



Stakeholder Engagement Plan

KC ENERGY PIHLAKA SOLAR PV PROJECT, ESTONIA

January 2024



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Public

Contact Details:



Name: Mihkel Loorits

Address: Veskiposti 2, Tallinn, Estonia, 10138

Phone: +372 5565 3326

Email: mihkel.loorits@kaamos.ee

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Acronyms and Abbreviations

Abbreviation	Term
CESMP	Construction Environmental and Social Management Plan
CSOs	Civil Society Organisations
EBRD	European Bank for Reconstruction and Development
EHSS	Environmental, Health, Safety and Social
EIA	Environmental Impact Assessment
E&S	Environmental and Social
ESAP	Environmental and Social Action Plan
ESP	Environmental and Social Policy
EU	European Union
GBVH	Gender Based Violence and Harassment
NGOs	Non-Governmental Organisations
NTS	Non-Technical Summary
OHS	Occupational Health and Safety
PRs	Performance Requirements
PV	Photovoltaic
SEP	Stakeholder Engagement Plan
SPV	Special Purpose Vehicle

1. INTRODUCTION

1.1. Background

This Stakeholder Engagement Plan (SEP) provides the requirements for the stakeholder engagement and public consultation process, stakeholder identification and grievance mechanism planned for the Pihlaka Solar Photovoltaic (PV) Project.

The SEP provides an overview of national legislation, the European Bank for Reconstruction and Development (EBRD) Environment and Social Policy (ESP) 2019, EBRD Performance Requirement 10: Information Disclosure and Stakeholder Engagement, European Union (EU) directives and international best practice related to information disclosure. It outlines the general approach to stakeholder engagement and public consultation.

The SEP is a live document, being reviewed periodically during Project implementation. It will be updated as necessary in line with new or changed activities, changes in Project design or newly identified stakeholders.

1.2. Objective of the Plan

This SEP is a public document, which sets out the implementing body's commitments relating to stakeholder engagement, consultation and disclosure activities in connection with the proposed solar PV Project.

KC Energy (the "Company") will be responsible for the development of the solar PV Project and the public will be able to access and review this SEP (in Estonian and English) at the Anija Municipality office in Kehra as well as on the Kaamos Energy or KC Energy or Project website which is under development.

The goal of this SEP is to set out how stakeholder engagement will be carried out for the Project and how long-term relationships between the Pihlaka Solar PV Project and the local communities will be maintained. This SEP also aims to inform, improve and facilitate decision-making that involves Project-affected people and other interested stakeholders in an inclusive and timely manner, and to ensure that these groups are provided with sufficient opportunity to voice their opinions about the Project.

The SEP briefly describes the public consultation carried out to date and defines activities that will be implemented by the Project to inform stakeholders about the nature and the potential impacts associated with the solar PV plant.

The SEP contains a stakeholder table where relevant stakeholders are identified with the most appropriate communication channels and strategies, information disclosure requirements and grievance processes that will be adopted. If there are stakeholders who are not included in the SEP, they can get in touch with the contacts provided above from KC Energy to receive information about the Project and be added to the stakeholder engagement programme in this SEP.

Specific objectives of the SEP are detailed below:

- Define the Project area;
- Identify, map and assess affected parties and other interested stakeholders, and how they may be affected by or interested in the Project;

- Set out stakeholder analysis undertaken to understand Project stakeholders, so that appropriate methods and tools to engage them can be developed;
- Provide an action plan for consultation that allows for meaningful stakeholder input into the Project;
- Ensure stakeholders have access to information on Project activities in a timely manner;
- Ensure information disclosed to stakeholders can be understood and locations for consultation are accessible to all who want to attend;
- Ensure that any vulnerable groups are identified and consulted;
- Establish clear mechanisms for answering stakeholders' questions, concerns and grievances; and
- Document formal consultation and information disclosure activities, define stakeholder tracking and records management system.

1.3. Scope of the Plan

This SEP covers KC Energy's operations on the Pihlaka Solar PV Project, including the contractor's activities. The document comprises the following sections:

- Chapter 2 – Project Background
- Chapter 3 – Regulatory Framework
- Chapter 4 – Consultation and Disclosure Undertaken to Date
- Chapter 4 – Stakeholder Identification
- Chapter 5 – Stakeholder Engagement Programme
- Chapter 6 – Grievance Mechanism
- Chapter 7 – Monitoring, Reporting and Responsibilities

2. PROJECT BACKGROUND

The Project consists of the construction and operation of a single investment with two separate but adjacent solar power plants (Pihlaka 1 with a capacity of 7.5 MW and Pihlaka 2 with a capacity of 45 MW) with an aggregate capacity of 52.5 MW, to be located in the south-eastern part of Harju County in Estonia. The sites are located approximately 27km south-east of the city of Tallinn and 1.2km south-west of the town of Kehra. The Project will be constructed and operated under a special purpose vehicle (SPV), which at financial closure will be 100% owned by KC Energy OU (KC Energy). KC Energy is a joint venture between Kaamos Group and Combiwood Invest LLC, which was established in 2020.

The solar parks will be located in Anija Municipality across seven cadastres. As shown in Figure 2, the size of the prospective land plots are as follows:

- Pihlaka 1 – 7.5 MW across 11.54 hectares (ha); and
- Pihlaka 2 – 45 MW across 71.63 ha.

It is expected that the Project will have a lifespan of at least 20-25 years. The Project components will comprise:

- Two adjacent Solar PV plants;
- Two underground transmission lines approximately 4.2km in length (Pihlaka 1, 10 kV and Pihlaka 2, 33 kV), connecting to an existing substation north of the Project; and
- A substation.

