

Premier Energy Distribution

ENVIRONMENTAL AND SOCIAL ACTION PLAN

Decision regarding the necessary resources to implement ESAP and split between internal resources and external consultants is pertaining to the Premier Energy Distribution

It is important to mention, that all the commitments of ESAP plan are subordinated to the main requirements of the company's activity, no-disruption of the distribution process and low cost - high efficiency regarding the consumers. In case if any of action will go against this principles, the actions will be necessary to revise and adjust.

No.	Action	Requirement (Regulatory, EBRD PRs, EIB Standards, Best Practice)	Resources recommendation, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation
0	Report to the Lenders the results of Project Environmental, Health and Safety and Social (EHSS) monitoring and performance, including the implementation status of each of this ESAP elements.	EBRD PR1, EIB Standard 1, Best Practice	Resources: Own resources Responsibilities: Premier Energy Distribution	Annually, by end of Q1 for the previous year, starting from 2023	Environmental and Social Reports on monitoring results and on the implementation status of each ESAP requirement below.
Assessment and Management of Environmental and Social Risks and Impacts – EBRD PR1 / EIB Standard 1					
1.1	<p>Define and implement an E&S Screening of projects implemented by the Company, to be performed for each project upfront execution works initiation. This applies for new works only (expansion of the network): this screening is not needed if the works do not involve additional footprint.</p> <p>Outcomes of the E&S Screening should be adequate to inform on required mitigation and on contractors supervision needs during works execution.</p> <p><i>The E&S Screening is to include the review of potential risks and impacts in relation to the project's location and the specific environmental and social local conditions (land-related impacts/restrictions, tangible and intangible Cultural Heritage included) in addition to the review of the assessment performed for the project at the permitting stage. In addition to screening for associated environmental impacts, the E&S screening to address social aspects including vulnerable groups and land aspects as well as cultural heritage impact risks.</i></p> <p><i>The E&S Screening could potentially be implemented through expanding existing projects' OHS risks review process (according to the Prior Control, Documented Inspections and Coordination Procedure). Implementation of a similar checklist-based approach for the projects' E&S</i></p>	EBRD PR1 / EIB Standard 1, Best Practice	Resources: Own resources. Responsibility: Premier Energy Distribution	E&S Screening Procedure in place by Q1 2023. E&S Screening implementation: open-ended starting Q2, 2023	E&S Screening Procedure in place and available for Lenders review. Documented records of E&S Screening implementation available for Lenders review upon request.

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	<i>screening is considered appropriate.</i>				
1.2	<p>Perform a Needs and Capabilities Analysis aimed at determining opportunity of adjusting the organizational setup by placing the environmental and health and safety management staff within the same organizational unit of the Company. The Needs and Capabilities Analysis exercise is to also confirm adequacy of staff resources to address the environmental, health and safety, social and security issues associated with Company operations, including implementation of this ESAP.</p> <p>Implement organizational setup changes (e.g. provision of additional resources or reallocation of functions and responsibilities within the Company organization) in case if needed according to the Needs and Capabilities Analysis outcomes.</p> <p><i>Aim of such organizational setup eventual adjustment, if deemed warranted, would be the optimization of the environmental and health and safety management process given the close cooperation required between indicated staff, particularly related to field/compliance supervision and reporting. The Needs and Capabilities Analysis may be performed in the frame of the management review process as triggered by the implemented ISO-accredited management system.</i></p>	EBRD PR1 / EIB Standard 1, Best Practice	<p>Resources: Own resources.</p> <p>Responsibility: Premier Energy Distribution Management</p>	<p>Needs and Capabilities Analysis by Q1 2023.</p> <p>Organizational adjustment (as needed) by Q2, 2023</p>	Needs and Capabilities Analysis outcome report available for Lenders review.
1.3	Expand existing standards and procedures for contractors to address in addition to Occupational Health and Safety aspects the projects E&S risks	EBRD PR1 / EIB Standard 1, Best Practice	Resources: Own resources.	Updated procedures for contractors and addressing	Updated procedures in place and available for Lenders review.

