

## Environmental, Social & Governance (ESG) Policy of Respect Energy Group

### I. INTRODUCTION

The Respect Energy Group which is formed by Respect Energy Holding S.A. (as parent company) and its subsidiaries (hereinafter "**RE Group**", "**Respect Energy**" or "**Group**") is committed to conducting its business in accordance with the highest environmental, social and governance (ESG) standards. The ESG (Environmental, Social & Governance) policy of the RE Group reflects our vision, mission and values, which we implement in pursuit of sustainable development and the creation of long-term value for our stakeholders.

Respect Energy's business model is based on the provision of products and services aimed at combating and counteracting climate change. Our mission is to provide green, non-harmful energy (Energy created with respect for nature) so that development and progress can take place without harming the climate and the natural environment. In doing so, we make a particular contribution to Goal 13 set out in 2015 by the United Nations as part of the global *2030 Agenda for Sustainable Development*<sup>1</sup>.

Our values are based on three core principles (the "3Rs" for short) : Respect Nature, Respect People and Respect Rules. By this we mean that in every area of our business, respect is a core value that guides us. We have built our Sustainability Strategy on these three principles.

#### **Our ESG policy:**

1. Reaffirms the importance of sustainability considerations and good ESG practices in the RE Group's operations;
2. Defines the management system for ESG and sustainability matters in the RE Group;
3. Aims to support the operationalisation of the RE Group's Sustainability Strategy;
4. Seeks to mitigate potential negative social and/or environmental impacts and to minimise risks related to environmental, social and governance aspects;
5. Guides the RE Group's management and all employees in their daily decisions and operating principles so that they are consistent with the Group's values;
6. Influences relationships with our suppliers and business partners, from whom we expect good ESG practices consistent with this Policy and elaborated in separate regulations for contractors.
7. Sets the RE Group's values and its approach to sustainability matters as a pillar for building trust in the Group among stakeholders.

#### **Definitions**

**Sustainable development** is development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs . Development is sustainable when it finds a stable footing on three fundamental pillars: social, economic and environmental. They are interlinked and taking responsibility for the short- and long-term consequences of any action is essential to the well-being of individuals and societies as a whole.

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<sup>1</sup> Goal 13 of the UN 2030 Agenda for Sustainable Development: <https://www.un.org/sustainabledevelopment/climate-change/>

**Due diligence regarding environmental matters and impact on human rights** – is a process that companies should carry out to identify, prevent and mitigate the actual and potential negative impacts of their operations. The due diligence process should cover the operations of the company concerned and its value chain, including the environmental and human rights impacts of the supply chain. The principles of due diligence on environmental and human rights issues are set out in the *OECD Due Diligence Guidance for Responsible Business Conduct* and in the *Corporate Sustainability Due Diligence Directive (CSDDD)* adopted by the European Commission in May 2024.

**ESG** (ang. Environmental, Social, and Governance) is a set of sustainability criteria that companies use to assess and manage their impact on the environment, society and corporate governance principles. Respect Energy Group's ESG Policy is a strategic document that forms part of Respect Energy Group's Sustainability Strategy. It sets out how the company identifies, measures and manages its activities in these three areas in pursuit of sustainability and value creation for all stakeholders.

Elements of the ESG policy:

1. **Environmental (E):** this element relates to the environmental and climate impact of the company's operations.
2. **Social (S):** this aspect relates to the impact of the company's operations on the quality of life of people and its relations with employees, local communities, suppliers and customers.
3. **Governance (G):** corporate governance includes governance structures and practices that ensure transparency, accountability and integrity in the company's operations.

## **II. ENVIRONMENTAL RESPONSIBILITY (E)**

### **1. Reducing greenhouse gas emissions and combating climate change**

- We are committed to reducing greenhouse gas emissions by investing in low-carbon and renewable energy technologies. This includes emissions from our own operations and, in line with our mission and business model, contributing to the energy transformation of our customers through the development of our services and products for the customers.
- Our goal is to reduce the RE Group's greenhouse gas emissions in all three scopes (Scope 1, Scope 2 and Scope 3 according to the GHG Protocol) to zero by 2050. Our decarbonisation pathway in the short to medium term is defined by our adopted Sustainability Strategy and accompanying operational plans.
- We are developing our business activities in line with the global goal of halting the increase in average temperature by no more than 1.5oC from the beginning of the industrial era through the RE Group's business objectives aimed at mitigating climate change.

