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STAKEHOLDERS ENGAGEMENT PLAN OLSZTYN WASTE MANAGEMENT PPP

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1. INTRODUCTION

Currently, the area of Olsztyn city is supplied with heat, which comes from Kortowo Heat and Power Plant (further referred to as 'EC Kortowo') and Michelin Heat and Power Plant (further referred to as 'EC Michelin'). Based on the publicly available information, the EC Michelin will be closed in 2019/2020. Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. (further referred to as 'MPEC' or "the company") in Olsztyn (in English, 'Municipal Heat Supply Company') is a limited liability company wholly owned by the City of Olsztyn. The company is a municipal producer and distributor of heat.

MPEC is developing an installation of a new district heat generating source (further referred as 'the project'). The project is to be located on the land plots No. 89-25/11, 89-25/12, 89-25/3, 94-6/1, 94-6/2 and 94-6/3, 48 Lubelska Street, in Olsztyn, warmińsko – mazurskie Voivodeship.

The need for a construction of a new district heat generating source in Olsztyn is a consequence of the termination of the EC Michelin heat supply to MPEC Olsztyn district heating network in 2019/2020, which will result in a deficit of heat. The main aims, among others, of the project are as follows:

- to secure the heating needs of the city of Olsztyn, while achieving the lowest price of heat;
- utilization of 110 000 t/year of alternative fuel produced by waste management plant 'Zakład Gospodarki Odpadami Komunalnymi' (further referred to as 'ZGOK Olsztyn');
- act as one of the elements of municipal waste management system in Olsztyn, which has been developed in order to solve the problem of waste management in 37 communes of the central part of the warmińsko – mazurskie Voivodeship and other parts of that voivodeship;
- reducing the weight and volume of waste deposited on the landfills located in warmińsko – mazurskie Voivodeship,
- increase the amount of waste utilized in the recovery process, including the recovery of energy from waste;
- reduce the risk to the environment resulting from waste disposal;
- limiting the amount of coal consumed to produce heat for the whole city;
- reduce the cost for CO₂ emission allowances purchases.

The project will comprise the following main objects and installations:

- Boiler house along with installations for flue gases cleaning and release;
- Engine room, which will house a steam turbine along with auxiliary equipment and installations;
- Peak load boiler room;
- Building housing a block control room with electrical switch board;
- Stack;
- Fuel acceptance and unloading point;
- Bunker hopper for waste and fuel supply to the process;
- Installation for combustion waste management.

Based on the completed environmental impact assessment (EIA) procedures conducted by local (communes) authorities and in line with Polish legal requirements, the project has already been granted with the relevant environmental decision:

- Environmental decision No. SD.6220.15.2015.MJ issued on December 22nd, 2015 issued by the President of Olsztyn City, for the beneficiary of the Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.

The above described project will include establishment of the PPP Company. A PPP, i.e. a public-private partnership, is a cooperative arrangement between one or more public and private sectors, typically of a long term nature.

The PPP Company will be responsible for the construction, management, maintenance and operation of facility, which will include the project and EC Kortowo. For the Special Purpose Vehicle (SPV), private partner will raise funds in the amount of 20% to 40% of the project construction funds (as an equity capital). The remaining funds needed for project's construction will come from a loan or other financial instruments.

This stakeholder engagement plan aims at identification of the project stakeholders at different stages of development and establishment of the rules for management of exchange of information between the company and the stakeholders.

2. REQUIREMENTS

Public disclosure of the project related information is required for newly developed projects at the stage of their environmental impact assessments (EIAs). The scope of disclosed information includes among others general presentation of the project, its expected environmental and social impacts - including these on Natura 2000 protected areas, and measures necessary to mitigate these impacts. Disclosure of such information and securing public participation in the EIA process is managed by the authorities in charge to undertake EIA procedures. The authorities are also obliged by law to make all resolutions and decisions taken within the procedure available for public review and manage comments and grievances submitted by the interested parties. The EIA process for the projects of similar nature to the subject one is conducted at least once, prior to the environmental decision is granted to the project.

The procedure can be repeated then, if, e.g. detailed solutions adopted by the building design differ significantly from these considered at the stage of application for the environmental decision. In such case, the second EIA procedure is conducted by the authorities prior the building permit is being granted to the project. The second procedure is also open to public participation and requires in a wide range disclosure of the project related information.

However, it should be stressed that environmental decision issued for the project does not impose an obligation of repetition of the EIA procedure, while applying for a building permit. According to the Polish law, environmental decision should have been attached to the application for the building permit not longer than 6 years after the environmental decision has become final, however, its validity can be expanded for another 4 years if a project is developed in phases.

Under Polish law, the companies are not legally obliged to publish any environmental or social reports on their environmental and social performance. Such information, however, can be included as a part of annual reports to the stockholders. Although not legally required, some project stakeholders, such as e.g. the lenders, may require additional disclosure of project related information, e.g. in a form of a performance reports. At the discretion of such stakeholders, the performance reports may also be required to be publicly available.