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	during works execution including: Environmental, Community Health and Safety, Labour and Working Conditions (including requirement for the contractors to have dedicated grievance procedure in place).		Responsibility: Premier Energy Distribution Implementation of the procedures: Contractors	projects E&S risks in place by Q2 2023.	Documented records of requirements for contractors to apply updated procedures, available for Lenders review upon request.
1.4	Update the Health and Safety standards and procedures for contractors available on the Company's website to reflect current practices, as implemented by Premier Energy Distribution.	EBRD PR1 / EIB Standard 1, Best Practice	Resources: Own resources. Responsibility: Premier Energy Distribution	Updated procedures available on Company's website by Q-1, 2023.	Updated procedures published on Company's website
1.5	Maintain management system accreditation and certification in line with ISO 9001:2015 (Quality), ISO 14001:2015 (Environments) and ISO 45001:2018 (Occupational Health and Safety) standards.	Best Practice	Resources: Own resources. Responsibility: Premier Energy Distribution	Ongoing/open ended	Certification in line with indicated standards in place.
Labour and Working Conditions – EBRD PR2 / EIB Standard 8					
2.1	<p>Adopt and implement an operational Worker Grievance Procedure accessible to all Company employees, including non-employee workers (such as short term consultants or self-employed individuals directly hired by the Company) to ensure timely resolution of their concerns and complaints. This grievance mechanism will be shared with all workers and included into training and awareness raising activities of the Company.</p> <p>Reiterate communication to employees that in any ethics issue, including gender-based violence or harassment issue may use the Code of Ethics channel to ensure that the person making the referral will be dealt with in good faith and without fear of negative</p>	EBRD PR2 / EIB Standard 8, Best Practice	Resources: Own resources. Responsibility: Premier Energy Distribution	Worker Grievance Mechanism defined and communicated to all staff by Q1, 2023 Implementation of Worker Grievance Mechanism: open ended.	Worker Grievance Mechanism in place and available for Lenders review. Grievance Register/Records of Grievance Management implementation maintained and available for Lenders review upon request

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	consequences, while notifications will be handled confidentially and through the Code of Ethics Committee the matter will be addressed by persons with experience in ethics issues.				
Resource Efficiency and Pollution Prevention and Control – EBRD PR3 / EIB Standard 3					
3.1	Perform environmental contamination investigations at and in the vicinity of the transformer oil storage tanks area. The environmental investigations are to consist of sampling and analysis of soil and shallow groundwater and aimed at determining potential hydrocarbon contamination of soil and groundwater	EBRD PR3 / EIB Standard 3, Best Practice	Resources: External specialized contractor and Own resources. Responsibility: Premier Energy Distribution	Environmental investigation completed by Q3, 2023	Proposed sampling programme and analytical laboratory schedule provided for Lenders' review and confirmation upfront of survey initiation. Environmental investigation report in place and available for Lenders review.
3.2	Implement any required soil and groundwater decontamination and monitoring in response to the results of the investigations performed under item 3.1.	EBRD PR3 / EIB Standard 3, Best Practice	Resources: External specialized contractor and Own resources. Responsibility: Premier Energy Distribution	Site environmental decontamination and monitoring programme defined by Q4, 2024. Implementation of site environmental decontamination and monitoring, according to defined programme schedule.	Site environmental decontamination programme in place and available for Lenders review. Reports on site environmental decontamination and monitoring in place and available for Lenders review.
3.3	Update the Waste Management Plan to align with national regulatory requirements and good industry practice by addressing the as a minimum following aspects: <ul style="list-style-type: none"> ■ Definition of waste identification, categorisation, codification and segregation; ■ Provision of details regarding wastes storage and labelling requirements; 	National regulatory requirements, EBRD PR3 / EIB Standard 3, Best Practice	Resources: Own resources (external specialized contractor support if needed). Responsibility: Premier Energy Distribution	Amended Waste Management Plan in place by Q-2, 2023. Implementation of amended Waste management Plan: open ended.	Waste Management Plan in place and available for Lenders review. Records of Waste Management Plan implementation available to Lenders review upon request.