Figure 1 – Project Location

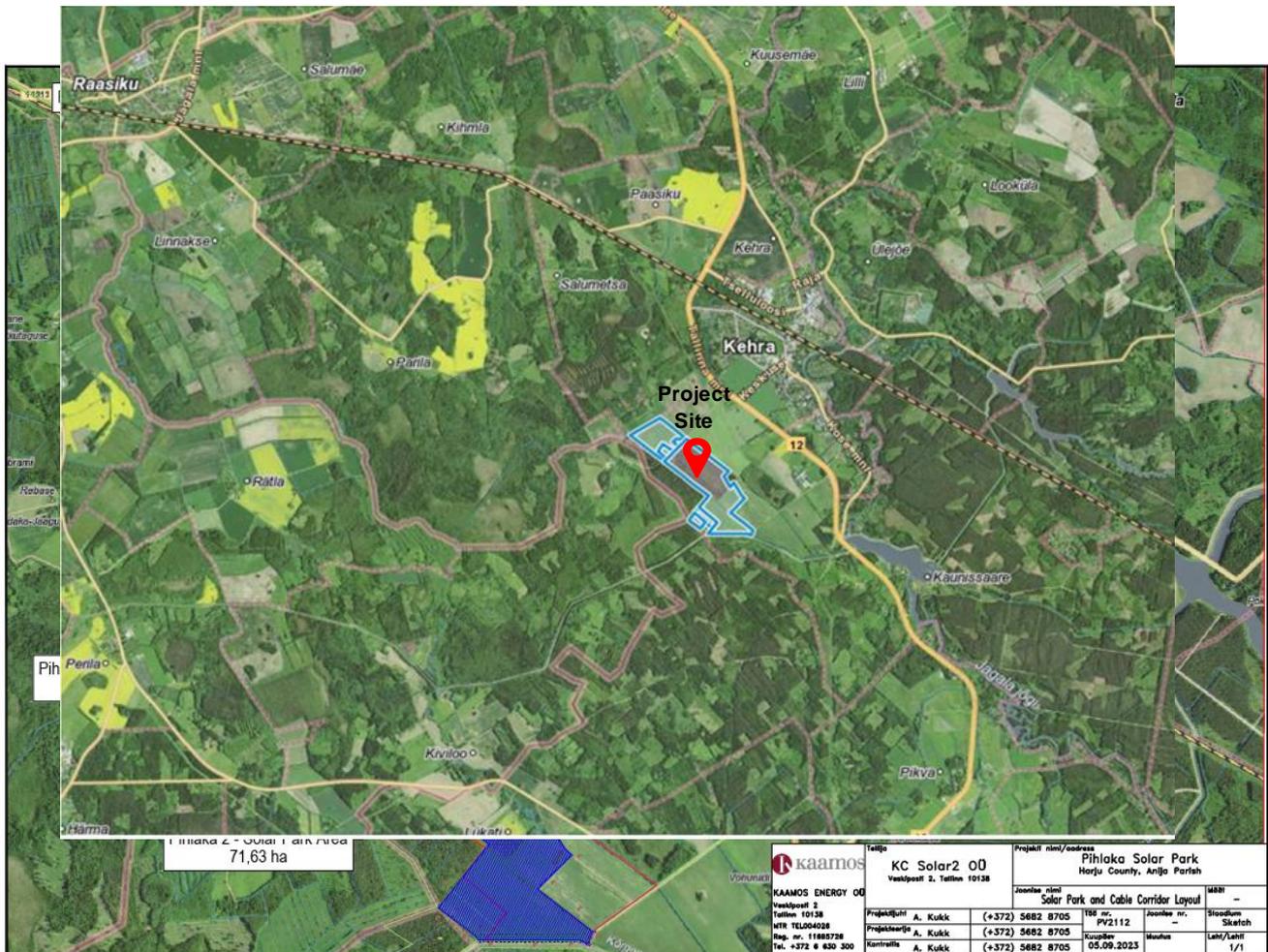


Figure 2 - Map of the Project Components

3. REGULATORY FRAMEWORK

3.1. National Legislative Requirements

Stakeholder engagement and the level of public disclosure and consultation activities within the context of the Project are regulated by the following laws:

- Planning Act (RT I, 26.02.2015, 3)** – This law regulates the system of spatial and urban development in Estonia, including public information and participation throughout the process of development. The authority that organises planning work must inform the public of the planning proceedings in understandable terms, provide sufficient invitation to the public to participate in the proceedings and, in the course of the preparation of the spatial plan, arrange public displays and public discussions of the plan in order to introduce the plan to the public. According to the law, everyone is entitled to participate in the planning proceedings and, during those proceedings, express his or her opinion regarding

the spatial plan. Additionally, everyone is entitled, free of charge, to receive relevant information regarding the planning proceedings and the spatial plan.

- **Environmental Code Act (RT I, 28.02.2011, 1)** – According to this law, everyone has the right to participate in the proceedings of granting authorisation for an activity of a significant environmental impact and in planning an activity of a significant environmental impact. The public should be engaged at an early stage before the selection of the final solutions and the length of the time limit of the proceedings must be such that, given the volume and complexity of the case, allows the public to participate effectively. Materials that are of relevance in the case must be easily accessible on the Internet or in another manner.
- **Public Information Act (RT I 2000, 92, 597)** – The purpose of this Act is to ensure that the public and every person has the opportunity to access information intended for public use, based on the principles of a democratic and social rule of law and an open society, and to create opportunities for the public to monitor the performance of public duties. This law provides for conditions of, procedure for and methods of access to public information. It also regulates access to restricted public information to the extent this is not regulated by other Acts, as well as exercise of state supervision over the organisation of access to information.
- **Building Act (RT I 2002, 47, 297)** – This Act provides the requirements for construction works, building materials, construction products, building design documentation and as-built drawings of construction works, and establishes the basis and procedure for design work, building work, the use and the registration of construction works, the sanctions for violations of this Act, and the organisation of public oversight and construction oversight.
- **Administrative Procedure Act (RT I 2001, 58, 354)** – The purpose of this Act is to ensure the protection of the rights of persons by creation of a uniform administrative procedure which allows participation of persons and judicial control.
- **The Constitution of the Republic of Estonia (RT 1992, 26, 349)** – Estonia has recognised the importance of stakeholder engagement and public consultation in infrastructure projects, and the Constitution of the Republic of Estonia guarantees and protects fundamental rights and freedoms. In relation to stakeholder engagement, the Constitution stipulates that everyone is entitled to free access to information disseminated for public use. All government agencies, local authorities, and their officials have a duty to provide information about their activities to any citizen of Estonia at his or her request, except for information whose disclosure is prohibited by law and information intended exclusively for internal use.

3.2. EBRD Requirements

The Project will adhere to EBRD Environmental and Social Policy (ESP) 2019 and the EBRD Performance Requirements (PRs). The EBRD PR 7 (Indigenous Peoples) and PR 9 (Financial Intermediaries) are not applicable for this Project.

