

CONFIDENTIAL

NeuConnect

HUMAN RIGHTS IMPACT SCREENING ASSESSMENT

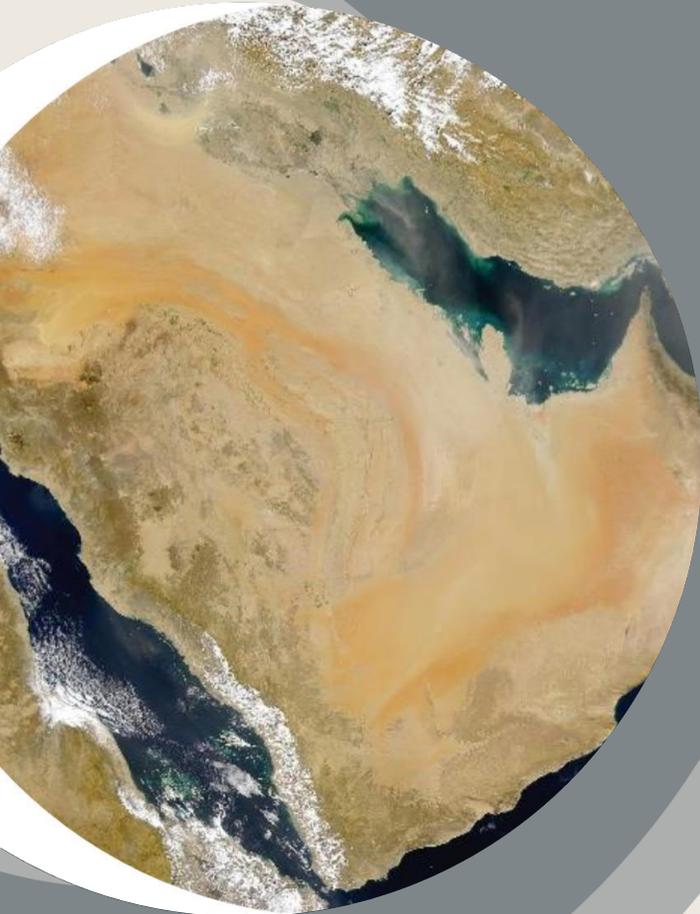
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Human Rights Impact Screening Assessment

Report

NeuConnect

November 2021

Advisian

Worley Group

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The information contained within this report is based upon desktop research, internal engagement and Advisian’s direct previous experiences and knowledge.

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The NeuConnect Interconnector (the 'Project'), is a 1400 megawatt (MW) interconnector between the UK and Germany. The Project will create the first direct electricity link between British and German energy networks; two of the largest electricity markets in Europe. The new link will create a connection for electricity to be transmitted in either direction between the UK and Germany.

The Project is being developed by Meridiam (53.5%), Allianz Capital Partners (26.2%), Kansai Electric Power (18.3%) and FiI (2%). The NeuConnect entity is a special purpose vehicle which was established for the purpose of delivering the Project. The design, installation and construction of the Project will be carried out by two Engineering, Procurement and Construction (EPC) contractors. A Project Services Consultant (PSC) will also be appointed to support NeuConnect in administering and supervising construction activities.

This human rights impact screening assessment is being undertaken to support NeuConnect in its human rights' due diligence for the Project and to further support the company in meeting international lender standards regarding human rights considerations. The objectives of the assessment are to:

- Understand the broader human rights context in the United Kingdom (UK), Germany and to an extent the Netherlands. This includes the adoption and implementation of international human rights in UK, German and Dutch legislation, regulations, and policies.
- Identify potential human rights risks, impacts and issues (including those potentially caused, contributed or directly linked to business operations, products, and services through business relationships) which could arise as a result of Project activities.
- Identify and assess existing control measures to prevent or mitigate potential human rights risks.
- Propose additional measures to further reduce residual human rights risks.

The assessment involved:

- A literature review of relevant NeuConnect policies, standards and Project documentation and a review of relevant international and national regulatory policy frameworks and standards in place to protect human rights in the Project jurisdictions. International frameworks include the Equator Principles, United Nations Guiding Principles on Business and Human Rights (UNGPs) and relevant UN and ILO conventions.
- A compliance assessment of NeuConnect's corporate and project level policies and frameworks against international and national frameworks to determine gaps and convergences in human rights.

Executive Summary

Executive Summary

- Targeted engagement with NeuConnect representatives to better understand key project information, risks and issues- which will feed into the screening assessment.
- Human rights impact screening assessment in the context of UNGPs, Equator Principles, UN and ILO Conventions to allow for the assessment of the Project's activities and potential impacts on human rights. Following this recommendations were developed with further actions to reduce residual human rights risks.

The human rights themes considered for the assessment covered five categories labour rights; civil and political rights; economic, social and cultural rights; land rights and community engagement and grievances.

The assessment identified that without mitigations and safeguards in place the greatest human rights risks which could be associated with the Project relate to labour rights and the right to health. However, as the Project will be developed in jurisdictions with strong measures in place to protect human rights, in alignment with international UN and ILO conventions – this risk is reduced. The potential risks are further reduced as NeuConnect as a company has developed policies and documents in line with international guidance, such as the Equator Principles as well as national regulatory requirements. It should also be noted that the preferred contractors for the Project's EPC roles also have in place a suite of policies and procedures to protect workers and community from human rights violations. As a result, the post mitigation significance of the human rights included in this assessment were all rated as minor or negligible at this stage of the Project.

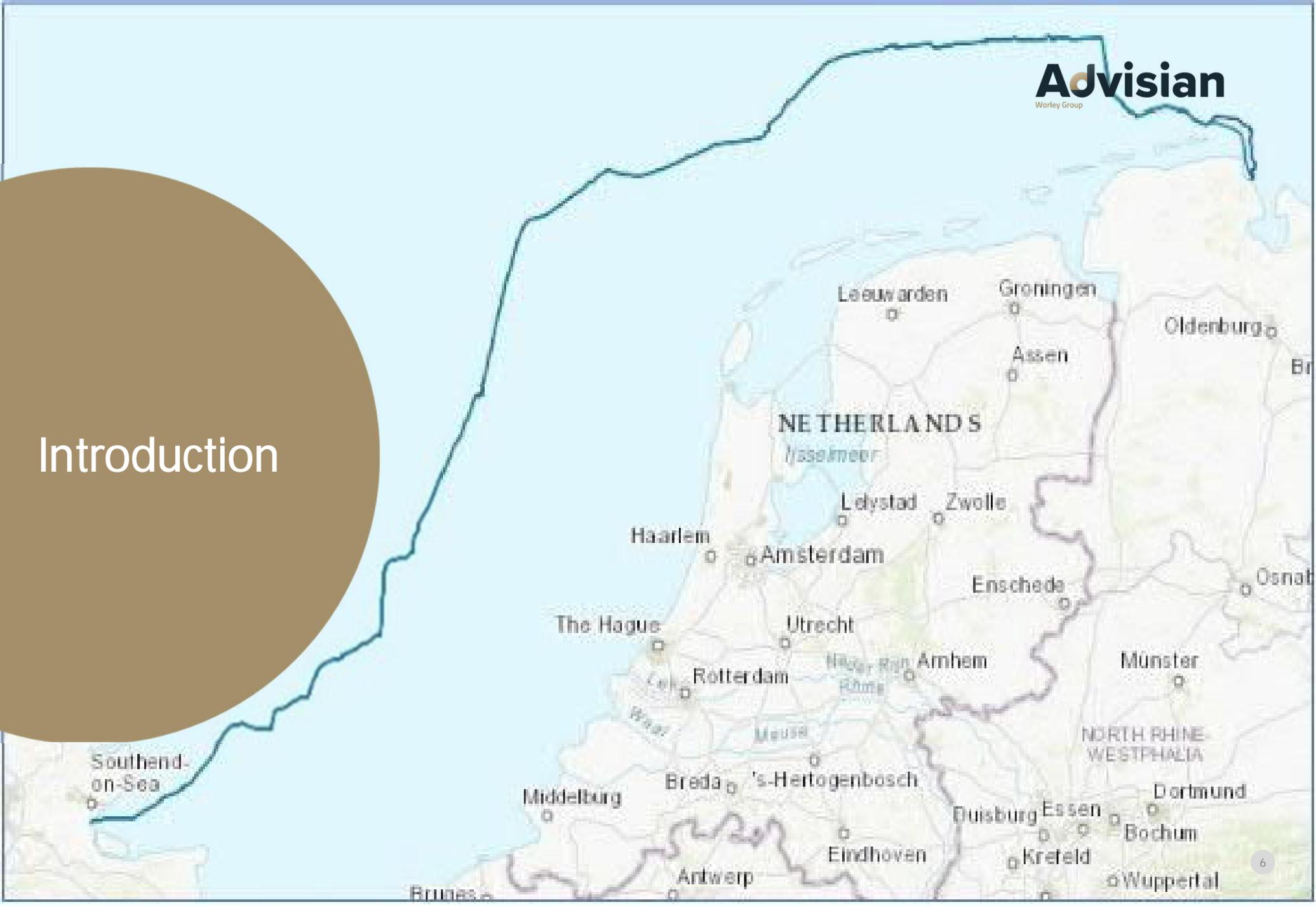
As human rights due diligence is an ongoing process, regular monitoring is required to understand whether mitigation measures are working and to remedy issues as they arise. Essential to this process is engagement with external rights holders to assess the integration and effectiveness of the measures in place.

As this assessment is being carried out prior to the commencement of construction it is recommended that an assessment, involving engagement with external stakeholders, is carried out within 12 to 18 months of construction commencing to identify whether the measures developed and or proposed at this stage of the Project are effective in preventing, minimising or mitigating human rights issues.

NeuConnect may also wish to consider actioning the following overall recommendations as well as the recommendations per theme contained within this report:

- Developing a stand alone Human Rights Policy, highlighting the Company's commitment to human rights in alignment with UN Declaration of Human Rights; UN Guiding Principles; ILO Conventions; other UN conventions as required.
- Developing a human rights risk control register, either as stand alone or within the environmental compliance register to track performance against human rights risks.

Introduction

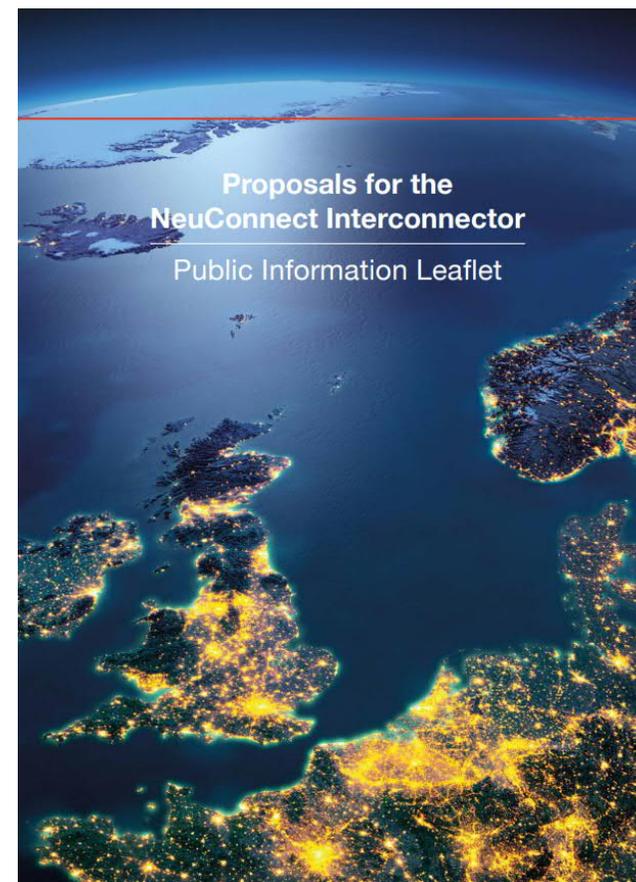


Purpose and Objectives

This human rights impact screening assessment is being undertaken by Advisian, an independent environmental and social consultant, to support NeuConnect in its human rights due diligence for the NeuConnect Interconnector Project and to support the company in meeting international lender standards regarding human rights considerations.

The objectives of this assessment are to:

- Understand the broader human rights context in the United Kingdom (UK), Germany and to an extent the Netherlands. This includes the adoption and implementation of international human rights in UK, German and Dutch legislation, regulations, and policies.
- Identify potential human rights risks, impacts and issues (including those potentially caused, contributed or directly linked to business operations, products, and services through business relationships) which could arise as a result of Project activities.
- Identify and assess existing control measures to prevent or mitigate potential human rights risks.
- Propose additional measures to further reduce residual human rights risks.

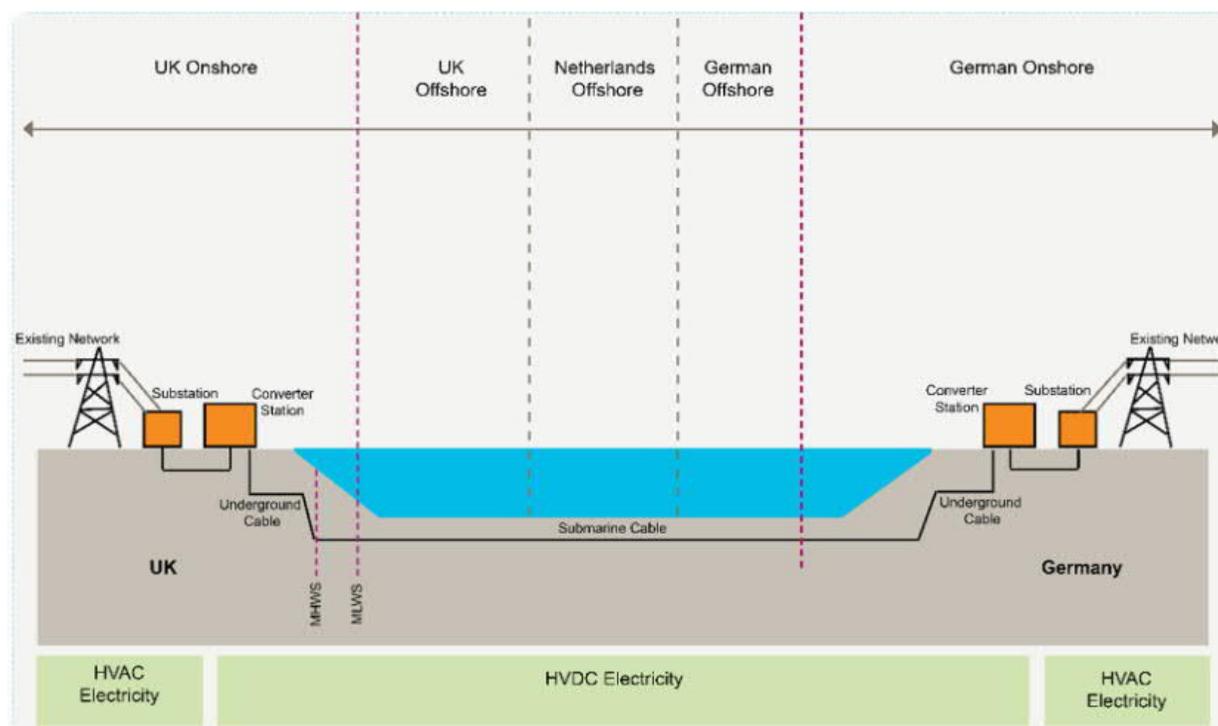


Project Overview

The NeuConnect Interconnector (the 'Project'), is a 1400 megawatt (MW) interconnector between the UK and Germany. The Project will create the first direct electricity link between British and German energy networks; two of the largest electricity markets in Europe. The new link will create a connection for electricity to be transmitted in either direction between the UK and Germany.

The Project comprises approximately 700 kilometres (km) of subsea and underground High Voltage Direct Current (HVDC) cables, with onshore converter stations linking into the existing electricity grids at Grain in Great Britain and at Wilhelmshaven in Germany. The subsea cables will traverse through British, Dutch and German waters.

NeuConnect was granted Project of Common Interest (PCI) status by the European Commission in 2019 (NeuConnect, n.d).



Project Overview- UK – onshore site location

- The UK onshore project area (68 ha) is located 0.5km west of the settlement of Grain, within Medway Council. It is centred on the Isle of Grain located at the tip of the Hoo Peninsula between the Thames Estuary to the north and the Medway Estuary to the south. The only road access to the peninsula is from the B2001/ Grain Road.
- Land use surrounding the Project area comprises a mix of industrial development to the south, the small settlement of Grain to the southeast and undeveloped land, much of which is designated for ecological interests, to the north (along the coastline) and to the west, with a few small areas of brownfield and agricultural land. To the west of the Project area there are some additional unnamed properties and Rose Court Farm.
- Land within the Project area and its immediate vicinity has historically been used for the extraction of gravel and sand (AECOM, 2019).

