO maintains wild lupine on the Miller Woods, Aetna, and Stage Coach ROW in exchange for an incidental take permit for maintenance and emergency activities.

Baseline surveys conducted in 2004 documented the number and size of wild lupine populations and presence of KBB populations throughout the HCP management units. Lupine populations and habitat quality have steadily increased on NIPSCO ROW since management activities began in 2005. Unfortunately, the last confirmed sighting of the KBB in Indiana occurred on NIPSCO ROW in 2014. Despite the KBB's potential extirpation in Indiana, NIPSCO continues to manage these HCP ROW for habitat quality and ecosystem resiliency.



2. Miller Woods Indiana Coastal Cooperative Weed Management Project

Partners: the Nature Conservancy, National Park Service, Save the Dunes, Department of Natural Resources and Shirley Heinze Land Trust

In 2016, The Nature Conservancy (TNC) was awarded a grant under the Great Lakes Restoration Initiative (GLRI) to monitor invasive species within the Miller Woods Complex, Indiana Dunes National Park. NIPSCO provided matching funds to support the GLRI project. Approximately 1,045 acres of globally significant black oak savanna exists within the rare dune and swale complex. Miller Woods is one of the most biologically diverse management units within the Indiana Dunes National Park and is notable for its high-quality prairie, oak savanna, pannes, and intradunal wetlands. The largest threat to this complex is invasive species and encroachment from undesirable woody plants.

Approximately 45 acres of NIPSCO fee-owned ROW, which includes the KBB HCP, is located within the Miller Woods Complex and is now managed for GLRI project objectives. A portion of grant funds contributed to mapping invasive species. NIPSCO and National Park Service (NPS) are currently working on a comprehensive agreement to allow for co-management of the Miller Woods Complex ROW. The agreement was executed in 2019 allowing NPS employees to monitor and control invasive species on NIPSCO ROW.

Photo 2 Clearing undesirable woody invasive species from the Miller Woods Unit within the Indiana Dunes National Park





3. East Branch of the Little Calumet River Restoration Project (Dunes Learning Center) Partners: National Park Service, Dunes Learning Center, Save the Dunes and Shirley Heinze Land Trust

The Dunes Learning Center was awarded a large grant by the National Fish and Wildlife Foundation to restore more than 200 acres of habitat and provide public use enhancements along the East Branch of the Little Calumet River (EBLCR). NIPSCO contributed matching funds to support restoration and enhancement activities by incorporating 262 acres into landscape-level conservation planning within the EBLCR. In 2018, NIPSCO began preparing approximately 20-acres of adjacent ROW for seeding and restoration to high-quality pollinator habitat. NIPSCO and the NPS will co-manage the adjacent ROW for invasive species and habitat quality.

Photo 3 High-quality pollinator habitat at Dunes Learning Center, East Branch of the Little Calumet River Restoration Project Area





4. Calumet Trail Invasive Species Control

Partners: National Park Service, Save the Dunes, Indiana Department of Natural Resources and Porter County Parks

The Calumet Trail ROW spans 10 miles and more than 200 acres of high-quality sedge meadow, emergent marsh, wet prairie and dry prairie habitat within the Indiana Dunes National Park. The Calumet Trail ROW contains numerous species of concern including state-listed plants, the state-listed spotted turtle (*Clemmys guttata*) and Blanding's turtle (*Emydoidea blandingii*), and the last known observation of the federally-listed massasauga rattlesnake (*Sistrurus catenatus catenatus*).

The Calumet Trail ROW supports electric and gas transmission lines and runs adjacent to the Indiana Dunes National Park and Indiana Dunes State Park. These Calumet Trail ROW provide important buffering and habitat connectivity between the parks adjacent habitats. Nonnative, invasive species and undesirable woody species pose the greatest threat to native plant and animal communities along the Calumet Trail and adjacent lands. In response to threats posed to these valuable habitats, NIPSCO developed a restoration plan to manage invasive species and enhance native vegetation within the Calumet Trail ROW and along the Calumet Trail.