In addition, the disclosure of information to external stakeholders (non-governmental organizations, 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 the company's website and on the website dedicated for the project, i.e. <http://www.ec.olsztyn.pl>. Additional information may be published in local press, radio and other media.

3. SUMMARY OF PREVIOUS STAKEHOLDER ENGAGEMENT ACTIVITIES

The Project was commenced in 2011 when the owner of the second largest heating source owner (Michelin) decided to terminate its operations in the future and when the Olsztyn City Council adopted "Assumptions for the heat, electricity and gas fuels for the City of Olsztyn".

The first phase of the Project development was concentrated on a wide range of public consultations. The milestones of this phase were as following:

- On November 30, 2011, the City Council adopted mentioned above "Assumptions". Prior to its adoption the document had been made available for public review and posted on an official website ("Biuletyn Informacji Publicznej" (BIP) – "Public Information Bulletin") of the City. During the consultation period the document was commented and recommendations were submitted, among others by the labour unions of MPEC.
- In March/April 2012 the meetings with the City Council members were arranged and a new strategy of energy supply for Olsztyn after 2015 in public-private partnership model was presented.
- On May 24, 2012 the President of Olsztyn assisted by the representatives of MPEC presented to the Presidents of the Housing Cooperatives the concept of the CHP to be developed by a SPV.
- On May 28, 2012 an official website of the Project (www.ec.olsztyn.pl) was officially launched.
- Between June 18 and July 31, 2012 a first round of public consultations were undertaken, which included two meetings with the citizens on June 26 and July 24.
- Between October 1 and 31, 2012 the second round of public consultations took place. The consultations included experts' debate on October 17 and meeting with the citizens on October 18, 2012, during which use of alternative fuel from waste was widely discussed. Also group interview was arranged on October 30. The company's labour unions applied for undertaking efforts in order to use of alternative fuel from waste use for heat production. The report on this consultations includes a declaration of undertaking an investigation on a possibility to join the Communal Waste Management Company (ZGOK) project with the MPEC Project in order to utilize alternative fuel.
- Between November 5 and December 20, 2013 a number of meetings with the members of the City Council in order to present status of the Project development.
- On December 31, 2013 the Project was presented among others to the Marshal of the Voivodeship in order to achieve support for the concept of the use of alternative fuel originating from the entire Voivodeship.
- On January 29, 2014 the City Council approved concept of heat supply to the city with use of the alternative fuel originating from communal waste.
- On March 19, 2014 the Project was presented on a conference "The method of waste utilization as an alternative fuel in the communes of Warmińsko-Mazurskie Voivodeship", arranged by the Marshall of the Voivodeship.
- On April 2, 2014 the Project development status was presented to Olsztyn City Council for District Heating Development.
- On May 19, 2014 the Project's feasibility study was presented to the City authorities.
- On July 23, 2014 the Project was presented on a conference arranged by the Marshall's Office.
- Between 4 and 20 December, 2015 plebiscite on an architectural concept of the facility was arranged, the concept by Mr. Maciej Pawązek was selected on December 30.
- On February 22, 2016 as a part of an information campaign a meeting with citizens of Olsztyn. The participants could ask questions related to the Project to the experts on heat generation, renewable energy, environment protection and waste management.
- On July 4, 2016, the President of Olsztyn met presidents of the Housing Cooperatives, during which the President applied for Housing Cooperatives support on behalf of the citizens to the concept of the city heat supply with use of the alternative fuel. Such concept had been discussed in details previously and had been also discussed by the presidents of the housing

cooperatives with the citizens. The concept was fully approved by the presidents of the Housing Cooperatives.

The Project was also widely consulted internally since commencement of the Project development. Both the employees and labour unions were informed about the Project and its basic assumptions were discussed with the works council. In order to secure working places after construction of the new facility and separation of the Kortowo heating plant a social package was agreed. The respective negotiations were commenced in 2014 and the working unions were supported by an expert who was paid by MPEC. The social package was finally signed by the parties on March 8, 2016.

In parallel to the consultation process, the company worked on selection of a private development partner. On November 30, 2012 MPEC has initiated procedure for "Selection of a private partner in order to serve heat supply to district heating network in Olsztyn", based on the Act of December 19, 2008 on public-private partnership. The procedure has been conducted in line with the Public Procurement Act, namely in a concurrent dialogue mode of proceeding. In the first phase of the proceeding, MPEC established a number of requirements, including certain borrowing power and turnover during the previous 3 years, experience in power generating project etc. Eight bidders applied among which 5 were selected for further dialogue.

The environmental decision No. SD.6220.15.2015.MJ issued on December 22nd, 2015 issued by the President of Olsztyn City, for the beneficiary of the Miejskie Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. (further referred to as MPEC) in Olsztyn was granted for construction of the installation for thermal treatment of combustible fraction created as a result of the municipal waste processing along with auxiliary infrastructure located in Olsztyn, Lubelska Street, on the land plots No. 89-25/11, 89-25/12, 89-25/3, 94-6/1, 94-6/2 and 94-6/3.