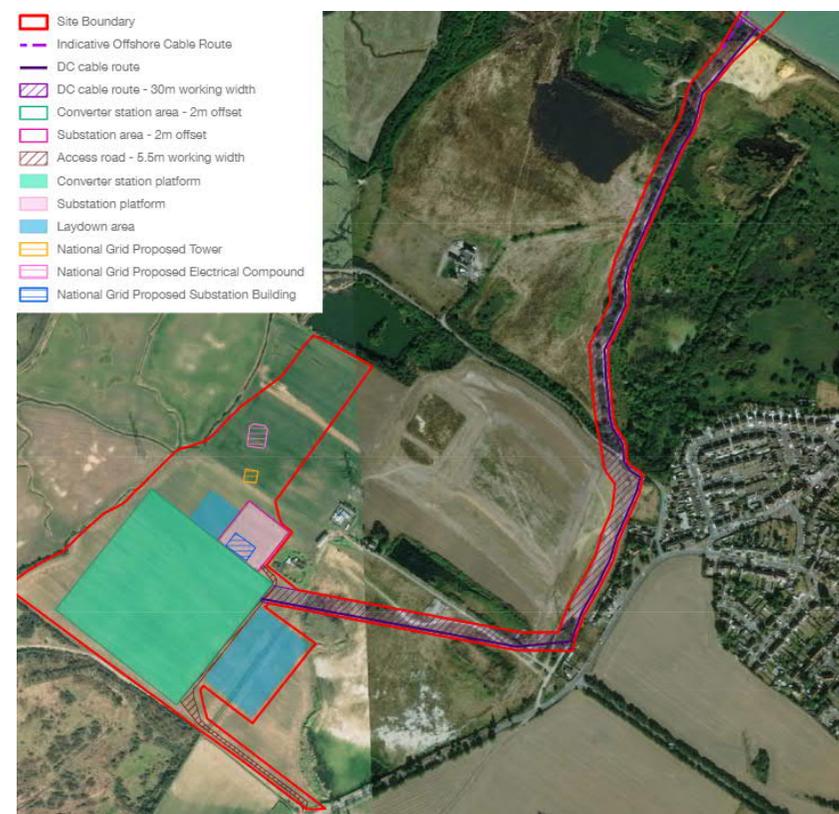


Source: NeuConnect, Public Information Leaflet, n.d

Project Overview- UK – onshore elements

- A landfall location, where the high voltage subsea cables will be brought ashore to connect the offshore cables to the onshore cables, on the north coastline of the Isle of Grain.
- Underground direct current ('DC') cables running from the landfall location to the new Converter Station, located approximately 2km inland.
- Construction of a new converter station, located to the south-west of Grain village, primarily comprising buildings containing specialist electrical equipment. The building roofline will vary in height, but will be a maximum of 26 m at its peak.
- Construction of a new substation, to be undertaken by National Grid and located to the north of the proposed Converter Station, to connect the Converter Station to the National Electricity Transmission System (NETS) for distribution across the existing network in Great Britain; and
- Alternating current ('AC') cables, connecting the new substation and Converter Station (NeuConnect, Public Information Leaflet, n.d)

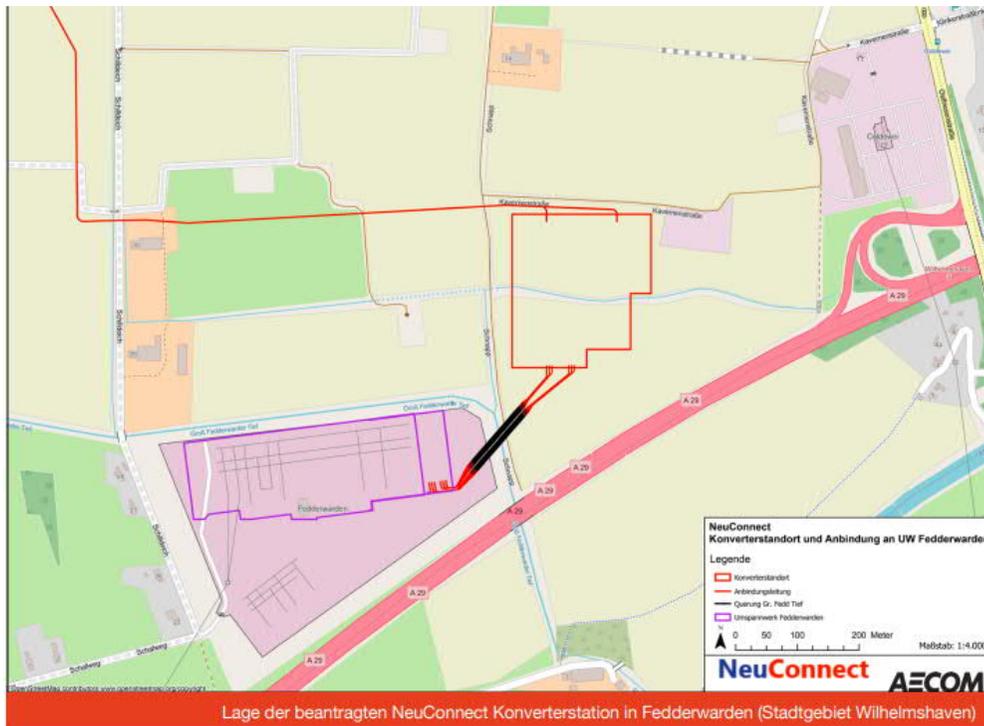
National Grid will also undertake a limited amount of work to their existing network, including changes to the existing pylons close to the proposed new substation, or the relocation of the existing pylon currently located to the west of the proposed substation and Converter Station; and construction of a new connection between the existing overhead line and the new substation.



Source: NeuConnect, Public Information Leaflet, n.d

Project Overview-Germany – onshore site location

- The German onshore project area is located in Wilhelmshaven, Lower Saxony, on the western side of the Jade Bight in the North Sea.
- The converter station (requiring land of 10 ha) will be located within immediate vicinity of the TENNET-owned Fedderwarden substation in Wilhelmshaven.
- Land surrounding the converter station is a mix of agricultural and industrial land (Fedderwarden substation).



Project overview-German – onshore elements

- A landfall location, where the high voltage subsea cables will be brought ashore to connect the offshore cables to the onshore cables, located at Wilhelmshaven.
- Underground ('DC') cables running from the landfall location to the Converter Station- 12.5km in length.
- Construction of a new converter station, located in close proximity to the Fedderwarden substation, primarily comprising buildings containing specialist electrical equipment. The building roofline will vary in height, but will be approximately 26 m at its peak.
- Underground AC cables connecting the new Converter Station and Fedderwarden substation. The locations of the German onshore elements of the project were largely arrived at as a result of the connection point designated by TENNET, the German transmission system operator (NeuConnect, Public Information Leaflet, n.d)



Source: NeuConnect, Public Information Leaflet, n.d

Project Background

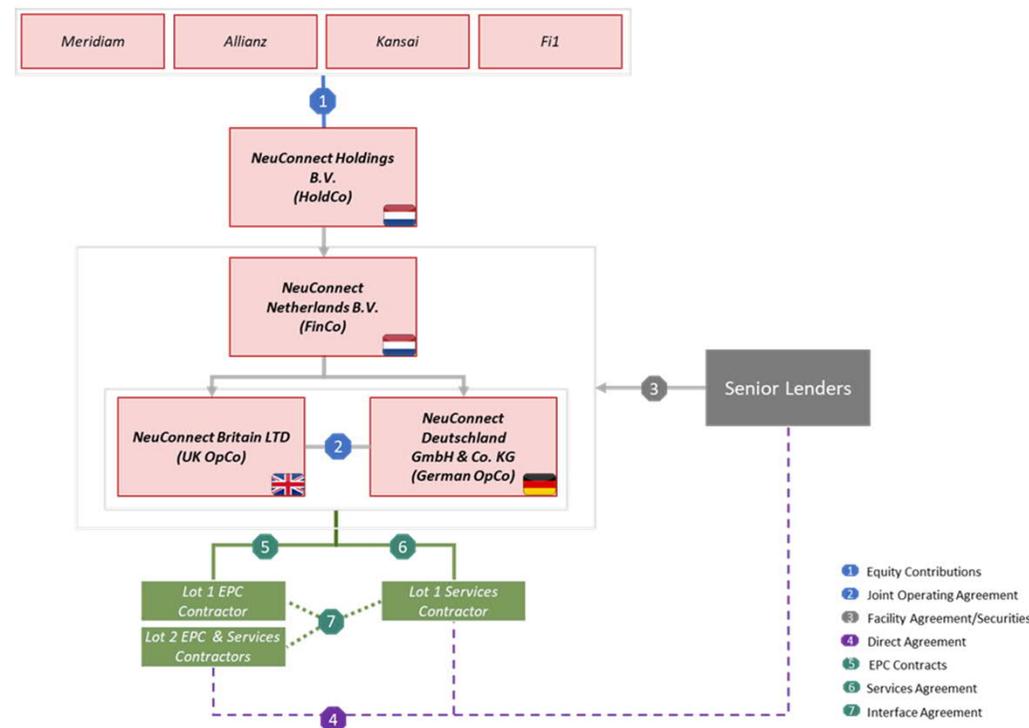
The Project is being developed by Meridiam (53.5%), Allianz Capital Partners (26.2%), Kansai Electric Power (18.3%) and Fi1 (2%). The NeuConnect entity is a special purpose vehicle which was established for the purpose of delivering the Project.

Governed by a Board of Management, the NeuConnect entity currently consists of few direct employees. The majority of individuals and companies engaged are sub-contracted and possess skills and experience to provide technical, financial and administrative support to facilitate initial Project requirements and the due diligence required for the procurement and appointment of appropriate specialist parties, who will then deliver the detailed design, installation, construction and operation of the completed facilities.

This includes the appointment of two separate Engineering, Procurement and Construction Contractors (EPC) as well as a Project Services Consultant (PSC). The EPC contracts will be as follows:

- Lot 1: HVDC converters, AC connections and substations.
- Lot 2: HVDC cable system, on and offshore.

The PSC will be engaged to assist NeuConnect in contract administration and supervision of all construction activities. Following financial close and throughout the construction phase, NeuConnect will evolve into an established organisation with additional direct employees (Société Générale, 2021). The EPC and PSC contracts will be awarded in November / December 2021.

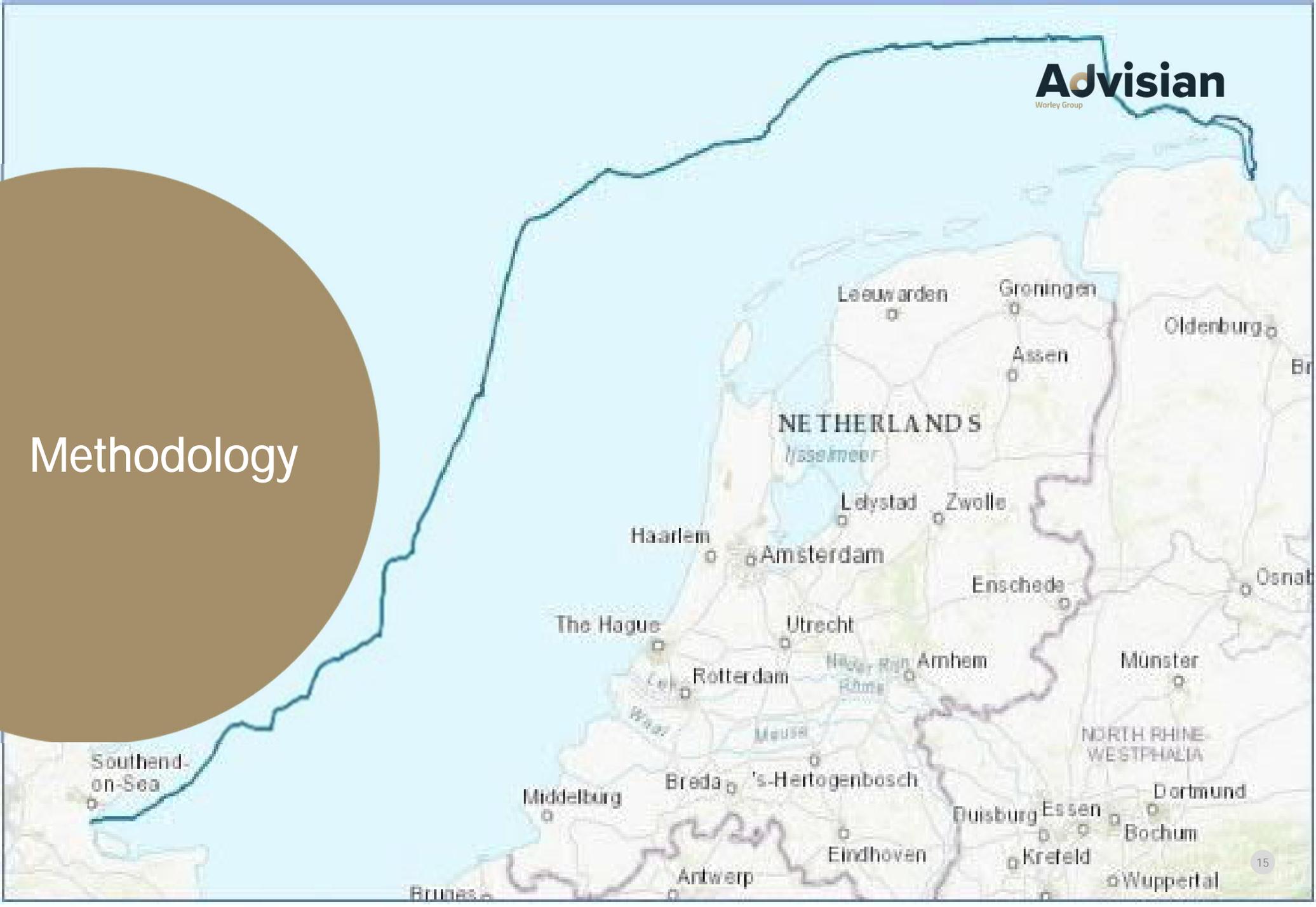


Source: Societe Generale, 2021

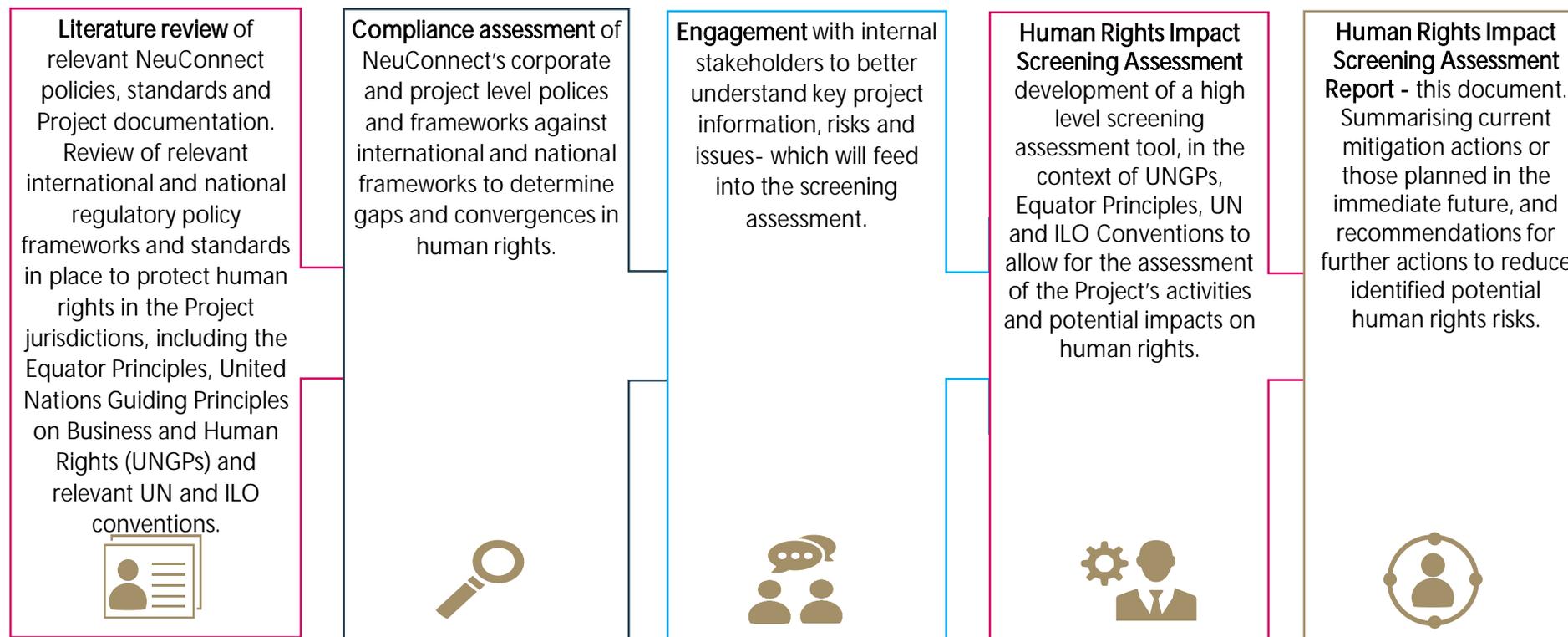
Project Workforce

- The Project will be constructed over 6.5 years and will engage a construction workforce of approximately 500 people.
- The majority of the construction workforce will be engaged by the EPC Contractor with only a few engaged directly with NeuConnect or the PSC.
- Due to the nature of construction, workers on site will likely peak during earth and civil engineering works (12-18 months from the start of construction). At this stage, up to 150 personnel will be on site (AECOM, 2019).
- During the operations stage, the converter stations will be staffed by a small onsite team, with a minimum of two operators at any one time; it is estimated that four people per site will be employed.
- The exact source of the workforce is presently unknown however it is anticipated to consist of a mix of international and local workers. International teams will be required at certain times to complete specialist technical work. Construction, security staff and traffic management workers are likely to be sourced from local areas; NeuConnect have also stipulated requirements for local content opportunities in its EPC tendering and contract documents (NeuConnect interviews, 2021).
- In Germany, due to the size of the town of Wilhelmshaven, it is possible that Project workers from outside of the local area can be accommodated within the town.
- In the UK, due to the small size of the town of Grain, it is unlikely that Project workers from outside of Grain, will be accommodated within the town and will be required to stay in neighbouring areas. During Project construction, it is proposed that NeuConnect's EPC and PSC contractors will transport these workers to and from site via minibuses to alleviate traffic issues (NeuConnect interviews, 2021).

