



Termoelektrarna Šoštanj

Stakeholder Engagement Plan

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Introduction

The present Stakeholder Engagement Plan (“SEP”) has been developed by Termoelektrarna Sostanj (“TEŠ” or the “Company”) in order to enhance public information and stakeholders¹ engagement procedures, especially in relationship with the modernisation and reconstruction project of the Sostanj Power Plan (the “Project”).

The proposed actions are in line with Slovene and local legislation, and have been developed taking into account the previous relevant experience of TEŠ, as well as best international practices.

The requirements of the European Bank for Reconstruction and Development (EBRD) for stakeholders’ consultation and engagement have also been considered as a guideline for the development of the SEP.

1. Requirements for Stakeholders Engagement

1.1 The Public Participation Provisions of Slovene Legislation

In Slovenia public participation in spatial planning and environmental protection processes is regulated by:

- Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention) Official Gazette of R.S., no. 62/2004,
- Spatial Planning Act (ZPNact), Official Gazette of R.S., no. 33/2007, valid since 28/04/2007, and
- Environment Protection Act (ZVO-1), Official Gazette of R.S., no. 41/2004 (amendments no. 20/2006, 39/2006, 70/2008).

1.1.1 Public Engagement/Consultations in the SEA and EIA Process

The modernisation and reconstruction project required modifications of spatial planning documents and according to Slovene legislation, if the project under study requires a modification of current spatial planning documents, the new plan undergoes the SEA (Strategic Environmental Impact Assessment) process, followed by an Environmental Impact Assessment of the specific project. The processes consist of the following main steps:

1. Notification of intent to the Ministry of Environment and Spatial Planning;
2. Public announcement that SEA is required (by the Ministry);
3. Drafting of the Environmental Report;
4. Submission of the draft plan and of the draft Environmental Report to the Ministry;
5. Determination of the suitability of the Environmental Report;

¹ “Stakeholder” is a person, group or organization that is affected or can be affected by the environmental and/or social consequences of a proposed project/activity; this includes individuals/groups/organisations that express interest in the project/activity and in the participation to round tables and discussion meetings, and/or are able to influence the project’s implementation and/or operations.

6. Notification of the Report's suitability or need for supplementation of the report;
7. Public disclosure of the spatial plan and of the Environmental Report and public debate;
8. Opinion of acceptability of the environmental impact of the plan;
9. Plan modification (including comments and suggestions from Ministries, State and public);
10. Submission of plan to the Ministry for approval;
11. Plan approval (by Decree);
12. Public notification of plan adoption.

Prior to the implementation of a project, which may have a significant impact on the environment, it is necessary to carry out an assessment of its impact on the environment (EIA process) and obtain the environmental consent from the Ministry of Environment and Spatial Planning.

SEA process of the spatial plan

As a first step, the proposing party notifies the intent to the Ministry of Environment and Spatial Planning: the notification must contain information regarding the typology, content and degree of precision according to which the plan has to be developed, including maps and figures indicating planned activities that will involve areas covered by the plan.

The Ministry, within 60 days after having received the notification, communicates in writing whether a strategic environmental impact assessment (SEA) is required. By a public announcement, on the global network and by locally established methods, the Ministry communicates to the public that a SEA will be carried out for the plan.

After the environmental report is found to be compliant with legal requirements, the plan developer makes the plan and the environmental report available to the public by submitting them to a public debate for at least 30 days, thus enabling public discussion of the documents.

During the public debate, the public has a right to give opinions and make comments both on the plan and on the environmental report (to be considered at a later stage of the SEA procedure). The plan developer indicates the place and period of submitting the plan to public exhibition and public debate and the method of giving opinions and comments, by a public announcement on the global network and by locally established methods.

The plan developer must take into account comments provided by Ministries, by the public and the State in the final version of the plan. The plan developer must notify other relevant Ministries, the State and the public about the adoption of the plan. The notification gives information on: the implementation of environmental requirements in the plan, how the views and comments from SEA procedure were considered, the reasons for the choice regarding the other alternatives and monitoring of environmental impacts of the plan implementation.

EIA Process of the Modernisation Project

The EIA process is similar to the SEA process with regard to public consultation. The Ministry of Environment and Spatial Planning provides public access to all documentation (EIA report, application for environmental consent and the draft decision on the environmental consent). The public is allowed to express opinions and make comments. The public is informed by an announcement published on the global network and by locally established methods. The public has the right of access to the documentation and to give opinions and comments for 30 days after the public announcement. After that, once all opinions and comments are collected and analyzed, the Ministry informs the public about the issued environmental consent by an announcement in the

media. The notice includes: the content of the decision, the essential conditions for the implementation of the intervention, the main reasons for the decision, the most important measures to prevent, reduce or eliminate adverse environmental impacts and how the public comments have been considered.