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	<ul style="list-style-type: none"> ■ Clarification of responsibilities for wastes handling including storage, shipping and disposal; ■ Waste tracking requirements and associated documentation/waste tracking forms and recording; ■ Waste reporting. 				
3.4	Dispose of all PCB-containing equipment currently in storage through specialised and adequately licensed services providers.	EBRD PR3 / EIB Standard 3, Best Practice	Resources: Own resources. Responsibility: Premier Energy Distribution	By end of 2023	Formal confirmation of PCB-containing equipment to Lenders.
Health, Safety and Security – EBRD PR4 / EIB Standard 9					
4.1	<p>Define and implement a program of measures to reduce the occurrence incidents involving Company staff and third parties, in the light of current accident statistics, and in particular related to the Company's high risk activities, including but not limited to:</p> <ul style="list-style-type: none"> ■ work at height and electrical works, ■ work instructions for each type of activities, ■ vehicle traffic safety. <p>In case of necessity, the Company to revise existing H&S procedures to implement thorough field safety management planning, including, but not limited to, measures such as enhancing practical training sessions for high-risk works, improved H&S field works supervision, transportation routes and sensitivities, provision of defensive driving courses to all relevant employees, etc.</p>	EBRD PR4/ EIB Standard 9, Best Practice	Resources: Own resources. Responsibility: Premier Energy Distribution	Acton plan completed by Q-1, 2023 Implementation of improved procedures/work practices: open ended	Action plan available for Lenders review. Incident/Accident statistics show decreasing trend; target: do all actions which could depend on company in order to avoid fatal and serious accidents occur.

No.	Action	Requirement (Regulatory, EBRD PRs, EIB Standards, Best Practice)	Resources recommendation, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation
4.2	<p>The Company to revise existing H&S procedures to address Community Health and Safety risks and implement any required measures aimed at reducing incidents involving third parties.</p> <p>Complementary to the risk assessment, as part of the Company's stakeholder engagement (refer to ESAP elements 10.1 – 10.2), prepare and communicate to local relevant authorities and in communities a H&S guide for community. The Guide should include, but not be limited to, hazards and risks associated with the Company's activities, health and safety responsibilities of the Company and the community members, measures and plans to prevent accidents.</p>	EBRD PR4/ EIB Standard 9, Best Practice	Resources: Own resources, Responsibility: Premier Energy Distribution	Action plan completed by Q1, 2023. Implementation of measures to reduce third party incidents and of the community engagement as per defined schedule.	<p>Action plan available for Lenders review.</p> <p>Incidents/Accidents involving community members show decreasing trend; target: do all actions which could depend on company in order to avoid fatal and serious accidents occur.</p>
4.3	Revise the internal procedures related to emergency situations in order to assure that there are sufficient measures that will be taken to protect community health and safety during a natural disaster event, as appropriate for the area.	EBRD PR4/ EIB Standard 9, Best Practice	Resources: own resources Responsibility: Premier Energy Distribution	By Q2, 2023	Procedure with actions to be taken in case of natural disasters in place and available for Lenders review
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement – EBRD PR5 / EIB Standard 6					
5.1	Describe in an internal Damage Prevention and Compensation procedure the measures applied by the company in order to prevent, mitigate or including compensate the eventual damage from realized works to land users.	National Regulatory Requirements, EBRD PR5/ EIB Standard 6, Best Practice	Resources: own resources Responsibility: Premier Energy Distribution	Procedure defined by Q1, 2023	<p>Procedure in place and available for Lenders review.</p> <p>Records of procedure implementation available to Lenders review upon request.</p>
5.2	Disseminate the Compensation Procedure online on the Company website	National Regulatory Requirements, EBRD PR5/ EIB Standard 6, Best Practice	Resources: own resources Responsibility: Premier Energy Distribution	Compensation Procedure in place and published on Company website: by Q1, 2023.	Procedure available on Company website.