Review of the administrative procedures presented in the justification to the decision as well as in the available procedure-related documents did not reveal any obvious procedural shortcomings.

The EIA procedure included the following milestones:

- In February, 2015, MPEC applied to the Environmental Department of the Olsztyn City Hall for environmental decision (document No. MPEC/PT-DBT-TS/018/15).
- After submission of the application, MPEC was asked three times for supplements to the application, i.e. on February 17th, on March 5th and on March 18th, 2015. All information required by the Olsztyn City Hall to be supplemented was delivered by MPEC within the required period of time.
- On April 3rd, 2015 the Olsztyn City Hall commenced the environmental procedure (document No. SD.6220.15.2015.MJ) and applied to the Regional Environmental Protection Directorate in Olsztyn (RDOŚ) (document No. SD.6220.15.2015.MJ) and to the State County Sanitary and Epidemiological Inspectorate (SANEPID) in Olsztyn (document No. SD.6220.15.2015.MJ) to determine the scope of the EIA report.
- On May 7th, 2015 MPEC, based on the application No. MPEC/PT-DBT-TS/018/15 dated February 3rd, 2015, submitted EIA report to the Environmental Department of the Olsztyn City Hall.
- Based on the resolution issued by RDOŚ on May 20th, 2015 (document No. WOOŚ.4240.142.2015.MT.1) determining the scope of the EIA and based on the opinion issued by the SANEPID (document No. ZNS.4083.20.2015), on May 21st, 2015 the President of Olsztyn City imposed the need to conduct the EIA procedure and requested MPEC to provide the EIA report (document No. SD.6220.15.2015.MJ).
- MPEC was requested by RDOŚ, on June 30th, 2015 to submit supplementary information (document No. WOOŚ.4242.54.2015.MT), which was accomplished on August 4th, 2015 and the supplementary information were submitted to both RDOŚ and President of Olsztyn City (document No. MPEC.PT-DBT-TS/108/15).
- Additionally, on August 7th, 2015, MPEC was requested to submit supplementary information to SANEPID (document No. ZNS.4083.20.2015).
- On August 25th, 2015 RDOŚ in Olsztyn issued notification and determined the conditions for the project implementation (document No. WOOŚ.4242.54.2015.MT.1) and on

November 12th, 2015 SANEPID also issued positive opinion and determined the conditions for the project implementation (document No. ZNS.4083.20.2015).

- The society was informed about commencement of the EIA procedure and 21 days long period for submission of comments and concerns between November 20th, 2015 and December 10th, 2015. The notifications were published on the website of the Olsztyn City Hall as well as on the information board of the Environmental Department of the Olsztyn City Hall. Neither concerns nor comments have been submitted by private citizens and by the ecological organization.
- The environmental decision No. SD.6220.15.2015.MJ was issued on December 22nd, 2015 issued by the President of Olsztyn City. Correction to the decision No. SD.6220.15.2015.MJ was issued by the President of Olsztyn City on January 14th, 2016. Correction was related to the validity period of the environmental decision and the period of time, when the building permit can be submitted.
- On January 14th, 2016, Olsztyn City Hall forwarded to the Local Governmental Appeals Board in Olsztyn (in Polish, '*Samorządowe Kolegium Odwoławcze*') an appeal submitted by an ecological organization from Oświęcim '*Towarzystwo na Rzecz Ziemi*'. Due to the large amount of documents, Local Governmental Appeals Board extended the period for response until April 14th, 2016 (document No. SKO.60.5.2016).
- On February 29th, 2016, the Local Governmental Appeals Board in Olsztyn issued decision on upholding the decision issued by the first instance authority, i.e. by the President of Olsztyn City (document No. SKO.60.5.2016).
- On February 29th, 2016, the ecological organization from Oświęcim '*Towarzystwo na Rzecz Ziemi*' appealed decision issued on February 29th, 2016, the Local Governmental Appeals Board in Olsztyn (document No. SKO.60.5.2016).
- On July 12th, 2016, MPEC submitted an answer to the Voivodeship Administrative Court in Olsztyn regarding the ecological organization's appeal (document No. MPEC/PT-DT-TS/125/16).
- On July 13th, 2013 MPEC sent a copy of the answer submitted to the Voivodeship Administrative Court in Olsztyn to all interested parties, i.e. '*Towarzystwo na Rzecz Ziemi*' (document No. MPEC/PT-DT-TS/126/16), Warmińsko – Mazurska Special Economic Zone S.A. (document No. MPEC/PT-DT-TS/130/16), Local Governmental Appeals Board in Olsztyn (document No. MPEC/PT-DT-TS/131/16), President of Olsztyn City (document No. MPEC/PT-DT-TS/128/16), Department of Geodesy and Real Estate Management in Olsztyn (document No. MPEC/PT-DT-TS/127/16) and General Directorate for National Roads and Highways (document No. MPEC/PT-DT-TS/129/16).
- On July 19th, 2016 the Voivodeship Administrative Court in Olsztyn dismissed the appeal (document No. II SA/OI 509/16) submitted by the ecological organization from Oświęcim '*Towarzystwo na Rzecz Ziemi*' on February 29th, 2016.

