ENERGIXGROUP
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Environmental and Social Due Diligence Assessment Report

40 MW Sepopol Wind Electric Plant (WEP), Warmińsko-Mazurskie province, Sepopol commune, Poland

22 February 2021

Project No.: 0566982

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22 February 2021

Environmental and Social Due Diligence Assessment Report

40 MW Sepopol Wind Electric Plant (WEP), Warmińsko-Mazurskie province, Sepopol commune, Poland

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Acronyms and Abbreviations

Name	Description
CRM	Collision Risk Modelling
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
E&S	Environmental and Social
ESAP	Environmental Social Action Plan
ESIA	Environmental and Social Impact Assessment
ESMS	Environmental and Social Management System
kV	kilovolt
LLC	Limited Liability Company
OHS	Occupational Health & Safety
MP	Management Plan
MW	MegaWatt
PS	Performance Standard
PR	Performance Requirements
SEP	Stakeholder Engagement Plan
SPV	Special Purpose Vehicle
VP	Vantage Point
WEP	Wind Electric Plant
WT	Wind Turbine

EXECUTIVE SUMMARY

ERM was engaged by Energix Group (the "Client) to conduct an Environmental and Social (E&S) Due Diligence (ESDD) assessment of the Sępopol wind electrical plant (WEP) ("the Project"), located in Poland. The Project, to be developed by Energix - Renewable Energies Ltd ("the Company"), is seeking finance from The European Bank for Reconstruction and Development (the "EBRD" or the "Bank"), Santander Bank Polska ("Santander") and EKF – Danmarks Eksportkredit ("EKF") (together with EBRD, the "Lenders").

The Project has obtained the required permits under the Polish law and currently aims to also fully reach the internationally standards.

As part of this assignment, ERM assessed the E&S compliance of the Project in relation to the relevant Polish legal requirements and international standards (see Section 3.1). In this context, ERM developed this ESDD Report, an Environmental Social Action Plan (ESAP), a Non-Technical Summary (NTS) and a Stakeholder Engagement Plan (SEP) for the Project.

The Project is planned outside settlement boundaries, within the territory of of Różyna and Sępopol, Sępopol Commune, Bartoszyce County, Warmińsko-Mazurskie Voivodeship, north eastern Poland, at approximate 10 km to the border with Russia. The Project comprises:

- 20 Vestas V110 2,0/2,2 turbine generators (WTG)[1] with a 110-m rotor diameter and a hub height of 120 meters. Each WTG will have a capacity of 2 MW, which results in a maximum Project capacity of 40 MW.
- medium voltage line, connecting power plant with main power pint; and
- building of assembly square, exit and technological routs.

Identification of Risks and Impacts

An Environmental Impact Assessment (EIA) Report was developed for the Project in 2009 covering a total number of 30 turbines. The EIA report was approved through Environmental Decision issued on 6 June 2011. However, a systematic process to identify and effectively address the E&S risks and impacts during the implementation and operation stages of the Project has not been done to date.

ERM recommends establishment of a Corporate-level E&S Policy, to be cascaded to each development project, and implementation of a Corporate-level E&S Management System (ESMS), at Energix Polska level. While accreditation is not a requirement, implementation of processes similar to those provided by recognized management systems (e.g. ISO 14001, ISO 45001 etc.) is recommended.

Energix Polska had no dedicated staff in charge of Project E&S aspects management[2] (including environmental, social, cultural heritage, biodiversity), with health and safety responsibilities for own staff being assigned to the Human Resources Manager.

ERM recommends e*mployment of an appropriately-qualified Environmental and of a Health and Safety Manager to also manage contractors. Additionally, social aspects need to be formally assigned either to the future Environmental Manager or to a dedicated appropriately-qualified Social Manager to also be employed. Energix could delegate these roles and responsibilities directly to its contractors in charge of the construction and operation of the Project, via clear contractual terms which will be monitored by Energix.*

[1] According to Road Survey for Sepopol Wind Farm, dated 29 January 2020

[2] Throughout this report "E&S" refers to environmental, social, cultural heritage, health and safety aspects

Stakeholder Engagement

No stakeholder identification and analysis was currently formally performed for the Project, nor a grievance mechanism and log.

Information and consultation activities conducted for the Project were largely limited to complying with the permitting requirements of Polish legislation, back in 2009-2011 when the main permits were obtained. Reportedly, no comments from the public were received during the environmental approval proceedings, as reported in the Environmental Decisions . Engagement with land owners has been continuous, however it has not been documented. No records were provided regarding engagement with the community at large, at any stage of the Project's development.

ERM recommends engaging in meetings or other forms of dialogue with the affected communities as soon as possible, to provide updated information about the Project, disseminate the SEP and the grievance mechanism and understand key concerns and benefits in relation to the Project and how these can be mitigated, respectively enhanced. This is to be organised in a structured manner, as per the SEP, documented and reported back to the community.

Land Acquisition and Involuntary Resettlement

Land for permanent project components was acquired via voluntary land lease agreements with private owners or easement agreements to be concluded with public authorities for additional plots that will be required for roads and cable lines. The agreements were negotiated on a case-by-case basis.

In line with the Polish regulation, the EIA for the Project did not include baseline information about ownership and use of the land plots required nor an assessment of potential economic displacements impacts. It cannot be confirmed whether the respective plots had been previously leased to other people or farmed by employed people who would lose income sources once the plot was leased for the Project development.

ERM recommends the development of a Land Acquisition and Compensation (including Livelihood Restoration) Procedure at Corporate level, which ensures transparent and consistent land acquisition for all Energix projects. The procedure should determine eligibility criteria, when are Resettlement Action Plans / Livelihood Restoration Plans required and the process that should be followed to determine impact and define compensation, along with compensation in case of accidental damage to private property and temporary use of land during construction or maintenance works.

Biodiversity Monitoring and Mitigation Programme

The Project is located mostly in agriculture lands and partially overlaps a Natura 2000 site *Ostoja Warmińska* (PLB280015). The site was proposed for designation primarily for the protection of the White Stork *Ciconia ciconia* that reaches here the largest population and the highest density in the country. Therefore, given the potential presence of habitats that qualify as critical, supporting significant migratory species, *ERM recommends further assessment to establish if the Project impacts or not critical habitat and / or priority biodiversity features.*

The assessment of potential impacts on biodiversity receptors were based on data collected from a one-year field campaign (September 2008 - August 2009) for birds and bats. The baseline identified five species of bats and 103 species of birds, eight of which are listed under Annex I of Birds Directive. These surveys are likely to be out of date[3] and, therefore, *ERM recommends additional supplementary survey for birds and bats using quantifiable methods such as VP surveys and CRM along with post-construction carcass monitoring*. An independent ecological advisor (with expertise in

[3] Chartered Institute of Ecological and Environmental Management (2019). Advice note on the lifespan of ecological reports and surveys. https://cieem.net/wp-content/uploads/2019/04/Advice-Note.pdf

both ornithology and bats) should be appointed by Energix to provide support in delivering the requirements in relation to PR6.

Specific survey work using VP studies and CRM mentioned above, together with further desk study and consultation, will assist with *identifying whether automated approaches such as DTbird would be suitable, and if so how best to configure them. Such studies will also assist in refining and understanding peak risk periods, when shut down procedures may be most effective.* The data collected will also allow Energix to *develop a bat mitigation procedure that includes triggers for change based on the number of bats per turbine killed assessed against European averages for operational turbines and population levels.*

No standalone Appropriate Assessment was prepared for the Project and subject to dedicated permitting procedures. According to our understanding, such request should have come from the environmental agency. However, at that stage in 2011, the environmental authorities in Poland had decided for an interpretation of the AA EU legislation which was different than the one applied by the other EU Countries, namely to integrate general biodiversity related aspects in the EIA procedure without dedicated assessments as per the Habitats Directive. Reportedly, the approach of the regulators has been further changed as required by the EU; however, the permits which were previously issued were not requested to be revised to add Appropriate Assessment (for planned projects) or Critical Habitats assessments (for projects implemented already) and remain valid. Therefore, the Project is considered in compliance with Polish regulations, while*, for fully alignment with the EU and international standards, we recommend undertaking a voluntary Critical Habitats Assessment and a BMP/ BAP if deemed necessary.*

ERM recommends Energix to appoint an Independent Ornithological and Chiropterologist (birds and bats) expert (IOCE) to undertake monitoring of the Project during commissioning then subsequently during operation of the wind farm. The IOCE will be appointed on 3 year contract and this will continue through the operation of the wind farm.

Cultural Heritage

Archaeological studies undertaken for the Project do not fully meet the requirements of EBRD PR8 and International Best Practice. The EIA conducted in 2009 for the Project includes a brief section on Cultural Heritage impacts, which states that there are no cultural assets in the Project area or in its immediate vicinity. Given the limited baseline information, there is potential for the Project to affect currently unknown heritage unless further baseline studies are undertaken and subsequently assessed for impact.