Methodology



Human Rights Impact Screening Assessment Methodology



Human Rights Impact Screening Assessment Methodology

Literature Review

The Advisian team conducted a literature review of relevant NeuConnect policies, standards and Project documentation. The team also reviewed national regulatory policy frameworks and standards in place to protect human rights in the Project jurisdictions. International standards, including the Equator Principles, UNGPs on Business and Human Rights and UN relevant conventions, were also reviewed. Key Project and NeuConnect documents reviewed include:

- 2019 NeuConnect: Great Britain to Germany Interconnector - GB Onshore scheme - Environmental Statement Main Report, AECOM
- 2021 Environmental Impact Assessment - EIA NeuConnect HVDC Cable, AECOM
- 2021, Fishery Study, AECOM
- 2021 NeuConnect Information Memorandum, Société Générale
- 2021, NeuConnect Environmental Appraisal Summary- Germany
- 2020, PCI Concept for Public Participation
- 2021, KONZEPT ZUR ÖFFENTLICHKEITSBETEILIGUNG IN DEUTSCHLAND
- 2021, NeuConnect PCI Leaflets
- 2019, Statement of Community Involvement, BCEG
- NeuConnect policies and standard including:
 - Anti-bribery corruption Policy
 - Data Protection Policy
 - Drug and Alcohol Policy
 - Equal Opportunities and Dignity at Work Policy
 - Health, Safety and Environment Policy
 - Quality Policy
- NeuConnect - SHEQ Onshore Performance Specification Document
- Technical Committee NeuConnect Risk Register Development Phase
- Shortlisted EPC and PSC Consultants' environmental and social performance policies and standards

Compliance Assessment

Advisian conducted a high level human rights compliance assessment of NeuConnect's corporate and Project level policies and documents against international and national frameworks to determine gaps and convergences in human rights. Key points have been included in this report, with a full summary provided as a separate document.

Human Rights Impact Screening Assessment Methodology

Internal Engagement

Advisian undertook engagement with key NeuConnect representatives to better understand key Project information and potential risks and issues. The outcomes of these interviews have informed the development of this assessment .

| Name | Position | Company | Date |
|--------------------|-------------------------|------------|-------------------------------|
| Christophe Vanhove | Chief Executive Officer | NeuConnect | 5 th November 2021 |
| Phillip Pryor | Special Advisor | NeuConnect | 8 th November 2021 |
| Torsten Garmatz | Project Manager | NeuConnect | 8 th November 2021 |

Human Rights Impact Screening Assessment Tool

An assessment tool was prepared to facilitate the screening assessment of potential human rights issues associated with the Project. The tool was prepared in the context of the UNGPs, Equator Principles and UN and ILO conventions, to allow for the assessment of human rights risks.

Human Rights
and Socio
Economic
Context



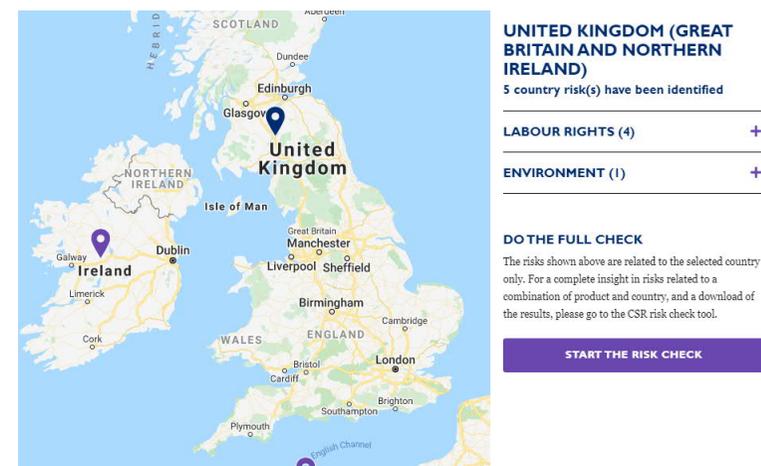
Human Rights Context - UK

The UK's Human Rights Act 1998 is the key instrument which sets out ' *Fundamental rights and freedoms that everyone in the UK is entitled to. It incorporates the rights set out in the European Convention on Human Rights (ECHR) into domestic British law. The Human Rights Act came into force in the UK in October 2000.* (Equality and Human Rights Commission, 2018).

The UK is also signatory to various UN treaties and ILO conventions enshrining the rights of its people within its jurisdiction. The UK also passed world-first legislation to address modern slavery with its Modern Slavery Act, 2015. Whilst the UK has comprehensive legislation in place to protect human rights, like all countries there remains some risk to the protection of human rights and records of human rights violations.

The MVO Nederland Corporate Social Responsibility (CSR) Risk Check, funded by the Dutch Ministry of Foreign Affairs, highlights the current human rights risks in the UK as predominantly related to labour rights. This includes:

- **Freedom of Association** - 'The United Kingdom scores a 3 on the ITUC Global Rights Index (scale 1-5) for freedom of association and workers' rights, which stands for regular violations of rights. Governments and/or companies are regularly interfering in collective labour rights or are failing to fully guarantee important aspects of these rights. There are deficiencies in laws and/or certain practices which make frequent violations possible'
- **Labour Conditions** (Contracts, working hours) - Predominantly regarding risks to economic security and freedom of movement for seasonal workers in agricultural and accommodation sectors as a result of COVID-19.
- **Forced Labour and Human Trafficking** - A growing pattern of exploitation and forced labour has been seen through layers of subcontracting in supply chains - orchestrated by organised crime.
- **Wage and remuneration** - 360 employers have been fined for paying less than the minimum wage to employees (MVO Nederland, 2021).



Source: <https://www.mvorisicochecker.nl/en/worldmap>

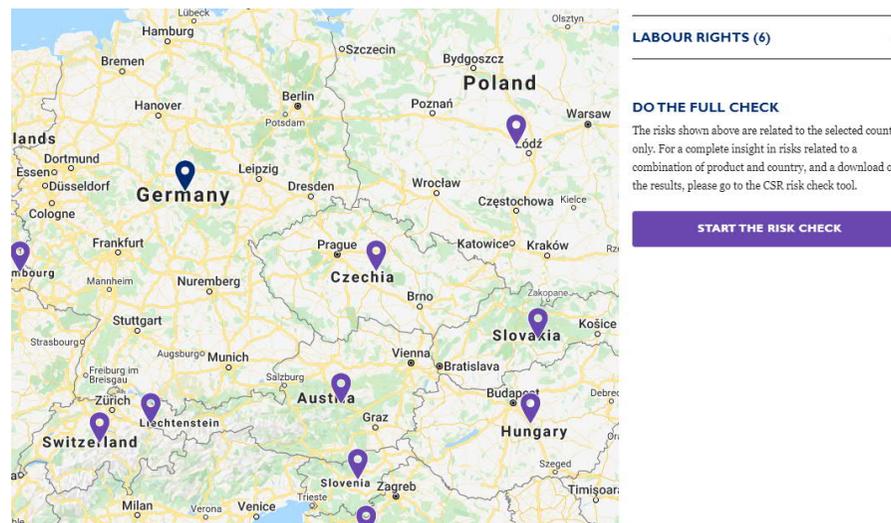
Human Rights Context - Germany

Human rights in Germany are protected by Germany's constitution, the Grundgesetz, 1949. The first article centres on the protection of human dignity, with the duty to respect and protect human dignity lying with the state authority.

Germany has signed most UN treaties and ILO conventions, further protecting individuals within Germany. Germany has also recently approved (11 June 2021) a draft bill on corporate due diligence in supply chains - the Supply Chain Due Diligence Act. This Act will come into force on 1 January 2023. The purpose of the Act is to protect human rights and to promote a sustainable supply chain; it will require companies to identify and assess human rights risks as well as establish an effective risk management system (McDermott Will & Emery, 2021). Like the UK, despite extensive legislation, some risks to human rights remain.

As per the MVO Nederland CSR Risk Check, funded by the Dutch Ministry of Foreign Affairs, key human rights risks in Germany are those related to labour rights, including:

- **Labour Conditions** (Contracts, working hours) - particularly for migrant workers who may be paid less than the minimum wage, denied social security contributions, are housed in unsuitable accommodation, made to work unpaid overtime hours and threatened with violence to leave. Issues are prevalent in the construction sector. Challenges in working conditions have been exacerbated by the COVID-19 pandemic.
- **Discrimination and Gender** - recent Human Rights Watch and Amnesty International reports have reported on hate crimes against migrants and refugees; sexual harassment in the workplace has also been found to be an issue as have gender pay gaps (MVO Nederland, 2021).



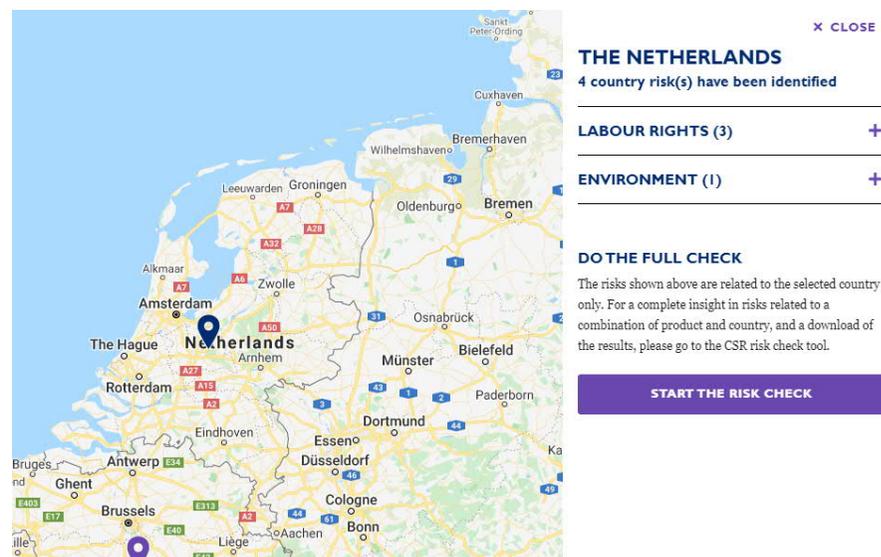
Source: <https://www.mvorisicochecker.nl/en/worldmap>

Human Rights Context- Netherlands

The key legislation protecting human rights in the Netherlands is the Dutch Constitution which states that all in the Netherlands are entitled to be ‘treated equally in equal circumstances’; this right has been further detailed in acts, such as the Equal Treatment Act. The Netherlands has also signed and ratified key UN human rights treaties and the European Charter (Government of the Netherlands, n.d).

Like the UK and Germany, even with extensive legislation, some risks to human rights remain. As per the MVO Nederland CSR Risk Check, funded by the Dutch Ministry of Foreign Affairs, key human rights risks in the Netherlands are also largely related to labour rights, including:

- **Labour Conditions** (Contracts, working hours) - particularly for seasonal workers in the agriculture, food and accommodation sectors which has been exacerbated by the COVID 19 pandemic.
- **Discrimination and Gender** - sexual harassment in the workplace has been found to be an issue, particularly for migrant workers (MVO Nederland, 2021).



THE NETHERLANDS
4 country risk(s) have been identified

| | |
|--------------------------|---|
| LABOUR RIGHTS (3) | + |
| ENVIRONMENT (1) | + |

DO THE FULL CHECK
The risks shown above are related to the selected country only. For a complete insight in risks related to a combination of product and country, and a download of the results, please go to the CSR risk check tool.

START THE RISK CHECK

Source: <https://www.mvorisicochecker.nl/en/worldmap>

Social-economic Context - Grain

The UK onshore project area is centred on the Isle of Grain on the Hoo Peninsula. The Isle of Grain consists of a mix of marshlands, the town of Grain and a number existing energy and infrastructure developments, including:

- Isle of Grain LNG Facility, the leading UK LNG import terminal (National Grid, 2021)
- Grain Power Station
- London Thamesport

The Isle of Grain was also the site of a large BP Oil refinery until 1982.

The town of Grain is located at the end of the B2001/ Grain Road. It has a small population of 1,587 (estimate 2020) which has declined slightly over the last twenty years. The majority of the population were born in the UK (96 %) (City Population, 2021a). Whilst some work in the town, a good proportion travel in and out of the town each day to jobs in London or other towns across Medway Council (BBC, 2003).

Early engagement undertaken by NeuConnect with the community of Grain and the local fishing community has identified that they are broadly supportive of the Project and are interested in local content opportunities with the Project. During early engagement with the community, concerns were raised about potential visual amenity and traffic impacts. NeuConnect will address this with a dedicated Construction Traffic Management Plan, that covers traffic management and additional planting to maximise screening (BECG, 2019; AECOM, 2019).



Source: https://engineering.uniper.energy/sites/default/files/2021-03/38-%20Upgrade_of_Water_Steam_Cycle.pdf

Social-economic Context - Wilhelmshaven

The German onshore project area is located in Wilhelmshaven in Lower Saxony. A large town of approximately 85,000, Wilhelmshaven has a long industrial history.

It was formerly the primary naval base for Prussia, then Germany. The town was heavily damaged in World War II, which led the town to diversify its industry from a primary focus on naval construction. Whilst the town still has a naval base, it also has an oil pipeline to Cologne and provides ship repair and metal work services. The town also serves as a significant manufacturing base for machinery, ships, chemicals, paints and clothing. The town is also a tourist town, popular for its mud baths (Britannica, n.d).

The majority of the population of Wilhelmshaven were born in Germany (88 %), with the remainder predominantly born in other parts of Europe (City Population, 2021b).



Source: <https://www.britannica.com/place/Wilhelmshaven>

Relevant
Standards,
Legislation and
Requirements



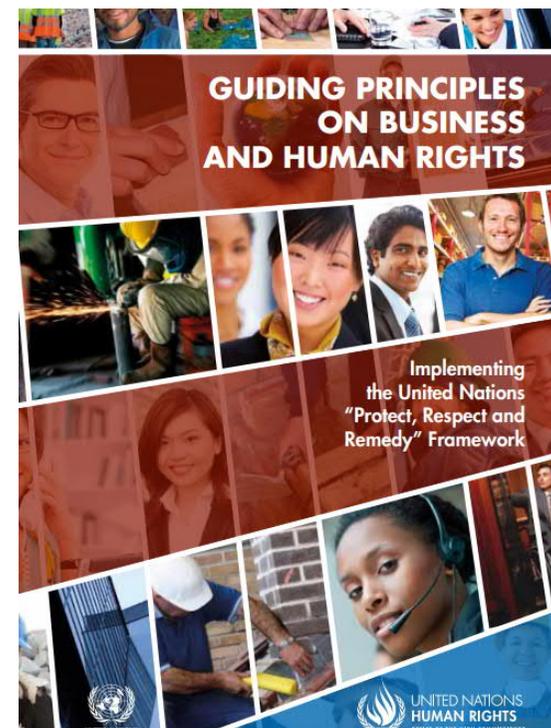
Relevant Standards, Legislation and Requirements

A detailed review of relevant standards, legislation and requirements was undertaken to understand the human rights context and level of human rights protections afforded in the UK, Germany and, where relevant, the Netherlands. This included:

- Identifying the status of adoption and implementation of international human rights treaties and conventions in UK, German and Dutch legislation, regulation, and policies.
- Identifying key convergences and gaps in international best practice standards and national legislation from Germany, UK and the Netherlands and from NeuConnect's current policies, procedures and documents (as well as those NeuConnect have committed to develop in the near future).