Public disclosure of the draft Decree for amending the existing spatial plan of Šoštanj Municipality (for TEŠ) took place from November, 12th 2007 to December, 12th 2007.

A public hearing was held on November, 21st 2007 at the premises of Šoštanj Municipality (Trg svobode 12, Šoštanj).

The minutes of public hearing are disclosed in the Municipality's website homepage: (http://www.sostanj.si/index.php?option=com_content&task=view&id=365&Itemid=59).

Public disclosure of the draft municipal spatial plan for the TEŠ modernisation and reconstruction project took place from Friday, 23rd November 2007 to Monday, 24th December 2007. A public hearing was held on Wednesday, 19th December 2007 at the premises of Šoštanj Municipality. On that occasion, the draft SEA was also presented.

The EIA for TEŠ Unit 6 was disclosed at the premises of Šoštanj Municipality from November 14th, 2008 until December, 15th 2008; the document is available on the website homepage of the Environmental Agency of the Republic of Slovenia.

(<http://www.arso.gov.si/varstvo%20okolja/presoja%20vplivov%20na%20okolje/vloge/>).

Comments and suggestions were recorded in a Register, located on the premises, and sent in writing to the Environmental Agency (Vojkova 1b, 1102 Ljubljana).

The EIA legal process in Slovenia for the Modernisation project is near to its conclusion and the Environmental Protection Consent should be granted in the near future. Further consultation under the European Bank for Reconstruction and Development's (EBRD) requirements is below in section 1.2.

1.1.2 Public Engagement/Consultation Arrangements for Existing Facilities

On January, 20th 2009 TEŠ organized an open-day in order to inform the public about the Power Plant modernisation project.

The open day was mainly addressed to residents living near the power plant; together with meeting invitations, a brochure describing main project characteristics was sent.

During the open day, a round table was organized for Šoštanj residents by the Council of the Šoštanj Local Community. The Council President, Ms. Vilma Fece, and the Director of TEŠ, Mr. Uroš Rotnik, participated in the discussion; they both agreed that the Power Plant modernisation is an extremely important project for the entire country, as well as for the Company and the local community, and they agreed on the need for further communication and information activities.

A commission for modernisation and reconstruction monitoring, comprised of representatives of TEŠ, Sostanj Municipality and local community has been created. The commission met three times: on December, 17th 2007, February, 16th 2008 and September, 28th 2009. The minutes of the last meeting are disclosed in the Municipality's website homepage: http://www.sostanj.si/index.php?option=com_content&task=view&id=882&Itemid=59.

1.2 EBRD Requirements

1.2.1 EBRD Mandate and Key Documents Setting Out the Requirements and Provisions for Stakeholder Engagement

The EBRD is committed to promote environmentally sound projects and sustainable development within the full range of its activities, applying sound banking principles to all its operations. Consequently, the Bank formulated its environmental policy and requirements aimed at achieving the following two main objectives:

- Ensuring that potential environmental consequences of each Bank-financed investment project are identified and evaluated at a very early stage in the project planning/decision making process, i.e. integrate environmental considerations into the project cycle, including project preparation, approval and implementation;
- Developing/applying techniques designed to improve environmental aspects of all Bank-financed projects by identifying environmental opportunities and incorporating environmental improvements/benefits into these projects.

The present project is governed by the EBRD Environmental Policy and the applicable Performance Requirements (PR) adopted in 2008. Specific stakeholder engagement requirements are set out in the following documents:

- EBRD Environmental and Social Policy (2008) [6];
- EBRD Public Information Policy (2008) [7];
- PR 10 Information Disclosure and Stakeholder Engagement (2008) [6];

Other relevant documents applicable to the EBRD-funded projects include:

- UNECE Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention) [8]
- The EU Directive 85/337/EEC, amended by the Directive 97/11/EC, on the Assessment of the Effects of Certain Public and Private Projects on the Environment [9].

1.2.2 EBRD Stakeholder Engagement Requirements

EBRD considers public consultation and stakeholder engagement as an on-going process, to be started at the earliest stage of the environmental assessment process, and to be continued throughout the entire life of the EBRD-financed project.

An essential element in the stakeholder engagement process, in order to ensure meaningful and effective consultation process, is the careful identification of all involved stakeholders and the exam of their concerns, expectations and preferences. Special attention should be paid to the identification of vulnerable stakeholders whose life and well-being is directly dependant by the Company's activities. The consultation and dialogue with these stakeholder groups need to be planned and managed with special care.

