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BALTIC POWER

Cumulative Non-Technical Summary





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List of Abbreviations

EBRD	European Bank for Reconstruction and Development
ED	Environmental Decision
EDC	Export Development Canada
EH	Euler Hermes Aktiengesellschaft
EIA	Environmental Impact Assessment
EIFO	Export and Investment Fund of Denmark
ESAP	Environmental and Social Action Plan
ESMS	Environmental and Social Management System
EU	European Union
GDOŚ	Generalny Dyrektor Ochrony Środowiska (ang. General Director for Environmental Protection)
GW	Gigawatt
GRM	Grievance Redress Mechanism
HDD	Horizontal directional drilling
LRF	Livelihood Restoration Framework
LRP	Livelihood Restoration Plan
MW	Megawatt
NTS	Non-Technical Summary
O&M	Operation and maintenance
OWF	Offshore Wind Farm
OWF CI	Offshore Wind Farm Connection Infrastructure
PEP	Polityka Energetyczna Polski (ang. Polish State National Energy Policy)
PSE	Polskie Sieci Elektroenergetyczne (ang. Transmission System Operator)
PWEA	Polish Wind Energy Association
RDOŚ	Regionalna Dyrekcja Ochrony Środowiska (ang. Regional Director for Environmental Protection)
SPA	Special Protection Area
WTG	Wind Turbine Generators

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1. INTRODUCTION

This Non-Technical Summary (“**NTS**”) provides an overview of the Baltic Power Offshore Wind Farm (hereinafter referred to as “**Baltic Power**” or the “**Project**”). The Project is co-owned by Baltic Power Sp. z o.o., a subsidiary of Polski Koncern Naftowy ORLEN (“**Orlen**”) and NP Baltic Wind B.V., an indirect, wholly owned subsidiary of Northland Power Inc. (“**Northland**”).

The Project is seeking to secure financing from several commercial banks, along with potential participation from The European Bank for Reconstruction and Development (“**EBRD**”), the European Investment Bank (“**EIB**”), Export Development Canada (“**EDC**”), The Export and Investment Fund of Denmark (“**EIFO**”) and Euler Hermes Aktiengesellschaft (“**EH**”). All of them are collectively referred to as “**Potential Lenders**”.




Baltic Power has received necessary national-level environmental decisions. However, several Potential Lenders require the Project to implement measures in addition to the national law as one of the requirements to provide financing. The Potential Lenders’ requirements stem from their commitments to align with the [Equator Principles and relevant IFC Performance Standards](#), and [EBRD Performance Requirements](#).

The Potential Lenders have categorised the Project as Category A, as constructing a large offshore wind farm of 1,200 MW may result in significant environmental and social impacts. The Potential Lenders have undertaken the Project’s Environmental and Social Due Diligence (“**ESDD**”) against their respective environmental and social policies. The Project is structured to meet the Potential Lenders’ Environmental and Social policies based on a review of the national environmental impacts assessment reports, permitting, additional activities undertaken by the Project in the preparation stage and the implementation of actions outlined in the Environmental and Social Action Plan (“**ESAP**”), which will be covenanted in the respective loan agreements with the final lending group (“**Final Lenders**”). The Environmental Impact Assessments (“**EIAs**”) prepared for the offshore wind farm and the offshore connection already include Non-Technical Summary as per Polish requirements. Following the request of several Potential Lenders, this document has been prepared in order to present this overview of the Project on a consolidated basis.

2. THE PROJECT

1.1 PROJECT OVERVIEW

The Project comprises 76 wind turbines, up to 120 km of cable routes and two offshore substations located in the Republic of Poland maritime areas in the Exclusive Economic Zone. It aims to generate electricity using a renewable energy source – wind – with a total maximum power output of approximately 1,200 MW (Figure 1).

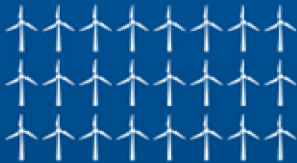
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up to 1,2 GW
capacity of Baltic Power
offshore wind farm

Location of the farm:
at least 23 km off the shore
near Łeba and Choczewo

min. 23 km
| ↔ |



A maximum of 100 wind
turbines in an area of
approximately 130 km²

PKN ORLEN's planned capex
in the power sector (including
offshore wind power) until
2030

 **47 bn**




planned launch of the Baltic
Power project

minimum life of an
offshore wind farm

 **25 years**

Figure 1: General info about the Baltic Power OWF

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The Project is the first part of a more extensive offshore wind development in Poland that will total 11 GW by 2040. The development of the Project is in line with the Maritime Spatial Plan for Polish Sea Areas (*Ordinance of the Council of Ministers of April 14, 2021, on the adoption of a spatial development plan for internal sea waters, territorial sea and an exclusive economic zone at a scale of 1:200,000, Journal of Laws item 935*). It will be implemented entirely in the area indicated in the permit for the erection and use of artificial islands, structures, and devices.