The participation of the local communities and stakeholders was secured in line with the law in force. As a part of the EIA procedure a disclosure of project related information and securing of public participation in the procedure was maintained by the commune authorities, which is Olsztyn City Hall. The EIA procedure was conducted in line with the environmental law; in particular the EIA report and other documents were available for review by interested stakeholders who had also a right to submit their concerns. The Olsztyn City Hall disclosed information to the stakeholders by posting appropriate notifications on their website (Biuletyn Informacji Publicznej in Polish, available on the Internet: www.bip.olsztyn.eu) as well as on the the information board of the Environmental Department of the Olsztyn City Hall. Moreover, information related to the EIA procedure was published on the website dedicated for the project, i.e. <http://www.ec.olsztyn.pl>. During the EIA procedure, no applications and grievances from ecological organizations, stakeholders and local residents were submitted to the local authorities. After issuing the environmental decision, appeal from the ecological organization was submitted to the Local Governmental Appeals Board in Olsztyn. The appeal was dismissed by the Voivodeship Administrative Court in Olsztyn.

On June 28, 2016 the second stage of the procedure for "Selection of a private partner in order to serve heat supply to district heating network in Olsztyn" has been commenced. Terms of

reference along with invitation were provided to the bidders. The bid submission date after two extensions has finally be defined as February 28, 2017.

4. STAKEHOLDERS IDENTIFICATION AND ANALYSIS

4.1 Stakeholders Identification

The following major stakeholders groups were identified:

Societies and individuals:

Identified stakeholders are as follows:

- Residents of the Olsztyn city;
- Employees of MPEC Sp. z o.o., ZGOK Sp. z o.o. and contractors of the civil works.

Employees/workers society:

- 4 Trade Unions;
- Workers/employees representative council (Rada Pracowników);
- Employees of the MPEC Sp. z o.o.;
- Subcontractors.

Administrative stakeholders:

- Ministry of Economy;
- Ministry of Environment;
- Voivodeship Office (*Urząd Wojewódzki*);
- RDOŚ - Regional Directorate of Environmental Protection (*Regionalna Dyrekcja Ochrony Środowiska*);
- State Labour Inspectorate (*Panstwowa Inspekcja Pracy*);
- State Construction Inspectorate (*Inspektorat Nadzoru Budowlanego*);
- Voivodeship Marshall (*Marszałek Województwa*);
- State Sanitary and Epidemiological Inspectorate (*Państwowy Inspektorat Sanitarno-Epidemiologiczny*);
- Local, self-governmental administration;
- Road administration at commune, county, voivodeship and national level;
- Police;
- Fire brigades.

Responsibilities of the administrative stakeholders were identified in table below:

Administrative stakeholders	Administrative level	Responsibilities
Prezydent miasta Olsztyn (<i>Mayor/President of Olsztyn town/city</i>)	Local	In charge of the investment process (issuing the environmental decision and approving the construction project and issuing the building permit for the investment)
Regionalna Dyrekcja Ochrony Środowiska w Olsztynie, RDOŚ (<i>Regional Environmental Protection Directorate</i>)	Regional	In charge of the investment process (issuing opinion for the Project)
Marszałek Województwa Warmińsko - Mazurskiego (<i>Marshall of the warmińsko mazurskie Voivodeship</i>)	Regional	In charge of environmental/IPPC permits issuing for the planned facility
Państwowy Powiatowy Inspektor Sanitarny w Olsztyn (<i>State County Sanitary Inspectorate</i>)	State	In charge of the investment process (issuing opinion for the Project)
Państwowy Wojewódzki Inspektor Sanitarny w Olsztyn (<i>State Voivodeship Sanitary Inspectorate</i>)	State	In charge of the investment process (issuing opinions for the Project)
Wojewódzki Inspektor Ochrony Środowiska w Olsztyn (<i>Voivodeship Environmental Protection Inspectorate</i>)	Regional	In charge of control of environmental performance of the Company
Państwowa Inspekcja Pracy (<i>State Labour Inspectorate</i>)	State	In charge of H&S and labour conditions control
Państwowa Straż Pożarna (<i>State Fire Department</i>)	State	In charge of the fire protection
Powiatowy Inspektorat Nadzoru Budowlanego w Olsztyn (<i>County Construction Inspectorate</i>)	County	In charge of the Project completion (approving and issuing the operational decisions)
Others (e.g. Police, Road Transport Inspectorate, Fire brigades)	State	Respectively

Non-Governmental Organizations:

- local, regional, national and worldwide avifauna protection organizations;
- local, regional, national and worldwide ecological organizations.

Organizational stakeholders:

- MPEC Sp. z o.o.
- ZGOK Sp. z o.o.

Moreover, the clear and understandable communication on the project circumstances with contractors/subcontractors executing the works of the project implementation as well as equipment suppliers is recommended to be conducted as part of the communication procedures applied at the facility.

Lenders:

- International Finance Institutions which may consider financing the project, such as European Bank for Reconstruction and Development (EBRD).

4.2 Stakeholder Characteristic

Characteristic of the stakeholders is provided in the following table:

Societies and individuals	
Residents of Olsztyn City	The Project is to be developed in the warmińsko – mazurska Special Economic Zone (in Polish, 'Warmińsko – Mazurska Specjalna Strefa Ekonomiczna WMSSE') in the City (commune) of Olsztyn (area of approx. 88 328 m ² and of approx. 173 599 inhabitants in 2016), in Olsztyn county.
Employees of the company and contractors of the civil works.	Employees of MPEC Sp. z o.o. and employees of ZGOK Sp. z o.o., including 4 Trade Unions and workers/employees representative council (Rada Pracowników). The engineering, procurement, construction and commissioning works related to the project will be outsourced to external contractors.
Administrative Stakeholders	
Ministry of Economy/ Ministry of Environment	Ministerstwo Rozwoju Pl. Trzech Krzyży 3/5, 00-507 Warszawa tel.: 222 500 130 e-mail: kancelaria@mr.gov.pl www.mr.gov.pl Ministerstwo Środowiska Ul. Wawelska 52/54 00-922 Warszawa tel.: 22 369 29 00 e-mail: info@mos.gov.pl www.mos.gov.pl
Voivodeship Office	Zachodniopomorski Urząd Wojewódzki w Olsztynie Al. Marszałka J. Piłsudskiego 7/9, 10-575 Olsztyn, tel. 91 43 03 500 www.wm.uw.olsztyn.pl
Prezydent miasta Olsztyn (Mayor/President of Olsztyn town/city)	Pl. Jana Pawła II 1 10-101 Olsztyn Tel. 89 527 31 11 wew. 450 Tel. 89 527 46 23. Fax. 89 527 50 62; Adres e-mail: prezydentmiasta@olsztyn.eu
GDOŚ /General Directorate of Environmental Protection/	Generalna Dyrekcja Ochrony Środowiska w Warszawie ul. Wawelska 52/54, 00-922 Warszawa e-mail: kancelaria@gdos.gov.pl www.gdos.gov.pl
WIOŚ /Voivodeship Environmental Protection Inspectorate/	Wojewódzki Inspektorat Ochrony Środowiska Ul. 1 Maja 3b, 10 – 117 Olsztyn Tel. 89 522 08 00 E-mail: sekretariat@wios.olsztyn.pl
RDOŚ /Regional Directorate of	Regionalna Dyrekcja Ochrony Środowiska w Olsztynie ul. Dworcowa 60 10-437 Olsztyn

Environmental Protection/	tel. 89 537 21 00 fax. 89 527 04 23 e-mail: sekretariat.olsztyn@rdos.gov.pl olsztyn.rdos.gov.pl
State Labour Inspectorate	Państwowa Inspekcja Pracy / Główny Inspektorat Pracy ul. Barska 28/30 02-315 Warszawa tel.: 22 391 82 15 fax.: 22 391 82 14 e-mail: kancelaria@gip.pip.gov.pl http://www.pip.gov.pl/
State and County Construction Inspectorates	Główny Urząd Nadzoru Budowlanego ul. Krucza 38/42 00-926 Warszawa fax.: 22 661-81-42 e-mail: kancelaria@gunb.gov.pl www.gunb.gov.pl Powiatowy Inspektorat Nadzoru Budowlanego w Olsztynie Ul. Kołobrzeska 27 10-431 Olsztyn tel.: 89 534 94 30 fax.: 89 534 94 30 e-mail: biuro@pinbolsztyn.pl
State and County Sanitary and Epidemiological Inspectorates	Wojewódzka Stacja Sanitarno-Epidemiologiczna w Olsztynie ul. Żołnierska 16 10-561 Olsztyn Tel. 89 524 83 00 Fax. 89 679 16 99 E-mail: wsse.olsztyn@pis.gov.pl Powiatowa Stacja Sanitarno Epidemiologiczna w Olsztynie ul. Żołnierska 16 10-561 Olsztyn Tel. 89 524 83 00 http://psseolsztyn.bip.visacom.pl
Voivodeship Marshall	Urząd Marszałkowski Województwa Warmińsko – Mazurskiego w Olsztynie ul. Emilii Plater 1 10-562 Olsztyn www.olsztyn.eu
Local communes (self-governmental authorities) / County offices	Urząd Miasta i Gminy Olsztyn Plac Jana Pawła II 1 10 – 101 Olsztyn Tel. 89 527 31 11 E-mail: admin@olsztyn.pl Starostwo Powiatowe w Olsztynie Plac Bema 5, 10-516 Olsztyn, tel.: 89 527 21 30, 521 05 19 fax.: 89 527 24 14 e-mail: starostwo@powiat-olszynski.pl
Road Administration	Generalna Dyrekcja Dróg Krajowych i Autostrad ul. Wronia 53, 00-874 Warszawa tel.: (+48 22) 375 88 88 Zarząd Dróg Wojewódzkich w Olsztynie Ul. Pstrowskiego 28b, 10-602 Olsztyn,

