

**Environmental and social due diligence
of the
Saturn Management,
Mondi Świecie CHP Biomass Project
Poland
Annex D: Stakeholders Engagement Plan**

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1 Introduction

The Saturn Management company operates CHP plant located within the industrial properties of the paper production facility of Mondi Świecie S.A. (Mondi). The CHP plant currently comprises three steam boilers (two coal fired and one, fluidized bed boiler fired with biomass, coal or composition of these fuels) and four turbo generators. The CHP plant provides entire heat (in steam) needed for paper plant operations and approximately 70% of the electricity consumed.

Although the CHP plant is owned by Saturn Management, it has been leased to Mondi, however, Saturn Management provides operational services to Mondi.

The Mondi facilities are located in an industrial district situated approximately 7 km away from the town of Świecie center. The nearest sensitive areas comprise the Nature 2000 protection zone (approx. 3 km from the site), landscape protection park (approx. 5 km away from the site), forest protection complex (approx. 7 km from the site), hospitals, schools and water intakes (in a radius of 7 km from the site), in the main residential complex of the town.

The company is currently implementing the project of conversion of the old coal fired boiler into a modern, fluidized bed, biomass fired one and construction of auxiliary structures.

2 Requirements

According to the Polish legal framework, the disclosure of information and public consultation is a part of the investment process if the project can significantly influence the environment, as a part of the Environmental Impact Assessment (EIA). Moreover, the information on issued decisions, penalties and other environmental impacts is generally available on request from the environmental authorities. Public participation is also a part of administrative procedures related to establishment of local, regional and national plans and programs, however, this does not apply directly to the industrial facilities.

In addition to legal requirements, Saturn Management will follow best international practice, including providing a summary of environmental and social commitments, and routine information on performance, as well a grievance mechanism for any concerns or complaints.

3 Summary of Previous Stakeholder Engagement Activities

Saturn Management prepared an Environmental Impact Assessment (EIA), covering contacts with public and state stakeholders.

Detailed information on the project, including application for the decision approving environmental status of the investment together with the EIA were available for the public, as it is a routine and accepted practice in Świecie, in the form of announcement in the building of County Authorities seat. The information was provided for the public review on July 1, 2008. In addition, the announcement was published on the web page of the County Authorities and on the entrance gate of the Mondi facility.

As required, Kujawsko-Pomorskie Province Authorities, and Province Sanitary Inspection Authorities in Bydgoszcz were informed about the investment to come up with any potential issues.

The information was available for review for 21 days since the day of announcement. No comments, requests or any other communication from the citizens or organizations were received during the consultation period.

After the completion of the EIA administrative procedure, information on the acceptance of the EIA and issuing of the decision on the environmental status of the investment was published on September 2, 2008. The information was available in seat of the Municipality of Świecie and official web site of Świecie Municipality for 14 days.

Saturn management reported that no objections were received, which would have required additional meetings during the investment preparation process.

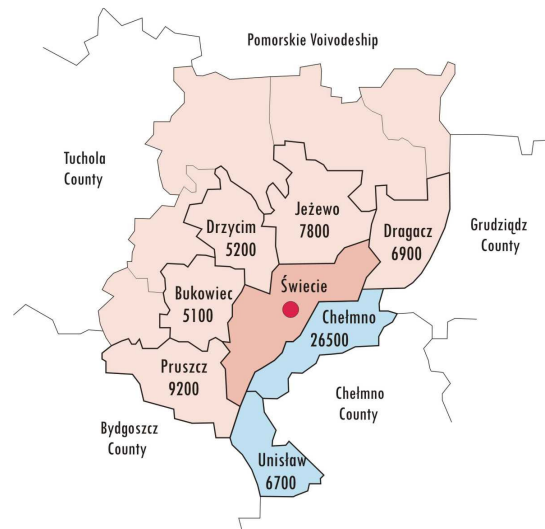
Information about the project were published additionally on the web site of Polish Energy Partners (PEP – the owner of Saturn Management) and provided to stakeholders of PEP via a stock exchange update (www.pepsa.com.pl).

4 Stakeholder Identification and Analysis

The following stakeholders of the Project and Saturn Management operations were identified:

Neighboring communities:

- The CHP is located in the community of Swiecie (area of 175 km², population of approximately 30,000 of inhabitants), county of Swiecie, northern part of Kujawsko-Pomorskie Voivodeship;
- Świecie commune borders with Pruszcz, Bukowiec and Drzycim Communes from the west, Jeżewo Commune from the north, Dragacz Commune from north-east, Chełmno Commune from east and Unisław Commune from south.



