

Environmental and Social Non- Technical Summary

Kaolinovo Solar PV +BESS Project,
Bulgaria



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Acronyms and Abbreviations

E&S	Environmental and Social
EBRD	European Bank for Reconstruction and Development
EPC	Engineering, Procurement, and Construction
ESHS	Environmental, Social, Health and Safety
ESMP	Environmental and Social Management Plan
ESMS	Environmental and Social Management System
EU	European Union
HSE	Health, Safety, and Environment
IFC	International Finance Corporation
O&M	Operations and Maintenance
PV	Photovoltaic
SCI	Site of Community Importance
SPV	Special Purpose Vehicle

1. ABOUT THE PROJECT

Kaolinovo Solar EOOD is a special-purpose vehicle established in Bulgaria. The Project Developer is 100% owned by Renalfa IPP GmbH.

Kaolinovo Photovoltaic Solar Power Plants, having a total project capacity of approximately 57.5 MWp (DC) and requiring Grid Connection Facilities, including: (i). 33/110 kV Substation; (ii). cable lines from Site 3 to the 33/110 kV Substation and (iii). 110 kV cable lines from the 33/110 kV Substation to the existing substation of the Transmission System Operator, regarding turnkey design, engineering, procurement, construction, installation, commissioning, start-up, testing and related services for a hybrid electric power plant from renewable energy sources, including solar power plants part (consisting of new solar power plant with project capacity of 45.5 MWp and repowering of two existing solar power plants up to 6 MWp each), which are located on the land properties owned by the Owner, situated in Todor Ikonomovo village.

Kaolinovo BESS is a 33.2 MW / 110 MWh BESS, already delivered at Kaolinovo's site. The BESS delivery is split into three EPC agreements. Non-subsidised EPC agreement with Solarpro with a capacity of 20.7 MW / 60.18 MWh. Subsidised EPC agreement with Hithium with a capacity of 12.5 MW / 50.15 MWh. Kaolinovo Solar has been awarded a subsidy under the EU's Recovery & Resilience plan for Bulgaria. In order to comply with the requirements of the EU subsidy program, this contract has been signed directly with the supplier of the BESS, given that there is an explicit requirement stipulating that no related party could be an EPC provider under the subsidy. Subsidised Civil Works agreement with Promenergomontaj AD. This counterparty will perform the civil works and installation of the subsidised BESS, again driven by the EU subsidy program requirement that no related party could be an EPC contractor.

The Project Developer has concluded an Engineering, procurement and construction (EPC) and Operation and Maintenance contracts for the Project with Solarpro Technology AD (Solarpro, or the EPC). Solarpro is a company headquartered in Bulgaria and, as per the company's website, is the largest EPC and O&M player in the photovoltaic industry in Eastern Europe. Solarpro's portfolio of projects includes over 5 GW installed capacity and 900 MW under construction in Europe, the Middle East and North Africa.

2. HOW ARE THE ENVIRONMENTAL AND SOCIAL ASPECTS ADDRESSED DURING PROJECT CONSTRUCTION AND OPERATION?

2.1 ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL IMPACTS

The Project's environmental and social impacts were assessed in line with the Bulgarian regulations' provisions and all permits required for construction were obtained.

As part of the Project permitting procedure, authorities with responsibilities related to the environmental aspects have issued permit conditions included in authority approvals, part of the Project construction permitting package.

The authority review process resulted in the identification of the Project's potential impacts and of the mitigation measures to be implemented for the Project to address these potential impacts.

On this basis, the Company and the construction contractors will define required management processes and will allocate resources needed to ensure the potential environmental and social impacts associated with the Project are mitigated at all times.

In practice, this will be ensured through the implementation of a package of environmental and social management planning (ESMP) procedures and through provision of the resources and staffing needed for their implementation. These management processes address all Project environmental and social aspects including:

- Project ESHS Management Organization, Control and Assurance Processes;
- Workforce Management Planning including Grievance Mechanism;
- Pollution Prevention and Control;

- Wastes Management;
- Health and Safety, including
 - Occupational Health and Safety Management, i.e. aspects pertaining to Project staff safety during construction and operation;
 - Community Health and Safety Management, i.e. arrangements made to address the safety risks to communities and people resulting from Project execution e.g. from construction traffic on public roads, from works execution on public domain and private properties, aspects pertaining to construction workforce accommodation in local communities e.g. prevention of communicable diseases, foreign workforce code of conduct in interactions with local people etc.;

The responsibility for the implementation of the above-indicated measures and for the management of Project's environmental, health and safety and social impacts lies with the Company.

The responsibility for the implementation of the above-indicated measures and for the management of Project's environmental, health and safety and social impacts lies with the Company. During the construction stage this responsibility is shared with the construction contractors, while during the operation stage with the operations and management contractors. The below sections provide highlights on how the above-indicated Project aspects are handled during the Project construction and operation.