	Tel. 89 526 19 00 Fax. 89 539 98 76 www.zdw.olsztyn.pl Powiatowa Służba w Olsztynie, Ul. Cementowa 3 10 – 429 Olsztyn, Tel. 89 535 66 30 Fax. 89 535 66 40 e-mail: psd@powiat-olsztynski.pl	
Police	Police stations at Voivodeship, county and commune level.	
Fire brigades	Fire brigades stations at Voivodeship, county and commune level.	
Non-Governmental Organizations		
NGOs – birdlife local and international associations	Ogólnopolskie Towarzystwo Ochrony Ptaków (BirdLife International OTOP) ul. Odrowąża 24 05-270 Marki k. Warszawy tel.: 0-22 761 82 05 fax.: 0-22 761 90 51 e-mail: biuro@otop.org.pl	World Wildlife Fund, WWF Polska ul. Wiśniowa 38 02-520 Warszawa tel.: 22 849 84 69 / 848 73 64 / 22 848 75 92 / 848 75 93 fax.: 22 646 36 72
Local ecological NGOs	Based on the publicly available information there are approximately 100 officially registered associations within the Olsztyn area (http://www.ngo.olsztyn.eu). It is considered that the following NGOs may be potentially interested in the Project development: <ul style="list-style-type: none"> • Towarzystwo Ekologiczne Warmii i Mazur 'TEWIM' (Ecological Society of Warmia and Mazury); • Stowarzyszenie Ekologiczne 'Zielona Inicjatywa' (Ecological Society 'Green Initiative'); • Stowarzyszenie „PRO EKO” (PRO EKO Society); • Fundacja Ekologiczna Ekomaks (Ecological foundation Ekomaks); • Stowarzyszenie EKOlubię (EKOlubię association); • Stowarzyszenie Społeczno-Ekologiczne - Region Północno-Wschodni w Olsztynie (Socio – ecological association of the north – eastern region of Olsztyn) 	
Organizational stakeholders		
MPEC Sp. z o.o.	Ul. Słoneczna 46, 10-710 Olsztyn, Tel. 89 524 05 34, 89 524 03 04, Fax. 89 524 02 10, E-mail: biuro@mpec.olsztyn.pl	
ZGOK Sp. z o.o.	Ul. Lubelska 53, 10 – 410 Olsztyn, Tel. 89 513 71 01 E-mail: zgok@zgok.olsztyn.pl	
Construction companies Equipment suppliers Transport companies	Construction works, equipment supply and transport services will be conducted by reputable companies, experienced in this kind of assignments selected on the basis of tender procurements.	
Lenders		
Considered International Finance Institutions	European Bank for Reconstruction and Development One Exchange Square London EC2A 2JN United Kingdom tel. +44 020 7338 6000	

5. DISCLOSURE OF INFORMATION

Disclosure of information and further proper communication with the stakeholders is an important measure to identify issues that could affect project development or environmental or social issues that should be taken into account to meet the good management practice rules.

Disclosure of project related information will be arranged following the legal requirements as well as the international standards of project development and internal company standards (if exist).

The disclosure of project related information is required by law in the following circumstances:

- while applying for environmental decision for the projects, which significantly affect the environment or may significantly affect the environment, or, which may affect Natura 2000 zones;
- while applying for a building permit if another EIA is required by the authorities; however based on issued environmental decisions and building permits, repetition of the EIA procedure was not required while applying for a building permit;
- in reaction to requests of the environmental control authorities if significant breaches of the environmental law or permit conditions were indicated by such authorities.

The Company will strictly follow legal requirements for disclosure of information. In addition, the Company will disclose environmental and social information and inform interested stakeholders on the Project development. A non-technical summary, a list of administrative decisions related to the project and annual project – related reports will be published on the Company's and project's website (<http://www.ec.olsztyn.pl>).

In order to meet the highest international standards, following the good management practice as well as in order to meet specific requirements of the lenders, the company should maintain transparency procedures of information disclosure, which comprise among others:

- presentation of the Annual EHS reports of the company environmental, social, and health and safety practices and performance on the company webpages;
- at the discretion of the company, PR actions in local newspapers and nationwide, radio (e.g. Polish Radio programs 1 and 3) and TV (e.g. TVP1, TVP2, Polsat, TVN);
- active participation in public consultation process arranged and managed by the administrative stakeholders;
- directly communication with interested stakeholders, as appropriate,
- distribution of the project related information among the own employees and employees of the external companies through internal mechanisms.

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 formal communication regarding environmental issues, as well as other issues including development and health and safety subjects, will be conducted by MPEC, as formally responsible for the Project's development.

Internal stakeholders (workers/employees) 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.

