

**Environmental and social due diligence
of the
Saturn Management,
Mondi Świecie CHP Biomass Project
Poland**

Annex C: Environmental and Social Action Plan

Prepared for:

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Project number:

PL0586

Report status:

Final

Issue	Action	Environmental risks, Liability/Benefits	Legislative requirement/Best practice	Investment needs/resource	Action completion deadline	Target and evaluation criteria
<i>Annual EHS Report to Lenders</i>						
<p>Provide to the Lenders information on the Environmental, Social, Health and Safety (ESHS) matters as part of an annual ESHS report.</p> <p>Develop a Corporate Annual EHS report and disclose on the internet</p>	<p>Need to disclose information to the Lenders to show compliance with ESAP and current status of EHS issues.</p> <p>The ESHS report to the Lenders should include: a) information on the status of the project, any changes to the project as well as information on environmental performance, mainly compliance with the contractual specifications as well as National and EU environmental standards, b) annual information on Greenhouse Gas emission by the Company, c) Information on compliance with the ESAP and provide information on any new projects or changes to planned investments at the plant d) information on general environmental performance of the CHP, this should include a summary of environmental KPI's (key performance indicators) ; e) summary of any material changes in law significantly affecting Environmental or Social Matters, that has a material (above 100 K EURO) impact on the Company and f) a summary of any areas of material non compliance with Environmental Laws – please provide information on any fines or other penalties or pending prosecutions for environmental, health and safety or social matters. g.) provide information on material social matters; h.) information on biomass supply chain, audit procedures and confirm that biomass is from sustainable sources.</p>	Reporting to Lenders	EBRD requirements	Own resources	From 2010	Report to Lenders
<i>Actions required to achieve compliance with national EHS legal requirements and EU Environmental standards</i>						

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Need for an update of the integrated permit	Provide input and support to Mondi while elaboration of an application for change of the integrated permit.	Operate in compliance with the environmental law.	Legislative	Own resources, plus Mondi as Elaboration of the application is in charge of Mondi.	The application for the permit update should be submitted at least 6 months in advance of the project completion.	Obtain updated integrated permit at the time of project completion. Report the task completion to the Lenders.
Need for an update of the permit for participation in ETS for CO ₂	Provide support to Mondi while application for the permit update	Operate in compliance with the environmental law.	Legislative	Own resources plus Mondi as application for the change of the permit is in charge of Mondi.	By the project completion.	Obtain updated permit for participation in ETS for CO ₂ . Inform the Lenders on task completion.
Monitoring of environmental impacts after Project completion	Record consumption of raw materials, fuels and energy, air emission, water consumption, amounts of generated wastes, evaluate a post-investment analysis.	Base knowledge on environmental impact of the investment.	Legislative - obligation set by the decision on environmental conditions of September 2, 2008; best practice	Own resources in co-operation with Mondi	6 months after project completion.	Achieve environmental impacts in line with the design, guarantees and environmental standards, identify room for improvement. Present report to the Lenders.
Monitoring of environmental impacts after	Establish additional procedure for road transport environmental and social impact	Further improvement of Project	best practice	Own resources	During installation startup and operation	To minimize potential environmental and

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Project completion – road transport of biomass		development/implementation control				social impact. To be established in the procedure
Monitoring of SO ₂ and NO ₂ unit emissions	Continuous monitoring systems for dust, NO _x and SO _x for all stacks or/and boilers from the CHP	Control of CHP performance	Best practice	Own resources	To be continued during the lifetime of the BFB boiler	To keep SO ₂ and NO ₂ unit emissions below the BREF reference values. Provide report to the Lenders.
Construction and operation of the CHP	Construct and operate the biomass plant in line with EU IPPC requirements. Regularly elaborate and implement CAPEX during the operational phase of the project to assure compliance with IPPC requirements.	Plant's environmental footprint reduction	Costs according to approved CAPEX.	According to the approved investment plan and CAPEX.	To be continued during the lifetime of the BFB boiler	To keep environmental footprint in line with the IPPC requirements. Present annual reports to the Lenders.
<i>Actions to improve EHS issues and stakeholder engagement management</i>						
Monitoring of the project	Establish procedures of Project monitoring and review, in accordance with PR1. Assign people responsible for Project monitoring and reporting to the Lenders, following the requirements of PR1.	Further improvement of Project development control.	Best practice.	Own resources.	As soon as possible, no later than by the end of September, 2009.	Fill compliance with PR1. Report to the Lenders.
Verification of suppliers versus PR2 requirements	Implement the practice of suppliers verification versus PR 2 requirements into the integrated management system.	Assurance of a full compliance of the company operations	Best practice.	Own resources	As soon as possible, no later than by the end of December,	Full compliance with PR2.

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		with the requirements of PR2			2009.	Report to the Lenders.
Verification of contractors versus PR2 requirements	Implement the practice of contractors verification versus PR 2 requirements into the integrated management system.	Assurance of a full compliance of the company operations with the requirements of PR2	Best practice.	Own resources	As far as possible, no later than until December, 2009.	Full compliance with PR2. Report to the Lenders.
Improvement of the chemicals management	Provide secondary containments wherever the chemicals are stored.	Further reduction of a risk related to uncontrolled spillage of chemicals.	Best practice.	Own resources. Investment costs negligible.	By the project completion.	Provision of secondary containments to the chemicals stored and used on-site.
EHS management system versus the Project	Assess the procedures of the integrated management system: whether they fit the Project principles and Lenders requirements. Adjust the system accordingly.	Improvement of the EHS in terms of Project management	Best practice	Own resources	By the end of 2009	EMS to reflect the Project objectives
Traffic management	Develop a traffic management program and update SEP	Improvement of the fuel supply chain.	Best practice	Own resources	By the end of 2009	Present the program to the Lenders as part of 2010 annual report. Arrange regular (annual) meetings with the authorities in charge of traffic

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						control to review the programme.
SEP development. This includes a grievance procedure and a project summary (Non Technical Summary).	Develop SEP that will include the fuel supply chain and annual social and environmental reporting during the operational phase of the Project.	Improvement of the company communication with community.	Best practice	Own resources	During the project lifetime.	Present the annual report on environmental and social issues on the web page. Publish SEP and NTS on web site Present reports to the Lenders.
Auditing of the wood supply system.	As expansion of the existing procedures develop a biomass supply chain auditing program.	Improvement of the wood procurement.	Best practice	Own resources	Develop procedure by end of 2009 Implement by 2010, with first audit in 2010	Gain full control on the biomass origin. Present report to the Lenders.
Planned EU sustainability scheme	Implement the guidelines and requirements of the planned EU sustainability scheme for energy uses of biomass	Improvement of the environmental footprint.	Best practice	Own resources	2010	Present report to the Lenders.
Performance audit	Conduct a regular audit (every 3 years) of the company, inclusive the biomass supply chain	Improvement of the environmental management.	Best practice	Own resources/external consultants	Every 3 years – first audit 2012.	To reduce environmental and social risk. Present reports to the Lenders