Summary of Human Rights Assessment

on the Offshore Windfarm Project « Arcadis Ost 1 » on behalf of Parkwind Ost GmbH
Purpose of this document

As a renewable energy business, Parkwind Ost GmbH (hereinafter “Parkwind”) is committed to protecting the environment and promoting responsible environmental practices and continual improvement thereof. Parkwind therefore ensures to comply with all applicable environmental laws and regulations, as well as international standards and practices within the renewable energy sector. Parkwind is striving to always conduct its business in a socially responsible manner, acting as an ethical and responsible employer and business partner.

In order to manage the social impact of its business activities carefully Parkwind is engaging with local stakeholders and project workers in a sensitive and respectful manner aiming to enhance the benefits of our project to workers and the local community. These activities shall happen in a fully transparent, acceptable and ethical manner.

As stated in Parkwind’s Code of Conduct, this includes respect for and protection of human rights as one of Parkwind’s core values. In order to manage human rights risk, Parkwind has contracted the independent ESG consultant Ramboll, to conduct a Human Rights Impact Assessment (HRIA) to determine the impacts of the Arcadis Ost 1 offshore windfarm (the ‘Project’) on internationally-recognised human rights. This document provides a summary of the HRIA in line with the Equator Principles IV (EPIV) Principle 2¹.

¹ « The Equator Principles (EPs) is a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects. »

[https://equator-principles.com/]
Introduction

The HRIA has been undertaken to ensure compliance with the Equator Principles IV (EPIV) Principle 2 assessing potential adverse human rights impacts. The scope of the HRIA has been defined using the Equator Principle’s guidance on human rights assessment\(^2\). In line with that guidance, the planned scope of work was to provide an initial scan of potential human rights impacts and high-level statements on potential impacts.

The assessment identified potential adverse impacts on human rights as outlined in the following source documents:

- Universal Declaration of Human Rights;
- United Nations International Covenant on Civil and Political Rights;
- United Nations International Covenant on Economic, Social and Cultural Rights;
- International Labour Organisation’s (ILO) Declaration on Fundamental Principles and Rights at Work; and
- As applicable, other United Nations human rights instruments elaborating on the rights of persons belonging to the following groups: women, children, migrant workers and their families, persons with disabilities, Indigenous Peoples, and ethnic, religious and linguistic minorities.

Project Description

The Project comprises the construction and operation of an offshore wind farm with a capacity of 257 MW. The Project lies in the Baltic Sea, within 12 nautical miles northeast of the German island of Rügen in Mecklenburg-Vorpommern. The northern extent of the wind farm forms the boundary of the 12-nautical-mile German territorial waters zone. The Project covers an area of approximately 30km\(^2\). The water depths within this area are between 41 m and 46 m. It is located in an area called Cluster IV, which is designated as a priority marine area for wind energy in the current Spatial Development Plan of the Federal State, which came into force on 8 June 2016, supported by a Strategic Environmental Assessment (SEA). The Project is entirely within German waters and under the jurisdiction of applicable German law.

The Project sponsor is Parkwind NV (a company registered in Belgium) and the Project company is Parkwind Ost GmbH (registered in Germany).

Each of the Project’s 27 wind turbines (WTG) has a unit capacity of 9.5MW, a rotor diameter of 174m and a hub height of 107m. The Project also includes inter-array cabling and an offshore substation (OSS). Both OSS and WTG will be mounted on monopile foundations. The grid connection is in the responsibility of 50Hertz (TSO) (a separate company) and not part of the Project.

The Staatliches Amt für Landwirtschaft und Umwelt Vorpommern granted the final amendment permit in accordance with the BImSchG (Federal Immission Control Act) on 31.03.2021.

Project Summary

The construction base port for turbine installation will be Rønne in Denmark. This base port will be used for the assembly and temporary storage of Project components.

