

Title / Project Faller, Croatia - STAKEHOLDER ENGAGEMENT PLAN

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Abbreviations

SEP - Stakeholder Engagement Plan

EBRD - European Bank for Reconstruction and Development

IFC - International Finance Corporation

NTS - Non-Technical Summary

ESAP - Environmental and Social Action Plan

ESP - Environmental and Social Policy

M&A - mergers and acquisitions

1 INTRODUCTION

This document is the Stakeholder Engagement Plan (SEP) for the environmental and social due diligence assessment of the Project Faller (hereinafter the “project”).

The Key Objectives of the SEP are as follows:

- Provide guidance for stakeholder engagement during all project phases, in line with project standards (national and international);
- Identify key stakeholders that are affected, and/or able to influence the Project and its activities;
- Provide the framework for ongoing stakeholder identification, analysis, mapping and prioritisation; consultation and engagement; risk and issue identification, information sharing, and documentation of engagement and required follow-up actions
- Identify the most effective methods and structures through which to disseminate project information, and to ensure regular, timely, accessible, transparent and appropriate consultation;
- Provide stakeholders with enough opportunity to voice their opinions and concerns;
- Ensure that comments are received in a timely manner so that they can be considered in Project decisions;
- Establish grievance mechanisms;
- Define roles and responsibilities for the implementation of the SEP;
- Define reporting and monitoring measures to ensure the effectiveness of the SEP and periodical reviews of the SEP based on findings

The European Bank for Reconstruction and Development (the EBRD) and International Finance Corporation (IFC) is considering providing finance to Končan Inc. for the projects which are categorised “B” in accordance with the EBRD 2024 Environmental and Social Policy (ESP).

EBRD Performance Requirement 10 - Information Disclosure and Stakeholder Engagement outlines a systematic approach to stakeholders’ engagement that helps EBRD clients build and maintain a constructive relationship with their stakeholders, particularly locally affected communities. The process of stakeholders’ engagement is an essential component of the appraisal, management and monitoring of environmental and social issues associated with a project.

The present document is the Stakeholder Engagement Plan (SEP) for the Project.

2 PROJECT DESCRIPTION WITH MAIN PARAMETERS

The European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (the “IFC”), also referred to as Lenders, are considering providing a joint financing to Končar Inc. Končar is a Croatian industrial and technology company engaged in the development, production, and integration of equipment and systems in the fields of energy, transport, and industry. The Group’s main activities include the manufacturing of equipment and facilities for the generation, transmission, and distribution of electrical energy, the development of rail vehicles and related infrastructure, and the creation of digital solutions and platforms for the energy and industrial sectors. Through its subsidiaries, the company designs, manufactures, and maintains products such as transformers, electric motors,

The Project will be implemented across several existing industrial locations in the continental part of Croatia, specifically within the administrative boundaries of Zagreb and the nearby town of Zaprešić. All sites are situated within designated industrial zones in accordance with applicable spatial planning documentation, ensuring compatibility with existing land use and zoning regulations.

The identified Project sites include:

Location	Company	Planned activity
Zaprešić - Matija Gubec Street 97	Končar – Instrument Transformers	New instrument transformer factory
Zagreb - Strojarska cesta 10	Končar - Switchgear, HELB, Dalekovod, Končar – Digital, Končar – Electrical Engineering Institute, Končar – Transformer Tanks	Switchgear – new production facility HELB – new facilities and equipment Dalekovod – logistic center and new production facility Končar – Digital – new building (office and equipment) Končar – Electrical Engineering Institute – new research and development facility/laboratory Overall location – necessary infrastructure upgrade in Končar industrial park.
Zagreb - Fallerovo šetalište 22	Končar Inc., Končar - Renewable Energy Sources, Končar - Hydro Turbines, Telenerg-Inženjering Ltd.	Headquarters energy efficiency refurbishment
Zagreb - Ante Babaje Street 1	Končar - Electric Vehicles	Expansion of production of electric vehicles arm