1.2 The Project Location & Technology

The Project's area is in the Republic of Poland, north of communes of Łeba and Choczewo at 22.5 km from the coastline – in the Exclusive Economic Zone, in the area of the territorial sea and internal sea waters, as well as onshore, in the Choczewo commune area (Wejherowo district, Pomeranian voivodeship), (Figure 2). The port in Świnoujście is planned to be used for activities related to the installation of foundations. In the case that when the expansion of this port is not completed in time, then the port in Rønne (Bornholm Island, Denmark) will be utilised. The future O&M base for the operation and servicing of the farm will be in the port of Łeba.

All wind turbines will be outside protected areas, including the Natura 2000 European Ecological Network (Figure 3). The connection infrastructure at the sea area will cross the Natura 2000 site Przybrzeżne Wody Bałtyku PLB990002 Special Protection Area designated under the EU Birds Directive for 11.1 km. The cable route on land is mainly in forested areas (Figure 4), avoiding protected sites and the substation planned to be located on arable land.

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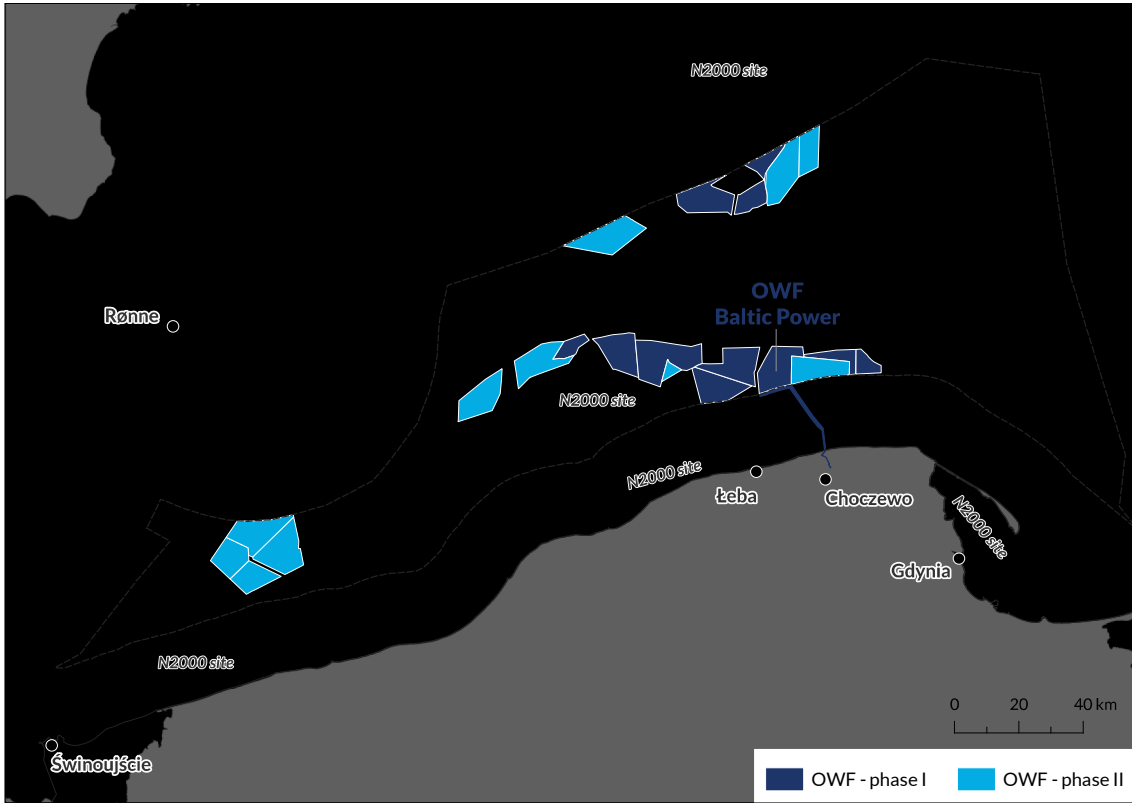


Figure 2: Location of the Baltic Project OWF in the background of other OWF Projects in the Polish marine areas

