

ENERGO-PRO Group

Human Rights Policy

2021



HUMAN RIGHTS POLICY (THE “POLICY”)

1. Introduction

Our core business is the hydropower sector. We operate hydropower plants in Central and Eastern Europe, the Black Sea and the Caucasus. We are also engaged in the electricity distribution and power trading, operating large-scale distribution grids in Bulgaria and Georgia with more than 2.3 million grid customers.

Our company was established in 1994 in the Czech town of Svitavy, participating in the modernization and rehabilitation of hydropower energy in Central and Eastern Europe in the period of economic transition. The total installed capacity of our power plants is 1,243 MW, while the annual power generation is more than 3.8 TWh.

One part of the multinational group ENERGO-PRO, headquartered in Prague, is the Slovenian manufacturer of water turbines, Litostrój Power d.o.o., with projects delivered to more than 60 countries worldwide. Its subsidiary, Litostrój Engineering a.s., registered in the Czech Republic (formerly known as ČKD Blansko Engineering, a.s.), focuses on research, design and engineering works. Litostrój Group also supplies equipment for hydropower plants, including pumped-storage HPP and pumping stations.

ENERGO-PRO upholds the principles in the United Nation’s Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the Voluntary Principles on Security and Human Rights (VPSHR) and the declaration of the International Labour Organization on Fundamental Principles and Rights at Work. Our approach to Human Rights is extended to our supply chain.

2. Objectives

The objectives of the Human Rights Policy are:

- To respect and demonstrate Good International Industry Practice (GIIP) regarding human rights.
- To provide a framework for embedding the responsibility to respect human rights throughout the organization.
- To build leadership accountability.
- To demonstrate to our partners and stakeholders our commitment to respecting human rights and build trust.

3. Policy Statement

“Respecting human rights is embedded in our values and our Global Code of Conduct. We demonstrate our commitment to human rights by making our leaders accountable, proactively asking the right questions and conducting due diligence activities to identify and prevent negative human rights impacts in our operations. We ensure that our workers understand that human rights start with them and are a part of our decision making and daily activities. We recognize the responsibility to “do no harm”. Our Board of Directors, Supervisory Board and Senior Management will monitor and respond to any breach of this policy.”

4. Human Rights Focal Areas

ENERGO-PRO has identified the following focal areas regarding human rights:

- Resettlement: We recognize the right to a comprehensive participatory consultation process and fair, just and adequate compensation for individuals and communities

impacted by our operations. We respect land ownership and interests established by law and/or recognized customs and the right to adequate housing for those impacted by physical displacement. We also respect cultural heritage established by law and/or recognized customs. We work to maximize the benefits and reduce the negative impacts of our activities on affected communities.

- **Indigenous Peoples:** We respect Indigenous peoples' connections to lands and waters, and uphold the UN Declaration on the Rights of Indigenous Peoples.
- **Environmental Rights:** We recognize the right to an adequate environment, including access to information and the right to a participatory process and decision making regarding environmental matters. As a first step we avoid and minimize environmental impacts when technically and financially feasible and we incorporate mitigation measures in the design phases of our projects. We compensate adequately for environmental impacts and restore sites and ecosystems adequately.
- **Labour and Supply Chain:** We recognize the rights of workers to a safe occupational health and safe environment, the rights of migrant workers', adequate working conditions including hiring, firing, promotion and remuneration, employment due process, fair and equal treatment, an environment free from harassment and the rights to freedom of association. This commitment extends to our supply chain. We reject all types of discrimination, including gender discrimination, and promote an inclusive and diversified approach to hiring and promotion.
- **Child, Forced Labour and Modern Slavery:** We respect minimum age standards in hiring practices according to local laws. We avoid hiring workers into bonded labour relationships including salary advances or loans, we do not withhold wages or benefits in an attempt to coerce favours or additional work from employees. All work is freely chosen, without the use of forced or compulsory labour. Termination of contracts are communicated to workers, and all salary and benefits are paid, in compliance with local regulations.
- **Security and Conflict:** We provide awareness to our security contractors regarding human rights and appropriate behaviour with our partners and stakeholders. We undertake due diligence of our security contractors prior to contract award. We encourage communication, peaceful conflict resolution, and consensus building in our dealings with partners and stakeholders. We enforce strict controls on the use of force and limit the use of firearms on our sites as far as possible.
- **Anti-Corruption:** We believe in taking an active stand against bribery and money laundering. We behave with integrity and ethically when conducting business with our partners and stakeholders.

5. Distribution

This document is available on the company website, incorporated in selected standard terms and conditions of business, and may be reviewed by company executives, management, employees, contractors and subcontractors. This policy will be reviewed regularly and updated to meet the requirements of partners and stakeholders.

6. Entry into Force

This version of the Policy enters into force and is effective on and from 31 May 2021.