

No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
<b>PR1 Assessment and Management of Environmental and Social Impacts and Issues</b>							
1.1	The Company will maintain EHS management system including certification to: ISO 9001, ISO 14001, ISO 50001 and ISO 45001. Certification to be extended to SPP Korlat, Apply existing quality and environment management system according to ISO 9001 and ISO 14001 system in the management of the project.	Maintain and develop certification systems. Optimisation of environmental management through a formalised system. Provide resources for training and monitoring of emissions.	EBRD PR1 Best practice	Internal and external	Ongoing	EHS management certification of Company and key assets Annual Project Progress Report to the Bank.	
1.2	Incorporate relevant conditions into tender documents and contractual agreements with third party employers (contractors working on project sites or perform work) to meet the requirements of client's EMS.	Assurance that contractors have the knowledge and skills to perform their project tasks in accordance with the contract conditions; especially related to the environmental and social issues.	EBRD PR1	Own resources/ external consultant	For contractual agreements in all project phases: - Preparation of Detailed design, - Issuance of construction permits - Project construction, - Construction supervision	Annual Project Progress Report to the Bank.	

No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
					- Issuance of operation permits		
1.3	Appoint responsible person(s) for regular monitoring of project development related to the project's environmental and social performance and third party (independent experts) to complement or verify this monitoring and create annual report on project's progress to the EBRD.	Reporting of project progress to the EBRD	EBRD PR1	Own resources, external consultant (part of the overall external technical supervision), Cost of Annual progress report preparation Investment needs included in the Investment programme	Annually	Annual Project Progress Report to the Bank.	
1.4	The company will establish and implement a contractor management system including: (i) compliance requirements and checklist; (ii) criteria for the screening, qualification review and selection of contractors; (iii) reporting requirements, and (iv) monitoring and audit procedures.	Assurance that contractors have the knowledge and skills to perform their project tasks in accordance with the contract conditions; especially related to the environmental and social issues.	EBRD PR1	Own resources/ external consultant	For contractual agreements in all project phases: - Preparation of Detailed design, - Project construction, - Construction supervision	Annual Project Progress Report to the Bank.	
1.5	In bidding documents, require any Contractor to prepare and submit to HEP's approval an Environmental Social and	Assurance that contractors have the knowledge and skills to perform their	EBRD PR1	Own resources/ external consultant	For contractual agreements in all project phases:	Contract clauses in line with PR1.	

No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
	<p>Health &amp; Safety Management Plan.</p> <p>Establish a contract value limit (e.g. 20 M€) above which contractors shall have an integrated management system in place (i.e. certified ISO9001, ISO14001 and 45001 or equivalent).</p> <p>For the avoidance of doubt, this obligation is not required for purchases of goods and commodities for trading/supply and inventory needs.</p>	<p>project tasks in accordance with the contract conditions; especially related to the environmental and social issues.</p>			<ul style="list-style-type: none"> <li>- Preparation of Detailed design,</li> <li>- Project construction,</li> <li>- Construction supervision</li> </ul>		
1.6	<p>The Company to disclose non-financial information in the form of an annual CSR report in line with GRI standards for the entire group.</p> <p>Develop a corporate ESG reporting plan and ensure disclosure of ESG information provided in line with EU requirements (CSRD<sup>1</sup>).</p> <p>Update the existing</p>	<p>Ensure public has information on Corporate Social Responsibility (Sustainability Report) in line with best practice.</p>	<p>EBRD and EU Directive on disclosure of non-financial information</p>	<p>Company internal and external</p>	<p>July 2025 Then annually before June</p>	<p>CSR report (Sustainability Report); published in Croatian and English on web site. Link provided in annual report to EBRD</p>	

<sup>1</sup> EU Corporate Sustainability Reporting Directive or/and IFRS ESG reporting standards developed by International Sustainability reporting Board (ISSB) and GRI

No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
	<p>website for ESG data and outline EHS and Social procedures and Project in operations.</p> <p>The report to include ESG information in line with EU guidance and National requirements and be updated to reflect best practices as developed by the EU including; CSRD as well as EU Taxonomy (when implemented) and future CSDD<sup>2</sup></p> <p>As part of reporting, include a commitment to disclose Climate related information in line with EU Guidelines on reporting climate-related information from July 2019.</p>						
<b>PR2</b>	<b>Labour and Working Conditions</b>						
2.1	Monitor that relevant conditions, which are put into tender documents and contractual agreements with third party employers	Assurance that fundamental principles and rights of non-employee workers are protected. Prevention	EBRD PR 2 Labour Act	Own resources/ external consultant Investment needs included in the Investment programme	For contractual agreements in all project phases:	Monitoring report	