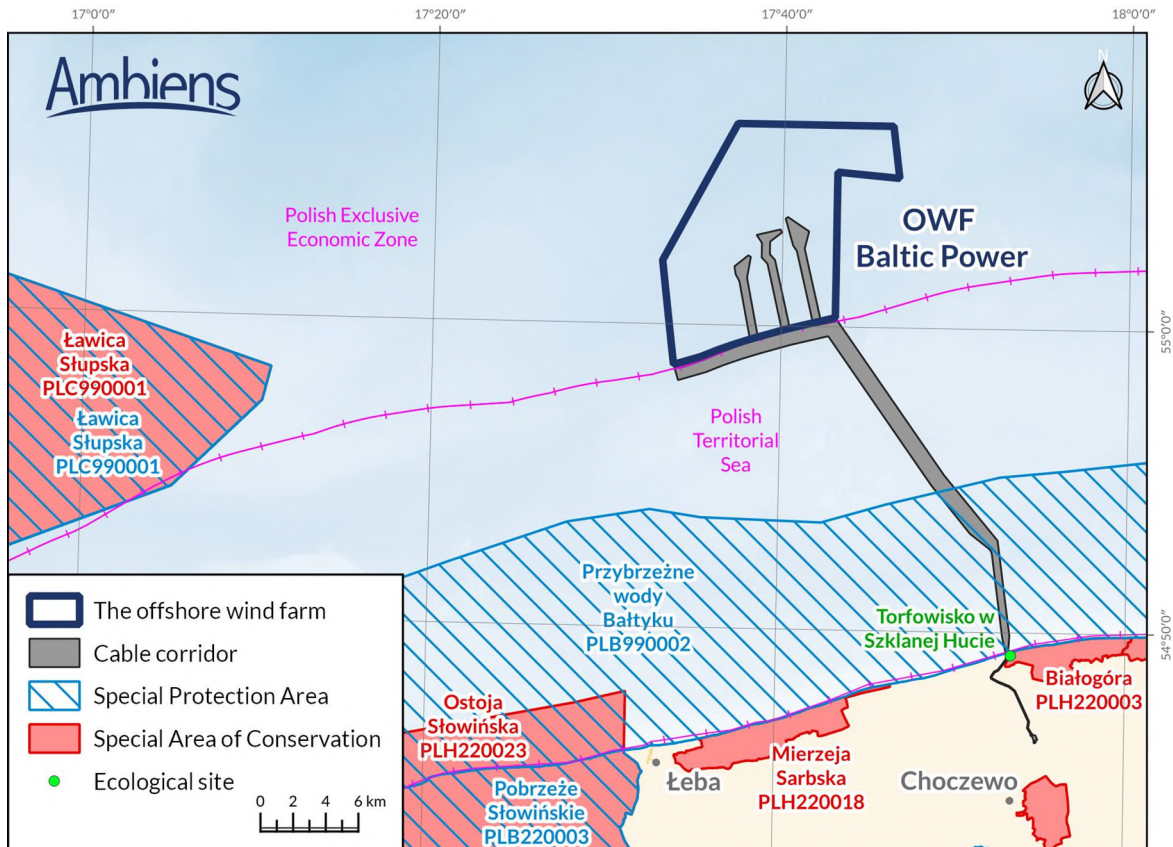





Figure 3: Location of Baltic Power OWF against protected areas.

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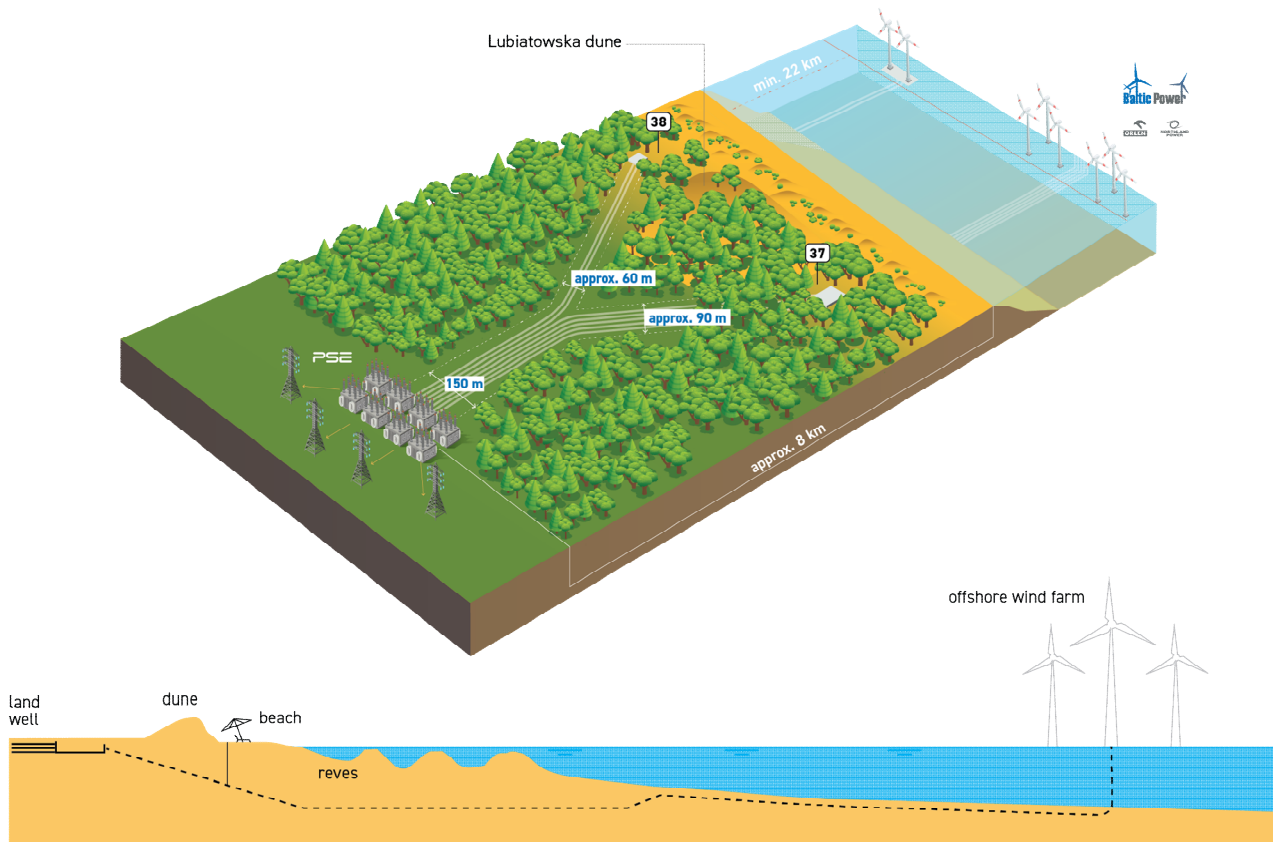