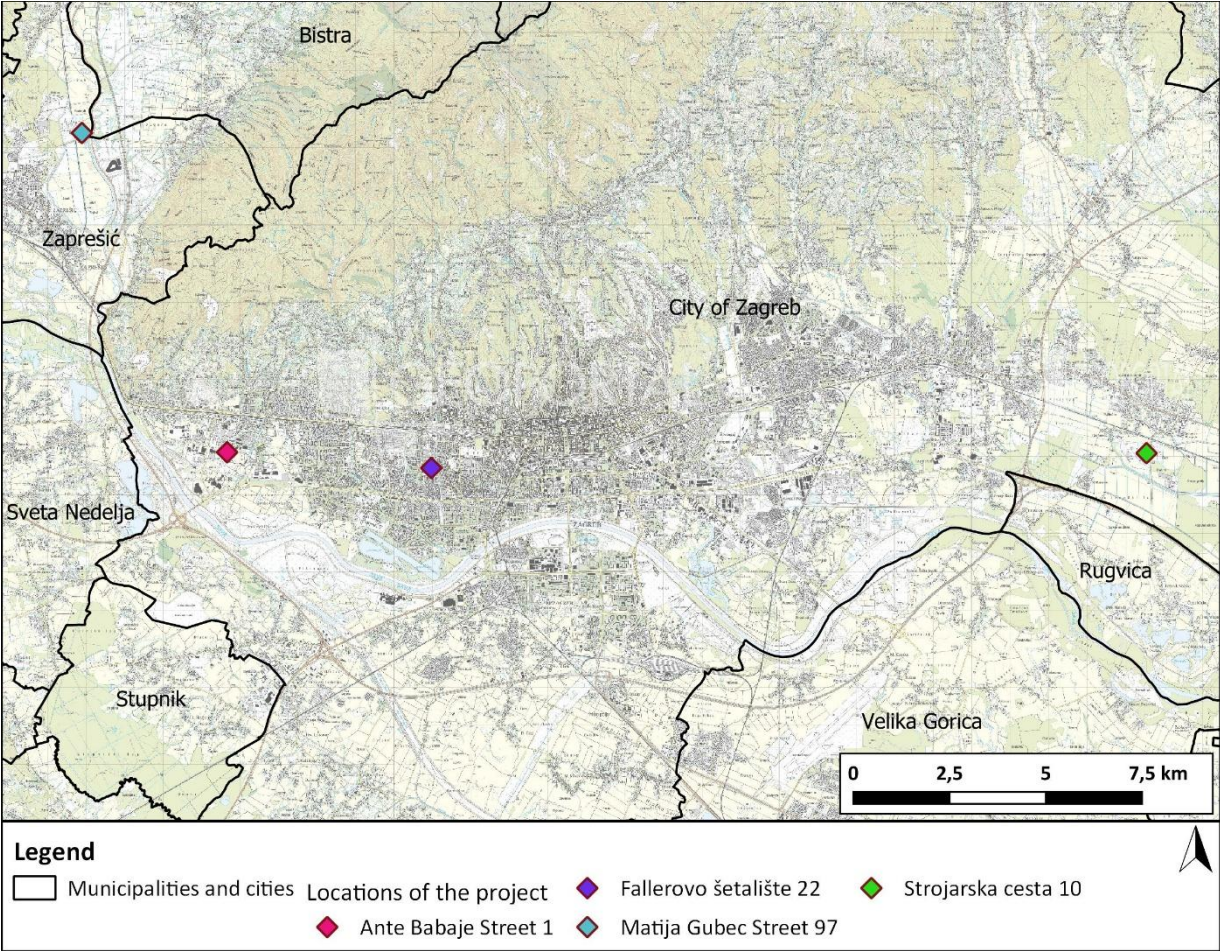


Figure 1: Locations of the project

3 CONSULTATION AND DISCLOSURE

3.1 NATIONAL LEGISLATIVE REQUIREMENTS

Stakeholder engagement and the level of public disclosure and consultation activities within the context of the Project, considering that environmental impact assessment and screening procedure are not mandatory, relate to public disclosure and participation through preparation and adoption of spatial and urban plans. The planned factory on Matije Gubec Street in Zaprešić, falls within the designated Falečnjak Business Zone. While other project locations (Strojarska cesta 10, Fallerovo šetalište 22, and Ante Babaje Street 1, Zagreb) are situated within the scope of the General Urban Plan of the City of Zagreb, which was recently amended. According to the Physical Planning Act (OG 153/13 with amendments) for urban plans that define Projects locations, public insight, public hearing/discussion were exercised during the urban planning procedures during 2023 and 2024.

