




2018 Questions regarding human rights due diligence in the construction industry in Jordan

I. Scope and nature of operations in Jordan

1. Please describe the nature and scope of your company's operations in Jordan including any labour rights standards governing these projects

Alcazar Energy is an independent developer and power producer focused on mid-market renewable energy generation across the META region (Middle East, Turkey and Africa). Alcazar Energy's role is the origination, development, structuring, acquisition and operation of renewable energy projects, focusing on Solar PV and Onshore Wind technologies. We are positioned to capitalise on the region's shift towards renewable energy as it has become a competitive source of power generation below grid parity. Alcazar Energy is backed by strategic sponsors and regional industrial expertise including, International Finance Corporation (IFC), IFC Asset Management Company, Dash Ventures and Mubadala Infrastructure Partners (MIP).

Alcazar Energy was formed in early 2014 and has since then grown to have fully resourced Business Development, Investment, Project Finance, Delivery and Operations teams. The Alcazar Energy's portfolio of projects in Jordan is presented below:

Project name	Shobak Wind Farm	Ma'an Solar PV Plant	Al Rajef Wind Farm
Location	District of Shobak, Ma'an Governorate	Ma'an, Jordan	Al Rajef, Ma'an Governorate
Status	Construction commenced in June 2018	In Operation since July 2016	Advance stage of Construction
Capacity	44.85MW	24 MW	86.1MW
Ownership	Alcazar Energy: 90% Hecate Energy LLC: 10%	Alcazar Energy: 100%	Alcazar Energy: 100%
Finance	Project Financed by EBRD, ISDB and Europe Arab Bank. Financial close achieved in December 2017	Project Financed by EBRD and OPIC. Financial close achieved July 2015	Project Financed by EBRD, PROPARCO and DEG. Financial close achieved in November 2016
Finance			

Alcazar Energy is dedicated, through effective leadership and commitment, to delivering value for its shareholders as well as stakeholders by carrying out its activities in line with good international practice (GIP) in a manner that is environmentally sound, protecting the safety and security of workers and communities, and supporting social justice and human rights across its countries of operation, including Jordan.

As noted above, Alcazar Energy is sponsored by the IFC and our projects in Jordan are financed by international development financial institutions (DFIs) such as the European Bank for Reconstruction and Development (EBRD). As such, we are committed to developing, constructing and operating our projects in Jordan in compliance with the IFC Performance Standards on Environmental & Social Sustainability (PS) and other applicable international standards of our Lenders (i.e. EBRD Performance Requirements (PRs)).

Alcazar Energy strives to achieve the highest possible level of labour standards performance in line with those of the IFC Performance Standard 2 on Labour and Working Conditions as well as the EBRD Performance Requirement

2 on Labour and Working Conditions, which are in part guided by a number of international conventions negotiated through the International Labour Organization (ILO) and the United Nations (UN). Achieving labour standards and protecting human rights is not only a pre-requisite for our stakeholders but a moral obligation, embedded into our identity and imperative based on our values of ethical integrity.

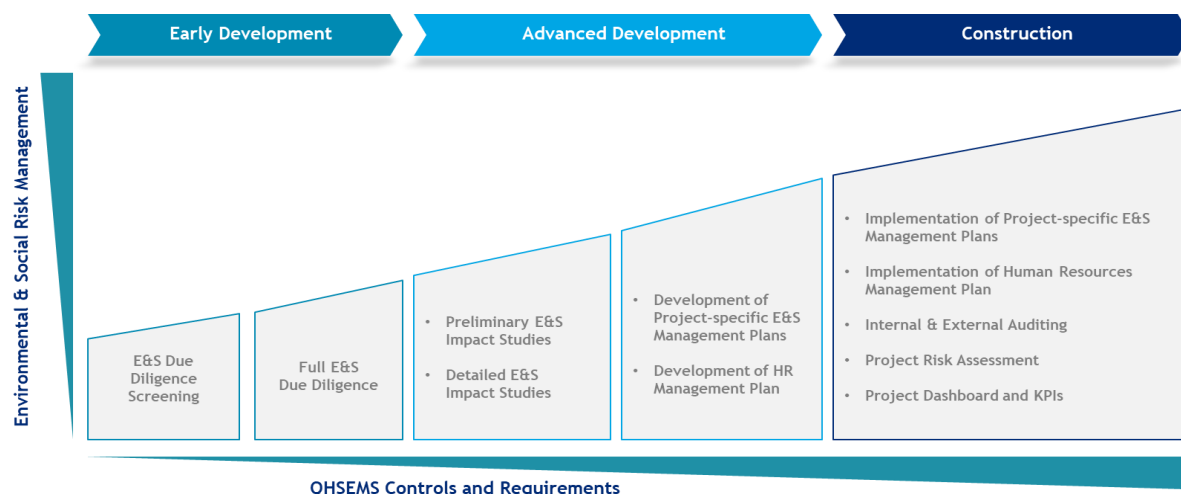
Our responsibility is to ensure that our EPC Contractor(s) and sub-contractors are fully aware of the applicable labour standards and compliant with those as well as national labour law and any other relevant regulations applicable to their activities. We are also cognisant of potential challenges which may arise in geographies in which we operate, and our role in managing the labour standards performance of our EPC Contractor(s) and subcontractors. Accordingly, we implement sound, consistent and effective approaches to manage and monitor the labour standards performance of our EPC Contractor and subcontractors. These are mainly guided by our proprietary and integrated Quality, Health, Safety and Environment Management System (QHSEMS). Our QHSEMS is comprised by a hierarchy of documents, with the Policies sitting at the top and representing the foundation of Alcazar Energy’s commitment to undertaking our work safely, responsibly, sustainably and with a duty of care to our staff, our stakeholders and the wider community throughout the development, construction and operation of our projects. Furthermore, Alcazar Energy has recently obtained the certification of its QHSEMS for the following International Standards: ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007.