The international best practice standards considered in the key convergence and gap analysis were:

- UNGPs on Business and Human Rights.
- International Finance Corporation (IFC) Performance Standards (PS) on Environmental and Social Sustainability (January 2012), including relevant World Bank Group Environmental, Health and Safety (EHS) Guidelines.
- Equator Principles (EP) IV (1 October 2020).
- European Investment Bank Environmental and Social Standards (Draft 2021)



Findings

The legislative review and analysis of convergences and gaps between international standards, national legislation and NeuConnect policies, standards and documents identified that:

- Within the UK, Germany and the Netherlands human rights are well protected. Each country has:
 - Signed and ratified all major United National human rights treaties, ILO Conventions and Council of Europe Conventions. This includes many of the ILO's additional technical conventions, including Occupational Safety and Health Convention, 1981 (No. 155); Collective Bargaining Convention, 1981 (No. 154) and Working Environment (Air Pollution, Noise and Vibration) Convention, 1977 (No. 148).
 - Enacted fundamental legislation to protect a range of human rights – including labour rights, civil and political rights as well as economic, social and cultural rights.
- Overall UK, Dutch and German legislation and the requirements under the Equator Principles and IFC Performance standards were broadly matched, with no major gaps identified. However, it is noted that across all jurisdictions (UK, Germany, Netherlands) that no specific requirements were identified in the legislation reviewed for ongoing stakeholder engagement plans or an external grievance mechanism in relation to infrastructure development projects.
- The Project's process to land acquisition in UK and Germany followed due legislative process and is aligned to IFC PS.
- NeuConnect's existing policies, procedures, documents and proposed mitigation measures meet international and national requirements regarding human rights. This is based on the documents provided, including the measures NeuConnect has committed to implement in the near future, in advance of construction activities. This includes a draft employee and external stakeholder grievance mechanism; a stakeholder engagement plan and ongoing engagement activities; onshore and offshore Construction Environment Management Plans (CEMP) as well as other plans proposed in its Safety, Health Environment and Quality (SHEQ) Onshore Specification Document.

The detailed legislative review document, including the convergences and gaps table has been prepared as a separate document.

Human Rights
Impact Screening
Assessment



Human Rights Impact Screening Assessment

The approach to this assessment has been developed in line with good international practice guidance regarding human rights due diligence and impact assessment methodology, specifically:

- Human Rights Impact Assessment: Guidance and Toolbox, Danish Institute of Human Rights (DIHR), 2020.
- Equator Principles - Guidance note on implementation of human rights assessments under the Equator Principles, 2020
- Human Rights Due Diligence Training Facilitation Guide, UNDP Business and Human Rights in Asia, 2021.

To facilitate this assessment, an impact assessment rating tool was developed in the context of the UNGPs, Equator Principles and UN and ILO conventions.

Significance was rated for each potential impact to key human rights against definitions in the following areas. These were then calculated to determine a significance rating:

- NeuConnect’s relationship to human right impact: cause, contribute or directly linked
- Scope: from local to international
- Irremediability: from temporary to irreversible
- Scale: from very low human rights impact/abuse through to irreparable impacts (such as fatalities)
- Likelihood: from rare (<1%) to almost certain (>90%)

Impacts were rated prior to the application of mitigation measures and controls (pre mitigation significance rating) then reassessed to determine a residual significance rating (post mitigation significance rating).

A summary of the assessment definitions is provided in the appendix of this document.

| Under the UNGPs a businesses relationship to a human rights impact is defined as below | |
|--|--|
| Cause | A human rights impact caused by a business through its own actions or decisions, including failure to act. |
| Contribute | A human rights impact which a business has contributed to, either in combination with others or through another entity by incentivising or facilitating that entity’s harmful actions or decisions. |
| Directly Linked | A human rights impact that can be directly linked to a business’ operations, products or services through its business relationships, including its direct contractual partners or clients as well as other entities in extended value chains |

Source: UNDP, 2021

Human Rights Impact Screening Assessment

Rights-holders are the individuals, organisations, or groups whose human rights can be affected by Project activities. Potentially affected rights holders have been identified through a consideration of the information reviewed for this assessment.

| Rights holders | Description |
|--|--|
| NeuConnect employees and their families | Any individual employed by NeuConnect and their dependent family members |
| NeuConnect Project contractors and their families | Any individual employed by a contractor of the NeuConnect Project and their dependent family members |
| NeuConnect Project third party suppliers' employees and their families | Any individual employed by a third-party supplier of the NeuConnect Project and their dependent family members |
| Affected community members | Individual, organisations, communities, groups affected by NeuConnect Project activities |

The human rights themes considered for the assessment covered five categories:

- Labour rights
- Civil and political rights
- Economic, social and cultural rights
- Land rights
- Community engagement and grievances

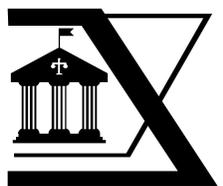
To strengthen NeuConnect's policies and procedures regarding human rights and to further reduce residual risks to human rights, Advisian has also prepared key recommendations that NeuConnect may wish to consider.

Human Rights Themes



Labour rights

Child labour; collective bargaining and freedom of association; modern slavery/ forced labour; Working conditions- right to work, job security, wages, working hours; non-discrimination; occupational health and safety; workforce grievance mechanism and remedy



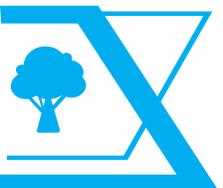
Civil and political rights

Freedom of expression, right to life and security of person



Economic, social, cultural rights

Right to health and wellbeing, cultural heritage, right to adequate standard of living



Land rights

Right to property



Community engagement and grievances

Community engagement and grievance mechanism and remedy

Assessment Summary

| Human rights issue | Pre mitigation significance rating | Post mitigation significance rating |
|---|------------------------------------|-------------------------------------|
| Labour rights | | |
| Child Labour | Medium | Minor |
| Collective Bargaining and Freedom of Association | Minor | Negligible |
| Modern Slavery (Forced Labour/Human Trafficking) | Medium | Minor |
| Job Security/Right to Work/ social security | Medium | Minor |
| Wages (pay equity, standard of living) | Minor | Negligible |
| Working Hours | Minor | Negligible |
| Non-discrimination | Medium | Minor |
| Occupational Health and Safety | Major | Minor |
| Grievance Mechanism and Remedy | Medium | Negligible |
| Civil and Political | | |
| Freedom of expression | Minor | Negligible |
| Right to life and security of person | Minor | Negligible |
| Privacy | Minor | Negligible |
| Economic, Social and Cultural | | |
| Right to health | Major | Minor |
| Cultural heritage | Medium | Minor |
| Right to adequate standards of living | Minor | Negligible |
| Land Access and Rights | | |
| Right to property | Medium | Negligible |
| Grievance | | |
| Community engagement Grievance Mechanism and Remedy | Medium | Minor |



Child Labour

The UK and Germany have strict laws regarding the prohibition of child labour, with consistent rules around working ages (13+), types of work, working hours and conditions (i.e., employment should not impact on schooling and parental consent is required for 13-year-olds). **NeuConnect's Equal Opportunities and Dignity at Work Policy** states that the company has a 'zero-tolerance approach to modern slavery in our supply chains. Workers must not engage in, facilitate or fail to report any activity that may lead to a breach of this policy'. NeuConnect defines modern slavery as encompassing 'a range of human rights abuses including forced labour, bonded labour, human trafficking, servitude and child labour'. In this policy NeuConnect have also committed to conducting audits to check adherence with these measures.

It is also noted that the EPC contractors shortlisted for the Project have human rights policies in place prohibiting child labour in accordance with the ILO convention (minimum working age of 15 and no hazardous work under 18).

The preferred contractors also have in place a business and supplier code of conducts and have committed to undertaking audits of suppliers.

It should be noted that over the past few decades significant effort has been undertaken to eradicate child labour from supply chains, however much of this effort has been concentrated at the site at which a final product is 'manufactured, assembled or processed and is usually owned and operated by a contracted third party' (Jackson, 2019). Child labour is still being recorded in upstream supply chains, for example in the extraction of raw materials, such as copper, cobalt and mica, mined for electronics in countries such as the Congo (Adihe, 2020).

Tracing and tracking the source of raw materials to conduct due diligence can be complicated when the materials pass through a third country, such as China, with recent reports identifying that Madagascan mica mined by children have ended up in products by large companies such as Prysmian.

Recently, lawsuits have also been raised against Apple and Google by Congolese families who have argued that their children have been killed or maimed mining cobalt for phones (Vella, 2020).

Given the UK and German legislative environment, the likelihood of this impact occurring is considered low. However, the impact is considered to potentially be on a national scale within the supply chain and potentially impossible to remedy if a child's right to health or education health is permanently impacted. As a result, the pre mitigation significance is considered medium.

With the mitigation of NeuConnect's existing policy and the shortlisting of large international firms with policies in place to prevent child labor, for the EPC contractor role, it is unlikely that child labour would occur, therefore the post mitigation significance is reduced to minor.

| Human rights issue | Potential impact | Potentially impacted rights holders | Project phase | Relationship to human rights impact | Pre mitigation significance | Mitigation measures | Post mitigation significance |
|--------------------|---|---|---------------|-------------------------------------|-----------------------------|---|------------------------------|
| Child Labour | <ul style="list-style-type: none"> Project activities that involve hazardous work undertaken by persons under the age of 18 Employment of persons under the age of 13; exceedance of 6-hour working day (e.g., with no rest and more than 4 consecutive hours of work). Employment interrupts schooling. | <ul style="list-style-type: none"> NeuConnect Project contractors and their families NeuConnect Project third party suppliers' employees and their families | Const & Ops | Directly linked | Medium | <ul style="list-style-type: none"> NeuConnect Equal Opportunities and Dignity at Work Policy NeuConnect ad hoc audits EPC Human Rights Policies EPC Business and Supplier Code of Conduct and Policy EPC audits of suppliers | Minor |



Collective Bargaining and Freedom of Association

The 'Right to freedom of association' (UDHR Art. 20) protects the right to form or join all types of association (e.g., trade union, political, and religious associations). UK and German citizens rights and guarantees for freedom of association are enshrined in the Human Rights Act 1998 (UK) and the Grundgesetz 1949 (Germany). Both Germany and the UK have also ratified all core ILO conventions, including those pertaining to 'freedom of association'.

NeuConnect's **Equal Opportunities and Dignity at Work Policy** states that the company expects 'all organisations it appoints to provide their respective workers with fair pay and other benefits related to the role they undertake'. Whilst 'freedom of association' is not clearly articulated in the policy, NeuConnect will be required to adhere to UK and German labour laws.

A review of the EPC contractors shortlisted for the Project has also identified that they have policies in place which protect workers' rights to join in trade unions and engage in collective bargaining.

Despite the strong legislative environment protecting freedom of association in the UK, it 'scores a 3 on the *ITUC Global Rights Index (scale 1-5) for freedom of association and workers' rights, which stands for regular violations of rights. Governments and/or companies are regularly interfering in collective labour rights or are failing to fully guarantee important aspects of these rights. There are deficiencies in laws and/or certain practices which make frequent violations possible*' (MVO Nederland, 2021). Thus, there remains a potential for this to occur.

The impact is considered to moderate in scope, assessed as potentially impacting rights holders on a council (Medway) or state level (Lower Saxony).

Given this context, the likelihood of this impact occurring is considered medium pre mitigation. Should it occur, the impact would be considered short term (life of the Project) if not remediated, with the scale assessed as having a moderate impact on the safety and wellbeing of the individuals involved. As a result, the pre mitigation significance of this mitigation is considered minor.

The mitigation of this impact includes NeuConnect's existing policy and EPC contractor policies, which includes audits of its suppliers. NeuConnect will request copies of audits conducted as part of its ongoing due diligence. With these measures in place, it is considered unlikely the impact would occur; therefore, the post mitigation significance is assessed as negligible.

| Human rights issue | Potential impact | Potentially impacted rights holders | Project phase | Relationship to human rights impact | Pre mitigation significance | Mitigation measures | Post mitigation significance |
|--|--|--|---------------|-------------------------------------|-----------------------------|---|------------------------------|
| Collective Bargaining and Freedom of Association | <ul style="list-style-type: none"> Creating barriers to workers formation or membership of trade unions | <ul style="list-style-type: none"> NeuConnect employees and their families NeuConnect Project contractors and their families NeuConnect Project third party suppliers' employees and their families | Const & Ops | Contribute | Minor | <ul style="list-style-type: none"> NeuConnect Equal Opportunities and Dignity at Work Policy NeuConnect ad hoc audits EPC Human Rights Policies EPC Business and Supplier Code of Conduct and Policy EPC audits of suppliers | Negligible |



Modern Slavery/ Forced Labour

Both the UK and Germany have strict laws in place to prohibit forced labour. Both countries have ratified the ILO convention regarding forced labour as well as ratified the Protocol of 2014 to the Forced Labour Convention 1930. In addition, the UK passed world-first legislation prohibiting modern slavery in 2015, via the Modern Slavery Act 2015.

NeuConnect's **Equal Opportunities and Dignity at Work Policy** states that the company has a 'zero-tolerance approach to modern slavery in our supply chains. Workers must not engage in, facilitate or fail to report any activity that may lead to a breach of this policy'. NeuConnect defines modern slavery as encompassing 'a range of human rights abuses including forced labour, bonded labour, human trafficking, servitude and child labour'.

In this policy NeuConnect have also committed to conducting ad hoc audits to check adherence with these measures.

It is also noted that the EPC contractors shortlisted for the Project have human rights policies in place prohibiting modern slavery in accordance with the Modern Slavery Act 2015 and ILO Conventions and have prepared Modern Slavery Statements as required by law.

Regardless, modern slavery remains a risk globally, including in the UK and Germany, despite legislation in place. Investigations by MVO Nederland on corporate social responsibility risk have reported recently that forced labour, seen through layers of subcontracting in supply chains, remains an issue in the UK (MVO Nederland, 2021).

Low skilled migrant workers, including those in the construction industry, are most at risk. As observed by the UN, these workers are most at risk of human rights violations, including forced labour, due to limited legislative protection mechanisms (UN, n.d.).

The potential likelihood of this impact occurring, without mitigations in place is considered medium, with the scope assessed as moderate and irremediability considered to be short term (life of Project). However modern slavery is considered to have significant if not irreparable impact on the physical, mental or emotional wellbeing of an individual or community, thus the scale is rated as very high. The pre mitigation significance is assessed as medium.

With the mitigation of adherence to NeuConnect's existing policy and EPC contractor policies, including audits of suppliers, the likelihood of this occurring is low, and the post mitigation significance is assessed as minor.

| Human rights issue | Potential impact | Potentially impacted rights holders | Project phase | Relationship to human rights impact | Pre mitigation significance | Mitigation measures | Post mitigation significance |
|---|---|---|---------------|-------------------------------------|-----------------------------|---|------------------------------|
| Modern Slavery (Forced Labour/ Human Trafficking) | <ul style="list-style-type: none"> The Project benefits from the labour of workers who have been traffic or forced to work through its supply chain. Forced employment of persons, including trafficked persons, at project site and/or by contractors (and their suppliers). | <ul style="list-style-type: none"> NeuConnect Project contractors and their families NeuConnect Project third party suppliers' employees and their families | Const & Ops | Directly linked | Medium | <ul style="list-style-type: none"> NeuConnect Equal Opportunities and Dignity at Work Policy NeuConnect ad hoc audits EPC Human Rights Policies EPC Business and Supplier Code of Conduct and Policy EPC audits of suppliers | Minor |



Working Conditions - Right to work, job security, wages, working hours

The 'Right to work' (UDHR Art. 23) includes the prohibition of arbitrary dismissal and the rights to just and favourable conditions of work and to form and join trade unions. In the UK and Germany, employees' rights are protected through various act and regulations, including Employment Rights Act 1966 Act (UK), Works Constitution Act (Germany). Should NeuConnect establish an office in the Netherlands, workers rights are protected under various acts, including the Working Conditions Act and Working Hours Act.

NeuConnect's Equal Opportunities and Dignity at Work Policy states that the company expects '*all organisations it appoints to provide their respective workers with fair pay and other benefits related to the role they undertake. This includes payment of a minimum wage applicable in the Country of employment, and the deduction of fair and reasonable charges commensurate with services it may provide (e.g. temporary housing, subsistence, etc.) ,except where it is unlawful (e.g. personal protective clothing required for a particular job)*'.

It also stipulates that all workers should be treated equally. 'Fair pay and other benefits' are presumed to include social benefits should an employee be unable to work, such as sick and workplace injury pay. Compliance with this requirement will be audited by NeuConnect during the Project lifecycle on an ad hoc basis.

NeuConnect's SHEQ Onshore Specification Document also states that '*Contractors will be required to ensure they manage the potential fatigue of their workforce and work in line with the Working Time Regulations i.e. not to exceed a 48hr average working week in any 4-week period.*'

Migrant workers, particularly those engaged during construction, remain at risk to experiencing violations of their right to job security and favourable conditions of work' (UDHR, Art. 23). Loss of employment (because of contractor non-compliance to regulations) can also result in wider socio-economic impacts for workers which can affect other rights such as the 'right to an adequate standard of living'. This is particularly important for vulnerable groups, such as migrants.

Impacts to **job security and right to work** is considered to potentially impact a moderate number of people should it occur. The impact would only occur up to the life of the Project- if not remediated and as a result the irremediability of the impact is assessed as short term. Unfair dismissals, zero-hour contracts or continual short term contracts, without the benefit of accruing leave or sick pay has the potential to cause a moderate level of impact on the physical and emotional wellbeing of a rights holder and as a result the scale is assessed as high. Without mitigation measures in place there is a medium likelihood of this occurring. As a result, the pre mitigation significance is assessed as medium.