3.2 EBRD REQUIREMENTS

Under the EBRD Environmental and Social Policy (ESP, 2024), stakeholder engagement is defined as an ongoing, inclusive process aimed at building constructive relationships with affected communities, workers, and other relevant stakeholders. Effective engagement begins early and continues throughout the project lifecycle, forming a core part of the identification, management, and monitoring of environmental and social risks and impacts.

In accordance with EBRD Environmental and Social Requirement 10, stakeholder engagement must include:

- Timely and accessible disclosure of information, presented in culturally appropriate formats;
- Meaningful consultation, with stakeholder feedback considered in project decision-making where applicable;
- A functional grievance mechanism that enables stakeholders to raise concerns safely and without retaliation.

The EBRD further requires that engagement be proportionate to project risks and scale, clearly structured, and continuously implemented, covering stakeholder identification, information disclosure, consultation, grievance management, and monitoring and reporting.

3.3 IFC REQUIREMENTS

Under the IFC Sustainability Framework, stakeholder engagement is a core requirement for managing environmental and social risks. Performance Standard 1 requires clients to carry out early, ongoing, and proportionate engagement with affected communities and other relevant stakeholders through information disclosure, consultation, and grievance mechanisms. Engagement must continue throughout the project lifecycle and be integrated into the Environmental and Social Management System, with more intensive consultation applied to projects with higher risks and impacts.

4 PROJECT STAKEHOLDERS

4.1 STAKEHOLDER IDENTIFICATION

Stakeholder identification has been, and will continue to be, carried out with the objective of establishing which individuals/ groups of people and organizations may be directly or indirectly impacted (positively and negatively) by Projects' activities or may have an interest in or influence on the project, meaning can affect the outcomes of a proposed intervention.

In general, engagement is directly proportional to impact and influence, and as the extent of impact of a project on a stakeholder group increases, or the extent of influence of a particular stakeholder on a project increases, engagement with that particular stakeholder group should intensify and deepen in terms of the frequency and the intensity of the engagement method used.

The identification of relevant stakeholders is of crucial importance to ensure meaningful consultation on the Project. The list of stakeholders identified at this stage presented below is not extensive and can be revised during the different phases of the project.

Type	Name
Project financing/Internal Stakeholders	EBRD, IFC
Project Stakeholders/Internal Stakeholders	- Končar Inc. - Subsidiaries and Business Units of Končar Inc. - Employees and Workers
National Government Authorities	- Ministry of Environmental Protection and Green Transition - Ministry of Culture and Media - Directorate for Cultural Heritage protection / Competent conservation department
Regional/local government stakeholders	- City of Zagreb - City of Zaprešić
Project affected communities	- Residents of communities in the project impact area - Neighbouring Businesses and Industrial Operators - Users of facilities (on the location of Strojarska cesta)
Contractors and Suppliers	- Construction Contractors and Subcontractors - Suppliers and Service Providers
Vulnerable groups	Any specific vulnerable groups identified currently or in the future i.e., disabled persons elderly persons, etc. in the proximity to the site
Other interested parties NGOs, civil society	- Local, national Non-Governmental Organizations (NGOs) - Utility Providers – HEP Inc, VIO Zagreb Ltd., VIO Zaprešić Ltd.

It is important to note that stakeholder identification is an ongoing process, and key stakeholders will continue to be identified and consulted with throughout the life of the Project.

Detailed Stakeholders Engagement Action Plan for further project development phases is presented in the Table 4-1.

4.2 SUMMARY OF PREVIOUS STAKEHOLDER ENGAGEMENT ACTIVITIES

Limited consultation has been carried out by Končar Inc. at this stage of the Faller Project towards the Ministry of Environmental Protection and Green Transition.

Engagements were held to discuss consulting the Ministry of Environmental Protection and Green Transition regarding the necessity of an Environmental Impact Assessment (EIA) for the Zaprešić location via email. The beforementioned Ministry explained that there was no need for Environmental Impact Assessment (EIA) regarding the location in Zaprešić.

As part of its commitment to community engagement, Končar Inc. is launching an online grievance mechanism. This portal, accessible directly through the Končar website, provides a formal channel for stakeholders to submit and track concerns.