ERM recommends undertaking a Change finds procedure to comply with applicable standards.

1. INTRODUCTION

1.1 Background

Energix Renewable Energies Ltd. (Energix Group or The Company is one of Israel's largest renewable energy companies with a portfolio of more than 1GW of projects under development. The Group runs the 106 MW Banie Windfarm, already operational, the second largest in Poland, through 100% holding of a Polish subsidiary (Energix Polska or Loxleed Investments Sp. Z.o.o) and a number of special purpose vehicles (SPVs).

Energix Group intends to further develop the Sepopol Windfarm, a 40 MW Wind Electric Plant (WEP), comprising 20 onshore wind turbines, in the area of Różyna and Sępopol, Sępopol Commune, Bartoszyce County, Warmińsko-Mazurskie Voivodeship, in northeastern Poland (the "Project").

In August 2020, ERM was engaged by Energix Group (the "Client") on behalf of the Lenders, to conduct an Environmental and Social (E&S) Due Diligence (ESDD) assessment of the Project against

the Applicable Standards (defined in Section 3.1). The ESDD assessment was conducted in the context of the Company's intention to seek Lenders's financing for the Project. The Project was preliminarily categorised by Lenders as "B".

In this context, ERM developed this ESDD Report, an Environmental Social Action Plan (ESAP), a Stakeholder Engagement Plan (SEP) and a Non-Technical Summary (NTS) for the Project.

The ESDD assessment was performed based on a desktop review of available information provided by the Client and virtual interviews with relevant representatives of the Company. No visit was undertaken to the site as part of the scope agreed with Energix Group.

1.2 Limitations and Exceptions

This report was prepared by ERM with all reasonable skill, care and diligence within the terms of the contract with Energix, incorporating ERM's General Terms and Conditions of Business, as agreed upon with the Client and taking account of the manpower and resources devoted to it by agreement with Client. The report cannot, and makes no attempt to, anticipate all changes to those conditions and circumstances, and/or changes to the Project or regulations, which occur after its date of document review. ERM disclaims any responsibility to the Client or any other party for use of the report for any purpose other than that for which it was specifically prepared.

This report is based upon the application of scientific principles and professional judgment to certain facts with resultant subjective interpretations. Professional judgments expressed herein are based on the currently available facts within the limits of the existing data, scope of work, budget and schedule.

To the extent that more definitive conclusions are desired by Client than are warranted by the currently available facts, it is specifically ERM's intent that the conclusions stated herein are intended as guidance and not necessarily as a firm course of action, except where explicitly stated as such. Other than warranting that it has exercised the skill, care and diligence referred to above, ERM makes no representations or warranties, expressed or implied, including, without limitation, representations or warranties as to merchantability or fitness for a particular purpose. In addition, the information provided in this report is not to be construed as legal advice.

ERM points out that the findings and conclusions by ERM in this assignment are predominantly based on written information provided by third parties, mainly by the Client and their legal and technical consultants, which ERM assumes to be accurate. ERM has only to a limited extent been able to validate such information first hand, e.g. via crosschecking with document reviews. As such, ERM makes no warranties or representations with respect to such information.

This report, including annexes, supplements and related documents, has been prepared for the use of the Client and its advisors and agents, as well as the additional specified recipients of this report. Other parties may only rely on this report pursuant to a written Reliance Agreement with ERM and subject to the same contractual conditions as the Client. Nothing contained in this report shall be construed as a warranty or affirmation by ERM that property described in the report are suitable collateral for any loan, or that acquisition of such property by any lender through foreclosure proceedings or otherwise will not expose the lender to potential environmental or other liability.

Limitations specific to this assignment include the following:

- The approach of this Assessment aimed at achieving a level of detail appropriate to meet the needs of international lenders, in order to inform decisions regarding the structuring and arrangements around the investment. The scope is therefore less than that required for a detailed compliance assessment or detailed review of management systems.
- As part of delivering the Assessment, no site visit was undertaken. The assessment was conducted through a combination of desktop review of documents and remote interviews with Company representatives.

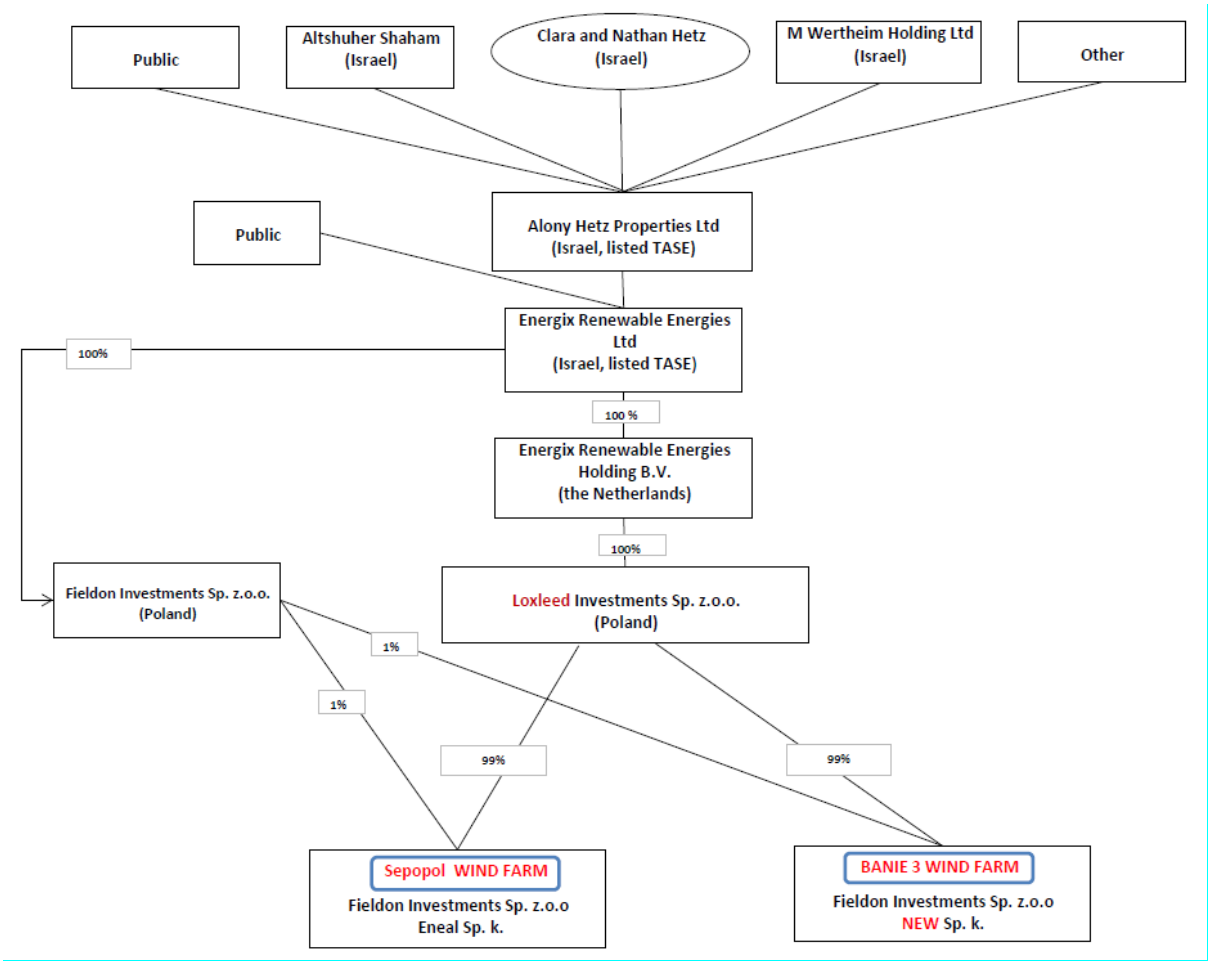
- The assessment of land acquisition topics has been limited to understanding practices that Energix uses with regard to acquisition of land as well as potential legacy issues in relation to the Project from previous developer and the identification of any processes in place to manage compensation for potential displacement impacts.
- ERM has relied on the information provided to us by or on behalf of Energix as being accurate and complete, and to the extent that it is not, ERM is liable to the Company or any other party.
- ERM has not independently verified or certified data provided for undertaking this Assessment. The output of the virtual management interviews has been reflected in this ESDD Report. No separate interview minutes of meetings were developed.

2. PROJECT DESCRIPTION

2.1 Project Organization

Energix Group plans to create a dedicated SPV for Sępopol WEP, which will take over the auction certificate and the leases negotiated by Fieldon Investment Wiatromil and Fieldon Investment Gryf, other SPVs 100% owned by the Company. The Sepopol Project shareholding structure is illustrated in Figure 2-2 below.

