

SOCIAL POLICY

1. SUBJECT OF SOCIAL POLICY

The Joint Stock Company for the Production of Electrical Energy, ESM – Skopje, state-owned (hereinafter referred to as the Company in this social policy), as a socially responsible company, is committed to improving the social aspects and interests of the community, as well as ensuring workplace safety and health for all directly and indirectly employed individuals.

The social policy reflects the Company's commitment to corporate social responsibility and sustainable development by supporting and implementing renewable electricity production projects. Focusing on renewable energy sources, economic reorientation, and adequate policy creation, necessitates integral and social adaptation.

2. OBJECTIVE OF SOCIAL POLICY

The Company, has implemented and fully aligned with the principles and requirements of the following standards: the Occupational Health and Safety standard (ISO 45001:2018), the Environmental Protection standard (ISO 14001:2015), and the Quality standard (ISO 9001:2015). The Company, its contractors, and subcontractors are committed to fully complying with these standards, rules, principles, and guidelines throughout the entire lifecycle of projects.

The Company's objective through social policy is to express its commitment to corporate social responsibility, sustainable development, and the application of high standards for safety, occupational health, and environmental protection in all its processes and activities. The Company is firmly committed to respecting and protecting fundamental principles and workers' rights, ensuring fair treatment, non-discrimination, and equal opportunities.

A key aspect of this policy is ensuring workplace safety and health, which serves as the foundation for successful and sustainable operations. The Company implements stringent measures to integrate safety and occupational health standards from the earliest phases of project planning. All contractors, subcontractors, and supervisory bodies are obligated to adhere to national regulations and best international practices for health and environmental protection. Furthermore, the Company takes all preventive measures to minimize workplace risks and hazards. These preventive measures go beyond legal requirements, incorporating a culture of awareness and responsibility.

The Company strives to create a work environment where all employees have equal opportunities for personal and professional development. It is dedicated to preventing discrimination based on race, skin color, origin, nationality, ethnicity, gender, social background, education, religion, political or other beliefs, disability, age, marital or family status, financial status, health condition, or any other discriminatory basis.

When determining social policy objectives, the Company promotes a culture of respect and fair treatment, as well as principles of conscientiousness and integrity. Additionally, the Company upholds

transparency by regularly informing the public and involving all stakeholders in projects. Local communities receive significant support through grievance and complaint mechanisms.

3. IMPLEMENTATION OF SOCIAL POLICY

The commitments and principles of social policy will be achieved through the following activities:

- Integration of safety, health, environmental protection, and quality requirements from the early stages of the project, as criteria for selecting contractors and throughout project and contractual documentation;
- Commitment to respecting and protecting fundamental principles and workers' rights, fair treatment, non-discrimination, and equal opportunities;
- Obliging contractors, subcontractors, and supervisory bodies to fully adhere to all national standards and best international practices for occupational safety, health, and environmental protection;
- Full transparency in publishing all relevant project-related information, open communication with the public, and involvement of all stakeholders;
- Providing necessary working resources such as workspaces, equipment, personal protective gear, and other tools used in the work process, along with implementing all preventive measures to reduce risks and hazards in the workplace;
- Involvement of local communities through project support and implementation of grievance and complaint mechanisms within and outside the Company;
- Repurposing land degraded by mining activities into power plants, reducing dependence on fossil fuels.

Regarding the strategic priority of transitioning to renewable energy sources, the Company emphasizes that this plan includes repurposing land degraded by mining activities into electricity production projects, significantly reducing reliance on fossil fuels. These activities contribute not only to environmental protection but also to the efficient management of natural resources.

Guided by the principles of sustainability, transparency, and innovation, the Company commits to developing and implementing projects that ensure long-term environmental protection benefits and the development of local communities and the economy.

Considering the aforementioned commitments, the Company asserts that these principles will guide all its activities, ensuring alignment between economic goals, environmental values, and societal needs.

Furthermore, this policy reaffirms the Company's dedication to corporate social responsibility and environmental sustainability. It provides a framework for supporting and implementing initiatives that contribute to clean energy, economic progress, and the conservation of natural resources.

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