The main Project contractors are:

- Vestas – Supply and installation of wind turbine generator (WTG);
- DEME Offshore – Transport and Installation of Foundations;
- Bladt – OSS design and supply;
- Steelwind – Fabrication of monopile foundations;
- Heerema – Transport and Installation of WTG;
- JDR – Supplier of Inter-Array Cables (IAC); and
- (installation contractor to be confirmed) – Installation of IAC

The country of origin and working patterns for the Project workforce will differ by contractor. The following description is the current expectation for each contractor, though this may be subject to change. The foundations contractor (DEME Offshore) will use Belgian and international workers with vessel crew working on rotations of four to six weeks and crew that are pulling in cables would likely be on a two-week rotation. Accommodation for the foundations contractor workforce will be provided onboard the vessel, though pulling crews may be based onshore. The WTG Transport and Installation Contractor (Heerema) will use a Vessel Crew with a rotation of four to six weeks and accommodation on the vessel. The WTG installation contractor (Vestas) will use a two weeks on / two weeks off rotation with workers based on vessel accommodation, though commissioning teams may come from onshore via a Crew Transfer Vessel (CTV).

The flag states of the vessels that will be used for the Project will likely include Luxembourg, Panama, Norway and the United Kingdom. Project Workers will be subject to the ILO Maritime Labour Convention (MLC 2006) while on the vessels, and the labour laws of Germany (when working onshore and on structures) and Denmark (for work at the base port).

For the Operations and Maintenance (O&M) phase, the O&M building will be located in the Port of Mukran, Germany, and will be staffed by long-term employees living locally. The Parkwind team will consist of seven white collar workers (engineers / technicians, managers and secretarial support). Support to the local O&M team will be provided from the Marine Coordination Centre in Oostende, Belgium.

Turbine service will be covered via a 15-year Service and Availability Agreement (SAA) with Vestas (OEM), through a local team in the O&M Port of Mukran, including their own CTVs. The O&M for the OSS will be contracted to a third party, as will inspection and survey for foundations and cables and necessary maintenance and repair works. Maintenance activities will be undertaken by various parties under contract to Parkwind.

Parkwind will guide procurement for O&M phase services, including the application of a Supplier Code of Conduct. The Parkwind team locally and at Oostende will also undertake a range of administrative routine tasks, e.g. accounting, public relations, procurement and maintenance of consumables, parts and stock management, H&S management with relevant support of the Parkwind Headquarters in Leuven, Belgium.
Key Findings on Environmental Impact

- The 2021 expert opinion on environmental impacts[^3], composed on behalf of the permit authority, concluded that the construction and operation of the project can be carried out in an environmentally compatible manner if the specified avoidance, mitigation and compensation measures are implemented and if the provisions of the permit are taken into account. It also concluded that there will be no significant adverse impacts to fisheries from the proposed project, and that the project-related impacts on the sub-protected resource fish are assessed as not significantly adverse, taking into account the planned avoidance, mitigation and compensation measures.

- A Climate Change Risk Assessment conducted on behalf of Parkwind found that there was no evidence that the project is located in an area under heightened pressure caused by climate change.

- An analysis of the compatibility of the Project with the objectives of the EU Marine Strategy Framework Directive was carried out by the Project[^4], and concluded that there would be no deterioration caused by the Project on the current status of the characteristic features or ecosystem components of the German Baltic Sea waters.

Public Disclosure and Stakeholder Engagement

Information dissemination and stakeholder engagement took place with relevant government authorities on 29 November 2019 whereby the 22 authorities involved (including those with interests in climate change, nature conservation, water and soil, occupational health and safety, culture and protection of monuments, and fisheries), were informed about the Project’s amended permit application and provided with documentation about the approval process.

Public disclosure of the Project took place on 13 January 2020, whereby the Project was announced in the official gazette for Mecklenburg-Vorpommern No. 1 (AmtsBI. M-V/AAz. 2020 S. 5) and was published on the Vorpommern State Agency for Agriculture and Environment’s webpage: www.stalu-vorpommern.de (Staatliches Amt für Landwirtschaft und Umwelt Vorpommern) as well as on the German webpage for EISs (www.uvp-verbund.de).

A public hearing (Erörterungstermin) took place on 11 May 2020. The hearing was not open to the general public, due to the Covid-19 pandemic and associated restrictions on public gatherings. Only those parties that raised objections or comments during the public consultation process have been invited to participate in the hearing.

[^3]: UGB (23.03.2021) Zusammenfassende Darstellung und begründete Bewertung der Umweltauswirkungen gem. §20 Abs. 1a und 1b 9. BImSchV i.V.m. Nr. 1.6.1 Anlage 1 zum UVPG zum Antrag ge., § 16 BImSchG zur wesentlichen Änderung des Offshore-Windparks „ARCADIS Ost 1“

[^4]: Arcadis Ost 1 Offshore Wind Park, Cross-Border Notification – October 2019.
Issues Raised by Stakeholders Relevant to the Human Rights Assessment

The opinion submitted by the fishing authority (LALLF-MV, 27. Feb. 2020) in relation to potential impact on fishing states that there are no objections, subject to the inclusion of certain clauses as permit requirements. The permit authority included the provisions made by the fishing authority as ancillary clauses 8.1 – 8.8 in the permit.