<sup>2</sup> EU Corporate Sustainability Due Diligence Directive

No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
	(contractors working on project sites or perform work), are meet, to align with the requirements of EBRD PR 2 and Labour Act.	of forced labour and child labour.			<ul style="list-style-type: none"> <li>- Preparation of Detailed design,</li> <li>- Project construction,</li> <li>- Construction supervision</li> </ul>		
2.2	Apply provisions of accommodation for construction workers (employee and non-employee workers) to meet good international industry practice.	Assurance that fundamental principles and rights of all project workers are protected.	EBRD PR 2 EBRD/IFC Guidance Note "Workers' accommodation: processes and standards", 2009.	Contractor's responsibility. Requirement to comply with this Guidance to be included in the contract: HEP's responsibility. Investment needs included in the Investment programme	During construction (2024 – 2025)	Evidence of Compliance with EBRD/IFC Guidance Note "Workers' accommodation: processes and standards", 2009.	
2.3	Ensure that solar supply chain risks are adequately managed via the tender documentation and procurement processes and monitor implementation by the EPC Contractor	Assurance that E&S considerations are extended through PV supply chain	EBRD PR 1 EBRD PR 2	HEP own resources	Procurement Phase for Tender documentation Construction phase for monitoring	Tender documentation  Monitoring reports	
2.4	EPC Contractor to provide supply chain documentation sufficient for risk assessment focusing on the risk of	Assurance that E&S considerations are extended through PV supply chain	EBRD PR 1 EBRD PR 2	EPC Contractor  Supervision Engineer to review risk assessment together with Client	Acceptance by the EBRD prior to approval of the proposed PV panel type and	Non-objection by the EBRD prior to approval of the proposed PV panel type and	

No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
	forced labor in the PV panel supply chain in accordance with EBRD's policy/guidelines.				manufacturer and closing of the contract.	manufacturer and closing of the contract.	
2.3	Customers' management training: include in the annual "staff management plan" annual training and team work on angry/rude customer management for the staff interacting with the public (service centres, call centres, meter readers...)	Assurance that client has adopted measures to effectively prevent and address any form of violence, harassment, including sexual harassment, exploitation and abuse, gender- based violence, bullying, Intimidation, and/or exploitation.	Good practice	Own resources/ external consultant	Operation phase	Prepared "staff management plan" Records of annual training and team work	
<b>PR3</b>	<b>Resource Efficiency and Pollution Prevention and Control</b>						
3.1	Comply with issued decisions on screening (need for EIA) and prescribed mitigation measures	Minimization of project's impact during construction and operation.	National and EU legislation/ Permit conditions EBRD PR 3	Resources: External consultant for preparation of documentation, construction, commissioning. Equipment supplier Investment needs included in the Investment programme	For construction period: 2024 – 2025 For project operation: after July of 2025	Prepared documentation Building and Operating permit issuing Annual Project Progress Report to the Bank.	

No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
3.2	HEP to manage and monitor contractor performance in relation to strategy to minimize energy usage and to re-use/recycle waste materials.	Minimization of project's impact during construction	EBRD PR 3	Resources: External consultant for preparation of documentation, construction, commissioning. Equipment supplier	For construction period: 2024 – 2025	Annual Project Progress Report to the Bank.	
3.3	Prepare and implement Waste management plan	Minimization of project's impact during construction/operation/decommissioning	EBRD PR 3	Own resources/ external consultant	During construction, operation and decommissioning	Annual Project Progress Report to the Bank.	
3.4	Use only organic and natural products/means against pests and for clearance of site vegetation	Minimization of project's impact during operation	EBRD PR 3	Own resources/ external consultant	For project operation: after July of 2025	Annual Project Progress Report to the Bank.	
3.5	Maintain grass vegetation in the environment of the project (SPV Korlat).	Minimization of project's impact during construction/operation/decommissioning	EBRD PR 3	Own resources/ external consultant	During construction, operation and decommissioning	Annual Project Progress Report to the Bank.	
3.6	Internal roads within the scope of the project should be constructed in such a way that precipitation drainage does not cause increased erosion in the surrounding terrain (SPP Korlat).	Minimization of project's impact during construction/operation/decommissioning	EBRD PR 3	Own resources/ external consultant	For construction period: 2024 – 2025	Annual Project Progress Report to the Bank.	