The main PR associated with Stakeholder Consultation and Information Disclosure is PR 10. The key pertinent requirements of this PR are:

Table 1: EBRD Stakeholder Engagement Requirements

Objective	Key Requirements
Stakeholder Identification	<ul style="list-style-type: none"> ▪ Identify Project affected stakeholders, including disadvantaged or vulnerable groups who are affected or likely affected by the Project; or may have an interest in the Project. ▪ Develop and implement a Stakeholder Engagement Plan and Grievance Mechanism.
Information Disclosure	<ul style="list-style-type: none"> ▪ Provide stakeholders with access to timely, relevant, understandable, accessible information in a culturally appropriate manner. Including access to: <ul style="list-style-type: none"> ○ The purpose, nature, scale and durations of the Project; ○ Any risks, potential impacts and mitigation measures; ○ Proposed stakeholder engagement process; ○ Time and venue of public consultation meetings; and ○ A Grievance Mechanism. ▪ Where applicable, differentiated measures will be implemented to allow the effective participation of those identified as disadvantaged or vulnerable groups.
Meaningful Consultation	<ul style="list-style-type: none"> ▪ Consultation will be in line with the degree of potential Project impacts and will: <ul style="list-style-type: none"> ○ Begin early and continue throughout the Project lifecycle; ○ Be based on prior disclosure and dissemination of information; ○ Be free of manipulation, interference, coercion or intimidation; ○ Enable meaningful participation; and ○ Be documented.
Ongoing Engagement and External Reporting	<ul style="list-style-type: none"> ▪ Provide stakeholders, on an ongoing basis, with appropriate information on the Project regarding risks, impacts and grievances raised. ▪ Communicate any updates to stakeholders on the Project, including disclosure of updated ESMP if adverse impacts, risks, concerns are identified or raised. ▪ Report to the community with frequency that is proportionate to the concerns of affected communities but not less than annually.
Grievance Mechanism	<ul style="list-style-type: none"> ▪ Establish a Grievance Mechanism to receive and facilitate resolution of stakeholders' concerns and grievances about the Project. ▪ The Grievance Mechanism should: <ul style="list-style-type: none"> ○ Resolve concerns promptly and effectively; ○ Use a transparent, culturally appropriate and readily accessible consultative process; and ○ Allow for anonymous complaints to be raised and addressed.

4. CONSULTATION AND DISCLOSURE UNDERTAKEN TO DATE

4.1. Previous Stakeholder Engagement and Awareness Program

A disclosure period was held for the Pihlaka Solar PV Project, where all the Project information and design conditions were made public on the Anija Municipality website, inviting any comments and questions. Project information was displayed on the Anija Municipality website (<https://anija.ee/>) between the 15th– 29th December 2021. Prior to this, an article was published in the local newspaper advertising the dates and location of where the Project information was going to be displayed and when the public meeting was going to be held. However, no comments or suggestions were received during the period of public display of the draft order.

A public consultation session on the Pihlaka Solar Park was held on the 4th of January 2022 at Anija Municipality council hall. Meeting minutes of the consultation were recorded. The public session was chaired by the assistant village head and was attended by a number of affected landowners and members of the local community. A representative from Kaamos Energy attended the meeting and introduced the proposed Pihlaka Project including the design conditions. During the public session, questions were raised by the attendees about the solar PV technology, the lifespan of the Project and how the land was selected. Kaamos Energy shared the specific details of the Project and confirmed that valuable agricultural land had to be excluded from the design conditions, meaning that only land classified as low value could be selected for the Project.

A consultation session has also been conducted with the landowners affected by the construction of the cable corridor for the two underground transmission lines required for the Project. This consultation was not a public procedure as only the affected landowners were formally notified and invited to the engagement session. An attendance list with the relevant contact details of the parties who attended this consultation was recorded.

4.2. Engagement with Anija Municipality

Stakeholder engagement has also taken place between Kaamos Energy and Anija Municipality in accordance with the Environmental Impact Assessment and Environmental Management System Act. Official correspondence confirmed that at this stage of the Project, no Environmental Impact Assessment (EIA) is required. The Design Conditions issued by Anija Municipality (20111002/15837), state that the Project meets the requirements according to the Construction Code and that the land has been assessed as not valuable. However, Anija Municipality have prescribed Project design requirements, including vegetation screening around the site to minimise visual disturbances and locating all Project components at least 20m away from public roads.

Members of the local community can raise complaints to the Municipality either by calling the Chairman, writing a letter or emailing the Municipality. All complaints are managed and screened by the secretary at the Municipality, who subsequently designates the complaints to the relevant departments that will be responsible for handling them. As of October 2023, the Municipality have not received any complaints related to the Project. A community grievance mechanism, detailed in section 7 of this document, has also been set up for the Project to allow affected communities' and stakeholders to raise any concerns or views on the Project.

5. STAKEHOLDER IDENTIFICATION

5.1. Stakeholder identification and Mapping

The purpose of stakeholder identification is to identify and prioritise Project stakeholders for consultation. Stakeholder identification is an ongoing process, and thus key stakeholders will continue to be identified and updated during the different stages of the Project. A stakeholder mapping exercise has been undertaken to identify and analyse the stakeholders, stakeholder groupings and organisations likely to affect

or be affected by the Project. Stakeholder mapping is based on a comparative rating of the geography (i.e., where they live or operate in relation to the Project area), influence and representation of the respective institutions to determine the significance of that stakeholder group.

Project stakeholders are categorised into two main categories:

- a) **Primary stakeholders** – individuals and groups who are affected directly by the Project; and
- b) **Secondary stakeholders** – those parties which have influence on, but are not necessarily directly impacted by, the Project, and those indirectly impacted by the Project.

The key stakeholder groups that were identified during the stakeholder identification and mapping process are presented in Table 2 below. The identification of relevant stakeholders is of crucial importance to ensure meaningful consultation on the Project.

Table 2: Key Stakeholder Groups and Interests in the Project

Stakeholder Category	Type	Name	Interest in Project
Primary	Project Developer and Implementing Entity	Kaamos Energy / KC Energy	Decision-making process, Project implementation, and stakeholder engagement. Monitoring and guiding the implementation of the CESMP to be followed by all contractors and subcontractors engaged in the Project.
	Local Communities	Affected landowners and users, including: <ul style="list-style-type: none"> ▪ Landowners of the plots affected by the construction of the cable corridor; and ▪ The farmer using the Pihlaka 2 site for agricultural production. 	Potential impacts associated with the Project, including minor livelihood disruptions, noise, dust, traffic and access, community H&S risks, visual impacts, information disclosure, engagement and grievance management.
		Sensitive social receptors e.g., Kehra nursing home and local schools	Potential impacts associated with the Project, including noise, dust, traffic and access, community H&S risks, visual impacts, information disclosure, influx of workers, engagement and grievance management.
		Communities of nearby Kehra, Lehtmetsa, Salumetsa and Kaunissaare	
Permitting Bodies and Governmental Agencies	Anija Municipality; The Estonian Transport Administration; Ministry of Environment (Kliimaministeerium); Labour Inspectorate of Estonia.	Project regulatory functions and liaison in respective areas. Issue of Environmental Consents, Construction Permits, approval of designs, and Occupational Health and Safety (OHS) Authorisations.	