The opinion provided by LAKD-MV (16. April 2020) in relation to cultural monuments on the seabed stated that the investigations carried out thus far did not detect any cultural monuments within the Project area; however the LAKD-MV states that historical investigations are not adequate enough to enable a qualified statement to be made about the Project’s impact on cultural monuments. LAKD-MV therefore provided recommendations for work to be conducted to assess potential risks to cultural heritage. The permit conditions reflect the opinion of the LAKD-MV in so far that in case that any cultural monuments are detected during the execution of any works, work has to be halted and the respective authority has to be informed immediately.

Known claims and appeals

Parkwind has stated that to date, no third-party claims or appeals have been submitted against Parkwind Ost GmbH or Parkwind NV in relation to the impact of the Project on human rights related topics. This statement takes into account the status up until 5 May 2021.

Assessment Method

Sources of Baseline Data

- Baseline information on the human rights situation and recent trends at a national and local level, including information on known human rights concerns. This information has been drawn from reports issued by the United Nations, the US State Department, and Non-Governmental Organisations (NGOs). These sources have been selected as being relevant and reasonably current in their identification of known human rights concerns.

- Information about the Project, including its location and its potential impacts. This information has been used to identify the interactions between the impacts of the Project and human rights.

Assessment of Impacts

An adverse human rights impact occurs when an action or omission removes or reduces the ability of an individual or group to enjoy their human rights. Evaluation of adverse human rights impacts focuses on 'severity', derived from an analysis of the following impact characteristics: scale (seriousness of the impact, including vulnerability), scope (number of people affected) and irremediability (ability for an impacted to be restored to their pre-impact human rights status).

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5 Reported in: Arcadis OST 1 (2020), Erwiderung auf die Stellungnahmen zum OWP „ARCADIS Ost 1“.
Human Rights Baseline

International treaties

Germany and Denmark have ratified a large number of international human rights treaties, issued by the United Nations and all eight treaties of the ILO Fundamental Conventions. Germany and Denmark are ranked 6th and 10th respectively (out of 189 countries) in the United Nation’s Human Development Index. The Equator Principles categorise Germany and Denmark as Designated Countries, defined as “those countries deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment.”

Human Rights Scoping

The HRIA included a full scoping of applicable human rights. Impacts of those rights being scoped as applicable have then being assessed in detail (see Table 1). This summary is only focusing on those rights that have been scoped as applicable.

Table 1: Assessment of human rights impacts

<table>
<thead>
<tr>
<th>#</th>
<th>Potential Risk to Scoped-In Human Right, Including Identification of Affected Group(s) (shown in the underlined text)</th>
<th>Required Mitigation Measures and Plans</th>
<th>Likelihood*</th>
<th>Scale</th>
<th>Scope</th>
<th>Threat</th>
<th>Identi- ability</th>
<th>Overall Severity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rights to life</td>
<td>The Health and Safety Management Plan and Emergency Preparedness and Response Plan must provide all applicable measures for protecting project workers, including all applicable offshore medical and medical precautions. A Community Safety Plan to include the measures and approaches that must be applied to protect community resources from physical safety risk arising from construction, O&amp;M and decommissioning works, including risks to other marine parts.</td>
<td>P</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
</tr>
<tr>
<td>2</td>
<td>Right not to be subjected to slavery, servitude or forced labour, and the right to work</td>
<td>Forced labour in a potential risk for projects in Denmark and Denmark and safeguards are required to prevent this project using forced labour, either directly or through contractors/sub-contractors. The affected group would be those workers who work under forced labour conditions.</td>
<td>P</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
</tr>
<tr>
<td>3</td>
<td>Right to privacy</td>
<td>Informations that is held by the Project about Project Workers and those that are required to be maintained to comply with applicable laws.</td>
<td>P</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
</tr>
<tr>
<td>4</td>
<td>Right to freedom of thought, conscience and religion and of opinion and expression</td>
<td>This right could be impacted in the context of discrimination against Project Workers on religious grounds or on the basis of their opinions, or the right to express opinion could be unfairly restricted by threat, writs of gagging orders or by any other means.</td>
<td>P</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
</tr>
<tr>
<td>5</td>
<td>Rights to freedom from interference to racial, religious or national hatred</td>
<td>This right could be impacted by Project Workers if their colleagues were not protected from racist, religious or national hatred.</td>
<td>P</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
</tr>
<tr>
<td>6</td>
<td>Right to freedom of association and the right to form trade unions and join a trade union and the right to strike</td>
<td>Recourse to this right was not identified as concern in the baseline reporting. However, this right could be impacted if the Project or its sub-contractors prevented Project Workers from forming, joining unions or participating in collective bargaining.</td>
<td>P</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
</tr>
<tr>
<td>7</td>
<td>Rights of protection of the family and the right to a family life</td>
<td>The right could result of Project Workers were prevented from having a healthy, stable relationship that promotes them from enjoying time with their family, or if the Project did not provide adequate provision for family leave.</td>
<td>P</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
</tr>
</tbody>
</table>


