

Potential Environmental Impact of the Increased Manufacturing Capacity of Velvet CARE Sp. z o.o. resulting from the Construction of a Warehouse, Production Hall and Installation of a New Tissue Machine

Stakeholder Engagement Plan

The construction of new buildings - namely Jumbo inter-operational warehouse (area of approx. 6000m²) and a new production floor (area of approx. 9000m²) will be based on the existing plant infrastructure. The buildings to be constructed have no significant impact on the environment or local community as acknowledged in the decision of the Regional Environmental Protection Authority (RDOŚ); however, construction works will cause increased noise and increased traffic from heavy duty building machines to be used in construction works and to transport the components of paper-making machine. The vehicles will be using the regional road No. 791 running across the centre of the village of Klucze, which may put the residents to considerable inconvenience.

Majority of the vehicles do not require any special permits, nonetheless, Velvet CARE intends to keep the local community informed about subsequent stages of works and possible effects thereof. The purpose of the procedure described below is to systematize all actions to be undertaken with a view to engaging all stakeholders.

14/04/2016

1. Introduction – summary of the project

Velvet CARE Sp. z o.o. intends to expand its manufacturing plant located in the village of Klucze-Osada, Klucze Municipality. The purpose of the expansion of the plant is to enable the installation of the second tissue machine and to increase the storage area, which will significantly enhance mill-manufacturing capacity. The investment project will be comprised of:

- Jumbo inter-operational warehouse of an area of approx. 6000 m²
- Production floor for the new paper-making machine of an area of approx. 9000 m²
- Internal infrastructure, namely roads, yards, utility connections, and installations.

The planned investment project will be implemented on the plot No. 22/190, on the area occupied by Velvet Care Sp. z o.o. and to which Velvet Care holds perpetual leasehold rights. According to the local zoning plan this plot is intended for industrial purposes. The investment project site is located approximately 500 meters from the nearest residential buildings and is separated from the same by the existing plant buildings, which limits the impact of the new facilities on the community. The construction site will be sectioned off and will have a separate access road from Zawierciańska street. The works will take approximately 12 months. The construction works will be conducted during the 1st and 2nd shift, i.e. between 6 AM and 10 PM. During these hours an increase of traffic from construction vehicles near the access road at Zawierciańska street (regional road No. 791) will occur. .

This Stakeholder Engagement Plan highlights the way Velvet CARE Sp. z o.o. intends to communicate with individuals who may be affected by or interested in our operations. It also includes a grievance mechanism for individuals to raise any concerns to our attention.

2. Regulatory Requirements [primarily for new project]

All investment project elements require a number of authorisations/permits concerning environmental and construction issues, prescribed under Polish law. The majority of them

have already been granted and the decision concerning the last required permit is expected by 30 June 2016.

The required authorisations/permits include:

- a) JUMBO inter-operational warehouse
 1. Final and binding building permit granted on 04 February 2016.
- b) Production floor for the new Paper-Making Machine
 1. Consultations with residents and environmental authorities (RDOŚ) regarding planned construction are under way.
 2. The building permit is expected to be granted by 30 June 2016
- c) On 18 December 2015 we were granted the official decision stating that the planned investments would not have any adverse impact on the natural environment and relevant Natura 2000 areas.
- d) The investment project has been consulted and agreed upon with the State Mining Authority in Katowice [WUG] and District Mining Authority [OUG] in Krakow in terms of location of the planned investment project within the mining and former mining area. On 09 September 2015 we received favourable decision of OUG,
- e) The investment project requires clearing of trees in the future construction site. On 01 February 2016 the company was granted the permit for such a clearing. The decision is final and binding. New trees will be planted as compensation for the cleared trees – in smaller part within Velvet CARE plant premises and - in greater part - on other areas indicated for that purpose by the municipal authorities of Klucze. These other areas will include the park in Klucze, thus contributing to the maintenance and adding variety to the green areas in the municipality.

3. Summary of Previous Stakeholder Engagement Activities

On 16 July 2016 a representative of Velvet CARE Sp. z o.o. presented the project during a session of the Municipal Council of Klucze Municipality, as part of the procedure for obtaining relevant authorisations and permits.