Figure 4: A schematic Project of evacuating energy from offshore wind farms in the Commune of Choczewo

The Project will consist of 76 units of Vestas V236-15.0 MW Wind Turbine Generators (“**WTGs**”) with a blade length of 115.5 m and hub diameter of 5 m. The wind turbine tower will be mounted on a monopile permanently affixed to the seabed. Monopiles with a diameter of 9.5 m and a weight of up to 2,000 tonnes are planned to be used for the foundation of wind turbines and substations.

The connection infrastructure of the Project will include inter-array cables, export cables, two offshore substations, and an onshore substation. The inter-array cables will connect the wind turbines to the substations at the wind farm site. The substations will convert the energy generated by the wind turbines and transmit it to land. Electricity will be dispatched from Baltic Power via three-core extra-high voltage power cables with an operating voltage of 220 kV or 275 kV to the onshore substation. Further, 400 kV overhead transmission lines (up to 270 m long) will transport energy from the Project to the main Polish grid through a substation developed by the Polish transmission grid operator PSE, a State-owned company (“**PSE**”) (i.e., associated facilities).

The cable route will run underground. The introduction of the cable lines from the marine area to land will be carried out by Horizontal Directional Drilling (“**HDD**”) for 1.5 km to limit environmental impacts. Works to be carried out will include tree felling, including root grubbing for the cable lines. Up to 40 hectares will be felled in connection with the works, of which 25 hectares will be restored to pre-construction conditions. These are comprised of state forests where the Choczewo Forestry Commission has recommended such felling in September 6th 2022 Environmental Decision for the

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Offshore Wind Connection Infrastructure (“**OWF CI**”). The felling will occur in permanent technical strip 25 and will be permanently deforested.

The final course of the route is the result of cooperation between designers and planners and a broad group of stakeholders, including the forest inspectorate and municipal governments. When determining the cable route, several social and environmental factors were considered. The line will be located away from buildings, and at the same time, it will not affect valuable tourist areas because it will run underground. When choosing the location, the existing plans, topography, existing infrastructure, and many other factors were also taken into consideration. The priority was locating the line that is the least burdensome for property owners and the natural environment.

1.3 The Project Benefits

Offshore wind power generation is one of the fastest-growing energy sectors in Europe. With its increased efficiency and low environmental impact, this technology provides millions of Europeans with clean and competitively priced electricity. Waters of 12 countries are the site of 25 GW of offshore wind energy capacity, of which about 2 GW is in the Baltic Sea. Based on experts’ estimates, the Baltic Sea’s total potential is 85 GW, nearly twice as much as the full electrical capacity currently installed in Poland.

The Polish State National Energy Policy (“**PEP2040**”) outlines the potential of and assumes the development of offshore wind energy in the Polish Exclusive Economic Zone of the Baltic Sea, with a capacity of approx. 5.9 GW in 2030 and up to 11 GW in 2040. Offshore wind farms in the Baltic may play a key role in Poland’s energy transition, strengthen the country’s energy security, and help tackle air pollution (Figure 5).

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Figure 5: Environmental and socio-economic impact of the Baltic Power OWF

With the implementation of the Project, emissions of hazardous substances into the atmosphere can be avoided. With a conservative assumption of 40% capacity utilisation and 30 years of operation, the Project, with a maximum capacity of 1,200 MW, could produce 126.14 TWh/454.11 PJ of electricity, which would avoid emissions of over 45 million Mg of CO₂, over 618,000 Mg of SO₂, over 83,000 Mg of nitrogen oxides and almost 1.5 million Mg of dust in lignite-fired power plants. The above indicators for the Project will contribute to Poland's fulfilment of international regulations at the global and regional levels. The Project and other projects in the vicinity will also result in direct, indirect and induced economic benefits. E.g., in October 2022, Vestas announced plans to establish a new factory in Poland. It will assemble nacelles for the new V236-15.0 MW offshore wind turbine. It is scheduled to start operations in the second half of 2024 and will ultimately create 600 to 700

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new jobs ([Press release](#)). Furthermore, given the nature of the offshore wind industry, the skills gained by Polish workers during the Baltic Power Project can be used by other developers and suppliers in future projects in Poland or internationally. In addition, the Project has created several community development programmes based to the maximum extent on direct cooperation with the local communities. The programmes address different sectors, i.e., social initiatives, social development, safety, social activity places (meeting places), cultural and natural heritage and child and youth development. This formula of Programme implementation contributes to increased community involvement and strengthens the social capital and competencies of the inhabitants in the long term.