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Biodiversity Conservation and Sustainable Management of Living Natural Resources – EBRD PR6 / EIB Standard 4					
6.1	For each new expansion network project implemented by the Company determine whether it interferes with the natural protected areas. In the case of those projects located in protected areas, notify and consult the environmental authorities on the level of environmental assessment required, in line with the national regulatory provisions.	National regulatory requirements, EBRD PR6 / EIB Standard 4, Best Practice	Resources: Own resources. Responsibility: Premier Energy Distribution	For each new expansion network project, before initiation	Records of authority notification and consultation. E&S Assessment of project impacts in line with authorities requirements.
6.2	<p>Develop a mapping tool allowing accurate determination of Company's existing and planned electrical infrastructure interaction (HV, MV, LV lines inclusively) with the natural protected areas. The mapping tool to use as basis the Emerald network¹ GIS mapping data available on the public domain.</p> <p><i>The mapping tool should be used for:</i></p> <ul style="list-style-type: none"> ■ <i>identification of specific biodiversity conservation mitigation measures (for their inclusion in works specifications and method statements) to be implemented by own staff and by contractors during the execution of Project works and during ongoing operational and infrastructure maintenance activities</i> ■ <i>In conjunction with the Emerald database of species of conservation interest for each protected area, the Company may use the mapping tool to identify high-risk bird electrocution areas (e.g. areas accommodating relevant populations of protected species) in support of bird electrocution mitigation programme (refer to line 6.4 below).</i> 	EBRD PR6 / EIB Standard 4, Best Practice	Resources: Own resources. Responsibility: Premier Energy Distribution	Mapping tool in place by Q4, 2024. Use of tool: open ended	mapping tool operational
6.3	Perform a review of the Company's procedure for managing bird interactions (PS.830.DE) and associated implementation practices in order to	EBRD PR6 / EIB Standard 4, Best Practice	Resources: Own resources. Responsibility:	Procedure in place and published on Company website: by Q4, 2024.	Procedure available on Company website

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	actualize and to take into consideration the best industry practices.		Premier Energy Distribution		
6.4	Expand existing standards and procedures for contractors to address the revised Company's procedure for managing biodiversity aspects during works execution.	EBRD PR6 / EIB Standard 4, Best Practice	Resources: Own resources. Responsibility: Premier Energy Distribution Implementation of the procedures: Contractors	Amended procedures by Q3, 2023 Implementation of procedure and improved practices: open ended	Procedure in place and available for lenders review. Documented records of requirements for contractors to apply updated procedures, available for Lenders review upon request
Cultural Heritage – EBRD PR8 / EIB Standard 10					
8.1	Amend Company E&S procedures and the specifications for contractors to include a Chance Finds Procedure for implementation by contractors at all projects involving trenching excavation works.	EBRD PR8 / EIB Standard 10, Best Practice	Resources: External support and own resources, as needed. Responsibility: Premier Energy Distribution	Chance Finds Procedure in place by Q2 2023 Implementation of Chance Finds Procedure: open ended	Procedure in place and available for lenders review. Records of implementation available to Lenders upon request.
Information Disclosure and Stakeholder Engagement – EBRD PR10 / EIB Standards 2 and 7					
10.1	Take ownership over the proposed Stakeholder Engagement Plan (SEP) (delivered following the E&S Due Diligence), further refine and detail engagement activities program and implement the SEP.	EBRD PR10 / EIB Standard 2 & 7, Best Practice	Resources: Own resources. Responsibility: Premier Energy Distribution	SEP available on Company's website in Q-1, 2023 and locally disclosed starting Q-1, 2023	SEP available on Company website and locally disclosed alongside NTS. Records of SEP implementation available to Lenders upon request.
10.2	Update SEP (as a living document) as new stakeholders are identified and in response to consultations to integrate performed stakeholder engagement outcomes.	EBRD PR10 / EIB Standard 2 & 7, Best Practice	Resources: Own resources. Responsibility:	Updated SEP in place by end of Q1 each year, or more frequently if required (the first in 2024, as actual	Updated SEP available on Company website and locally disclosed.

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			Premier Energy Distribution	will be published in 2023 in point 10.1)	Records of Updated SEP implementation available to Lenders upon request.