Figure 2-1 Sępopol shareholding structure

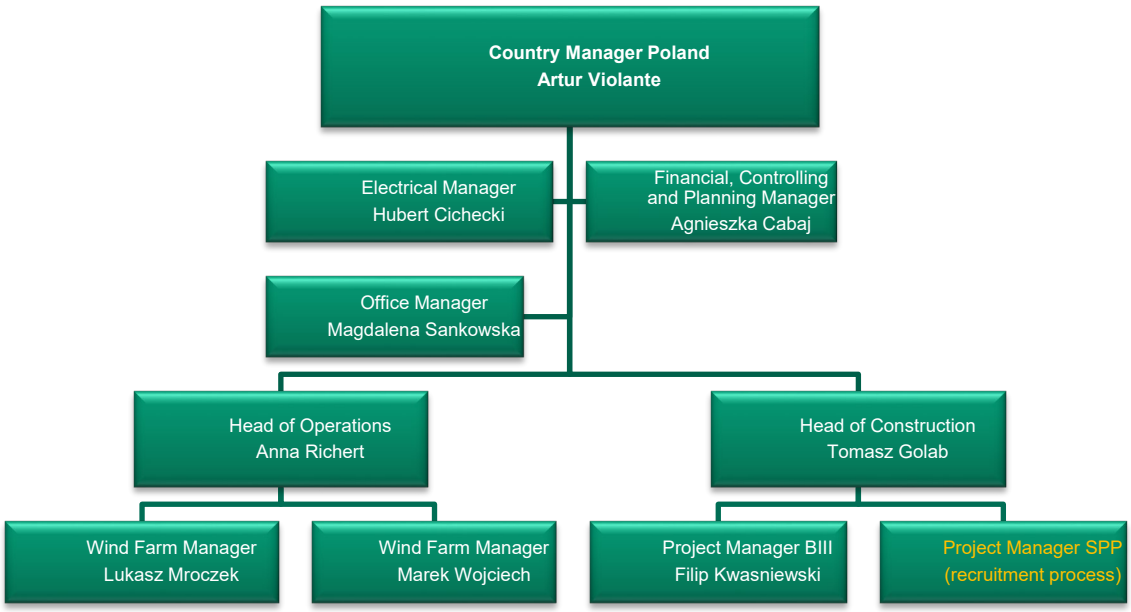


Source: Energix Group, September 2020

The Energix team in Poland is in process of being developed, following the recent hire of experienced Polish Country Manager and Head of Construction. The following functions are in now in place: Head of Construction, Head of Operations, Electrical Manager, Country Manager and other functions (e.g. finance) – please see Figure 2-2 below. The Polish team is being supported by HQ management in Israel with the following departments: legal, finance and business development. The overseeing of the EHSS aspects by the Construction Manager during construction is then passed on the Operations Manager as the project progresses to that stage – for example biodiversity monitoring and conditions.

WKB, a Polish law firm, is supporting Energix in all their investments in Poland, via a dedicated team that is working alongside the project development team. The legal support team includes an environmental law specialist, a labour law specialist and an overall construction law specialist that are working closely with the Energix team in ensuring a hands-on management of all the projects in Poland.

Figure 2-2 Organisational chart of Loxleed Investments (Energix Polska)



Source: Energix Group, 2020

2.2 Schedule

The works are established to start in February 2020. Tthe final completion of the works is currently scheduled for spring 2022.

According to Client representatives, the exact schedule for the works will depend on the BoP contractor, but there are no indications at the moment that significant delays are to be expected.

2.3 Project Description

The Project is planned outside settlement boundaries, within the territory of of Różyna and Sępopol, Sępopol Commune, Bartoszyce County, Warmińsko-Mazurskie Voivodeship, north eastern Poland, at approximate 10 km to the border with Russia.
The nearest WTG to residential areas is no EW34 which is at approximate 350- 400 m to houses.

The Project comprises:

- 20 Vestas V110 2,0/2,2 turbine generators (WTG)[4] with a 110-m rotor diameter and a hub height of 120 meters. Each WTG will have a capacity of 2 MW, which results in a maximum Project capacity of 40 MW.
- The WTGs will be located in two districts within Sępopol commune:
  - Różyna district
    - 7 WTGs in parcel 217/2
    - 2 WTGs in parcel 256/3
  - Śmiardowo district
    - 4 WTGs in parcel 27/10
    - 2 WTGs in parcel 30/37

[4] According to Road Survey for Sepopol Wind Farm, dated 29 January 2020

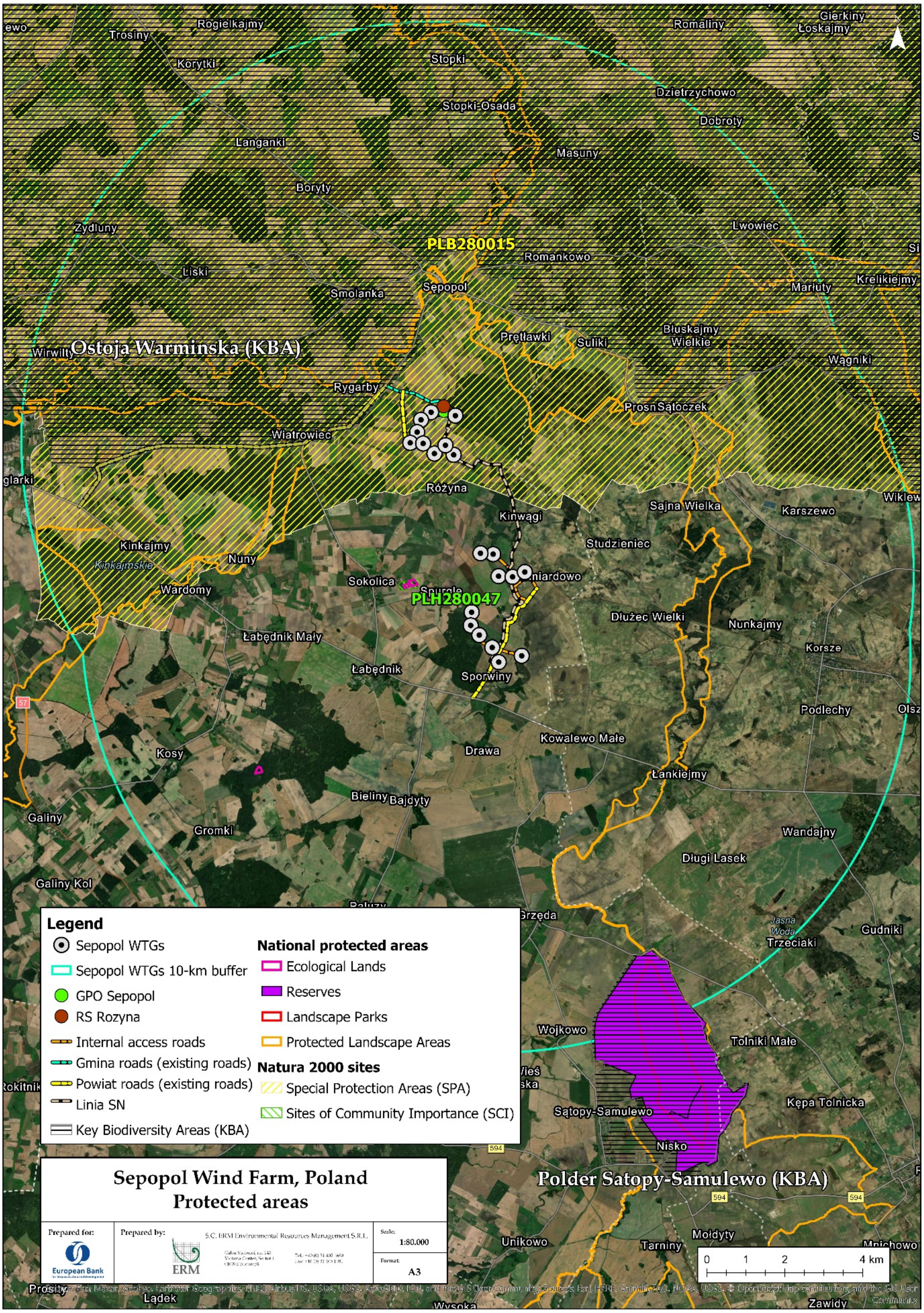
- 5 WTGs parcel 254

- medium voltage line, connecting power plant with main power pint; and
- building of assembly square, exit and technological routs.

Figure 2-2 below shows the layout of the 20 WTGs of the Project and the Figure 2-3 below presents the project versus the natural protected areas.