Our QHSEMS serves as the foundation for integrating social aspects into our operations and is crucial to continual improvement of labour standards performance not only for our direct employees and contracted workers but also for those engaged by third parties. The procedures within our QHSEMS help ensure that labour standards performance is continuously observed and set the requirements for auditing accordingly (as further explained later on in this questionnaire).

II. Human rights policy and due diligence

2. Please explain your approach to mapping human rights risks in your operations.

The risks and impacts identification process that we follow to screen, identify, measure, or assess the potential labour and human rights risks (as well as environmental, social, health & safety and security risks) and impacts associated with our Projects up to the Construction phase is generally as follows (*please note that our approach followed during the operational phase of our Projects is not presented herein since it is understood that this due diligence is focused on the construction industry*):



Early Development: At the initial stages of ‘early development’, when a potential investment opportunity has been identified, Alcazar Energy conducts an in-house ‘Environmental & Social Due Diligence Screening’ exercise which is basically a high-level risk assessment of the Project against the IFC Performance Standards. The aim is this exercise is to identify any potential significant environmental, social and health and safety risks and impacts associated with the Project at an early stage whilst also allowing us to foresee and address those situations as the

Project evolves. The 'Environmental & Social Due Diligence Screening Checklist' includes consideration to any significant issues anticipated with regards to the recruitment of workers for the construction of the Project and any particular concerns with regards to child and forced labour for workers contracted by third parties. The findings are presented in the 'Red Flag Analysis' which is a high-level risk assessment of the technical aspects of the Project.

Afterwards within the 'early development' stage, a 'Full Environmental & Social Due Diligence' exercise is conducted in-house which is a more detailed risk assessment of the Project against the IFC Performance Standards building on the findings of the 'Environmental & Social Due Diligence Screening'. Based on the potential significant environmental, social and health and safety risks and impacts identified, an external 'Full Environmental & Social Due Diligence' study might be commissioned and conducted by a qualified and experienced E&S consultant, who is familiar with the social challenges of the Project location. The 'Full Environmental & Social Due Diligence Checklist' includes detail consideration to labour standards including but not limited to working conditions and terms of employment, worker's organization, equal opportunity and the protection of the work force from abusive practices.

Advanced Development: During the 'advanced development' stage and prior to financial close, comprehensive environmental and social assessments are conducted depending on the Project categorisation, the national legislative requirements, and the phase in the project cycle. These assessments often take the form of an Environmental and Social Impact Assessment (ESIA) for greenfield projects. The ESIA process predicts and assesses the Project's potential environmental and social risks and impacts, in qualitative and quantitative terms to the extent possible proportionate to the nature and scale of the Project. **The ESIA is completed in line with good international practice and as such, should identify and evaluate the potential risks and impacts associated with labour conditions and human rights for the development of the Project. The ESIA should also identify the mitigation and management measures to be taken during the implementation of the Project to avoid or minimize the potential risks and impacts associated with labour conditions and human rights.** Building on the recommendations of the ESIA, Project-specific environmental and social management plans are developed by the EPC Contractor accordingly for the construction phase of the Project that describe the mitigation and management measures and actions to be implemented to avoid environmental and social impacts, and address any potential residual project impacts, as well as the monitoring and reporting programs and the roles and responsibilities.

A Human Resources Management Plan should be developed by the EPC Contractor that aims:

- To ensure the management and control of activities that may pose labour-related risks;
- To establish, manage and promote a healthy management-worker relationship; and
- To protect workers' rights including migrant and third-party workers

The Human Resources Management Plan must include the identification of labour-related risks and impacts, the committed mitigation measure to avoid or reduce the impact, the monitoring technique, frequency and responsibility including also reporting.

Construction: During the 'construction' phase of the Project, the Alcazar Energy Delivery & Operations Team continuously manages and oversees the progress of the EPC Contract activities and the Implementation of Project-specific environmental and social management plans through a series of Project monitoring activities such as: direct supervision with Alcazar Energy Site Engineers present on-site, weekly and monthly meetings with the EPC Contractors and monthly progress audits. This allows Alcazar Energy to continue identifying any potential labour-related risk and impacts associated with labour conditions and human rights as follows:

- Compliance with Alcazar Energy's Policies and Procedures (including the 'Employment Relationship Policy and Principles') as well as Project-specific environmental and social management plans such as the Human Resources Management Plan is continuously monitored, in particular on monthly basis through an HSE comprehensive audit that considers the labour and human rights of contracted workers (see Question (7) for further details);
- Project Risk Assessments are continuously updated based on the Project monitoring progress and findings; and
- Projects Dashboards against established Key Performance Indicators (KPIs) for environmental, social, health and safety and progress aspects for the Project are updated and assessed on monthly basis.

3. Does your company have a publicly-available written policy to respect the human rights of your workers?

Our 'Employment Relationship Policy and Principles' presents Alcazar Energy's values with regards to labour and human rights and the principles that govern our employment relations not only with 'direct employees' (employees engaged directly by Alcazar Energy) but also with 'indirect employees' (contracted workers and workers engaged by third parties to perform work directly related to business operations) across the geographies where we operate, including Jordan. The Policy covers recruitment of workforce from local communities, working conditions and terms of employment, freedom of association, minimum age and forced labour, equal opportunities and non-discrimination, grievance mechanism and retrenchment principles.