The mitigation is adherence to NeuConnect's existing policy and EPC contractor policies, which includes audits of its suppliers in alignment with EU regulations. NeuConnect will request copies of audits conducted as part of its ongoing due diligence.

With these measures in place, the likelihood of this occurring is low, and as a result the post mitigation significance is assessed as minor.

Impacts to the **right to an adequate standard of living through wages** that don't meet the minimum wage is considered to potentially impact a moderate number of people for the short term (life of Project) should it occur. Working without the minimum wage could have a moderate to high impact on the mental and emotional wellbeing on the rights holder and has the potential to impact other rights and rights holders, dependent on the receipt of a fair wage. The likelihood of this occurring however is low and as a result the pre mitigation significance is assessed as minor. With adherence to NeuConnect's policies applicable to all appointed on the Project, it is unlikely to occur and the post significance rating is reduced to negligible.

Regularly **working hours** beyond a 48hour week contravenes labour rights under ILO standards. Should this occur it is assessed as potentially impacting a low number of people over the short term (life of Project), should it not be remediated. Long hours are assessed as having medium-to- low impact on the mental and emotional wellbeing of rights holders, however the likelihood of this occurring is considered low. The pre mitigation significance is assessed as minor and with the application of NeuConnect and EPC contractor's controls, the impact becomes unlikely and the post mitigation significance becomes negligible.



Working Conditions - Right to work, job security, wages, working hours (cont'd)

| Human rights issue | Potential impact | Potentially impacted rights holders | Project phase | Relationship to human rights impact | Pre mitigation significance | Mitigation measures | Post mitigation significance |
|---|---|--|---------------|-------------------------------------|-----------------------------|--|------------------------------|
| Job Security/Right to Work/ social security | <ul style="list-style-type: none"> Unfair dismissal/termination of employment, even if permissible under local law Failing to provide or preventing reasonable carers advancement for workers Zero hour contracts or continual short term contracts, preventing employees from benefits of long term employment Non payment of sick pay, workforce injury pay | <ul style="list-style-type: none"> NeuConnect employees and their families NeuConnect Project contractors and their families NeuConnect Project third party suppliers' employees and their families | Const & Ops | Cause | Medium | <ul style="list-style-type: none"> NeuConnect Equal Opportunities and Dignity at Work Policy NeuConnect adhoc audits EPC Human Rights Policies EPC Business and Supplier Code of Conduct and Policies EPC audits of suppliers | Minor |
| Wages (pay equity, standard of living) | <ul style="list-style-type: none"> Wages that don't meet the minimum wage and cannot support 'decent' standard of living for employees and family. Workers in the supply chain are paid low wages with no or limited entitlements | <ul style="list-style-type: none"> NeuConnect Project third party suppliers' employees and their families | Const & Ops | Contribute | Minor | <ul style="list-style-type: none"> NeuConnect Equal Opportunities and Dignity at Work Policy NeuConnect ad hoc audits EPC Human Rights Policies EPC Business and Supplier Code of Conduct and Policy EPC audits of suppliers | Negligible |
| Working Hours | <ul style="list-style-type: none"> Working hours are not consistent with ILO standards. (i.e. more than 48 hours/week) Healthy work life balance is restricted by company practices, i.e. required to work on site for extended periods without leave. | <ul style="list-style-type: none"> NeuConnect Project contractors and their families NeuConnect Project third party suppliers' employees and their families | Const & Ops | Contribute | Minor | <ul style="list-style-type: none"> NeuConnect Equal Opportunities and Dignity at Work Policy NeuConnect ad hoc audits EPC Human Rights Policies EPC Business and Supplier Code of Conduct and Policy EPC audits of suppliers | Negligible |



Non-discrimination

The 'Right to equality before the law, equal protection of the law, and rights of non-discrimination' (UDHR Art. 7) protects the individual from discrimination based on race, ethnicity, sex, language, disability, religion, political association, nationality, sexual orientation, and health status (e.g., HIV/AIDS). In Germany, the right to equality for all people before the law regardless of sex, race, language, religious or political opinion is determined by the Basic Law for the Federal Republic of Germany (Grundgesetz 19- Article 3). In the UK, provisions for equal rights are mandated through the Equality Act 2010 which protects against discrimination in the workplace and the Human Rights Act 1998 (Article 14) which prohibits discrimination (i.e., based on sex, race, colour, language, religion, nationality, etc.).

The NeuConnect Equal Opportunities and Dignity at Work Policy stipulates that it is *'unlawful to discriminate directly or indirectly in recruitment and employment because of age, disability, sex, gender reassignment, pregnancy, maternity, race (which includes skin colour, nationality and ethnic or national origins'*. The Policy also requires that all workers employed receive fair treatment and opportunity and details its commitment to *'creating a work environment free of harassment and bullying, where everyone is treated with dignity and respect.'* The company also requires that *'all organisations that it appoints to have an Equal Opportunities & Dignity at Work policy outlining the organisation's position on preventing and prohibiting discrimination and harassment'*.

All complaints brought to the Board of Directors attention will be investigated and action taken if required. It is noted that the EPC contractors shortlisted for the Project have measures in place to prevent discrimination in the workplace.

Regardless of policies and regulations in place, discrimination is known to occur across numerous workplaces and in various contexts, particularly amongst women and vulnerable groups such as migrants, persons with a disability or of different races. MVO Nederland CSR risk check has identified that discrimination and gender is a potential risk in the Netherlands and Germany. Non-discrimination in the workplace requires ongoing management.

In this context, the likelihood is considered medium without mitigation. Whilst the scope is assessed as low, it has the potential to cause long term harm, beyond the life of the Project for the rights holder involved and potentially a moderate to high impact on the right holders mental and emotional wellbeing and safety. The pre mitigation significance is assessed as medium. With adherence to the policies in place, including audits of suppliers to assess compliance throughout the supply chain, the likelihood is low and the post mitigation significance is rated as minor.

| Human rights issue | Potential impact | Potentially impacted rights holders | Project phase | Relationship to human rights impact | Pre mitigation significance | Mitigation measures | Post mitigation significance |
|--------------------|---|--|---------------|-------------------------------------|-----------------------------|--|------------------------------|
| Non-discrimination | <ul style="list-style-type: none"> Discrimination of workers (e.g., unfair treatment, hiring, management, compensation, career progression/opportunities, or termination practices) based on gender, race, nationality, ethnicity, social and indigenous/ migrant origin, religion or belief, disability, age, or sexual orientation. Inadequate workplace access for disabled persons (e.g., no lift for wheelchairs; no designated toilet). | <ul style="list-style-type: none"> NeuConnect employees and their families NeuConnect Project contractors and their families NeuConnect Project third party suppliers' employees and their families | Const & Ops | Cause | Medium | <ul style="list-style-type: none"> NeuConnect Equal Opportunities and Dignity at Work Policy NeuConnect adhoc audits EPC Human Rights Policies EPC Business and Supplier Code of Conduct and Policies EPC audits of suppliers | Minor |



Occupational Health and Safety

The 'Right to enjoy just and favourable conditions of work' (UDHR Art. 23) provides the individual with the right to safe and healthy working conditions. Both the UK and Germany have extensive legislation to protect the health and safety of employees whilst at work. In the UK this includes the Health and Safety at Work Act 1974 which details the duties of employers to ensure the health, safety and welfare at work of all employees, so far as is reasonably practicable. This Act is supplemented by a suite of additional acts covering the management of health and safety, through to hazardous materials and emergency response plans. In Germany, workers are protected by various acts, including Act on the Implementation of Measures of Occupational Safety and Health to Encourage Improvements in the Safety and Health Protection of Workers at Work 1996 (Arbeitsschutzgesetz, ArbSchG).

In line with national regulations, NeuConnect has in place the following health and safety documents to protect its workforce:

- **NeuConnect's Health, Safety and Environment Policy Statement** which stipulates that all people appointed to NeuConnect have a responsibility to ensure the implementation and adherence to the policy.
- NeuConnect will employ a full-time SHEQ resource on the Project to ensure alignment with NeuConnect's policies and all regulations. This employee will oversee the work of other HSE specialists on the Project.
- **NeuConnect's SHEQ Onshore Performance Specification** document which details all SHEQ onshore requirements for the Project. Obligations cascade down to all EPC contractors who are required to develop an overall UK and German Project SHE Plan and well as discrete SHE Plans for specific project phases, such as Converter Station Construction. EPC Contractors are also required to hire an SHE resource full time to support activities on site.

Further requirements include:

- An EPC contractor SHEQ legislation register for all relevant UK and German legislation

- Safety regulations and equipment required
- Health surveillance measures to protect the health and safety of workers
- Waste management measures
- Workforce training requirements
- Audits and compliance assessments that will be undertaken

Without these mitigation measures in place the likelihood of an incident occurring is assessed as medium. Should an incident occur, the scope could be up to Council or State level however the irremediability and scale are assessed as permanent and very high (given the potential for deaths or permanent injuries). As a result, the pre mitigation significance is assessed as major. With the application of the range of controls at the NeuConnect level as well as through the EPC Contractors, the likelihood is assessed as low and the post mitigation significance as minor.

| Human rights issue | Potential impact | Potentially impacted rights holders | Project phase | Relationship to human rights impact | Pre mitigation significance | Mitigation measures | Post mitigation significance |
|--------------------------------|---|---|---------------|-------------------------------------|-----------------------------|--|------------------------------|
| Occupational Health and Safety | <ul style="list-style-type: none"> • Inadequate occupational health and safety (demonstrated by a pattern of accidents and injuries in the workplace or on the commute to work) | <ul style="list-style-type: none"> • NeuConnect Project contractors and their families • NeuConnect Project third party suppliers' employees and their families | Const & Ops | Cause | Major | <ul style="list-style-type: none"> • NeuConnect' s Health, Safety and Environment Policy Statement • Audits of SHEQ Compliance • NeuConnect SHEQ Onshore/ Offshore Performance Specification • NeuConnect SHEQ Manager • PSC HSEQ managers • EPC Contractor SHEQ officers • Training and licences | Minor |



Workforce Grievance Mechanism and Remedy

In the UK workers are provided the right to lodge grievances through the Employment Relations Act 1999 and Employment Rights Act 1966. In Germany, workers can lodge grievances pertaining to safety through the Act on the Implementation of Measures of Occupational Safety and Health to Encourage Improvements in the Safety and Health Protection of Workers at Work (Arbeitsschutzgesetz, ArbSchG) 1996.

NeuConnect has established a draft workers grievance procedure which details the process for raising a grievance related to work matters. Workers can register a grievance through:

- Submitting a statement of the grievance to a line manager. Workers are encouraged to seek assistance from a colleague or trade union if they have difficulty in writing in English.

- Following this, it is proposed a meeting will be held with the manager, with the outcomes of the meeting provided to the worker within 5 days.
- Workers will also be granted the right of appeal.

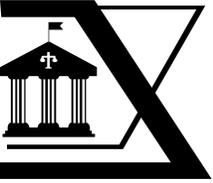
Written records will be kept of the grievance. These will be confidential and kept in accordance with General Data Protection Regulation 2016/79.

Without a grievance mechanism in place the likelihood of impacts to workers' rights to access grievance remedy is considered medium to high. If it was to occur it is considered to potentially impact a low number of rights holders over the short term (life of Project).

However, lack of access to a grievance mechanism and remedy for human rights abuses should they occur is considered to have a moderate to high impact on the physical, mental and/or emotional wellbeing and safety of the rights holders involved and as a result the pre mitigation significance is assessed as medium.

As NeuConnect has drafted an employee grievance mechanism it is unlikely that this would occur with its employees or other workers on the Project once it is in place. The post mitigation significance is therefore reduced to negligible.

| Human rights issue | Potential impact | Potentially impacted rights holders | Project phase | Relationship to human rights impact | Pre mitigation significance | Mitigation measures | Post mitigation significance |
|--|--|--|---------------|-------------------------------------|-----------------------------|---|------------------------------|
| Workforce grievance mechanism and remedy | <ul style="list-style-type: none"> • Workers do not understand and/or cannot access a grievance mechanism. • Grievances regarding adverse human rights impacts are not remediated. | <ul style="list-style-type: none"> • NeuConnect employees and their families • NeuConnect Project contractors and their families • NeuConnect Project third party suppliers' employees and their families | Const & Ops | Cause | Medium | <ul style="list-style-type: none"> • NeuConnect Employee grievance mechanism | Negligible |



Freedom of Expression

The 'Right to freedom of opinion and expression' (UDHR Art. 19) enables individuals to hold opinions 'free from outside interference' and to 'seek, receive and impart ideas in whatever media or form [they choose]' (Equator Principles, 2020).

NeuConnect's safeguards to protect freedom of expression are contained within the **NeuConnect Equal Opportunities and Dignity at Work Policy** stipulates that it is 'unlawful to discriminate directly or indirectly in recruitment and employment because of age, disability, sex, gender reassignment, pregnancy, maternity, race (which includes skin colour, nationality and ethnic or national origins)'

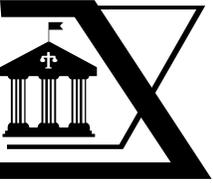
The Policy also requires that all workers employed receive fair treatment and opportunity and details its commitment to 'creating a work environment free of harassment and bullying, where everyone is treated with dignity and respect.' The company also requires that 'all organisations that it appoints to have an Equal Opportunities & Dignity at Work policy outlining the organisation's position on preventing and prohibiting discrimination and harassment'. The application of its employee grievance procedure is a further safeguard.

For external stakeholders the right to freedom of expression is safeguarded by the external stakeholder grievance mechanism, including alignment to Equator Principles requirements as well as a commitment not to impede access to judicial reviews.

Without mitigation, the likelihood of this occurring is considered medium. However, the scope is assessed as potentially affecting a small number of rights holders in the short term (life of project) and is considered to have a low impact on the mental or emotional safety and wellbeing of rights holders. Therefore, the pre mitigation significance rating is minor.

With adherence to the policies in place the likelihood becomes low, and the post mitigation significance negligible, particularly in the UK and Germany. However, the audits to be conducted during the Project life will need measures to assess whether freedom of expression is maintained throughout the supply chain.

| Human rights issue | Potential impact | Potentially impacted rights holders | Project phase | Relationship to human rights impact | Pre mitigation significance | Mitigation measures | Post mitigation significance |
|-----------------------|--|--|---------------|-------------------------------------|-----------------------------|---|------------------------------|
| Freedom of expression | <ul style="list-style-type: none"> Workers are not allowed to freely express their opinions or are punished for doing so. Litigating against individual workers, community or other stakeholders who have spoken critically of the Project/ company where there is an imbalance of power to address litigation | <ul style="list-style-type: none"> NeuConnect employees and their families NeuConnect Project contractors and their families NeuConnect Project third party suppliers' employees and their families Affected community members | Const & Ops | Cause | Minor | <ul style="list-style-type: none"> NeuConnect Grievance Mechanism Procedure for External Stakeholders, including timeframes and processes for remedy. NeuConnect employee grievance mechanism NeuConnect Equal Opportunities and Dignity at Work Policy EPC and PSC Human Rights Policies NeuConnect and EPC audits of compliance to standards | Negligible |



Right to Life and Security of Person

The 'Right to life and security of person' is covered in the UK by the Human Rights Act, 1998 and in Germany by the Grundgesetz, 1949.

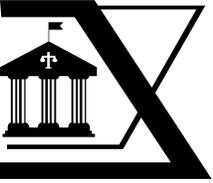
Whilst not explicitly stating the right to life and security, **NeuConnect's Equal Opportunities and Dignity at Work Policy** details the Company's 'zero tolerance' approach to modern slavery as well as proposed audits to assess compliance with its policies. A review of the EPC Contractors shortlisted for the Project has identified that strict human rights policies are in place as well as business and supplier codes of conduct. These codes of conduct prohibit abuses against human rights and commit each company to conducting audits of relevant business and suppliers to assess compliance with their policies. NeuConnect will request copies of these audits as part of its ongoing due diligence.

In the context of the Project, potential violations of the 'Right to life, liberty and the security of person' (UDHR Art. 3) (which is also linked to the 'Right not to be subjected to torture, cruel, inhuman and/ or degrading treatment or punishment' (UDHR Art. 5) are more likely to occur further down the supply chain rather than with in the country of construction and operations.

The scope and likelihood of this impact occurring pre mitigation is assessed as low. The scale and irremediability of the impact is considered permanent and very high due to the potential loss of life or permanent disability. Thus, the pre mitigation significance is considered minor.

