

		<b>Summary of Human Rights Assessment</b>				
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Department	Permit/ Legal	Date	2021/05/26	HKO	CSU	SCL

# 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 2<sup>1</sup>.

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<sup>1</sup> « 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<sup>2</sup>. 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<sup>2</sup>. 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.

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<sup>2</sup> Equator Principles Association, 2021. Guidance Note on Implementation of Human Rights Assessments under the Equator Principles.

## 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<sup>3</sup>, 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<sup>4</sup>, 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](http://www.stalu-vorpommern.de) (Staatliches Amt für Landwirtschaft und Umwelt Vorpommern) as well as on the German webpage for EISs ([www.uvp-verbund.de](http://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.

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<sup>3</sup> 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“

<sup>4</sup> 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)<sup>5</sup> 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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<sup>5</sup> Reported in: Arcadis OST 1 (2020), Erwiderng 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<sup>6</sup>. Germany and Denmark are ranked 6<sup>th</sup> and 10<sup>th</sup> respectively (out of 189 countries) in the United Nation’s Human Development Index<sup>7</sup>. 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”<sup>8</sup>.

## 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

#	Potential Risk to Scoped-In Human Right, Including Identification of Affected Group(s) (shown in the underlined text)	Required Mitigation Measures and Plans	Likelihood*	Scale	Scope	Irremediability	Overall Severity
1	<b>Rights to life</b> The Project could present a threat to life due to hazards arising from construction and operation, both for <u>Project Workers</u> and for any <u>members of the public using the waters in and around the Project area</u> .	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 medivac procedures. A Community Safety Plan to include the measures and approaches that must be applied to protect community receptors from physical safety risk arising from construction, O&M and decommissioning works, including risks to other marine users.	P	LOW	LOW	LOW	LOW
2	<b>Right not to be subjected to slavery, servitude or forced labour, and the right to work</b> Forced labour is a potential risk for projects in Germany and Denmark and safeguards are required to prevent the Project using forced labour, either directly or through contractors/subcontractors. The affected group would be <u>Project Workers who work under forced labour conditions</u> .	The Labour Management Plan must include a clear prohibition on all forms of forced labour. The Labour Management Plan must include the key measures that will be used to reduce forced labour risk, specifically, prohibition of labour recruitment agencies and employers receiving recruitment fees from workers, and prohibition of retaining worker passports and other identity documents <sup>1</sup> ). Include within the Labour Management Plan the requirement for all Project Workers to have an induction and be provided with a handbook that includes an introduction to worker rights as per the applicable laws.	P	LOW	LOW	LOW	LOW
3	<b>Right to privacy</b> Information that is held by the Project about <u>Project Workers</u> and those that <u>are involved in stakeholder engagement</u> needs to be properly managed so as to prevent an impact on the right to privacy of those people.	Implement a Data Protection Policy that includes commitments to the management of personal data for Project Workers as well as other parties. The Grievance Mechanism must allow for workers and community members to submit grievances anonymously, and information held about those raising grievances must be managed in line with data privacy principles and the Data Protection Policy.	P	LOW	LOW	LOW	LOW
4	<b>Rights to freedom of thought, conscience and religion and of opinion and expression</b> This right could be impacted in the context of discrimination against <u>Project Workers</u> on religious grounds or on the basis of their opinions, or the right to express opinions could be unduly restricted for <u>Project Workers, people affected by the Project, or those involved in stakeholder engagement</u> .	The Stakeholder Engagement Plan must include a clear policy that the Project will encourage all feedback from stakeholders and will not seek to prevent opposing opinions being expressed. See also measures for #8 below.	P	LOW	LOW	LOW	LOW
5	<b>Rights to freedom from incitement to racial, religious or national hatred</b> This right could be impacted for <u>Project Workers</u> if their colleagues were not restricted from inciting racial, religious or national hatred.	Project Worker Code of Conduct must include clear direction that no discriminatory language or behaviour will be tolerated. Any incidents or grievances involving discriminatory language or behaviour must be treated with seriousness.	P	LOW	LOW	LOW	LOW
6	<b>Right to freedom of association and the right to form trade unions and join a trade union and the right to strike</b> Restrictions on this right were not identified as concerns in the baseline reporting, however, this right could be impacted if the Project or its sub-contractors prevented <u>Project Workers</u> from organising, joining unions or participating in collective bargaining.	Labour Management Policy must include the policy that workers have the right to form or join a workers’ organisation such as a union, and participate in collective bargaining.	U	LOW	LOW	LOW	LOW
7	<b>Rights of protection of the family and the right to a family life</b> This right could be impacted if <u>Project Workers</u> were prevented from having a healthy work/life balance that prevented them from enjoying time with their family, or if the Project did not provide adequate provision for parental leave.	The Labour Management Plan must define working time and parental leave policies that address the requirements of national law, and that in relation to parental leave is adequate for workers following the birth or adoption of a child.	P	LOW	LOW	LOW	LOW

<sup>6</sup> Source: ILO, Ratifications database, available at: <https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11001:0::NO::>

<sup>7</sup> 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.