	Contractor and Subcontractor Employees and Workers	Contractor and construction workers employed by contractor	Participation in the implementation and construction of the Project. Affected by labour and working conditions on the Project (e.g., H&S, accommodation, employment rights, labour union issues, grievance management, non-discrimination).
Secondary	Non-Governmental Organisations (NGOs) / Civil Society Organisations (CSOs)	National and local NGOs/CSOs e.g., Estonian Fund for Nature, Estonian Ornithological Society	Monitor Project performance in areas of their respective concerns. Represent the interests of different interested parties. Concerns over ensuring the protection of biodiversity, human rights, labour rights etc.
	Suppliers	Solar PV supplier and suppliers of other construction materials	Participation in the implementation of the Project. Affected by labour and working conditions on the Project (e.g., H&S, child/forced labour, employment rights, labour union issues, grievance management, non-discrimination).
	Local Media	Local newspaper and online media outlets	Intermediaries for informing the general public about planned activities and information disclosure concerning Project developments.
	Business Environment	Local businesses, subcontractors, manufacturing, maintenance companies, and service providers during operation.	Businesses with interest in the Project's construction or operation providing services or supplies i.e., cleaning equipment and waste disposal/collection.
	International Finance Institutions and Donors	EBRD	Potential financial support and funding of the Project and supervision of compliance with applicable international environmental, health and safety and social (EHSS) standards.

5.2. Vulnerable Groups

The stakeholder identification process examined if there are any groups of affected people who might be more vulnerable to current and potential Project impacts. Due to their intrinsic characteristics, vulnerable groups include those who would be disproportionately affected by the Project. Vulnerable groups are less capable of managing project impacts and require particular attention throughout the consultation process. EBRD defines vulnerable people as *“people who, by virtue of gender identity, ethnicity, age, disability, economic disadvantage or social status may be more adversely affected by project impacts than others and who may be limited in their ability to claim or take advantage of project benefits. Vulnerable individuals and/or groups may also include people living below the poverty line, the landless, the elderly, women*

and children headed households, refugees, internally displaced people, ethnic minorities, natural resource dependent communities or other displaced persons who may not be protected by national and/or international law”¹.

Engagement with vulnerable groups and individuals often requires the application of specific measures and assistance to facilitate their participation in project-related decision-making so that their awareness of and input to the overall process are proportional to those of the other stakeholders.

Within the Project context, the following vulnerable groups have been identified:

- Elderly; and
- Persons living with disabilities and/or chronic illness.

Kehra nursing home is located approximately 1.5km east of the Project. To promote the inclusion of vulnerable groups, consultation and engagement processes will be designed to support equal participation, including communicating information to these groups written and verbally in easy language, large print and supported by visuals.

The list of vulnerable stakeholder groups should be regularly reviewed and updated throughout the Project lifecycle and whenever new information is received. Additionally, stakeholders can contact the Project Manager and/or E&S Manager using the contact details stipulated in this document (section 6.2) to register additional vulnerable groups.

6. STAKEHOLDER ENGAGEMENT PROGRAMME

6.1. Disclosure of Information

This section provides information on how the engagement and information sharing will be undertaken with the key stakeholders of the Project. The types of information disclosed and the specific methods of communication to be undertaken for this Project are summarised in the Stakeholder Engagement Programme in Table 3 below. The objectives of external communications are to provide regular engagement with affected people and other relevant stakeholders and to inform them about the existing activities, performance, development and implementation of the Project. The information to be disclosed publicly is governed by EBRD’s Public Information Policy, EBRD PR 10 and Estonian national legislation.

At this stage of the Project, the following documents will be disclosed for effective stakeholder communication:

- Non-Technical Summary (NTS); and
- Stakeholder Engagement Plan (SEP).

The SEP is a live document that will be revisited and updated, if necessary, on at least an annual basis (or when changes are made) to reflect the changes in stakeholder engagement due to Project developments and new stakeholders. The information that

¹ EBRD Performance Requirement 5, paragraph 12, footnote 11.

is required to be disclosed may change if there are changes in the Project design, schedule or area of influence. The external and internal communication methods and information for disclosure identified in Table 3 are not exclusive and KC Energy may choose to disclose more information upon request by stakeholders.

KC Energy is responsible for internal and external communications regarding the Project and will be the main contact point for affected or concerned people. All related Project documents and communication related to the Project will be available and undertaken in English and/or Estonian languages.

6.2. Stakeholder Engagement Programme

The Stakeholder Engagement Programme envisages that engagement activities will take place with relevant interested parties prior to the commencement of construction for the Project as well as during the Project implementation. Consultation and engagement activities are required to address current stakeholder suggestions, ideas or concerns. In order to receive their full engagement, stakeholders will be able to use several channels (phone, e-mail, and website) for receiving more details about the Project or state their comments, ideas throughout the Project life cycle.

Affected landowners will be able to attend consultation meetings and be informed of Project activities, contact persons and the established Grievance Mechanism in detail, including channels for receiving information. Minutes will be taken at all stakeholder meetings and will include a signed attendance register. All other local community stakeholders will also be notified of the Project construction updates, grievance mechanism and potential temporary impacts (traffic, noise, vibration, dust etc) through posted Project information leaflets, updates on the Kaamos Energy or KC Energy or Project website and informal door-to-door discussions.

Any concern or grievance raised prior or during the Project implementation will be collated and logged by the Environmental and Social (E&S) Manager as well as by the Contractor Project Manager. Stakeholders can use the grievance boxes to be situated on the main construction site and within the Anija Municipality office in Kehra to submit their grievances. These grievances can be submitted anonymously.

The Contractor will assist in this process by escalating any grievances received to the E&S Manager. Stakeholders have the opportunity to use the channels that are most convenient for them for submitting grievances or receiving information.

All comments received will be reviewed in accordance with the commitments made under best international practise presented within the 'EBRD Requirements' section provided in Section 3. All communications will be reviewed for the feasibility to make changes to satisfy the request and interest and the communicator will be informed of the outcome.