With the proposed mitigation measures in place, the impact becomes unlikely, reducing the post mitigation significance rating to negligible.

| Human rights issue | Potential impact | Potentially impacted rights holders | Project phase | Relationship to human rights impact | Pre mitigation significance | Mitigation measures | Post mitigation significance |
|--------------------------------------|--|--|---------------|-------------------------------------|-----------------------------|--|------------------------------|
| Right to life and security of person | <ul style="list-style-type: none"> Lethal use of force by security forces to protect company resources, facilities or personnel | <ul style="list-style-type: none"> NeuConnect Project third party suppliers' employees and their families Affected community members | Const & Ops | Directly linked | Minor | <ul style="list-style-type: none"> NeuConnect Equal Opportunities and Dignity at Work Policy NeuConnect adhoc audits EPC Human Rights Policies EPC Business and Supplier Code of Conduct and policy EPC audits of suppliers NeuConnect employee grievance mechanism NeuConnect external stakeholder grievance mechanism | Negligible |



Right to Privacy

The 'Right to privacy' determines that *'individuals have a right to be protected from arbitrary, unreasonable or unlawful interference with their privacy, family, home or correspondence and from attacks on their reputation.'* The Right to Privacy is protected under the Data Protection Act 2018 and General Data Protection Regulation 2018 in the UK. European Union Legislation contains legislation regarding privacy in the General Data Protection Regulation (2016/79) which is binding to all EU states, including Germany and the Netherlands.

NeuConnect has developed a dedicated **Data Protection Policy** which stipulated that it will *'collect personal data only for specified, explicit and legitimate purposes....and retaining...only for the period necessary'*.

It will also take measures to ensure the data is secure. The company has also committed to compliance with the General Data Protection Regulation (2016/79) in the workforce grievance mechanism.

This impact is considered to potentially impact a low number of people should it occur. The irremediability of the impact is considered long term due to the long-term potential for confidential personal data to be available in the public or governments domain should there be a failure to protect or breach of personal data. This is considered to have a medium to low impact on the mental and emotional safety and wellbeing of rights holders should it occur. Without mitigation the likelihood of this occurring is low, with an overall pre mitigation significance rating of minor. With adherence to the policy, it becomes unlikely, with the post mitigation significance reduced to negligible.

| Human rights issue | Potential impact | Potentially impacted rights holders | Project phase | Relationship to human rights impact | Pre mitigation significance | Mitigation measures | Post mitigation significance |
|--------------------|--|--|---------------|-------------------------------------|-----------------------------|--|------------------------------|
| Right to Privacy | <ul style="list-style-type: none"> Company fails to protect confidential personal data, e.g., of employees or contractors. Company requires health screening (e.g., pregnancy test) prior to employment. Project information about individuals is provided to State authorities, without permission in response to requests that are illegal under national law. | <ul style="list-style-type: none"> NeuConnect employees and their families NeuConnect Project contractors and their families NeuConnect Project third party suppliers' employees and their families Affected community members | Const & Ops | Cause | Minor | <ul style="list-style-type: none"> Data protection policy | Negligible |



Right to Health and Wellbeing

The 'Right to health' (UDHR, Art. 24) stipulates that individuals have a right to the highest attainable standard of physical and mental health.

Project activities that could pose an increased risk to individual and community 'right to health' include: impacts to local amenity (noise, visual); the transportation/ handling/ storage or hazardous materials; poor waste management (storage/ disposal); accidents/ injuries to community members/ workers/ contractors as a result of project activities, e.g. traffic accidents transporting goods or workers to and from the Project site; increased risk of communicable diseases (e.g. COVID-19 spread through Project workforce contact with local community). The EIA undertaken for the UK and the environmental appraisals undertaken for Germany identified that the majority of impacts would be minor or short term in nature, with measures adopted to reduce potentially significant impacts (i.e., Traffic Management).

Both the UK and Germany have various legislation in place protecting the 'right to health'. In the UK this includes Public Health (Control of Disease) Act, 1984; Control of Substances Hazardous to Health Regulation, 2002; Construction (Design and Management Regulations), 2015 and Environmental Protection Act 1990 to name a few. The Environmental Protection Act 1990 includes a number of regulations of relevance, including those pertaining to waste management.

Similarly, Germany has Acts in place to protect the right to health, including the Environmental Damage Act, Federal Water Act, Environmental Liabilities Act and Infectious Diseases Protection Act.

NeuConnect's current measures to protect health and safety include a company level **Health, Safety and Environment Policy** and the following Project specific measures set out in the **NeuConnect SHEQ Onshore Specification** document which details:

- Contractors are responsible for ensuring their workforce have adequate health surveillance as appropriate in regard to health and safety risks relating to occupation
- Contractors are required to adhere to UK and German legislation regarding injuries and diseases in the workplace
- Contractors will be required to develop appropriate waste management plans
- Requirements for a Soil Resource Plan to detail methods to protect from types of soil borne diseases.
- Safety critical workers will also be required to undertake fit for works tests.

In the EIA completed for the UK onshore scheme, the Project has committed to the *'preparation and implementation of a Construction and Environmental Management Plan (CEMP) to manage the environmental effects of the GB Onshore Scheme and to demonstrate compliance with environmental legislation. This will then be implemented by the selected construction contractor'*

The **NeuConnect SHEQ Onshore Specification** details that the CEMP, at a minimum will include information on:

- Roles and responsibilities.
- Permits, licences and legislation
- Pollution – air, water, ground.
- Waste management: segregation, storage, disposal.
- Historic archaeology & UXO.
- Flora and fauna, SSSI's;
- Invasive species.
- Environmental emergency / spill response.
- Environmental incident reporting and investigation.
- Training and competency.
- Communication and meetings.
- Environmental monthly reporting.
- Environmental inspections & auditing (time scales to be agreed).
- Energy and fuel use minimisation.
- Local community issues & liaison;
- Monitoring – noise, nuisance, light pollution.

To address offshore impacts NeuConnect have committed to developing a dedicated offshore CEMP.



Right to Health and Wellbeing (cont'd)

NeuConnect has committed to developing a Traffic Management Plan to minimise potential road safety issues. This will include options to transport workers to and from site via minibus in the Isle of Grain to reduce traffic impacts on the only road in and out of the town of Grain.

A 'living' Environmental Compliance Document has been established which captures all SHEQ mandated requirements as well as 'soft' compliance measures (i.e., not mandated but committed to by NeuConnect). This document covers all jurisdictions and will sit with the NeuConnect SHEQ manager. The document has been shared with contractors and lenders and is aimed at preventing institutional knowledge loss as well as compliance with obligations.

Given the size of Grain, it is unlikely the construction workforce will be housed in the area and will instead be transported to and from site. As a result, it is unlikely that there will be increased pressure on local services from the Project workforce. Due to Wilhelmshaven size (80,000+ population) and the size of the anticipated workforce, it is unlikely the Project workforce will create pressure on basic services should they reside there during construction.

However, there is a potential for the behaviour of the Project workforce to impact upon community wellbeing, should it not be aligned with the usual norms of behaviour. It is noted that NeuConnect, have in place a **Drug and Alcohol Policy** to counter some aspects of potentially unsafe workforce behaviours.

In terms of amenity impacts, NeuConnect has committed to measures to reduce visual amenity impacts to residents in Grain, including visual screening and biodiversity enhancement measures.

Should issues regarding impacts to health be raised during Project construction and operations, NeuConnect will have in place its external stakeholder grievance mechanism.

Without safeguards in place there is the potential for the right to health to be impacted on a national scale. The impact could also be permanent (e.g., loss of life, permanent disability), as a result the irremediability and scale are assessed as permanent and very high. This results in a pre-mitigation significance of major. NeuConnect and the preferred EPC contractors have extensive health and safety controls in place, reducing the likelihood to low and the post mitigation significance to minor.

| Human rights issue | Potential impact | Potentially impacted rights holders | Project phase | Relationship to human rights impact | Pre mitigation significance | Mitigation measures | Post mitigation significance |
|--------------------|---|--|---------------|-------------------------------------|-----------------------------|--|------------------------------|
| Right to health | <ul style="list-style-type: none"> Failure to implement appropriate health and safety standards leads to long-term negative impacts on workers' health (e.g. poor transportation/ handling/ storage of hazardous materials; inadequate storage and disposal of waste products) Pollution/amenity disturbance (air, noise) impacts on health of workers and/or local community. Accident/injury of employees/ contractors/community members due to traffic accident involving project vehicle (e.g., transporting workforce to/from project site). Increased risk of spread of communicable diseases (including COVID-19) through workforce interactions with local community. | <ul style="list-style-type: none"> NeuConnect employees and their families NeuConnect Project contractors and their families NeuConnect Project third party suppliers' employees and their families Affected community members | Const & Ops | Cause | Major | <ul style="list-style-type: none"> NeuConnect Health, Safety and Environment Policy NeuConnect SHEQ Onshore Specification Document Onshore CEMP Offshore CEMP Construction Traffic Management Plan Drug and Alcohol Policy 'Living' Environmental Compliance Document | Minor |



Cultural Heritage

Cultural heritage and the individual's 'Right to take part in cultural life' (UDHR Art. 27) is protected under the UDHR. Cultural heritage in Germany is protected under the Cultural Property Protection Act, in the Ancient Monuments and Archaeological Areas Act, 1979 in the UK and the Heritage Act 2016 in the Netherlands.

Potential cultural and heritage impacts were considered as a part of the environmental impact assessments, and it was determined that the Project could potentially impact cultural heritage sites onshore and offshore during construction and operations. NeuConnect have committed to the following mitigations for onshore impacts:

- Archaeological monitoring for any new geotechnical investigations to understand disturbances.
- Sample analysis of soil to understand details of any archaeological remains discovered
- Observation and fieldwork for any sites found of significance or where significance is unclear. Further appropriate mitigation and avoidance measures will be taken where required.

The **SHEQ Onshore Specification document** also details for archaeology that:

'The contractor will be required to undertake all necessary studies, surveys and mitigations as required to discharge statutory responsibilities, apply industry best practice in this area, and achieve any and all necessary licences, permits and agreements in regards environmental or ecological constraints applicable to the project. If required an archaeological consultant shall be engaged, a written scheme of investigation executed and any such outputs in terms of ongoing requirements for the works discharged in accordance thereof'

The Project CEMP is also required to detail archaeological and UXO requirements.

On the converter station site in Germany, an old dyke was discovered undersurface during the process to change the land use from agricultural to a special purpose use for converters. This discovery was communicated to the Lower Saxony State Office for the Preservation of Monuments. They have accepted the site of the converter location and measures are in place to assess the condition of the dyke prior to construction. The process to change land use type has been managed by the City of Wilhelmshaven (NeuConnect Interviews, 2021).

Potential impacts and disturbance to sites of archaeological significance offshore have been considered, with a baseline study completed and advice sought from cultural heritage specialists on potential archaeological sensitivities. Sites of significance have been identified and, without mitigation, were considered to have potentially significant adverse effects. The primary mitigation is avoidance through the application of Archaeological Exclusion Zones in offshore Project areas. With the application of mitigation measures the environmental studies assessed the impacts to be minor to negligible. A protocol for archaeological studies will also be developed for the offshore areas (AECOM, 2021a and 2021b). Restoration and compensation measures are in place where avoidance is impossible.

As per the environmental studies, with mitigation measures in place, the impacts to cultural heritage sites are potentially irreparable, with the likelihood considered medium. Although the scope and scale is considered medium to low given that no sites of World Heritage significance have been identified. Therefore, the pre mitigation significance is assessed as medium. With the management measures in place the likelihood is considered low, and the post mitigation significance rating assessed as minor.

| Human rights issue | Potential impact | Potentially impacted rights holders | Project phase | Relationship to human rights impact | Pre mitigation significance | Mitigation measures | Post mitigation significance |
|--------------------|--|-------------------------------------|---------------|-------------------------------------|-----------------------------|---|------------------------------|
| Cultural heritage | <ul style="list-style-type: none"> • Loss of or damage to archaeological sites and/or sites of cultural significance within the Project area. | Affected Community Members | Const & Ops | Contribute | Medium | <ul style="list-style-type: none"> • NeuConnect SHEQ Onshore specification document • Onshore CEMP • Offshore CEMP • Other mitigations included in the EIA • Protocol for Archaeological Studies | Minor |



Right to Adequate Standard of Living - Livelihoods

The 'Right to adequate standard of living of the health and wellbeing of himself and his family' is covered in UDHR Art. 25. In the UK and Germany, this is linked to the rights to a minimum wage under Employment Rights Act 1966 (UK) and the Act Regulating a General Minimum Wage (Germany). NeuConnect have covered this requirement in their **Equal Opportunities and Dignity at Work Policy** which covers 'fair pay'.

The development of the Project has the potential to both temporarily and permanently impact upon the livelihoods of on and offshore communities. Temporary impacts include those associated with the laying of the interconnector cable between the UK and Germany as well as the laying of the cables between the onshore landfall location and the converter stations; the onshore cables will be over 12.5km in Germany and 2km in the UK. Laying the cable between the UK and Germany will potentially temporarily disrupt the livelihoods of the fishing and seafaring community. Whereas laying the onshore cable will impact upon agricultural landholders.

In Germany, some Project sites require permanent acquisition and as a result a permanent impact to the livelihood of the landholder, if not mitigated.

To address the temporary and permanent impacts on livelihoods the following compensation measures have been enacted.

Germany - Onshore

As the land required for the Project sites is primarily agricultural, the livelihoods of those impacted temporarily and permanently by Project activities are largely agriculturally based. NeuConnect is following the due process for land access and acquisition, which has included engagement and negotiations with the affected stakeholders.

NeuConnect has entered into compensation agreements for landholders and tenants at the converter station site; this includes compensation for early lease termination and consequential loss of harvest for tenants. Negotiations for compensation to livelihoods affected by the onshore cable route are ongoing (NeuConnect Interviews, 2021).

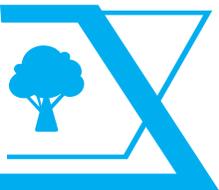
Temporary impacts to a mussel farm located near the landfall location in Germany have been noted and NeuConnect propose to relocate the cable from 36m to 96m from the mussel farm to minimise potential impacts. The German government will now determine whether to grant or reject the mussel farmers further request for compensation during construction.

Offshore

- NeuConnect engaged a Fisheries Liaison Officer early in the Project to engage with the fishing and seafaring community regarding potential impacts, including impact minimisation and avoidance measures as well as compensation agreements. This has resulted in minor changes to the route of the cable as well as timing adjustments to reduce the Project's potential temporary impacts on livelihoods and amenity. Compensation agreements are also in place (NeuConnect Interviews, 2021, AECOM, 2021a).

Without mitigation the scope and scale are assessed as medium; however, as the impacts are limited primarily to construction, the irremediability is assessed as temporary and the pre mitigation significance as minor. Given the mitigation measures in place, the likelihood is reduced from medium to low following mitigation. The post mitigation significance is assessed as negligible.

| Human rights issue | Potential impact | Potentially impacted rights holders | Project phase | Relationship to human rights impact | Pre mitigation significance | Mitigation measures | Post mitigation significance |
|---------------------------------------|--|-------------------------------------|---------------|-------------------------------------|-----------------------------|---|------------------------------|
| Right to adequate standards of living | Project activities impact marine-based/ agricultural livelihoods (fishing etc.), | Affected Community Members | Const & Ops | Contribute | Minor | <ul style="list-style-type: none"> • NeuConnect compensation agreements • Stakeholder and landholder engagement | Negligible |



Land Rights

Land rights are covered under the 'right to own property...(and) no one shall be arbitrarily deprived of his property (UDHR. Art 17). In the UK, land rights are covered under the Acquisition of Land Act 1981, in Germany under the Law to Accelerate the Grid Extension Netzausbaubeschleunigungsgesetz.

The development of the Project requires temporary land access and permanent land acquisition. Temporary land access is required to lay cables between the onshore landfall location and the converter stations; the onshore cables will be laid over 12.5km in Germany and 2km in the UK. In Germany, the development of the access road and converter station site will require permanent land acquisition.

Land access and negotiation agreements in the UK and Germany have followed the required regulatory processes. A review of the NeuConnect EIA has also identified that a range of alternative options were explored and considered to minimise and mitigate land impacts.

The site of the converter station in Germany is fixed due to the requirement to be located next to TENNET's Fedderwarden station.

NeuConnect has undertaken engagement with landholders and tenants affected by Project activities- and engagement with landholders regarding access is ongoing. In summary in Germany:

- **Converter station:** Compensation agreements have been negotiated and signed for the landholders and tenants impacted by the converter station site. This involves two landholders and two tenants.
- **Access road:** Access agreements with landowners and tenants are about to be concluded; it is anticipated that access will be granted in return for NeuConnect's commitment to upgrade the road (NeuConnect Interviews, 2021)
- **Cable route:** Land access agreements for the cable route are ongoing. 29 agreements are anticipated

- involving compensation for permanent land acquisition and temporary construction impacts for tenants. This will compensate for damages due to construction as well as longer term vegetation impacts.

An independent valuer has been engaged in Germany to determine land values for land required for the Project. Compensation has been determined in line with the Law to Accelerate the Grid Extension.

In the UK, NeuConnect has an Option Agreement in place with a single landholder for the onshore cable route. This has been signed but not yet executed.

Without safeguards in place the impact is considered likely, with the scope and scale considered low. As some land will be permanently acquired the impact would be irreparable. The pre mitigation significance is assessed as medium.