This SEP has been developed to ensure Končar's ongoing engagement with stakeholders affected by the Project and to complement the formal consultation processes required under Croatian law and the requirements of the Lenders.

4.3 STAKEHOLDER ENGAGEMENT PLAN

The SEP needs to ensure that the following key principles are applied to all engagement activities:

- Timing and number of engagement events designed to maximize stakeholder involvement and to avoid disruption to the everyday life of local stakeholders and stakeholder 'fatigue';
- Relevant project team members, beneficiary representatives or representatives of contractor's company to be present and participate actively at engagement events;
- Ensure that engagement is managed so that information and opportunities are provided at adequate level and timely to all stakeholders to be involved/contribute;
- Ensure that engagement is not obliged, undertaken prior to key decisions and informed by provision of objective and meaningful information, and that feedback is provided to stakeholders after engagement has concluded.

For information disclosure throughout any of means proposed within this document, following data need to be presented:

- Name of the project
- Investor/ Project Operator/ Constructor
- Duration of the relevant project phase
- Contacts of the appointed person
- Means to seek the information

Prior to any engagement activity following actions are proposed:

- Preparation of standard 'question and answer' sheets tailored for specific stakeholder types (based on 'lessons learnt' analysis and common issues raised in previous engagement, if any);

- Planning/design of engagement action(s) within the project team and identification of points of contact within the project team;
- Selection of stakeholders with whom engagement will occur;
- Selection of methods for disclosure of information – consultation method (including such topics as format, language, and timing);
- Selection of location and timing for engagement activity (avoiding busy work times, which may be seasonal, and days/times when special events may be occurring);
- Agreeing mechanisms for ensuring stakeholder attendance at engagement event(s);
- Identification and implementation of feedback mechanisms.

Key methods of Engagement

The planned future activities will provide for a more systematic way of consulting, disclosing information, and formal recording of engagement between Končar Inc. and relevant and interested stakeholders.

Disclosure of information

The types of information disclosed and the specific methods of communication to be undertaken for this project are summarised in the Stakeholder Engagement Action Plan in Table 4-1 below.

At this stage, the following documents are to be disclosed for effective stakeholder communication:

- Non-Technical Summary
- Stakeholder Engagement Plan.

The information above will be accessible to the public in local (Croatian) and English language during the duration of the Project. Hard copies of the related documents will be made available at the Končar offices as well as affected municipalities/cities. Project information will also be distributed through local newspapers, media and Končar website. In addition, electronic copies are available on the Končar websites:

- Končar – <https://koncar.hr/en>

SEP is presented in table form, with all so far identified stakeholders listed, their roles and areas of influence. Proposed consultation method is given and a time frame for each identified stakeholder engagement.

Table 4-1: Stakeholders Engagement Plan for further project development phases ((pre-)construction and operation phase)

No.	Stakeholder	Stakeholders' role	Areas of influence/ interest	Type of impact	Consultation method (Mean of contact)	Timeframe
1	EBRD IFC	Lender	Project financier Compliance with relevant Environmental and Social Policy (EBRD PRs/IFC PS)	Positive: financing of the project Negative: risk of non-compliance with E&S standards	Phone and E-mail communication, Annual Reports	Prior to construction During the project lifetime

No.	Stakeholder	Stakeholders' role	Areas of influence/ interest	Type of impact	Consultation method (Mean of contact)	Timeframe
2	Končar Inc.	Project Sponsor / Client	Overall responsibility for stakeholder engagement and E&S performance; ensure compliance with national and international standards; oversee implementation of ESAP and ESMS	Positive: benefits from project success Negative: responsible for managing risks	E-mail communication, Internal meetings, Reporting system, Management reviews, Face to face meetings	Throughout all the phases and duration of the project
3	Subsidiaries and Business Units of Končar Inc. Employees and Workers	Site Operators / Implementers	Site-level implementation; stakeholder coordination; monitoring	Positive: benefits from project success Negative: responsible for managing risks	E-mail communication, Internal meetings, Site briefings, Face to face meetings	Throughout all the phases and duration of the project
4	Ministry of Environmental Protection and Green Transition	Consulted stakeholder for environmental protection issues /Authorized body for environmental protection issues.	EIA Necessity Consultations	Positive: preservation of environment Negative: potential project delays	E-mail communication, Face to face meetings, Written approvals	Prior to construction
5	Ministry of Culture and Media Directorate for Cultural Heritage protection / Competent conservation department	Regulatory Authority (Cultural Heritage)	Ensure protection of cultural heritage; review permits; define conservation requirements; chance finds procedures	Positive: preservation of cultural heritage Negative: potential project delays if heritage constraints arise	E-mail communication, Face to face meetings, Written approvals	In case of chance finds
6	City of Zagreb	Consulted stakeholder regarding location/construction permit.	Local community impact	Positive: Potential benefits (e.g. job opportunities)	E-mail communication, Face to face meetings Disclosure of information through the websites of the Company and daily media Job ads through newspapers, radio, internet, local centres (e.g. schools, cafes, local supermarkets etc.) Public meetings	Prior to construction During project implementation

