



Procedure for assessing the suppliers of the RESPECT ENERGY Group (hereinafter, the "RE Group") in terms of ESG (Environmental, Social, Governance) requirements.

Purpose

The purpose of this procedure is to describe the process of assessing suppliers for compliance with ESG guidelines. The implementation of the procedure is intended to promote sustainable development and responsible business conduct among Suppliers and to ensure due diligence in the selection of Qualified Suppliers of the Respect Energy Group.

Scope

The procedure applies to all Suppliers, Qualified Suppliers and Key Suppliers who are subject to the Respect Energy Group Purchasing Policy.

Assessment criteria and process

Prior to the commencement of a relationship with a new Supplier, the employee of the Procurement Office/ ESG unit or another designated person from Respect Energy Group conducts an ESG assessment based on the ESG Survey completed by the Supplier and available data. In the case of Qualified Suppliers, an ESG assessment is conducted on a regular basis (once a year or at the time of contract renewal) to monitor their progress and changes in in ESG-related activities.

The ESG assessment is based on a points system, where 1 point is awarded for each positive answer. The maximum number of points is 15. The supplier is assessed in each of the environmental, social and corporate governance areas. In addition, the Buyer, acting in consultation with the ESG Unit, may make an arbitrary decision to increase or decrease the rating based on publicly available information about the Supplier.

Results interpretation	
Very good	15 to 9 points
Good	9 to 6 points
Satisfactory	6 to 4 points
Unsatisfactory	3 or less points

On individual request, suppliers are informed of the results of the ESG assessment and the RE Group's expectations for improving ESG performance if there are areas for improvement.

In the case of a new Supplier, an employee of the Procurement Office / ESG unit or another designated person from Respect Energy Group may take the results of the ESG Survey into account in the procurement procedure (so-called contractor-related criteria). In such a case, relevant information will be found by the Supplier in the procurement documentation. If a qualified Supplier receives an "Unsatisfactory" score, the RE Group employee shall take action and provide guidance aimed at improvement and progress or, in extreme cases, terminates cooperation with the Supplier.



Cooperation with Suppliers who show commitment to improving their ESG performance is promoted and rewarded, by adding an additional 2 points in the ESG Survey. The decision to increase the score is made by the Buyer in consultation with the ESG Unit.

Documentation

The results of the ESG assessment and any action taken in relation to it shall be accurately documented and retained by the Procurement Office / ESG unit of Respect Energy Group.

Compliance

All Suppliers who obtain the status of Qualified Suppliers or Key Suppliers are obliged to sign the Respect Energy Holding S.A. Responsible Supplier Code, which is a prerequisite for concluding the contract.

In the event of becoming aware of a potential breach of the principles of Respect Energy Holding S.A.'s Responsible Supplier Code, and/or non-compliance with the ESG survey questionnaire completed by the Suppliers, the employee of the Procurement Office / ESG unit or another designated person from Respect Energy Group is obliged to verify such information.

In the case of confirmed information on a violation, an employee of the Procurement Office / ESG unit or another designated person from Respect Energy Group informs the Compliance, ESG and risk units and the Business Owner of the contract. They decide together on further steps against the Supplier, on possible sanctions and/or a remediation plan. Minor failures to comply with the Code and/or the ESG Survey are sanctioned with the need to implement corrective action and an additional audit. Serious misconduct, including, in particular, actions that have the characteristics of a criminal act, may be grounds for termination of the contract with the Supplier with immediate effect.

Non-compliance

Any non-compliance with this document can also be reported directly by the Supplier's representatives to the compliance officer at compliance@respect.energy. We ensure the confidentiality of all reports.

Review and updates

The owner of the Procedure is obliged to review the validity of the document on an annual basis.

This document is directly linked to the Procurement Policy of the RESPECT ENERGY S.A. Group and an integral part of the procurement process .

Appendix 1:

- ESG survey of the Respect Energy Group.

Related documents:

- Environmental, Social and Governance Policy of the Respect Energy Group.
- Procurement Policy of the Respect Energy Group.
- Responsible Supplier Code of the Respect Energy Group.