Photo 4 Photo of the Calumet Trail ROW at the Indiana Dune State Park trailhead





5. Calumet Prairie Conservation Area Habitat Management Plan

Partners: U.S. Army Corps of Engineers, Indiana Department of Natural Resources and the National Park Service

The state-dedicated Calumet Prairie Nature Preserve and adjacent NIPSCO ROW contain the largest natural sedge meadow and wet prairie community complex in Indiana. The wetland complex contains one of the largest populations of spotted turtles (*Clemmys guttata*) in the state of Indiana as well as numerous other state-listed species. In 2011, NIPSCO partnered with the DNR and U.S. Army Corps of Engineers (the Corps) to restore 144 acres of the wetland complex including 25 acres on NIPSCO ROW. The project restored structural function and ecological integrity of the sedge meadow through the removal of invasive species and undesirable woody vegetation. In 2019, NIPSCO supported an additional 30 acres of wetland restoration within the Preserve to compliment Corps activities. These additional restoration activities will include invasive species control and native plant introductions on 63-acres of adjacent ROW and implementation of a Spotted Turtle Habitat Management Plan to protect and enhance the extant population within the Calumet Prairie Complex.

Photo 5 Photo of Marsh marigold (Caltha palustris) on the Calumet Prairie ROW





6. NIPSCO Bailly Greenbelt and Cowles Bog Restoration Plan

Partners: National Park Service, U.S. Army Corps of Engineers and Indiana Department of Environmental Management

As part of wetland mitigation requirements for the Aetna to LaPorte Gas Transmission Project, NIPSCO has partnered with the NPS to enhance more than 135 acres of rare intradunal wetlands and adjacent upland habitat within the Cowles Bog Unit of the Indiana Dunes National Park. The intradunal wetlands are located directly adjacent to Cowles Bog, designated as a National Natural Landmark.

The Cowles Bog Restoration Plan was finalized in 2016 and monitoring and restoration activities began in 2018. More than 20 state-listed species have been documented at the site, and all are threatened by the highly invasive common reed (*Phragmites australis*). Restoration activities will help protect these sensitive habitats and assist the recovery of species like spotted turtles (*Clemmys guttata*) and Blanding's turtles (*Emydoidea blandingii*).

Photo 6 Photo taken at NIPSCO Bailly Greenbelt looking west to the Indiana Dunes National Park. Common reed (Phragmites australis) (pictured) poses the greatest threat to the unique and rare habitat within the intradunal wetland complex





7. Roxana Marsh – Turf to Pollinator Habitat Conservation Project

Partners: The Nature Conservancy, Indiana Department of Natural Resources, City of East Chicago, U.S. Environmental Protection Agency, Indiana Department of Environmental Management and the US Fish and Wildlife Service

The Grand Calumet River is one of the most impacted areas of concern within the Great Lakes. In 2012, the Great Lakes Legacy Act provided funding for sediment remediation, cleanup of Roxana Marsh and restoration of approximately 19 acres of riparian marsh habitat. To support delisting of the Grand Calumet River Area of Concern, NIPSCO plans to convert approximately five acres of mowed turf grass to high-quality pollinator habitat directly adjacent to the restored site. Once complete, this project will serve as a model for additional restoration and turf-to-prairie conversion projects.



Photo 7 Milkweed growing on NIPSCO ROW adjacent to Roxanna Marsh.



8. MVP Reynolds Topeka Electric System Improvement Project Partners: The Nature Conservancy and the U.S. Fish & Wildlife Service

NIPSCO partnered with the USFWS & TNC to restore 200 acres of rare prairie habitat at the Prairie Border Nature Preserve in northern Indiana. The nearby Jasper-Pulaski Fish & Wildlife Area is an important stopover for migrating sandhill cranes. Restoration activities involved the removal of agricultural ditches and the creation of depressions serving to raise the water table to pre-disturbance levels. The TNC planted more than 140 species of native plants along the newly-formed wetlands and restored adjacent uplands to savanna. These lands are conserved, in part, by funding provided by NIPSCO to offset construction and maintenance activities on NIPSCO's Reynolds to Topeka Electric System Improvement Project.

Photo 8 Plug planting Spring 2016 (top). South wetland immediately after hydrologic restoration (bottom).





9. Monarch Butterfly Candidate Conservation Agreement with Assurances (CCAA) Partners: U.S. Fish & Wildlife Service and the Rights-of-Way as Habitat Working Group

NiSource is a founding partner for the *Nationwide Candidate Conservation Agreement with Assurances for Monarch Butterfly on Energy and Transportation Lands* (CCAA). NiSource plans to enroll our full acreage in support of monarch butterfly (*Danaus plexippus*) conservation activities and commit to managing ROW vegetation across our network to benefit migrating monarch butterflies.

