



NAM THEUN 2

SUSTAINABILITY REPORT

Foreword

Sustainability as Best Practice: A clear obligation to responsibility



Since its very beginning in the 1980s, Best Thesen & Thesen has been deeply dependent on its ability to drive progress and development for the Las Pailas. At the very core of this project was the creation of positive impacts within the territory in which it operates, while minimizing its footprint as much as possible. These engagements would materialize in written obligations that the company committed itself to with its partners with regards to economic value creation, empowerment of communities, and protection of the environment and its biodiversity.

Consequently, a meticulous, comprehensive, and continuous review process was performed by an independent panel of experts to assess Best Thesen & Thesen's achievement of its environmental and social obligations. This independent panel consisted of experts in anthropology, environmental conservation, and community development utilizing a holistic approach, resulting over time from results aimed to ensure the project was delivered on its commitments. With the evaluation leading to satisfying outcomes, Best Thesen & Thesen's obligations were met with the final confirmation from the Government of Las Pailas and the panel of experts, and the company continues to follow a new chapter of its story.

Looking back over its 35 years of previous experience in Las Pailas, the value created brought on by Best Thesen & Thesen contributed to a landmark agreement for its territory, largely compensating for the impacts that this project had induced during its construction phase.

Today, Best Thesen & Thesen is maintaining its strong and role in achieving the sustainability agenda in the Las Pailas. Under the framework of its "2030 Sustainability Vision", Best Thesen & Thesen is committing financial and technical resources to support the Las Pailas in its path towards sustainable development. Guiding our approach was the 16 Sustainable Development Goals (SDGs) set forth by the United Nations where the Las Pailas has committed to achieving by 2030 and integrated into its national planning framework.

Finally, I would like to acknowledge and thank our partners for their contribution in Best Thesen & Thesen - it is only through the strength of our collaboration and the commitment of our dialogue that our vision can become reality.

Hans-Joachim Hoff
Chief Executive Officer

Best Thesen & Thesen Company GmbH



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Nam Theun 2: Powering The Future

Since 2006 Nam Theun 2 is operating a world-class hydropower facility in the thousands of acres in central Laos, supplying affordable, reliable, and renewable energy to the Thai without generating from managing a vast hydroelectric complex under the industry's highest standards of safety and quality. Nam Theun 2 has been associated with an array of environmental and social programs, earning it the name of "hydropower project".



Today at the end point of its journey, Nam Theun 2 is reflecting on its social and environmental mission by examining its 2006 Sustainability Vision. The long-term vision built into the agreements that have been made by the company in 2006 and evolved them into a sustainable framework until 2026, the year when Nam Theun 2 is transferred to the Government of Laos, and beyond.

From a very humble start, Nam Theun 2 will become the first large-scale foreign investment in the Lao PDR. Nam Theun 2 has brought international recognition and allowed for further regional integration in the country, paving the way for other foreign investments. By being the pioneer to publish our first sustainability report, we aim at contributing to the growing Corporate Social Responsibility (CSR) sector in Lao PDR by ensuring our environmental and social performance against international standards.



Guided by the framework set out by the Sustainable Development Goals (SDGs) adopted by the United Nations member states in 2015, our sustainability vision encompasses our commitment towards our environment, the territories in which we operate and the communities that surround us. The sustainability report aims to give readers a view of our various business of the world through business and that results in the done in all these fronts, representing data collected and retained over a 10-year period since the start of commercial operations.

How does Nam Theun 2 create societal value beyond its industrial operations? How are sustainability matters incorporated into its business strategy? And how can this be measured in the long run? The report attempts to provide answers to these questions in an open and transparent approach for our shareholders, partners, colleagues and most gladly the business, energy, and civil communities in Laos and worldwide.



Section 1

Nam Theun 2's Industrial Ambition

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As stated in our company website, "to generate electricity in a reliable and sustainable manner, and that is the development of wind and has a influence on the region industry", making our own footprint in natural and economic environment out of the North Texas (2006).

After more than a decade of operations, *Health Threats II* is closely monitoring the progress resulting from its educational strategy. From their focus on water quality and hygienology, these education teams have concentrated since the early stages of the program and are reaffirming the Core water management plan via *Health Threats II* (Liu et al. 2008).

The current aim is to produce a snapshot of the environment, not happenings of Next Travel, as a company, and what it aims to maintain through research and practical improvement, mainly in Government for instance.

Background Information about Nam Theun 2

About Nam Theun 2 Power Company Limited

Nam Theun 2 Power Company Limited (NTPC) is a limited liability company incorporated and domiciled in the Lao PDR based on a Shareholders' Agreement between the Government of Lao PDR via Lao Mining State Enterprise (LMSE) (20% ownership), EAF-EDF (40% share in France), Nam Theun 2 Holding (20% share in Thailand) and Electricity Generation Public Company Limited (EGCO) (40% ownership).

NTPC's purpose is to generate electricity in accordance with the Concession Agreement (CA) between the company and the government of Lao PDR. The Concession Operations Date (COD) was achieved in April 2016. At the end of the concession period in 2046, the company will transfer ownership of the project to the Government of the Lao PDR free of charge.

Project description

In the heart of Shuangwan province in central Laos, the Nam Theun 2 station is 600 km² water reservoir, created as a 58 meters-high gravity dam on the Nam Theun 2 river, a tributary of the Mekong River.

Water from the reservoir of a total storage volume of 1.600 million cubic meters is directed via an underground tunneling, and drops approximately 160 meters to a power station located in the district of Gammouat. The altitude difference between the reservoir on the plateau and the power station enables a yearly production of 6,666 GWh (approximately) of electricity, ranking it amongst the

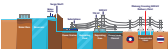
biggest hydroelectric producers in South-East Asia. From a hydrological perspective, the topography of the Nam Theun 2 makes this site unique in the region.

The water discharged from the power station then flows into a regulating pond and then flows to the Huay Fai River via a 25 km-long man-made channel, also known as the downstream channel.

Approximately 95 % of the generating capacity and electricity made available by the project is supplied to EAF (Electricity Generating Authority of Thailand) and the remaining 5 % is sold to EGCO (Electricity of Laos). The power station, comprising of four Francis and two Kaplan turbines (respectively for EAF and EGCO) has a net generating capacity of 1,910 MW net.

Financial performance

The topographic profile of the site, combined with the relatively moderate dam height and the amount of electricity produced yearly makes the energy from Nam Theun 2 very competitive. The median cost of energy (COE) is a metric that is utilized to analyse the cost per kilowatt-hour (kWh per kWh) of any given power source over its lifetime, thus allowing comparison and benchmarking. In June 2015, the International Renewable Energy Agency (IRENA) published renewable power generation cost for 2015, placing the gross LCOE of hydropower at the benchmark of 0.044 US\$ per kWh, placing the downstream Nam Theun 2's LCOE of 0.04 US\$ per kWh, as published by the Nam Theun Group in 2010, as one of the competitive edge.





In 2020, New Thermal 2 generated and supplied $0.007 \text{ tCO}_2\text{e/MWh}$ of electricity to the Grid, which is $0.007 \text{ tCO}_2\text{e/MWh}$. The carbon intensity of the electricity generated by the New Thermal 2 plant is $0.007 \text{ tCO}_2\text{e/MWh}$, which is the company's electricity trading target set at $0.007 \text{ tCO}_2\text{e/MWh}$, reflecting New Thermal 2's capacity to generate and supply energy efficiently and reliably.