The Stakeholder Engagement Programme is detailed in Table 3 below:

Table 3: Future Stakeholder Engagement Programme

Stakeholders	Communication/ Engagement Method	Information Materials	Timeframe / Frequency	Responsibility	Location
Kaamos Energy / KC Energy	<ul style="list-style-type: none"> Internal meetings with the Project Manager, E&S Manager and owners of the SPVs on a weekly and as-needed basis. At least one E&S kick-off meeting with the Construction Contractor to outline E&S requirements. Monthly EHSS meetings attended by Project Manager, E&S Manager and Construction Contractor to discuss Project updates and E&S measures and processes during construction. 	<ul style="list-style-type: none"> ESAP, SEP, and CESMP. Monthly reports on E&S issues and data (e.g., grievances, H&S statistics, training, workforce, worker accommodation inspections etc.). 	<ul style="list-style-type: none"> Weekly internal company meetings throughout construction period. Meeting with Contractor held before construction and upon contract signing. Monthly Project EHSS meetings throughout construction period. 	<p>KC Energy E&S Manager</p> <p>KC Energy Project Manager</p>	Kaamos Energy Office
Permitting Bodies and Governmental Agencies	<ul style="list-style-type: none"> Ongoing communications with Anija Municipality to discuss regulations, permitting and updates on Project development via emails, meetings, and official correspondence as needed throughout the Project timeline. Submit official letters and emails to the relevant National Government Authorities as required. 	<ul style="list-style-type: none"> Updates on Project design approvals including the status of Environmental Consents, Construction Permits and OHS Authorisations. 	<ul style="list-style-type: none"> During Project design and construction phases (as required). 	KC Energy	<ul style="list-style-type: none"> Anija Municipality Office Emails, letters
Affected Landowners and Users	<p>Conduct consultation meetings with landowners of the plots affected by the construction of the cable corridor. These consultations will present:</p> <ul style="list-style-type: none"> Project construction updates; 	<ul style="list-style-type: none"> SEP, NTS, Project Leaflet 	<ul style="list-style-type: none"> Prior to construction and throughout construction period (as required). 	KC Energy E&S Manager	<ul style="list-style-type: none"> Public venues in Kehra (Anija Municipality, town hall, libraries, offices of local

	<ul style="list-style-type: none"> Grievance mechanism; Temporary impacts (traffic, noise, vibration, dust etc.); Restrictions or diversions caused by Project-related activities. <p>All consultations and meeting minutes should be recorded.</p>				administrations and NGOs)
Local Communities	<p>Post Project information leaflets through doors and hold informal door-to-door discussions with local communities (including residents in nearby houses to the Project site and the house next to the substation) and nearby sensitive social receptors within the Project area. These notifications will present:</p> <ul style="list-style-type: none"> Project construction updates; Grievance mechanism; Temporary impacts (traffic, noise, vibration, dust etc.); Restrictions or diversions caused by Project-related activities. <p>Publish ongoing updates on the Project website and through Municipal communication channels to communities, at least once per month during construction.</p>	<ul style="list-style-type: none"> SEP, NTS, Project Leaflet. 	<ul style="list-style-type: none"> Once prior to commencement of construction. Monthly website Project updates throughout the construction phase. 	KC Energy E&S Manager	<ul style="list-style-type: none"> Door to Door informal discussions with sensitive social receptors and residents located within close proximity to the Project site, substation and cable route. Project / KC Energy Website
NGOs / CSOs	<ul style="list-style-type: none"> Publish Grievance Mechanism related information; Publish Project information (NTS, SEP, Project updates, stories). 	<ul style="list-style-type: none"> NTS, SEP, Project leaflet. 	<ul style="list-style-type: none"> Prior to the finalisation of designs and quarterly throughout the construction period. 	KC Energy E&S Manager	<ul style="list-style-type: none"> Project / KC Energy Website

Contractor	<ul style="list-style-type: none"> ▪ Periodic meetings attended KC Energy Project Manager, E&S Manager and Construction Contractor on Project updates and progress. ▪ Meetings with the E&S Manager to report and discuss E&S measures and processes during construction. ▪ Construction Contractor to consult and collaborate with local emergency services regarding emergency procedures and any potential road closures. 	<ul style="list-style-type: none"> ▪ Updates on the ESAP, SEP and CESMP implementation on a monthly basis. ▪ E&S issues and data shared with E&S Manager to develop resolutions to issues found. 	<ul style="list-style-type: none"> ▪ Meetings with KC Energy Project Manager, E&S Manager and Construction Contractor held prior to construction upon contract signing and as needed during construction. ▪ Weekly meetings with Construction Contractor and E&S Manager throughout construction. 	<p>Construction Contractor</p> <p>KC Energy E&S Manager</p>	<ul style="list-style-type: none"> ▪ Face-to-face meetings
Construction Workers	<ul style="list-style-type: none"> ▪ E&S Manager and Construction Contractor to instruct and direct contractors on EHSS measures and processes to be followed on site. ▪ Conduct Induction on Code of Conduct. ▪ Conduct regular meetings with Project employees and provide bulletin updates (via email, SMS & notice boards) on Project developments and Worker Grievance Procedure. 	<ul style="list-style-type: none"> ▪ SEP, CESMP. 	<ul style="list-style-type: none"> ▪ Weekly communication with workers throughout construction period. 	<p>Construction Contractor</p> <p>KC Energy E&S Manager</p>	<ul style="list-style-type: none"> ▪ Face-to-face meetings ▪ Email, SMS & Notice boards
Solar PV Supplier	<ul style="list-style-type: none"> ▪ Conduct an audit of prospective solar PV supplier prior to selection. ▪ Meetings with the Kaamos Energy Supply Chain Director and E&S Manager to report and discuss supply chain due diligence risks, E&S measures, 	<ul style="list-style-type: none"> ▪ Updates on the implementation of the Supply Chain Management System as required and during delivery of solar panels. 	<ul style="list-style-type: none"> ▪ Meetings prior to selection of supplier. ▪ Meeting prior to construction and as needed throughout construction period. 	<p>Kaamos Energy Supply Chain Director</p> <p>KC Energy E&S Manager</p>	<ul style="list-style-type: none"> ▪ Face-to-face meetings

	audit reports and contract clauses.				
Local Media Outlets	Project information that needs to be communicated to the local community, including H&S, traffic management, restrictions related information, employment and service provision opportunities.	<ul style="list-style-type: none"> NTS, SEP and Project leaflet. 	<ul style="list-style-type: none"> Once during disclosure and as needed throughout the construction period. 	<p>KC Energy E&S Manager</p> <p>KC Energy Project Manager</p>	<ul style="list-style-type: none"> Project / KC Energy Website Email / letter correspondence
Business Environment (If identified)	Inform potential future identified affected businesses about the Project, construction schedule, land entry processes and the Project grievance mechanism.	<ul style="list-style-type: none"> NTS, SEP and Project leaflet. 	<ul style="list-style-type: none"> Once prior to commencing the construction works and throughout the construction period as required. 	<p>KC Energy E&S Manager</p>	<ul style="list-style-type: none"> Project / KC Energy Website Email / letter correspondence
International Finance Institutions and Donors	<p>Inform/ update the Lenders about Project progress.</p> <p>Prepare and submit monitoring reports that include the status of ESAP implementation, EHSS performance, stakeholder engagement activities and resolution of grievances including the contractors' compliance with EHSS policies and procedures to be developed for the Project.</p>	<ul style="list-style-type: none"> Monitoring reports. ESAP, SEP, and CESMP. 	<ul style="list-style-type: none"> Periodic monitoring reports. Email correspondence and meetings as required. 	<p>KC Energy E&S Manager</p> <p>KC Energy Project Manager</p>	<ul style="list-style-type: none"> Email correspondence Face-to-face/virtual meetings