Photo 9 North American monarch butterfly migration (L) [map source: Xerces Society]. A monarch butterfly on NIPSCO electric ROW (R) [photo courtesy of Paul Labus, TNC]





10. Wildlife Habitat Certifications & IVM Training Program

Partners: Wildlife Habitat Council

In 2016, Columbia Gas began vegetation conversion activities to replace undesirable vegetation with pollinator-friendly early successional habitats. Multiple sites in Ohio and Pennsylvania were reseeded and vegetation contractors underwent refresher trainings for selective IVM BMPs. Selected sites are undergoing annual treatments to promote desirable compositions of compatible pollinator-friendly vegetation. Sites in Ohio and Pennsylvania were certified by the Wildlife Habitat Council. Following site-specific certifications, Columbia Gas is working with WHC to certify its newly developed selective IVM BMPs to Columbia Gas Companies' larger ROW network.

Photo 10 Vegetation management contractors undergoing annual plant ID and selective IVM BMP training at Karl Road ROW in Columbus, Ohio



Conclusion

NiSource is committed to sustainable natural resource and biodiversity management. We're making significant investments to ensure that we can continue to deliver energy to our customers where and when they need it, and in a way that is environmentally responsible and affordable.



Forward-Looking Statements

This document contains "forward-looking statements" within the meaning of federal securities laws. Investors and prospective investors should understand that many factors govern whether any forwardlooking statement contained herein will be or can be realized. Any one of those factors could cause actual results to differ materially from those projected. These forward-looking statements include, but are not limited to, statements concerning our plans, strategies, objectives, expected performance, expenditures, recovery of expenditures through rates, stated on either a consolidated or segment basis, and any and all underlying assumptions and other statements that are other than statements of historical fact. All forwardlooking statements are based on assumptions that management believes to be reasonable; however, there can be no assurance that actual results will not differ materially. Factors that could cause actual results to differ materially from the projections, forecasts, estimates and expectations discussed in this press release include among other things, our debt obligations; any changes to our credit rating or the credit rating of certain of our subsidiaries; our ability to execute our growth strategy; changes in general economic, capital and commodity market conditions; pension funding obligations; economic regulation and the impact of regulatory rate reviews; our ability to obtain expected financial or regulatory outcomes; our ability to adapt to, and manage costs related to, advances in technology; any changes in our assumptions regarding the financial implications of the Greater Lawrence Incident; compliance with the agreements entered into with the U.S. Attorney's Office to settle the U.S. Attorney's Office's investigation relating to the Greater Lawrence Incident; potential incidents and other operating risks associated with our business; continuing and potential future impacts of from the COVID-19 pandemic; our ability to obtain sufficient insurance coverage and whether such coverage will protect us against significant losses; the outcome of legal and regulatory proceedings, investigations, incidents, claims and litigation; any damage to our reputation, including in connection with the Greater Lawrence Incident; compliance with applicable laws, regulations and tariffs; compliance with environmental laws and the costs of associated liabilities; fluctuations in demand from residential, commercial and industrial customers; economic conditions of certain industries; the success of NIPSCO's electric generation strategy; the price of energy commodities and related transportation costs; the reliability of customers and suppliers to fulfill their payment and contractual obligations: potential impairments of goodwill or definite-lived intangible assets: changes in taxation and accounting principles; the impact of an aging infrastructure; the impact of climate change; potential cyber-attacks; construction risks and natural gas costs and supply risks; extreme weather conditions; the attraction and retention of a qualified workforce; the ability of our subsidiaries to generate cash; our ability to manage new initiatives and organizational changes; the performance of thirdparty suppliers and service providers; changes in the method for determining LIBOR and the potential replacement of the LIBOR benchmark interest rate; and other matters in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, as updated in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and our subsequent SEC filings. In addition, the relative contributions to profitability by each business segment, and the assumptions underlying the forward-looking statements relating thereto, may change over time. A credit rating is not a recommendation to buy, sell or hold securities, and may be subject to revision or withdrawal at any time by the assigning rating organization. In addition, dividends are subject to board approval.

All forward-looking statements are expressly qualified in their entirety by the foregoing cautionary statements. We undertake no obligation to, and expressly disclaim any such obligation to, update or revise any forward-looking statements to reflect changed assumptions, the occurrence of anticipated or unanticipated events or changes to the future results over time or otherwise, except as required by law.