Furthermore, the EBRD requires that the project sponsor establish and maintain an effective grievance mechanism, ensuring that any stakeholder complaints and concerns are received, handled and resolved effectively, in a prompt and timely manner.

Maintaining close interaction with the local community and promoting its development should be an essential element of corporate policies and activities of all companies borrowing through the EBRD. Even if there is no explicit requirement for social investment activities, they are encouraged and appreciated.

For public sector projects that require an environmental impact assessment, EBRD requires that the EIA be in the public domain for 120 days after the EBRD board of directors is notified of the project.

To meet this requirement, the Project EIA will be in the following location for any further public comments until February, 15 2010, 120 days from EBRD posting notification on our website:

1. **TEŠ offices**, Cesta Lole Ribarja 18, 3325 Šoštanj (Tel. + 386 - 3 – 899 3 100)
2. **TEŠ Website**: www.te-sostanj.si
3. **Šoštanj Public Library**, Lampretov trg 3, 3325 Šoštanj (Tel. + 386 (03)89 84 340; <http://www.vel.sik.si/enote/sostanj.htm>)
3. **EIMV - Elektroinstitut Milan Vidmar**, Hajdrihova 2, 1000 Ljubljana (Tel. +386 (0)1 474-3601)
4. EBRD does not have a Resident Office in Slovenia at this time. A set of EIA documents has therefore been put in the public domain in Ljubljana in the following location:

Regional Environmental Centre

Slovenska cesta 5
1000 Ljubljana, Slovenia
Tel/Fax: (386-1) 425-7065
Tel: (386-1) 425-6860
e-mail: rec-slovenia@quest.arnes.si
Web: www.rec-lj.si/

5. **EBRD Business Information Centre**, London

One Exchange Square
London, EC2A 2JN
United Kingdom
Tel: +44 207 338 6000

Comments or questions on the project can be submitted through TES web site (www.te-sostanj.si), by clicking on the “ask us” button.

If you would like EBRD to be aware of your comments and concerns, please send an e-mail Mr. George Giaouris, at GiaouriG@ebrd.com.

2. Key methodological approaches towards stakeholder engagement

The key proposed actions in order to improve stakeholders' engagement are based on provisions of the Slovenian law in force and the best international practices, included EBRD policies; proposed actions take into account also relevant previous TEŠ experiences.

2.1 Company experience in building relationships with stakeholders

2.1.1 Internal stakeholder communications

A procedure for both internal and external communications is in place at TEŠ, as part of the integrated Quality, Environmental and Health Management System.

Means for internal communication include formal and informal meetings with workers, bulletin boards and boxes for suggestions. Workers can make confidential comments.

Yearly reviews of each employee's performance are conducted, through discussions between workers and their supervisors.

An anonymous survey among employees is conducted on a yearly basis, to assess workers' satisfaction. Results are available on the Company intranet: 2008 survey results showed a positive feedback from TEŠ employees.

2.1.2 Company-Community Relationship

TEŠ has good relationships with the local community. Main actions undertaken by the Company include:

- Provision of district heating to Velenje and Šoštanj towns at low prices;
- Contribution to the maintenance of roads and school buildings;
- Cooperation with educational institutions;
- Support to the "Young Researcher" project;
- Donations to art associations;
- Sponsoring of TEŠ Octet, mixed choir Svoboda from Šoštanj, and brass band Zarja from Šoštanj;
- Sponsoring of the Elektra Šoštanj basketball team, of the Šoštanj–Topolšica volleyball team and other clubs and associations;
- Active participation in humanitarian campaigns, supporting institutions and individuals.

Regarding the Power Plant modernisation and reconstruction project, a commission for monitoring, comprised of representatives of TEŠ, the Municipality and the local community, has been created.

2.1.2.1 Annual Communication Plan

The 2009 annual communication plan developed by TEŠ includes several tools, such as:

- Company website www.te-sostanj.si, containing a dedicated section about modernisation project and the investment plan;
- Company intranet and newsletter;
- Company newsletter, brochures and yearly reports, available also on the website;
- Interviews, articles and advertisements in the local and national media;
- Formal and informal meetings;
- Open day;
- Conferences, events, meeting with the Director;
- Public opinion research.

Preliminary plans for 2009-2010 communications include:

- Further comment period on EIA for 120 days from October, 15th 2009 (February, 15th 2010)
- A new Company brochure;
- A movie about the modernisation project and the Unit 6;
- A newsletter for the local community.

2.1.2.2 Information dissemination and public opinion research

An Open Day at TEŠ was held on January 20th, 2009, inviting the local communities as well as local and national media. The event included a presentation by TEŠ Director and time for questions and answers.

Public opinion research was carried out among Šoštanj inhabitants in May 2009. A sample of 220 people, chosen on a random basis, was interviewed. The survey, conducted by an external contractor (Erico d.o.o) via face to face interviews, was focused on the perception of the environment and of environmental issues on TEŠ, and its social and environmental role in the community and on the perception of the modernisation project and of the investment program.

Based on the results, approximately 13% of the interviewed people had concerns about the modernisation project at the Power Plant. In general, Šoštanj residents perceive TEŠ as an environmentally-concerned company and, comparing the results with a previous opinion survey carried out in 2000, positive changes in the environment have been perceived.

TEŠ activities in the field of environment are perceived by 75% of the people as good.

Among positive effects of TEŠ, interviewed people put in the first place the economic aspect of employment in TEŠ. In general, more than 60% of the interviewed people think that Šoštanj has large or very large benefits from TEŠ.

2.2 Methodology for further stakeholders' engagement

2.2.1 Principles

The following principles for stakeholder engagement are considered:

- **Openness and life-cycle approach:** public consultations should be arranged for all development initiatives during the whole life-cycle, carrying them out in an open manner, free of external manipulation, interference, coercion or intimidation;
- **Informed participation and feedback:** information should be provided to and widely distributed among all stakeholders (via a commission for modernisation and reconstruction monitoring) in an appropriate format; opportunities should be provided for communicating stakeholders' feedback, for analyzing and addressing comments and concerns, for improving management decisions based on public feedback (where relevant), and also building long-term relations;
- **Inclusiveness and sensitivity:** stakeholder identification should be undertaken to support better communications and build effective relationships. The participation process should be inclusive, not exclusive. All stakeholders should be encouraged being involved in the consultation process. Equal access to information should be provided to all stakeholders. Sensitivity to stakeholders' needs is the key principle underlying the selection of engagement methods. Special attention should be given to vulnerable groups.

2.2.2 Stakeholder Identification

The following stakeholder groups have been identified. If you are not on this list and would like to be included, please notify submitting through TES web site (www.te-sostanj.si) and clicking on the "ask us" button.

Internal Stakeholders	Contact Method	Grievance Mechanism
Management	Meetings, e-mail	Internal procedures, comment boxes
Employees entitled to benefits/privileges (women, young employees, employees with disabilities)	Workers' Council, bulletin board, Intranet	Internal procedures, comment boxes
Other Workers	bulletin board, Intranet	Internal procedures, comment boxes
Workers' Council	Meetings, bulletin board, Intranet	Internal procedures, meetings with management
Shareholders	Letter, website, meetings	Meetings with management
Pensioners (veterans)	Letter, e-mail, website	Letter goes through internal procedure

<u>External Stakeholders</u>	Contact Method	Grievance Mechanism
Local community:		
Residents living in the immediate proximity to the Plant (Local Community of Šoštanj)	Newsletter, public meeting (TES plant or Sostanj public library, where EIA document is located)	✓
Residents living in the adjacent areas (other Local Communities in the Municipalities of Šoštanj and Velenje)	newsletter, local newspaper (List, Naš Čas), local radio (Radio Velenje, Radio Fantasy, Moj radio), local TV station (VTV)	✓
Vulnerable groups (e.g. children, elderly living close to the Plant and in the adjacent areas)	in person	✓
Local Authorities:		
Local Municipalities (Šoštanj, Velenje) Administration Unit (Velenje)	In person, formal letter	
Research organizations:		
ERICo, EIMV	e-mail	✓
Professional Public		
Experts in the field of energy production	e-mail, meetings	✓
Non-governmental organizations:		
Local NGOs, state level NGOs, including: –PIC – Legal Information Center of NGOs –ZEG - Association of Slovenia ecological movements –Slovenian E-forum –FOCUS - Association for Sustainable Development	e-mail, newsletter, website	✓
Contractors:		
Companies involved in supply, production, construction activities	Newspaper (List, Naš Caš), website	✓
Neighbouring enterprises:		
PV Coal Mine	Telephone, e-mail, meetings	✓
Gorenje and other local enterprises	Telephone, e-mail, meetings	✓
Mass media to be used for notifications:		
Local newspapers (List – Šoštanj, Naš Čas - Velenje)	Letter, e-mail	✓
National newspaper (Delo, Finance, Večer, Dnevnik)	Letter, e-mail	✓

Magazines (Savinjska, Novi tednik, SEE Business, etc.)	Letter, e-mail	✓
Radio (Radio Velenje, Radio Fantasy, Moj radio)	Letter, e-mail	✓
Other Mass media:		
Television stations (VTV, TV Celje, TV Info, POP TV, RTV Slovenija)	Letter, e-mail	✓

Table A1.1 –Stakeholder Identification

2.2.3 Grievance Mechanism and Approach to Conflict Prevention

According to stakeholder engagement best practice requirements, a grievance mechanism for external stakeholders should include:

- Clearly defined and simple procedure for submitting stakeholders;
- Maintaining records of all complaints, concerns and suggestions;
- A procedure for reviewing and handling complaints; and
- A procedure for responding to complaints.

Each complaint needs to be considered and a response to each specific complaint has to be directly communicated to the party that raised it.

A formalized grievance mechanism is an important tool to monitor and promptly resolve potential conflicts with stakeholders whose interests may be affected by Company activities.

2.2.3.1 External grievance mechanisms

The grievance mechanism in TEŠ relies on written requests to the Company Director or to the Public Relations department. A simple form is attached in Annex 1.

The Public Relations department forwards the request to the person in charge who elaborates the answers. All answers have to be approved by the Director.

Written answers are elaborated for each request, within a maximum of 30 days. Some of them are also published in the Company newsletter.

2.2.3.2 Internal grievance mechanisms

The internal grievance mechanisms at TEŠ include written and oral communications with supervisors, Human Resources department and Trade Union representatives through the Workers' Council. An intranet is also available, as are bulletin boards for notices and comment boxes.

2.3 Public Consultation Methods

The Company employs the following methods for communicating with the public:

- Information via mass-media and internet-based sources;
- Meetings with the public (roundtable meetings with public representatives);
- Open Days and site tours;

- Feedback;
- Awareness-raising booklets and leaflets;
- Annual report (including information about targets achieved in environmental protection, health and safety, and community development);
- Support for various community development projects.

With a view at promoting and enhancing dialogue with stakeholders in order to ensure full compliance with the relevant EBRD requirements, TEŠ will evaluate the use of additional communication/interaction methods.

List of References:

1. Spatial Planning Act (ZPNactr), Official Gazette of R.S., no. 33/2007, valid since 28/04/2007
2. Environment Protection Act (ZVO-1), Official Gazette of R.S., no. 41/2004 (Amendments no. 20/2006, 39/2006, 70/2008)
3. Šumej, 2006: Environmental Impact Assessment (Presoja vplivov na okolje) <http://www.pf.uni-mb.si/datoteke/knez/sumej-pvo.doc>
4. Thermal Power Plant Šoštanj (TEŠ): Internet homepage, <http://www.te-sostanj.si/en/>
5. TEŠ Annual Report 2008, http://www.te-sostanj.si/en/filelib/letno_poroilo/annual_report_2008.pdf
6. Environmental and Social Policy, European Bank for Reconstruction and Development, 2008. Available at: <http://www.ebrd.com/about/policies/enviro/policy/2008policy.pdf>
7. Public Information Policy, European Bank for Reconstruction and Development, 2008. Available at <http://www.ebrd.com/pubs/insti/pipe.pdf>
8. UNECE Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (Aarhus Convention) available at: <http://www.unece.org/env/pp/documents/cep43e.pdf>
9. Council Directive 97/11/EC dated March 3rd, 1997 amending Directive 85/337/EEC on the Assessment of the Effects of Certain Public and Private Projects on the Environment. Official Journal no. L 073 , March 14th, 1997, P. 0005
10. AA1000 Stakeholder Engagement Standard. Exposure Draft /Accountability Institute. Available at: <http://www.accountability21.net/uploadedFiles/publications/SES%20Exposure%20Draft%20-%20FullPDF.pdf>.

Public Grievance Form

Company Reference No:	
Full Name	
Contact Information Please mark how you wish to be contacted (mail, telephone, e-mail).	<input type="checkbox"/> By Post: Please provide mailing address: _____ _____ _____ <input type="checkbox"/> By Telephone: _____ <input type="checkbox"/> By E-mail _____
Preferred Language for communication	<input type="checkbox"/> Slovenian <input type="checkbox"/> 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	<input type="checkbox"/> One time incident/grievance (date _____) <input type="checkbox"/> Happened more than once (how many times? _____) <input type="checkbox"/> On-going (currently experiencing problem)
What would you like to see happen to resolve the problem?	

Signature: _____

Date: _____

Please return this form to:

Janja Štrigl (janja.strigl@te-sostanj.si), Public Relations Department

TEŠ, Cesta Lole Ribarja 18, 3325 Šoštanj + 386 - 3 – 899 3 651