However, our 'Employment Relationship Policy and Principles' is not publicly available. As part of our QHSEMS, the Policy will, in due course, undergo a formal process of Management Review and will be revised to ensure it continues to meet its objectives, effectiveness, resources and planning, after which it will be publicly shared in our website along with our other [QHSE Policies](#) currently available. Please find our 'Employment Relationship Policy and Principles' attached.

In addition, Alcazar Energy has a firm commitment to observe the highest standards of ethics and integrity in conducting its business and overall affairs. Alcazar Energy has developed and implemented a 'Code of Conduct' that underlines the role of ethics, fairness and honesty in our business performance. Our 'Code of Conduct' specifically includes our commitment to labour and human rights recognised in national law, ratified international conventions and international good practice for labour standards and our strong disapproval of any form of involuntary or compulsory labour or any coercive practices that would prevent workers from voluntarily ending employment within their legal right. Our 'Code of Conduct' is not publicly available but similarly to the 'Employment Relationship Policy and Principles' will, in due course, undergo a formal process of annual Management Review, after which it will be publicly shared in our website

4. Does your company have publicly- available written policies on protection of refugees?

We do not have a publicly-available written policy specific to the protection of refugees, however our 'Employment Relationship Policy and Principles' addresses the rights of ALL Alcazar Energy direct employees as well as indirect employees (contracted workers and workers engaged by third parties), whether they are nationals (non-migrant employees) or migrant employees (both hired internally or internationally) and, hence pertinent to any potential individual who might be employed within our Projects.

We comprehend that refugees, who might lack legal status in the country, may be particularly vulnerable to forced labour situations. Based on publicly available data from the UNHCR, the UN Refugee Agency on the Syrian refugee situation¹, approximately 40 per cent of working Syrian refugees in Jordan are employed in the construction sector, one of the sectors open to 'non-Jordanians' under the country's labour regulations, which the company and its partners take under consideration. In line with our ethics commitment, Alcazar Energy endeavours and makes reasonable efforts not to be complicit in any human rights abuse within its Projects, including refugees.

5. Does your company have publicly- available written policies on migrant workers' rights? that specifies fair recruitment such as:

¹ 3RP Regional Refugee and Resilience Plan 2017-2018 in response to the Syria Crisis
<https://data2.unhcr.org/en/documents/download/63530>

No, we do not have a publicly-available written policy on the protection of migrant workers' rights. Our 'Employment Relationship Policy and Principles' is applicable to direct employees as well as indirect employees (contracted workers and workers engaged by third parties), whether they are nationals (non-migrant employees) or migrant employees (both hired internally or internationally). However, our 'Employment Relationship Policy and Principles' will be publicly shared in our website after the next Management Review.

In line with our ethics commitment, Alcazar Energy endeavours and makes reasonable efforts not to be complicit in any human rights abuse of migrant workers, contracted or engaged by third parties, firstly and foremost by confirming their working conditions and terms of employment are the same or substantially equivalent to those of non-migrant workers performing the same type of work.

- a. [no payment of recruitment fees?](#) - Our 'Employment Relationship Policy and Principles' covers that terms of employment, including wages and benefits, overtime and leave entitlement, should meet the requirements of an applicable collective bargaining agreement or of national law, whatever is more stringent but does not specify on the avoidance of recruitment fees. However, this is covered within our 'Employer QHSE Requirements Document' (see Question (6)).
- b. [Availability of a written employment contract in the worker's language, with a copy provided to the worker?](#) – The provision of a written employment contract in the worker's language is specifically covered within our 'Employer QHSE Requirements Document' (see Question (6)).
- c. [Prevention of contract substitution?](#) - The prevention of contract substitution is not specifically covered within our 'Employment Relationship Policy and Principles'.

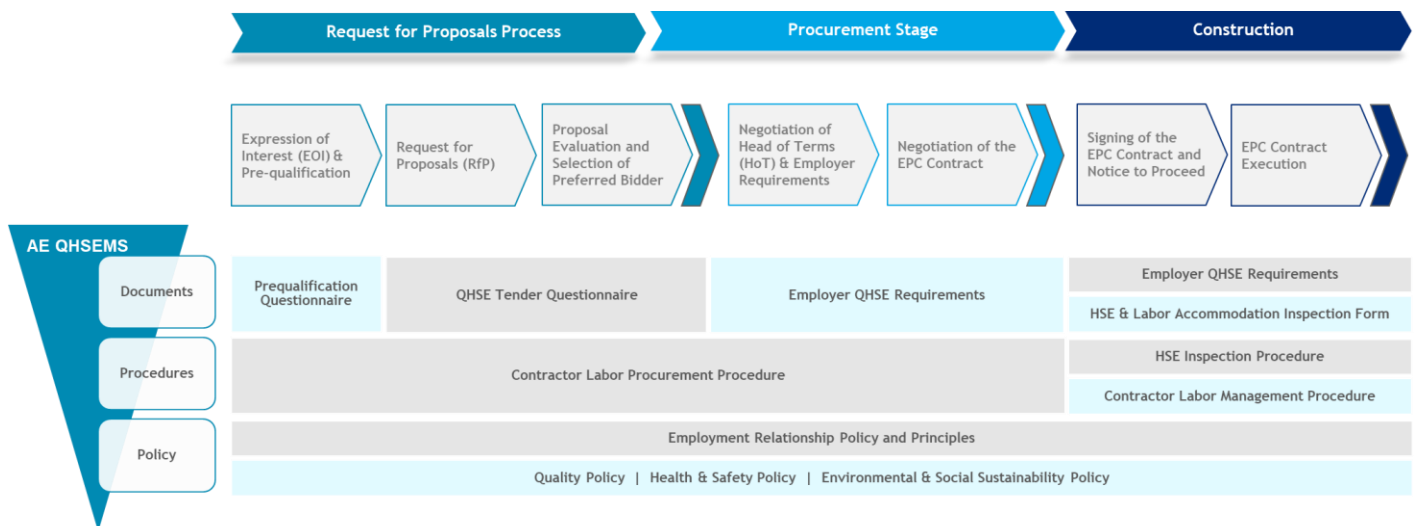
Please provide links or attachments to the company's relevant policies.

Please find our 'Employment Relationship Policy and Principles' attached.

III. Subcontracting

6. [Does your company have policies and procedures to safeguard the human rights of workers employed by your subcontractors? Do these make specific provision for safeguarding the rights of migrant workers and refugees?](#)

As noted earlier, our proprietary and integrated QHSEMS serves as the foundation for integrating social aspects throughout the development, construction and operation of our projects, and is crucial to continual improvement of labour standards performance not only for our direct employees but also for contracted workers. The QHSEMS is comprised by a hierarchy of documents, with the Policies sitting at the top, followed by the Procedures which present the guidelines to ensure that labour standards performance is continuously observed throughout the Project lifecycle and auditing is conducted accordingly whilst the Documents present the specific requirements for practical implementation of the Procedure. The following diagram is a graphical representation of the different commercial stages of a Project and the associated controls within our QHSE Management System to (i.e. Policies, Procedures and Documents) for the management of the environmental and social performance (including labour standards performance) of the Project and for the safeguarding of the human rights of workers contracted workers and workers engaged by third parties. Further explanation is provided below:



(A) 'Employment Relationship Policy and Principles'

Our 'Employment Relationship Policy and Principles' presents Alcazar Energy's values with regards to labour and human rights and the principles that govern our employment relations not only with 'direct employees' (employees engaged directly by Alcazar Energy) but also with 'indirect employees' (contracted workers and workers engaged by third parties) whether they are nationals (non-migrant employees) or migrant employees (both hired internally or internationally). It does not specifically distinguish or mention the protection of refugees, however its principles are applicable.

(B) 'Contractor Procurement Procedure'

This Procedure outlines the minimum requirements for the process of prequalification, evaluation and approval of Contractors who provide service or materials/products to Alcazar Energy to ensure a systematic approach is applied when selecting and managing Contractors.

The Prequalification Criteria for judging the eligibility of the Contractor includes technical, financial and legal capacity and proven performance of equipment as well as QHSE performance (**'Prequalification Questionnaire Document'**).

The evaluation criteria Contractors who are 'prequalified', thus eligible to tender, is based on commercial, quality and financial history, legal authorization and price as well as QHSE performance. The **'QHSE Tender Questionnaire Document'** requests detailed information from the tenderer or EPC Contractor such as policies, procedures, documents and practical approaches to make a high-level assessment of the environmental, social and H&S performance and capabilities of the EPC Contractor against IFC PSs. The questionnaire is developed following international best practice and tailored for each project based on the inherent EHS risks. The questionnaire requests specific information on how the EPC Contractor is planning to address labour related risks and how this will be managed at the subcontractor level, including monitoring and reporting systems. The selection of the EPC Contractor is therefore based on risk minimisation, not only considering the commercial and quality conditions of services or products of the Contractor, but also taking into due consideration their social performance and ethical behaviour ensuring that labour related matters and variables are considered early in the process.

(C) 'Employer QHSE Requirements Document'

We believe that E&S risks in the contracting process are most effectively addressed by integrating the risk management requirements into the EPC Contract. We have developed a set of 'QHSE Employer Requirements' in line with international best practice which describe in a comprehensive and structured manner the various E&S considerations, controls, and commitments that the contractor will be required to implement as part of its scope of work (e.g., E&S policies, regulatory requirements, E&S commitment

registers, ESIA documentation, E&S Action Plan (ESAP), etc.). The 'QHSE Employer Requirements' are then made an integral part of the EPC Contract.

In line with the 'Employer QHSE Requirements', the main social goals for our Projects are to:

- respect and protect the fundamental principles and rights of workers;
- promote the decent work agenda, including fair treatment, non-discrimination and equal opportunities of workers
- establish, maintain and improve a sound worker-management relationship;
- promote compliance with any collective agreements to which the client is a party, national labour and employment laws; and
- prevent the use of forced labour and child labour (as defined by the ILO) as it relates to project activities.

As noted in the 'Employer QHSE Requirements', these requirements shall be met by the EPC Contractor and shall in turn be cascaded down to the Subcontractors. For 'indirect employees' (contracted workers) engaged by the Contractor through its subcontractors or other intermediaries to work on project sites or perform work directly related to the core functions of the project, the Contractor will use reasonable efforts to:

- ascertain that these contractors or intermediaries are reputable and legitimate enterprises;
- require that they apply the requirements stated in this section of the QHSE Employer Requirements;
- assess and use reasonable efforts to incorporate these requirements in contractual agreements with such third-party employers and, where relevant, will develop and implement a subcontractor management plan; and
- ensure that 'indirect employees' (contracted workers) have access to an effective grievance mechanism that meets international good practice.

As a result, the bidding process, the selection of the EPC contractor, the EPC contract, and the execution of the work itself will include the consideration of labour conditions from the outset enabling us to better manage the labour standards performance of our EPC Contractor(s) and to adequately control and mitigate any associated risks and impacts.

7. How does your company monitor compliance of contractors and subcontractors (in tier 1 and beyond) with its policies and standards?

We recognise that proactive monitoring of the environmental and social performance of our EPC Contractor(s) and subcontractors is critical to ensure compliance with applicable environmental and social standards but also for the continual improvement of the Project performance.

The following set of actions are implemented during the construction phase of our Projects to ensure that environmental and social performance, including labour standards performance, is appropriately monitored and audited with its associated reporting requirements:

(A) Self-monitoring by the EPC Contractor

In line with the 'Employer QHSE Requirements', the EPC Contractor is responsible for monitoring its environmental and social performance and that of all its subcontractors on day-to-day basis throughout mobilisation, the main construction phase, and demobilization. The EPC Contractor is responsible for adequately resourcing its work to meet the requirements for self-monitoring, auditing and reporting and employing qualified personnel to oversee environmental and social performance.

The EPC Contractor shall report monthly the QHSE Statistics of the Project (**'QHSE Statistics Document'**) which establishes the reporting metrics includes but is not limited to the agreed Key Performance Indicators (KPI's), the list of personnel involved in the Project, the incident rates, the number of non-conformities and details of any labour grievances. The timely reporting of environmental and social

performance and results enables Alcazar Energy to prevent poor performance, identify opportunities for improvement, and assist the EPC Contractor(s) if remedial action needs to be taken.

Continuous open communication and regular meetings with the EPC Contractor(s), and between the EPC Contractor(s) and their subcontractors, are essential to ensure environmental and social performance targets are met and performance is continuously improved. Alcazar Energy conducts weekly and monthly meetings with EPC Contractors (and selected subcontractors where applicable) as well as internal weekly and monthly Project progress meetings following those.

(B) Monthly HSE Inspections

Health, safety, social and environmental inspections are performed internally by Alcazar Energy QHSE Team (or appointed and trained provider) on monthly basis for our Projects under construction (and quarterly for our Projects in operation) to evaluate Project compliance against:

- National labour, social security and occupational health and safety laws;
- Fundamental principles and standards embodied in the ILO Conventions; and
- IFC Performance Standards and its Environmental, Health and Safety Guidelines.

The purpose of the HSE Inspections is to protect and promote the safety and health of workers, to anticipate, assess and prevent or minimise adverse impacts on the health, safety and environment of local communities as well as to respect the fundamental principles of labour and human rights and to prevent the use of forced labour and child labour.

The HSE Inspections are conducted in line with the **'HSE Inspection Procedure'** and by using the following forms or checklists: the **'HSE Inspection Report Form'** and the **'Labour Accommodation Inspection Report Form'**. The **'HSE Inspection Report Form'** presents a section on social aspects that covers labour and working conditions to be audited during the HSE inspection and including:

- HR Policies, HR Procedures and Labour Code of Conduct;
- Workers grievance mechanism and grievance log updated;
- Random review of records of workers for both national and migrant workers (i.e. records of work contracts in local language including terms of employment in line with local regulations, records of medical clearance, records of wage payments, record of sickness and absence); and
- Random checks/interviews of workers onsite (i.e. working conditions, terms of employment on contract, any signs of child labour, any signs of forced labour).

(C) Semi-annual Contractor Labour Audits

The **'Contractor Labour Management Procedure'** provides guidelines to identify, monitor and manage any gaps between the EPC Contractor's labour practices and the applicable labour standards established within national laws and regulations, ILO Conventions and international standards in line with Lenders' requirements. In line with the requirements of the **'Contractor Labour Management Procedure'**, Alcazar Energy appoint assign a specialist to assess labour standards performance, the existing labour-related management procedures and document records and to identify non-compliances. In order to do so, the specialist carries out inspections of work sites and accommodation units, conducts interviews with workers, and audits documentation covering the following topics:

- Communication and provision of clear and documented information on terms of employment, hours of work, wages, overtime, compensation, and benefits to workers, etc;
- Management of hours of work, rest periods and overtime to align with applicable national laws and regulations and international standards, and associated timekeeping and payroll systems;
- Payment of wages (including bonuses and premiums for overtime), in full and timely manner;
- Worker possession of personal identification documents;
- Workers' rights to remove themselves from hazardous situations;
- Workers' rights to join workers' organizations and bargain collectively;
- Workers' ability to raise grievances through established mechanisms;
- Living conditions and quality, security and safety aspects of accommodation provided to workers as well as any other basic services such as water, sanitation and medical care; and
- Implementation of human resource (HR) policies and any other specific policies such as non-discrimination and equal employment opportunity policies.

The reporting of the findings is presented in line with the requirements of the **'Contractor Labour Management Procedure'** and providing the summary tables for interviewed employees, labour profile and non-compliance action plan.

(D) Audits by the Lenders' Environmental & Social Advisor

An independent Environmental & Social Advisor is appointed by Alcazar Energy on behalf of the Lenders (Lenders' E&S Advisor) for each specific Project who conducts independent assessments of a Project's E&S performance, the implementation of the ESAP actions, the implementation of the Project ESMS and the identification of any non-compliance against applicable national laws and regulations and international standards throughout the construction and operational phases of the Project. Hence, the Lenders' E&S Advisor conducts independent construction audits against the Lenders' requirements (e.g. IFC Performance Standards and/or the EBRD Performance Requirements) on a frequency determined for each Project and commensurate with the E&S risks and impacts of the Project. The construction audits consider the potential risks and impacts associated with labour and working conditions of the contracted workers engaged for the Project, identify any non-compliance and propose actions to remediate the situation and preventing it from occurring again, based on site visit observations and the review of available documentation.

In addition to the monitoring and auditing activities described above, Alcazar Energy reports on the Project progress and performance including but not limited work progress on engineering, procurement and construction, project program and risks and mitigation actions as well as environmental and social performance. The different Project reporting activities implemented throughout the construction are:

- Monthly progress reports internally;
- Monthly, bi-annual and annual reports to the Lenders;
- Monthly reports to the Off-taker and insurance company (i.e. NEPCO); and
- Annual Environmental & Social monitoring reports (at Project and Corporate level) to Shareholders.

IV. Payment and wages

8. Does your company pay a living wage? Does it differentiate between nationals and migrant workers or refugees or by country of origin? If yes, why?

Alcazar Energy pays wages for its 'direct employees' being those employees engaged directly by Alcazar Energy and does not differentiate on the basis of their country of origin. Employee's contracts present the terms of employment as part of the employee's contract, which are fully compliant with Jordanian Labour Law No.8 of 1996.

Alcazar Energy does not directly pay wages for 'indirect employees' (contracted workers and workers engaged by third parties) whether the workers are non-migrant (national) or migrant (internal or international).

Based on our commitment not to benefit from labour practices of third parties that are in breach of national law or international standards, we use commercially reasonable efforts as described in detail in Questions (6) and (7):

- To ensure that wages for a standard working week or month meet, at least, industry minimum standards and national law;
- To assess the track record and employment relationship between the EPC Contractor and workers engaged by third parties and to establish contractual obligations on the EPC Contractor;
- To ensure the EPC Contractor and subcontractors also comply with legal requirements for terms of employment covering and in addition to minimum wage, hours of work (i.e. maximum 48 hours per week as per Jordanian Labour Law), overtime payments, pension schedules, and other legally mandated employment terms with regard to all workers engaged by third parties whether the workers are non-migrant (national) or migrant (internal or international); and

- To ensure that exploitative employment practices such as consecutive short-term contracts, daily contracts and false apprenticeships are not employed and others such as cash in hand payments.

9. How does your company guarantee it pays it workers?

We guarantee the payment of wages to our 'direct employees' through our Enterprise Resource Planning (ERP), which is business process management software that allows to transparently manage the business back-office functions related to human resources, such as payroll and leave entitlements.

We make reasonable and practical efforts to guarantee the payment of wages to 'indirect employees' contracted workers and workers engaged by third parties at our Project locations through the following actions (see also response to Question (7)):

- Exercising due diligence in supervising EPC Contractor(s) and third parties, auditing the relationship and type of contract between them and their workers and monitoring their compliance;
- Carrying out visual inspections, making unannounced visits and conducting random checks at the construction site interviewing contracted workers and workers engaged by third parties (*e.g. Do you receive your salary timely? Are any fines deducted from your wage? Do you normally work overtime?*);
- Providing induction training for contracted workers and workers engaged by third parties that covers the labour and working conditions for the Project; and
- Ensuring that a grievance mechanism is available to the contracted workers and workers engaged by third parties either directly by EPC Contractor or Alcazar Energy.

V. Freedom of movement

10. What policies and procedures does your company have in place to ensure workers have free and secure access to their passports and identity documents?

Our 'Employment Relationship Policy and Principles' and 'Code of Conduct' present our strong disapproval of any form of involuntary or compulsory labour or any coercive practices, such as the holding of personal identification documents and unnecessary restrictions on movement, that would prevent workers from voluntarily ending employment within their legal right.

Please refer to Questions (6) and (7) for a full description of the Policies, Procedures and Documents to safeguard the labour and human rights of workers and monitor the labour standards performance during the construction phase of our Projects.

11. How does your company ensure that all workers on its project sites have valid work permits and other documents required for employment, including workers employed by subcontractors?

As previously noted, the bidding process, the selection of the EPC contractor, the EPC contract, and the execution of the work itself will include the consideration of labour conditions from the outset. Please refer to Questions (6) and (7) for a full description of the set of actions we implement during the construction phase of our Projects to ensure that labour standards performance, including work permits and associated documentation, is appropriately monitored and audited to ensure compliance with applicable national laws and regulation, ILO Conventions and international standards but also for the continual improvement of the labour standards performance.

12. Please describe your company's policies and procedures for when workers want to:

- Go home for annual leave
- Change employer or resign before the end of their contract term

c. Change employer or resign after the end of their contract

Our 'Employment Relationship Policy and Principles' and our 'Code of Conduct' present our strong disapproval of any form of involuntary or compulsory labour or any coercive practices, such as unnecessary restrictions on movement or creating unpayable debt obligations, that would prevent workers from voluntarily ending employment within their legal right.

As per our '*Employer QHSSE Requirements Document*', the EPC Contractor must have a written contract for employment with the employees documenting and communicating to all employees their working conditions and terms of employment, including their entitlement to wages and any benefits. Before commencing the recruitment process for the Project, the EPC Contractor is requested to submit a sample contract aligned with national legislation and international standards to Alcazar Energy QHSE Team aligned, who reviews it to ensure that:

- The contract is in the local language and can be understood by the worker;
- There are no clauses that prevent freedom of movement but on the contrary recognises and communicate workers' right to freedom of movement, including access to personal documents at all times;
- The contract presents the date employment began and the anticipated duration of the contract (if not permanent) as well as the leave entitlement; and
- The contract presents the length of notice which the worker can expect to give and receive on termination of employment.

VI. Occupational Safety and Health (OSH)

13. Please describe your company's policies on OSH in project(s) worksites and how do you ensure implementation?

Alcazar Energy recognizes that the Health & Safety of its employees, contractors and the communities where it operates is fundamental, non-negotiable and must guide all our actions and commitments. As a result, we have developed and implemented as a key component of our QHSEMS, a Health & Safety Policy, procedures, document records and training designed to identify, report and prevent accidents, unsafe practices, personal injuries and occupational illness. The Health & Safety Policy is publicly available on our website:

<http://alcazarenergy.com/what-we-do/our-policies/>

The Health & Safety Policy presents Alcazar Energy's vision to promote and protect the health and safety of all parties involved in our projects, at every level in the company, throughout its lifecycle and in every location in which we operate. The Policy establishes our responsibilities for compliance with this Policy from top Management level to front line employees as well as our commitment to:

- Focus on the identification, assessment and reporting of health and safety risks to ensure prompt and appropriate control measures are implemented;
- Develop and maintain health and safety knowledge throughout the organization, by timely communication of information, education and training;
- Implement a systematic approach to health and safety management and assurance; and
- Select and manage contractors to ensure alignment with this Policy.

We apply stringent safety standards that meet the legal requirements in force in each location as well as our health and safety requirements based on international standards. We measure, audit and report our health and safety performance to the Project lenders and our shareholders.

We proactively and systematically manage health and safety risks through our QHSEMS: through what we learn from safety performance indicators, incidents and near misses, we revise our procedures, training and practices accordingly to drive continual improvement. We share lessons learned from actual incidents and potential events throughout the company. Preventing fatalities and serious incidents is our top priority.

Our positive health and safety culture is embedded in our business approach and encompasses the behaviours, beliefs and values that we transmit to our employees, contractors and communities to ensure they stay safe and healthy. We promote our positive health and safety culture through leadership and worker involvement based on a 'behavioural' safety approach. As such, we provide our employees and contractors with the capabilities, knowledge and resources necessary to instil personal ownership and motivation for health and safety excellence, based on a 'fair allocation of responsibility'. We empower them with the authority and responsibility to stop work if they believe conditions are unsafe and encourage reporting without a fear of retribution.

To ensure the appropriate implementation of Alcazar Energy's Health & Safety Policy and associated Procedures, the following health and safety management requirements are imposed on the Contractor at Project level:

- Contractors are selected based on an established pre-qualification process that includes health and safety criteria;
- Contractors must develop a Project-specific Occupational Health & Safety Plan and the associated procedures (e.g. Work at Height, Fire Prevention, Electrical Safety, Manual Handling, Hazardous Materials Management) as well as an Emergency Preparedness and Response Plan;
- Contractors must conduct a Health & Safety Risk Assessment and develop Method Statements accordingly and must also conduct Control of Substances Hazardous to Health (COSHH) Assessment;
- Contractors must appoint a qualified and competent HSE Manager who is responsible for conducting monthly health and safety inspections (and Labour Accommodation inspections if applicable);
- Contractors must provide adequate training to their staff to enable them to carry out their job adequately and safely; and
- Contractors must report their health and safety performance and that of their subcontractors on monthly basis, including but not limited man-hours, incident rates, details of any accidents and near misses, including investigation reports and action plans.

14. Does your company provide OSH training to its employees?

All employees, including new starters receive a quality, health, safety and environment (QHSE) induction at Corporate level before commencement of work. The Corporate QHSE Induction is given to all our employees that includes health and safety considerations in the office environment as well as in our Project locations under construction. The Corporate QHSE Induction covers job safety on the field including the adequate use of PPE, safety rules, safe work practices and applicable H&S procedures such as:

- Accident and Incident Procedure;
- Emergency Response Procedure;
- Hazard Identification and Risk Assessment Procedure;
- Training, Competence and Awareness;
- HSE Inspection Procedure; and
- Lone Working Procedure.

At our Project locations, we require that the HSE Team of the EPC Contractor provides Project-specific Site Inductions before commencement of work to all employees working onsite (contracted workers and workers engaged by third parties) as well as visitors covering the following topics as a minimum:

- General safety rules
- Safe work practices
- Fire, emergency and evacuation action plan
- First aid arrangements
- Use of Personal Protective Equipment
- Incident, accident and near misses reporting
- Hazards and risks onsite

The development and maintenance of a safe and responsible working culture can only be effective if all employees working onsite are actively involved. Toolbox Talks (TBTs) facilitate health and safety discussions on job sites involving those most at risk, the employees, and providing a means of promoting safety culture and increasing safety awareness in an informal forum. TBTs focus on safety topics related to the specific job, such as workplace hazards and safe work. Meetings are generally conducted at the job site prior to the commencement of a job or work shift and the participation in all training sessions is recorded. TBTs are one of the very effective methods to refresh workers' knowledge, cover last minute safety checks and exchange information with the experienced workers. Alcazar Energy encourages its EPC Contractor(s) to conduct TBTs every day.

15. Please describe your company's procedures when an injury or a fatality takes place at the worksite. Please provide details if procedures differ between locals, migrants, and refugees and between directly employed and subcontracted workers.

Our '**Accident and Incident Management Procedure**' establishes the duties, responsibilities and standards for the classification, communication, investigation and recording of accidents and incidents that cause harm to the health of Alcazar Energy employees, contracted workers and workers engaged by third parties who carry out work in our Project sites. Our '**Accident and Incident Management Procedure**' presents:

- The actions to be followed when an accident or incident occurs;
- The established health & safety measures to be taken with activation of the emergency response plan if the situation requires;
- The documenting and recording of information (in line with the '**HSE Incident Report Document**');
- The investigation requirements to identify the cause of events, the necessary monitoring and the prevention measures to avoid its repetition or to reduce the severity of the consequences; and
- The associated responsibilities of different individuals and parties within Alcazar Energy, the EPC Contractor and wider employees.

This Procedure differentiates between accidents that might occur to Alcazar Energy personnel (direct employees) and to contracted workers and workers engaged by third parties (indirect employees) as follows:

- Any fatal or serious accidents or minor accidents with lost time that affect Alcazar Energy's personnel must be investigated by the local QHSE manager, or in the absence of a local QHSE manager, such incidents, will be managed directly by the Corporate QHSE Department; and
- For any accidents involving contracted workers and workers engaged by third parties (not differentiating between non-migrants, migrants and refugees), occurring on Alcazar Energy Project sites, the EPC Contractor is responsible for investigating and reporting the results obtained to Alcazar Energy within three working days of the incident. In addition, Alcazar Energy will prepare an investigation report in parallel with the Contractor's report.

VII. Remedy

16. Does your company have policies regarding worker organization, and do these policies cover national, migrant workers, and refugees? Are there organized workers in your company?

As previously noted, our '**Employment Relationship Policy and Principles**' presents Alcazar Energy's values with regards to labour rights and the principles that govern our employment relations not only with 'direct employees' (employees engaged directly by Alcazar Energy) but also with 'indirect employees' (contracted workers and workers engaged by third parties) across the geographies where we operate, including Jordan. The Policy covers freedom of association and is applicable and pertinent to all employees within the core functions of the Project irrespective whether they are nationals, migrant or refugees.

Alcazar Energy is committed to comply with all relevant national laws and regulations, and international labour standards regarding freedom of association with worker's organisations and collective bargaining. Where national law restricts the establishment or functioning of worker's organisations, Alcazar Energy is committed to support individual employees to submit any such grievances related to working conditions and terms of employment without suffering any reprisal or discriminatory treatment as a result.

Given the nature of the services for which we have direct employees, there are no organized workers within Alcazar Energy.

17. Does your company have a grievance mechanism in place for directly employed and subcontracted workers on your projects to raise concerns, in their own language, and in a way that ensures grievances can be reported safely, without intimidation or retaliation? *If so, please describe.*

Our '**Grievance Mechanism Procedure**' defines the process for managing concerns and complaints (referred to as "grievances") from stakeholders, being both workers and local communities, in a planned, timely, and respectful manner. It applies to all workers directly employed by Alcazar Energy, contracted workers and workers engaged by third parties, whether national or migrant, whether on permanent or temporary contracts and also extending to service providers, consultants and suppliers as well as local communities that could be affected by the activities carried out directly or indirectly by Alcazar Energy. As per the 'Grievance Mechanism Procedure', all grievances must be treated with the same level of integrity and respect, be handled fairly, effectively and confidentially, following the principles of transparency and non-retribution, and prioritizing processes that seek consensus and reconciliation through engagement and dialogue. Grievances are classified as follows:

- Tier 1 Internal: Grievances that can be resolved between Alcazar Energy and the complainant;
- Tier 2 Mediation or Arbitration: Grievances that were not resolved within Tier 1 and are therefore assigned to an agreed third party through mediation; and
- Grievances that are not resolved within Tier 1 or Tier 2 management might be escalated to the local or national court system.

For each of our Projects, we develop a Project-specific Grievance Mechanism in line with the 'Grievance Mechanism Procedure' and as follows:

- We publicise the Grievance Mechanism process and the reporting channels on our website, both in English (e.g. [Grievance Form for Shobak Wind Farm in English](#)) and in the local language (e.g. [Grievance Form for Shobak Wind Farm in Arabic](#));
- We publicise the Grievance Mechanism within the Project site, both in English and in the local language, where details about how the mechanism operates are easily available (e.g. notice boards) and we install a complaint box with readily available grievance forms at the Campsite. Additionally, all workers are informed about the Grievance Mechanism at the time they are hired and during the HSE Site Induction; and
- We publicise the Grievance Mechanism within the communities surrounding the Project we appoint a Community Liaison Officer (CLO) who is a well-respected member of the local community, we provide a dedicated telephone number, an email and a physical address (i.e. CLO Office) and we install a complaint box with readily available grievance forms at the CLO Office. within the Project site and one within the CLO office.

If a grievance is received face to face or over the phone or the complainant is not able to issue the grievance formally, it is the responsibility of the employee who receives the grievance to complete a '**Grievance Form (Document)**'. All formal grievances are recorded in the '**Grievance Register Database (Document)**' or Grievance Log that combines all the registered grievances as well as the acknowledgments, investigation details, agreements, commitments, and complainant feedback up to the resolution and closure of the grievance and the completion of a '**Grievance Close-out Form (Document)**'. Hence, the Grievance Register is a *live* document that is constantly being updated; it is maintained by the CLO (for each Project) who shares it accordingly with the QHSE Team and is then saved

in Alcazar Energy shared file system for record of correspondence. Alcazar Energy monitors the degree to which the Grievance Mechanism is being implemented as planned, whether the mechanism is working effectively, the trends shown by the evolution of the root causes of grievances and potential areas of concern and improvement.

18. How many grievances were raised in 2017 by directly employed and/or subcontracted workers on your projects? Please provide a summary of the grievances and the remedial actions that were taken by the company and its subcontractors.

During 2017, there were over 400 workers directly employed or contracted for the construction of Al Rajef Windfarm, for which there was only one registered grievance. This grievance was received by the EPC Contractor HSE Department at the Campsite and formally registered within the Project's Grievance Log. An evaluation of the complaint was conducted, communication with the complainant was established and the complaint was resolved satisfactorily for all parties.

VIII. Engagement with civil society organizations and rights defenders

19. Does your company engage with civil society organizations? If yes, in what capacity? For what purposes? How often? *Please provide details of such engagement.*

No, we have not formally engaged with any civil society organisations and human rights defenders in Jordan in relation to any of our Projects.

IX. Other information

20. Is there anything else that you would like to tell us about how your company takes a responsible approach to managing its operations in [country], including any challenges it faces in doing so?

No, our approach has been thoroughly explained throughout the questionnaire.