Biomass suppliers

The Saturn Management company utilizes as a bio-fuel waste biomass generated by Mondi or acquired from external suppliers. After project implementation the total biomass consumption is estimated at approximately 600,000 ton/year. The biomass main suppliers are listed below:

- Mondi Swiecie – the main supplier
- QUERCUS Sp. z o.o.
- PPHU "DREWPOL" Sp. z o.o. JV
- USŁ.ZAKŁAD TRANS. A. DĘBNY
- P.H.U. "SJ - SOLO" JERZY SEKULA
- FIRMA - Ex Pro
- COMPLEX
- PPHU " TRANS DREW " S. BEDNAROWSKI
- P.W. "ELDREW" S.C.
- ŁACCY-KOŁCZYGŁOWY Sp. z o.o.
- ANDREWEX sp z o.o.
- P.W. " ELMIR " s.c.
- DELTA GARTENHOLZ POLSKA
- PPD POLTAREX Lębork
- Z.O.D KOŁODZIEJCZYK ROMAN
- ABWood Sp. z o o
- SPIL - TRANS s.c. A.Spiliszewski
- P.P.U.H . "PAULA" Witold Wicher
- ZAKŁAD DRZEWNY K. Leśnicka
- PPU " DREWAR " Jan Wardyn
- Zakł. Prod. Usługowy DOLINA s.c.

Non Governmental Organization

There are over 50 officially registered associations in the county of Swiecie. It is considered that the following may be potentially interested in the Project development and protection of the environment:

- Lokalna Grupa Działania Gminy Powiatu Świeckiego, located in Swiecie;
- Towarzystwo Przyjaciół Dolnej Wisły, local and regional ecological organisation situated in Swiecie
- Zespół Parków Krajobrazowych Chełmińskiego i Nadwiślańskiego – the nearest situated Landscape Park Authorities, local and regional organisation situated in Swiecie
- Liga Ochrony Przyrody , ecological organization situated in Swiecie.
- Ogólnopolskie Towarzystwo Ochrony Ptaków - Grupa Świecka – state level ecological organisation situated In Swiecie

Academic institutions

- None

Workers Stakeholders

- Trade Unions (Solidarność and OPZZ)
- Employees of Saturn Management represented by labour committee
- Employees of Mondi Świecie
- subcontractors;

Administrative stakeholders

Administrative stakeholder	Administrative level	Responsibilities
Burmistrz miasta Świecie (Mayor of Świecie town)	Local	in charge of the investment process
Marszałek Województwa Kujawsko-Pomorskiego (Marshal of the Kujawsko-Pomorskie Province)	Province	in charge of environmental permits issue for the Mondi facility
Wojewódzki Inspektor Ochrony Środowiska (Province Inspectorate of Environmental Protection)	State	in charge of control of environmental performance of the company
Państwowa Inspekcja Pracy (State Labour Inspectorate)	State	in charge of H&S and labour conditions control
Powiatowy Inspektorat Sanitarny (County Sanitary Inspectorate)	County	in charge of sanitary conditions at the site
Państwowa Straż Pożarna (State Fire Department)	State	in charge of the fire protection
Powiatowy Inspektorat Nadzoru Budowlanego (County Construction Inspectorate)	County	In charge of project completion acceptance and issuing of operational decision
Others (e.g. Police, Road Transport Inspectorate)	State	respectively

Organizational stakeholders:

- Mondi Świecie S.A. – tenant of the CHP plant in charge of all environmental matters related to CHP operations;
- Polish Energy Partners – owner of the Saturn Management company;

The environmental documentation prepared for the needs of the project development confirmed that none of the stakeholders will be disproportionately affected by the project implementation. The implementation of state-of-the art technology will improve the work conditions in comparison with coal fired boilers. Nevertheless, the clear and understandable communication with employees on the project circumstances is recommended to be conducted as part of the communication procedures applied at the facility.

5 Disclosure of Information

The subject project is at a far development stage and no disclosure of information is required by law, except for the formal notifications to the authorities after completion of the project, application for updates for the environmental permits and reporting on environmental impacts – according to the environmental regulations.

A summary of environmental and social impacts, mitigation measures, and a summary of the Environmental and Social Action Plan will be put in the public domain (www.pepsa.com.pl)

The disclosure of information will depend on the stakeholder group as identified in section 4 above.

Communication with the organizational stakeholders will be conducted following the existing routines and procedures. The communication channels comprise regular meetings, reporting and day-to-day exchange of information via personal or mail contacts at different organizational levels between the involved parties. Meetings may also be arranged on request.

Disclosure of information to the administrative stakeholders will be based on formal notifications, applications and reporting – as required by law and ongoing investment process. The competent authorities will be invited (as appropriate) for site visits and on-site clarification of the project or operations status. The formal communication regarding environmental issues will be conducted by Mondy, as formally responsible for environmental performance of the CHP, whereas Saturn Management will communicate with respect to other issues including development and health and safety subjects.

Saturn Management will advise interested stakeholders when information is available on traffic management and biomass procurement through a notice on the website (www.pepsa.com.pl)

Internal stakeholders (Workers) will be informed using the existing communication channels and following the rules of internal communication as set by the integrated management system. The routine communication channels comprise: periodical meetings, announcements, information letters and notifications posted on information boards, trainings, flow of information through the management chain.

The disclosure of information to external stakeholders (non governmental organization, neighboring communities) will take place in response to direct queries, complaints or objections, following the existing external communication procedure implemented in the integrated management system and appropriately prior to the time of milestones to recognize external stakeholders attitude and be able to react accordingly. Information with the project description will be placed on Polish Energy Partners webpage (www.pepsa.com.pl), additional information will be published in local press "Czas Świecia". On the same webpage the company will present the annual reports presenting the environmental and social issues related to the project. The report for the previous year will be presented by the end of 2nd quarter of each year.