No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
3.7	To determine the felling of trees with the competent Forestry and harmonize it with the dynamics of construction, and to inform them about the beginning of works on the construction of the project (SPP Korlat).	Minimization of project's impact during construction/operation/decommissioning	EBRD PR 3	Own resources/ external consultant	For construction period: 2022 – 2025	Annual Project Progress Report to the Bank.	
3.8	Carry out the felled wood mass immediately after cutting the occupied area and establish and implement forest order, fire protection and protection against forest pests (SSP Korlat).	Minimization of project's impact during construction/operation/decommissioning	EBRD PR 3	Own resources/ external consultant	For construction period: 2022 – 2025	Annual Project Progress Report to the Bank.	
<b>PR4</b>	<b>Health and Safety</b>						
4.1	Apply existing Ordinance on occupational safety and internal act and procedures of implemented management system in accordance with ISO 45001 norm.	Occupational health and safety	National legislation	Own resources	For project operation: after July of 2025	Annual Project Progress Report to the Bank.	
4.2	Incorporate relevant conditions into tender documents and contractual agreements with third party	Occupational safety of construction workers	EBRD PR 4	Own resources/ external consultant	Contractual agreements for project construction	Tender documentation and contractual agreements	



No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
	employers (contractors working on project sites or perform work) to meet the requirements of occupational safety.			Investment needs included in the Investment programme			
4.3	Monitor external contractors to perform work in a safe manner. Appoint H&S coordinator during construction.	Occupational safety of construction workers	EBRD PR 4 The Occupational Health and Safety Act (OG 71/14, 118/14, 154/14 , 94/18, 96/18)	Own resources/ external consultant H&S coordinator	Project construction (2022 – 2025)	Audit reports conducted by HEP and evidence of follow up of implementation corrective actions identified during these audits	
4.4	As a part of the community safety outreach program consider public awareness actions (e.g. safety lessons in schools, post bulletins and posters warning people about safety precautions during day-to-day activities such as fishing, tree trimming etc. in the vicinity to the power lines etc.)	Community health and safety	EBRD PR10 and 4	Own resources			
4.5	When planning and organizing the construction site, take into account fire protection, and especially not to jeopardize the functionality of existing	Reduction of risk of fire.	EBRD PR10 and 4	Own resources/ external consultant H&S coordinator	For construction period: 2024 – 2025	Annual Project Progress Report to the Bank.	

No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
	fire roads and / or fire averages (SPP Korlat).						
<b>PR5</b>	<b>Land Acquisition, Involuntary Resettlement and Economic Displacement</b>						
5.1.	Conduct survey with aim to list all formal and informal users (if any) whose livelihood could be impacted by construction of solar plants and prepare an asset inventory. This will include consultation with stakeholders who have formal rights or informally use the area for hunting and identification of any livelihood impacts.	Adequate compensation is provided to the affected owners and/or users	EBRD PR 5	Own resources/ external consultant	Before the start of project construction (2022)	Survey report, including list of formal and informal users (if any) and asset inventory	
5.2	Develop and implement a Land acquisition and livelihood restoration plan (LALRP) for the solar PV where formal/informal users were present and potentially impacted by the Project	Adequate compensation is provided to the affected owners and/or users	EBRD PR 5	Own resources/ external consultant Investment needs included in the Investment programme	Before the start of project construction (2022)	Annual Project Progress Report to the Bank.	
5.3	Consultations with the affected municipalities, representatives of municipalities including	Adequate compensation is provided to the affected owners and/or users	EBRD PR 5	Own resources/ external consultant	Before the start of project construction	Minutes of meetings with list of participants and issues raised	

No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
	men and women and vulnerable groups						
5.4	Develop a completion report documenting the land acquisition and resettlement activities demonstrating that the requirements in this PR and provisions in the LARP have been met.	Adequate compensation is provided to the affected owners and/or users	EBRD PR 5	Own resources/ external consultant Investment needs included in the Investment programme	Before the start of project construction	Completion audit report	
<b>PR6</b>	<b>Biodiversity and Living Natural Resources</b>						
6.1	Implementation of prescribed mitigation measures by decisions on screening procedures (need for EIA).	All construction and operation related environmental and social issues and impacts are appropriately addressed.	EBRD PR 1 EPBRD PR 2 EBRD PR 6	Own resources/ external consultant	All project's phases	Annual Project Progress Report to the Bank.	
6.2	Secure free communication routes for small animals by ensuring free space between fence and ground (SPP Korlat,).	Avoiding habitat fragmentation.	EBRD PR 6	Own resources/ external consultant	All project's phases	Annual Project Progress Report to the Bank.	
6.3	Prevent the spread of invasive plant species in the project area by mechanical methods, without use of herbicides or other chemical substances (SPP Korlat).	Control of invasive species	EBRD PR 6	Own resources/ external consultant	All project's phases	Annual Project Progress Report to the Bank.	