Figure 2-3 Sepopol WEP layout

Figure 2-4 Protected and designated areas within 10 km of Sepopol wind farm


Rogielkajmy
Trosiny
Korytki
Stopki
Romaliny
Gierkiny
Łoskajmy
Stopki-Osada
Dzietrzychowo
Dobroty
Langanki
Masuny
Boryty
Żydluny
Lwowiec
PLB280015
Romankowo
Liski
Smolanka
Sępopol
Marłuty
Krelikiejmy
Ostoja Warminska (KBA)
Wirwilty
Prętławki
Suliki
Błuskajmy Wielkie
Wągniki
Rygarby
Prosna
Sątoczek
Wiatrowiec
Różyna
Kinwągi
Sajna Wielka
Karszewo
Wiklew
Kinkajmy
Kinkajmskie
Nuny
Studzieniec
Sokolica
PLH280047
Wardomy
Dłużec Wielki
Nunkajmy
Łabędnik Mały
Korsze
Łabędnik
Sporwiny
Podlechy
Kowalewo Małe
Drawa
Kosy
Łankiejmy
Bieliny
Bajdyty
Galiny
Gromki
Wandajny
Długi Lasek
Galiny Kol
Grzęda
Gudniki
Trzeciaki
Wojkowo
Tolniki Małe
Kępa Tolnicka
Sątopy-Samulewo
Nisko
Polder Satopy-Samulewo (KBA)
Unikowo
Tarniny
Mołdyty
Mnichowo
Lądek
Wysoka
Zawidy
0 1 2 4 km
Legend
Sepopol WTGs
Sepopol WTGs 10-km buffer
GPO Sepopol
RS Rozyna
Internal access roads
Gmina roads (existing roads)
Powiat roads (existing roads)
Linia SN
Key Biodiversity Areas (KBA)
National protected areas
Ecological Lands
Reserves
Landscape Parks
Protected Landscape Areas
Natura 2000 sites
Special Protection Areas (SPA)
Sites of Community Importance (SCI)
Sepopol Wind Farm, Poland
Protected areas
Prepared for:
European Bank
Prepared by:
S.C. ERM Environmental Resources Management S.R.L.
ERM
Scale:
1:80.000
Format:
A3

3. ENVIRONMENTAL AND SOCIAL GAP ANALYSIS FINDINGS

3.1 Applicable Standards

This Report summarises ERM's assessment of the overall alignment of the 40 MW Sepopol WEP with the Applicable Standards, which include:

Legislative Framework

- Applicable Polish Environmental, Social, Health and Safety laws and regulations and permit requirements; and
- Applicable international conventions (i.e. ILO, Espoo).

EU Legislation

- EU substantive environmental standards, including (but not limited to) the pertinent requirements of the EIA Directive (as updated in 2014) and Birds and Habitat Directives.

European Bank for Reconstruction and Development (EBRD) Environmental & Social Policy (2019) and associated Performance Requirements

Based on information available for the E&S Due Diligence Assessment, it is considered that the following Performance Requirements are applicable:

- PR 1: Assessment and Management of Environmental and Social Impacts and Issues;
- PR 2: Labour and Working Conditions;
- PR 3: Resource Efficiency and Pollution Prevention and Control;
- PR 4: Health and Safety;
- PR 5: Land Acquisition, Involuntary Resettlement and Economic Displacement;
- PR 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources;
- PR 8: Cultural Heritage and
- PR 10: Information Disclosure and Stakeholder Engagement.

WORLD BANK World Bank Group Performance Standards and Environmental, Health and Safety (EHS) Guidelines

- 2012 IFC performance standards
- Environmental, Health, and Safety General Guidelines; and
- Environmental, Health and Safety Guidelines for Wind Energy.

Note: There are no Indigenous People in Poland and therefore EBRD PR 7 has been scoped out of the Assessment.

3.2 Gaps Reporting and Rating

The gap analysis has been performed by comparing all of the available Project information (from documents provided, interviews and public information) to the Applicable Standards. The identified gaps were evaluated under several criteria (i.e. legal non-compliance, potential risk to reputation, potential to impact the Project schedule or result in delay, amongst others) in order to determine the risk level of each gap.

Compliance with local regulations

With regard to the legal requirements, the assessment of the current status of the Project has been limited to a focused review of applicable legal provisions, environmental permit (Conclusion on EIA) requirements and the systems in place for managing environmental and social regulatory compliance.

The EIA Study conducted in 2009 has resulted in a favourable environmental decision SKO-60-44-11 from 6 June 2011.
A summary of the relevant environmental and construction permits processes is presented below:

Environmental decision:

- 2009: EIA report for 30WT was issued to local authorities;

- May 2010: Refusal of issuing the Environmental permit by Starosta Bartoszycki
- 2010: appealing / case in a court
- June 2010: revoking/cancelling refusal decision of Starosta Bartoszycki
- June 2011 Final environmental decision for 30WT was issued, cancelling the initial refusal decision.

Construction permit:

- 2010: initial construction design for 30 WT,
- September 2010: final construction permit for 30WT by Starosta Bartoszycki,
- July 2011: owners transfer of the construction permit by Starosta Bartoszycki
- 2019 - review/ confirmation of permit due to performing a study describing technical / construction changes (e.g. 29WTG), however, the construction and transfer permits dated 2010 and 2011 are final.

No standalone Appropriate Assessment was prepared for the Project and subject to dedicated permitting procedures. According to our understanding, such request should have come from the environmental agency. However, at that stage in 2011, the environmental authorities in Poland had decided for an interpretation of the AA EU legislation which was different than the one applied by the other EU Countries, namely to integrate general biodiversity related aspects in the EIA procedure without dedicated assessments as per the Habitats Directive. Reportedly, the approach of the regulators has been further changed as required by the EU; however, the permits which were previously issued were not requested to be revised to add Appropriate Assessment (for planned projects) or Critical Habitats Assessments (for projects implemented already) and remain valid. Therefore, the Project is considered in compliance with Polish regulations, while, for fully alignment with the EU and international standards, we recommend undertaking a voluntary Critical Habitats Assessment.

A summary of the compliance with the EBRD PRs is provided in the following tables, organised per each PR. For each requirement, a score rating the level of compliance was allocated (e.g. Fully Compliant, Partially Compliant or Material Non-compliance), or further assessments are required as no opinion was possible (NOP) by ERM at the time of the assessment, given the information available.

The level of compliance was assessed based on the considerations presented in *Table 3-1* below.

Table 3-1 Criteria for assessing the level of compliance with EBRD PR requirements

Full compliance (FC)	The EIA Report and/or other Project related documents indicate that the Project comply with EBRD's requirements, and EU and national environmental, social, health and safety policies and guidelines.
Partial compliance (PC)	The Project is not in full compliance with EBRD's requirements, but the Project Companies have systems, processes or mitigation measures in place, which are working towards addressing the deficiencies. This includes minor gaps identified in the EIA report or requirements not explicitly stated, which have the potential to present minor risks (environmental, social, and reputational) to the Project Companies, in the event that this requirement is not specifically addressed during the Project life-cycle.
Material Non-compliance (MN)	The Project is not in material compliance with EBRD's requirements, and the systems, processes and mitigation measures are either not in place or are not working towards addressing the deficiencies. This includes major gaps in the EIA report which, if not addressed by the client, have the potential to present major risks (environmental, social, reputational) to the ecological and social environmental and therewith to the investor in the event that this requirement is not specifically addressed in due course.
No Opinion Possible (NOP)	Further assessments against EBRD PRs requirements are needed, as No opinion was possible (NOP) at the time of this E&S Due Diligence Assessment, given the information available.