3. THE EIA PROCESS

Three separate EIA procedures were conducted for the Project. Two were completed for the Offshore Wind Farm (“**OWF**”), and one was completed for the OWF CI. Three reports were elaborated for the Project; two for the offshore wind farm dated July 2020 and October 2022 (prepared as part of the new Environmental Decision (“**ED**”) application); and one for the grid connection infrastructure dated October 2021, which addresses marine and terrestrial aspects.


The Project received an Environmental Decision for the OWF in September 2021. However, an appeal on the ED for the OWF was instigated by a non-governmental organisation for environmental protection. The appeal was passed from the Regional Director for Environmental Protection (“**RDOŚ**”) in Gdańsk to the General Director for Environmental Protection (“**GDOŚ**”), who then issued a new ED in June 2022, entirely replacing the previous decision. The new ED included a different set of conditions from the original one, which the Project considered restrictive. Consequently, the Project requested an amendment to the decision, which involved issuing an updated EIA Report for the OWF in October 2022. This EIA report determined the final values of the technical parameters of the Project. However, no additional environmental studies were carried out. In March 2023, the GDOŚ issued a decision amending its own ED.

The grid connection infrastructure for OWF received an Environmental Decision issued by the RDOŚ in September 2022. The construction of the O&M base in Łeba received the ED in December 2022. It states that there is no need to carry out an environmental impact assessment procedure. However, as part of the procedure for obtaining the ED, a Project Information Sheet was prepared (outlining the basing technical and environmental information on the Project).

Obtaining the Environmental Decisions allowed the submission of the applications for Building Permits.

4. STAKEHOLDERS ENGAGEMENT

Baltic Power is a committed community partner that believes in early and regular engagement and consultation with its communities at every Project lifecycle stage. Creating positive social impact through its community development initiatives is central to this process and is achieved by developing opportunities to support and enhance local communities. The Project implemented extensive stakeholder engagement activities between 2020 and 2023, targeting offshore wind

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industry actors, energy companies, providers of service and components, administration of nearby ports, local municipalities and state agencies, the national parliament members, tourist sector organisations, fishing sector organisations, and local communities.

From 2020 to the present, there have been 14 significant events involving a wide range of stakeholder groups – from local communities to market stakeholders. The sectoral agreement called the “Polish Offshore Wind Sector Deal”, was signed by more than 200 entities representing government administration, the local government party, and industry organisations. The Fisheries Cooperation Subgroup of the Sector Deal aims to develop rules enabling marine fisheries and offshore wind farms to coexist safely. In addition, the subset will be a forum for exchanging knowledge and experience to bring the two communities together, allowing for non-intrusive investments in the offshore wind sector. Nine working group meetings were held between June 2022 and May 2023. The primary concern of the fishing community relates to the co-use of the OWF area for fishing, which will be addressed within the “Code of Good Practices of OWF and Fisheries Co-existence”, which is planned to be completed by the end of 2023.

In December 2020, the Baltic Power website (<https://www.balticpower.pl/en/>) was launched to inform the public about the Project’s progress. Information that is available on the website includes the following bookmarks: ‘News’ (all press released articles concerning the Project), ‘About the Project’ (Project location, general construction timeline, technical aspects), ‘For the local communities’ (e.g., benefits for Choczewo community and examples of British seaport towns that have benefited from the process of business transformation towards offshore wind farms) and ‘For business’ (sectors and service providers that will benefit the most from the implementation of the offshore wind power). Documents attached on the website include EIA reports, EDs and a Project brochure. A mailbox is also available where all questions about the Project can be directed.

The Program, “Choczewo: Wind-driven Municipality”, is a joint initiative of offshore wind farm investors based on direct cooperation with the municipality’s community. With specialists’ assistance, local Project stakeholders identify their needs, search for the most effective solutions and, among them, recommend Projects that should receive co-financing. Forty-five Projects totalling PLN 1 million were implemented in the program's first edition. It is an example of effective social dialogue. Residents were particularly optimistic about the ‘bottom-up nature of the initiative’, stressing that direct contact with the organisers was critical to them, as was the opportunity to influence the final shape of the Projects and rules under which the initiative operates. It is planned to continue running the program in the upcoming years. Financial support under the program may be granted to applicants based in the Choczewo municipality:

- foundations and associations pursuing social objectives of the Choczewo municipality residents
- social enterprises – organisations carrying out economic activities, which set strictly social objectives, and which invest surplus earnings depending on their goals in action or the community,
- the Choczewo municipality, organisational units of the Choczewo municipality and civil parish authorities, and

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- other organisations, institutions and entities acting for the public good, including groups of residents of the Choczewo municipality, provided that their Project is consistent with the program’s objectives and is intended to benefit the broader community of the Choczewo municipality. If such an entity does not have a legal personality, it may become an applicant jointly with another entity indicated above, acting for and on its behalf.