No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
6.4	Retain existing vegetation on areas that will not be directly affected by construction works (SPP , Korlat).	Avoiding habitat fragmentation.	EBRD PR 6	Own resources/ external consultant	All project's phases	Annual Project Progress Report to the Bank.	
6.5	Work on the preparation of the working zone (arranging the terrain for the installation of panels and removal of vegetation) should not be performed during the period of the greatest activity of animals (SPP Korlat).	Avoiding impacts on animals.	EBRD PR 6	Own resources/ external consultant	For construction period: 2024–2025	Annual Project Progress Report to the Bank.	
6.6	After the completion of construction works, to rehabilitate the terrain with forest-technical measures and biological remediation with an autochthonous species of forest trees (SPP Korlat).	Rehabilitation works.	EBRD PR 6	Own resources/ external consultant	All project's phases	Annual Project Progress Report to the Bank.	
<b>PR8</b>	<b>Cultural Heritage</b>						
8.1	HEP to ensure that the Contractor develops and implements a Chance Finds Procedure (including provisions on notification of relevant competent bodies of found objects or sites;	Minimizing risks to cultural heritage sites.	EBRD PR 8	Contractor to develop the Procedure  HEP to approve the Procedure before start of works	Requirement included in Tender Documents. Procedure ready and in	Appropriate section in Tender Documents.  Chance Finds Procedure developed	

No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
	alerting project personnel to the possibility of chance finds being discovered; and securing the area of finds to avoid any further disturbance or destruction), and ensure that relevant staff and Contractor are trained in its requirements.				place before works begin.		
<b>PR10</b>	<b>Information Disclosure and Stakeholder Engagement</b>						
10.1	HEP to implement the Stakeholder Engagement Plan (SEP) for , SE Korlat,) , to make sure it is regularly updated so as to ensure that all stakeholders are identified, that sufficient information about issues and impacts arising from the Project and proposed mitigation measures are disclosed in a timely manner and that all stakeholders are consulted in a meaningful and appropriate way throughout project implementation.	Stakeholder engagement in project development	EBRD PR 10	Own resources/ external consultant	Before Construction Phase (SEP disclosed on HEP's website) – continue with SEP implementation and updating during construction and operation phases.	Information disseminated, documented in updated SEP. SEP disclosed Evidence of SEP implementation (minutes of meetings...) SEP requirements cascaded to contractors as appropriate	

No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
	The SEP to be updated as necessary.						
10.2	Establish and maintain an effective community grievance mechanism for the project and in line with existing corporate grievance mechanism	Ensure effective stakeholder engagement and maintain good community relations	EBRD PR 10	Own resources/ external consultant	Starting during LALRP preparation and prior to any restrictions on land access, continued during construction and operation	Grievance mechanism prepared, put in place and communicated to affected communities.  Grievance record maintained, and grievances timely managed.  Annual Project Progress Report to the Bank	
10.3	Establish permanent cooperation with hunting rights holders for the purpose of timely relocation of hunting management and hunting technical facilities to other locations or replacement with new ones, ensuring peace in the hunting ground and reporting any game loss to the competent hunting licensee (SPP Korlat).  If there are potential livelihood impacts on the rights holders, include them in the scope of the LALRP as per action 5.1	Ensure effective stakeholder engagement and maintain good community relations	EBRD PR 10	Own resources/ external consultant	Starting during LALRP preparation and prior to any restrictions on land access, continued during construction and operation	Minutes of meetings and issues raised	

No.	Action	Environmental & Social Risks (Liability/Benefits)	Requirement (Legislative, EBRD PR, Best Practice)	Resources, Investment Needs, Responsibility	Timetable	Target and Evaluation Criteria for Successful Implementation	Status
10.4	In cooperation with the competent Forestry, define access roads to the construction site, using planned or built forest infrastructure (SPP Korlat).	Ensure effective stakeholder engagement and maintain good community relations	EBRD PR 10	Own resources/ external consultant	Starting from early works, continued during construction and operation	Minutes of meetings and issues raised	