4. Identification of Stakeholders and Communication

In addition to regulatory authorities, Velvet CARE Sp. z o.o. has identified both internal stakeholders, such as employees, as well as external stakeholders, such as local residents, and several organisations that may be interested in our activities. A proposed channel of communication is listed for each stakeholder, including addresses and contact details, as well as specific media that will be used to provide the stakeholders with relevant additional information, e.g. concerning possible public consultation or significant changes. Suggestions for improvement of the proposed channels or media of communication are welcome. Please, use contact details provided at the end of this document.

Stakeholders	Number of people	Communication	Proposed Media
Internal Stakeholders			
Employees	340	Internal newsletter, E-mail communication, Announcements in Community Rooms. Grievance procedure. Code of Conduct. Special information on speed limits, timing of routes, driver safety. OHS Training	None
Temporary Construction Workers (2017), Subcontractors	TBC	Information in contract, OHS training. Grievance procedure. Code of Conduct. Special information on speed limits, timing of routes, driver safety.	None
Trade Union	3 Unions, ca. 90 people	Internal newsletter, Email Communication. Information on request to union representatives Quarterly meetings with Management Board	None
External Stakeholders			
Klucze Municipality	15,000	Press releases on: Commencement of subsequent investment project stages published in locals newspapers: 'Przegląd Olkuski' and 'Echo Klucz' and on the website www.velvetcare.pl Project outline presented during an open session of the Municipal Council - invitation to residents to participate in the session published, among others, 14 days in advance on the Klucze Municipality website Grievance form Email Address	'Przegląda Olkuski' weekly 'Echo Klucz' monthly Website www.velvetcare.pl www.gmina-klucze.pl KontaktBHP@velvetcare.pl Attn. OHS

		Postal Address	Specialist Velvet CARE Klucze-Osada 3 Klucze
Ecological organisations	n/a	E-mail address, Information on request	None

5. Disclosure of Information

Velvet CARE Sp. z o.o. has disclosed its environmental and social policy and grievance mechanism to the public. A summary of environmental and social impact and implementation of the public grievance mechanism have been disclosed to the Municipal Office in Klucze, and on request.