<sup>8</sup> Equator Principles Association, 2020. Equator Principles IV. The categorisation by the Equator Principles Association of countries as Designated Countries uses a proxy of the country being a member of the OECD and appearing on the World Bank High Income Country list.

#	Potential Risk to Scoped-In Human Right, Including Identification of Affected Group(s) (shown in the underlined text)	Required Mitigation Measures and Plans	Likelihood*	Scale	Scope	Irremediability	Overall Severity
8	<p><b>Rights to non-discrimination and equal opportunity, including rights of minorities</b></p> <p>This right would be impacted by the Project if there were any discriminatory practices or treatment of <u>Project Workers</u> or <u>people affected by the Project</u>. This right would be impacted by the Project if <u>Project Workers</u> who are from ethnic or linguistic groups are discriminated against, or if appropriate measures are not applied to help ensure that they are not excluded from recruitment.</p> <p>This right would be impacted by the Project if <u>disabled Project Workers</u> were discriminated against or reasonable accommodations were not made to include them within the Project workforce.</p> <p><u>People affected by the project</u> could be impacted by discriminatory practices if they were treated less favourably than others, including in relation to the management of grievances raised by people from minority or other groups that are subject to discrimination.</p>	<p>The Labour 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.</p> <p>The Project Worker Code of Conduct must include clear prohibition of discrimination against other workers or stakeholders on any grounds, including gender, religion, opinion, nationality, ethnicity, disability, language, or sexuality.</p>	P	LOW	LOW	LOW	LOW
9	<p><b>Right to enjoy just and favourable conditions of work</b></p> <p>This right would be impacted if <u>Project Workers</u> were not given fair working conditions, including fair wages, safe and healthy working conditions including acceptable worker accommodation (when provided), equal opportunity and reasonable rest and holiday time.</p>	<p>Labour Management Plan must include a disciplinary procedure, workplace rules and regulations, a demobilisation procedure, and require that workers are to be informed of these procedures during induction training.</p> <p>For Parkwind and the Project operator, the Labour Management Plan must require that a comprehensive retrenchment plan is developed if there is a requirement for retrenchment of Parkwind and / or operator staff. This does not apply to construction contractors.</p> <p>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.</p> <p>Include within the Labour Management Plan, clear policy statements on standard working hours, overtime policy, rotation policy, limits on time at sea, and the policy on maximum number of working hours that are permitted to be undertaken by any worker on the Project. These policies must be aligned with national and applicable international law, and have the objective of avoiding worker fatigue and impacts on welfare.</p> <p>Include within the Labour Management Plan the requirement for any accommodation provided on vessels to address the applicable international and national law.</p> <p>Parkwind to undertake periodic audits of compliance of Parkwind, contractor and subcontractors against the requirements of the Labour Management Plan. Any non-compliances must be recorded and corrective actions addressed in a timely manner.</p>	P	LOW	LOW	LOW	LOW
10	<p><b>Right to an adequate standard of living</b></p> <p>By creating any fishing exclusion zones around the turbines, the Project could reduce the catch and therefore the incomes of <u>commercial fishing businesses</u>, which could affect the ability to achieve an adequate standard of living.</p>	<p>Implement the mitigation measures for impacts on fishing as per the permit conditions 8.1 to 8.6 (see section 2.4).</p> <p>Include engagement with fishing stakeholders within the Stakeholder Engagement Plan, so that they are kept updated with Project progress, particularly during pre-construction and construction, and have opportunities to provide feedback.</p> <p>Communicate the Community Grievance Mechanism to fishing stakeholders.</p>	P	LOW	LOW	LOW	LOW
11	<p><b>Right to health</b></p> <p>In the current context of COVID-19 there remains a risk of disease transmission within the workforce and to local communities, and this could affect the right to health of any <u>Project Worker</u> or <u>local community member</u> who is exposed to transmission risk as a result of the Project.</p>	<p>Develop a COVID-19 Management Plan which defines the required measures and approaches for minimising transmission risk within the Project workforce and with local communities, and for managing any workers that are suspected to have COVID-19.</p>	P	LOW	LOW	MEDIUM	LOW
12	<p><b>Rights of migrant workers</b></p> <p>This right would be impacted by the Project if <u>migrant Project Workers</u> were exploited and were not given working conditions in line with national law and the applicable international standards.</p>	<p>Labour Management Policy or Plan must include the requirement for conditions of employment between foreign workers and local workers to not be substantially different.</p>	P	LOW	LOW	LOW	LOW
13	<p><b>Rights of women to be free from violence</b></p> <p>This right is scoped in due to the potential for Project Workers to perpetrate violence against <u>women in the workplace or in the community</u>.</p>	<p>The Project Worker Code of Conduct must include clear rule to not intimidate, harass, threaten, coerce or assault other workers or community members. Any incidents or grievances involving these forms of prohibited behaviour must be treated with seriousness.</p>	P	LOW	LOW	LOW	LOW

## 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.