All actions which the Communication and Stakeholder Management Team coordinates are focused on the following stakeholders:

- Local communities (strong focus on Choczewo Municipality and Łeba),
- Local suppliers,
- Administration and Port Authorities (Choczewo, Wejherowo Powiat, Lębork, Łeba, Szczecin, Gdynia, Gdańsk, Świnoujście, Rønne),
- Educational Institutions (Gdańsk, Gdynia, Szczecin),
- Fisheries (Łeba),
- Businesses,
- PSE.

For more detailed information, please refer to the Project’s Stakeholder Engagement Plan.


5. AVOIDING, PREVENTING AND LIMITING POTENTIAL ADVERSE ENVIRONMENTAL IMPACTS

The environmental impact assessment of the Project indicates that no significant adverse impacts will occur due to the Project. However, the occurrence of impacts of minor or moderate importance is unavoidable. Therefore, reasonable measures aimed at avoiding, preventing, and minimizing negative environmental impacts will be undertaken during the three phases of the Project: construction, operation, and decommissioning. Further details can be found in the EIAs for the Project:

- [Environmental Impact Assessment Report for the Baltic Power Offshore Wind Farm](#)
- [Report on the Environmental Impact Assessment of the Baltic Power Offshore Wind Farm Connection Infrastructure](#)

The national EIAs have satisfactorily assessed the potential impacts of the Project on the sea floor (sediment), water quality, fish populations, marine mammals, sea birds, migration birds, bats, and benthos organisms. Similarly, residual impacts on the human environment and landscape caused by visual obstruction from installing vertical structures in an otherwise horizontally undisturbed environment were part of the assessment.

The offshore wind farm is located outside marine protected areas, approximately 23 km from the shore. The environmental studies showed that impacts related to the exact location of wind turbines inside the wind farms’ development area concerning some environmental components. During the construction phase, underwater noise will be generated during the work foundations. Its greatest intensity will be during the driving of monopiles into the seabed. Considering that underwater noise generated at such a level would have the potential to cause a significant negative impact on seabirds

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in the area and marine organisms (fish and marine mammals) subject to protection in the Natura 2000 site Ostoja Słowińska (PLH220023) located over 20 km from the site, the following mitigation measures will be implemented during the execution of works: a noise reduction system, acoustic deterrent devices, ornithological supervision and limitations to simultaneous piling. It will allow to reduce all impacts as to be insignificant.


The underwater connection infrastructure at the sea area crosses the Natura 2000 site Przybrzeżne Wody Bałtyku PLB990002 (SPA) designated under the EU Birds Directive (Figure 3). Baseline studies for bird populations using the Project area at different times of the year were undertaken between 2018 and 2020. Given the low abundance of seabirds in the Project area, the studies concluded that the Project would not lead to the displacement of bird species' habitats within the sites of nature conservation.

The Project's impact on migrating birds (i.e., whereby by the wind farm could act as a barrier) is expected to be limited, as there are development-free spaces on the eastern and western sides of the wind farm to enable bird passage. Collision risk, disruption to flight paths, and direct or indirect habitat loss were analysed. The Project will implement state-of-the-art radar and camera monitoring systems and has developed a shutdown on demand procedure.

The landing point of the cables at the seashore is composed of sea dunes and forest areas. Due to the environmental conditions and the dynamic nature of the shoreface zone (dunes), HDD is planned to be used. HDD works will be performed beginning in the coastal waters area and ending behind dunes (section 1.5 km long).

The Company will implement state-of-the-art technology in the design and construction of the wind farms. It will utilise the know-how in offshore wind farm construction and operation experience from its Canadian JV partner Northland Power.

Key social risks and impacts identified in the Environmental and Social Due Diligence ("ESDD") include fishing-based livelihoods of fishing communities along the shoreline. The primary social impact of the Project relates to the exclusion zone that will be imposed within the off-shore Project area, which may be associated with the livelihood impacts on the fishing and, to a lesser extent, tourism-focused community members and organisations. While some restrictions have been already in place for some time (e.g., since mid-2019, EU Prohibition on Fishing Cod has been in place due to significant stock depletion, with the EU-backed program aimed to support the affected fishing organisations), the Project induced exclusion zone will be during the construction stage. To address the fishing-based livelihoods of affected people, the Project, in close coordination with the local authorities and other offshore wind Projects, will adopt a Livelihood Restoration Framework ("LRF") as the basis for assessing, quantifying, and compensating both temporary and permanent impacts on people's livelihoods due to loss or the limited ability for fishing in the Project areas. Based on the LRF, PR5 requirements and Offshore Wind Sector Deal, the Livelihood Restoration Plan ("LRP") will be developed and implemented. These steps would be taken under the "Code of Good Practices of OWF and Fisheries Co-existence" described below.

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To develop the Project's onshore component, the Project acquired one private land plot via commercial means, i.e., a "willing buyer and willing seller" arrangement for the substation and the land for cable route has been transferred to the Project by the forestry authorities.