No.	Stakeholder	Stakeholders' role	Areas of influence/ interest	Type of impact	Consultation method (Mean of contact)	Timeframe
7	City of Zaprešić	Consulted stakeholder regarding relation with local community	Local community impact	Positive: Potential benefits (e.g. job opportunities)	E-mail communication, Face to face meetings Disclosure of information through the websites of the Company and daily media Public meeting Job ads through newspapers, radio, internet, local centres (e.g. schools, cafes, local supermarkets etc.)	Prior to construction During project implementation
8	Residents in projects' impact area	Directly affected population/ Project affected communities	Local community impact	Negative: Disturbance of everyday life Positive: Potential benefits (e.g. job opportunities)	Public meetings, Road signs, Project website Disclosure of information through the websites of the Company and daily media Job ads through newspapers, radio, internet, local centres (e.g. schools, cafes, local supermarkets etc.)	During project implementation
9	Neighbouring Businesses and Industrial Operators	Affected Stakeholders	Potential disruption, access limitations	Positive: business opportunities Negative: disruption risks	Direct communication, Face to face meetings, Written notices	Prior to construction and ongoing as needed
10	Users of facilities (on the location of Strojarska cesta)	Affected Stakeholders	Potential disruption, access limitations, relocation	Negative: disruption risks	Direct communication, Face to face meetings, Written notices	Prior to construction and ongoing as needed
11	Construction Contractors and Subcontractors	Service Providers	Implement mitigation measures; manage workforce; ensure compliance with labour and OHS standards	Positive: employment opportunities, revenue generation, long-term contracts Negative: exposure to OHS risks (machinery, electrical works), schedule pressures, compliance obligations. potential language barriers (foreign workers)	Toolbox talks, Site inductions, Notices, On-site communication Multilingual inductions, Worker representatives	Daily / weekly during construction

No.	Stakeholder	Stakeholders' role	Areas of influence/ interest	Type of impact	Consultation method (Mean of contact)	Timeframe
12	Suppliers and Service Providers	Supply Chain / Support Services	Provide materials, equipment, and technical services	Positive: increased demand for goods/services, business opportunities Negative: contractual pressure, compliance with E&S and quality standards, potential delays/logistics constraints	Procurement processes, Contracts, Face to face meetings, Written communication	During procurement and throughout construction/operation
13.	Vulnerable groups	Local community members/workers	Vulnerable groups that may have limited mobility or access to main Project communication channels	Negative: risk of exclusion due to barriers (physical, language, etc.), higher sensitivity to noise, air pollution, and traffic; potential	Accessible communication (clear language, public notices), Community meetings	Prior to construction and during operation as needed
14	Non-Governmental Organizations (NGOs)	Interested Parties	Oversight / advocacy on environmental and social issues	/	Public disclosures, Reports, Consultations (if required)	As needed
15	Utility Providers – HEP Inc, VIO Zagreb Ltd., VIO Zaprešić Ltd.	Supporting Stakeholders	Infrastructure provision	Positive: increase in area of operation	Technical coordination meetings	During design, construction, and operation

5 GRIEVANCE MECHANISM

A grievance mechanism has been developed for potential use by external stakeholders. The aim of the grievance mechanism is to achieve mutually agreed resolution of grievances raised by such stakeholders. This grievance mechanism ensures that complaints and grievances are addressed in good faith and through a transparent and impartial process.

Grievance mechanism serves to receive and address complaints and concerns about compensation and relocation that are raised by affected persons and/or members of host communities, including a recourse mechanism designated to resolve disputes in an impartial manner. The grievance mechanism must be implemented in all phases of the Project implementation, including pre-construction, construction and operation phases.

Key definitions are as follows:

- Complaint: an expression of dissatisfaction that is related to an impact caused by a project activity, which has affected an individual or group. Adversely, the interests of an individual or group and the individual or group wants a proponent or operator (or contractor) to address and resolve it (e. g. problems related to dust deposition, noise or vibration). A complaint is normally of a less serious nature than a grievance; and
- Grievance: a claim raised by an individual or group whose livelihood, health and safety, cultural norms and heritage are considered to have been adversely affected (harmed) by a project activity which, if not addressed effectively, may pose a risk to Projects' construction and operation, and to the livelihood, well-being or quality of life of the claimant(s).
- The grievance mechanism must be communicated in a format and language readily understandable to all involved stakeholders especially to the local population.

Information about grievance mechanism needs to be distributed in adequate ways for each project phase.

Ways of information distribution are as follows:

- through project posters placed at information tables in each municipality headquarters (of municipalities within the project area),
- on official Project website
- at notification tables and signs along project affected area

Following data needs to be presented:

- Name of the project
- Investor/ Project Operator/ Constructor
- Duration of the relevant project phase
- Contacts of the appointed person

The above information must clearly, in understandable manner and in local and English language provide data on how grievance can be given:

- By e-mail – send to official e-mail address established for grievance system
- By regular post - send to official post address of Končar Inc.
- By telephone – call to official telephone line established for grievance system or leave a message on the answering machine
- By SMS – send to mobile phone number of grievance system appointed person of Končar Inc.

- Via official web site <https://www.koncar.hr/hr> –where it is clearly and easily found online grievance form to fill in and submit. The grievance form will be publicly disclosed
- By verbal communication to investor's local officer

Grievance can be given to the appointed person/department as follows:

Address: KONČAR – Electrical Industry Inc. for manufacturing and services

Fallerovo šetalište 22, 10000 Zagreb, Croatia

E-mail: projekt.faller@koncar.hr

Website: <https://koncar.hr>

Grievance form: <https://koncar.hr/en/sustainable-financing-projects>

The Public Grievance form will be disclosed on Končar's website, on the websites and in offices of the cities on whose territory the Project is planned to be constructed, and on the construction site before commencement of construction works.

In each possibility, stakeholders that are submitting a grievance must provide within grievance their contact details (full name, contact number, grievance) so that authorized person for Končar can contact him/her, in order to resolve the problem. Personal data contained in the Grievance submission will be kept only as long as necessary to investigate the complaint and implement a resolution and will be treated as a confidentiality.

All stakeholder engagement activities will be conducted in compliance with applicable data protection legislation, including the EU General Data Protection Regulation (GDPR). Personal data collected through consultations or grievance mechanisms will be processed lawfully, transparently, and for specific purposes only, with access restricted to authorized personnel. Measures will include secure data storage, anonymisation of sensitive information where appropriate, and clear communication to stakeholders regarding how their data will be used. Confidentiality will be ensured, particularly for workers and vulnerable groups, to prevent any risk of retaliation or misuse of personal information.

Applicable timeframes in Grievance Administrative Process will be in general as follows:

Action	Timeframe
Register grievance in database	Within 5 working days
Acknowledge Grievance with Confirmation of receipt of grievance	Within 5 working days <i>Confirmation must be given via the same channel that the grievance was received. The acknowledgment receipt must explain the appropriate process to be followed to resolve the grievance and the expected timeframe for the resolution. Person in charge should follow up this in order to make sure that the Complainants understand the grievance process to be followed</i>
Issue grievance rejection letter (if determined that grievance is not related to the project)	Within 30 days
Issue grievance feedback explaining time required for resolution and on-going progress (depending on grievance complexity)	After 30 days
Issue grievance feedback (when mitigation established)	30/60/90 days (depending on grievance complexity; includes investigation of all circumstances)
Issue grievance resolution letter/Signing agreement	On agreement of grievance remediation action
Remediation or Compensation activities	30 days after resolution letter or signing agreement
Post resolution monitoring (Follow up on remediation, document closure and continue monitor)	Within 30 days after resolution closure (resolution closure means the issued remediation or compensation payment)

The possibility for aggrieved individuals to resort to a second tier of independent review of the grievance which will be, i.e. local legal practice, as well-regarded NGO or well-respected individuals. The second tier's remit would only be those grievances which have been reviewed by the first-tier internal mechanism and have been declared resolved but the complainant is dissatisfied with the proposed resolution.

If a complainant is not satisfied with the outcomes of grievance management process (solutions proposed/implemented), he/she may seek other legal remedies in accordance with the legal framework of Croatia. He/she can also decide to ultimately file relevant action/claim in the competent courts. This Procedure does not replace the statutory rights of complainants to undertake legal proceedings or to approach an independent, objective appeal mechanism. These rights remain unaffected by their participation in the Končar Inc. grievance mechanism.

Given that the consultation with identified vulnerable groups members is not yet completed, further in the text suggested methods for grievance mechanism submission by vulnerable groups members needs to be updated according to consultation findings, to ensure that the methods does not represent a barrier for these people.

Construction phase

Grievances within construction phase will derive from construction activities. They can also relate to unfavorable interactions between Končar or Contractor employees in the community environment or to community safety and security.

The types of grievances affected community might raise include, but are not limited to:

- Negative impacts on communities, which may include, but not be limited to financial loss, physical harm and nuisance from construction or operational activities;
- Health and safety risks;
- Negative impacts on the environment; and
- Unacceptable behaviour by staff or employees.

It is critical that stakeholders understand that all grievances lodged, regardless of the project phase or activity being implemented, will follow one grievance mechanism.

Complaints received by the construction contractors must be passed on to the person(s) appointed by Končar for the grievance on this project. A complaint investigation procedure needs to be carried out; and consist of following:

- log complaint and date of receipt into the complaint register
- conduct a complaint investigation in order to determine its validity, and assess whether the source of the problem is related to work activities
- if the complaint is valid, and the source is related to works, identify adequate mitigation measures
- conduct a review of the team's response, their application of the identified mitigation measures, and of the subsequent (environmental) situation

The person appointed by Contractor company for complaints investigations will report to the appointed person(s) by Končar for this project on the investigation results and subsequent actions taken to mitigate the source of the complaint. They will then respond to the complainant.

In addition to grievance mechanism for affected communities, a mechanism for workers should also be established. This regards to complaints and problems that employees raise with their employers. These may relate to how employees have been treated or to actions that an employer is contemplating to take. There is a spectrum of grievances ranging from major and potentially illegal issues such as discrimination or victimization in the workplace to more minor day-to-day disputes such as a poor relationship between two employees.

It is important that employees have a course of action available, should they have a complaint. Procedures are necessary to ensure that everybody is treated in the same way in similar circumstances and to ensure issues are dealt with fairly, reasonably and in a timely manner.

Each Construction Contractor is required to implement its own third party and worker grievance mechanism to manage its construction related grievances and complaints.

Early identification of employee-related issues is crucial to ensuring not only Code of Conduct compliance but also to creating an engaging workplace, by supporting effective and genuinely open lines of communication between managers and workers.

Grievance procedures should be differentiated from 'whistle - blowing' – the latter refers to procedures that employees can follow if they have concerns about wrongdoing or illegality in a company's operations.

All workers should be informed about the grievance mechanism at the time they are hired (when signing contracts), and details about how it operates should be easily available (via e-mail, face-to-face conversation, telephone calls, in writing by lodging a grievance in grievance box placed in each worker camp). Employees must know to whom they can turn to in the event of a grievance and the support that is available to them. It is anticipated that complaints are passed on to the Site Manager and, if necessary, to the Project Site Director. In addition, a communication path towards company human resource management needs to be left as alternative in case that the worker is not happy with the initial finding.

A complaint investigation procedure needs to be carried out; and it consists of the following:

- Log complaint and date of receipt into the complaint register.
- A complaint must be dealt with confidentially as a guarantee that any employee raising a complaint will not be subject to any reprisal.
- In addition, procedures must be kept as simple as possible, in order to avoid unnecessary administrative stages.
- The procedure should be designed so that employees that may feel particularly vulnerable (e.g. ethnic/religious minorities, migrant workers) are not deterred from lodging a grievance.

Conduct a complaint investigation in order to determine its validity and assess whether the source of the problem is related to work activities. In any meetings or hearings during the investigation phase, the employee should have the right to be accompanied by a colleague, friend or union representative (if applied).

If the complaint is valid, and the source is related to works, identify adequate actions to resolve the issue. Once a grievance has been raised formally, it is important that proper written records are kept, to aid transparency and allow for any review of the process or decision to be undertaken.

If the employee is unhappy with the decision about a grievance and wishes to appeal, he or she should have a right for that.

The procedure for monitoring of proposed actions results should be established. It should deal with workers' response, action application, and of the subsequent situation.

Contact for Grievance Form submission is already presented above, as well as in the Sample Grievance Form below. The process should be regularly reviewed and kept up to date by referencing any new statutory guidelines, changes in contracts or representation. Grievance procedures may be included in collective agreements or in employment codes. Lodging a formal grievance should be seen as a last resort, after informal methods have been exhausted. Ordinary, day-to-day issues can often be better dealt with informally in meetings with line managers.

Operation phase

Grievances during the operational phase of the Project are expected to be limited and site-specific, but may arise from both external stakeholders (e.g., local communities) and internal stakeholders (e.g., workers).

Grievance Administrative Process needs to be established by the Projects' operator – Končar.

6 MONITORING AND REPORTING

Monitoring and evaluation of the stakeholder process is considered vital to ensure ability to respond to identified issues and alter the schedule and nature of engagement activities to make them more effective. Adherence to the following characteristics/commitments/activities will assist in achieving successful engagement:

- Sufficient resources to undertake the engagement;
- Promotion of stakeholder involvement;
- Clearly defined approaches; and
- Transparency in all activities.

Stakeholder engagement activities will be systematically monitored and documented by Končar d. d. and its subsidiaries throughout all phases of the Project. This will include maintaining a stakeholder engagement log, records of consultations, and a grievance register documenting the number, type, and resolution of grievances. Regular internal reporting will be undertaken on a quarterly basis, while external reporting to Lenders, including European Bank for Reconstruction and Development and International Finance Corporation, will be conducted in line with agreed reporting requirements. Monitoring will ensure that engagement activities remain proportionate to the level of risk and stakeholder sensitivity, particularly at urban locations in Zagreb.

It is recommended to enhance the Grievance Register Log by adopting the following format for consistent use in future activities. A sample template of the grievance record sheet is provided in APPENDICES

Appendix 1: Grievance form

Reference number:	
Full name <i>(optional)</i>	
Contact information <i>(optional)</i> Please mark how you wish to be contacted (mail, telephone, e-mail).	☐ By post: Please provide mailing address: _____ _____ _____ ☐ By telephone: _____ ☐ By e-mail: _____
Preferred language of communication	☐ Croatian ☐ English (if possible)
Description of incident for grievance	What happened? Where did it happen? Who did it happen to? What is the result of the problem?

Date of incident / grievance	
	☐ One-time incident/grievance (date _____) ☐ Happened more than once (how many times? _____) ☐ On-going (currently experiencing problem)
What would you like to see happen?	

Signature: _____

Date: _____

Appendix 2. Grievance record sheet

7 APPENDICES

Appendix 1: Grievance form

Reference number:	
Full name <i>(optional)</i>	
Contact information (optional) Please mark how you wish to be contacted (mail, telephone, e-mail).	☐ By post: Please provide mailing address: _____ _____ _____ ☐ By telephone: _____ ☐ By e-mail: _____
Preferred language of communication	☐ Croatian ☐ English (if possible)
Description of incident for grievance	What happened? Where did it happen? Who did it happen to? What is the result of the problem?
Date of incident / grievance	
	☐ One-time incident/grievance (date _____) ☐ Happened more than once (how many times? _____) ☐ On-going (currently experiencing problem)
What would you like to see happen?	

Signature: _____
 Date: _____

Address: KONČAR – Electrical Industry Inc. for manufacturing and services
 Fallerovo šetalište 22, 10000 Zagreb, Croatia
E-mail: projekt.faller@koncar.hr
Website: <https://koncar.hr>
Grievance form: <https://koncar.hr/en/sustainable-financing-projects>

Appendix 2: Grievance record sheet

No	Name/ Anonymously	Date complaint receipt	How complaint was received	Who received the complaint	Description of the issues/complaints	Contact details of affected person	Notes, undertaken actions	Entities involved	Status of the issue