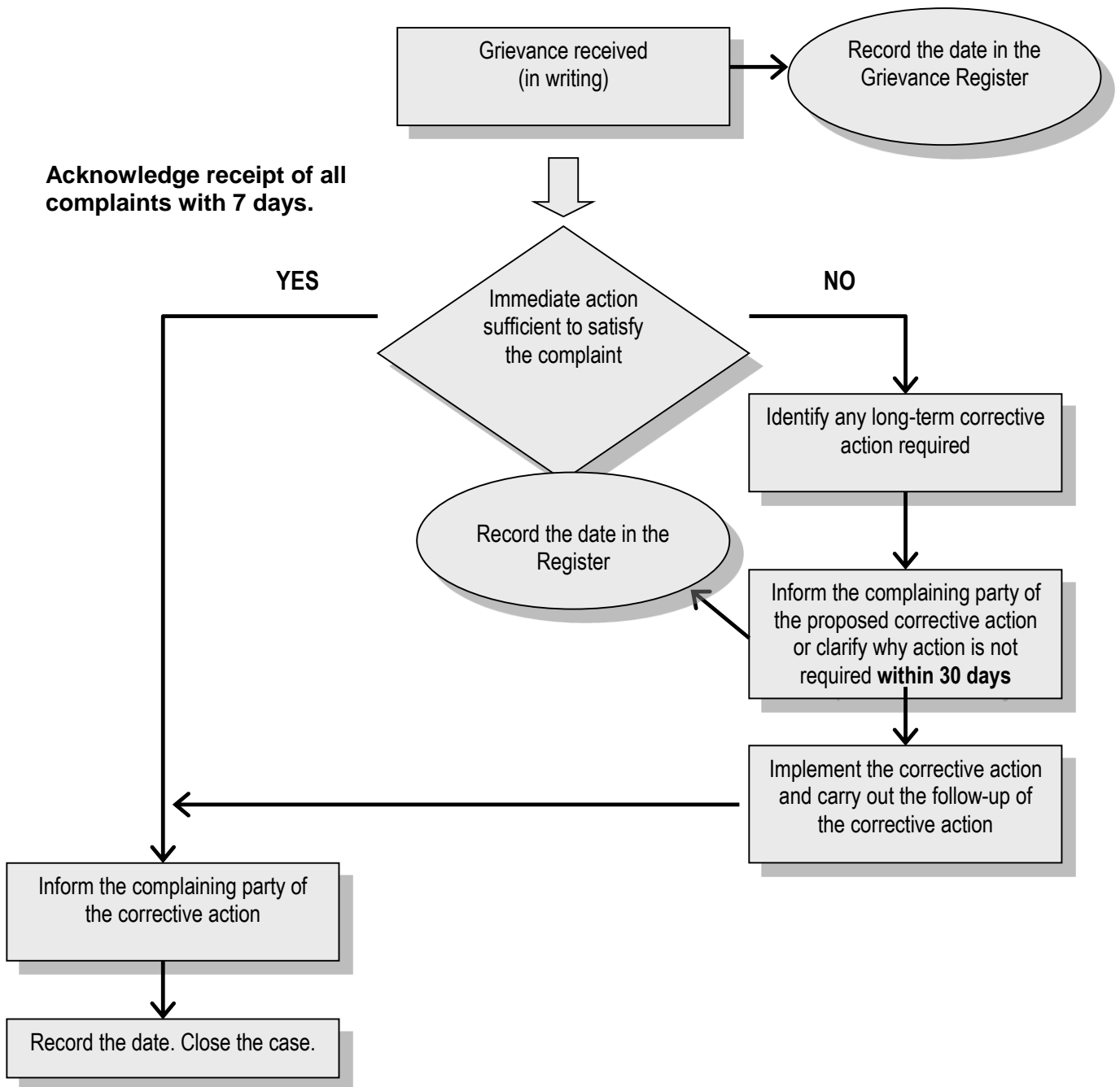
6. Stakeholder Engagement Programme

Impact of the expansion project is limited and the affected area is mainly the enclosed area of the mill, however, the route for construction vehicles will pass through the village of Klucze. An update on the schedule of works will be provided to the Klucze Municipal Office approximately 2 weeks prior to the commencement of relevant works; the information reminding about the works and availability of the grievance mechanism will be posted on the Village information boards.

7. Public Grievance Mechanism

Any comments or concerns can be brought to the attention of the company in writing (by post or e-mail) or by filling in a public grievance form (see example at the end of the document). All grievances will be registered, assigned a number, and acknowledged as received within 7 days. A response will be provided within 30 days. Please indicate in your communication, if you wish your name to be kept confidential. A separate grievance mechanism is available to employees.

Flowchart for Processing Grievances



8. Velvet CARE Company Contact Details

Attn. OHS Specialist
Velvet CARE
PO box No. , [post] Klucze
KontaktBHP@velvetcare.pl

Public Grievance Form

Reference No: _____	
Full Name	_____
Contact Information Please mark how you wish to be contacted (mail, telephone, e-mail).	<input type="checkbox"/> By Post: Please provide mailing address: _____ _____ _____ <input type="checkbox"/> By Telephone: _____ <input type="checkbox"/> By E-mail _____
Description of Incident or Grievance: _____ What happened? Where did it happen? Whom did it happen to? What is the outcome/consequence? _____ _____	
Date of Incident/Grievance	_____
	<input type="checkbox"/> One time incident/grievance (date _____) <input type="checkbox"/> Happened more than once (how many times? _____) <input type="checkbox"/> On-going (currently experiencing problem)
What action would you like to see taken to resolve the problem? _____ _____	

Signature: _____

Date: _____

Please return this form to: OHS Specialist, Velvet CARE Sp. z o.o.

Klucze-Osada 3

Klucze

or E-mail: Kontakt BHP@velvetcare.pl