

HUMAN RIGHTS POLICY

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Approved by: Dev Sanyal, CEO
ESG Committee

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Human Rights Policy

1 Background and purpose of the Policy

This Policy builds on VARO's corporate culture to adopt a responsible approach to all activities and particularly fosters the implementation of the core principles that guide the company's business practices: honesty, integrity and respect. VARO believes in treating its own employees, employees in the value chain, customers, suppliers, value chain partners and other stakeholders with dignity, respect and fairness at all times, and is committed to acting with the highest level of ethics and compliance.

The company recognizes that its business activities may potentially have an impact on human rights through its own operations or through business relationships along the value chain. Through this Policy and the Human Rights Due Diligence (HRDD) framework, VARO aspires to adopt responsible business practices in line with international human rights and labour standards. This means continuously taking steps to identify, mitigate and address human rights risks and impacts, embedding responsible business conduct in business processes, tracking and communicating performance, and allow access to grievance and remedy for people potentially affected (rightsholders).

2 International reference frameworks

VARO is committed to upholding high standards of business ethics and integrity, which encompass the support and respect of internationally recognized human rights and labour standards as outlined in various international frameworks, such as:

- (a) the Universal Declaration of Human Rights (UDHR);
- (b) the International Covenant on Civil and Political Rights;
- (c) the International Covenant on Economic, Social and Cultural Rights;
- (d) the ILO Core Labour Conventions;
- (e) the UN Convention of the Rights of the Child;
- (f) the ILO Convention No. 138 on minimum age for admission to employment and the ILO Convention No. 182 on the worst forms of child labour;
- (g) the United Nations Guiding Principles on Business and Human Rights (UNGPs); and
- (h) the Ten Principles of the UN Global Compact (UNGC).

VARO adheres to the laws and regulations applicable in the markets where it operates. In instances where local laws may be less stringent than VARO's internal policies and the international framework outlined above, VARO prioritizes adherence to the latter and actively promotes alignment among its suppliers and business partners with these higher VARO and international standards.

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VARO is committed to respecting internationally recognized human rights and does not attribute more importance to one human right over another. However, in implementing its human rights commitment, VARO prioritizes the following human rights issues (in alphabetical order) that are most salient to the business according to their severity and likelihood. They have been identified and will be re-assessed regularly via systematic human rights risk and impact assessments conducted in accordance with the UNGP:

1. Occupational Health & Safety (OHS)
2. Conflict & Use of Force
3. Child Labour
4. Community & Land Rights (incl. Indigenous peoples)
5. Working Conditions
6. Living Wage / Income
7. Freedom of Associations & Collective bargaining
8. Access to water & sanitation

To respect children's rights to be free from child labour, VARO is committed to implementing the ILO-IOE Child Labour Guidance Tool for Business of 15 December 2015. VARO permits safe work for children above the minimum age, if such work exists.

3 VARO's Human Rights Due Diligence framework

VARO is committed to aligning its HRDD framework with the United Nations Guiding Principles on Business and Human Rights (UNGPs). The company's aim is to conduct HRDD throughout the business to proactively identify, assess, prevent and mitigate actual and potential adverse human rights impacts across the value chain, and, where appropriate, take adequate measures for their remediation.

The HRDD framework consists of the following six steps in accordance with the UNGP.

3.1 Policy commitment

This Human Rights Policy outlines VARO's commitment to support and respect human rights and guides the implementation of the HRDD framework in the company.

3.2 Assessing actual and potential impacts

In order to assess actual and potential human rights impacts, VARO is committed to regularly conducting a systematic human rights risk assessment (HRRRA) and identifying its salient human rights risks in line with the UNGP. The following key elements are considered while assessing and prioritizing human rights issues:

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- (a) **Scope:** considering the company's own operation and the entire upstream and downstream value chain;
- (b) **Risk to people:** assessing the risks and impacts from the point of view of the potentially affected groups (rightsholders);
- (c) **Sources of information:** using relevant internal and external sources;
- (d) **Prioritization:** identifying salient human rights issues considering the severity (scale, scope and remediability) and likelihood of an impact.

