

Communication on Progress

Implementing UN Global Compact principles in the scope of work of AIK Group Ltd.

Participant: Gabrielle Costigan, CEO AIK Energy Austria GmbH

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Format: Stand-alone document – Basic COP Template

Differentiation Level: This COP qualifies for the Global Compact Active Level

Self-assessment:

- ✓ Includes a CEO statement of continued support for the UN Global Compact and its ten principles
- ✓ Description of actions or relevant policies related to Human Rights
- ✓ Description of actions or relevant policies related to Labour
- ✓ Description of actions or relevant policies related to Environment
- ✓ Description of actions or relevant policies related to Anti-Corruption
- ✓ Includes a measurement of outcomes

Statement of continued support

Statement by Gabrielle Costigan, CEO of AIK Energy Austria GmbH and Official Representative of AIK Group Ltd. for United Nations Global Compact, expressing continued support for the UN Global Compact Principles and renewing the company's ongoing commitment to these initiatives and its principles:

To our stakeholders:

I am pleased to confirm that AIK Group Ltd. reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. Being a part of United Nations Global Compact is a very important commitment for the AIK Group because of the UNGC's strong impact worldwide and also due to the fact that the Principles promoted by the organization are also the business and social responsibility basis on which AIK has built its core.

In this annual Communication on Progress we describe our actions to continually improve the step changes and integration of the Global Compact and its principles into AIK's business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Gabrielle Costigan

CEO AIK Energy Austria GmbH

Official Representative of AIK Group Ltd. for UN Global Compact

HUMAN RIGHTS

Assessment, policy and goals

AIK Group Ltd. is committed to respect Human Rights and to prevent any kind of abuse on this matter.

AIK Energy is a group of companies that has had an exponential growth over the last two years for which we have taken active steps to ensure that implementing policies in our Code of Procedures, like Human Rights regulations, will be adhered for both internal and external business relations.

AIK is determined to provide the best and most professional environment for the individuals that stand with our business. AIK is reviewing the Code of Procedures which will embrace all UN Global Compact Principles on Human Rights, Labor, Environment and Anti-Corruption.

To date, AIK Group's internal policies largely correlate with the UN Global Compact principles. We respect Human Rights in all undertaken actions with both internal and external clients.

AIK's Risk and Compliance department jointly with the HR department constantly oversee how these internal policies are followed both by our employees and business partners. In the near future new regulations regarding Human Rights will be included in our official Code of Procedures and the document will be made available to AIK group and to our full line of clients, partners and stakeholders while we, as a Management Team, will make out of respecting The Code a moral and professional duty.

Implementation

Meanwhile, while selecting AIK's business partners, we always analyze the risk and compliance markers when in respect to Human Rights regulations and select those associates that were completely cleared by indicators such as:

- ✓ the company has adopted a policy statement which includes a commitment to respect the International Human Rights, with a special focus on non-discrimination and equality;
- ✓ number of human rights lawsuits against the company;
- ✓ company's remedies adopted mechanisms – the company's approach to solve situations when human rights were harmed.

AIK believes that for the larger impacts to materialize across the global business – these changes must start with each organization internally. Therefore, AIK's plan for next year is to finalize and apply The Code of Procedures that will comprise Human Rights policies as well as all other principles as they are stated by UN Global Compact and to make sure it is respected and followed by all our staff, partners and stakeholders.

In the following years AIK is determined to have a next level of involvement in Human Rights educational projects in all regions where AIK Group is active.

Measurement of outcomes

AIK Group Ltd. has to date not performed business relations with countries where abuse and human rights are known. Our group of companies has not been subject to any legal case or investigation regarding Human Rights violation.

LABOUR

Assessment, policy and goals

AIK Energy Internal Regulation include labor and work environment policies which comply with the laws and rules of each country where we are active in and in accordance with UN Global Compact Principles.

Implementation

AIK employees are of a full legal age and AIK recruitment processes are non-discriminatory.

AIK Energy's team is the core of the company's success. AIK's team of senior professionals possess a wealth industry expertise, operational, finance and legal experience. During next year AIK aims to include in our Code of Procedures a statement regarding our position on labor obligations, rights and privileges, elimination of discrimination in respect of employment and occupation as well as harassment and any other potential issue at the workplace.

We are strong advocates of sustaining a healthy development of societies, therefore our mid-term strategy include our involvement in local national programs that encourage abolition of local modern slavery, child labor and discrimination.

Measurement of outcomes

AIK believes to have accomplished the goals on this matter, AIK Group Ltd. having no labor complaints, conflicts or discrimination related situations reported.

During the following years AIK will endeavour to add to the HR policies a guide regarding evaluation of each employee based on the job description, position objectives and professional achievements, so that there is more transparency on potential attempts of discrimination, intimidation or harassment.

ENVIRONMENT

Assessment, policy and goals

AIK Group meets all standards and requirements on pollution and environment protection on this matter. We have a strong commitment to health, safety and environment.

Implementation

Of special mention is AIK Energy commitment to invest in solar energy plants. The group is mindful of the necessity to diversify its business towards green energy alternatives, given the current evolving transition scenario to a better, cleaner and more sustainable environment. Therefore, AIK Energy is actively sourcing and studying different renewable energy projects and opportunities.

Another important step taken by our company in order to create a safer environment is our initiative of collaboration with an energetic complex in Romania, ensemble that owns 12 electricity grids with a total capacity of 3570 MW. AIK's project, as stated by the [Romanian press](#), aims to capture and store in an underground deposit the carbon released by one of the ensemble's plants. This project was submitted to the energy complex in the third trimester of 2020 and the discussions are still in progress.

At an internal level we encourage our employees to reduce at a minimum level the amount of printed paper, to avoid color printing whenever possible, to recycle as much as possible, to reduce the waste of energy by turning off the lights/ appliances whenever not in use/ need of them and we also installed filtered water appliances in order to reduce the usage of plastic bottles.

Measurement of outcomes

AIK Group Ltd. has not been subjected since its inception to any legal case or investigation regarding potential environmental incidents.

Internally, AIK had no reports regarding misuse of resources and we strongly encourage our whole team to be environmental responsible with water consumption, electricity and power, paper and plastic consumption.

ANTI-CORRUPTION

Assessment, policy and goals

AIK is committed to conduct business in an ethical and honest manner and to implement and enforce systems that ensure bribery and corruption are prevented. The company has zero tolerance for bribery and corrupt activities. We are committed to act professional, fair and with integrity in all business dealings and relationships, either if we consider internal or external collaborations, wherever and in which country we operate.

AIK Energy Code of Procedures cover:

- ✓ Anti-bribery and corruption
- ✓ Business ethics
- ✓ Trade Sanctions
- ✓ AML Compliance Procedures.

Implementation

AIK's internal code sets out a zero-tolerance policy towards any type of corruption. Any complaint or intimation on this subject will make the cause of a rigorous internal investigation followed up, if necessary, by actions within the full extent of the law.

By this we are referring but not limiting to receiving or claiming from all type of parties (delegates, foreign persons, employees of the company, partners, etc.) advantages, money, material goods or other undue benefits for favoriting requests, providing services and works that fall within the current attributions.

Our Risk Department jointly with the HR Department constantly oversee how internal policies are followed and executed both by employees and business partners. AIK Group continually informs its employees about the anti-corruption policies.

The company is constantly upholding all laws relating to anti-bribery. We commit to prevent bribery and corruption in our business and take all our legal responsibilities very serious.

Measurement of outcomes

Our books are subjected to statutory external audit annually.

AIK Energy Group has not been subjected since its inception to any legal case or investigation regarding potential corruption incidents.