The company notes that there will be an increase in trucks on local roads to bring biomass to the plant (worst case scenario the traffic can increase from approximately 10 to 15 trucks per hour), the citizens of Świecie are not exposed to direct impact of that traffic since the delivery routes do not cross the residential part of the town. Additional information on traffic management will be provided when available.

6 Stakeholder Engagement Program

The consultation with the organizational stakeholders will be conducted on standard day-to-day basis. Overall responsibility for the communication with the stakeholders related to CHP operations and the Project will be held by the Operational Director Manager of the CHP Plant. Responsibility for the biomass supply chain as well as the biomass transport will be held by the Raw materials/Biomass Procurement Director of the Polish Energy Partners.

Consultations with the administrative stakeholders will follow the Project assumed time schedule. At this stage it is assumed, that these stakeholders will be informed in advance of the planned project milestones, which are:

- achievement of the operational permit (according to the building law) – September, 2010.
- adjustment of the integrated permit – December 2010.

Consultations with the internal stakeholders will follow the current practice and integrated management procedure and will comprise quarterly meetings with the labor committee, a monthly meetings with the operational managers. The project related information will be posted on the informational boards at the site. Information on project milestones will be published in advance on internet pages to be available for the public and non-governmental organizations to recognize external stakeholders attitude. In addition the company plans to present information on the project in local paper “Czas Swiecia”. Should any issues be raised by the stakeholders, the company management will react accordingly in the shortest possible time.

The Operational Director of CHP will bear overall responsibility for the SEP implementation. He will be supported by:

- the integrated system coordinator – who will be responsible to react on any public grievance related to operational aspects of the CHP;
- biomass procurement engineer (PEP S.A.) – who will be responsible to react on any public grievance related to biomass supply chain and transportation issues.

Below there is the summary of consultations activities as the company will undertake as part of the Engagement Plan:

Stakeholder	Consultation method and objective	Proposed milestones	responsibility
Neighboring communities	Information board/announcement of the Authorities in respective municipal buildings	Before September 2010	Company and local administration
	Internet	Before September 2010	Company and local

			administration
	Local press	Before September 2010	Company
Biomass supplies	Internal meetings/	On-going process	Company, biomass procurement engineer
Non-governmental organizations	Information board/announcement of the Authorities	Before September 2010	Company and local administration
	internet	Before September 2010, On-going on a permanent basis	Company and local administration
	Local press	Before September 2010	Company
Government inspection organs	Information meetings and consultations	On-going on a permanent basis	Company, operational director, EHS specialists
	Information board/announcement	Before September 2010	Company operational director, EHS specialists
Workers	Internal meetings with labor committee and operational managers	On, going process on a permanent basis: monthly and quarterly, respectively	Company - operational director, EHS specialists
	Everyday contacts	On-going process on a permanent basis	Company, Managers, EHS specialists

7 Grievance mechanism

The grievance mechanism is implemented as a procedure of the company's integrated management system. The procedure assigns the integrated system coordinator responsible to react on any public grievance. Response to the complainant should be given within 14 days or, alternatively, if due to complexity of the case response is not possible within that time, the complainant must be informed in writing on the expected date of response and steps taken in order to address the complaint.

All complaints and other comments or requests for information related to the performance of CHP should be addressed to:

Operational Director

Saturn Management Sp. z o.o. i Wspólnicy Sp. K.

ul Bydgoska 1

86-100 Świecie

phone: +48 52 332 11 35

fax: +48 52 333 17 35

e-mail: saturn@pepsa.com.pl

All issues related to biomass supply chain and traffic management should be addressed to:

Biomass Procurement Engineer

Polish Energy Partners S.A.

ul. Wiertnicza 169

02-952 Warszawa

tel. 0 22 840 75 70, 858 89 42

fax. 0 22 651 89 01

e-mail: info@pepsa.com.pl

The planned public grievance form is presented in the table below. Such form (both in English and Polish) will be posted by the end of 2009 on the PEP's webpage, together with the description of the grievance response mechanism and provided to the relevant authorities in the municipalities, in the event anyone approaches them with a concern.

Table. Public Grievance Form.

Reference No:	
Full Name	
Contact Information 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 for communication	Polish English
Description of Incident or 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 to resolve the problem?	

8 Monitoring

The SEP will be monitored by a person assigned by the company management.

9 Resources and Responsibilities

This SEP will be implemented by the employees of the company and mainly with allocation of the company resources. Cooperation with the local press will be required to prepare appropriated information on the project. The Authorities will prepare announcements as required by the environmental by their own resources.

Responsibility for the plan implementation will bear the Operational Director of CHP.

10 Timetable

.The major communication with the stakeholders are planned before :

- September, 2010 - achievement of the operational permit (according to the building law);
- December 2010 - adjustment of the integrated permit;

Regular everyday contacts are conducted with Workers, information on the project is published on the www pages of PEP.