With the safeguards in place and considering NeuConnect's regulatory compliance with relevant land access processes, the likelihood is considered low and the post mitigation significance as negligible.

| Human rights issue | Potential impact | Potentially impacted rights holders | Project phase | Relationship to human rights impact | Pre mitigation significance | Mitigation measures | Post mitigation significance |
|--------------------|---|-------------------------------------|---------------|-------------------------------------|-----------------------------|--|------------------------------|
| Right to property | <ul style="list-style-type: none"> • Land acquired for the Project does not follow relevant legal processes • Adequate compensation is not paid for land required for the Project | Affected Community Members | Const & Ops | Cause | Medium | <ul style="list-style-type: none"> • NeuConnect compensation agreements • Stakeholder and landholder engagement • NeuConnect external stakeholder grievance mechanism | Negligible |



Community Engagement and Grievances

Community engagement which includes informing the community of a proposed or current Project, including activities, timing, environmental and social impacts as well as obtaining feedback regarding impacts and proposed mitigation measures is an essential requirement under the Equator Principles. It is also legislated under the German Impact Assessment Act, the UK Town and Country Planning (Environmental Impact Assessment) Regulations 2017 as well as the Dutch Environmental Management Act 2004. It is also a PCI requirement.

To date, NeuConnect have conducted stakeholder engagement early in line with the Project's PCI status. This has included stakeholder identification, analysis and engagement in the UK, Germany and the Netherlands. Communication materials to support engagement and disclose Project information to stakeholders has been developed and is publicly available on the NeuConnect website. This includes a NeuConnect PCI leaflet which details the Project, key impacts and mitigations measures to reduce impacts to community.

Engagement outcomes have been documented as per PCI and legislative requirements.

NeuConnect have proposed the development and implementation of a Stakeholder Engagement Plan and further engagement and communications activities to be undertaken during the construction and operations period to keep the community and other stakeholders informed of Project activities. A dedicated Fisheries Liaison Officer has also been engaged to support ongoing engagement with seafaring stakeholders. An onsite Project office will be established during construction with dedicated stakeholder and community relations officers engaged (either by NeuConnect or the PSC or EPC contractor).

Providing community access to a grievance mechanism, as a part of Project development, is an essential right and is central to ongoing community relationships. Access to effective remedy for victims of human rights abuses is also one of the three pillars of the UNGPs. The UK and Germany do not have specific legislation pertaining to company requirements for an external stakeholder grievance mechanism, however NeuConnect have drafted a **Grievance Mechanism Procedure for External Stakeholders**.

This procedure has been developed in line with the Equator Principles and will be in place during the Project's lifecycle. The mechanism details:

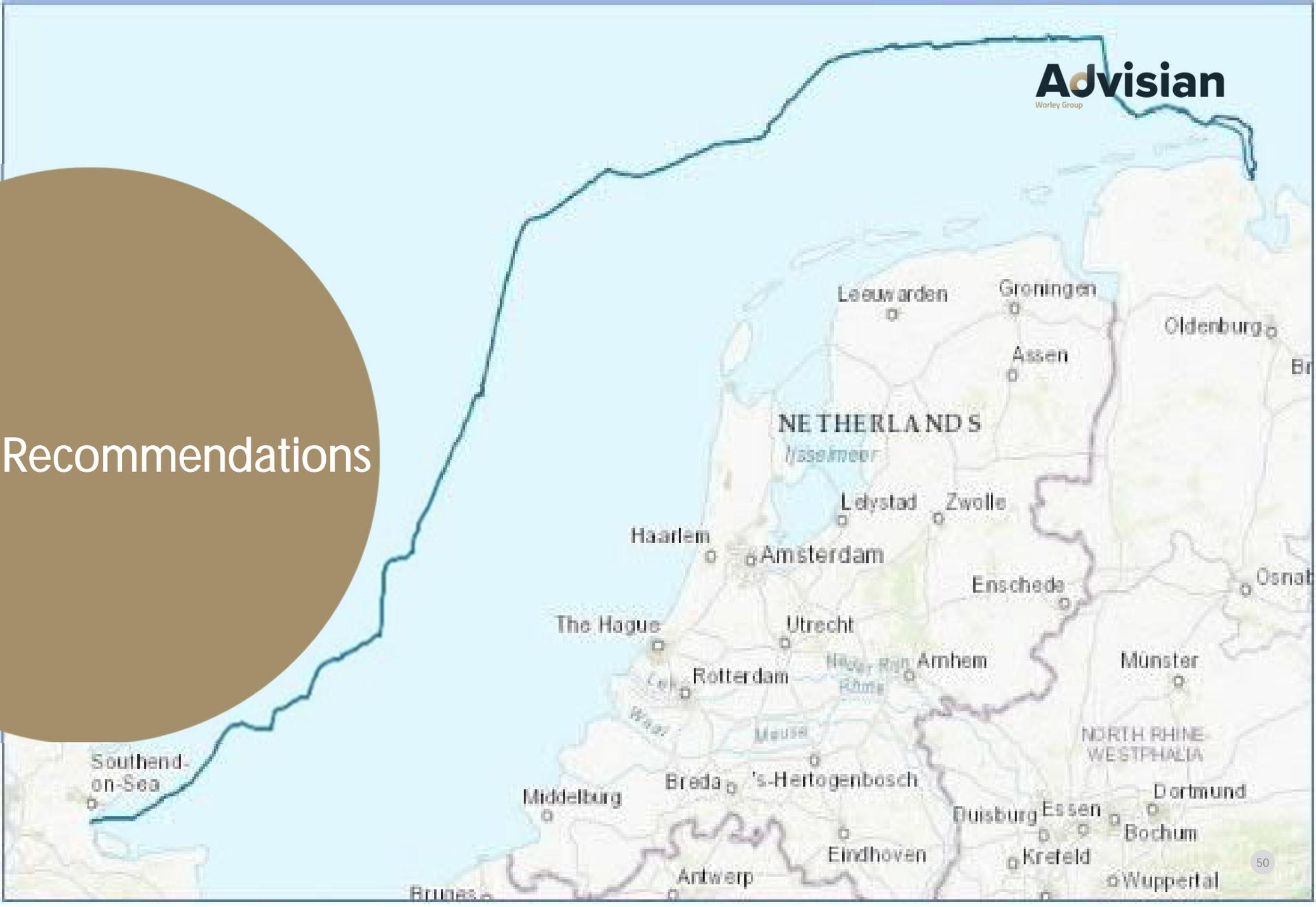
- The process for addressing grievances, including parties responsible for addressing the grievance as well as a grievance register.
- A community feedback form and response timeframes.
- That contractors may implement their own grievance mechanism, in line with the Company mechanism. If Contractors use their own mechanism, they will be required to report on its effectiveness.

Without engagement and a grievance mechanism in place the likelihood of impacts to the right to access remedy for grievances is considered medium to high. If it was to occur, it is considered to potentially impact a low number of rights holders over the short term (life of Project). Impacts to rights holders' physical, mental or emotional safety and wellbeing is considered moderate and, as a result, the pre mitigation significance is assessed as medium.

With NeuConnect's policy in place as well as ongoing engagement, the likelihood of the impact occurring is low and the post mitigation significance is reduced to minor.

| Human rights issue | Potential impact | Potentially impacted rights holders | Project phase | Relationship to human rights impact | Pre mitigation significance | Mitigation measures | Post mitigation significance |
|--|--|-------------------------------------|---------------|-------------------------------------|-----------------------------|--|------------------------------|
| Community engagement Grievance Mechanism and Remedy | <ul style="list-style-type: none"> • Community do not understand and/or cannot access a grievance mechanism. • Grievances regarding adverse human rights impacts are not remediated. | Affected Community Members | Const & Ops | Cause | Medium | <ul style="list-style-type: none"> • NeuConnect Grievance Mechanism Procedure for External Stakeholders, • Project stakeholder engagement plans and activities for onshore and offshore stakeholders | Minor |

Recommendations

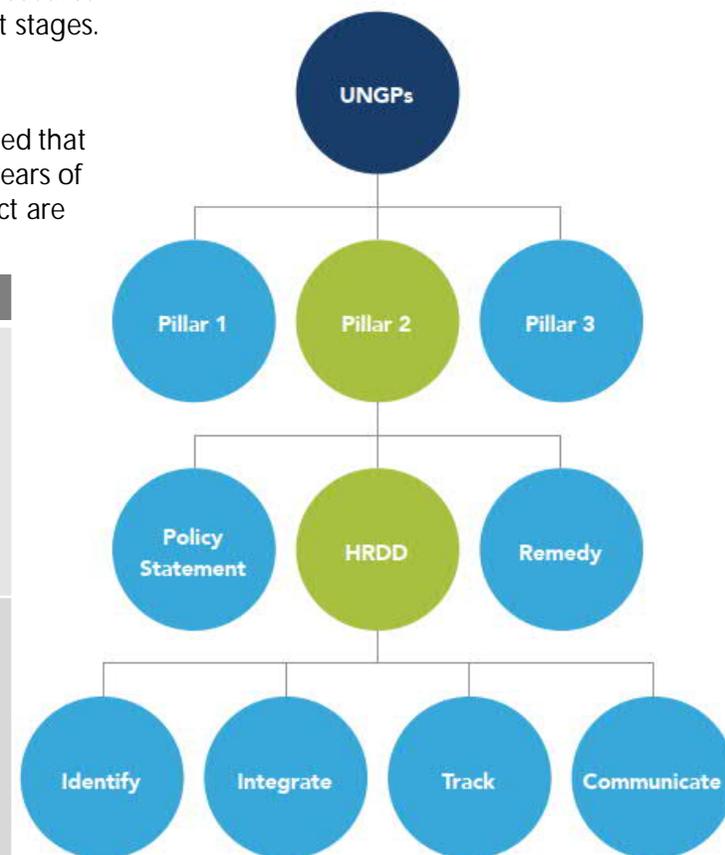


Overall Human Rights Recommendations

Human rights due diligence is an ongoing process and in order to understand whether mitigation measures are working, it requires ongoing monitoring and assessment, particularly in advance of major Project stages. Essential to this process is engagement with external rights holders to assess the integration and effectiveness of measures in place and to remediate issues identified.

As this assessment is being carried out prior to the commencement of construction it is recommended that an assessment, involving engagement with external stakeholders, is carried out within two to three years of construction to identify whether the measures developed and or proposed at this stage of the Project are effective in preventing, minimising or mitigating human rights issues.

| Overall Human Rights Recommendations | |
|--|--|
| 1. Human rights policy | <p>NeuConnect’s Equal Opportunities and Diversity at Work Policy encompasses several human rights commitments; however, the company may wish to develop a broader stand-alone Human Rights Policy as it evolves. This Policy will demonstrate the Company’s commitment to human rights and should detail commitment to the Rights mandated in the:</p> <ul style="list-style-type: none"> • UN Declaration of Human Rights • UN Guiding Principles • ILO Conventions • Other UN conventions as required. |
| 2. Human Rights Risk Control Register | <p>NeuConnect has developed a ‘living’ Environmental Compliance Register’ to track hard and soft environmental obligations and has also prepared a Development Phase Business Risk Register. As the Project moves into the construction stage, NeuConnect may wish to expand its existing registers to include human rights or to develop a stand-alone human rights risk control register. The development of a register to track human rights risk is an essential part of human rights due diligence as stipulated by the UNGPs. It will also become a requirement in 2023 under Germany’s new Supply Chain Due Diligence Act and as a result presents an opportunity for NeuConnect to be on track to meet this requirement early.</p> |
| 3. Human Rights Training | <p>As the company evolves, NeuConnect may wish to consider implementing training on human rights and how they apply to the company and Project as a part of employee inductions and knowledge development.</p> |

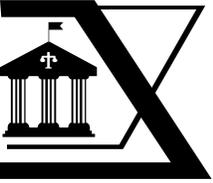


Source: UNDP, 2021



Labour Rights Recommendations

| Labour Rights Recommendations | |
|---|--|
| 1. Workers Protection Standard/Policy | <p>Whilst NeuConnect's Equal Opportunities and Diversity at Work Policy covers numerous workers rights and the majority of the workforce that will work on Project during construction will be engaged by the EPC or PSC contractor and are thereby covered by the policies of those companies, NeuConnect may wish to develop its own workforce protection standard or policy for its own employees or to incorporate additional wording regarding labour rights in the existing Equal Opportunities and Diversity at Work Policy.</p> <p>This could articulate company alignment with national labour and employment laws as well as workers rights under these agreements, including collective bargaining, work hours, overtime, and other relevant conditions- such as the right to social security (i.e., sick pay and workplace injury pay).</p> <p>Information could be incorporated in onsite training and inductions. Information about the availability of the workforce grievance mechanism could also be provided during inductions.</p> |
| 2. EPC Contractor Supply Chain Audits | <p>Ensure that audits of EPC Contractors and their supply chain include measures to track not only the point of assembly of final products but through to the point of raw material collection as it is at this point human rights violations are more likely to occur.</p> |
| 3. NeuConnect, PSC EPC Contractor KPIs | <p>NeuConnect may wish to include the following in its SHEQ KPI or human resources requirements. It may also wish to consider requiring its EPC and PSC contractors to include measures to:</p> <ul style="list-style-type: none">• Identify, track and close out workers grievances.• Assess non-discrimination in the workplace- for example identifying migrants and female workers and ensuring that they are provided equivalent working terms and conditions as non-migrants or males carrying out similar work. |
| 4. Assessing Effectiveness | <p>Establish a process to regularly assess the effectiveness of measures in place to protect workers' rights. This could include:</p> <ul style="list-style-type: none">• Assessing the effectiveness of all labour rights protection measures when conducting ad hoc audits of EPC and PSC contractors (as per the Equal Opportunities and Diversity at Work Policy)• Reviews of EPC contractor audits of suppliers.• Making the NeuConnect employee grievance mechanism available to all who work on the Project. <p>Should issues be identified, corrective actions should be put in place and penalties issued, if required.</p> |



Civil and Political Rights Recommendations

Civil and political rights recommendations

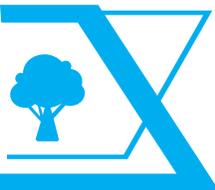
| | |
|--|---|
| 1. EPC Contractor Audits | Ensure that methods to assess adherence on 'right to life and security of person' are included in audits on EPC contractors and their supply chain. Should gaps be identified, implement corrective actions as well as penalties for non-compliance. |
| 2. External Stakeholder Grievance Mechanism | Consider providing additional wording on the external stakeholder grievance mechanism detailing the current legislation the data will be stored according to, for example in alignment with the General Data Protection Regulation (2016/79) detailed in the employee grievance mechanism |
| 3. Employee Grievance Mechanism | Consider providing additional wording in the employee grievance mechanism or a workforce protection standard, should it be developed, on employees right to expression, free from punishment. |



Economic, Social and Cultural Rights Recommendations

Economic, Social and Cultural Rights Recommendations

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|--|---|
| 1. Workforce Behaviour Management | Consider developing a company level Workforce Behavior Management plan to guide and set appropriate interactions with local community and to promote community cohesion during construction. |
| 2. COVID 19 | Whilst it is currently not possible to mandate COVID-19 vaccinations for the Project workforce in the UK and Germany, the Company may wish to consider implementing the following measures to reduce potential risks to other workers and the local community: <ul style="list-style-type: none">• Lateral flow or rapid testing• Masks• Recommending vaccinations where possible |



Land Rights Recommendations

Land Rights Recommendations

| | |
|----------------------|---|
| 1. Engagement | Consider appointing an independent party to engage with stakeholders and landholders who have been compensated for their livelihoods to identify whether measures have been sufficient, or gaps remain. Remedy issues identified. |
|----------------------|---|