For more information and comments, stakeholders can use the contact information below:

Name: Mihkel Loorits

Address: Veskiposti 2, Tallinn, Estonia, 10138

Phone: +372 5565 3326

Email: mihkel.loorits@kaamos.ee

In summary of the table above, the key communication methods for this assignment are described below:

Company E&S Meetings

Company E&S meetings will provide time for KC Energy to organise the implementation of environmental, health, safety and social (EHSS) actions, as well as an opportunity for the Construction Contractor to provide updates on the implementation of the CESMP and E&S actions during construction. The company meetings with the KC Energy E&S Manager and the Contractor during the construction phase of the Project will include periodic reviews on E&S issues and data (e.g., grievances, H&S statistics, training, workforce, worker accommodation inspections etc.) and monitoring results and any corrective actions to improve E&S performance. The interaction between the Company and the Construction Contractor will be stipulated in their scope of works and included in their individual contracts. This will involve regular communication between all two parties.

Community Consultation Meetings and Engagement

Affected landowners will be formally invited to a consultation meeting prior to the commencement of construction activities. The Project timeline, E&S risks, associated mitigation measures and grievance mechanism will be explained during the consultation meeting, which will be held in Kehra. Formal minutes and attendance registers will be taken and recorded, as well as for any future public consultation meetings. Other local community members (including the residents of the houses located in close proximity to the substation and the site) will be notified through Project leaflets, informal visits and door-to-door discussions on Project construction updates, grievance mechanism and potential temporary impacts. Interested community members will be able to meet with the Company and its E&S Manager before construction commences to pass on their queries and to be informed on Project progress and on on-going issues.

KC Energy Project Website

The KC Energy Project website will be the most essential platform for online engagement with the relevant stakeholders of the Project. The website will provide access to digital versions of the relevant documentation (SEP and NTS) as well as general information on the Project, comprising:

- Project information;
- Updates on the progress and timelines; and

- Grievance Mechanisms for the Project, complaint forms and contact details of the key personnel linked to the Project.

Stakeholders will be able to share their feedbacks and concerns through face-to-face meetings, emails, phone calls or online and in-person grievance forms.

7. GRIEVANCE MECHANISM

7.1. Introduction

A grievance is considered to be any complaint or comment (including questions /suggestions) about the way a Project is being implemented. Grievance management is an important component of any Project's implementation and is driven by a well-developed grievance mechanism, communication of the grievance mechanism and its provisions to key stakeholders, mechanism for recording, tracking and monitoring of incoming grievances and defined roles and responsibilities linked to implementation of this system. The grievance mechanism specific to the Project has been developed with the following aims:

- To address concerns promptly and effectively, in a transparent manner that is free from manipulation, interference, coercion, intimidation and retribution, and readily accessible to all affected parties, at no cost;
- To ensure handling of grievances in a culturally appropriate manner and be discreet, objective, sensitive and responsive to the stakeholders needs and concerns;
- There will be no retaliation or discrimination against those who express grievances, and that grievances will be treated with confidentiality;
- All grievances shall be treated confidentially throughout the process, and the grievant shall be regularly informed about progress. The grievance mechanism will allow for the submission of anonymous complaints; and
- The mechanism will not prevent access to judicial or administrative remedies.

All projects financed by EBRD shall be structured to meet the requirements of the EBRD Environmental and Social Policy (2019) which includes ten Performance Requirements (PRs) for key areas of environmental and social sustainability that projects are required to meet, including PR10 Information Disclosure and Stakeholder Engagement. In addition, EBRD's Independent Project Accountability Mechanism (IPAM), as an independent last resort tool, aims to facilitate the resolution of social, environmental and public disclosure issues raised by PAPs, and civil society organisations about EBRD financed projects among project stakeholders or to determine whether the EBRD has complied with its ESP and the Project-specific provisions of its Access to Information Policy; and where applicable to address any existing non-compliance with these policies, while preventing future non-compliance by the EBRD.

7.2. Grievance Procedure

KC Energy will implement and operate a Project-specific Grievance Mechanism to receive the affected communities' and stakeholders concerns and views. The

complaints procedure (summarised in **Appendix A**) has been developed to ensure alignment with international best practice and will be used as a tool to assist the timely and successful resolution of stakeholder concerns. The Grievance Mechanism follows a two-stage process:

- **Stage 1** –The initial process where the E&S Manager and the grievant are in direct consultation. Stage 1 of the grievance mechanism is an internal process where the grievances are addressed and resolved directly by the E&S Manager in consultation with the grievant.
- **Stage 2** – The grievance procedure will move to the Stage 2 level if no mutually satisfactory resolution is found. The Stage 2 process involves a Grievance Committee, where the participants agree on the process, the parties involved, and the remedies available.

The Grievance Mechanism will be performed according to the following steps:

STAGE 1

Step 1: Grievance Uptake

Any verbal and written complaints will be raised through the contact details that follow. Anonymous complaints can be raised as well. A 'complaint box' will be placed outside the construction site and by the Anija Municipality office. The grievance form and information on the procedure (including contact persons) will be made available on the Kaamos Energy or KC Energy or Project website and during engagement activities. Information banners will also be placed on designated noticeboards by the site entrance.

All complaints and grievances will be raised via the following channels during the construction phase:

- **Grievance Mechanism Paper Form:**
 - Stakeholders can fill grievance forms (see **Appendix B**) that will be made available in Kehra within the Anija Municipality office. The grievance forms can also be submitted in grievance boxes by the construction site and Anija Municipality office.
- **Face to Face:**
 - Stakeholders can voice their grievance to the KC Energy E&S Manager, or Project Manager.
- **Online Application:**
 - Stakeholders can fill the forms online at: www.kcenergy.ee
- **By telephone, post or email.** The contact details are as follows:
 - **Phone:** -
 - **Email:** complaints@kaamos.ee
 - **Post:** Veskiposti 2, Tallinn, Estonia, 10138

Step 2: Acknowledge, Sort and Process:

All verbal or written complaints or grievances will be logged immediately after they are received by the E&S Manager. An acknowledgement will be sent to the complainant

within 10 working days following complaint registration. If the grievance is not well understood or if additional information is required, clarification will be sought from the complainant during this step. The KC Energy E&S Manager will then categorize and sort the grievances and allocates the redress process and responsibilities.