2.2 POLLUTION PREVENTION AND CONTROL

As indicated above, a complete set of measures aimed at ensuring that Project impacts on the environment are at all times managed and mitigated is put in place during the Project construction and operation stages.

This includes procedures, allocation of responsibilities, resources and staffing ensured by the Company and their contractors and addressing all potential environmental aspects, as informed by the environmental assessment performed for the Project.

Of these, the most relevant environmental aspects associated with the Project implementation are summarised below.

Pollution Prevention and Control

Potential contamination sources during construction may be associated with accidental leaks of fuel from equipment and vehicles used to execute works at the Project sites and to install the underground and overhead electrical cables. In the event of an accidental spill, immediate response measures will be executed by the Project contractors in line with the spill prevention and control planning defined for the Project.

Waste Management

Wastes generated during the Project construction/ operation will be stored temporarily on-site. The waste will then be taken from the site, transported and disposed of through licensed, specialised waste handling contractors and disposal facilities.

Water Management

The Project does not require water use other than water for sanitary purposes. During construction/operation, mobile facilities equipped with fresh water and waste storage will be used. Throughout the operation, water for sanitary purposes will be sourced off-site and stored on-site, with waste disposal managed by contracted services. During the operational phase, limited water quantities may also be needed for solar panels cleaning. When needed, such water will be brought on site in small mobile containers as required.

2.3 LABOUR AND WORKING CONDITIONS

Throughout the life cycle of the Project, the construction stage is the most labour-intensive, and involves construction workers, both local and from other regions of Bulgaria and potentially from abroad. The non-

local construction workers will likely be accommodated in spaces rented within the nearby settlements.

During operations, the workforce needs are rather limited and comprise a few contracted personnel in charge of operating and maintaining the PV+ BESS Plant.

In addition to complying with the provisions of the Bulgarian Labour Code, the Project is committed to implementing measures aligned with best industry practices in terms of labour and working conditions provided to the staff in charge of Project construction and operation.

This includes measures and processes to ensure that contractors and subcontractors provide their workforce accommodation conditions according to international best practices.

Also, a procedure allowing any person engaged in the Project construction and operation, including the staff employed by contractors and subcontractors, can raise any workplace-related concerns and have them addressed in line with best practice (i.e. a Worker Grievance Mechanism) will be defined and implemented.

The Project Developer implemented a responsible sourcing process, ensuring that the solar panels, as well as other equipment and materials required for the project, are delivered by suppliers procuring in their turn the needed materials from sources not associated with labour abuses.

2.4 HEALTH, SAFETY AND SECURITY

Occupational Health and Safety

The Project Developer is committed to ensuring that workers involved in the Project construction and operation are provided with a safe and healthy work environment and conditions. These will be ensured through management procedures guided by the national occupational health and safety regulatory requirements, as well as with the good international industry practice on the matter. These will be ensured through planning, organisational capacity and resources provided by the Project Developer and the employed contractors.

Community Health and Safety

In addition to managing the occupational health and safety aspects, the Project is committed to addressing any potential health and safety impacts from Project implementation on general public and communities.

Given the relatively isolated PV Plant site location, potential community health and safety risks associated with the Project are expected to be limited. Such potential risks are expected to primarily be associated with the construction traffic on public roads and may also pertain to non-local construction workers (e.g. related to aspects such as worker accommodations, interactions with local communities, and Project security arrangements).

Also, the potential for exposure to disease may be linked to the non-local and foreign construction workforce, who are expected to be accommodated in rented spaces within nearby settlements.

Therefore, community health and safety management arrangements addressing the above have been considered by the Project Developer as part of the overall Project management, guided by the national regulatory requirements and the international best practice guidelines.

Emergency Preparedness and Response

Adequate Emergency Preparedness and Response planning, defining the course of action in case of potential emergency situations that may occur during the implementation of the Project, will be defined

and implemented.

All staff involved in the Project implementation and operation will be trained in the emergency response implementation and on their duties in case such emergencies occur.

2.5 BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES

The Project is not affecting any valuable biodiversity as it is built on land either used for intensive agricultural cropping or occupied by existing infrastructure elements, as well as along existing access roads.

2.6 INFORMATION DISCLOSURE AND STAKEHOLDER ENGAGEMENT

A Stakeholder Engagement Plan (SEP) including a Grievance Mechanism was developed for the Project and is publicly available. The SEP provides a framework for the Project stakeholder engagement and will be amended and further developed as needed as the Project progresses, with the aim of ensuring meaningful consultation with stakeholders and communities throughout the Project life cycle. The SEP includes a Grievance Mechanism. The Grievance Mechanism can be accessed by anyone to raise complaints and comments in relation to the Project, and ensures that any complaint raised is addressed and responded.

To ensure facile access to the Grievance Mechanism, a number of interfaces have been established, including a Grievance Form that can be used for submitting a grievance.