6. STAKEHOLDERS ENGAGEMENT PROGRAM

The consultations with the identified stakeholders are currently conducted and will be conducted on standard day-to-day basis. Overall responsibility for the communication with the stakeholders related to MPEC operations is held by Mr. Jarosław Kosin, Technical Director, who is also responsible for stakeholders' communication monitoring and for submission of the reports proving such communication to the Board.

In terms of the communication with internal stakeholders, MPEC uses the following communication channels:

- Intranet system DGA Quality - a system that allows access to all necessary documents, forms, system instructions, ordinances and regulations, which organizes the work of the Company;
- E-mail accounts in the domain business mpec.olsztyn.pl
- Information boards in administrative/office buildings and heating plants - changes in the regulations, ordinances and important events of the Company.
- Regular meetings of the heads of individual organizational units with employees.
- Weekly meetings managers of the technical department of the Company.
- Regular meetings of managers and the Company Management Board;
- Periodic meetings of the Company Management Board with employees - information about the finances of the Company, plans, planned changes, reports on the implementation of the tasks, plans.
- Custom publishing – information company newspaper MPEC 'Dobra Energia' (paper version).
- Programs for employees, e.g. 'Aktywność pracownicza (*employees' activity*) – program, which supports employees in the implementation of their life passion, combined with the promotion of the Company MPEC. Competition 'Share an idea' (in Polish, 'Podziel się pomysłem') - a competition for suggestions for improvement and innovation, integration events – e.g. Dzień Ciepłownika.

Moreover, the MPEC uses the following communication channels in order to maintain good relation with external stakeholders:

- Distribution of the information via websites:
 - a. www.bip.mpec.olsztyn.pl – basic information about formal issues connected with the company's operations.
 - b. www.mpec.olsztyn.pl – communication channel created for the heat receivers designed to provide information about current activities of the Company, heating system failures and planned outages; also a source of access to necessary applications and documents, information about services, products, it is also a place for the presentation of the Company's activities as a part of Corporate Social Responsibility (available the so-called. "Sponsorship package"), etc.
 - c. www.ec.olsztyn.pl – communication channel to inform about the project.
 - d. www.facebook.com/dobraenergiaolsztyn - social media website presenting basic information about the Company.
 - e. YouTube channel 'TV Dobra Energia' – movies about the project, which are prepared in cooperation with TV Kopernik.
- Articles in local newspapers (local, regional and nationwide) as well as broadcasts on the radio.
- Information stands during city events (fairs, music festivals, cultural and sport events).
- Open Days – open days for Olsztyn inhabitants combined with activities for whole families.
- Educational tours for groups – children from primary schools, middle schools, high schools and technicians, students of faculties related to environmental protection, district heating and energy.

- Customer Satisfaction Survey - regularly distributed among all consumers of district heat and hot water.
- Annual meetings with key customers and business partners - information about completed and planned investments.
- Press briefings for the media - according to the needs.
- Information sent via traditional mail - pricing, tariffs, information on services and products.

Consultations with the administrative stakeholders will follow the project planned time schedule. The objective of the consultation plan is to inform stakeholders in advance of the planned project milestones, i.e. commencement and completion of the construction works and to manage any questions or concerns. Commencement of the construction works will depend on availability of project financing by the lenders.

Information on the project milestones will be published in advance on the company websites to be available for the public and non-governmental organizations. All Project related environmental and social documents will be made available for the public review at the commune authorities' offices, according to the law regulations. Moreover, the disclosure information package which will comprise among others:

- Non-technical summary in English and Polish;
- Stakeholders engagement plan in English and Polish;
- Environmental and Social Action Plan in English and Polish;
- Supplementary Report in English and Polish;
- Annual project-related reports in English and Polish;

The hard copies of documents related to the project will be made available for the public review at the commune authorities' office.

Should any issues be raised by the stakeholders, the company management will react accordingly in the shortest possible time.

Below there is a summary of consultation activities that the company will undertake as part of the Engagement Plan. In the table below, the 'Company Management Board' should be understood as MPEC Sp. z o.o. Management Board until the PPP Company is established and then the PPP Company Management Board will take over the responsibilities of the MPEC Sp. z o.o. Management Board. This rule also applies to the Project Management.

Stakeholders:	Consultation, communication method and objective	Proposed milestones	Responsibility
<i>Directly or indirectly influenced by the Program</i>			
Residents of Olsztyn city (heat receivers)	Company and local administration websites. Information boards at the commune offices. Local press Direct contacts initiated by residents of Olsztyn city.	Commencement and completion of the construction works and in reaction to submitted grievances during and after the investment process.	The Company Management Board Commune administration