5.1 POLISH OFFSHORE WIND SECTOR DEAL

"Polish Offshore Wind Sector Deal" is a sectoral agreement which was signed in September 2021 by Baltic Power and by a total of more than 200 entities representing government administration, the local government party, industry organizations and investors. The fisheries cooperation subgroup of the Sector Deal aims to develop rules that will enable marine fisheries and offshore wind farms to coexist safely. In addition, subgroup will be a forum for the exchange of knowledge and experience aimed at bringing the two communities together allowing for non-intrusive investments in OWF.

Plans and scope of work and schedule for the subgroup include:


1. Development of a "Code of good practice for coexistence of OWF and fisheries" defining recommendations on:
 - a) principles and conditions of conducting fishing activities, stocking and fish breeding in the area of OWF projects and within the export infrastructure, including the ways of securing this infrastructure for the purposes of conducting the aforementioned activities;
 - b) potential possibilities of using the fishing sector for the construction or exploitation of the OWF projects;
 - c) insurance for owners of fishing vessels;
 - d) methods of communication between investors and the fishing community.

The fishing communities will be involved in its final form when the Code will be presented within Sector Deal group. The company's activities in this field will not change, and it will strive to develop a Code.

2. Development of rules on how to verify possible losses and feasible and adequate methods and scale of their compensation for documented lost fishing opportunities for owners and operators of fishing vessels.
3. Development and submission to the Ministry of Agriculture and Rural Development of a proposal for detailed conditions of performing sea fishing in the area of the OWF and within the export infrastructure.

The Project implementation covers three phases, i.e.: (i) construction, (ii) operation, and (iii) decommission. Prior to construction and during the construction, operation and decommissioning phases of the Project, the following monitoring activities will be carried out in relation to:

- Underwater noise
- Water sediment quality and sediment dispersion
- Ichthyofauna

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- Migratory birds
- Seabirds
- Marine mammals
- Benthos
- Bats.


6. SUPPLY CHAIN

Construction of the first offshore facilities in Poland requires building a solid and efficient supply chain. Although the Project mainly uses an established European supply chain, Baltic Power intends to engage Polish companies in the process and thus contribute to developing Poland's offshore wind sector. Given the scale of the Project, the planned supply chain will involve many branches of the economy. The future collaboration will involve all stages of the Project, starting from the ongoing preparation of the Project, through the construction phase, to the operation phase spanning more than 25 years (Figure 6).

One of the most important companies is VESTAS Poland Sp. z o. o. (part of Vestas Group). The company is responsible for the supply of wind turbine generators to the Baltic Power Project. **Vestas** has been named the most sustainable company in the world in the Corporate Knights' Global 100 ranking. It has also received a rating of A- from CDP. Vestas has been a signatory of the UN Global Compact since 2009 and has been working with human rights since that time. The company is strengthening human rights governance and inclusiveness by investing in local communities (creating long-term value through community engagement and promoting positive impact such as education and jobs). The company operates according to the international certificates ISO 9001, ISO 14001, and ISO 45001. The Vestas Sustainability Report (2022) conveys that Vestas's WTG supply chain is free of severe human and labour rights risks.

The offshore wind power sector development opens new business opportunities for Polish companies in the Pomerania region and further inland. Sectors and service providers that will benefit the most from the implementation of the offshore wind power Project include:

- Ports and harbours (transport of equipment, construction, and maintenance of offshore wind farms)
- Shipyards (vessels to support the construction and operation of offshore wind farms, which are in the shortest supply on the market)
- Logistics and warehouses (equipment delivery logistics – foundations, tower components, turbines, blades, and their storage)
- Engineering, logistics, maintenance, and consulting services companies
- Construction, design, welding, installation, and telecommunications services

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- Manufacture of cables (a single offshore farm requires as many as several hundred kilometres of cables to operate)
- Maintenance and servicing of offshore installations
- Research services (environmental research, preparation of pre- and post-implementation reports and analyses, energy, construction, and design studies)
- Education (business consulting, training programmes for employees of construction, servicing, and maintenance companies)

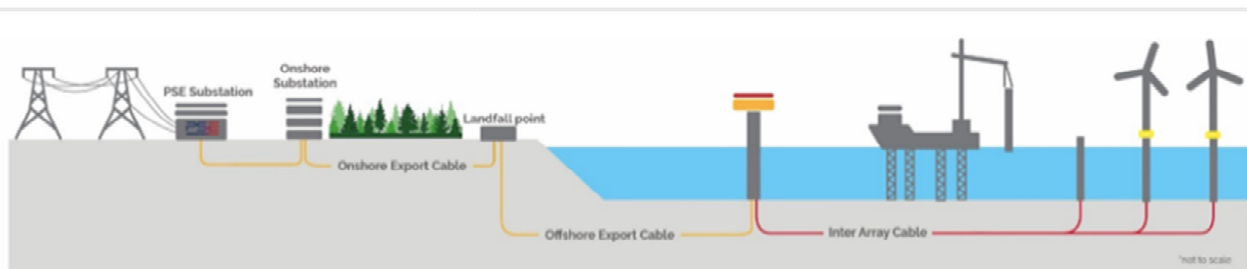


Figure 6: Overview of Project technologies and respective suppliers

7. ENVIRONMENTAL AND SOCIAL MANAGEMENT


To comply with Potential Lenders’ requirements, the Project will undertake environmental and social measures in addition to the national permits. The ESAP includes these steps and represents a roadmap for implementing the Project's critical environmental and social actions. The Project will also implement an Environmental and Social Management System (“ESMS”) with policies and procedures, and management plans to manage environmental and social aspects.