3.3 Environmental and Social Gap Analysis Findings

3.3.1 Assessment and Management of Environmental and Social Risks and Impacts

EBRD PR 1 - Assessment and Management of Environmental and Social Impacts and Issues	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
Environmental and Social Assessment	Partial Compliance An Environmental Impact Assessment (EIA) Report was developed for Sepopol wind farm project in 2009 covering a total number of 30 WTGs. Furthermore, the project progresses only with 20 WTGs of the 30 permitted. The EIA report was approved through Environmental Decision issued on 6 June 2011. In line with PR 1, the environmental impacts associated with the Sepopol wind farm have been assessed for the relevant phases of the Project namely construction, operation and decommissioning. The EIA Report: ■ does not define an Area of Influence; ■ does not include social baseline and social impact assessment; ■ does not include any reference or commitments for the SPV to develop an ESMS for the Project; ■ does not consider cumulative impacts with other planned or proposed projects. Compliance with the international lender requirements can be achieved through the development of a set of topic specific Management Plans to manage environmental and social risk and impacts associated to the wind farm and define mitigation measures to be implemented during construction and, subsequently, during operation.	■ Develop a set of topic-specific Management Plans (MP), to document how Project-related impacts will be managed during construction and, subsequently, during operation. • Environmental and Social Management and Monitoring Plan • Waste and hazardous materials Management Plan • Emergency Preparedness and Response MP • Community Health, Safety and Security MP • Occupational H&S FMP, Resource Efficiency and Pollution Prevention and Control • Hazardous Materials MP • Workforce MP (including Worker Code of Conduct, Worker Grievance Mechanism, Workers accommodation etc), • Alien Invasive Species screening / Vegetation memo and, if applicable, management plan • Cultural Heritage Chance Finds Procedure • Contractor Management MP • Traffic MP • Decommissioning MP Energix Polska could delegate these roles and responsibilities directly to its contractors in charge with construction and operation of the Project. Such delegation will be clearly establish through the contracts between Energix and the

EBRD PR 1 - Assessment and Management of Environmental and Social Impacts and Issues	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
		Contractors. Energix will assure regular (at minimum quarterly during construction and biannual during operation) monitoring of implementation of the EHS local regulations and international standards /good practices. If needed, as a results of the audits, Energix will impose to the contractors corrective measures.
Environmental and Social Management Systems (ESMS)	Material Non-Compliance There is no Environmental and Social Management System (ESMS) in place. This will need to be developed at Corporate-level and cascaded down at project level.	■ Develop and implement a Corporate-level ESMS, within Energix Group and cascade it to Energix Polska level. From the level, the ESMS needs to be further cascaded down at the level of the project. ■ The objective of an ESMS is to ensure a coordinated process of implementing environmental and social requirements for each development project, embedding the developer's main operational activities at the same time. ■ Ensure that the main contractors have management systems in place or adhere to the Project's management system(s). ■ Although accreditation is not a requirement, the basis of the management system needs to be in place and to address the environmental, social and HS aspects of the Project Owner's activities at all levels. This could be achieved by implementing processes similar to those provided by recognised management systems (e.g. ISO 14001, ISO 45001 etc.).
Environmental and Social Policy	Material Non-Compliance There is no overarching Environmental and Social Policy in place, defining the environmental and social objectives and principles that enable company development projects to achieve sound environmental and social performance.	■ Develop and implement a Corporate-level overarching Environmental and Social Policy.Incorporate environmental and social principles and commitments made in this Policy into contractual arrangements with contractors in Poland.

EBRD PR 1 - Assessment and Management of Environmental and Social Impacts and Issues	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
Environmental and Social Management Plan	Material Non-Compliance No Environmental and Social Management Plans (ESMP) accompanied by Commitments Registers have been developed. Furthermore, no subsequent topic specific management plans or procedures were developed.	■ Establish, maintain and strengthen, as necessary, an organisational structure that defines roles, responsibilities and authority to implement the ESMS to ensure ongoing compliance with relevant national regulatory requirements and the PRs. Designate specific personnel, including management representative(s), with clear lines of responsibility and authority to monitor, maintain and assure implementation of the defined ESMS.
Organizational Capacity and Commitment	Partial Compliance Organisational capacity and commitment is partially compliant to good international practice, as there are no dedicated environmental and social roles and responsibilities defined in the company organisational structure. No specific personnel, including management representative(s), is designated with clear lines of responsibility and authority to maintain and implement an ESMS at corporate level. Environmental and social aspects of the Project will be covered by the main contractor, however specific Management Plans to manage environmental and social risk and impacts associated to the wind farm and defined mitigation measures to be implemented during construction and, subsequently, during operation, are not in place at the moment. There is no Social Manager and no Community Liaison Officer assigned in Energix Polska.	Establish, maintain and strengthen, as necessary, an organisational structure that defines roles, responsibilities and authority to implement the ESMS to ensure ongoing compliance with relevant national regulatory requirements and the PRs. Designate specific personnel, including management representative(s), with clear lines of responsibility and authority to maintain and implement the defined ESMS. ■ Required EHS personnel is estimated to include, as a minimum: ■ an Environmental (and Social) Manager ■ an OHS Manager (a dedicated Occupational Health and Safety Manager needs to be employed to manage OHS aspects in relation to the project implementation). Energix Polska could delegate these roles and responsibilities directly to its contractors in charge with construction and operation of the Project. Such delegation will be clearly establish through the contracts between Energix and the Contractors. Energix will assure regular (at minimum quarterly during construction and biannual during operation) monitoring of implementation of the EHS local regulations and

EBRD PR 1 - Assessment and Management of Environmental and Social Impacts and Issues	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
		international standards /good practices. If needed, as a results of the audits, Energix will impose to the contractors corrective measures. Key environmental and social responsibilities will be defined and communicated to the relevant personnel. Ensure that employees with direct responsibility for activities relevant to the Project's environmental and social performance are suitably qualified and trained
Third-Party Risk	Material Non-Compliance Energix Polska does not have a procurement policy defined. There is no process in place for assessing environmental and social risks associated with contracted works and services with the aim of incorporating relevant E&S management conditions into tender documents. No environmental, health and safety and social (EHSS) key performance indicators (KPIs) and no Contractor Management Plan are in place within Energix Polska.	Energix Polska could delegate preparation and implementation of these management plans directly to its contractors in charge with construction and operation of the Project. Such delegation will be clearly establish through the contracts between Energix and the Contractors. Energix will assure regular (at minimum quarterly during construction and biannual during operation) monitoring of implementation of the management plans. If needed, as a results of the audits, Energix will impose to the contractors corrective measures.
Project Monitoring and Reporting	Material Non-Compliance There are is no internal Corporate-level monitoring and reporting procedure within Energix. There are no formal commitments and consistent approach defined for all assets in the Energix Polska portfolio, with regard to monitoring and assessing implementation of actions included in Environmental and Social Action Plans, overall compliance of the projects with the international lender requirements and any regulatory monitoring and reporting requirements.	As part of the ESMS to be developed at Energix Corporate-level, develop and implement a monitoring and reporting procedure and cascade it down at the level of each wind farm. Furthermore, establish and implement mechanisms, such as internal inspections and audits, to verify compliance and progress towards the desired project outcome.

3.3.2 Labour and Working Conditions

EBRD PR 2 - Labour and working conditions	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
Human Resources Policies and Procedures	Partial Compliance Energix have Human Resources (HR) Policies in place intended to address all phases of the human resources management process, still to be cascaded to the Energix Polska.	Define a Human Resources Policy which establishes the company's approach to managing its direct and indirect workforce, which is to include: working relationships, work organization, working hours, absence and late arrivals, vacation periods, business travel and use of company vehicles, employee development, health and safety responsibilities, remuneration terms and conditions, employee order responsibilities. Additionally, explicit language around prohibition of child and forced labour, non-discrimination, equal opportunity and fair treatment. A procedure documenting how the company ensures its approach to managing workforce is cascaded to its contractors should complement the Policy.
Working Relationships	Partial Compliance Poland is a Member State of the International Labour Organisation and has ratified all eight Fundamental Conventions. Energix Polska manages its workforce according to Polish labour law and uses series of onboarding and working procedures, booking plane tickets and accommodation, use of company computers and other work related procedures. However, the company does not have an HR policy or a dedicated HR role.	No additional action required – included above.
Child Labour and Forced Labour	Partial Compliance Child labour and forced labour are prohibited by Polish law, but not referenced in company policies. In terms of gender, the Company reported that equal opportunities are provided to both men and women in the organisation.	No additional action required – included above.
Non-discrimination and equal opportunity/ Wages, Benefits and Conditions of Work	Partial Compliance In terms of gender, the Company reported that equal opportunities are provided to both men and women in the organisation. At the time of this assessment, there were 3 women employed by the Company, representing 33% of the current Energix Polska workforce. There is no assessment of gender-related pay levels in the company, however pay levels are reported to be the same and levels agreed between the employer and the employee. Sexual harassment is also not referenced in Energy Polska policies, however, according to company representatives, it is covered by HR policies developed at Energix Group level, still to be cascaded to the Polish entity.	No additional action required – included above.