Step 3: Verification, Investigation and Action

The E&S Manager will aim to respond to complainants and resolve the issues as quickly as possible from the date of receipt. All grievances will be verified via obtaining information about the grievance to verify its legitimacy and the facts surrounding it. Resolutions to complaints will be proposed within 20 working days, however, for more complex investigations this can take up to 30 working days. The complainant will be informed in writing of the reasons for the delay and must be updated on a fortnightly basis of progress on a delayed grievance. If the resolution is mutually acceptable, the E&S Manager will discuss the proposed remediation with the grievant and develop an agreed timeline for the remediation process.

Step 4: Grievance Close-Out

Upon resolving the grievance, a grievance closeout form will be prepared to be signed off by the E&S Manager and the complainant, which will detail the solution that was implemented to resolve the grievance. The outcome of the grievance resolution form will be communicated to the complainant in accordance with the preferred method of communication specified. In the case the grievance resolution form identifies proposed actions to be implemented; the E&S Manager will monitor and follow up to ensure that such actions have been implemented in accordance with the timeline proposed within the grievance resolution form.

Individuals can request the right to have their name kept confidential and this mechanism does not preclude the right for stakeholders to process grievances through other judicial means.

STAGE 2

Grievance Committee

If the grievance is not resolved to mutual satisfaction during the steps outlined in Stage 1, the grievance procedure will enter the Stage 2 process. The Stage 2 procedure involves further consultation toward finding an acceptable resolution. On initiation of the Stage 2 approach, the E&S Manager will escalate the grievance to a Grievance Committee who will organise a meeting within 10 days acknowledgement of the complaint. The complainant will be invited to an appeal meeting, after which the Grievance Committee will give the grievant a decision based on the outcome of the appeal. The Grievance Committee will comprise of the Project Manager, E&S Manager, Contractor Manager and an additional company representative (e.g., Head Engineer or H&S Manager).

The Complainant has the right to apply to the Court in case his/her complaint was not resolved through either Stage 1 or Stage 2, or directly without use of the grievance mechanism. The grievant can stop participating in the Grievance Procedure at any time and elect to follow other judicial, administrative, civil or traditional remedies.

7.3. Gender Based Violence and Harassment (GBVH) under the Grievance Mechanism

Prohibition of Gender-Based Violence and Harassment (GBVH) at workplaces will be a top priority of the senior management at KC Energy. The grievance procedure presented in section 7.2 will be an overarching system designed to deal with grievances of all types, including the submission of anonymous and GBVH-related complaints. It will be ensured that a trained female employee is designated as a Gender Focal Point in charge of interacting with GBVH complainants to ensure that grievances are reported in a safe and comfortable environment. The confidentiality of the identity of the complaint shall be maintained. As and when GBVH will be reported, KC Energy will respond in a sensitive and considerate manner, drawing on GBVH, child-protection and legal expertise as needed, only using trained investigators to conduct investigations. Cases will be referred to a relevant service provider (i.e., authorities) in severe cases.

7.4. Grievance Record Keeping

The grievance management procedure must be recorded accurately. Any discrepancies or lacking interventions must be highlighted and submitted for managerial intervention. The KC Energy E&S Manager will maintain a grievance log (**Appendix C**) to ensure that each grievance is individually referenced and properly tracked, and actions recorded are followed. The log will only be accessible to designated individuals and will contain the following information:

- Grievance reference number;
- Name and contact details of the person receiving the grievance;
- Name and contact details of grievant (unless the complaint has been submitted anonymously);
- Date of the submission of the grievance;
- Category (subject of the grievance);
- How complaint was received;
- Description of the issues/complaints, including entities involved;
- Date of response;
- Reporting action and schedule (target and achieved);
- Final outcome;
- Date of final resolution;
- Status of the grievance, e.g., resolution activities planned and progress;
- Number of days between complaint receipt and complaint resolution; and
- Was the grievance closed out or not.

Confidential grievances or grievances submitted anonymously will be accessed by only authorized personnel. Anonymous grievances will include the selected option of

communication method (whether the complainant would want the response via phone, to a different email, or to a different postal address).

Sensitive grievances, such as those relating to GBVH, will be recorded in a separate grievance logbook that will only be accessible to the KC Energy E&S Manager through restrictive access measures e.g., password protection.

8. MONITORING, REPORTING AND RESPONSIBILITIES

8.1. Reporting and Feedback Mechanisms

Successful stakeholder engagement depends on systematic dialogue, performance monitoring and adapting to changed circumstances and stakeholder information needs. Monitoring of the interaction with the stakeholders, including the operation of the Grievance Mechanism, will be carried out on an ongoing basis.

The KC Energy E&S Manager will review this SEP regularly to ensure that all the consultation activities are implemented and are in accordance with the planned schedule. Additionally, the E&S Manager will be responsible for the general compilation of progress reports and SEP results/updates and their synthesis on a quarterly basis. The reports will include all stakeholder interactions and consultations, grievances and decisions, new stakeholders, partnership progress, and plans for the next period. Upon completion of the SEP activities, a review of the results will be conducted to assess the effectiveness of the implemented SEP.

The KC Energy E&S Manager will report to the Project Manager on all community stakeholder engagement consultations and grievances on a monthly basis. The Project Manager will periodically assess stakeholder engagement activities and ensure that all consultations and disclosures are properly accounted for. Additionally, senior management will monitor the way in which grievances are being handled by their staff and ensure they are properly addressed within the specified deadlines.

8.2. Record Keeping and Monitoring

All engagement consultations will be recorded on the spot while the team takes minutes of the engagements and records the attendance. The minutes and any other proof of participation will be uploaded to the information management systems. The system allows for recording the issues, investigation, and closeout of resolutions. As the same system manages grievances, linking a specific stakeholder or stakeholder group to the grievances and stakeholder engagement sessions is possible. It will be possible to analyse trends such as recurring issues or grievances and determine whether the same group of stakeholders presents similar problems and grievances.

Engagement effectiveness analysis will be performed based on the SEP and the indicators presented in Table 4 below. These will be continually updated on a monthly basis.

Table 4: Stakeholder Engagement and Grievance Key Performance Indicators

Aspect	Key Performance Indicator (KPI)
Grievance Mechanism	<ul style="list-style-type: none"> ▪ Grievances and resolutions database.

	<ul style="list-style-type: none"> Number of registered grievances received through the Grievances Mechanism, by category. Number of grievances resolved / unresolved within the stipulated timeframe.
Stakeholder Engagement	<ul style="list-style-type: none"> The number of meetings, public consultations and other events held with the stakeholders, including the number of participants with a gender breakdown. Meeting records of all consultations, workshops and trainings held. Stakeholder database. Type and frequency of public engagement activities.