8. REPORTING TO LENDERS

The Project will commit to providing reporting at a reasonable frequency. When necessary, such reporting will be provided by an independent environmental and social expert.

9. FURTHER STAKEHOLDER ENGAGEMENT

Cyclical meetings with the Choczewo Community Council will be held at least once a year. The meetings provide up-to-date information on Project implementation and the next planned steps. To ensure the best and direct contact on site, representatives of ONS contractors are in constant and direct contact with the Head of the Choczewo Municipality. The second edition of the “Choczewo:

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Wind-driven Municipality” program was launched, and until 3 May 2023, as many as 111 ideas were submitted (almost twice as many as in 2022). On 6 May, the list of Projects was approved by all Investors. In June, the contracting of Projects began. The program will be funded at least until 2026.

The Project plans to continue cooperating with fishing communities through the existing working groups at Polish Wind Energy Association (“PWEA”) and within the Sector Deal. The company’s activities in this field will not change, and it will contribute to the development of, among other things, a Code of Good Practice for the co-existence between offshore wind energy and fishermen.

The “Strength of the Baltic” initiative, which is planned to be launched in the second half of 2023, is a long-term Project to support and develop the local community from the commune of Łeba, where a service port for Baltic Power offshore wind farms is being built. The program, modelled on the “Wind-driven Municipality” program implemented in the Choczewo Commune, will consist of financial and substantive support for socially important local initiatives implemented in the Łeba commune by its community. The program is to involve the community’s residents fully and is based on direct and close cooperation between the company and the beneficiaries. In this way, it is possible to learn the actual needs of the local community and create an adequate support formula. By building long-term, mutually beneficial relationships, the company will also provide information about its activities and explain the role of offshore wind energy in the country’s energy transition. Entities eligible to benefit are foundations and associations pursuing the municipality’s residents’ social goals and the municipality’s organisational units, such as community centres and village halls. Educational units: schools and kindergartens may also submit their Projects. Possible support areas include education for offshore wind energy work, water safety, developing children and young people, fighting social exclusion, environmental education, local historical heritage, and small-scale infrastructure. One of the critical areas that the program will relist is engagement and cooperation with local fishing communities. As a professional group, Fishermen will have their dedicated category of Project funding in the program. Funding for the program has been secured under the Project until 2026.

Further details can be found in the Stakeholder Engagement Plan document.

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10. GRIEVANCE REDRESS MECHANISM

This section provides a framework for the Grievance Redress Mechanism (“GRM”) that will be used to identify, track, and manage grievances raised by external Project stakeholders. The GRM will be maintained throughout the Project life cycle to ensure that grievances are promptly heard, analysed and resolved to the extent possible.

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The main objective of the grievance mechanism is:

- To address grievances promptly and effectively, in a transparent manner resulting in fair, effective and lasting outcomes,
- To provide a grievance management process that is culturally appropriate and readily accessible to all Project affected parties,
- To build trust as an integral component of the Project community relations activities,
- To enable a systematic identification of emerging issues, facilitating correcting actions and pre-emptive engagement.

The objective of this system is to ensure there is a robust and transparent process available for addressing complaints. This system comprises a sequential process of three levels of resolution. The next level of resolution is triggered if the complaint cannot be resolved at a lower level. However, the Project recognises and accepts that complainants may go directly to Level 3 to lodge complaints. The Project Grievance Committee will be established as soon as possible and consist of: the Project Community Relations Manager, Construction Contractor representatives, local government representatives, and community representatives.

A separate grievance mechanism shall be developed to address internal grievances relating to employment matters. All grievances and how they have been managed will be recorded in the Stakeholder Engagement Database, including complaint details, a summary of the grievance, the agreement on proposed actions (between the Project and the complainant), and monitoring measures undertaken in response to the grievance. Grievances for highly sensitive cases, and as requested by complainants, will be filed anonymously, which is essential for capturing any grievances concerning gender-based violence and sexual exploitation and abuse. All correspondence related to the grievance must be documented in the Stakeholder Engagement Database for monitoring, reporting, and learning. This will help drive continual improvement.

The Project's Grievance Procedure shall manage all grievances:

Step 1: Receive and acknowledge the grievance,

Step 2: Assess the grievance and assign priority and responsibility,

Step 3: Investigate and propose a resolution,

Step 4: If the complainant does not accept the proposed resolution (If the complainant does not accept the proposed solution the responsible Project Community Relations Team member shall refer the complaint to the Project Grievance Committee to facilitate an agreeable resolution. And finally, as the last resort, the complainant can appeal at the District Court),

Step 5: Implement the solution,

Step 6: Grievance closeout and documentation.