1 United Nations, 2020, Human Development Report 2020. The Human Development Index is a composite index measuring average achievement in three basic dimensions of human development—a long and healthy life, knowledge and a decent standard of living. It is not a proxy for human rights performance, and is provided here for context only.

CONCLUSION

The baseline assessment concludes that human rights concerns in Germany and Denmark are limited in number but are still of importance to right-holders. The screening identified that the Project has the potential to create or contribute to a number of human rights impacts. A number of management policies and plans and specific mitigation measures have been defined by Parkwind to mitigate these impacts for the construction, operation and maintenance, and decommissioning phases. The implementation thereof is done in line with the project’s progression and applicability of relevant measures. The HRIA report concludes that upon the full implementation of respective measures to the applicable standards, to be confirmed by periodic audit of Project/Contractor human rights performance, the overall severity of risk to human rights is assessed as low.

<table>
<thead>
<tr>
<th>#</th>
<th>Potential Risk to Scoped De-human Right, (including Identification of Affected Group(s)) (shown in the shaded text)</th>
<th>Required Mitigation Measures and Plans</th>
<th>Likelihood</th>
<th>Scales</th>
<th>Scope</th>
<th>Inherent Severity</th>
<th>Overall Severity</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Rights to non-discrimination and equal opportunity, including rights of education</td>
<td>The Project Management Plan must state that all recruitment and management of Project workers must be done under a policy of non-discrimination and equal opportunity, and that for those with disabilities reasonable accommodations must be made to include them within the Project workforce. The Project Human Rights Code of Conduct must include clear prohibitions of discrimination against women or stakeholders on any grounds, including gender, religion, opinion, nationality, ethnicity, disability, language, or sexuality.</td>
<td>P</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
</tr>
<tr>
<td>9</td>
<td>Right to enjoy just and favorable conditions of work</td>
<td>The Project Management Plan must include a disciplinary procedure, workplace rules and regulations, a demobilization procedure, and require that workers are to be informed of these procedures during induction training. For Parkwind and the Project operator, the Labour Management Plan must require that a comprehensive induction plan be developed if there is a requirement for requalification of Parkwind and/or operation staff. This does not apply to construction contractors. Labour Management Plan to include the requirement for all Project workers to have a induction and be provided with a handbook that introduces the Labour management policies and procedures that are applicable to their employment.</td>
<td>P</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
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<tr>
<td>10</td>
<td>Right to an adequate standard of living</td>
<td>Implement the mitigation measures for impacts on fishing as per the permit conditions 5.1. to 5.6 (see section 2.4). Include engagement with fishing stakeholders in the Stakeholder Engagement Plan, so that they are kept updated with Project progress, particularly any preparations and mitigations, and have opportunities to provide feedback.</td>
<td>P</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
<td>LOW</td>
</tr>
<tr>
<td>11</td>
<td>Right to health</td>
<td></td>
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<tr>
<td>12</td>
<td>Rights of expatriate workers</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>13</td>
<td>Rights of women to be free from violence</td>
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</tr>
</tbody>
</table>

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The Project Human Rights Code of Conduct must include: due care not to interfere, harass, threaten, coerce or assist other workers or community members. Any incidents or grievances involving these forms of prohibited behaviour must be treated with seriousness.