EBRD PR 2 - Labour and working conditions	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
Worker Accommodation	Full Compliance Construction work force will be employed by the Construction Contractor. The Company indicated that construction workforce would be accommodated within bigger cities or towns and worker camps are not estimated to be required due to the size of the project.	No action required.
Grievance Mechanism	Material Non-Compliance Energix Polska does not have an internal grievance mechanism, dealing with such instances on a case-by-case basis, in a different manner according to the project phases. As such, the matters arising during development stages, mostly commercial issues, are dealt with at management level. For construction stage, a log is managed by the Construction Manager and discussed in monthly management meetings, including all the events that may be occurring, as reported by the construction contractor. During operations, an internal log is used, where any type of material event is recorded, which feeds the incident log. Heads of construction and operation have the overall responsibility of dealing with the complaints.	Develop and implement a Worker Grievance Procedure for all employees, including contractors. This procedure will be different from the Community Grievance Mechanism referred to under EBRD PR 10. Grievance forms will be developed and made available to workers into the language of the workforce. Contractor and sub-contractor worker representatives will be considered as an entry point for workers to lodge grievances verbally (in addition to the HSE manager or other staff assigned responsibilities) to ensure accessibility.
Non-Employee Workers	Material Non-Compliance There are no processes set up within the Company to identify risks associated with the recruitment, engagement, and demobilisation of project workers by third parties. The Company does not check whether contractors engaged for the projects comply with labour regulations as this is considered to be checked by relevant authorities.	Develop a Project-specific Workforce Management Plan, applicable to all direct and contractor personnel, to: include the requirement that all contractors are expected to follow the national labour law as well as the requirements of EBRD PR2. Adherence to the provisions of the Workforce Management Plan is to be a contractual requirement for contractors and subcontractors.
Supply chain	Full Compliance The suppliers of the project components and equipment are reputable companies (e.g. Vestas) recognized worldwide for complying with best standards on labour protection.	No action required.
Occupational Safety and Health / Occupational Health and Safety	Material Non-Compliance No Occupational Health and Safety Management Plan and Contractor Management Plan are in place for the construction phase of the Project.	Develop and implement an Occupational Health and Safety Management Plan and Contractor Management Plan for the construction phase. Prior to starting commercial operation, an Occupational Health and Safety Management Plan and Contractor Management Plan are required to be developed.

3.3.3 Resource Efficiency and Pollution Prevention

EBRD PR 3: Resource Efficiency and Pollution Prevention and Control	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
Resource Efficiency	Partial Compliance While the EIA features a brief waste management section, it does not list specific ways to reduce waste production, nor does it present opportunities for end of life recycling and re-use for turbine components.	Include in the Project ESMP commitments to end-of-project recycling of materials.
Greenhouse Gases	Full Compliance The EIA states that, generally, air pollution will be limited to the construction phase, and that the implementation of the project will reduce greenhouse effects.	No actions required.
Noise	Partial Compliance The EIA report does not contain a noise baseline. According to IFC standards, a noise baseline should be undertaken if receptors are within 35 dB contour of a high level noise modelling. In this case, receptors are in short distance and according to modelling within 35 dB contours. The local EIA report features limited information on sound power level of the WTG. Information of sound power level vs wind speed at 10 above the ground and at hub height should be provided. No construction noise assessment is included in the report (required by IFC standards). Results should show how the predicted noise levels change with the different wind speeds and compare said levels with the equivalent background noise measured levels from the baseline. This is not provided in the EIA report, nor are noise contours.	Conduct operation noise modelling based on international and local standards, while taking into account information on sound power level vs wind speed at 10 above the ground and at hub height. Based on the assessments above (pre-construction measurements and operation modelling), if the results show risks for noise exceedances, establish proper mitigation measures to ensure compliance with local and IFC noise limits (e.g. installing noise reduction equipment for blades, double-glazing of affected houses, reduced wind function). The measures to be included in ESMMP. Establish and implement a Noise monitoring programme during operation in line with Polish legislation and international standards. Based on the results develop an action plan if needed to ensure compliance with international standards and Polish legislation.
Water Consumption	Full Compliance The EIA states the Project is not expected to have a negative impact on underground and surface waters during the construction phase, nor during operations.	No actions required.
Pollution Prevention	Partial Compliance No Environmental Pollution Prevention and Control Plan was made available for review. The EIA report identifies the following types of pollution during construction:	Develop an Environmental Pollution Prevention and Control Plan defining measures aimed at avoiding potential contamination.

EBRD PR 3: Resource Efficiency and Pollution Prevention and Control	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
	■ noise: operation of machines, excavators, cranes, tools, heavy transport and handling materials and ■ air: transportation (dust, fuel combustion products), welding works (CO, NO_2, particulate matter). The EIA states that the impact of pollution generated during Project implementation will be limited to the Project's immediate vicinity and will not constitute environmental hazards.	
Waste	Partial Compliance The EIA lists the types of waste that will be generated during construction, operation and decommissioning. Specialized companies will handle all waste categories. No waste amounts are specified for any of the Project's phases.	■ During construction, the Project Owner will develop and implement a Waste Management Plan to cover all waste streams generated by Project activities, and will make sure that the waste is temporarily stored and managed in line with national requirements and international best practices. ■ Develop and implement mitigation measures aimed at reducing waste generation. These will be captured in the ESMP and in the topic specific management plans (e.g. Waste Management Plan).
Hazardous Materials Management	Partial Compliance The EIA report only mentions hazardous waste, which will be kept in closed containers in designated and secure areas. All fuels and lubricants should also be stored in secured designated fuel and chemical storage area in line with international norms and rules of handling harmful materials (such as waterproof floor).	Develop and implement a Waste and Hazardous Materials Management Plan to cover all waste and chemical streams generated by Project activities and make sure that the waste and chemicals are temporarily stored and managed in line with national requirements and international best practice procedures for storage and handling fuel, construction materials and waste.

3.3.4 Community Health, Safety and Security

EBRD PR 4 – Health and Safety	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
Community Health and Safety	Material Non-Compliance Based on the EIA report, no shadow flickering analysis was conducted. According to a general statement, shadow flicker effect may occur; however the impact is considered insignificant.	Perform the shadow flicker assessment by mapping all the receptors within the area of influence (i.e. ten times the rotor diameter) to provide more robustness to the study and to the final assessment. ERM suggests to overlay the modelling results with receptors layers identified using updated satellite imagery in order to confirm no receptors are located within impacted areas. Receptor layer will also take into consideration the urban expansion occurred in the area, if any. As shadow flickering is something that can be confirmed only once in operation, ERM recommends to consider to have a grievance mechanism to record potential occurrence of the phenomenon.
Community Health and Safety	Material Non-Compliance Ice and blade throw risk has not been assessed in any EIA report prepared for Sepopol Project.	The blade and ice throw are considered as a potential impact on humans, which can be generated by the operating wind farms. In order to mitigate the potential impacts: ■ Ensure that warning signs are located at the entrance to the WF's area, are all the time in place at the entrance to each WTG; ■ Perform periodical checks of each WTG location with focus on safety and warning signs condition; Ensure appropriate public communication and ongoing engagement with local Authorities as well as local inhabitants in order to be able to respond to any issues related to ice and blade throw risk immediately.
	Material Non-Compliance No Community Health and Safety and Occupational Health and Safety Management Plans are in place for the Project. Additionally, no Emergency Preparedness and Response Plan has been developed. According to the Project EIA, no direct or indirect impact on the closest residents to the Project is expected due to distance to the WTGs; however, the risks to the community safety are not addressed.	Develop and implement a Community Safety and Health Plan, for the construction phase (recommendation also considered under PR1).

EBRD PR 4 – Health and Safety	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
	Route surveys have been undertaken for the planned WTGs; however, no Traffic Management Plans were developed to present measures that will be implemented to mitigate potential traffic and road safety risks to workers and project-affected communities during the construction phase.	Develop a Project-specific Traffic Management Plan to document measures to mitigate potential traffic and road safety risks to workers and project-affected communities during the construction phase (recommendation also considered under PR1).
	Partial Compliance The Project EIA does not identify and assess the vulnerability of the project sites to natural hazards that could occur during the construction and operation phase: earthquakes, strong winds, landslide, floods, wild fires, tornados / hurricanes. However, based on the publicly available information on flood risks and flood hazards for Poland (http://mapy.isok.gov.pl/imap/), the areas where the sites of the projects are located are not characterized by flood risks. Poland is also considered a country with low seismic risk.	No action required.
Emergency Preparedness and Response	Material Non-Compliance No Emergency Preparedness and Response Plan is required by the national regulations to be developed. No such plan was developed for the Project.	In the framework of developing the Corporate-level ESMS, an emergency preparedness and response system needs to be developed, which should include all the potential unplanned events related to the phases of the project (recommendation also considered under PR1).
Security Personnel	Material Non-Compliance Security services will be ensured by contracted staff. A Code of Conduct for security staff is not in place.	As part of the ESMS to be developed at Corporate-level, develop a Code of Conduct for security personnel and cascade it down at the level of each project for implementation. The Code of Conduct will be formally adhered to by the security contractor (recommendation also considered under PR1).