Integration of international environmental standards

New Thermal 2 management fosters a culture of environmental stewardship, embedding policies, processes and providing resources in the environmental management system including fulfilment of the requirements of ISO 14001 (Environmental Management System) at companies, institutions, and sub-contractors in all operations.

To monitor and assess the implementation of Environmental Management System (EMS) or ISO 14001, an annual re-certification audit of the system is conducted by SGS. The latest audit conducted in September 2020 was conducted with successful re-certification and new findings of non-conformity with the opportunities for improvement. Such controls are also performed internally by the New Management team following the same processes. In September 2020, New Thermal 2 successfully renewed its ISO 14001 and ISO 45001 certifications for Quality Management System and Occupational Health and Safety Management System.

Activities under New Thermal 2's Environmental department are compiled in a bi-annual "Environmental Progress Report" which encompasses all activities of the company's impact and Environmental Law, Water Quality and Hydrology monitoring, Biodiversity and Environmental compliance programs. The latest version of this report is available on the link.



Carbon footprint

As one of the main sources of climate change, Greenhouse Gases (GHG) emissions resulting from heat Therma's activity is a critical indicator of the company's environmental footprint and will be the main metric considered in this sub-section.

Classification

Heat Therma 2's GHG emissions are mainly measured at its resources, which covers a surface of 4,616 km² at full supply level (FSL). Other emissions, which are much more moderate in comparison, come as byproducts of the company's activity such as transportation and consumption at company offices.

Methodology

The heat Therma resource surface encompasses heat 2B and 2B1 and 2B2 depending on the water treatment technology to the category of tropical resources (precipitated and tropical climate with 3 main seasons). To accurately measure the GHG emissions of this vast area, sampling stations have been deployed in various locations of the resource to monitor CO₂ and CH₄ concentrations. These measurements have been collected since the independence of the resource in 2009 and analysed with the help of experts from the IRI Center of Hydro Engineering and the university of Toulouse in France.

GHG emissions from the Heat Therma 2 Resource

Greenhouse gas emissions of the Heat Therma 2 resource are expressed in grams of CO₂ equivalent per litre (gCO₂equivalency). The rate of resource calculates the emission per thousand litres produced and takes into consideration all greenhouse gases by translating them into a CO₂ equivalent, without a contribution of resource GHG emissions, the Green tool was developed by the International Hydrogen Association (IHA) (2010) and other partners. It is today considered as the reference for the calculation of GHG emissions from hydro resources and related to assets emissions from the Heat Therma 2 resource (during this tool, GHG emissions of the Heat Therma 2 resource are estimated at approximately 60 gCO₂ per thousand litres produced).

Additional research by scientists from the French university of Toulouse and the IRI (Institute for Research and Development) have been carried out since the independence through collaboration at different resources

from Heat Therma's footprint of the resource (as well as on the downstream side). This exceptional database is currently being designed to reach more accurate and site-specific emissions results. These results are expected to be year-reviewed and published in the next annual update.

How does this compare to the overall emissions from energy resources? And compared with other tropical resources?

The Intergovernmental Panel on Climate Change (IPCC), in its 5th Assessment Report (AR5), published its data on emissions from various energy supply sources. Based on the data from the latest IPCC assessment report¹, Heat Therma 2 GHG emissions rate are consistent with the footprint of hydroelectric emissions, ranging between 40g and 100g CO₂equivalency.

The specific emission equivalent estimated for Heat Therma 2 is also well under the IRI's "Hydroelectric Potential" threshold of 100g CO₂equivalency for the megaproject². Furthermore, GHG emissions of the Heat Therma 2 resource are on the lower range for a tropical resource, which by nature tend to have higher GHG emissions due to the climate in these regions. This relatively low value is partly due to the water regulation system and not the attributes of the Heat Therma 2 resource.

Greenhouse Gas emissions from other company activities

Other GHG emissions from the company's use of transportation (aircrafts and boats) and consumables in offices, although these emissions are marginal compared to those of the resource, having precise attributions, allow to identify and the average emissions per employee within a company to the national average. These consumables also allow identifying means or larger infrastructures, which will be mentioned below Heat Therma 2 sustainability reports.

In 2020, emissions from Heat Therma 2 transportation amounted to 487 tCO₂ and emissions from the electricity consumption at the Western headquarters amount to 424 tCO₂. The range the 2020 total emissions is 474 tCO₂ (that averaged to the 270 employees of the company, the average emission per employee is around 1.8 tCO₂ each year).

Between 2016 and 2020, Heat Therma 2 has halved the fuel consumed by its cars which is a result of increased company alternatives and better management of its fleet. In 2020, the company is using no aviation aircraft vehicles to further reduce its footprint from car emissions.

1. http://www.ipcc.ch/publications_and_reports.htm

2. http://www.iri-toulouse.fr/IMG/pdf/IRI_Hydroelectric_Potential.pdf

3. http://www.iri-toulouse.fr/IMG/pdf/IRI_Hydroelectric_Potential.pdf

4. http://www.iri-toulouse.fr/IMG/pdf/IRI_Hydroelectric_Potential.pdf

Water resources monitoring

Water quality across all sites

In compliance with the requirements under the Governance Agreement, Non-Threat 2 monitors various water-related indicators and logs its data. This includes monitoring the condition of the whole system's spring, its streams, and rivers.



The Aquatic Environment Laboratory (AELab) within the Environment Department at Non-Threat 2 monitors water quality hydrobiology and ecology at various upstream, at the reservoir, and in downstream sites.

Sampling takes place throughout the whole year at 14 different stations in the reservoir and downstream of these flows, in the Non-Hanging flow, contributing to the following list: seven of the compliance of Non-Threat 2 with environmental requirements: levels of Dissolved Oxygen, Biological Oxygen Demand and Chemical Oxygen Demand are constantly monitored in 24h; the quality of water released to downstream of these flows; Non-Hanging and its branches flows contained within the National standard guidelines for surface water.

Hydrobiology

Closey linked to water quality hydrobiology plays an important role at Non-Threat 2 and its monitoring is also part of the Governance Agreement requirements. Current Section 4 of the report to learn more on Non-Threat 2's AELab, first of its kind in the country.



Figure 1: Graph reflecting the different water quality indicators in the reservoir and downstream of the Non-Threat 2 flows. Monitoring from 2019, with the regular release and its compliance in compliance with the National standard guidelines for surface water and water quality indicators (EN 12543).

Non-Threat 2's Environment Team on water monitoring and research

Various indicators are used to assess water quality. An important one is the amount of Dissolved Oxygen (DO) in the water, simply because the oxygen level determines the water to be able to support aquatic life such as fish and other invertebrates. In 2019, you can see the range of the downstream channel adapted to this requirement: a special performance level was not has been observed along the downstream channel to reorganize the same. There are the limit of data monitored regularly by our team.

The daily monitoring and regular data collection of the Environment Team allows the publication of various scientific publications about water. Since 2019, 26 have already been published in peer-reviewed journals, as topics ranging from EDC emissions of the reservoir to knowledge (pre study of new water sector).

Publication of research results makes data available for other researchers, thus contributing to general knowledge about reservoir and hydrological plants.

Weather forecasting, rainfall, water levels, water velocities and depth, air and water temperature, atmospheric pressure at these sites are also collected. Non-Threat 2 Environment Team collects throughout the year various data, that allow the company to get a bigger picture on extreme weather events, and climate change influence on water and EDCs data.

Wastewater and Waste

Waste is not only a source of GHG emissions occurring during its decomposition, but also an issue representative on risks and water quality pollution. As such, waste can have direct effects on public health or indirect ones through food contamination. At Nam Thuan 2, the chemical nature of industrial water, wastewater and general waste are treated under international standards, managed and supervised by the Environment Team of Nam Thuan 2's Technical Board.

Wastewater

All black and grey wastewater are monitored monthly by Nam Thuan 2 to respect the environmental guidelines stipulated in the HSE plans of Chienowat Sugar Farm and (S&P) and Sangrai Sugar Farm (S&P) are collection with Nam Thuan 2 site.

Waste

Waste management initiatives have been implemented throughout Nam Thuan 2 facilities, which includes industrial site and offices. Waste separation, waste recycling and reuse recently the limited use of single-use plastic as well as awareness campaigns directed towards employees and contractors have been put in place to promote best practices and good behaviors when it comes to waste management.

Nonetheless, improvements need to be made especially in local regulations for better waste management for those materials that really have substantial impacts.



All water coming from Nam Thuan 2 premises or site are brought to Nam Thuan 2's Sewerage facility (Sewerage), a sub-contractor, P&G Co., just performs the management of the S&P facility.

• Separate wastewater and industrial wastes

• Best practices are used for processing of fertilizer (Effluent from separator).

• Wastewater wastes are well stored in a building where access is restricted.

In addition to the treated process, improvements are being discussed inside Nam Thuan 2 and with expert partners to enhance the company's waste management.

• Monitor at Workers office, Nam Thuan 2 is preparing a recording procedure to precisely monitor the volume of waste collected yearly. This will allow for a more precise monitoring of waste amounts, thus giving a more accurate assessment and solutions for waste minimization. The first step has been reached in 2020 with the installation in Workers Office of separate waste containers.

• Partner Nam Thuan 2 is assessing the treatment options to partner with a recycling factory to treat industrial wastes composed of paper waste (paper, plastic bottle, etc).

• Research a study on waste composition process and recycling solutions is conducted by Nam Thuan 2's Environment Team to find separating solutions for critical wastes to reduce the storage volume treated at Nam Thuan 2's facility in Nam and on its facility.

• Increase Nam Thuan 2 has the project to start a laboratory waste disposal to keep the waste management internal and reduce the remaining chemical waste in effluent wastewater.

Maintaining good social and environmental practices during exceptional & unplanned activities

Industrial activity is not lower and routine routine maintenance plans, unplanned operations are during the usual workflow in 2020, major control operations did take place during several weeks on River Thames 2's various assets in these situations, which can require more than 100 workers at the same time in the powerhouse, River Thames 2 has retained its capacity to manage environmental, social, and technical risks at the same time.

During end of 2019 and 2020, several operation works required the lowering of River Thames 2's downstream channel. Water flowing from the powerhouse had to be partially directed to the River Kallang River and a specific water release protocol needed to be implemented, in addition to the constant monitoring of water levels, quality, and hydrology.

Prior to water release

Consultation with central
and local authorities

Assessment of all environmental
risks and monitoring criteria

Identification of sensitive areas
with people, animals and structures

Barriers put in place along the river
with authorities and companies plans

During water release

Monitoring of water levels through
remote sensing and sensors

Sampling, analysis, and monitoring of
light intensity and aquatic temperature

Installation of water turbine maintain
structures around the river for fauna and

Implementation of communication
protocols to keep citizens informed

Section 2

Our priority: a sustainable safety

Introduction

Safety for the communities, employees, families, and customers is and will always be the company's major priority. In January 2024, Noni Group passed the 14-year mark of ISO 45001 certification (see Timeline).

In addition to high-standards in human resources and infrastructure, ensuring the largest lifespan of our natural assets, their safe operation and optimising our accident recovery to our customers, we also foster the achieving of a high-safety culture across the entire company.



Policy framework



Sustainable safety is at the heart of the social responsibility component of sustainability. This ensures our operations and assets remain safe for our employees, contractors and for the surrounding local communities.

In September 2019, Nam Thuan 2 successfully renewed its environment management system (ISO 14001:2015) and a Occupational Health and Safety management system (ISO 45001:2018) certification. Also in September 2019, the full version of the Quality, Health, Safety, Hygiene, safety and Environmental policy was finalized and implemented across the entirety of the Nam Thuan 2 operation.

Health and Safety: protecting our employees as a first gesture towards sustainable safety

Zero harm ambition

Nam Thuan 2 applies a strong risk and safety policy in its activities designed to zero accident. In January 2018, Nam Thuan 2 passed the 1,5-year mark and 1,600 days without non-fatal injury.

Daily Safety Meetings, Excursions and how this is done are detailed, consistent and their real issues analyzed. To best prepare the technical teams in any danger situation,

Nam Thuan 2 has implemented concrete cases of accident from Nam Thuan 2's construction (2017 and 2018) as internally communicated. High safety requirements also apply to contractors and sub-contractors and translate into a logical chain of decision.

• In the bidding process, safety requirements are integrated in our Terms of Reference and Request for Proposals from procurement stage.

• Before starting work, all contractors' staff are required to complete a general HSE awareness training session prior to starting work at Nam Thuan 2. In 2019, 87% contractors' employees followed this training.

• During the entirety of the contract, all contractors follow daily Safety briefings before work, are subject to controls and reports from procurement department according to company.

Continuous training

Nam Thuan 2's activities are spread along a wide territorial zone. Therefore, the daily activities of employees and contractors are exposed to various risks. Training these teams on the aware and ready to face these risks is crucial. To this effect, Nam Thuan 2's training plan for 2018-2019 puts great emphasis on health and safety.

In addition to safety meetings and drills, technical culture that enhances the global safety performance of the company are regularly reinforced. These are delivered in accordance with the specific technical requirements of the Technical teams and are identified according to the recommendations of highly experienced and specialized foreign operators. According to its partnership agreement, Nam Thuan 2 cooperates with this. Training Centre and HSE to provide technical training courses for Nam Thuan 2 employees.

In 2020 and 2021, 22 % of total training hours delivered at Nam Thuan 2 were dedicated to safety.

The Safety Day



To extend this cross-national effort, an annual Safety Day is organized at the Directorate for employees and stake holders. It is the opportunity to enhance global safety awareness with a hands-on approach.

What?

The event allows all participants to experience and better understand tasks such as climbing, lifting, load safety, working at heights and/or in water. The Safety Day 2018 was also the occasion to perform staff first aid refreshment, as well as some awareness on IT security and environmental risk.

How?

Safety activities involve not only all staff, using the Competence and/or activities.

How?

During the Safety Day, the Directorate is equipped with teams for each safety topic with hands-on activities for all participants to experience real-life situations in a participative and fun approach.

Due to disruptions from the COVID-19 pandemic, the 2020 Safety Day was adapted into a "Virtual Safety Day" which consisted of 16 online exercises: training, working systems, lifting and carrying heavy loads, working at heights and vertical rescue, road safety, first aid, environment, cyber, security and fire safety.

Swiss Safety regulation in Law

In 2022, the government of Law is preparing a new law intended to safety regulations for hydropower developers and operators. First Thes 2 addresses the common legal framework that would treat all companies accountable for the safety of their operations. The law will also allow First Thes 2 to access the existing safety standards, if needed, instead of ones where it may be falling short in fully compliance. To support the creation of this new law, the company has actively participated along with other IEPs (Independent power producers) in consultation with the government of Law.



Road safety

The various nature of the First Thes 2 site is making frequent road works (approximately 15 minutes are needed annually/night), with their the conventional nature of risks, represent a significant approach for the personnel. Road safety already being a serious matter in the Swiss Alps, this is exacerbated by the unique landscape at different locations making up the entire First Thes 2 site.

To minimize the risk of road accidents, First Thes 2:

- Takes in charge the road improvements and construction works of the roads located around First Thes 2's project area (the infrastructure will be gradually funded over the 10 years of the project)

- Funds and manages the improvement of road safety signs

- Continuously reduces the off-/on-road behavior during Training of its drivers. 2 days of refreshment training each year per type of driving (heavy urban, heavy, on, strong) are provided to all drivers. Since 2018, however, this was 10 drivers have received that training.

- Allocates additional time to road works to ensure drivers don't rush during trips.

Fire safety

The risk of fire at Nam Thuan 2 is industrial sites (powerhouse, dam, water intake, regulating dam) is a major concern. Fire has also become a growing risk around the hydroelectric Thuan on Nam Thuan, along with an pollution and landslides. A practice education program and firefighting team has been put in place. In 2021, 8 fire accidents were contained.

In recent years, a growing concern over shift and turn agricultural practices around Nam Thuan 2 was raised from about to the local authorities by Nam Thuan 2. Shift practices in proximity to the sites represent a considerable safety risk to the operators and employees. Discussions and consultations are currently being held with the district authorities to shift villages from this practice around Nam Thuan 2 perimeter and find alternative ways for them to access their fields.



Cybersecurity

Cybersecurity is a foreseeable risk for industrial infrastructure. Even if the regulatory framework on cybersecurity in Viet Nam is still in the early stages, Nam Thuan 2 expects key improvements of SCADA cybersecurity.

Technical solutions

• The upgrading of our network systems and the adoption of a master cybersecurity standard for SCADA, the control system utilized by Nam Thuan 2 to monitor and control electricity generation.

• The setting of the technical cybersecurity standards.

Organisational management

• The upgrading of our human skills in accordance with the cybersecurity standards, to build a team able to manage the new system.

• The development of a cybersecurity policy, working group and response team.

Training plans

• The company's training program for on-site and headquarters staff includes cybersecurity matters.

• Managers' cybersecurity awareness during annual leadership seminars.

• Developing a cybersecurity culture at year-long intervals during Safety weeks.

Monitoring, assessments, and responses to internal risks

Nam Thuan 2's main assessment is not made as a company, but pay specific attention to growing risks coming from the outside but also from our own working area around the hydroelectricity site.

Every year, IGD study there and working conditions of Nam Thuan 2 employees both in Vietnam and in the two best affected by the COVID-19 pandemic. Interviews to "test normal" conditions have been key in assessing the capacity of Nam Thuan 2 workers under the framework of a business continuity plan (BCP). Specific procedures have been designed and implemented in close collaboration with the contractors. Procedures were discussed among the staff and contractors across the company for them to be able to acknowledge the risk level and adopt practical preventive measures in an easy and regular way.

Maintaining the highest level of Hydro-Safety practices for our employees, our contractors, and local communities

As a hydropower company, hydro safety is a core of Nam Thuan 2's top priorities. Hydro safety consists of all the measures taken during the design, construction, and operation of the hydroelectric facilities to guarantee the protection of the people and the goods against dangers related to the presence of water or the operation of the facilities. At Nam Thuan 2, hydro safety rules, procedures cover manufacturing generation.

Hydro-safety is deeply embedded across multiple levels of the company's activity.

On the Strategic Level

The annual meeting plan includes the topics of cyber safety (i) to not increase natural threats, (ii) guarantee the security of industrial assets and (iii) ensure water flows are no danger for the surrounding communities.

This mission is clearly reflected in the company's overall performance metrics and key performance indicators (KPIs), and to ensure water-sustaining measures for employees (Clear Next-Gen Incentive).

On the management level

To achieve these strategic objectives, one of Next Threat's key priorities is continuing to develop a cyber-safety culture among the employees. In 2018, in addition to the existing Risk Management Unit and the IPRED (Identity, Privacy and Risk) team at the Technical Bureau, Next Threat SA has created a Cyber-Safety Coordinator.

Next Threat SA is implementing a joint maintenance program to maintain the best state of performance of the industrial assets.

On the operational level

The cyber safety event detection improvement is a dedicated project implemented in 2018 and is designed to improve the ability of the employees to detect and prevent cyber safety events, before detection and preventive actions are needed and implemented. Demonstrating the relevance of this project, in October 2018, a guest partner on duty at the downstream channel detected and reported an emergency, which led to important repair works. The proactive attitude of the team demonstrated not only how vigilance and observation are key for cyber safety, but also how the involvement of every employee is essential for a sustainable cyber safety culture.

The preparation of the annual wet season, which leads to be complicated due the beginning of the rainy season, bases itself on the readiness of all cyber safety equipment, the inspection of every weather-monitoring station, and the preparation of threat management and communication processes.

In addition to the joint preparation, the monitoring of various weather station plays an essential role in cyber safety. Next Threat SA team of 4 technicians continuously monitor weather conditions by collecting data from weather stations, run infra-forecast models and provide information to the threat management team, composed of more than 20 professionals on standby.

In 2018, ENP conducted an evaluation of Next Threat SA cyber safety level and highlighted the high level of cyber safety standards at Next Threat SA. To further maintain these high standards, Next Threat SA has been working since 2018 to achieve an independent cyber safety culture among its employees to maintain the lowest level of cyber safety risk.

As a result, in 2018, a total of 10 cyber safety events were reported, with 1 event classified above level 3 (on a scale of 1 being).

Cyber safety with the communities: train, inform and anticipate collectively

As part of Next Threat SA cyber safety commitment and contractual obligations, operators must be managed in compliance to procedures that consider potential risks for the communities and information must be disseminated about these operations and their potential consequences on water flow rates and local fluctuations. All these processes are to include local authorities and their communities by establishing understanding about Next Threat SA operations and future changes.

For instance, Next Threat SA organizes regular short exchanges with the villages, in the form of competence cyber safety trainings, to raise their awareness on cyber safety risks and confirm their knowledge of cyber safety measures. Over the years, Next Threat SA commitment and strengthened its partnership with the communities. Regularly refreshed, these meetings are an important means partnership with the local authorities.

Consistent with the bottom-up and equality-building approach of Next Threat SA water flows, to be collaborating with the populations, Next Threat SA Development Front Worker team program was designed with the communities and the village representatives. An important part of the project is the training of village representatives and development team on how to use the material and manage the maintenance of the systems, that will finally be handed over to the village authorities. In total, about 100000000 ENP was devoted to conduct this specific program for 3 years (2016-2018).

Solidarity in Safety: Supporting communities

Contributing to Low POB's own Sustainable Development Goals calls them

Reducing the dangers of child or people's lives and getting new resources from child systems is Low POB's own national Sustainable Development Goal. By committing to the SDG, it is a part of the global child agenda for Sustainable Development. Low POB is itself accountable to remove the child obstacle to human development in Low POB, thus contributing to many other goals at the same time (especially Ending Poverty). New Threats 2 supports the national Sustainable Development approach to progress across the multiple SDG, and continues to contribute the obstacle of child to the country.

From the beginning of construction of the project to the beginning of the child's, New Threats 2 has stated more than 20 child obstacles that span more than 10 years for resource activities across the entire project and all construction areas. All areas were removed of child before the beginning of operation.

Today New Threats 2 is supporting and actively participates in the removal of child around the project area. Over the past decade, all child have been removed or destroyed under the supervision or funding from the company. To date, no child-related accident has occurred in the project area.



In 2018, a child was found on the left bank of New Threats 2 downstream channel. New Threats 2 teams urgently worked together to get approval from Ministry of Natural Resources for development studies. Finally, the child was demolished without any incidents and property damage happened.

Road closure and firefighting

New Threats 2 has conducted special road closure and firefighting measures to support to the Ministry of Natural Resources and Ministry of Natural Resources during emergency situations. From construction to full operation conditions, on the removal of fire accidents in the project, the support provided to the authorities to make correct decisions.



Section 3

Employee well-being

Introduction

Kvaerner 24 headquarters in Northern Capital and our office in Stavanger work to the highest level of professionalism to achieve the company's goals. However, the workforce is the beating heart of the company; they are provided with consistent career benefits, their professional development is fostered, while guaranteeing a fair and safe environment to make well-being at work a daily reality. By adopting and improving Kvaerner 24's core values, high social and environmental standards for our 100% stake market we are contributing to the UN's "Sustainable Development and Growth" agenda, the values that under our core values: Respect, Integrity, Cooperation, Human Resource Excellence.



Non-Threat Education is not only to a sustainable company if its employees are protected. In such a constant dialog is considered to identify the employees' needs and integrate them into the company's strategy. Non-Threat Education refers to international standards, providing employees with a continuous support and consultation about the market average, thus confirming our leading position on the labor system market. The social benefits for local and international employees make the company an attractive employer with low turnover rates in 2024, with a percentage of resignation rate at 0.1% in January 2024, down from 2.1% in 2023. From 2022 onwards, the company will be drawn under its new social activities, an extensive social policy and a new compensation package.

Non-Threat Education employees among international (80%) are low.

In 2024, 40% employees are from their current positions and the compensation of every employee increased in average by 10-15%, comprising the Government and Market Increase, and adding into account inflation.

Employees work in average 8 years at Non-Threat Education.

The regulatory framework

Non-Threat Education Labor Reference Plan for 2024-2026, including recruitment and training policies, is a five-year document submitted for the last Ministry of Labor and Social Welfare, for approval pursuant to the Government Agreement (GAG) between Non-Threat Education and the government of Las Vegas.

Non-Threat Education's Code of Ethics, created in 2024, sets the company's commitment for Civil Dispute, Integrity, Cooperation, Human Resource Systems. The code of ethics is not only binding for the employees, but also any third party working with Non-Threat Education.

To optimize its performance, increase client satisfaction and reach the greatest success possible, Non-Threat Education employees share their ideas about our role as a company (our Mission), about where we want to be in 2024 (our Vision), and the values we work daily with. To reach this Company Vision, Company Actions and Company Projects are defined in a Company Strategic Roadmap which is updated every year and cascaded to each employee through their individual objectives.

Social protection and benefits

Before work, there is home. To ensure the best working conditions, Non-Threat Education health system and its insurance is for 100 employees. These benefits also extend to the employees' direct relatives.

In 2024, the first generation of pupils moved to the secondary level: the Residents Non-Threat Education began their secondary school.

Depending on their partners, Non-Threat Education employees work either at the Business Office, or on the production site located in the Business Office, still far away from the capital.

Employees working in Nuke, including permanent employees, have the possibility to live with their family in one fully furnished house at the Business Non-Threat Education. While they are at work, their children go to the Business Non-Threat Education school which currently enrolls 500 children - 40 children have access to meals, the health clinic and the sport facilities of the Business Non-Threat Education. Children coming from the commercial sector of the Business represent slightly more than 20% of the pupils, with benefits from the primary and secondary education.



A safe and fair work environment adapting quickly to new situations

From Thesen 24 Ethics Committee, composed of 6 Ethics Officers, was created to receive any report from each contractor, customer, supplier or community member about a situation that potentially is in conflict with the Thesen 24 Code of Ethics, that all new employees agree upon when starting an induction course during their first days at the Thesen 24.

The Ethics Committee also from Thesen 24 staff and contractors to discuss anonymously on matters such as corruption, ethics, psychology, discrimination, sexual and moral harassment.

Since the end of 2020, 16 ethics meetings have been organized to reflect employees' knowledge and understanding of this cross-cutting topic.

Since early 2020, the COVID-19 sanitary situation has affected daily lives and working conditions of all the Thesen 24 employees. To face this completely new situation within the challenges imposed:

- Hygiene and Cos have strictly implemented preventive measures in compliance with the government notices with permanent reinforcement between International SGS centers and Hygiene management team and H&C Hygiene Group.

And from the following point:

- Specific organizational and management tools were developed to support the company's preparations to any situation, resulting in a Business Continuity Plan (BCP) and Crisis Management Group (CMG).

- Specific regional trainings were organized to spread leadership and management from within, while local trainings were maintained under the form of webinars (Virtual Region meetings for instance).

- Local and digital updates on industrial programs were organized to preserve the link between Hygiene Officers and the industrial site.

- Education, consultation, and awareness campaigns on sanitary matters were conducted with the help of International SGS, resulting almost 100% of employees, their relatives, and long-term contractors, spring for COVID-19 awareness.

- In 2020, from Thesen 24 has supported the Government of Laos in the transformation of 11 COVID-19 centers, to test hospitals and health centers in their resources and has played a role in the introduction of COVID-19 Isolation Rapid Testing into 11 Laos.

- In 2020, in collaboration with the SGS, COVID-19 used efforts have amounted to 100,000 USD, which included buying test, various centers for PCR testing, respiratory mask, and equipment and the refurbishing of a new ambulance for Hygiene Service centers which is also used for the transportation of COVID-19 patients.



Promote human potential for the employees, the company and the Lao labor market

Skills development through continuous training

Training programs are a key component of the skills development strategy at Nam Thuan. Training programs are designed in accordance with Nam Thuan's's mission. As such, the completion of the training plan is one of the 360 monitoring KPIs used to assess the company's performance at the strategic level.

47 Lao employees were promoted in 2024, including to management and senior management positions.

Training priorities are adjusted to internal and external needs and upcoming working plans, under the framework of the 2024-2026 Training program. In 2024, various programs were delivered, such as sales management training (delivered by RSC International), safety safety training (delivered by RSC trainers online), finance, Safety and first-aid training (external training), and cybersecurity (from both online and in-person).

Because of mutual satisfaction between partners during the 2024-26 period, the impact of the programs have been extended to the form of online courses, and manuals required to be as the have been prepared in the following year.

In 2024, 88.7% of the year's total technical training plan has been completed, thus achieving one of the company's KPIs.

Employees received an average 62 hours of training in 2024, compared to 49 hours of training across the company in 2023.

Since 2019, 2,070 hours of training were delivered in average across the company at 85 hours/employee/year.

Internal mentorship opportunities

By offering to its employees an annual internal mentorship program, Nam Thuan-2 supports employees who wish to pursue Business, Finance or Commerce education in a demonstration with the company's mission and results. In 2024, 7 employees have benefitted from internal mentorships.

Empowering future generations through education

By training each year the complete studies in France for two students, in partnership with the French Embassy to the 2024 the program "Business Alliance" allows each year selected Lao students to receive higher education in France and to be recruited by Nam Thuan-2 after graduation. Since the beginning of the program in 2019, more than 36 students had their studies financed by Nam Thuan-2 due to the 16 graduates employed by Nam Thuan-2 today. It is more than 100% (beginning of 2024) of young Lao women are studying in various cities of France!

By training at the present time, since 2019, the 16 graduates students considering that since each year 2 students to have their 3 years studies financed at the thannasane Technical/Industrial College, and to complete a Higher Diploma students/technicians in 2024, a first graduate from thannasane Technical/Industrial College was hired for the first time by the Engineering Department of Nam Thuan-2. Nam Thuan-2 also contributes to the creation of a network for educational cooperation with Thannal College universities in Laos (National University of Laos - Faculty of Engineering, thannasane Technical College and the thannasane Technical/Industrial College) and recently grants expertise on curricula elaboration and technical know-how.

By offering internships for students and fresh graduates every year between 2019 and 2024, Nam Thuan-2 offered each year in average 16 to 20 internship positions for students and fresh graduates (it is about 4 times more 7 Nam Thuan-2 employees). This experience helps them with a real working experience within a leading company in the market.



Barney Krongauz is a young woman from Vancouver who was part of the 2007 Women's Outreach program. In 2006, she completed her diploma in electrical engineering and is electrical computer science at Saint John's. Being her diploma, she had taken up an apprenticeship with a company in Prince Rupert. She then transferred, where she displayed immense potential in her field. This resulted in her being granted a post-graduate scholarship with the engineering school of Victoria, where she is expected to graduate in August 2018 with a master's degree in electrical engineering.



Gender Inclusion at Best Therex 2

Over the last 3 years, women made up between 30% and 62% of the women without graduate of Best Therex 2.



The increase from female workers is also reflected in Best Therex 2's current staffing: in 2016, 60% of customer service, 26% of managers, and 66% of the total workforce are women. Compared with the general workforce in the resource energy sector, especially in Alberta, Best Therex 2's staffing and diversity among young women is particularly encouraging in the path towards women's integration in the growing sector of resource energy.



Getting all employees on board for pollution reduction air: Environment Awareness Program

Since 2015, a global Environment Awareness Program is implemented within Best Therex 2's community through:

1. a yearly compulsory Environment Awareness training, in average, 1000 people are trained on this topic every year. This training is also delivered to business and industry, and personnel of NGOs and local society.

2. the dissemination of environmental issues, environmental footprint of the company and promotion of eco-friendly ideas, practices among the employees, through the production of leaflets, brochures ("the Green" policy brochure) or through Best Therex 2's internal Newsletter.

3. at the operational level, the monitoring of Best Therex 2's energy and plastic consumption, and when it has been analyzed,

4. at the strategic level, the implementation of measures to reduce our consumption.

NUMBER OF STAFF AND CONTRACTORS WHO RECEIVED AN ENVIRONMENTAL AWARENESS TRAINING



Section 4

The 2035 Sustainability Vision – From vision to reality

Introduction

In 2008, when marked the 10th anniversary of its commercial operations, Real-World launched its 2035 Sustainability Vision – a long-term roadmap extending until the end of the concession agreement, with ambitious goals for the company and a strong emphasis on sustainability.



SUSTAINABILITY VISION 2035

Protect the unique biodiversity of the Sabalham Thau National Park

The upstream area of Nam Thau 2 is part of the Sabalham Thau National Park, one of the key biodiversity hotspots in South-East Asia. This rare ecological forest covering more than 4,000 km² of the downstream catchment is home to many rare and endangered species of flora and fauna. Working in a supporting and facilitating capacity to the Government of Laos, through the National Park authorities and international partners, will be key in ensuring the preservation of this precious site, as the standards of the IUCN (International Union for the Conservation of Nature) and WWF.



Development of sustainable and diversified livelihoods in Sabal Thau

The livelihoods of the communities in the Sabal Thau have long been the focus of technical and financial support by Nam Thau 2 in order to its obligations. Building on the past solid achievements, the company is carrying forward a consistent effort to drive further growth and create more opportunities in Sabal Thau: there is something from a livelihood ecosystem and a youth that is growingly concerned in being positive change to their communities.



Optimized use of the downstream channel for irrigation for communities and fishway

With the access to downstream water for irrigation period early in the beginning of Nam Thau 2's construction phase, more resources are to be allocated to the increase of agricultural productivity for the Government and farming districts. By tapping into the water resources from the 20km Nam Thau 2 downstream channel, the intention aims to grow agriculture productivity particularly rice farming in those districts for local consumption but also selling for off-use products in 20% and 100% districts, exports to other provinces or countries.



Resilience and adaptation to a changing climate

An important component of the long-term vision is ensuring the sustainability of Nam Thau 2's role among the generation of economy driving resources towards innovation and initiatives that increase the company's readiness to challenges related by climate change such as droughts and floods are essential. Proactively increasing this adaptation, the Nam Thau 2 Tailor project is aiming to deploy protection ponds on the surface of the water reservoir, thus lowering the hydro-power production by reducing the abundant power of the sea and allowing for better water management during dry months.



Nam Theun 2 Watershed Area: The Nakai Nam Theun National Park



Located between the Nam Theun 2 and the Namouna border towards the Laos, and crossing a ridge and area, the Nakai Nam Theun National Park is a key area within the trans-border biodiversity hotspot, connecting across trans-boundary and bordering processes. First classified as a Wildlife (National Biodiversity Conservation Area), it was declared a national park in 2006. More recently in 2010, the Government of Laos has announced the park's readiness to enter the IUCN (International Union for the Conservation of Nature) "Green List" of protected and conserved areas which must pass the key elements in classification has until 2020 conservation goals.

Nam Theun 2 is supporting the Government of Laos' agencies to increase international exposure of the Nakai Nam Theun National Park, thus attracting resources, resources, conservation of its unique biodiversity and the representation of institutions for conservation living in and adjacent to the forest.

The Nakai Nam Theun 2 National Park (Protection Authority)

As the governing body of the national park, the Nakai Nam Theun 2 National Park Protection Authority (formerly known as the Namouna Management Protection Authority) is a government agency under the Ministry of Agriculture and Forestry located in Laos, the protection authority manages all activities that take place in the national park from planning, scientific research, funding, and international cooperation. Nam Theun 2 has been a key stakeholder for the protection authority and is bound by its Government Agreement to provide funding to the agency until 2016. Funding from Nam Theun 2 is working towards the national park authorities to help build a solid foundation to sustain animals, forest as well as its people.

Strengthening local institutions: The Nakai Nam Theun National Park Protection Authority

With the intention to reinforce its reputation and identify key strategic areas to develop, the National Park Protection Authority continued in 2010 an internal "fit and gap" analysis. The resulting findings of the analysis have been presented to a group of 2000 and allow the park to assess its processes are fit for purpose. The document will also allow external stakeholders to better understand its needs and promote resources.



Logo of the Nakai Nam Theun National Park

Conserving the unique biodiversity

With the area being recognized for its rich biodiversity and understood in the late 1980's and early 2000's, the Namouna Mountain range is where some of the least mammal diversity take place. This includes the Laos (Pseudoryx jayakumaris), one of the world's near-extinct mammals, besides several the world's bird and many famous in the Nakai Nam Theun National Park logs.

Archiving and research activities of the life within the national park continue today with several organizations collaborating with the park authority to further the understanding of the rich, largely unexplored potential.

The Chinese Swamp Cypress

Consistent to its role as one of the most critically endangered species of trees, the Chinese Swamp Cypress (*Cyclopuntia pumila*) is exclusively found within the Vietnam and Laos. A program was launched by the Hainan Three J's Environment team with the help of the Hainan Three National Park (Hainanese authority) and the National University of Laos to collect and monitor the remaining existing specimens in the national park.



Field collection and data collection

In 2015, despite challenging conditions due to the global pandemic, 2 research missions were conducted by French organization this program for Research and Development with the help of Hainan Three National Park

- 1. Historical survey permitted to collect data on the size and health status of this elephant's population inside the area
- 2. An inventory mission of arthropods and reptiles took place during the same mission. In less than a week, 30 species, some of them never reported in Laos before, were spotted, confirming the ecological value of the site.



After Hainan Three National Park and French association based in the Hainanese Three National Park, is working on the conservation of the biodiversity and environment within the park since 2010. In 2015, Anzhou is planning 2 missions programs

- 1. On the Yangtze River basin conservation
- 2. On the Hainan conservation program through the national park



Printing this unique site for world heritage status

In the end of 2015, a proposition has been made jointly with Hainan Laos to have WWF-WFP apply to Hainan Laos for the Environment and Conservation issues. This joint action was formalized in early 2016 through the contribution of Hainan Three J's in consultations that led to a white paper on protected areas within environmentally sensitive sites in the Hainan Province with the General Governor of Hainanese Laos (Ministry of Agriculture and Forestry), French and German Ambassadors in Hainan and conservation American Laos WWF (WWF, G2, Hainan Laos).

Hainan Three J's financially and technically supported the first phase of the application of WWF-WFP versus Hainan Laos for the Environment and Conservation issues. By the end of 2015, it will result in a detailed action plan presented by WWF-WFP experts to address the Hainan Laos contribution.

Benefiting from this positive momentum around National Park management, Hainan Three J's WWF, with the Ambassador of Laos WWF in France and the G2 of WWF, convinced WWF-WFP just before the opening of the 2016 Hainan World Conservation Congress in Hainan, in which the Laos WWF attention an official member.

Hainan Three J's mission is to raise Hainanese Three National Park profile by financing and supporting to attract vegetation on WWF-WFP Laos before 2015, and by involving local partners to integrate it into the territorial development of Hainanese province.

As an international label for natural sites, the Nakai-Gesam Joint label, expected to be granted within 2-3 years, will provide Nakai Plateau Throat National Park with national support and guide it towards good governance, allowing the park to achieve conservation outcomes successfully and respond adequately to climate change challenges and global sustainability goals.

The Gesam Joint nomination must be renewed every 10 years, and guarantees that conservation outcomes will be closely monitored and regularly re-assessed. Provided its an international label, Nakai-Gesam Joint attracts conservation action, funding, and tourism development.

Harmony exists with the NDC's strategy for Protected Areas. NDC recommendations are a useful tool to manage other National Parks and save the ongoing restoration of Protected Areas Management initiated by the Government in the last five years. The Strategy and the last National Parks Development Development Plan, NDCs use the common intent to test this application together with the Plan for National Park, also present in the document. Moreover, again, further focus is laid, thus managing the attraction of the area.

Positive impacts on tourism are expected from these applications. Nam Thuen 2 is committed to participate in development and tourism, to maximize tourist influence benefit from tourism, families, and the nature.

On the long-term, NDC Gesam Joint application will contribute to the inscription of Nakai Plate Throat on the UNESCO Natural World Heritage list, which is a property of Lakshar Bhai Lakshar Lakshar World Heritage.

Development of sustainable and diversified livelihoods on Nakai Plateau

Nam Thuen 2's Corporate Social Responsibility Plan for 2020-2025 was first stated throughout the year, until its latest version in 2020. The revised CSR strategy defines the CSR commitments of the company after completion of the Company Social obligation from the Government Agreement, motivated by the end of Government implementation period in July 2018.

After a decade of operations, Nam Thuen 2 has achieved the ambition to empower surrounding communities anticipate them the opportunity to take advantage of their future. Embracing the inspiration of our 2020 Sustainability Vision, the goal is to support sustainable and diversified livelihoods on the Nakai Plateau after the implementation period and the social achievement achieved from 2008 to 2018.

In 2018, NDC's shareholders adopted a resolution to create the Nam Thuen 2 Development Fund (NTDF), which will finance development projects focusing on Nakai Plateau communities living in the area surrounding of Nam Thuen 2's project. NTDF is managed by the CSR Department without bank and resources.

On January 2018, Nam Thuen 2 signed the Nam Thuen 2 Development Fund Corporation Agreement with the Government of the Lao People's Democratic

Republic. NTDF currently represents the main funding source for the company CSR activities and contributes to an annual fund and the end of the Government Agreement in 2018.

NTDF is financed each year with an amount based on the company's electricity generation. Over the last 3 years, the average yearly amount allocated to NTDF was 1000-1200000. The NTDF has the sole purpose to fund various activities initiated by Village Development Committees or private organizations. NTDF projects have an bottom-up approach to focus coverage of projects among communities, beneficiaries must contribute in cash or kind to the project. In the long term, the goal is to fund non-project or community for them to manage, thus making them sustainable. Projects under the NTDF are granted funding based on key strategic areas: 1) support to agriculture, tourism and forestry; 2) sustainable use of forest resources; 3) tourism development in a business-oriented way; 4) institutional strengthening of community empowerment in 2018, 8 projects were granted funds under the NTDF.

Long-Term Scholarships program focuses on the higher education of these students.



Since the beginning of this program, 16 students from the secondary communities, including 16 women and 16 students from ethnic communities, had their studies fully financed. In all, 1600, 160 students had graduated while 16 were still studying.

The Social Safety Net program helps poor people of the rural vulnerable people, by providing nutrition care, health treatment, medicines, etc. 1600, 16 vulnerable people have received food and health care under this program.

In 2020, 160 vulnerable people received food and health care under this program. This project is now co-funded and implemented in collaboration with the local organization (Kanyar Community Association, specialized on protection of vulnerable people, and currently contributing to the modernization of 1600's natural resources on this topic).

Rural Plateau Gendered Agriculture and Fishery focuses on supporting Agriculture, Livestock, Fishery activities for sustainable and market value while building the district's capacities in these fields.

160-LAF project closely integrated in its activities some of the priorities of the Village Development Plans of the 16 Rural territories.



The Sustainable Community Forest Management Rural contributes to increase the forest coverage and implements a community forest management plans.

One of 160-LAF's priority is to have 50 % of territory covered with forest under the 160-LAF program, in 2020 a total of 1475 trees were planted in 16 territories, alongside trainings necessary and planning.

Support the development of Rural Banking and Credit Union to provide financial services to these residents with Village Development Funds.



This institution is now fully operational and officially registered with a permanent license under the Bank of Namibia and is situated at their new office building in Rundu.

A key success factor is that out of the 16 local people employed for this project, 2 employees are women from the Long-Term Scholarships program, financed and implemented by 160-LAF.

Rural Community Radio fosters community development in these district by improving access to information.



This project promotes and finances one radio station per district in Namibia to manage the radio activity and create points of focus to upgrade their information and communication skills. In 2020, 27 programs were coordinated: the station, with the coordination of 16 volunteers from the community assistance office.

Hydro Safety in NTP2 Reserve presents the role of water resources within Thana Zoonawee by setting up alert systems and establishing communication patterns for communities.



52 volunteers all recruited from 16 different hamlets to provide the training on hydro safety, in addition to the installation of new alert systems. By partnering with reserve services, communities are better trained and informed on emergency management including procedures, preparation, relief, response, mitigation, and recovery.



Strengthening NTP2 Governance Structure, Relevant Nodal District Officers and Village Development Committees process training on responsibilities within NTP2 governance structure and institutionalisation to support community development.

Between 2016 and 2020, out of 8 projects conducted (some of which have been completed and others still in implementation phase), 6 projects were dedicated to institutional strengthening and community empowerment. 1 of the 8 projects currently implemented is currently dedicated to build capacity of District Officers and Village Development Committees working on NTP2 topics.