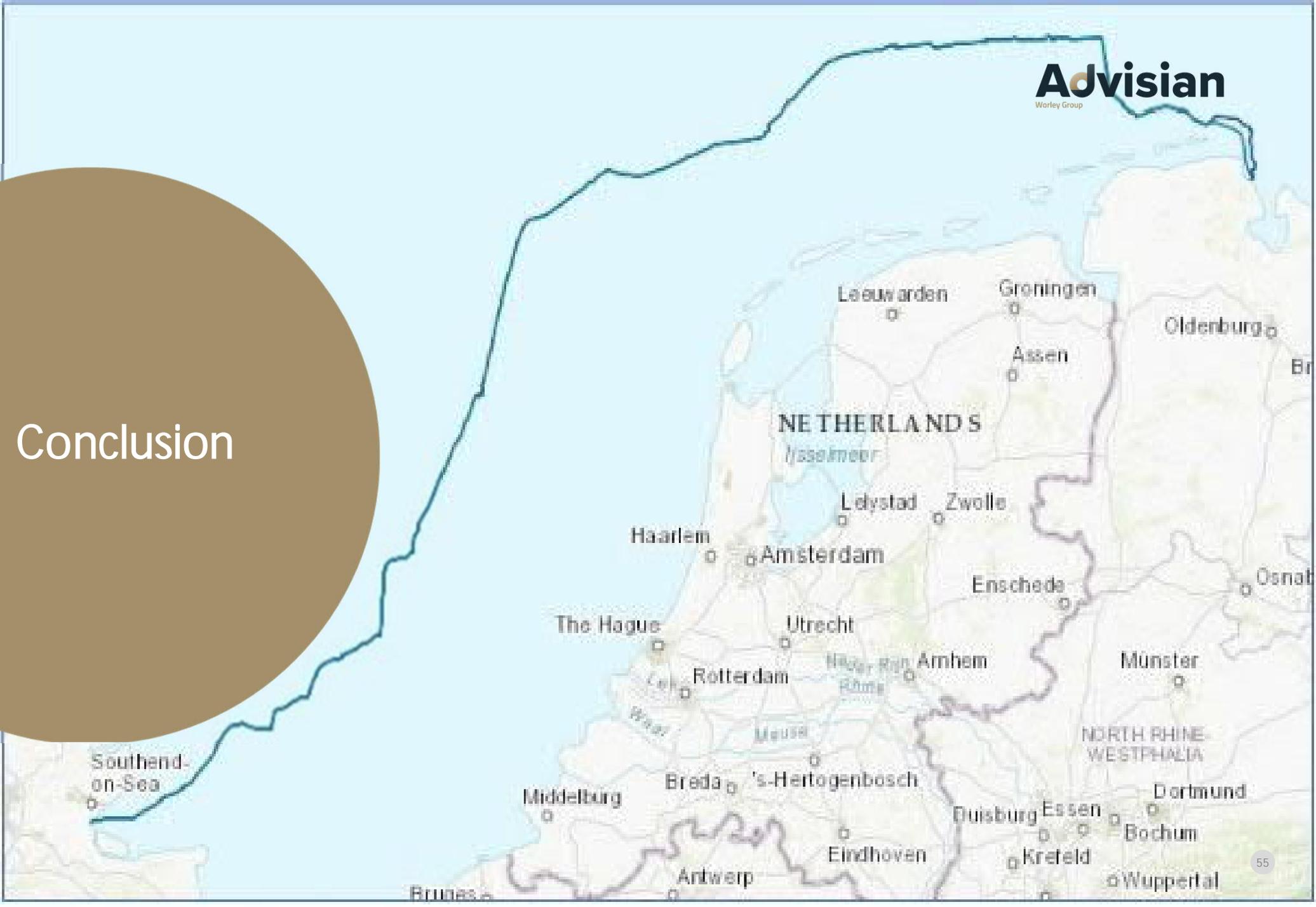
Community Engagement and Grievances

Community Engagement and Grievances

| | |
|----------------------|--|
| 1. Grievances | <ul style="list-style-type: none"> • Communicate the External Stakeholder Grievance Mechanism to stakeholders. • Ensure that stakeholders are able to understand and readily access the grievance mechanism in place, particularly during construction. This could be undertaken through the ongoing proposed stakeholder engagement activities and strategic placement of the mechanism in the locations where stakeholders can access it. • Establish a process to report to the community, on a periodic basis, on how the Project has managed grievances received via the External Stakeholder Grievance Mechanism. • Establish KPIs regarding grievance management. For example, the number of grievances received each year, with the overall goal to reduce grievances made year on year. • Conduct regular audits of the grievance process to identify areas of non-compliance across the Project. • Detail the timeframes for grievance process management on the mechanism’s flowchart as well as providing the contact details for where grievances can be directed. • Promote rights holders’ access to lender grievance mechanisms, such as the European Investment Bank-Complaints mechanism, should funding be received. |
| 2. Engagement | <ul style="list-style-type: none"> • Develop the Project stakeholder engagement plans in alignment with the Equator Principles and carry out regular engagement with communities as proposed. • To better understand if the Project could affect community health or welfare, including community wellbeing, cohesion and identity undertake a community resilience and vulnerability assessment as a part of the stakeholder analysis process when preparing the Project level stakeholder engagement plan. Depending on findings, implement measures for ongoing engagement and potentially compensation measures. |



Conclusion



Conclusion

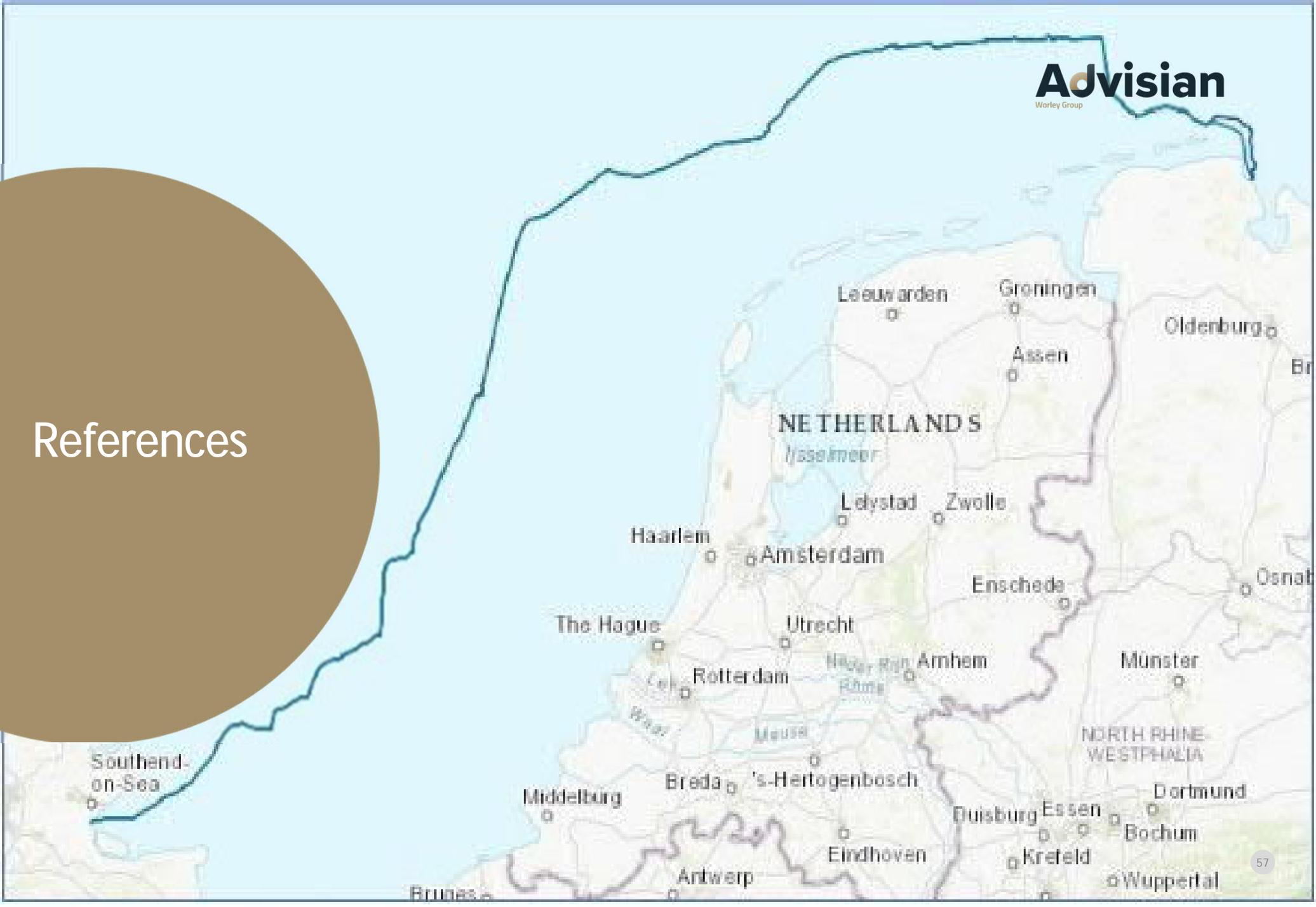
This desktop human rights impact screening assessment presents an assessment of the potential human rights issues which could arise as a part of the development of the NeuConnect Interconnector Project. The assessment involved an extensive review of the adoption and implementation of international human rights in UK, German and Dutch legislation, regulations, and policies. It also involved a review of existing NeuConnect policies, standards and documents related to the Project- including environmental assessment studies and stakeholder engagement outcomes. To obtain further context on the Project, key interviews were held with select NeuConnect representatives.

This assessment has identified that without mitigations and safeguards in place the greatest human rights risks which could be associated with the Project relate to labour rights and the right to health. However, as the Project will be developed in jurisdictions with strong measures in place to protect human rights, in alignment with international UN and ILO conventions – this risk is reduced. The potential risks are further reduced as NeuConnect as a company has developed policies and documents in line with international guidance, such as the Equator Principles as well as national regulatory requirements. It should also be noted that the preferred contractors for the Project's EPC roles also have in place a suite of policies and procedures to protect workers and community from human rights violations. As a result, the post mitigation significance of the human rights included in this assessment were all rated as minor or negligible at this stage of the Project. To further reduce the potential for human rights impacts it is suggested that NeuConnect consider implementing the recommendations presented in this report.

As human rights due diligence is an ongoing process, regular monitoring is required to understand whether mitigation measures are working and to remedy issues as they arise. Essential to this process is engagement with external rights holders to assess the integration and effectiveness of the measures in place.

As this assessment is being carried out prior to the commencement of construction it is recommended that an assessment, involving engagement with external stakeholders, is carried out within two to three years of construction commencing to identify whether the measures developed and or proposed at this stage of the Project are effective in preventing, minimising or mitigating human rights issues.

References



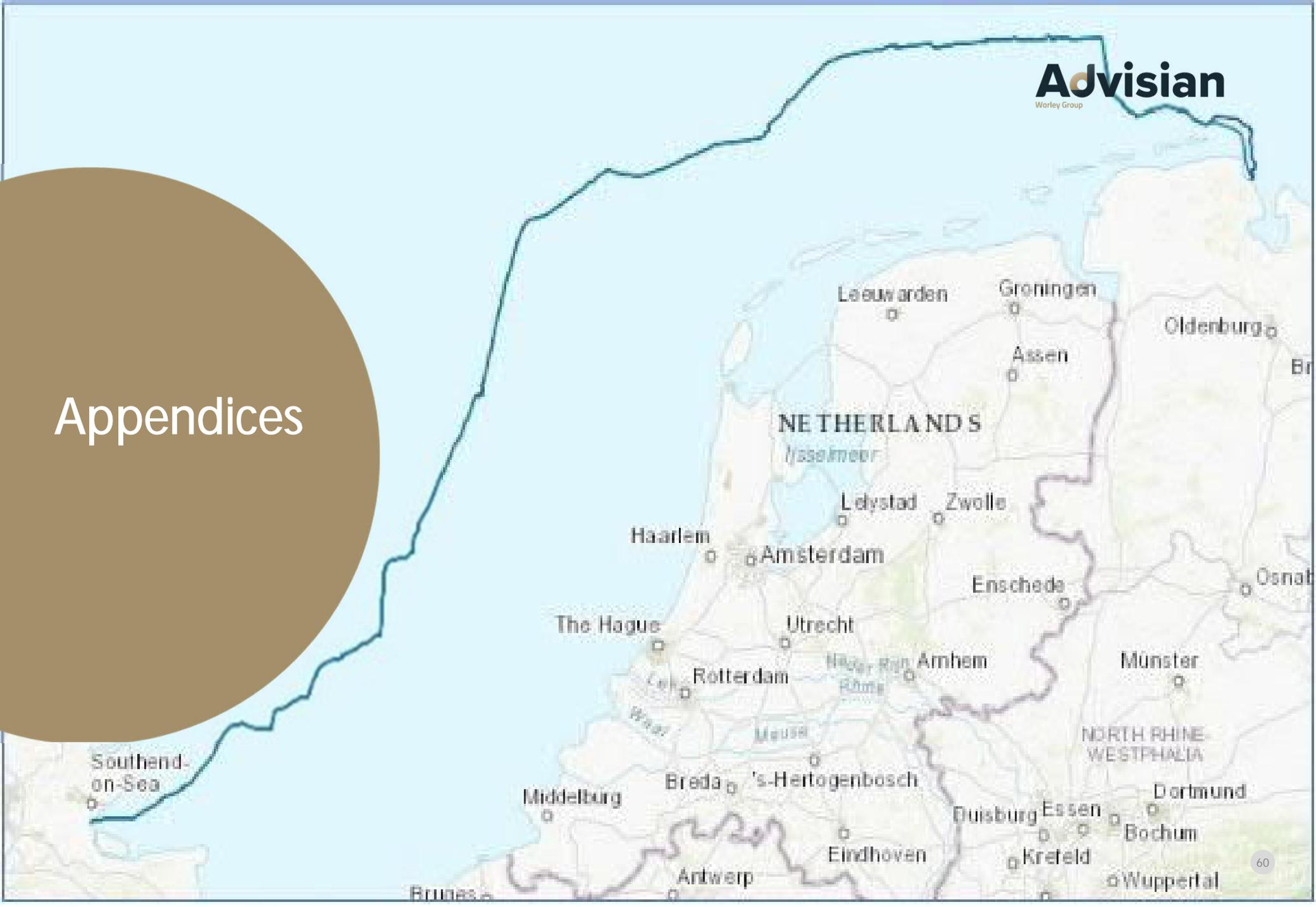
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Appendices



Assessment Parameters and Definitions

NeuConnect relationship to human rights risk/ impact

| | |
|------------------------|--|
| Cause | A human rights impact caused by NeuConnect through its own actions or decisions, including failure to act. |
| Contribute | A human rights impact which NeuConnect has contributed to, either in combination with others or through another entity by incentivising or facilitating that entity's harmful actions or decisions. |
| Directly Linked | A human rights impact can be directly linked to NeuConnect operations, products or services through its business relationships, including its direct contractual partners or clients as well as other entities in extended value chains |

Scope

| | |
|----------------------|--|
| International | Very high number of people impacted (workforce, families, surrounding communities and up to international scale) |
| National | High number of people impacted (workforce, families, surrounding communities and up to national scale) |
| State | Moderate number of people impacted (workforce, families, surrounding communities and up to state scale) |
| Local | Low number of people impacted (workforce, families, surrounding community) |

Irremediability

| | |
|-------------------|--|
| Permanent | Permanent (impossible to remedy human rights abuses) |
| Long Term | Long-term (potential for the human rights abuse not to be remedied or last longer than the Project life – more than 6 months after operations cease) |
| Short Term | Short-term (potential for the human rights abuses to last for the duration of the Project – operations) |
| Temporary | Temporary (potential for the human rights abuses to last for the duration of construction) |

Scale

| | |
|------------------|---|
| Very High | Very High - Significant or irreparable human rights impact/abuse on the physical, mental and/or emotional safety and wellbeing of an individual or community (including permanent disability or fatality; permanent and far-reaching impact to community social environment); or if the community is considered vulnerable |
| High | High - Moderate human rights impact/abuse on the physical, mental and/or emotional safety and wellbeing of an individual or community (including lost time injury; moderate impact to community social environment); |
| Medium | Medium - Low human rights impact/abuse on the physical, mental and/or emotional safety and wellbeing of an individual or community (including lost time injury; low impact to community social environment); |
| Low | Low - Very low human rights impact/abuse on the physical, mental and/or emotional safety and wellbeing of an individual or community (incl. first aid case; low reversible impact to community social environment); |

Assessment Parameters and Definitions

| Likelihood | | |
|------------|-------------------|---|
| High | >90% likelihood | Human rights issue has occurred in the operations (or sector) consistently (i.e., the issue is already occurring/ might occur every year). |
| Medium | 51-90% likelihood | Human rights issue has occurred in the operation several times or has often occurred in the sector in the past. |
| Low | 10-50% likelihood | Human rights issue has occurred in the operation once and/or has occurred once in the sector in the past. |
| Unlikely | <10% likelihood | Human rights issue has not occurred in the operation, but it is possible that it has occurred in the sector in the past. |
| Rare | <1% likelihood | Human rights issue is very unlikely to occur under normal operating conditions but may occur in exceptional circumstances (i.e., the impact is generally never heard of in industry). |

| Severity | |
|--------------------|---|
| NEGLECTIBLE | A negligible impact/risk which will have no discernible or measurable effect on stakeholders or communities. |
| MINOR | An impact/risk for which mitigation is desirable but not essential. The impact by itself is insufficient even in combination with other low impacts to prevent the development being implemented. Results in short-term effect on the social and/or cultural environment. |
| MEDIUM | An important impact/risk which requires mitigation. The impact is insufficient by itself to prevent the implementation of the project but in conjunction with other impacts may prevent its implementation. Results in a negative medium to long-term effect on the social and/or cultural environment. |
| MAJOR | A serious impact/risk if not mitigated, may prevent the implementation of the project. These impacts would be considered by society as constituting a major and usually a long-term change to the social environment and result in severe effects. |
| SEVERE | A very serious impact which may be sufficient by itself to prevent implementation of the project. The impact may result in permanent change. Very often these impacts are irreversible and usually result in very severe effects for a large group of people. |

Significance Formula

Impacts were ranked according to their:

Consequence = scale + scope + irremediability; and

Significance= consequence x likelihood

This allowed impacts to be rated as negligible, minor, medium, major or severe.



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