3.3.5 Land Acquisition and Involuntary Resettlement

EBRD PR 5 - Land Acquisition and Involuntary Resettlement	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
Avoidance or Minimisation of Displacement / Avoidance of Forced Eviction/ Negotiated Settlements	Full Compliance The Project is not associated with physical displacement, nor with forced eviction. No land plots have been purchased for the implementation of the Project. Access to land was secured via voluntary land lease agreements with private owners (for permanent project structures) or easement agreements with private owners and, in few cases, with local authorities (for cable lines and access roads). The agreements were negotiated on a case-by-case basis. In case any of the owners would not have agreed to lease the respective plot, the Company would pursued alternative design	No action required.
Consideration of Vulnerable Groups / Consideration of Gender Aspects / Socio-economic Surveys	Partial Compliance The Project EIA does not include a social baseline section or an assessment of potential social impacts, nor does it identify vulnerable groups and associated risks. Furthermore, gender related identification or assessment is not included. However, as the Project does not involve physical displacement, socio-economic surveys in the meaning of EBRD PR5 would not apply. A robust community engagement program in line with PR10, as per project-specific SEP developed as part of this assessment, associated with the land ownership and use assessment and the community grievance mechanism should allow the identification of vulnerable groups and the definition of support initiatives to address potential project impacts	In alignment with PR10, engage with the local communities as early as possible and start identifying vulnerable groups who may be impacted by the Project and define mitigation measures
Eligibility Classification / Compensation and Benefits for Affected Persons/ Planning and Implementation / Organisational capacity and commitment	Partial Compliance No Livelihood Restoration Plan that would define eligibility criteria, procedures and standards for compensation is in place for the Project, nor commitments to consultation, monitoring and addressing external grievances, as per PR5 requirements. The only stretches of public land will be used for roads and cables, and it is estimated the amount used is not significant or expected to cause displacement. No land has been purchased for the implementation of the Project. The lands required for permanent project components were leased from private owners (3 individuals and 1 company) via individual land lease agreements. No payment was made by Energix to date.	Develop a Land Acquisition and Compensation (including Livelihood Restoration) Procedure at corporate level to ensure transparent and consistent land acquisition through implementation of standards across all company projects. This is to include: ■ compensation in case accidental damages to private land; ■ temporary use of private land during major maintenance/repair works. For these cases, compensation is to be paid in line with Polish regulations and PR5 requirements (ideally before using the land).

EBRD PR 5 - Land Acquisition and Involuntary Resettlement	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
	The initial developer of the Project, Centrum Biznejsu Wschodninego Przedsiebiotstwo "U Rycha", signed preliminary lease agreements with these owners in 2007 and 2008, which were supposed to be concluded by lease agreements signed until 31st of December 2009; the rent for one WTG would be EUR 4,000. If the leases were not to be concluded by this date, a compensation of PLN 500,000 would have to be paid. No information was provided by the Company with regard to the payment of this compensation, as per contractual agreement. The lease agreements were concluded in 2011 and transfer agreements were signed in 2013, once the Project was acquired by ENEAL. The new specified payment terms included the following elements: ■ during construction, EUR 500 will be paid for one WTG, as compensation because farming activities will not be possible ■ followed by rent for one WTG is EUR 7,000, to be paid via bank transfer in the first 14 days, at the begining of each year. ■ EUR 12,000 will be the yearly rent for the substation; this will be paid upfront after a year from connection. ■ An additional bonus of EUR 500 will be paid for each WTG that produces more than 4.400.00 MWh. Land owners retain the right to use the land for agricultural purposes until construction is initiated, and in case of accidental damage, the lessee will receive full compensation. The land owner can terminate the contract immediately if payment is not made for 90 days and after sending two notifications (no payment was made by ENEAL to date, as construction works have not been initiated).	
Stakeholder Engagement / Grievance Mechanism	Partial Compliance As the Project is not associated with physical displacement, no stakeholder engagement was specifically conducted for land related aspects. The land was acquired through individual land lease agreements, negotiated with each owner.	No further actions, see PR10

EBRD PR 5 - Land Acquisition and Involuntary Resettlement	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
	As described above, the land acquisition process was conducted by the previous developer and inherited by Energix. No stakeholder engagement over land issues was conducted, for further details on the general engagement process, see PR10.	
Economic Displacement and Livelihood Improvement or Restoration	Partial Compliance Potential economic displacement impacts are not assessed within the EIA as the land acquisition process was not addressed. However, it is ERM's understanding that all the negotiated agreements have been conducted on a voluntary basis and that use of public land was limited to some sections required for roads (to be determined). Although it is unlikely that economic displacement impacts can be significant given the fairly small size of the Project, they cannot be ruled out at this stage of the assessment, as no land ownership and land use assessment has been conducted. No land ownership and land use assessment has been conducted for the Project, thus the potential associated economic displacement impacts were not identified. Further engagement is to be conducted with the local communities, aimed at identifying the potential economic impacts that could occur during construction and/ or operation of the Project. Furthermore, the project's grievance mechanism is to effectively be used for capturing and managing the land-related external grievances.	In alignment with PR10, engage with the local communities as early as possible and start identifying vulnerable groups who may be impacted by the Project and define mitigation measures

3.3.6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

EBRD PR 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
Appropriate Impact and Risk Assessment Avoid – Minimise – Compensate	Partial Compliance The significant environmental impacts related to the Project and measures to mitigate the impacts were established in the Project EIA of 2009. The assessment of potential impacts on biodiversity receptors were based on data	■ Undertake additional supplementary survey for birds and bats in line with best practice and internationally recognized guidelines and standards. Bird data should be gathered using quantifiable methods such as VP surveys and Collision Risk Modelling (CRM). Energix should appoint an independent ecological advisor (with

EBRD PR 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
	collected from a one-year field campaign (September 2008- August 2009) for birds and bats. The baseline identified five species of bats (*Vespertilionidae* family) and 103 species of birds, eight of which are listed under Annex I of Birds Directive. Collision risk modelling was performed as part of the EIA; however, results do not to predict the numbers of target bird species may be killed by collision. Therefore, data that based the impact assessment needs revision, both in terms of methods alignment with international standards and temporal relevance. EIA includes the following monitoring recommendations for birds: ■ post-construction monitoring over a period of 5 years as follows: 2 years during the first 3 years of operation and one year during the fourth and the fifth year; and ■ carcass monitoring.	expertise in both ornithology and bats) to provide support in delivering the requirements in relation to PR6. Before contracting, the independent ecological advisor's capabilities and expertise will be assessed for approval by the Lenders. ■ A survey of the area to be temporarily and permanently lost through construction of the wind farm and associate roads and cable/ overhead line connections is required. The survey will focus on the extent to which Priority Biodiversity Features (PBF) are supported, and identify the presence of modified and natural habitat and the extent to which it may support critical habitat features. The survey should be undertaken during April-July, when usage of the area by qualifying SPA species, and other PBF are likely to be present. Where construction has already taken place reference to previous studies, desktop analysis, expert opinion should be drawn up to identify the likely modified/natural/critical status of the site. The survey would inform a Critical Habitat Assessment and identify if there is a requirement to achieve no net loss and/or net gain. In accordance with the requirements of Paragraph 17 of PR6 and associated Guidance Notes, there may be a requirement to provide a Biodiversity Management Plan (BMP) or Biodiversity Action Plan (BAP) to deliver no net loss/ net gain. ■ Applicable in case of significant bird impact: Specific survey work using VP studies and CRM mentioned above, together with further desk study and consultation, will assist with identifying whether automated approaches such as DTbird would be suitable, and if so how best to configure them. Such studies will also assist in refining and understanding peak risk periods, when shut down procedures may be most effective. Based on the results, develop a shut down on demand procedure to be used by the IOCE to shut down individual turbines if needed due to risk of collision with qualifying features of the SPA or other priority
Protection and Conservation of Biodiversity Modified / Natural / Critical Habitat / PBF	Material Non-Compliance The Project is partially located in a Natura 2000 site *Ostoja Warmińska* (PLB280015), Special Protection Area (Birds Directive). The site was proposed for designation primarily for the protection of the White Stork *Ciconia ciconia* that reaches here the largest population and the highest density in the country. Therefore, within the Project area, there is potential presence of habitats that qualify as a critical habitat, supporting significant migratory species the site may. Further assessment is required to establish if the Project impacts or not critical habitat and / or priority biodiversity features (PBF).	