VARO commits to conducting enhanced due diligence through human rights impact assessments (HRIA) in high-risk areas. This includes the consultation of and meaningful engagement with potentially affected groups with a specific focus on people that may be at heightened risk of vulnerability or marginalization.

3.3 Preventing and mitigating adverse human rights impacts

Based on the human rights risks and impacts identified and in a continued dialogue with internal and external stakeholders, VARO is committed to defining and implementing appropriate measures to prevent or mitigate adverse human rights impacts across the value chain. In order to maximize its leverage and identify the most impactful measures, the company differentiates between impacts which the company causes through its own operations and impacts which it contributes to indirectly. Where VARO's ability to influence human rights issues is limited, it strives to enhance leverage through collaboration with other actors.

3.4 Embedding and integrating respect for human rights

Human rights governance: VARO's Human Rights Policy and roadmap, which outline key measures, targets, and responsibilities, are approved by the **ESG Committee** – a sub-committee of the Executive Board. The roadmap undergoes annual updates, revisions and approval by the ESG Committee to address emerging human rights risks and enhance VARO's HRDD framework continually. Where feasible, measures for preventing and mitigating human rights-related issues are integrated into company operations, training programs, policies, management systems, and decision-making processes.

A human rights working group comprising representatives from relevant business functions focuses on addressing tactical and operational dimensions of the human rights road map. The coordination of this group is overseen by a designated '**Human Rights Officer**'.

VARO encourages its business partners and suppliers to let it know when its own business or purchasing practices or conditions (such as order specifications, delivery times, prices) make it difficult to respect the international human rights listed above.

3.5 Tracking and communicating performance

VARO is committed to tracking the implementation of the human rights roadmap based on appropriate indicators and feedback from relevant stakeholders, which is used to inform and support continuous improvement and ensure the effectiveness of VARO's HRDD framework.

VARO communicates the results, progress and further actions of the HRDD framework at least annually, for example in its ESG Report to publicly account for how human rights issues are addressed by the company.

3.6 Access to grievance and remedy

VARO attaches great importance to living a culture of shared responsibility. Anyone who has a legitimate concern can freely speak up, without fear of retaliation. VARO maintains an internal whistleblowing service, which enables employees around the world to voice concerns related to potential violations of the Code of Conduct, which includes issues related to human rights. The service is operated by an independent, qualified, third-party service partner and allows employees to raise concerns anonymously. The whistleblower service is available 24/7 to internal and external stakeholders. Independent specialists confidentially forward reports to the appropriate person in VARO for further investigation.

When adverse human rights impacts are uncovered due to VARO's business activities or from linkages to its operations, the company is committed to taking timely and transparent action to remediate in a fair and equitable manner in line with the UNGP. Where VARO finds impacts directly linked to its business relationships, it will use its influence to encourage suppliers and business partners to respect human rights, whether through collaboration and support, corrective action plans or termination of the business relationship on a case-by-case basis.

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4 Scope of application

The Policy covers fully consolidated operations of VARO worldwide, including those of direct and (majority owned) indirect subsidiaries and applies to all VARO employees and managers, including part-time and temporary workers as well as casual workers (e.g. day labour workers). VARO acknowledges the importance to respect human rights throughout the value chain and expects its customers, suppliers, business partners and other parties directly linked to its operations, products, and services to respect human rights.

5 Validity

The Human Rights Policy comes into force from 1 January 2024 onwards and remains valid until further notice.

6 Responsibility

This Policy is written by the general counsel and the ESG director. All questions related to the content may be addressed to the e-mail address corporate.legal@varoenergy.com.

The general counsel bears the responsibility for keeping this Policy updated. This Policy will be reviewed periodically and updated as required to amend it to changed business processes, regulatory requirements as well as political and societal expectations.

7 Communication and implementation

This Policy is made publicly available on VARO's corporate website for the company's external stakeholders, suppliers and business partners in all relevant languages. It is also made available on the company's internal communications channels. Furthermore, every manager must ensure that VARO employees become aware of this Policy, understand it and adhere to it. The Legal counsel department is responsible for implementing the Policy into workflows and to provide trainings for employees as appropriate.

8 Approval by the Executive Board

This Policy has been approved by the Executive Board, represented by Dev Sanyal, Chief Executive Officer.