Land owners of the areas neighboring with the investment site	Company website. Information boards at the commune offices and local administration websites. Direct contacts with residents and landlords.	Commencement and completion of the construction works and in reaction to submitted grievances during and after the investment process.	The Company Management Board. Project Management. Commune administration.
Company employees	Intranet system DGA Quality. Regular e-mail correspondence with employees. Regular working meetings between managers and Company Management Board. MPEC information newspaper in a paper version 'Dobra Energia' Programs and competitions for the Company employees (periodically).	Continuously, during the whole project.	The Company Project Manager
Residents and institutions along transport routes during construction.	Company and local administration websites. Communal information boards at affected villages. Local press	Prior commencement and during construction works.	The Company Management Board. Project Manager. Commune administration.
Administrative Stakeholders			
Ministry of Economy Ministry of Environment Ministry of Transport, Engineering and Marine Economy	Formal letters, notifications, meetings on as needed basis.	In accordance with the requirements of administrative procedures	The Company Management Board. Project manager.
RDOS /Regional Directorate of Environmental Protection/	Submission of environmental monitoring reports. Mail exchange and meetings.	After completion of the construction works as well as during project's exploitation.	The Company Management Board. Environmental Specialist.
State Labour Inspectorate	Consultation meetings – exchange of information, documentation and correspondence regarding the project.	During the project lifetime, following legal requirements, on as needed basis	The Company Management Board.

Construction Inspectorate	Consultation meetings – exchange of information, documentation and correspondence regarding the project.	Continuous process during construction works and commissioning, on as needed basis	Project Manager
Sanitary Inspectorate	Exchange of documentation and correspondence regarding the project.	During the project lifetime, following legal requirements	Project Manager
Head of the Voivodeship	Notifications, formal letters, submission of information on use of the environment.	During the project lifetime, following legal requirements.	Project Manager. Environmental Specialist
Local government administration	Consultation meetings – exchange of information, documentation and correspondence regarding the project.	Continuous process - in accordance with the requirements of administrative procedures.	Project Manager
Road Administration	Consultation meetings – exchange of information, documentation and correspondence regarding the project.	During the construction works – delivery of the installation's equipment/elements.	Project Manager
Police	Consultation meetings – exchange of information, documentation and correspondence regarding the project.	Continuous process - in accordance with the requirements of administrative procedures	Project Manager
Fire Brigade	Consultation meetings – exchange of information, documentation and correspondence regarding the project.	Continuous process - in accordance with the requirements of administrative procedures	Project Manager
Non-Governmental Organizations			
NGOs associations for environmental protection, local and international, local ecological NGOs.	Company website, information meetings, and answers to direct questions or complaints.	During the whole project lifetime	Project Manager. Environmental Specialist.
Organizational Stakeholders			
Construction companies Equipment suppliers Security companies	In accordance with agreements between the company and construction companies, equipment suppliers and security companies.	Before the commencement of works regarding the investment and then during construction and operation of the project.	Project Manager.
Lenders			
International Finance Institutions	Consultation meetings on as needed basis. Exchange of information, documentation and correspondence regarding the project.	Continuous process - in accordance with the loan contract.	The Company Management Board.

7. GRIEVANCE MECHANISM

The grievance mechanism is implemented at MPEC as a procedure of the Company's integrated management system and will be maintained in case of the new project. The two – way communication includes the following:

- Receiving queries, interventions and grievances from the heat receivers, i.e. Olsztyn City inhabitants;
- Responding and maintaining further communication.

Grievances, which are submitted by the company's employees, can be submitted in line with the clauses of the Labour Code. Moreover, each of the employee can meet the President of MPEC on weekly basis.

In terms of the communication with external stakeholders, questions and/or grievances can be submitted on the website under http://www.ec.olsztyn.pl/zadaj_pytanie. Depending on the type of raised question or grievance, it is solved either by the person responsible for communication with media or it is forwarded directly to the person responsible for this issue. All answers are published on the website (http://www.ec.olsztyn.pl/najczesciej_zadawane_pytania) and/or are sent directly to the person who submitted question or concern.

The Company will maintain already implemented grievance mechanism.

Grievances related to the project will be managed by:
Mr. Radosław Leszczyński,
Head of Marketing Department of MPEC,
rleszczyński@mpec.olsztyn.pl

Response to the complainants should be given in the shortest possible time, however it depends on the case's complexity. The Company will maintain the current rule concerning the time of response to any grievance or, alternatively, if due to the complexity of the case response will not be possible within that time, the complainant will be informed in writing on the expected date of response and about the steps, which will be taken in order to address the complaint.

8. MONITORING

The SEP will be monitored by:

Mr. Jarosław Kosin, Technical Director of MPEC,
Phone: +48 609 999 923,
E-mail: jkosin@mpec.olsztyn.pl.

9. RESOURCES AND RESPONSIBILITIES

This SEP will be implemented and executed by the Company. SEP will be regularly updated and published along with that actualization.

Responsibility for the plan implementation will bear Mr. Konrad Nowak, Chairman of the Board.

10. TIMETABLE

The following milestones of the SEP implementation and project development are expected:

- Preparation of the construction project and application for a building permit – expected on September 1st, 2018;
- Prior to construction start: notifications to local communities with summary of any construction impacts and reminder of grievance process;
- Commencement of the civil works – expected on January 1st, 2019;
- After commencement of operation: summary of project impacts and planned mitigation measures to be posted on the website and provided to press and local authorities.
- Maintaining communication with administrative stakeholders during the construction works – ongoing process.