EBRD PR 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
Legally Protected and Internationally Recognized Areas	Partial Compliance The Project is located: ■ Partially within the Natura 2000 site Ostoja Warmińska (PLB280015); ■ 2 km NW of Warmia IBA site. The data provided in the EIA studies is insufficient in terms of birds presence and movement (including data on flights record-height, direction, species, number) to predict collision risks and potential effects on the site integrity of the SPA. The project was permitted in 2009 based on a local EIA Study; however, a fully compliant Appropriate Assessment does not appear to have been undertaken.	biodiversity features. Once in place, all shut down incidents will be reported annually to Lenders. Test the shutdown protocol with the IOCE each year. ■ During construction retain a professional ecologist to undertake an assessment of flora and fauna of the area to limit the impact on any protected species, particularly PBF species including Annex IV species. As a minimum, all areas of new land take, including road widening and temporary laydown areas, will be surveyed prior to construction starting. If PBF/Annex IV species are present alternative translocation sites will be identified within the project footprint. Immediately prior to any construction starting in that area the ecologist will collect as many individuals as practicable and remove to the translocation site. In temporary land take ponds will be reinstated. These measures and the role of the supervising ecologist should be set out in a BMP. All Polish legal requirements in relation to strictly protected Annex IV species must be complied with and the BMP should detail those requirements and how they have been addressed. ■ Appoint an Independent Ornithological and Chiropterologist (birds and bats) expert (IOCE) to undertake monitoring of the Project during commissioning then subsequently during operation of the wind farm. The IOCE will be appointed on 3 year contract and this will continue through the operation of the wind farm. Such monitoring to include a post-construction bird and bat monitoring programme in line with best international practices, Polish guidelines and the requirements of the Environmental Decision. The post-construction programme needs to include carcass surveys to identify bird and bat casualties and carcass persistence/ surveyor efficiency surveys to confirm removal rates by scavengers, or removal by any other reasons (e.g. ploughed into the soil during seasonal agricultural activities). Use best practice for instance being developed by the UN CMS Energy Task Force.

EBRD PR 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
		■ Linked to the adaptive management plan identified at 6.5 develop a bat mitigation procedure that includes triggers for change based on the number of bats per turbine killed assessed against European averages for operational turbines and population levels. Protocols for curtailment procedures aimed at shutdown of turbines at night when wind speeds fall below 6 m/s to be developed. Use EuroBat guidance to develop this procedure with the IOCE within the first 2 years of operation of the wind farm. Results from the carcass monitoring in relation to time of year and location of casualties will be used to optimise any curtailment regime.
Invasive Alien Species	Partial Compliance Information on invasive alien species that may occur in the Project area is not presented in the monitoring reports. This is to be mitigated by a close monitor of such aspects during the construction stage.	No action required.
Management of Ecosystem Services	Partial Compliance No ecosystem services assessment was undertaken. However, it is highly unlikely that priority ecosystem services are present, and therefore reasonable that such an assessment was scoped out of the EIA process.	No action required.
Sustainable Management of Living Natural Resources	Not applicable.	Not applicable.
Supply Chain	Not applicable.	Not applicable.

3.3.7 Cultural Heritage

EBRD PR 8 – Cultural Heritage	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
Protection of Cultural Heritage in Project Design and Execution	Partial Compliance The EIA conducted in 2009 for the Sepopol Project includes a brief section on Cultural Heritage impacts, which states that there are no cultural assets in the Project area or in its immediate vicinity (distance not specified). Based on the information available for review, it cannot be assessed if avoiding impacts on known cultural heritage was among the criteria considered by the Developer in selecting the project location. However, considering the construction schedule, timely no additional assessments are possible; therefore, construction works are to be done with a careful consideration of the potential archaeological	No action required.
Chance Find Procedures	Material Non-Compliance No Chance Finds procedure has been prepared.	Prepare a detailed Chance Find Procedure, to include the following: ■ include a general overview of the Project, including a description of the components and activities that may result in Chance Finds; ■ describe the national regulatory context for Chance Finds; ■ describe the heritage context of the site with an overview of previous heritage studies and assessments of the area; ■ describe the type of heritage that may be encountered as a Chance Find; ■ include an organisational chart with clear roles and responsibilities; ■ identify the key personnel and regulators, including contact details, who will be required to take action in the event of a Chance Find; ■ include a process diagram showing clear step by step actions in the event of a Chance Find; ■ include step by step detailed actions in the event of a Chance Find, including different scenarios; ■ include details of a find recovery strategy, to include find stabilisation, temporary storage and transfer to regulator; ■ include a programme of on-site training for employees so they can recognise Chance Finds and are aware of their responsibilities under the Chance Finds Procedure; Amend the contract with the main construction contractor to ensure the Procedures' full acknowledgement and implementation.

3.3.8 Information Disclosure and Stakeholder Engagement

EBRD PR 10 – Information Disclosure and Stakeholder Engagement	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
Stakeholder identification and Stakeholder Engagement Plan (SEP)	Partial Compliance There is no information available to assess if and how stakeholder identification has been conducted for the Project, at any stage of its development. A Stakeholder Engagement Plan (SEP) has been developed as part of this ESDD assessment. General categories/ groups of stakeholders have been identified within the SEP; however these are to be further adapted and detailed following engagement, with particular attention given to identifying vulnerable groups in the local communities which may be disproportionally impacted by the project implementation and defining tailored activities to ensure their effective engagement.	Implement the Stakeholder Engagement Plan (SEP) as a “living document”, updated regularly to reflect engagement conducted to date, potential new stakeholders identified and any changes required to adapt it to the project conditions and stakeholder expectations.
Information disclosure and Meaningful Consultation	Partial Compliance As part of the permitting procedure, Project information disclosure was undertaken in line with the Polish regulations; however, these regulations do not require a public participation to be conducted for renewables projects, even when an EIA process is deemed necessary. The access to the process is, however, ensured by the competent administration authority, which: i) shall notify the public that an application procedure has been initiated and allow 21 days for comments from the public to be submitted; ii) conduct an administrative hearing open to the public; iii) shall consider the comments and recommendations submitted. Following the review of Environmental Decisions provided, ERM verified that no comments were received from the public during any of the environmental procedures conducted. The announcements regarding the initiation of the environmental procedure was done in a customary manner in all villages affected by the project on the respective rural announcement boards, on the notice boards of the associated commune offices and online on the website of the Public Information Bulletin. Additional to the regulatory proceedings, the Company concluded land lease agreements starting as early as 2011 (details regarding this area are provided in	■ Define a detailed action plan for engaging with the local communities affected by the Project and include it in the SEP prepared for the Project. ■ Resume the process of sharing information about the Project with the interested stakeholders, as early as possible, during the pre-construction, construction and operation phase, by all the accessible means of communication. ■ Conduct meetings with the local communities to understand their opinion about the Project, Project status, future engagement strategy and start building the relation with all these stakeholders, not just land owners. Consultation meetings will be planned and held with due consideration of the needs of any disadvantaged or vulnerable groups identified and will be free of external manipulation, interference, coercion or intimidation. ■ Document the results of future consultation activities as annexes to the Project SEP.

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	PR5). ERM was informed by company representatives that the Construction Manager and the rest of the support team has informed each land owner in writing or by phone regarding the Project status so that they can plan for the respective agricultural year accordingly.	■ Disseminate the SEP in local language to the local communities, including information on the Project grievance mechanism and Community Liaison Officer to be appointed for the Project, in local language, as early as possible, prior to the start of construction activities.
Engagement during project implementation and external reporting	Partial Compliance The Project did not enter construction phase at the time of this ESDD assessment. The SEP developed as part of this ESDD assignment includes reporting commitments by the developer to the affected communities, which will have to be reflected in the updated Engagement Action Plan for construction and operation phases.	■ Report internally at least once a quarter on all engagement activities and particularly on all complaints (both open and closed). ■ Implement the SEP (including the Engagement Action Plan) and regularly engage with stakeholders, particularly with affected communities, to update on the Project progress and implementation of specific items in the management programs that involve ongoing risks to or impact on identified stakeholders. ■ Consult the affected communities as early as possible to understand if and how they are affected during the Project construction and which additional mitigation measures may be required. ■ Develop an Annual Environmental and Social Report on the environmental, social and health and safety performance of the Project and share it with the relevant stakeholders and tailor communication based on the feedback received.
Grievance mechanism	No grievance mechanism/procedure is understood to have been developed by the Project at the time of conducting this due diligence process. No Community Liaison Officer was appointed to date, but the Construction Manager is allocated the overall responsibility for the communication with the land owners and institutional stakeholders. The SEP developed as part of this ESDD assignment defines a grievance mechanism and a grievance form that should be widely disseminated in the local	■ Implement the Project-specific grievance mechanism / procedure for external stakeholders defined in the SEP. The grievance mechanism will be disseminated in the affected communities starting as early as possible, prior to construction. ■ Ensure Grievance Forms are constantly made available to the local communities and that

EBRD PR 10 – Information Disclosure and Stakeholder Engagement	Status and Comments on Alignment with Requirements	Recommendations to Achieve Alignment with Requirements
	community. The local communities and people have to be trained on how to use them.	people know where they can access these and how to use/submit them to the company. ■ Ensure grievances received are managed in line with the management procedure presented in the SEP. ■ Assess the efficiency of the grievance process periodically and adjust it as appropriate. ■ Appoint an employee responsible for relations with the local communities (to be called Community Liaison Officer - CLO) and ensure she/he conducts regular engagement with the local communities during construction and operation, as needed.

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