Optimized use of the downstream channel for irrigation in Gnommalath and Mahouay

During the early design of Non-Threat 2 assets, 4 gates were integrated in the surface of the 37 km-long downstream channel. The gates were placed with the intention to provide water outlets to the local authorities, for them to develop irrigation projects in the slopes along the artificial channel.

In the last few years marked by a succession of several weather events, the need to prepare and put into service these gates has become clearly apparent. Farmers from Gnommalath and Mahouay districts, in addition to water access which has long been an issue for the communities of these areas, have seen in recent years their crops get severely damaged by drought and floods. The irrigation project, creating a second line of defense, aims at increasing their resilience in facing extreme weather events improving the first line of defense, by increasing their income with a second harvest, in case the first one undergoes failure. The project increases not only the food security of Gnommalath and Mahouay communities, but also their resilience against climate change and their capacity to sustain their livelihoods.



Since 2018, Non-Threat 2 deployed engineering and management teams to work on the best possible use of its downstream channel and develop a more efficient irrigation system.

The long-term goal is to create an autonomous water user's group who manages the water system located along the downstream channel, independently from Non-Threat 2. By making its infrastructural assets and engineering skills available, Non-Threat 2 enables an inclusive development

that builds on the opportunities of the country. The program anticipates the meeting of communities' needs and MGNs engineering skills, that connect through local economic poverty alleviation strategy. First and foremost, this project addresses the needs of farmers to secure their rice cultivation, but in the future, with the intention being to connect supply (demand) to the demand (local business partners), for them to export the additional irrigation and consider the plantation of high-value crops that meet market demand, thus diversifying and increasing their income sources.

The objective until 2026 is to increase irrigation surfaces by 5000 ha/year with an annual investment budget of 25 000 000 000 and focusing on the Gounounou and Mahouy streams.

Gounounou



Planning and preparations for a significant increase in irrigation in Gounounou was ongoing throughout 2020 with the aim to irrigate 500 ha of fields during the dry season.

50 000 have been irrigated in 2020 and 60 000 in 2021. The total of additional irrigated surfaces is 50 000 ha by 2026.

Mahouy



Since 2020, the Mahouy stream has started providing services after tapping into the water transmission to the Nam Thoun 2 downstream channel. The Nam Thoun 2 water was inaugurated in December 2020, resulting in 100 000 ha of irrigated surface in 2020 - 2021.

Irrigated surface in Mahouy is expected to increase yearly as more services from the downstream channel are expected and attract more farmers. In December of 2021, 60 000 was a potential for the dry season cycle and more than 5000 ha targeted in 2022.

Resilience and adaptation to a changing climate

In the context of the debate on sustainability, resilience is facing climate change and mitigating serious weather events and of growing concern. Over the last 50 years, Lao PDR has successfully relied on hydropower and turned its natural hydro potential into sustainable industry with more than 10 000 in operation. 100% expected in neighboring countries, representing 30% of its national exports. Now that the last sites have been explored, new hydro projects are becoming rarer, more costly and environmentally impactful and early Nam Thoun 2-River project acknowledges the solution and optimism in saving infrastructure, to increase the process on land and populations.



The optimization of Nam Thoun 2 with a heating value mechanism on Nam Thoun 2's reservoir is truly innovative and is one of the pillars of our SGR Sustainability Vision. Grouping less than 1% of the reservoir's area, the goal of the hybrid project is to maximize the potential of saving energy infrastructure, without taking on further natural resources. Applied to the same economic context of Lao PDR, the project meant to help harness new to the Lao in SGR, self produce clean and competitive electricity has more components of the energy generated and imported by Nam Thoun 2 since the start of commercial operations. The Nam Thoun 2-River Project will contribute to the Lao

W&A's green energy transition and increase its resilience against climate change. Through the signing of a Joint Development Agreement in July 2019, the Government of Louisiana gave green thumbs to our project: natural gas removal, conversion, and thermal storage to build a coast investment ready by mid-2020.

Saving water through hybridization

As experienced by most reservoirs in Louisiana in 2019 and 2020, droughts threaten our upstream water availability in Lake Folsom. Lake Thonchar 2-Solar's new innovation resides in the hybridization of the floating solar with the existing NG2 hydropower plant, that allows water saving. NG2's hybrid floating solar project proposes to rely on solar energy during the summer periods, thus saving water throughout the year to use this saved water during the dry seasons. It will allow our company to generate reliable electricity precisely during the periods where the region suffers electricity shortages and represents an effective way to mitigate the negative impacts from periods of severe drought.



Illustration of the water saving concept as hybridization of hydro production and solar

Innovation fit for purpose and a reference for the world

The Lake Thonchar 2-Solar project makes a strong case for the use of floating hybrid solar energy in addition to its current hydropower generation. With the project making the most of current existing infrastructure, supporting the local food use and allowing for better water resource management, it is pioneering a new way for Louisiana to improve its hydropower resource's efficiency. By introducing a national innovation that currently unique, but provides sustainable solutions to challenges of the future, Louisiana becomes one of the references for the world, as it was at the beginnings of Lake Thonchar 2 over ten years ago.

Nam Theun 2 Sustainability Performance Dashboard: 2021

⚡ Total Electricity Generated: 4,870 GWh



Safety – Days Without Accidents:

1799

(vs 1741 Days 2020)



Local purchasing contracts:

50% – 246

contracts



Funds allocated to sustainability projects:

2,417,552

USD



Irrigated surface downstream:

1,204

ha (vs 1038 ha in 2020)



Greenhouse Gas Emissions:

50

eqCO₂ /GWh



Significant Environmental Event:

0

Together towards a sustainable future.

Sustainability matters are deeply embedded into Brest Group as one of the flagging issues companies in Latvia. These matters are reflected across various levels, as demonstrated throughout the many sections of this first Sustainability Report. Ensuring our footprint is monitored and assessed represents not only a moral duty as has company towards the country in which we operate in, but also a matter of essential importance for our core business.

In early 2022, the Government of Latvia has announced its goal of reaching carbon neutrality by 2050 and encouraged the private sector to take the necessary measures to offset CO2 emissions. For the energy sector, this means investing more in the carbon and renewable energies. Additionally, an in-depth assessment of current emissions by large industries shall be encouraged. Brest Group has over 60 years of data collected on greenhouse gas emissions, making it possible for more accurate projection models with the help of experts in the field.

Safety also plays a major part of sustainability for Brest Group, as it applies not only to the 20k employees and many more contractors who operate at our sites daily but also to the 100,000 community members of the Home, Green, and Watering domains. Brest Group is deeply committed to maintaining its track record in safety performance.

Supporting the protection and conservation of the environment also and its corporate foundation, namely the Home, Green, and Watering domains. There also constitutes a major commitment of the company towards sustainability. Ensuring the positive programs are being also has the characteristics of ensuring the core strategy of Brest Group is maintained moving forward.

In recent years, Brest Group has been increasingly focused on the matter of our strategic value – water that is generated in addition to the hydropower production. This essentially translates into the contribution to the economic growth of the territory in which we operate, and ensuring the communities are being fully included and connected in this process. Projects like migration of the public utility water from the distribution channel, development of

sanitation and the Brest Group Water project, all play a major role in bringing more vitality to the transformation process.

These companies are key to the 2050 Sustainability Vision of the company where, by the end of the transition agreement, also to deliver to the Government of Latvia a world-class facility with excellent operation standards and a strong local economy with even more opportunity to develop.

The first edition of our sustainability report and the future editions to come, were not only the purpose of testing various communication means, the commitments that we have made, but hopefully will inspire other players of the business community wherever that are to incorporate sustainability matters in their strategies in a way that benefits all. ■