### **2. Energy efficiency**

- We implement strategies to improve energy efficiency in our operations and processes.
- We promote energy conservation both in our offices and among our customers.
- This is one of the important aspects of our decarbonisation efforts.

### **3. Management of natural resources and protection of biodiversity**

- We responsibly manage the natural resources required for our operations by minimising their consumption and promoting recycling.
- We apply the principle of counteracting the negative impacts of our activities on water resources by reducing water consumption wherever possible and analysing our impact on water.
- We successively implement biodiversity conservation programmes in the areas where we conduct our operations. We monitor the impact of our operational activities on the biodiversity of species and ecosystems and counteract our potential negative impacts on it.
- We strive to identify significant impacts on natural resources, environmental health and biodiversity in our supply chain. We are expanding our collaboration with our suppliers and subcontractors in this regard. We expect our suppliers, subcontractors and business partners to take care of the environment and its valuable resources by responsibly managing their current and potential environmental impacts. We also expect them to be open to providing us with the information necessary to monitor the nature of these impacts in our value chain.

### III. SOCIAL RESPONSIBILITY (S)

#### 1. Protection of human rights

- We adhere to the principles of protecting human rights in our own operations and every area of activity, while at the same time we expect all our suppliers, subcontractors and business partners to respect human rights.
- As we apply the principles of human rights protection in our own operations and in our value chain, we take into account applicable international and national laws and recognised guidelines on good practice for business in the area of human rights protection, including in particular:
  - The Universal Declaration of Human Rights
  - UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises,
  - The ILO Declaration on Fundamental Principles and Rights at Work and the ILO Core Conventions,
  - the UN Convention on the Rights of Persons with Disabilities,
  - European Convention on Human Rights, the Revised European Social Charter and the Charter of Fundamental Rights of the European Union;
- Treating all people with respect, we do not tolerate in our business activities or in the activities of our business partners, suppliers and subcontractors any behaviours or misconduct that violate human dignity, in particular bullying, discrimination or violation of labour rights.
  - We define bullying as the systematic, prolonged harassment or intimidation of employee resulting in their negative self-appraisal of professional suitability, causing or intended to humiliate or ridicule the employee, isolate them or eliminate them from the team. We consider such actions unacceptable and take all steps to prevent them. We take every report of bullying seriously and investigate with the utmost care, in a thorough and impartial manner.
  - We create a working environment free of discrimination. We do not accept any form of discrimination based on gender, age, race, nationality, religion, sexual orientation, disability or any other personal characteristics. Every employee has the right to equal treatment and equal opportunities.
  - We protect employees' rights in accordance with applicable labour laws and international standards, in particular the right to fair remuneration, the right to safe and healthy working conditions, the right of association and the right to rest and take time off. We strive to ensure that all employees, whether directly employed by us or employed by our business partners, suppliers and subcontractors, are treated fairly and that their rights are respected.

#### 2. Employee health and safety

- Our priority is to ensure safe and healthy working conditions. We are committed to continuously improving our health and safety management systems and promoting a culture of safety throughout the organisation.
- We regularly train employees to increase their awareness of potential hazards and teach them how to deal with emergency situations.
- We have policies in place to prevent accidents and promote employee health.
- We promote a holistic approach to health, encompassing both physical and mental health.
- We create a safe and healthy workplace which is fundamental to our success. We ensure that employees have the right to work in conditions that support their health and well-being. We expect similar practices from our subcontractors and suppliers.

### **3. Equality and diversity**

- We do not discriminate on the basis of gender, age, origin, race, nationality, religion, belief or any other characteristic. We expect the same attitude from our subcontractors and suppliers.
- We promote equal opportunities in employment by supporting diversity and inclusivity in the workplace.
- We do not accept ageism. It contradicts our values and is an obstacle to building a harmonious and fair working environment.
- We carefully monitor the phenomenon of the wage gap and its possible causes, strive to even out the wage gap and do not accept the influence of gender on employees' salaries.
- We apply anti-discrimination policies and promote gender equality.

### **4. Support for local communities**

- We invest in the development of local communities through education and infrastructure programmes, particularly related to the nature of our business, i.e. aimed at building awareness towards climate and environmental change and measures to combat it.
- We engage in dialogue with local stakeholders to understand their needs and support their development.

### **5. Dialogue with stakeholders**

- We are aware of the impact of our actions and business decisions on our stakeholders and therefore maintain an active dialogue with them, based on the principles of:
  - Voluntary action and mutual respect
  - Openness and transparency
  - Equality and inclusivity
  - Security and protection of privacy of participants in the dialogue.
- We use different communication tools and methods to conduct dialogue, depending on the group of stakeholders, the nature of our relationship with them and their preferred communication channels.
- We treat dialogue as an ongoing process, subject to progress monitoring and regular reporting.
- The process of stakeholder mapping and identification of their key ESG expectations of the RE Group is coordinated by the ESG Manager in cooperation with the relevant business units and ESG Movers. The main conclusions of the stakeholder dialogue are reported to the RE Group's ESG Committee. The different dialogue methods are implemented by the RE Group business units identified in the stakeholder dialogue plan approved by the ESG Manager and the Group ESG Committee.
- The conclusions of the dialogue are discussed at a meeting of the ESG Committee at least once a year and have an impact on, among other things, the definition of the Group's directions in the area of sustainability and on the scope of sustainability reporting and the review of the materiality of sustainability topics reported by the Group.

## V. – GOVERNANCE (G)

### 1. Due diligence for sustainable development

- By implementing this ESG Policy, we make every effort to conduct our business in a manner that is consistent with due diligence in respect of human rights and environmental issues. This applies to our current and potential impacts arising from our own operations and our entire chain of activities including our supply chain and business relationships.

### 2. Ethics and transparency

- We adhere to the highest standards of business ethics, conducting our business with integrity and transparency.
- We regularly publish ESG reports, enabling stakeholders to track our principles and progress.
- We do not accept any situations involving elements of corruption and conduct regular communication and education activities to strengthen awareness of our principles among our employees and other stakeholders.
- In line with applicable laws and good business ethics practices, we provide our employees and other stakeholders with safe, anonymous channels to report any irregularities, including corruption and ethical violations in our business.
- The rules for handling any whistleblowing reports are set out in internal procedures that ensure the transparency, confidentiality and impartiality of the process.

### 3. ESG management model at Respect Energy Group

- In the RE Group, the Management Board of the Group and Respect Energy, headed by the President, is responsible for ESG management matters and sustainability objectives. The role of the Management Board is to make strategic decisions in the area of ESG and sustainability, to control the effectiveness of the implementation of the RE Group's ESG objectives and principles, to make a final assessment of the materiality of ESG risks and impacts, and to approve the scope of reporting on sustainability matters in publicly available annual reports outlining relevant sustainability topics, ESG objectives and results achieved by the Group.
- In order to systematise the Group's ESG topics management process, the Respect Energy Group ESG Committee (hereinafter, "**ESG Committee**"; "**Committee**") was established.

### 4. ESG Committee of the RE Group

- The chair of the ESG Committee is the RE Group's President and the members are: members of the RE Group's Management Board, members of the Management Boards of the RE Group's subsidiaries, and directors, who are not at the rank of Management Board members but who are responsible for key ESG areas such as HR, compliance, legal or marketing and communication. In addition, the members of the ESG Committee are the so-called ESG Movers, i.e. representatives from each area of the company responsible for the operational implementation of ESG topics. The leader of the ESG Committee, who directs the work of the ESG Committee, is the ESG Manager. The members of the ESG Committee are appointed and/or dismissed by the CEO of the RE Group.
- The tasks of the ESG Committee include:
  - Approval of the RE Group's ESG strategy and objectives;
  - Monitoring the implementation of the RE Group's ESG Strategy;
  - Holding the organisational units and/or individuals in the RE Group identified as owners of specific goals and/or ESG goal related strategic initiatives accountable for the achievement of ESG goals;
  - Overseeing the ESG data reporting process and ensuring the accuracy of the reported data;

- Overseeing the processes related to the identification of material impacts and ESG risks for the company and the approach to managing and mitigating them;
- Ensuring that the RE Group's practices comply with ESG and sustainability regulations.
- The results of the work of the RE Group ESG Committee are reported to the RE Group Supervisory Board at least once a year.
- Detailed information on the activities of the ESG Committee can be found in the Rules of Procedure of the ESG Committee.

## **5. ESG Risk Management**

- ESG Risk Management is part of the RE Group's risk management process, which is coordinated by the Risk Management Office with the support of the ESG Manager.
- The ESG Committee is responsible for monitoring the ESG Risk Management process in the RE Group.
- The foundation for the management of ESG Risks is an analysis of potential impacts, risks and opportunities, on the basis of which an ESG Risk Management Plan is developed with the aim of mitigating identified potential material risks to the RE Group's operations.
- ESG risks are risks arising from environmental (including climate), social and corporate governance factors that the company must consider and manage. These risks are identified taking into account, among other things, the company's list of social and environmental impacts and the expectations of the company's key stakeholders, and are then assessed in terms of the likelihood of occurrence and the severity of the consequences for the RE Group.
- The review process of materiality, impacts and ESG risks is carried out annually.
- The final assessment of which ESG risks are likely to have a significant impact on the organisation's operations and financial performance is approved by the Respect Energy Group's Management Board, following recommendations in this regard from the Group ESG Committee to the Management Board.

## **6. ESG/sustainability data reporting**

- RE Group is committed to reporting ESG data on a regular (annual) basis.
- The ESG unit is responsible for coordinating the data reporting process.
- The ESG Committee is responsible for approving the ESG report.

## **7. Role of the Management Board**

- The management of the Respect Energy Group as well as the boards of all companies in the Respect Energy Group actively monitor and manage ESG issues, integrating them into the company's business strategy.
- The Management Board of the RE Group as well as the Boards of Directors of the RE Group companies are competent in the area of sustainability and are continuously improving their skills in this area.
- The achievement of annual targets in the ESG area is linked to the remuneration system and influences their bonuses.

## **8. Ownership and review of the Policy**

This document has been developed by the ESG Manager. The owner of this Policy is the Management Board of Respect Energy Holding S.A.. The Policy comes into force upon signature and is subject to an annual review.

## **VI. Conclusion**

The Respect Energy Holding Group is committed to continuous improvement in ESG, taking care of sustainability and responsibility towards the environment, society and stakeholders. Our ESG policy is an integral part of our 2024-2027 Sustainability Strategy.

This Policy was approved by the Management Board of the Respect Energy Group on 11<sup>th</sup> of May, 2024.



#### APPENDIX I: ESG and sustainability documents of RE Group

- Respect Energy Group's Sustainability Strategy 2024-2027
- Responsible Supplier Code, including:
  - ESG Supplier Assessment Procedure
  - ESG survey questionnaire
- Rules of Procedure of the ESG Committee
- RE Group Code of Ethics

#### APPENDIX II: REGULATIONS, GUIDELINES AND STANDARDS THAT FORM THE BASIS OF THIS POLICY

- UN Sustainable Development Goals;
- 10 Principles of the UN Global Compact
- ISO 26000
- 2015 Paris Climate Agreement;
- Task Force for Climate Related Disclosures (TCFD)
- Task Force for Nature Related Disclosures (TNFD)
- United Nations (UN) Universal Declaration of Human Rights;
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
- UN Guiding Principles on Business and Human Rights;
- The Fundamental Conventions of the International Labour Organisation (ILO);
- ILO Declaration on Fundamental Principles and Rights at Work and ILO Core Conventions,
- UN Convention on the Rights of Persons with Disabilities,
- the European Convention on Human Rights, the Revised European Social Charter and the Charter of Fundamental Rights of the European Union;