8.3. Roles and Responsibilities

KC Energy has overall responsibility for Project implementation and safeguard compliance. An E&S Manager will be appointed to manage community engagement activities facilitating information disclosure, stakeholder engagement and grievance management. The contact below will be responsible for ensuring all Project-related grievances are carried out in accordance with Estonian legislation as well as EBRD's Environmental and Social Policy:

Name: Mihkel Loorits

Address: Veskiposti 2, Tallinn, Estonia, 10138

Phone: +372 5565 3326

Email: mihkel.loorits@kaamos.ee

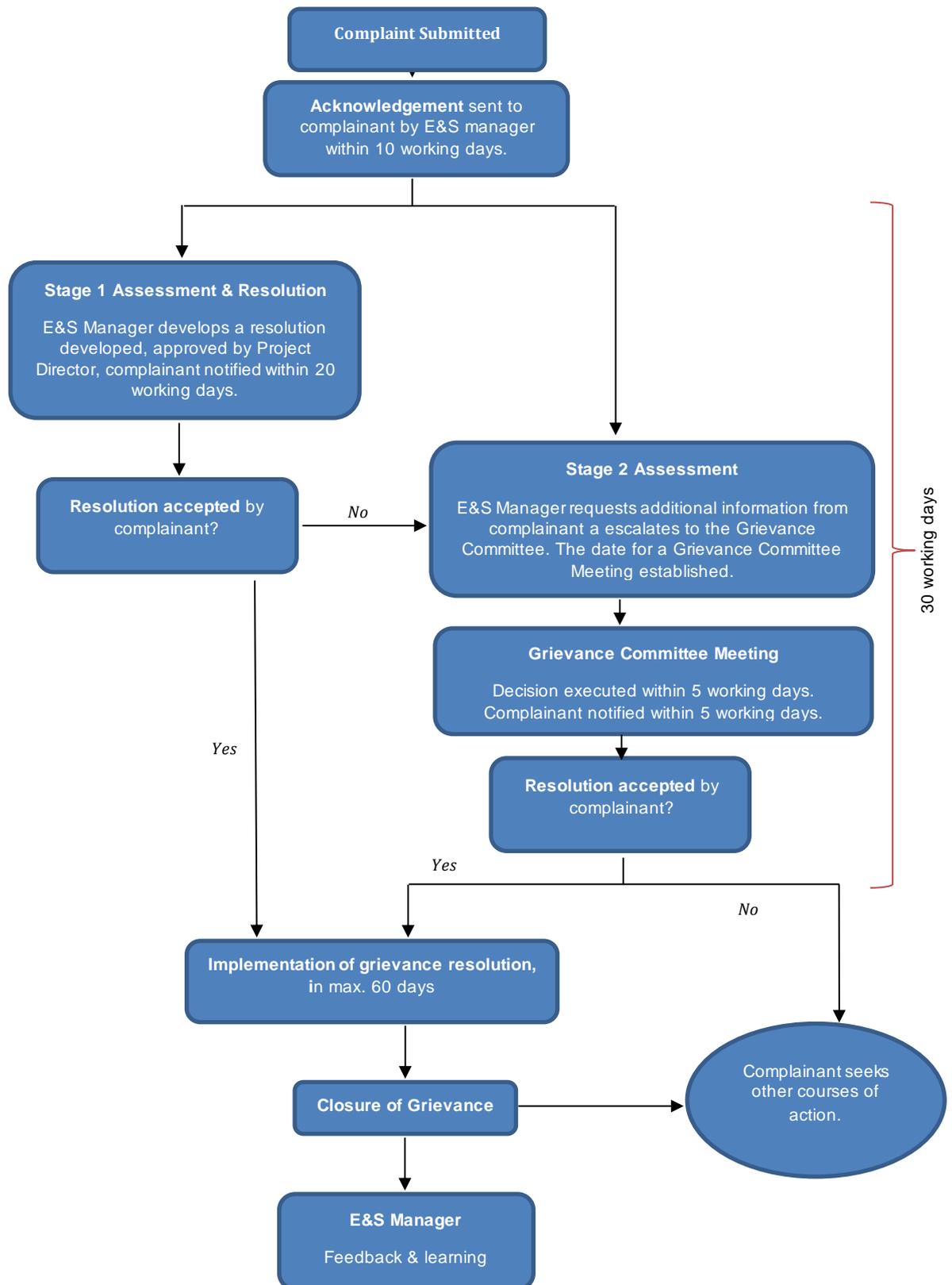
A summary of the specific roles and responsibilities associated with SEP implementation for the Project are shown in the table below.

Table 5: SEP Roles and Responsibilities

Role	Responsibility
KC Energy Senior Management	<ul style="list-style-type: none"> Overall accountability for the Project including delivery in line with applicable national and Lender's standards. Ensure allocation of sufficient resources for the SEP implementation including organisation, training and qualified personnel. Ultimate responsibility for ensuring implementation of grievance mechanism. Periodic review of the SEP and grievance mechanism implementation effectiveness in line with provisions of the Project requirements.
KC Energy E&S Manager	<ul style="list-style-type: none"> Manage SEP and grievance mechanism. Undertake community consultations and engagement with NGOs and other stakeholders on a regular basis. Manage labour, working conditions, gender equality, human rights, community health and safety in line with lender's standards. Oversight of Contractor's activities to ensure alignment with Project and Lender EHSS requirements. Report on social performance to management. Monitor and submit reports on performance of grievance mechanism and stakeholder engagement.
Contractor Project Manager	<ul style="list-style-type: none"> Cooperate with E&S Manager. Responsible for implementation of the Project activities and CESMP stated in this SEP. They will have a strong

	understanding of construction best practice aligned with national law and applicable Lender requirements.
Grievance Committee	<ul style="list-style-type: none">▪ Daily reporting and monitoring of EHSS performance.▪ Oversight of GM implementation.▪ Solution of grievances.▪ Periodic review of grievances raised by stakeholders.

APPENDIX A – Grievance Procedure



APPENDIX B – Grievance Form

Reference No.	
Date	
Full Name	
Note: <i>you can remain anonymous if you prefer or request not to disclose your identity to the third parties without your consent</i>	<input type="checkbox"/> I wish to raise my grievance anonymously <input type="checkbox"/> I request not to disclose my identity without my consent
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: _____
Language Please mark your preferred language for communication	<input type="checkbox"/> Estonian <input type="checkbox"/> English <input type="checkbox"/> Other
Description of Incident or Grievance:	
What happened? Where did it happen? Who did it happen to? What is the result of the problem?	
Date of Incident/Grievance	
	<input type="checkbox"/> One time incident/grievance (date _____) <input type="checkbox"/> Happened more than once (how many times? _____) <input type="checkbox"/> On-going (currently experiencing problem)
What would you like to see happen to resolve the problem?	

Please return this form to:

Name:

Address:

Phone:

Email:

