

Offshore wind farms MFW Bałtyk II & MFW Bałtyk III, Poland

LIVELIHOOD RESTORATION PLAN (LRP)

FOR PROJECTS ON-SHORE COMPONENTS

CLIENT

Equinor & Polenergia S.A.

SUBJECT

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Contents

Spis treści

CONTENTS	4
EXECUTIVE SUMMARY	7
THE PROJECTS	7
PROJECTS LAND NEEDS.....	7
PROJECTS LAND IMPACTS.....	8
PROJECTS LIVELIHOOD IMPACTS	8
COMPENSATION ENTITLEMENTS.....	8
STAKEHOLDER ENGAGEMENT AND GRIEVANCE MANAGEMENT.....	10
LIVELIHOOD RESTORATION AND ASSISTANCE TO VULNERABLE PEOPLE	10
1 INTRODUCTION – SCOPE OF THIS DOCUMENT	11
1.1 INTRODUCTION	11
1.2 METHODOLOGY FOR PREPARATION OF THIS LRP	11
2 SUMMARY PROJECTS DESCRIPTION	13
2.1 OVERVIEW	13
2.2 PROJECTS DESCRIPTION	13
2.3 OFF-SHORE COMPONENTS.....	16
2.4 ON-SHORE COMPONENTS	18
3 PROJECTS IMPACTS (ON-SHORE)	21
3.1 OVERVIEW	21
3.1.1 <i>Construction Phase</i>	21
3.1.2 <i>Operations Phase</i>	22
3.2 IMPACTS OF THE TRANSMISSION CABLE	23
3.2.1 <i>Construction phase</i>	23
3.2.2 <i>Operations phase</i>	24
3.2.3 <i>Cable Impacts to Land</i>	24
3.3 ABOVE-GROUND FACILITIES	26
4 LEGAL FRAMEWORK	28
4.1 POLISH LEGISLATION	28
4.1.1 <i>Key Pertinent Acts</i>	28
4.1.2 <i>Fundamental Principles in the Constitution</i>	29
4.1.3 <i>Administrative Land Acquisition</i>	29
4.1.4 <i>Amicable Restriction Agreements</i>	31
4.1.5 <i>Valuation</i>	31
4.2 LENDER REQUIREMENTS	32
4.2.1 <i>EBRD</i>	32
4.2.2 <i>EIB</i>	33
4.2.3 <i>IFC’s Performance Standards and Equator Principles</i>	33
4.3 GAP ANALYSIS	33
5 BASELINE SOCIO-ECONOMIC INFORMATION	35
5.1 THE PROJECTS AREA – GEOGRAPHIC AND ECONOMIC OVERVIEW	35
5.1.1 <i>Ustka</i>	35
5.1.2 <i>Redzikowo</i>	35
5.1.3 <i>Łeba</i>	35
5.2 PAP SURVEY	36
5.2.1 <i>Methodology</i>	36

5.2.2	<i>Findings</i>	36
5.2.3	<i>Key Conclusions</i>	38
6	COMPENSATION STRATEGY	39
6.1	KEY PRINCIPLES.....	39
6.2	ENTITLEMENT MATRIX	39
6.3	COMPENSATION RATES	40
6.4	BUILDINGS, TREES AND CROPS.....	40
6.5	NEGOTIATION AND COMPENSATION PROCESS.....	40
6.5.1	<i>Amicable Negotiations</i>	40
6.5.2	<i>Payment and Legal Proceedings</i>	41
6.5.3	<i>Failure to Reach an Agreement</i>	41
7	ENGAGEMENT AND GRIEVANCE MANAGEMENT.....	43
7.1	STAKEHOLDER IDENTIFICATION.....	43
7.2	ENGAGEMENT AND NEGOTIATION PROCESS	43
7.3	GRIEVANCE MANAGEMENT.....	44
8	LIVELIHOOD RESTORATION AND SUPPORT TO VULNERABLE PEOPLE.....	47
8.1	LIVELIHOOD IMPACTS (ON-SHORE).....	47
8.2	IDENTIFICATION OF, AND SUPPORT TO VULNERABLE PEOPLE	47
9	MONITORING.....	48
9.1	OVERVIEW	48
9.2	MONITORING INDICATORS	48
9.3	COMPLETION SURVEY	49
10	ROLES AND RESPONSIBILITIES.....	50
10.1	STATUS OF IMPLEMENTATION OF THIS LRP.....	50
10.2	ROLES AND RESPONSIBILITIES	50
ANNEXES		51
	ANNEX 1 – PAP QUESTIONNAIRE.....	51
	ANNEX 2 – LEAFLET ON THE GRIEVANCE MECHANISM (ENGLISH VERSION).....	52
	ANNEX 3 – LIST OF DOCUMENTS USED.....	54

TABLES

Table 1.	Stakeholder Consultation for the Preparation of this LRP.....	11
Table 2.	Key Projects information	15
Table 3.	Projects offshore components.....	16
Table 4.	On-Shore Components	18
Table 5.	On-shore components: construction.....	21
Table 6.	On-shore components: restrictions of use in operations as stated in Environmental and Location Decisions.....	22
Table 7.	Impacts of the cable transmission easement	24
Table 8.	Impacts of the sub-station and maintenance base	26
Table 9.	Legal framework pertaining to land acquisition for public purpose projects	28
Table 10.	Gaps in Polish legislation against international lender requirements.....	33
Table 11.	Entitlement Matrix (On-Shore Impacts)	39
Table 12.	Plots in On-Going Negotiation	41
Table 13.	Monitoring Indicators	48

FIGURES

Figure 1. Location of the O&M base in Łeba (associated facility)	13
Figure 2 Location of the off-shore wind farms MFW Bałtyk II and MFW Bałtyk III as well as external connection infrastructure.....	14
Figure 3. Schematic diagram of the Projects	15
Figure 4. Location of wind farms MFW Bałtyk II and MFW Bałtyk III and connection infrastructure corridor	17
Figure 5. Location of the on-shore part of the Projects	19
Figure 6. Photographs of Affected Land Plots	20
Figure 7. Sketch of construction method and of the transmission cable corridor in construction phase	24
Figure 8. Affected Household Demography and Level of Education.....	36
Figure 9. Use of Affected Land Plot	37
Figure 10. Future use of Affected Land Plot	38
Figure 11. Status of acquisition of private plots – valid as of April 1, 2024	42
Figure 12. Disclosure of land acquisition strategy.....	44
Figure 13. Grievance management flow chart	45

ACRONYMS

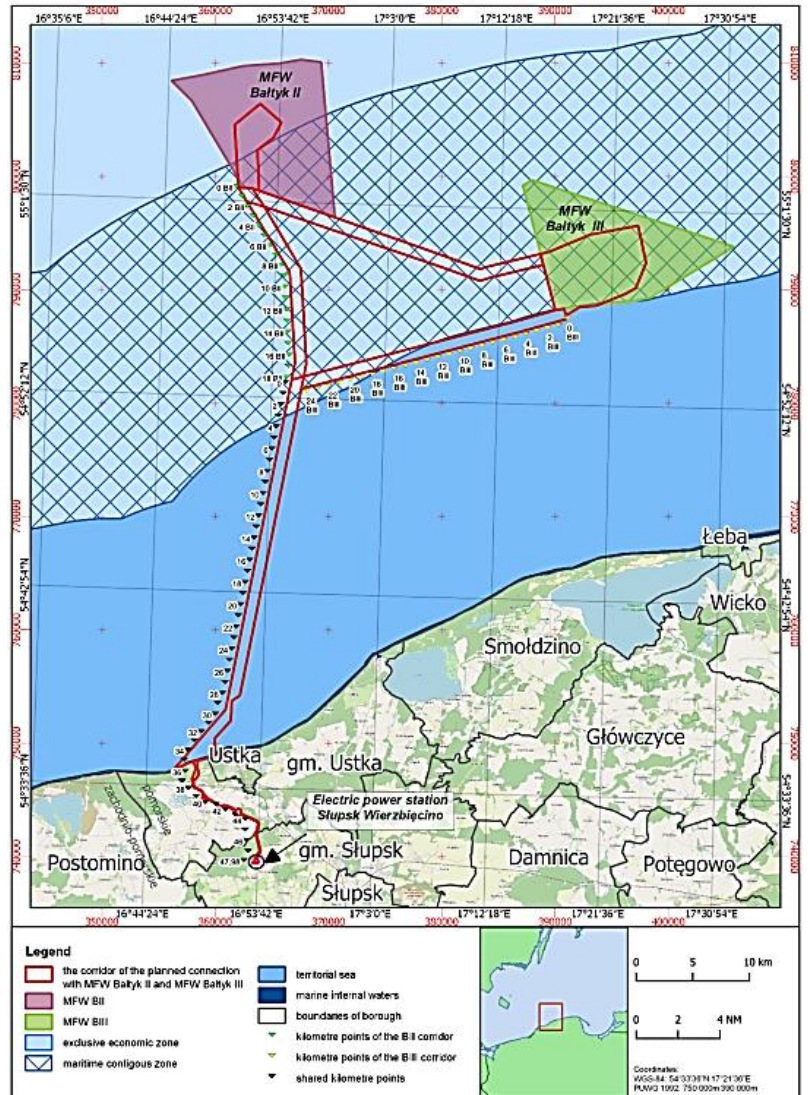
EBRD	European Bank for Reconstruction and Development
ECI	External Connection Infrastructure
EEZ	Exclusive Economic Zone
EIB	European Investment Bank
ESMMP	Environmental and Social Management and Monitoring Plan
EUR	Euro
HDD	Horizontal Directional Drilling
IFC	International Finance Corporation
LRF	Livelihood Restoration Framework
LRP	Livelihood Restoration Plan
MFW	Morska Farma Wiatrowa (off-shore wind farm)
O&M	Operations and Maintenance
PAP	Project Affected Person
PLN	Polish Zloty
PR	Performance Requirement
PS	Performance Standard
SEP	Stakeholder Engagement Plan

Executive Summary

The Projects

Equinor and Polenergia are developing the MFW Bałtyk II and MFW Bałtyk III wind farm projects off the Baltic shore of Pomerania in in the Polish Exclusive Economic Zone (EEZ) of the Baltic Sea. The Projects, in summary, will have the following characteristics:

- Installed capacity: 720 MW each (50 wind turbines each);
- Distance from shore:
 - MFW Bałtyk II: 37 km,
 - MFW Bałtyk III: 22 km;
- One common landfall site for the two wind farms located approximately 3km to the West of the port of Ustka;
- On-shore connection cable infrastructure in one common corridor and in two sections:
 - First for the two farms to two sub-stations close to the settlement of Pęplino (8km long), each sub-station requiring a surface area of 8 hectares
 - Further to an existing sub-station (6km long) located close to the settlement of Wierzbęcino (near the town of Słupsk), where the Projects infrastructure will connect to the Polish National Grid.



The map opposite shows an overview of the Projects.

An Operations and Maintenance base will also be built at Leba to cater for the needs of operations. This will not be part of Projects finance and is therefore considered an Associated Facility in the sense of IFC’s PS1.

Projects Land Needs

Projects land needs are as follows:

- Land fall: trenchless construction techniques will be used at the landfall. An area of approximately 0.85 hectare in surface area will be fenced during construction. During operations, the corridor will be accessible with restrictions over a width of 10 to 31 m. Affected land is entirely owned by the State.
- Underground cable corridor in Ustka and Redzikowo rural municipalities, total length approx. 14 km:

- In construction: 30–32 m wide corridor with local extensions in the area of trenchless crossings (up to 50-100 m) and in the vicinity of the offshore/onshore cable connection, plus temporary road and temporary storage for excavated material (soil and topsoil).
- In operations: restricted corridor of approximately 10 m to 31 m in width, depending on the section of the cable, in which buildings and trees are prohibited. This land is not acquired from its original landowners but an easement is imposed thereupon.
- Sub-stations in Peplino: two adjacent sub-stations of eight hectares each, and an access road of 1.5km in length and 3.6 hectares in surface area.

The O&M base in Leba is located in an industrial land plot (old shipyard, 1.58 hectare in surface area).

Projects Land Impacts

The Projects entails no physical displacement. None of the affected land plots is residential and none contains a residential building. Private affected land plots are all agricultural.

48 land plots are affected by the cable easement. The total area that will be needed for construction and further restricted during operations is 21.8 hectares, representing 5.7% of the total surface area of the 48 affected land plots. It is important to note that open-field agriculture can continue in the easement, since only buildings and the plantation of trees is prohibited, and that this land remains in the ownership of its original landowners, with an easement imposed onto it.

4 land plots are affected by the sub-station in Peplino and its access road, representing a total surface area of approximately 16 hectares in total. This land is acquired by the Projects and ownership is transferred from original landowners.

Projects Livelihood Impacts

A survey of PAPs was organised in June 2024 to substantiate potential livelihood impacts. 23 PAPs responded to a telephone interview. The survey revealed or confirmed the following:

- The Projects are generally well accepted, and its strategic character is well understood;
- Impacts to land and agricultural activities are generally assessed as negligible;
- Impacts to landowners' livelihoods, most of whom are actually not primarily dependent on agriculture, are also generally negligible, and assessed by the very respondents as such.

The PAP survey also confirmed that none of the affected landowners appear vulnerable.

Compensation Entitlements

The entitlement matrix for on-shore impacts of the MFW Bałtyk II / MFW Bałtyk III projects is shown below:

Type of impact	Eligible person	Entitlement	Comments
Permanent acquisition of land for above-ground facilities	Landowner	Compensation at replacement cost based on a valuation followed by amicable negotiation. Expropriation to be used as a last resort only when negotiations have failed.	Applies to plots intended for the ONS and the access road to ONS
	Landuser (if there is one different from the landowner)	To be negotiated privately between landowner and land user	

Type of impact	Eligible person	Entitlement	Comments
Loss of building	Not applicable – no building affected	Not applicable	Not applicable
Loss of trees	Not applicable – no fruit trees affected	Not applicable	Not applicable
Restriction to land	Landowner	Compensation of the diminished value of the land at replacement cost based on a valuation followed by amicable negotiation. Administrative acquisition to be used as a last resort only. The procedure of administrative acquisition described in section 4.1.3.3 is currently considered for three plots that could not be acquired at this point in time (out of 48).	Once agreed and paid, the easement right acquired by the Projects is registered in the land plot title deed.
	Land user	To be negotiated privately between landowner and land user	
State and municipal land	State Municipality PSE	Usufruct agreements with the various entities involved.	

The Projects proposed compensation values are currently based on a 2022 valuation study carried out by an independent valuer. The proposed rate is PLN 20 per m² (EUR 4.6) for easement rights. Adjustments are then made in negotiations with landowners until an agreement is found. Some land plots had been negotiated with landowners before these rates were determined, with the result that a few rates paid are actually higher than the baseline resulting from the valuation study. The median compensation value for land plots that were negotiated before the valuation study was available is PLN 28 per m², higher than the currently proposed PLN 20 per m².

There are 3 private plots where no amicable agreement has been reached with the owner yet. Due to the fact that the Location Decision has already been issued, if no agreement is eventually reached with these owners, the decision on compensation will be issued by the Voivode through the “administrative acquisition” process.

Payment is typically done in two instalments, as follows:

- 20% within 21 days of signing the notarial deed;
- 80% when the building permit is awarded.

The transmission easement is established for a fixed period until December 31, 2075. It is registered into the the land and mortgage register. The cost of all legal proceedings (notary, registration) is covered by the Projects.

If the property owner does not consent to the establishment of a transmission easement, the Projects can obtain the right to dispose of the land for construction purposes by obtaining a Location Decision from the Voivode triggering “administrative acquisition”.

Stakeholder Engagement and Grievance Management

Engagement has been extensive with landowners and local stakeholders concerned with land acquisition (particularly local authorities), in line with principles in the Stakeholder Engagement Plan. The key outcome of this positive engagement is that most land plots were acquired or restricted with compensation agreed in negotiated processes, and only three land plots remain to be acquired, potentially using administrative acquisition if landowners persist in not agreeing to the proposed deals.

A grievance management system is in place for the Projects and address any land acquisition related complaints as well as other grievances. Avenues to lodge grievances have been broadly disseminated locally and include telephone, direct face-to-face interaction, e-mail, and the Projects website.

Livelihood Restoration and Assistance to Vulnerable People

The PAP survey demonstrated that impacts to affected peoples' livelihoods are perceived as marginal. The key livelihood restoration measure is related to proper reinstatement of land affected by construction. Should post-construction reinstatement not be satisfactory to landowners, this will be addressed by the Projects through the grievance management mechanism, and corrections will be proposed.

No vulnerable households have been identified.

Livelihoods will be monitored by the Projects and any unmitigated impacts to affected peoples' livelihoods will be identified and addressed.

1 INTRODUCTION – SCOPE OF THIS DOCUMENT

1.1 Introduction

The MFW Bałtyk II and MFW Bałtyk III offshore wind farms (“the Projects”) are located off the coast of Pomerania in the Polish Exclusive Economic Zone (EEZ) of the Baltic Sea. The wind farms include an offshore component, with the wind turbines generating energy and the transmission cables to the landfall, and an onshore component, connecting the offshore power generation facility to the Polish grid.

Both potentially entail impacts to assets and livelihoods. The MFW Bałtyk II / MFW Bałtyk III projects may seek finance from multilateral development finance institutions such as the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB).

The Projects are therefore bound to comply with Polish legislation and with the requirements of these potential lenders. Therefore, the Projects commissioned Multiconsult Polska and Sotis Advisors to prepare environmental and social planning documentation that these lenders require on top of what was already prepared for Polish permitting. Amongst others, the documentation package includes plans and frameworks required to meet international lender requirements pertaining to land acquisition and resettlement.

Because the Projects entail no physical displacement, these requirements mandate the preparation of Livelihood Restoration Plans (LRP) or Frameworks (LRF).

This document is the Livelihood Restoration Plan for the on-shore components of the MFW Bałtyk II and MFW Bałtyk III offshore wind farm projects. It is meant to address the requirements of EBRD’s Performance Requirement 5, EIB’s Environmental and Social Standard 6, Equator Principles and IFC Performance Standard 5.

The Projects are developed by a 50/50 consortium of Equinor (Norway, formerly Statoil) and Polenergia (Poland). Both companies specialise in development of renewable energy. While MFW Bałtyk II and MFW Bałtyk III are two distinct legal entities, one LRP is prepared for both Projects as much of the land impacts related to on-shore infrastructure are common, and these impacts can (and should) be addressed jointly.

At the same time that the LRP for the on-shore component of the two Projects is prepared, an LRF for the off-shore components of the Projects was also prepared, as part of another, parallel exercise conducted by the same team.

1.2 Methodology for Preparation of this LRP

This LRP was prepared by Katarzyna Auffret-Twardowska, a Polish environmental and social expert, and Frederic Giovannetti, an international resettlement expert (Sotis Advisors Team) in April and May 2024. It entailed a detailed review of internal documentation gathered by the Projects team in regards of land acquisition and interviews with Projects representatives, as well as a site visit to all on-shore facilities locations in the Projects area between 8 and 10 April 2024 and consultation with local stakeholders in potentially affected communities as reported in the below table:

Table 1. Stakeholder Consultation for the Preparation of this LRP

Stakeholder	Date	Issues discussed
Head of the commune of Ustka	08.04.2024	<ul style="list-style-type: none"> ▪ evaluation of the information campaign about the Projects, ▪ matters related to fishermen in the commune: incl. e.g. fishermen's interest in changing their profession; changes from fishing to tourism activities before the Covid epidemic, aging society, ▪ issues related to the cable route through the commune (investor's flexibility in agreeing to change its route), ▪ energy security issues,

Stakeholder	Date	Issues discussed
		<ul style="list-style-type: none"> ▪ lack of "measurable" benefits for the commune in connection with the implementation of the Projects and need for educational activities
Mayor of Ustka municipality	09.04.2024	<ul style="list-style-type: none"> ▪ positive opinion about Investor's contacts with local community, ▪ emphasized great interest in work related to offshore wind farms, expressed not only by fishermen, but also by young people (30-40 years old, working today in similar professions, e.g. in Norway and wanting to return home), ▪ offshore wind farms seen as a job opportunity for local communities.
Mayor of Leba municipality	10.04.2024	<ul style="list-style-type: none"> ▪ positive response to the plans of building a service base in Leba, especially in the context of opportunities for new jobs, ▪ load-bearing capacity of the road near the O&M base ("yacht road") - how will the investor solve this matter at the construction stage, ▪ insufficient depth of the approach channel into the port for larger fishing vessels and resulting inability to go fishing for larger boats during the last winter, ▪ issues of financing necessary works in ports from various financial resources, ▪ fishermen issues - limited catches and poor productivity of fishing grounds, ▪ large number of requests to scrap boats this year, ▪ proposal to install stands for fishermen selling fish from their boats, ▪ reconversion of fishermen to other activities, ▪ lack of possibility to conduct recreational fishing, - internal conflicts between fishing organisations, ▪ compensation for fishermen, ▪ educational activities – there is a need for regular trainings and certification, because trainings offered on the market are too expensive for fishermen.
Landowner 1 – private company – Agrodan	09.04.2024	<ul style="list-style-type: none"> ▪ cooperation with the Projects in acquiring land from the Company – very positive assessment, ▪ communication, price negotiations.
Landowner 2	09.04.2024	<ul style="list-style-type: none"> ▪ cooperation with the Projects and communication when obtaining the rights to the land from the owner (negotiations, amicable agreement) – positive opinion.
Landowner 3	09.04.2024	<ul style="list-style-type: none"> ▪ cooperation with the Projects and communication when obtaining the rights to the land from the owner (negotiations, amicable agreement) – positive opinion.

Source: Sotis Advisors

Attempts were also made to speak with community representatives – softysami (village heads) - by phone, but they could not be contacted. They did not answer their phones.

2 SUMMARY PROJECTS DESCRIPTION

2.1 Overview

In 2018, Equinor and Polenergia started cooperation on the construction of three wind farms in the Baltic Sea, including MFW Bałtyk II and MFW Bałtyk III, which are addressed in this document, and MFW Bałtyk I, which may be subject to a similar, albeit separate process in due course, and is therefore not addressed in this document. MFW Bałtyk II and MFW Bałtyk III are located about 37 and 22 km respectively from the port of Łeba in the Voivodeship of Pomerania off the Polish Baltic shore, in both the Polish Exclusive Economic Zone (EEZ) and the Territorial Polish Sea. Two Polish companies were established, MFW Bałtyk II Sp. z o.o. and MFW Bałtyk III Sp. z o.o., in which Equinor and Polenergia each hold 50% of shares. The total generation capacity from both farms is expected to be 1440 MW, which will allow more than two million households to be supplied with electricity. First construction works are scheduled for September 2024 onshore. First offshore preparatory works are scheduled for mid 2025. Foundations installation is scheduled for 2026.

The final investment decision for these Projects is subject to obtaining the necessary permits and is planned for 2024 with first power delivered to the grid in 2027.

The land components of the Projects will be located in the administrative territories of the urban-rural communes of Ustka, Redzikowo and the urban commune of Łeba in the Pomeranian Voivodeship.

Equinor and Polenergia are also considering the implementation of a similar project in the Baltic Sea area, MFW Bałtyk I, in a further development stage.

2.2 Projects Description

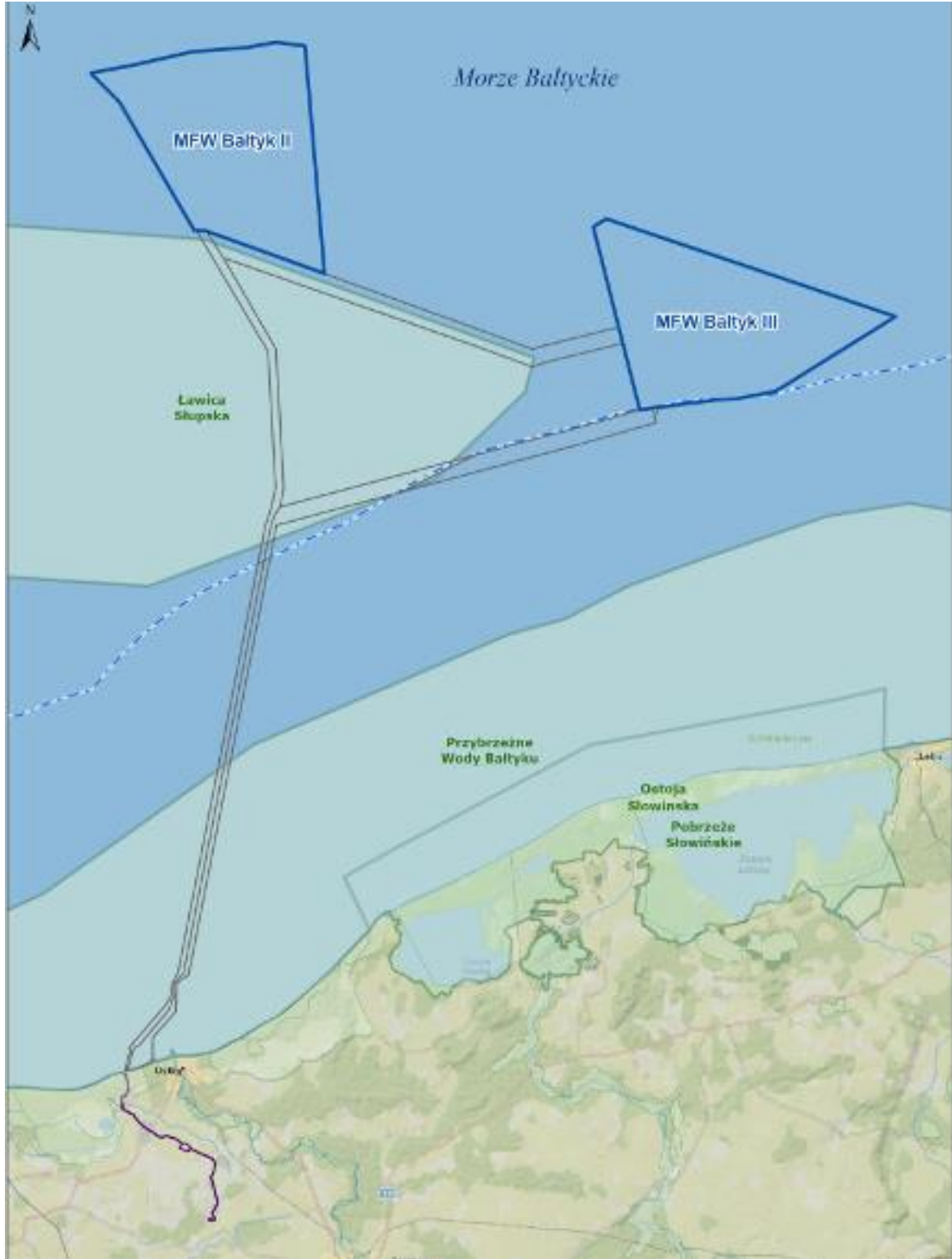
Detailed information about the location and elements of the Projects is presented in the figures and table below:

Figure 1. Location of the O&M base in Łeba (associated facility)



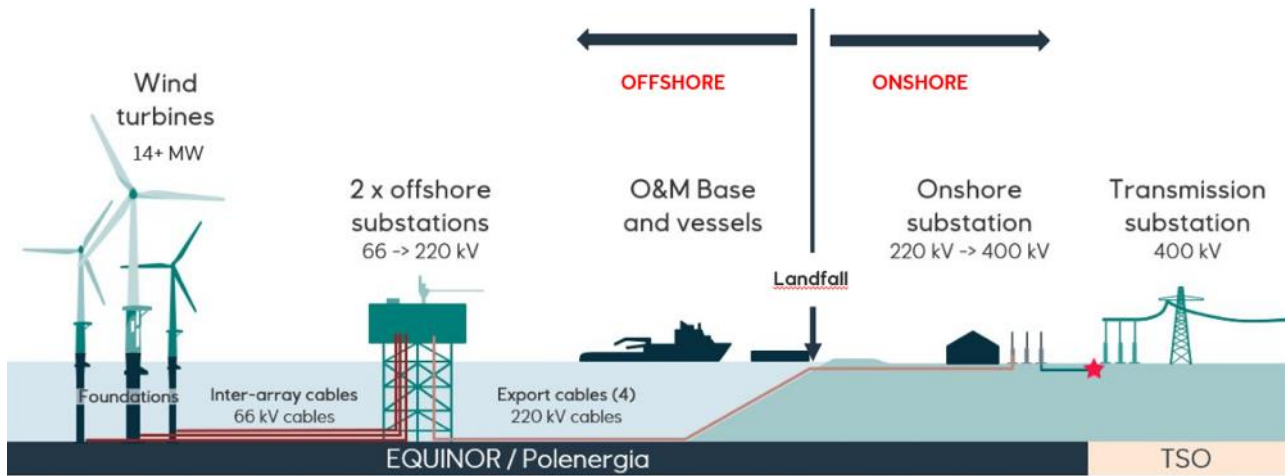
Source: Bałtyk II/III, March 2024

Figure 2 Location of the off-shore wind farms MFW Bałtyk II and MFW Bałtyk III as well as external connection infrastructure.



Source: Equinor&Polenergia, April 2024

Figure 3. Schematic diagram of the Projects



Source: Preliminary SEP, 2022

Key technical information about the project is presented in Table 2 below:

Table 2. Key Projects information

Parameter	MFW Bałtyk II	MFW Bałtyk III
Area off shore	122 km ²	117 km ²
Distance to shore	approx. 37 km	approx. 22 km
Depths	21-42 m	25-39 m
Average wind speed	9-10 m/s	9-10 m/s
Installed capacity	720 MW	720 MW
Turbine type	14.4 MW Wind Turbine Generators	14.4 MW Wind Turbine Generators
Turbine number	50	50
Foundations	Primarily monopile foundations	
Transmission system	<ul style="list-style-type: none"> ○ High voltage alternative current transmission system ○ One offshore substation in each area with co-located onshore substations 	
Landfall close to Ustka	<ul style="list-style-type: none"> ○ One landfall common to both Projects ○ Located approximately 3 km west of the port in Ustka; ○ Landfall land plot belonging to the State Treasury (former military unit and forest area) ○ Landfall site area will not be cleared entirely 	
Grid connection close to Słupsk	Wierzbiecino	
O&M Base in Łeba (associated facility)	Operation and Maintenance base with control room, remotely controlling the offshore windfarms, will be located in the port of Łeba	
Key Projects legal and financial parameters	<ul style="list-style-type: none"> ○ Joint Venture (JV) ownership structure - Equinor (50%) and Polenergia (50%) ○ BII & III are separate legal entities ○ Projects financed required ○ State aid Contract for Difference (CfD) scheme in place ○ Expected commercial operation date: Q2 2028 ○ Design lifetime: 30 years 	

Source: Bałtyk II/III, March 2024

2.3 Off-Shore Components

The off-shore part of the Projects consists of the two offshore wind farms Bałtyk II and Bałtyk III, and the external connection infrastructure (ECI). The location of the off-shore part is presented below (Figure 4. Location of wind farms MFW Bałtyk II and MFW Bałtyk III and connection infrastructure corridor), while detailed information about elements of this part of the investment is contained in the table below.

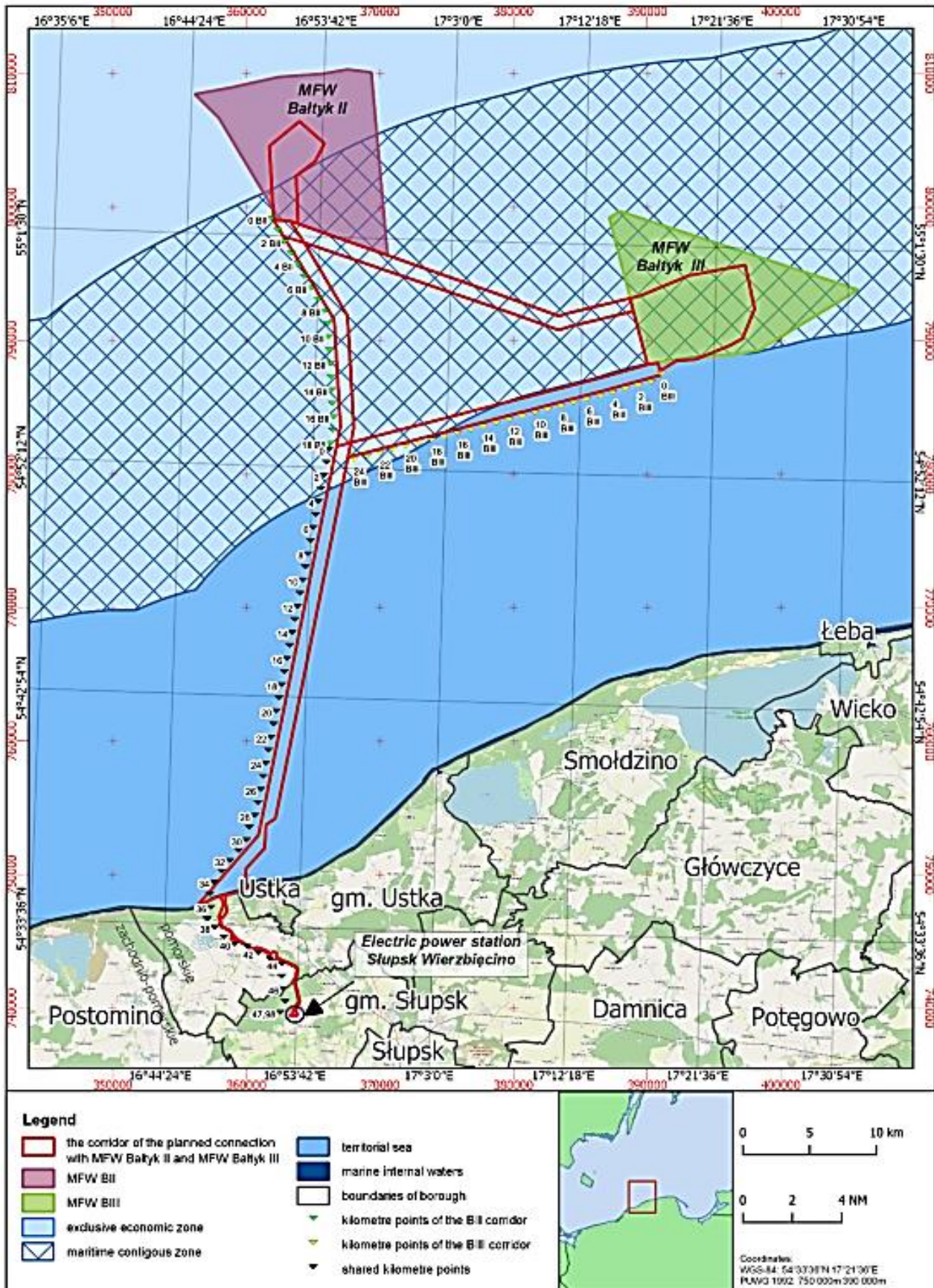
Table 3. Projects offshore components

Offshore Component	Characteristics
Offshore Wind Farms	<ul style="list-style-type: none"> ▪ MFW Bałtyk II - will be located in the Polish EEZ approximately 37 km north of the coastline, at the level of Smołdzino (Pomeranian Voivodship): <ul style="list-style-type: none"> ○ 720 MW, 50 wind turbines ○ 1 internal offshore substation ○ up to 200 km of submarine power and telecommunication cables¹ ○ total area 122 km² ▪ MFW Bałtyk III- will be located in the Polish EEZ, approximately 22 km north of the coastline, at the level of Łeba commune (Pomeranian Voivodship): <ul style="list-style-type: none"> ○ 720 MW, 50 wind turbines ○ 1 internal offshore substation ○ up to 200 km of submarine power and telecommunication cables¹ ○ total area 117 km²
Offshore part of the ECI (external connection infrastructure)	<ul style="list-style-type: none"> ▪ Two independent electricity export systems from offshore wind farms MFW Bałtyk II and MFW Bałtyk III with the necessary infrastructure for their implementation and operation and, optionally, a cable connection between the offshore farms: <ul style="list-style-type: none"> ○ 2 submarine export cables (offshore substation in the MFW Bałtyk II area to the shore, length of approx. 60 km each) ○ 2 submarine export cables offshore substation in the MFW Bałtyk III area to the shore, length of approx. 67 km each) ○ optionally, cable connection between the MFW Bałtyk II and the MFW Bałtyk III, length of approx. 30 km – corridor in reserve for possible future laying of export cables and fiber optic cable.
Coastal zone and landfall	<ul style="list-style-type: none"> ▪ HDD trenchless crossing of the coastal zone with all cable lines between kilometre points 236,5 and 237 of Polish seashore (according to the kilometre points of the Maritime Office)

Source: Sotis Advisors based on Projects data from Equinor&Polenergia

¹ This is the value of this parameter as permitted in the Environmental Decision. The final value may be less than this.

Figure 4. Location of wind farms MFW Bałtyk II and MFW Bałtyk III and connection infrastructure corridor



Source: Environmental Impact Assessment Report for External Connection Infrastructure of the MFW Bałtyk II and MFW Bałtyk III, EKO-KONSULT Gdańsk, March 2023

2.4 On-Shore Components

The on-shore components of the Projects (as defined in Environmental Decision dated 29.11.2023²) are located in the territories of Ustka and Redzikowo rural municipalities. An environmental corridor of approx. 60 m in width and 14 km in length has been defined and permitted. It is anticipated that locally a slightly wider corridor may be needed in the area of the landfall and some trenchless crossings under roads or other terrain obstacles.

The corridor runs through (Figure 5):

- Forests managed by the Regional Directorate of State Forests in Szczecinek within the boundaries of the Ustka, Modlinek and Pęplino Forest Districts;
- A restricted area identified by the Ministry of National Defense;
- Agricultural areas.

Detailed information about this part of the Projects is presented in the table below.

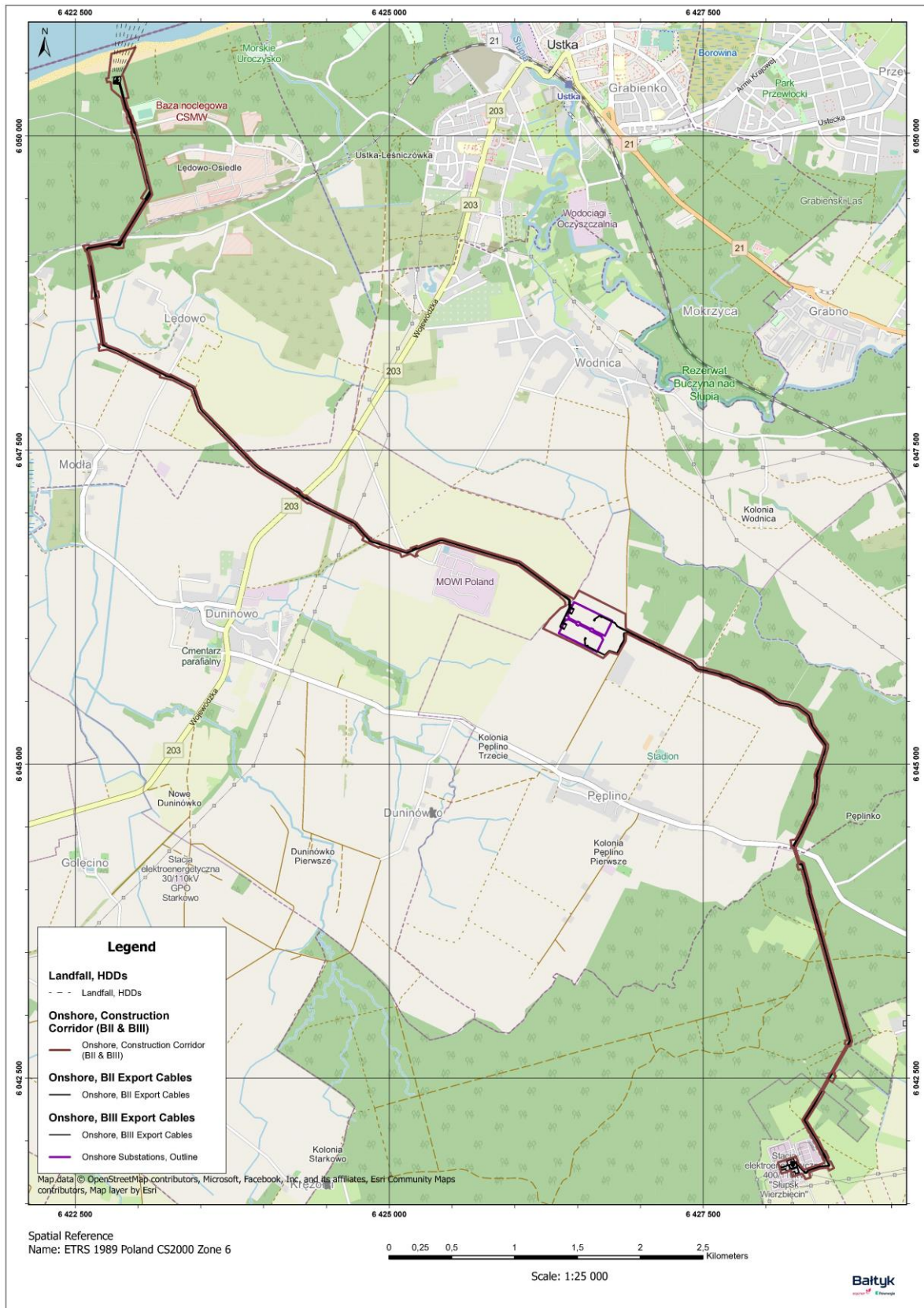
Table 4. On-Shore Components

Component	Characteristics
Landfall area	Crossing of all cable lines through the coastal zone using HDD trenchless method between 236.5 and 237 km of the seashore (according to the chainage of the Maritime Office)
Onshore part of the external connection infrastructure (ECI)	<ul style="list-style-type: none"> • 4 underground cable lines (2 lines for each offshore wind farm) from the landfall to the two planned onshore substations in the Pęplino area, with a length of approx. 8 km; • 2 onshore substations (ONS) in the Pęplino area with a total area of 10 ha (approx. 4,3 ha each); • 2 high voltage underground cable lines (one line for each substation) from ONSs in the Pęplino area to the designated connection point to the National Power System in the existing Słupsk Wierzbęcino substation, with a length of approx. 6 km; • infrastructure necessary for the operation of the connections and offshore wind farms, i.e. fiber optic lines and the access road to the planned ONSs; • optionally, energy storage facilities may be built in the vicinity of the ONS in the next phase
O&M Base (associated facility)	<p>Operation and Maintenance base in Łeba is an associated facility to MFW Bałtyk II and MFW Bałtyk III Projects since it will be financed separately.</p> <p>Adaptation of plots no. 52/1 and 365/66 for the construction of a service base for offshore wind farms will require:</p> <ul style="list-style-type: none"> • demolition of 5 existing buildings, • reconstruction of the existing quay and the related demolition of the superstructure of the existing shipyard quay, • liquidation (filling) of the existing slipway, • raising the elevation of the existing area to approximately +2.0 ÷ 2.5 m, • demolition of the existing building and construction of a new building number 1 with a change of function from warehouse to service • construction of warehouse building number 2.

Source: Sotis Advisors based on Projects data from Equinor&Polenergia

² Decision on environmental conditions by Regional Director for Environmental Protection in Gdansk for the project: "Grid connection infrastructure of the Bałtyk II OWF and Bałtyk III OWF offshore wind farms", November 29, 2023

Figure 5. Location of the on-shore part of the Projects



Source: Equinor and Polenergia, 05.2024

Figure 6. Photographs of Affected Land Plots



Area close to the land-fall on the Baltic Sea in Łędowo



Sub-station site in Peplino



Power station in Wierzbicino – end of transmission cable and connection to grid



Land plot affected by the cable corridor in Wielichowo



Land plot affected by the cable corridor in Wielichowo with on-going agriculture

Source: Sotis Advisors

3 PROJECTS IMPACTS (ON-SHORE)

3.1 Overview

3.1.1 Construction Phase

The Location Decisions of March 7, 2024 introduced restrictions to use of properties intersected by the transmission cable, in conformance with Art. 22(2) and (5) of the Transmission Law Act. The boundaries of areas in which restrictions of use, are established for a specified period of time (during construction and until the official application to enter into operations).

The on-shore components of the Projects and their impacts in the construction stage, in the context of land acquisition and occupation, scope and duration of works are presented in the table below:

Table 5. On-shore components: construction

Component	Footprint	Duration of works	Construction Methodology
Landfall	Up to 0.85 ha – fenced during construction. Location: between 236.5 and 237 km of the seashore	Approximately 14 months	Horizontal directional drilling (HDD) trenchless method. Maximum length of drilling: approx. 1.5 km, and 120 m or more drilling length on the on-shore part.
Underground cable lines	30–32 m wide corridor with local extensions in the area of trenchless crossings (up to 50-100 m) and in the vicinity of the offshore/onshore cable connection. Temporary road and temporary storage for excavated material (soil and topsoil). Location: Ustka and Redzikowo rural municipalities, total length approx. 14 km	Approximately 14 months	Open-cut method: (1) clearing trees and bushes, (2) digging (1.3 to 5 m depth) and securing the trench, (3) cable laying, (4) backfilling and compacting the trench, and (5) reinstatement including restoration of the soil profile.
Onshore substations (ONSs) and access road	2 electrically distinct but contiguous ONS: one for MFW Bałtyk II and one for MFW Bałtyk III. Total area of 10 ha (approx. 4,3 ha each wind farm) Paved access road with a length of approx. 1.5 km (approx. 2 ha) Location: Pęplino	30 months	Earthworks, foundations, construction of buildings and installation of equipment.

Component	Footprint	Duration of works	Construction Methodology
O&M base in Łeba (associated facility)	Approx. 1.58 ha (within plot #52/1). Existing non operational shipyard. Location: Jachtowa Street in Łeba	20 months	<ul style="list-style-type: none"> Cleaning works Cutting down trees and shrubs Demolition of existing buildings and surfaces Partial filling of the existing slipway Raising the terrain to the designed elevation Construction of the designed buildings, surfaces, equipment and other elements included in the "land" part of the service base Cleaning works and putting the facility into use Reconstruction of the quay, including installation of a new sheet pile wall, demolition of existing slab superstructure and construction of a new quay superstructure Cleaning works and commissioning.

Source: Sotis Advisors based on Location Decisions

3.1.2 Operations Phase

Above-mentioned Location Decisions of March 7, 2024 also define restrictions applicable during operations (for an indefinite period of time). Depending on the areas (as defined in the Location Decisions), restrictions include:

- A ban on construction and maintenance of residential buildings;
- A requirement to coordinate any new construction with MFW Bałtyk II spółka z o.o. and MFW Bałtyk III Sp. z o.o.;
- A ban on planting or keeping any vegetation above 0.3 m in height.

Restrictions in operations are presented in the table below:

Table 6. On-shore components: restrictions of use in operations as stated in Environmental and Location Decisions

Component	Restrictions of use	Description
Landfall	Restricted corridor approximately 10 m to 31 m in width (per Location Decision), depending on the section of the cable, in which buildings and trees are prohibited.	Due to the risk of damage to the cables by root systems and possible failure. Permanent access must be provided to the land cable connection and substations.
Under-ground cable lines	Restricted corridor approximately 10 m to 31 m in width (per Location Decision), depending on the section of the cable, in which buildings and trees are prohibited.	Ditto above Area covered by the cable lines is mostly agricultural. Further agricultural cultivation is permitted with the exception of tree and shrub plantings.
2 onshore substations and access road	Permanent acquisition and occupation of the footprint of above-ground facilities: total area of 10 ha (approx. 4,3 ha each wind farm) access road (length of approx. 1.5 km, approx. 2 ha)	2 onshore substations with access road

Component	Restrictions of use	Description
O&M base in Łeba (associated facility)	Approx. 1.58 ha , already in use for industrial purposes	Complex of facilities including a wharf, buildings and other structures. Coordination centre for all maritime activities necessary for the operations of MFW Bałtyk II and MFW Bałtyk III. Remote control centre for surveillance and operation of the wind farms. Will include office space, a warehouse, a control room and a quay and will also be used to transport people to/from the offshore sites also during the construction phase.

Source: Sotis Advisors based on documentation for EIA decision

3.2 Impacts of the Transmission Cable

3.2.1 Construction phase

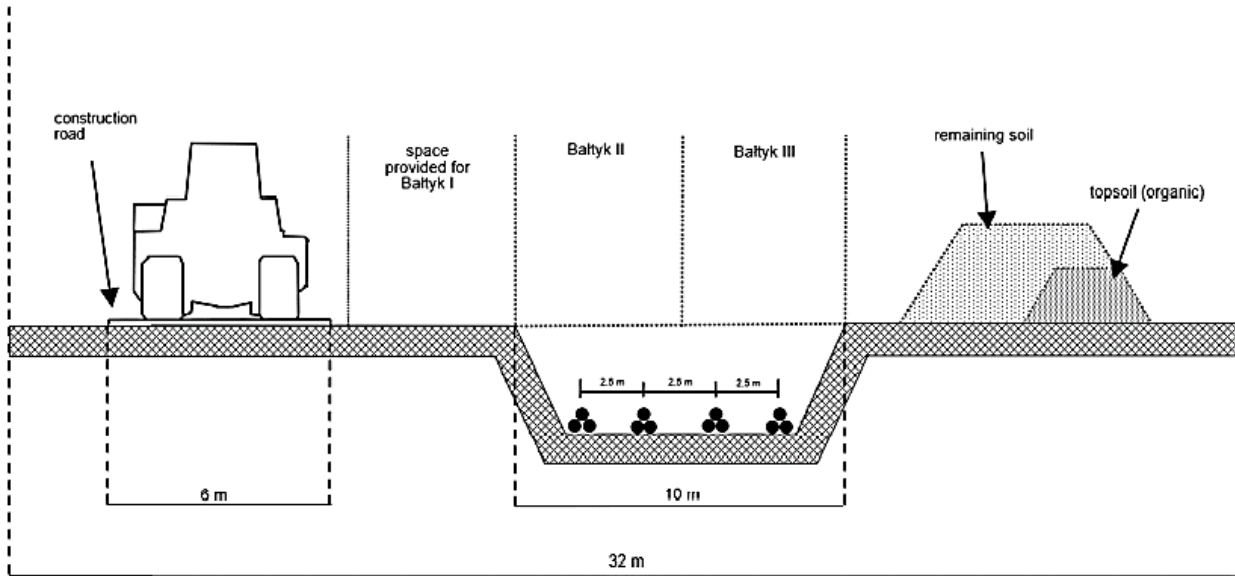
The underground cable line will be constructed using the open-cut method, which includes the following phases:

- tree and shrub cutting from the construction zone;
- digging trenches and installing trench support systems, with dewatering if needed;
- execution of bedding and laying of the cable line system together with the earthing system and necessary infrastructure and erection elements, i.e.: fiber optic line, cable connection sealing, and terminations;
- partial backfilling of cable lines with a mixture of sand and cement, and then partial backfilling of cable lines;
- placement of protective concrete slabs;
- laying of caution tape;
- trench closing together with restoration of the soil profile and appropriate compaction;
- land leveling and reinstatement.

The characteristics of the construction corridor are the following (see Figure 7):

- maximum width of approx. 30-32 m per the Environmental Decision and actual width of 10-31m per the Location Decision, with local extensions in the area of trenchless crossings (approx. 50-100 m) and extensions in the vicinity of the offshore/onshore cable connection;
- temporary road and areas for temporary stockpiling of soil and topsoil;
- tree cutting, except where HDD will be used;
- depth of the trench between 1.3 and 5 m, depending on topography and groundwater conditions.

Figure 7. Sketch of construction method and of the transmission cable corridor in construction phase



Source: EIA Report 2023

3.2.2 Operations phase

Once the trench is filled and the cables are in place:

- restrictions apply in a corridor that is typically 10 metres in width (with local extensions), where no tree and building are allowed;
- the remaining part of the construction corridor zone can be farmed and planted.

3.2.3 Cable Impacts to Land

Most affected private plots along the underground cable route are used for open-field agriculture. Easement restrictions established in the corridor along the cables pertain to presence and further construction of buildings intended for human habitation, the prohibition to plant or maintain trees, bushes or other vegetation exceeding a height of 0.3 m, and a requirement to coordinate with the two projects MFW Bałtyk II and MFW Bałtyk III the location and characteristics of any building in the nearby area. Impacts to open-field agriculture of these restrictions are minimal and affected landowners or land users will be able to continue such activity after construction. The remaining part of the plot, outside of the transmission easement area, can be developed by the owner at his discretion, provided that it does not conflict with the provisions of the transmission easement agreement and that these developments are coordinated with the Projects.

48 land plots are affected. The total surface area of affected land plots is 382.4 hectares, of which only 5.7% is actually affected by the easement (21.8 hectares). Details are presented in the table below.

Table 7. Impacts of the cable transmission easement

No.	Plot number	Plot area [m ²]	Easement area [m ²]	Plot area taken for easement [%]	Compensated as of 1 st April, 2024 [yes/no]
1	358/131	13 403	2 942	21.95%	yes
2	162/1	13 209	3 780	28.62%	yes
3	177	7 300	13 440	55.54%	yes
4	173	16 900			

No.	Plot number	Plot area [m ²]	Easement area [m ²]	Plot area taken for easement [%]	Compensated as of 1 st April, 2024 [yes/no]
5	207	9 500	3 450	36.32%	yes
6	249	23 700	11 200	47.26%	yes
7	321	21 600	1 760	8.15%	yes
8	323	25 800	3 200	12.40%	yes
9	322	24 600	2 100	8.54%	yes
10	318	130 000	55 000	4.72%	yes
11	332	59 800			
12	6/21	368 300			
13	24/8	350 800			
14	28/6	256 800			
15	78/10	371 741	15 022	1.74%	yes
16	79/10	490 084			
17	148/4	439 200	15 500	3.53%	yes
18	308/2	118 873	5 302	4.46%	yes
19	79/8	280 385	13 200	4.71%	yes
20	186	20 100	500	2.49%	no
21	187	18 085	900	4.98%	yes
22	188	43 400	1 900	4.38%	yes
23	189	33 000	2500	4.72%	yes
24	191	20 000			
25	190	15 600	800	5.13%	yes
26	192	28 500	3 600	7.33%	yes
27	227	20 600			
28	193	44 000	1 050	2.39%	yes
29	230	31 000	2 400	7.74%	yes
30	226	10 800	1 250	11.57%	yes
31	277	24 000	3 400	14.17%	yes
32	228	20 100	1 760	8.76%	yes
33	229	21 297	1 980	9.30%	yes
34	231	35 100	3 900	11.11%	yes
35	233	29 900	2 400	8.03%	yes
36	235	9 900	900	9.09%	yes
37	236/2	34 000	4 700	8.32%	yes
38	238	22 500			
39	239	29 100	6 490	22.30%	no

No.	Plot number	Plot area [m ²]	Easement area [m ²]	Plot area taken for easement [%]	Compensated as of 1 st April, 2024 [yes/no]
40	333	79 600	3 040	3.82%	yes
41	163/4	17 300	400	2.31%	yes
42	163/3	9 500	1 920	20.21%	yes
43	158/2	55 800	3 500	6.27%	no
44	165	21 400	5 000	23.36%	yes
45	101/2	13 800	4 000	28.99%	yes
46	176	17 800	5 750	32.30%	yes
47	162/2	49 577	3 150	6.35%	yes
48	357/33	26 760	5 280	19.73%	yes

Source: Sotis Advisors based on data provided by Equinor&Polenergia, April 2024

Out of the total 48 land plots that are affected by the cable easement, 3 had not been subject to an amicable agreement as of 1st April 2024, and have not been compensated as a result. All other 45 plots have been subject to an amicable easement agreement and compensated without resorting to provisions of the Transmission Law Act pertaining to administrative acquisition.

3.3 Above-ground facilities

Land impacts of Projects above-ground facilities (sub-station in Peplino and associated access road, and Operation & Maintenance Base in Łeba) are shown in the table below.

Table 8. Impacts of the sub-station and maintenance base

Plot number	Surface area [ha]	Number of affected landowners	Land user different from landowner [Yes/No]	Acquired as of 1 st April, 2024 [Yes/No]
Sub-Station				
148/3 Peplino	10 ha (over the two cadastral plots and for the two farms MFW Bałtyk II and MFW Bałtyk III)	1	No	Yes (acquired in 2018)
Part of plot 148/4 Peplino (currently after the subdivision into substation 148/6)		1	No	Yes (acquired in 2024)
Access road to sub-station				
Part of plot 148/4 Peplino (currently after the subdivision into road 148/7)	Area approx. 2 ha	1	No	Yes (acquired in 2024)
Part of plot 79/10 Duninowo PGR (currently after		1	No	Yes (acquired in 2024)

the subdivision into road 79/14)				
Part of plot 79/8 Duninowo PGR (currently after the subdivision into road 79/11)		1	No	Yes (acquired in 2024)
O&M Base in Łeba				
52/1 (land)	1.58 ha	52/1 - property of Łeba Municipality	No	Land plot given in perpetual usufruct to Equinor Polska

Source: Sotis Advisors based on data provided by Equinor&Polenergia, April 2024

All land plots have been acquired in amicable proceedings without resorting to provisions of the Transmission Law Act.:

- Plot 148/3 was acquired amicably by the Projects in 2018. It was designated in the relevant spatial development plan as technical infrastructure / electricity (1EE).
- Plot 148/4 in Peplino was acquired amicably by the Projects. It was designated in the spatial development plan as agricultural use. The Projects has acquired the part of the plot that corresponds to the access road and the ONS area. This plot is also subject to an easement based on an amicable agreement with the owner.
- Plot no 52/1 is owned by Łeba Municipality, with Equinor Polska Sp z o.o. now a perpetual usufructuary based on an agreement with the municipality. This is a built-up parcel of land defined in spatial planning as industrial land.

In total, approximately 20 hectares of agricultural land have been amicably acquired for above-ground facilities. The maintenance base in Łeba is leased from the Municipality based on a perpetual lease, and was used as industrial land before. Due to division, some plots were recently renumbered in cadastral records.

4 LEGAL FRAMEWORK

4.1 Polish Legislation

4.1.1 Key Pertinent Acts

Situations where natural or legal persons lose their land and buildings as a result of public purpose investments are regulated by Polish law, with overarching principles to be found in the Constitution and the expropriation process provided by the Real Property Management Act. The four key legal acts governing these issues and their substance are summarized in the table below.

Table 9. Legal framework pertaining to land acquisition for public purpose projects

Legal framework	Short description
Constitution – April 2, 1997	Article 64: “1. Everyone has the right to property, other property rights and the right to inherit. 2. Property, other property rights and the right of inheritance are subject to equal legal protection for all. 3. Property may be limited only by statute and only to the extent that it does not violate the essence of property rights.”
Civil Code of April 23, 1964 (“Civil Code”)	Contains regulations regarding civil law relations between equal entities. These relations concern property and economic matters amongst others ³ .
Act on promoting electric energy production in offshore wind farms of December 17, 2020 (“Offshore Act”)	“The aim of the regulations is to use the potential of wind energy in the Polish Exclusive Economic Zone and to create legal solutions that will support all entities interested in the development of the offshore wind energy sector in Poland. The Act includes regulations important for the development of offshore wind farms, i.e. the support system, local supply chain, connection to the grid, and introduces a number of procedural improvements in the field of construction and operation as well as administrative proceedings in order to accelerate the implementation of the investment.” ⁴ The Act entered into force on February 18, 2021. It also amended the Transmission Law Act (see line below) by including offshore wind farms in “strategic investments” constituting public purpose investments.
Act of July 24, 2015 on the preparation and implementation of strategic investments in the field of transmission networks (“Transmission Act”)	The Act specifies the rules for the preparation and implementation of strategic investments in the field of transmission networks, distribution networks and accompanying investments, as well as the sources of their financing. Per the amendment mentioned in the above line, this Act qualifies transmission infrastructure from offshore wind farms as a strategic investment in transmission networks (since 2021). These investments are public purpose projects per the Real Property Management Act.
Act on Real Property Management of August 21, 1997 (“Real Property Management Act”)	The Act sets out the rules of management of State real estate (Treasury and local governments); division of real estate; consolidation and division of real estate; pre-emption of real estate; expropriation of real estate and return of expropriated real estate; participation in the costs of construction of technical infrastructure facilities; real estate valuations; professional activity related to real estate management.

³ [Encyklopedia prawa - Kodeks cywilny - INFOR.PL](#)

⁴ [Ustawa o promowaniu wytwarzania energii elektrycznej w morskich farmach wiatrowych - Morska Energetyka Wiatrowa - Portal Gov.pl \(www.gov.pl\)](#)

4.1.2 Fundamental Principles in the Constitution

Expropriation of real estate for public purposes is subject to general principles protecting the right to property enshrined in Articles 21 and 64 of the Constitution of the Republic of Poland⁵, which states the following, in line with international law protecting the right to property as one of the fundamental Human Rights:

Quote

Article 21: Principle of property protection

“1. The Republic of Poland protects property and the right of inheritance.

2. Expropriation is permissible only if it is carried out for public purposes and for just compensation.”

Article 64: Right to property

1. Everyone has the right to property, other property rights and the right to inherit.

2. Property, other property rights and the right of inheritance are subject to equal legal protection for all.

3. Property may be limited only by statute and only to the extent that this does not violate the essence of property rights.”

Unquote

4.1.3 Administrative Land Acquisition

4.1.3.1 General Provisions in the Real Estate Management Law

Administrative Land Acquisition⁶ is only possible if it is carried out for public purposes and subject to fair compensation. The concept of administrative land acquisition of real estate and the regulations governing it are defined in the Real Property Management Act of 1997. According to the definition in this Act, administrative land acquisition consists in depriving or limiting, by means of a decision, the ownership right, the right of perpetual usufruct, or other rights in real estate. It may be carried out only for the benefit of the State Treasury or of a local government entity. The property may be administratively acquired either in its entirety, or partially as the case may be depending on the needs of the project.

Compensation is granted for the loss of property or usufruct rights, the amount of which is determined on the basis of an appraisal report, which is the opinion of a property appraiser about the market or replacement value of the property. Administratively acquired properties are valued in accordance with their current and future use⁷.

The stages leading to administrative land acquisition are specified in the Real Property Management Act: before the decision on administrative acquisition is issued, amongst others, they involve first negotiations during which a contract may be concluded or an alternative property may be proposed. The amount of compensation is determined in the administrative acquisition decision.

The affected person must be given the opportunity to peruse the appraisal report before making a decision on the amount of compensation.

When a Location Decision is issued with immediate enforceability or when the decision on administrative acquisition becomes final, the party loses the right to use the immovable property⁸.

⁵ Constitution of the Republic of Poland of April 2, 1997

⁶ Also referred to as “Expropriation”.

⁷ Article 134 of the Real Estate Management Act

⁸ *Proces wywłaszczenia – krok po kroku | INLEGIS Kancelarie Prawne*

4.1.3.2 Administrative Acquisition in the Context of Transmission Projects

The Transmission Law qualifies transmission infrastructure from offshore wind farms as a strategic investment in transmission networks, which speeds up and facilitates the permitting process. Once a decision on the location of a strategic investment in the transmission grid (“Location Decision”) is issued by locally competent Voivode, it becomes immediately enforceable and proceedings related to administrative land acquisition may commence.

With regard to the properties covered by the decision on determining the location of the strategic investment in the transmission network, the use of the properties will be restricted by granting permission to install and conduct cables and equipment used for transmitting electricity, as well as other underground, surface, or above-ground structures and equipment necessary for the use of these cables and equipment.

Whichever rights are acquired (ownership or usufruct), compensation is due in the amount agreed between the Voivode and the current owner or usufruct right holder. It is mandatory that any compensation agreements are made in writing. The provisions described in the section above apply in regards of the amount and payment of compensation.

Where negotiations are unsuccessful (that is if a compensation agreement is not reached within 2 months from the date of which the Location Decision becomes final), the takeover of plots by the Voivode is initiated under the provisions of the Transmission Law Act - the Voivode takes over the property on behalf of, and for the benefit of the State Treasury, with the amount of compensation determined by a Voivode decision within 30 days from the date of initiation of administrative acquisition proceedings.

The obligation to pay the compensation rests with the investor in the transmission project. Similarly, the Investor may have to cover the costs of determining the amount of compensation incurred by the Voivode.

4.1.3.3 Restrictions to Use of Properties⁹

The Voivode's Location Decision for strategic investments in the transmission network also includes the designation of properties that may be affected by certain restrictions. This is addressed in Article 22.1 of the Transmission Law Act, which provides power to the Voivode to (quote) *“limit, against compensation, the manner of use of the real property... and in particular to establish and run on the real property drainage lines, lines and equipment used for transmission of liquids, steam, gases and electric energy, public communication and signalling equipment, as well as other underground, ground or aboveground facilities and equipment necessary to establish, run and use such lines and equipment”* (unquote). Article 22.2 of the Transmission Law Act further specifies that (quote) *“At the investor's request, as part of the restrictions on the use of real property, the Voivode also establishes: 1) prohibition on erecting and maintaining buildings intended for people stay; 2) an order to agree on the location of construction buildings with the investor; 3) prohibition on planting or maintaining trees, shrubs or other vegetation exceeding a certain height”* (unquote).

In such cases, the owner of the property maintains their ownership rights (which is the case for the Projects addressed in this document). The restriction may be for a specified period of time. In such cases, the Real Property Management Act imposes an obligation to restore the property to its previous condition immediately after installing or installing routes, cables and devices. If restoring the property to its previous condition is impossible or causes excessive difficulties or costs, compensation must be provided, which should correspond to the value of the damage suffered. If, as a result of these events, the value of the property decreases, the compensation is increased by the amount corresponding to this decrease.

Decisions on compensation are issued by the Voivode, while the obligation to pay compensation rests with the Investor in the transmission facility. In the case of the Projects, a separate agreement with the Voivode also provided that the Projects would cover the cost of valuation and legal proceedings.

⁹ Also sometimes referred to as “administrative acquisition”.

4.1.4 Amicable Restriction Agreements

The investor in the transmission facility may also secure easement rights to the land pursuant to an amicable agreement, which will establish the nature of the transmission easement, the amount of compensation for reduction in value, and which is notarised. The notarised deed establishes the payment for the transmission easement on the property for a fixed period. This is registered in the land and mortgage register and the cost of legal proceedings (notarisation and registration) is covered by the investor.

4.1.5 Valuation

4.1.5.1 Full Acquisition

In accordance with Real Estate Management Act of 1997, compensation should be granted for the loss of property, the amount of which is determined on the basis of an appraisal report, which is the independent opinion of a property appraiser about the market or replacement value of the property

Article 134 of the Real Estate Management Act specifies the following (quote):

- 1. The basis for determining the amount of compensation is (...) the market value of the property.*
- 2. When determining the market value of real estate, in particular its type, location, method of use, purpose, condition of the real estate and current prices in real estate are taken into account.*
- 3. The value of real estate for compensation purposes is determined according to its current use, if the purpose of the real estate, consistent with the purpose of expropriation, does not increase its value.*
- 4. If the purpose of the real estate, consistent with the purpose of expropriation, increases its value, the value of the real estate for compensation purposes is determined according to the alternative method of use resulting from this purpose (unquote).*

A September 2023 Regulation of the Minister of Development and Technology on valuation of real estate (Dz.U.2023.1832) is currently in force, which specifies:

- types of real estate valuation methods and techniques;
- methods of determining the value of real estate;
- methods of determining the value of expenditure and damage to real estate;
- method of preparation, form and content of the appraisal report.

The valuer selects the appropriate approach, methods and techniques for estimating the value of real estate, taking into account the purpose of the valuation, the type and location of the property, its intended use in the local spatial plan, the condition of the property and available data on prices, income and characteristics of similar properties. The basis for determining the amount of compensation is the market value of the property; if, due to the type of property, its market value cannot be determined because this type of property is not on the market, its replacement value is determined. Expropriated properties are expected to be valued in accordance with their current and future use based on the "benefit principle". Specifically, if the purpose of expropriation increases the value, compensation is determined according to the use resulting from this purpose. In other words, the property may be valued at a higher price than its current market value if the project for which the property is expropriated would have increased its value if the affected property had not been expropriated.

4.1.5.2 Easements

The Projects commissioned a valuation study by a specialised Polish valuation company (Opinion on value. Analysis of transaction prices and market rates, 2022). This study reviewed jurisprudence for transmission line easements, and concludes that valuation of easements should include the following components:

- Remuneration for the use of real estate by the transmission undertaking during operation;
- Reduction in the value of the property resulting from building and permanently leaving active transmission equipment on the property;

- Permanent loss of benefits and other proven damages related to the presence of the facility;
- Remuneration for the right of passage or passage to specified above-ground or underground elements of the device.

Essentially, compensation of easements is meant to offset the diminution in the usability of the land.

4.2 Lender Requirements

4.2.1 EBRD

This LRP has been prepared to comply with the EBRD's Environmental and Social Policy (2019) and the set of specific Performance Requirements (PRs) that cover key environmental and social components, particularly, in respect of land acquisition and resettlement, the following two:

- PR5: Land Acquisition, Involuntary Resettlement and Economic Displacement
- PR10: Information Disclosure and Stakeholder Engagement.

PR5 is applied when resettlement is considered involuntary, that is when affected individuals or communities do not have the right to refuse land acquisition resulting in displacement (wherever expropriation or similar compulsory acquisition processes may be triggered). EBRD interprets involuntary resettlement as referring to both physical displacement (relocation or loss of shelter) and economic displacement (loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of project-related land acquisition or restriction on land use/access to natural resources. The Projects will entail both physical and economic displacement. PR5 also applies to restrictions of use such as easement rights where land is not transferred into the ownership of the Projects sponsor but its use is restricted.

Key requirements of PR5 are the following:

- avoid or, when unavoidable, minimise, involuntary resettlement by exploring alternative project designs;
- prohibit forced evictions;
- mitigate adverse social and economic impacts from land acquisition or restrictions on affected persons' use of and access to assets and land by: (i) providing compensation for loss of assets at replacement cost; and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation and the informed participation of those affected;
- restore or, where possible, improve the livelihoods and standards of living of displaced persons to pre-displacement levels; and
- improve living conditions among physically displaced persons through the provision of adequate housing, including security of tenure at resettlement sites;
- identify and assist vulnerable people that may be disproportionately affected by the land acquisition process and impacts;
- prepare a resettlement plan and consult upon this plan with affected people and other relevant stakeholders;
- establish an out-of-court grievance mechanism that deals with complaints and grievances from affected people fairly, swiftly, free-of-charge, and without retaliation;
- be sensitive to potential gender impacts of land acquisition.

Key PR10 requirements pertaining to stakeholder engagement in the context of land acquisition and resettlement are as follows:

- give affected persons the opportunity to participate in the development of mitigation measures meant to address impacts to them, and in the specific case of land acquisition and resettlement:

negotiation of the compensation packages, resettlement assistance, suitability of proposed resettlement sites (if there is physical displacement) and proposed timing;

- continue consultation during the implementation, monitoring and evaluation of the compensation payment and resettlement process, so as to achieve outcomes that are consistent with the objectives of PR5; and
- ensure that grievances from affected communities and other stakeholders are responded to and managed appropriately.

4.2.2 EIB

EIB's Standard 6 (2022) states objectives similar to those of EBRD's PR5, and all of its key requirements are also similar. Standard 6 seeks to avoid involuntary resettlement in the first instance, and minimize and define the appropriate mitigation measures that should be in place to counter the adverse impacts of involuntary resettlement. It also aims to assist all affected persons so they can improve or at least restore their socioeconomic and cultural conditions.

However, EIB has specific requirements for EU countries, stated in paragraphs 12 to 14 of Standard 6, as follows:

(quote) 12. All projects located in EU and EFTA countries shall comply with the applicable national and EU legislation, any obligations deriving from the applicable international human right instruments to which the host country is party, as well as any obligations deriving from the relevant case-law of the European Court of Human Rights.

13 In projects requiring the displacement of persons, such as slum-dwellers or squatters, that are occupying land or assets without a formal title, the promoter shall prepare and implement a plan in compliance with this Standard.

14 The promoter shall supplement its assessment and actions with any additional action identified and/or deemed necessary by the EIB, in line with the provisions listed in this Standard. (unquote)

This means in practice that in EU countries, Standard 6 applies only where informal right holders are affected and to these informal right holders.

EIB also applies Standard 7 "Vulnerable Groups, Indigenous Peoples and Gender". The objective of this standard is to address inequalities and other factors contributing to vulnerability, marginalisation and/or discrimination in an EIB project. The standard promotes gender equality as a basic human right crucial for sustainable development. It outlines the promoter's responsibilities for assessing, managing and monitoring project impacts, risks and opportunities related to Indigenous Peoples and vulnerable persons/groups.

4.2.3 IFC's Performance Standards and Equator Principles

IFC's Performance Standards are structured slightly differently from EBRD's Performance Requirements, with consultation and stakeholder engagement requirements included in the first standard on environmental and social management. Land acquisition and resettlement (IFC PS 5) requirements are generally similar to those of EBRD and EIB.

The Equator Principles (Version IV, which is currently applicable) add a requirement to conduct a Human Rights Impact Assessment, which, amongst others, can address resettlement if considered relevant.

4.3 Gap Analysis

Key gaps in Polish legislation pertaining to land acquisition against international lender requirements are described in the following table:

Table 10. Gaps in Polish legislation against international lender requirements

Theme	Key gap	Projects measure to address gap
Consultation and disclosure	Polish EIA and permitting requirements include public consultation requirements. International lender typically require a broader consultation process, with specific inclusivity (gender and vulnerable groups) requirements.	The Projects have made significant efforts to consult and negotiate with affected people, and to document this process. Our interviews (see section 1.2) demonstrate a good level of information and understanding of the Project by affected groups and community representatives.
Grievance management	No specific requirement in Polish legislation with respect to establishment by projects of a dedicated grievance mechanism.	Projects to establish a grievance mechanism per the Stakeholder Engagement Plan prepared separately.
Negotiated settlements	Polish law allows to acquire land for public interest project by negotiation, with administrative acquisition used only if negotiation fails. No gap against lender requirements.	Compensation has been negotiated with affected people and amicable agreements have been reached except in three cases where negotiations continue.
Compensation at replacement cost	Polish compensation prescriptions are close to lenders' requirements.	Compensation has been negotiated with affected people, based on the baseline values provided by a valuation study at market value. Transaction cost has been covered.
Assistance to vulnerable people	Poland has a robust system to take care of vulnerable households through the general national welfare framework of the country. No vulnerable groups ¹⁰ or individuals have been identified amongst the affected people.	No specific provision required.
Livelihood restoration	Not prescribed in Polish law. Impacts to livelihoods are generally benign (restrictions). Where land is affected permanently, it is apparent that impacts to livelihoods are minimal and take care of by compensation.	No specific provision required.
Monitoring and evaluation	Not prescribed in Polish law	Measures that will be implemented by the Projects are described in this LRP.

Source: Sotis Advisors based on IFIs and Polish Law requirements

¹⁰ Vulnerable groups in this context might include: disabled or incapacitated individuals, refugees, isolated minors, elderly people with no or limited family support.

5 BASELINE SOCIO-ECONOMIC INFORMATION

5.1 The Projects Area – Geographic and Economic Overview

5.1.1 Ustka

Ustka is an old seaside tourist destination. The municipality of Ustka has 8,002 inhabitants (data end 2023), of which 49.6% are women and 50.5% are men, 68.3% of the inhabitants are of working age and 16.0% are in the post-working age, with 15.8% in the pre-working age.

Among the economically active residents of the municipality of Ustka, 703 people go to work in other municipalities and 113 workers come to work from outside the municipalities, so the balance of arrivals and departures to work is 436 people.

The agricultural sector (agriculture, forestry, hunting and fishing) employs 11.9% of the economically active residents of the municipality of Ustka, 46.9% in industry and construction, 16.2% in services (trade, vehicle repair, transport, accommodation and catering, information and communication) and 1.1% in finance (financial and insurance activities, market and real estate services).

The situation on the labour market in the municipality of Ustka at the end of 2023, according to the report from the Poviát Labour Office in Słupsk, is as follows: overall, there were 203 registered unemployed persons, which accounted for 7.3%, including 20 persons not yet working, 203 persons residing in the countryside, including 61 persons without professional qualifications and 27 without professional experience, 56 persons over 50 years of age. People in a special situation on the labour market include the unemployed under 25 years of age, of whom there were 18 people.

5.1.2 Redzikowo

The Redzikowo municipality (former Słupsk municipality) has a population of 19,453 (end 2023), of which 49.9% are women and 50.1% men, 68.3% are in working age, 12.8% are in post-working age and 18.9% are in pre-working age.

Among the economically active residents of the Redzikowo municipality, 1701 people go to work to other municipalities and 1911 workers come to work from outside the municipalities, so the balance of arrivals and departures to work is 210 people.

11.9% of the municipality's economically active residents work in the agricultural sector (agriculture, forestry, hunting and fishing), 46.9% in industry and construction, 16.2% in services (trade, vehicle repair, transport, accommodation and catering, information and communication) and 1.1% in finance (financial and insurance activities, market and real estate services).

Registered unemployment in the Redzikowo municipality at the end of 2023 was 7.3%, the proportions between non-working women and men are basically equal.

5.1.3 Łeba

Łeba is located in Lębork County, on the Słowiński Coast, on the rivers Łeba and Chelst, and is a resort town with a seaport and bathing beaches. As of January 1, 2021, the city's area was 14.81 square kilometres. The city accounts for 2.09% of the district's area. Between 1974 and 2005, Leba was recognized by the government as a town with conditions for spa treatment.

5.2 PAP Survey

5.2.1 Methodology

The Sotis Advisors team conducted a socio-economic survey of PAPs. The target group consisted of private owners of land affected by on-shore infrastructure. 27 private owners (or co-owners) were identified. The study did not cover companies owning several plots. It took place in June, 2024 by telephone. Where it was impossible to contact PAPs by telephone, e-mail messages were sent, one of which was responded to. In total, out of 27 private plot owners, 24 people were interviewed and 23 questionnaires were completed (the difference being one individual that happened to be in hospital at the time).

Questions included in the survey were divided into 3 topics (see more details in the questionnaire in Annex 1):

- Description of the respondent's household;
- Activities of the household;
- Livelihoods and dependency upon affected land.

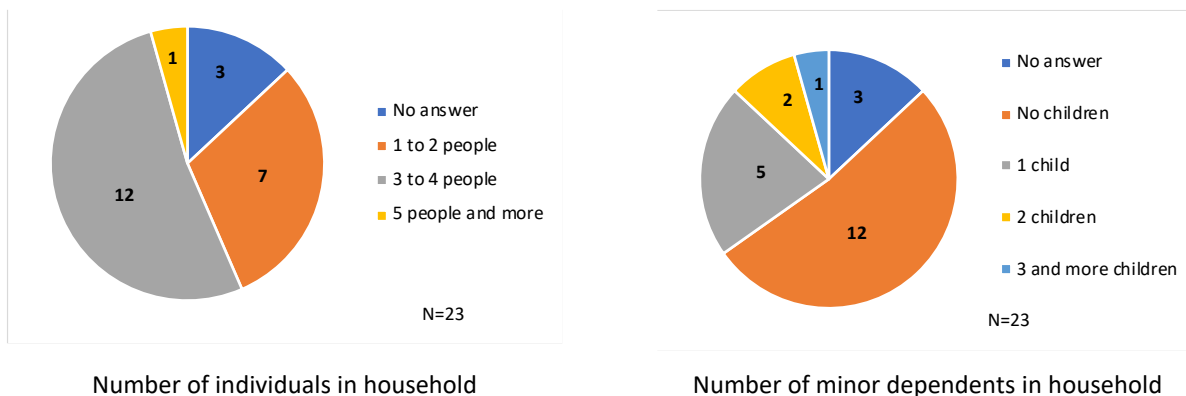
One limitation of the survey (of limited significance in our view) is that some landowners rent their land out to farmers. It was not possible in such cases to obtain the contact information for these landusers as landowners were not willing to provide it.

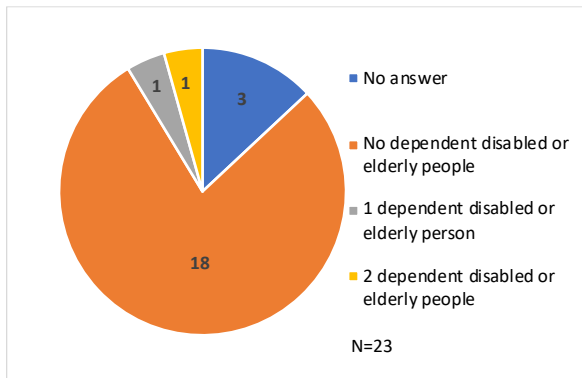
5.2.2 Findings

5.2.2.1 Affected Household Demography

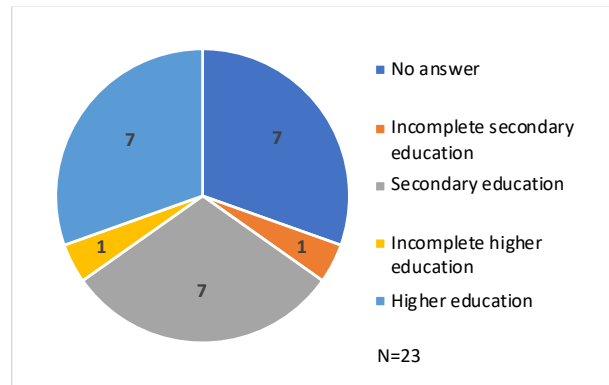
The figure below presents key household demography indicators. The vast majority of households has less than 4 individuals, although one household with 7 persons was identified. Two households out of the 23 respondents include one or two elderly or disabled individuals. Levels of education of household heads are generally high, with half of them having attended higher education.

Figure 8. Affected Household Demography and Level of Education





Presence in household of disabled or elderly persons



Level of education of household head

Affected people do not necessarily live close to the affected plot. Out of 23 respondents, 10 live at less than 1km of their affected plot. Some PAPs live in Słupsk, Lebork, Władysławowo, or Warsaw.

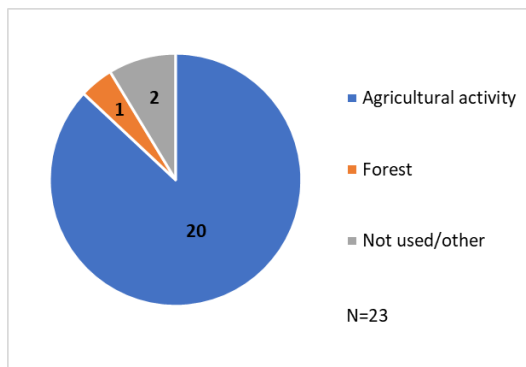
5.2.2.2 Activities and Livelihoods

The majority (80%) of heads of households are professionally active and 69% of households have two members or more that are professionally active. Only four of 19 respondents are farmers, while others are either self-employed (5) or wage-earners (10), usually working in white-collar professions. Eight of 20 respondent households include somebody receiving a pension, but no one receives social assistance benefits. Only 4 respondents declare themselves as farmers, and only two of these state that agriculture is the main source of income of their household. Meanwhile, 60% of respondents still state that they receive some income from agricultural activity. This describes a group of people where agriculture is far from predominant but some link with land still exists, which is confirmed by the questions on use of affected land reflected in the following section.

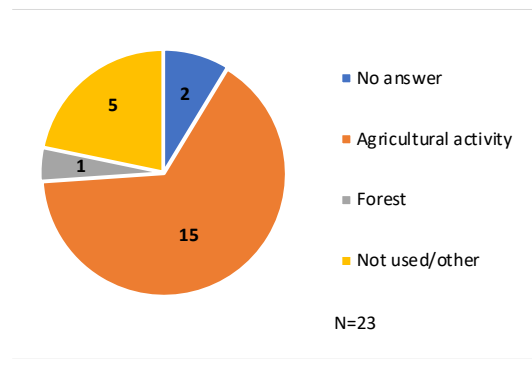
5.2.2.3 Land Acquisition and Impacts Thereof

Most respondents were using their affected land plot for agriculture, and most are planning to continue doing so, even if some state that they might stop using that land during construction (two of these were not using their land before, three think they may have to stop using the land during construction).

Figure 9. Use of Affected Land Plot

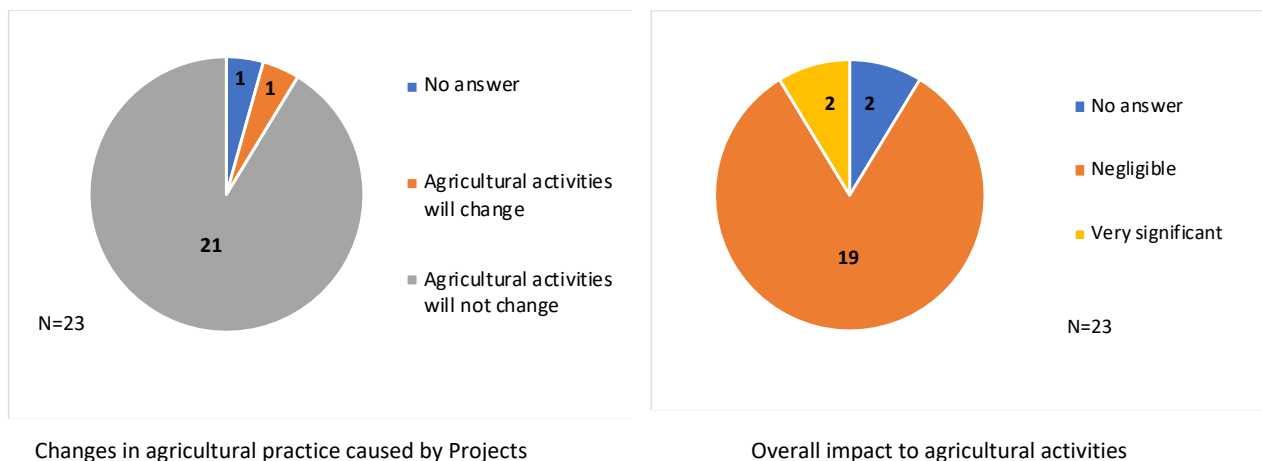


Use of affected land before Projects



Use of affected land during construction works

All interviewed landowners (23) are aware of the restrictions that will apply after the installation of underground cable lines and understand the details of prohibitions and limitations in this respect. Only one landowner thinks that this might cause a change in agricultural practice on the land, while most landowners think that the impact of these restrictions is negligible (see figure below).

Figure 10. Future use of Affected Land Plot

When asked whether what type of impediments or obstacles restrictions could cause, the three landowners that identified potential obstacles cited the following:

- Potential technical problems with drainage or irrigation;
- Coexistence with other elements of infrastructure like energy storage facilities¹¹;
- Concerns about reinstatement after construction, and impacts affecting a broader strip than what has been compensated, with potential consequences to agricultural income.

5.2.3 Key Conclusions

The survey revealed or confirmed the following:

- The Projects are generally well accepted, and its strategic character is well understood;
- Impacts to land and agricultural activities are generally assessed as negligible;
- Impacts to landowners' livelihoods, most of whom are actually not primarily dependent on agriculture, are also generally negligible, and assessed by the very respondents as such.

¹¹ It appeared during the survey that other projects are present in the area and have actually taken advantage of the positive image of the Bałtyk II / Bałtyk III land acquisition amongst landowners to sign similar voluntary land deals for energy storage and photovoltaic facilities with the same landowners.

6 COMPENSATION STRATEGY

6.1 Key Principles

Key Projects principles in handling land acquisition and resettlement issues are the following:

- Comply with Polish law;
- Comply with international resettlement standards, including EBRD's, EIB's and IFC's;
- Seek to achieve negotiated settlements wherever possible, with administrative acquisition used as a last resort only where negotiation does not result in an agreement;
- Consult and inform affected people and affected communities;
- Identify informal users if any, and compensate them for their losses, if applicable;
- Establish an out-of-court, Projects specific grievance mechanism;
- Identify vulnerable people in need of specific support and provide for specific support where needed;
- Identify livelihood impacts, and provide livelihood restoration measures, as needed;
- Monitor outcomes of land acquisition;
- Prepare land acquisition and livelihood restoration planning documents (this document and the Livelihood Restoration Framework for offshore components), and disclose them to potentially affected people.

6.2 Entitlement Matrix

The entitlement matrix is presented in the following table for on-shore impacts:

Table 11. Entitlement Matrix (On-Shore Impacts)

Type of impact	Eligible person	Entitlement	Comments
Permanent acquisition of land for above-ground facilities	Landowner	Compensation at replacement cost based on a valuation followed by amicable negotiation. Administrative acquisition to be used as a last resort only when negotiations have failed.	Applies to plots intended for the ONS and the access road to ONS
	Landuser (if there is one different from the landowner)	To be negotiated privately between landowner and land user	
Loss of building	Not applicable – no building affected	Not applicable	Not applicable
Loss of trees	Not applicable – no fruit trees affected	Not applicable	Not applicable

Type of impact	Eligible person	Entitlement	Comments
Restriction to land	Landowner	Compensation of the diminished value of the land at replacement cost based on a valuation followed by amicable negotiation. Administrative acquisition to be used as a last resort only. The procedure of administrative acquisition described in section 4.1.3.3 is currently considered for three plots that could not be acquired at this point in time (out of 48).	Once agreed and paid, the easement right acquired by the Projects is registered in the land plot title deed.
	Land user	To be negotiated privately between landowner and land user	
State and municipal land	State Municipality PSE	Usufruct agreements with the various entities involved.	

Source: Sotis Advisors

6.3 Compensation Rates

The Projects proposed compensation values are currently based on a 2022 valuation study carried out by an independent valuer. The proposed rate is PLN 20 per m² (EUR 4.6) for easement rights.

Adjustments are then made in negotiations with landowners until an agreement is found. Some land plots had been negotiated with landowners before these rates were determined, with the result that a few rates paid are actually higher than the baseline resulting from the valuation study. The median compensation value for land plots that were negotiated before the valuation study was available is PLN 28 per m², higher than the proposed PLN 20 per m².

These are 3 private plots where no amicable agreement has been reached with the owner yet. Due to the fact that the Location Decision has already been issued, if no agreement is reached with these owners, the decision on compensation will be issued by the Voivode through the “administrative acquisition” process (see section 4.1.3.3).

Per the Transmission Law Act, State land in the categories¹² affected by the Projects is not compensated.

6.4 Buildings, Trees and Crops

No buildings, fruit trees or crops were or are affected, whether by full acquisition or by easement.

6.5 Negotiation and Compensation Process

6.5.1 Amicable Negotiations

The Offshore Act (in force since February 2021) combined with the Transmission Law Act (2015) provides the Projects with the character of a “strategic investment”. As a result, the Projects currently have the legal means to resort to administrative acquisition based on a Location Decision and a further compensation decision taken by the Voivode.

¹² Land covered with water, public road land and land within railway corridors are not to be compensated where they are owned by the State Treasury.

However, the process for the Projects of securing land rights commenced in 2016 before the Offshore Act was put into force and before the amendment to the Transmission Law Act in 2021, when offshore wind farm investments with connection infrastructure were added to the catalogue of strategic investments: most of the amicable agreements for Bałtyk III were signed in 2016. At the time the Projects had only the amicable negotiation option available, and neither administrative acquisition nor imposing restrictions on plots based on the administrative procedure were legally possible.

The change in legislation that occurred in 2021 required the Projects to revise land acquisition policy, with the following goals:

- accelerating the conclusion of agreements,
- enhancing the transparency of the process from both private and institutional owners.

6.5.2 Payment and Legal Proceedings

Payment is typically done in two instalments, as follows:

- 20% within 21 days of signing the notarial deed;
- 80% when the building permit is awarded.

The transmission easement is established for a fixed period until December 31, 2075. It is registered into the the land and mortgage register. The cost of all legal proceedings (notary, registration) is covered by the Projects.

6.5.3 Failure to Reach an Agreement

If the property owner does not consent to the establishment of a transmission easement, the Projects can obtain the right to dispose of the land for construction purposes by obtaining a Location Decision from the Voivode triggering “administrative acquisition”.

Plots not yet secured for investment are presented in the table below:

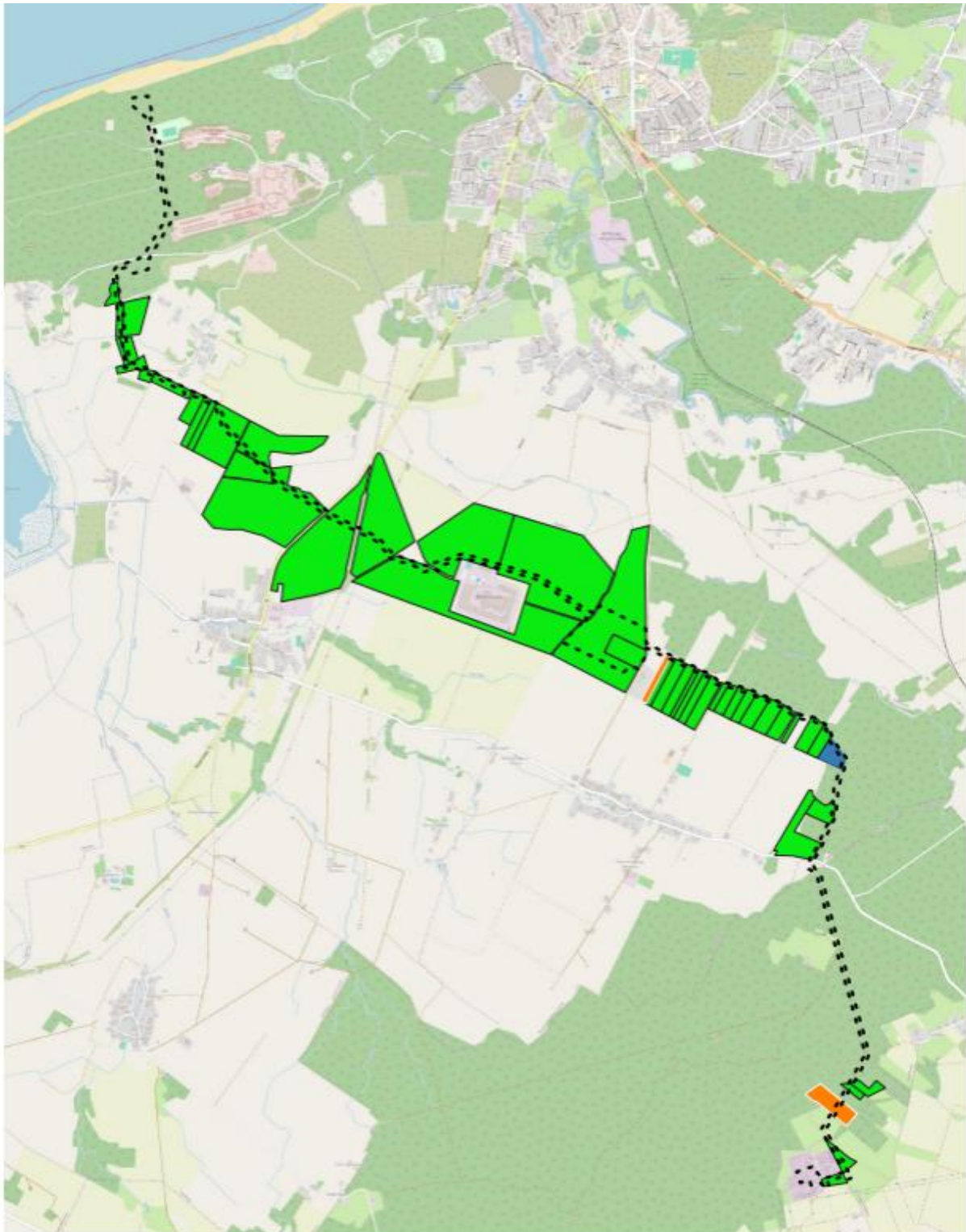
Table 12. Plots in On-Going Negotiation

Plot number	Location	Type of plot	Cable concerned	Description of the problem
186	Pęplino	Field	BII	Issues with legal status of the plot
239	Pęplino	Field	BII and BIII	Protracted negotiations
158/2	Bruskowo Wielkie	Pasture	BII	Owner unwilling to agree to reasonable compensation conditions

Source: Sotis Advisors based on Equinor& Polenergia data

The Projects will decide shortly whether to apply for “administrative acquisition” for these land plots. Access to them is secured based on the transmission act and obtained location decisions

Figure 11. Status of acquisition of private plots – valid as of April 1, 2024



--- Construction corridor

Private plots

■ secured

■ under negotiations

■ unsecured

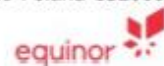
0 750 1 500 m



Skala: 1 : 40 000 @A4

Projekcja: ETRS1989 Poland CS2000 Zone 6

MFW BAŁTYK II & III



Polenergia

Source: Equinor&Polenergia, April 2024

7 ENGAGEMENT AND GRIEVANCE MANAGEMENT

7.1 Stakeholder Identification

For the purposes of this LRP, key stakeholders are the following:

- private landowners;
- local councils and municipal organisations representing communes where land plots are located;
- institutional landowners (the state and municipal organisations owning or managing land on behalf of the State or the interested municipalities).

Institutional landowners or institutions in charge of managing state land rights include:

- The municipalities of Ustka and Redzikowo;
- The Regional Directorate of Environmental Protection in Gdansk;
- The Maritime Office in Gdynia;
- The Pomeranian Voivode;
- National Centre for Agricultural Support (KOWR - Krajowy Ośrodek Wsparcia Rolnictwa);
- District Roads Administration;
- The Military (RZI - Rejonowy Zarząd Infrastruktury);
- The Ustka Forest District;
- State Water Holding Polish Waters - Regional Water Management Board;
- Starost of Słupsk;
- The transmission system operator TSO (PSE S.A. - Polskie Sieci Energetyczne Elektroenergetyczne S.A.), and
- Caritas of the Military Ordinariate of the Polish Army.

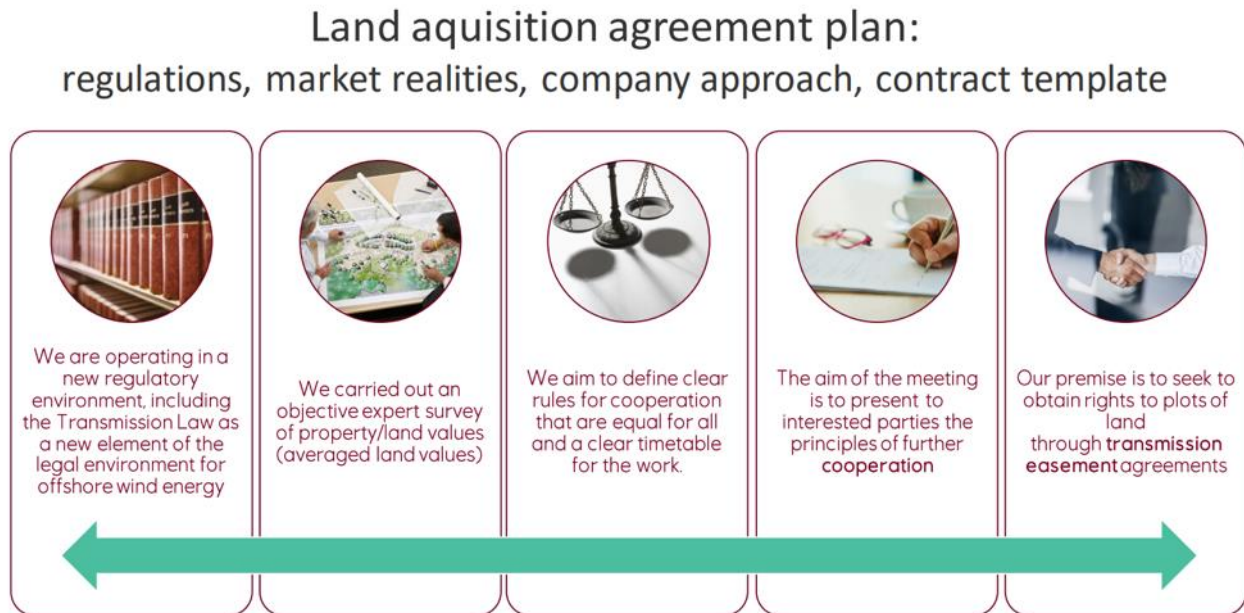
7.2 Engagement and Negotiation Process

Stakeholder engagement for the Projects has been carried out consistently since 2014. The first educational and communication campaigns regarding the construction of the MFW Bałtyk III offshore wind farm and its connection infrastructure was carried out by the Foundation for Sustainable Energy (FNEZ) in cooperation with Polenergia. The campaign lasted from November 2014 to November 2015 and included preparatory activities, an information and educational campaign, consultations with the fishing community, maritime administration, local government authorities and residents.

The process of securing rights for external transmission infrastructure (MFW Bałtyk III) began in 2016/2017, but under different legal circumstances and based on the environmental decision issued in 2019, first meetings with landowners were held at the end of 2018. In 2020 and 2021, there were changes in the cable route, which required the signing of annexes for MFW Bałtyk III. The negotiations for MFW Bałtyk II took place in 2022-2023 based on the new legislation and revised Projects compensation policy (see section 6.5.1). At that time, the Projects also started to disclose materials on the land acquisition process to support communication with affected landowners and institutional stakeholders. The figure below provides an example of such materials.

Figure 12. Disclosure of land acquisition strategy

MFW Bałtyk II & III



An information campaign was held in local communities in June 2022. It included:

- meetings with local authorities;
- group meetings with land owners, particularly in Duninowo;
- then individual meetings with private land owners.

The aims were the following:

- provide comprehensive and transparent information to interested parties on the new land acquisition policy;
- present a schedule of activities;
- obtain preliminary feedback and thereby minimize the risk of further grievances.

Different communication channels were used: phone calls, direct individual meetings, e-mails, direct mailing/letters, information meetings (announced to land owners via phone, municipalities information bulletins, social media and websites, and local round tables in cooperation with local authorities.

7.3 Grievance Management

The Projects Community Grievance Management (CGM) process was initiated when the Projects developed its first Stakeholder Engagement Plan (SEP) in 2022, which is currently being updated. Key principles of grievance management are stated in the 2022 SEP and are in line with principles in international standards (prompt, culturally appropriate, swift, accessible, transparent, confidential, free-of-charge, and without retaliation).

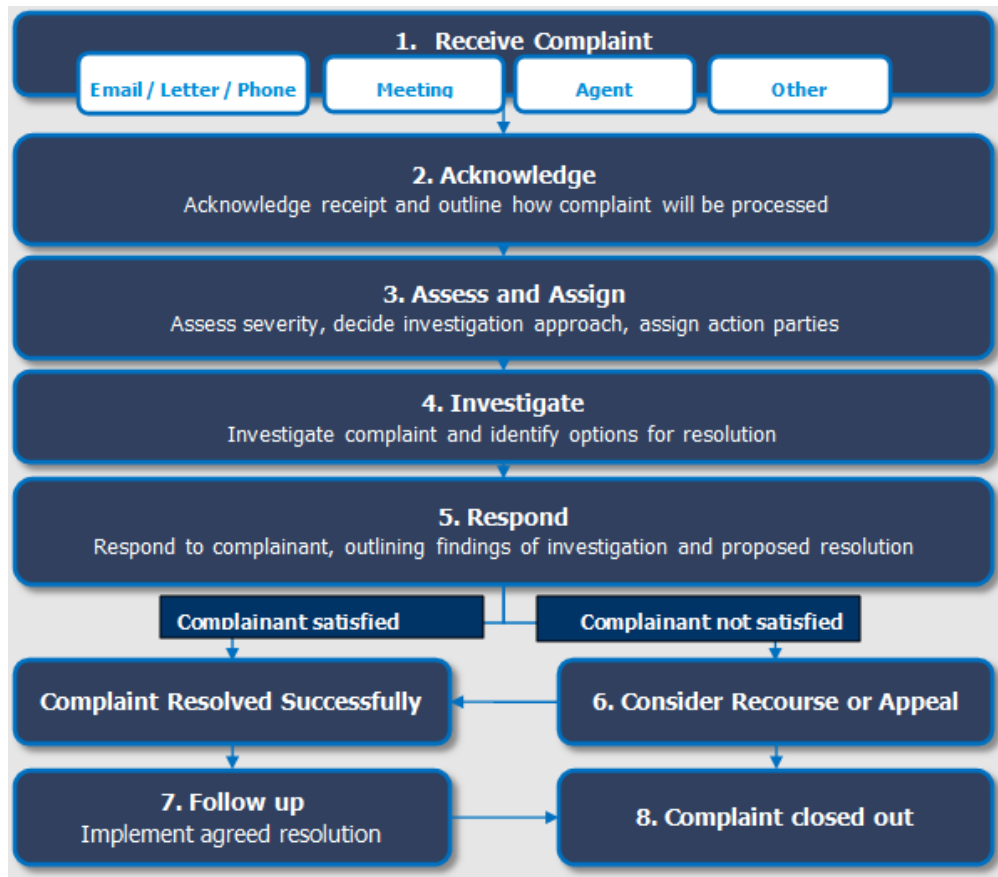
The Projects CGM applies to all activities and components, including those under the responsibility of the investors in the Projects, their staff in contact with communities, contractors, and subcontractors. It is also applicable to all phases of the Projects, including construction and operations. It will be updated regularly to ensure it remains relevant and appropriate to the scale and phase of the Projects.

The Projects also have specific guidance on GBVH grievances.

The SEP document provides detailed information on purpose of this mechanism, its principles, management process, administering and publicizing the CGM, contractor grievance management, training, monitoring and reporting etc. Some recommendations and key principles of CGM were also presented in a document: Education and Information Campaign Plan with Stakeholders for the MFW Bałtyk II and III Projects, 2023.

The figure below shows the grievance mechanism management process presented in the SEP.

Figure 13. Grievance management flow chart



Source: SEP, 2022

Avenues to lodge a grievance include:

- Verbally or in writing to the Community Liaison Officer (CLO – to be defined); there will be one CLO for Projects;
- Using the main reception number available at +48 22 522 39 00, available for Projects;
- In writing via email through a form sent to the designated email address: or through the contact section available on the Projects' website: baaltyk123.pl;
- In person by leaving a Grievance Form at the grievance box to be available at the Local Information Point address: Tadeusza Kościuszki St. 88, 84-360 Łeba. At a later stage of the Projects it will be available in onshore O&M base located at the Port of Łeba, address: Jachtowa St. 8, 84-360 Łeba;
- In person be leaving Grievance Form in in each construction office for the respective stages of the investment (during ECI construction);
- In writing via regular mail at the following address: MFW Bałtyk II Sp. z o.o. and MFW Bałtyk III Sp. z o.o., Krucza 24/26 Street, 00-526 Warsaw, Poland;

- Questions concerning procurement under the Projects can be sent to the following e-mail address: gm_baltykprocurement@equinor.com;
- Questions and complains submitted by the employees (investor, contractors and subcontractors) can be also sent to via Equinor’s Ethics Helpline Equinor | Home (integrityline.com)

The Projects informs stakeholders about the CGM in the course of its engagement activities, and is expected to report on a regular basis to the public on its implementation, while protecting the privacy of affected individuals and abiding, amongst others, with the EU General Data Protection Regulation (GDPR).

Summary information about this mechanism has also been prepared for all stakeholders in the form of the paper leaflet, along with a form to fill out (see Annex 2).

The latest activities related to enhancing the awareness of the CGM in Projects-affected communities are the following:

- June 2023 – opening of a Local Information Point in Łeba (Baltic Offshore Wind Farm Information Center), which allows all stakeholders to contact the Projects and access current information.
- 2024 – launch in April 2024 of the online portal Bałtyk123.pl which applies to all Bałtyk OWF Projects (I, II and III), in order to provide a unique platform for communication with stakeholders. This new web portal includes an interactive grievance mechanism;
- Grievance mechanism form prepared in Polish and in English;
- Information leaflet in Polish, English and Kashubian;
- Enabling stakeholders to choose their preferred language of communication in the complaints and grievance process: Polish or English.

8 LIVELIHOOD RESTORATION AND SUPPORT TO VULNERABLE PEOPLE

8.1 Livelihood Impacts (On-Shore)

The Projects entails no physical displacement: no residential buildings are affected by any of the Projects components. However, the EIA (2023) identifies 3 single-family buildings within a 100 m wide strip of land from the boundary of the Projects), as follows:

- a residential building with farm in Ledowo (at a distance of approx. 67 m from the corridor boundary);
- a residential building in Peplino (at a distance of approx. 53 m from the corridor boundary);
- a residential/forestry building in Bruskowo (at a distance of approx. 60 m from the corridor boundary).

The EIA assesses Projects impacts to health and living conditions of these people during both construction and operations as insignificant, and therefore no relocation of the above dwellings is warranted.

In terms of impacts to agriculture, and resulting potential impacts to affected farmers' livelihoods:

- All agreements on acquisition or easement rights were freely negotiated with landowners, and none of the landowner raised potential impoverishment resulting from loss of land as an issue during these negotiations;
- Plots 148/3 and 148/4 for the station in Peplino are the most affected land plots with about 16 hectares taken for full land acquisition. The land plots were acquired in 2018 further to free negotiation and the landowner did not raise livelihood issues when agreeing to the deal;
- Other impacts to agricultural land are related to imposing an easement right, which does not prevent the continuation of open-field agriculture (including grain and forage crops), or grazing animals in the affected land.

As a result of the above, potential impacts to livelihoods were assessed as negligible. This is confirmed by the survey of affected landowners described in section 5.2. However, the Projects commits to monitoring such impacts per the provisions presented in chapter 9.

In such linear projects involving underground works, reinstatement of land disturbed by construction is critical. Post-construction reinstatement by the relevant contractors will be managed as part of the ESMMP for the Projects. Any landowners' or land users' grievances pertaining to reinstatement will be investigated and corrected if warranted.

8.2 Identification of, and Support to Vulnerable People

No specific groups or individuals were identified that might meet vulnerability criteria. This was confirmed by the PAP survey described in section 5.2. However, the Projects commits to monitoring potential induced vulnerability per the provisions presented in chapter 9.

9 MONITORING

9.1 Overview

Monitoring is a key component of the land acquisition and resettlement process, and are required by EBRD's, IFC's and EIB's resettlement standards. The monitoring process examines what worked and why, what did not and why not, and what adjustments, changes or corrective actions need to be made.

Monitoring in the case of the Project's on-shore components is commensurate to the relatively modest impacts experienced in this case, with no physical displacement, no or very limited impacts to livelihoods, a fully negotiated process (except, potentially, for three land plots out of 48), and no identified vulnerable groups or individual households.

9.2 Monitoring Indicators

Indicators are shown in the table below. Input and output monitoring will be carried out internally by the Projects team.

Table 13. Monitoring Indicators

Indicator	Source of Information	Frequency of Measurement
Input indicator		
Number of staff dedicated to land access, compensation, and livelihood restoration	Projects HR Department	Quarterly
Outcome indicators		
Average time for grievance processing (Measure time interval between grievance registration and closure and time between grievance registration and first acknowledgement of receipt)	Grievance Management System	Quarterly
Number of open grievances and trend in time	Grievance Management System	Quarterly
Number of grievances opened in the period and trend in time	Grievance Management System	Quarterly
Number of grievances closed in the period and trend in time	Grievance Management System	Quarterly
Reoccurring complaints	Grievance Management System	Quarterly
Average time for payment of compensation. Measure time between compensation agreement, payment, and actual vacation of affected property	Compensation agreements and receipt of payment	Quarterly
Use of compensation - What has compensation been used for? Disaggregated by gender	Completion survey of compensated households	Once – one year after completion of all compensation
Restoration of farming. Have affected farms been successfully re-established? Comparison of surfaces and agronomic potential in pre- and post-displacement situations	Completion survey of compensated households	Once – one year after completion of all compensation
Potential induced vulnerability. Check on any loss of livelihood that might have caused a Projects-induced vulnerability	Completion survey of compensated households	Once – one year after completion of all compensation

9.3 Completion Survey

As shown in the table above, the Projects will conduct one survey of all affected households one year after completion of all compensation activities (i.e. tentatively in mid 2025). The objective will be to check that livelihoods have not been affected and that no induced vulnerability has arisen. A specific questionnaire will be developed addressing these broad themes and the indicators mentioned in the table above. The survey will be conducted internally by the Projects and their results will be summarized in a report that will be communicated to the Projects lenders. If needed, corrections will be brought about to address any (unlikely) impacts to livelihoods and induced vulnerability.

10 ROLES AND RESPONSIBILITIES

10.1 Status of Implementation of this LRP

This LRP is largely implemented already. Only three private land plots, out of 48, are remaining to be compensated for easement rights. As mentioned in section 6.5.3, one has technical legal issues, and two protracted negotiation processes, with one of these two landowners unlikely to ever agree to the Project's reasonable compensation proposals. Outstanding tasks are therefore the following:

1. Land acquisition (acquisition and formalisation of easement rights) under the leadership of the Voivode.
2. Continue to manage grievances, if any.
3. Monitor achievements and completion per the provisions in chapter 9, and specifically implement the internal completion survey described in section 9.3.

10.2 Roles and Responsibilities

This Project's permitting department, including an experienced land acquisition manager, will continue until completion of the outstanding tasks and will be responsible for this completion. A Poland-based consulting firm working directly for the Projects could potentially be used for the implementation of the completion survey mentioned above and in section 9.3 and of the related report.

ANNEXES

Annex 1 – PAP Questionnaire

Household composition

- Do you live in the investment area (near the plot in question)?
- How many members does the household consist of?
- How many dependent minors?
- How many dependent disabled or elderly people?

Profession and activities

- What is your level of education?
- Are you professionally active?
- How many members of the household are professionally active?
- What is your profession?
- Are there pensioners in the household?
- Do you receive social assistance benefits?
- What is the main source of income of your household?
- Do you receive income from agricultural activities?

Land acquisition

- How did you use the affected area before signing the transmission easement act?
- How will you use the affected land plot during construction of the cable transmission (or sub-station, as the case may be)?
- Do you know what exactly will be restricted in your land plot once the cable is built?
- Will your agricultural activities in that affected piece of land change due to restrictions to your land?
- Do you assess the impact of the restrictions related to the transmission easement as negligible/moderately noticeable/very significant?
- What, in your opinion, is the greatest obstacle resulting from the restrictions to your land?

Annex 2 – Leaflet on the Grievance Mechanism (English Version)



Grievance Mechanism

Offshore wind farm projects
Bałtyk 1, 2 and 3

WHAT IS IT?

The Grievance Mechanism is a process for assessing and resolving complaints from stakeholders if negative impacts of Projects' activities have occurred. It applies to all activities and stages of the investments.

WHAT IS THE PURPOSE?

Grievance mechanism provides the tools to address complaints and grievances in accessible and transparent manner.

WHAT CAN BE THE SUBJECT OF A GRIEVANCE?

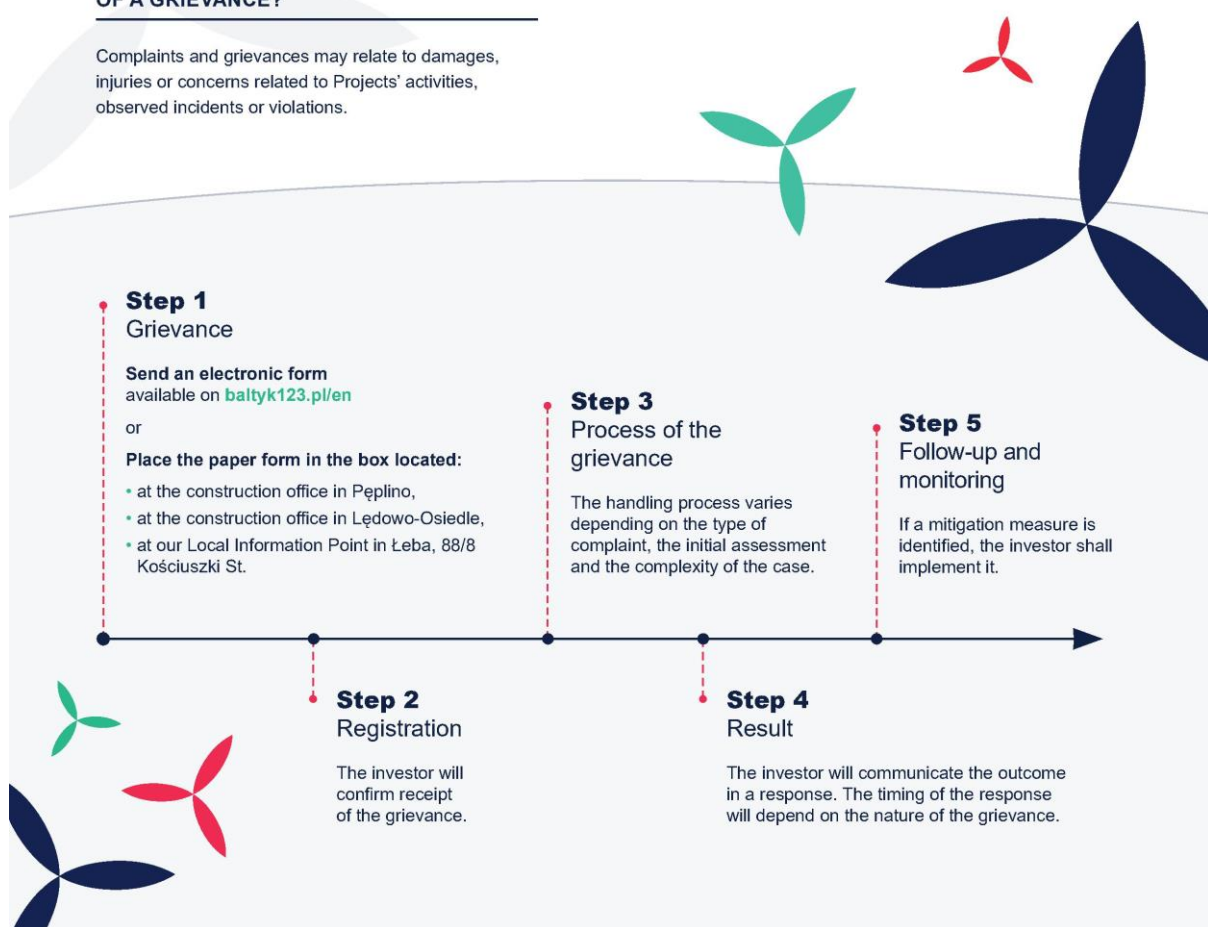
Complaints and grievances may relate to damages, injuries or concerns related to Projects' activities, observed incidents or violations.

WHO AND WHEN CAN USE IT?

Any local stakeholder who deems to be negatively affected by the Projects. A complaint or grievance can be made at any time.

IS MY DATA CONFIDENTIAL AND ANONYMOUS?

The grievance may be submitted anonymously. If personal data is provided, it will not be shared with others without written consent.





Date of grievance:

Full name

Please note: you can remain anonymous or request not to disclose your identity to a third party without your consent.

- I wish to raise my grievance anonymously.
- I request my identity not to be disclosed without my consent.

Contact information

Please note: mark how you wish to be contacted.

By post:

By telephone: By e-mail:

Preferred language for communication

- Polish
- English

Description of grievance

What happened?
Where did it happen?
Who did it happen to?
What are the consequences?

Date of incident

- One time incident/grievance _____ date
- Happened more than once _____
how many times, over what period?
- Ongoing (currently experienced problem)

Anticipated solution to the problem

Annex 3 – List of documents used

Documents received from the Projects:

1. Presentation “Projekty morskich farm wiatrowych Bałtyk. Pracodawcy Pomorza. 20 March 2024”, MFW BAŁTYK I, II&III, Equinor, Polenergia
2. Environmental Impact Assessment Report for External Connection Infrastructure of the MFW Bałtyk II and MFW Bałtyk III, EKO-KONSULT Gdańsk, March 2023, hereinafter referred to as: EIA Report, 2023
3. Raport o oddziaływaniu na środowisko dla zmiany decyzji o środowiskowych uwarunkowaniach, Morska Farma Wiatrowa MFW BAŁTYK II, Kancelaria Radców Prawnych Otawski Dziura Jędrzejewski i Troszyński, 2021 (EIA Report, 2021)
4. Raport o oddziaływaniu na środowisko dla zmiany decyzji o środowiskowych uwarunkowaniach, Morska Farma Wiatrowa MFW BAŁTYK III, Kancelaria Radców Prawnych Otawski Dziura Jędrzejewski i Troszyński, 2022 5EIA Report, 2022)
5. Karta Informacyjna Przedsięwzięcia: Rozbudowa, przebudowa budynku magazynowego i zmiana sposobu użytkowania z funkcji magazynowej na funkcję usługową oznaczonego 1 oraz budowa budynku magazynowego oznaczonego 2 wraz z przebudową istniejącego nabrzeża ul. Jachtowa, 84-360 Łeba – projekt kwiecień 2024 (eng. Project Information Card), oprac. INGEO, M. Puchniarz, M. Blockus
6. Stakeholder Engagement Plan for the for the Offshore Wind Farms (OWF) MFW Bałtyk II and MFW Bałtyk III, 14 November 2022, hereinafter referred to as: SEP, 2022
7. Human Rights Impact Assessment: MFW Bałtyk II and MFW Bałtyk III - Final Report, Synergy Global Consulting, 20 April 2023, hereinafter referred to as: HRIA, 2023
8. Education and Information Campaign Plan with Stakeholders for the MFW Bałtyk II and III Projects, CEE Energy group, Instytut Balticum, 27 February 2023
9. Opinia o wartości. Analiza cen transakcyjnych oraz rynkowych stawek, Sylwia Galikowska. Kancelaria Rzeczoznawcy Majatkowego, May 9, 2022
10. Presentation of the Investor on: Recommendation of activities in the area of land lease agreement for external transmission infrastructure (ETI) for MFW Bałtyk II&III, March 22, 2022
11. Podsumowanie kampanii edukacji i komunikacji społecznej dla projektu MFW Bałtyk Środkowy III wraz z infrastrukturą przyłączeniową, Fundacja na rzecz Energetyki Zrównoważone, November 2015

Public Internet sources:

1. [Proces wyłączenia – krok po kroku | INLEGIS Kancelarie Prawne](#)
2. [Kiedy cel wyłączenia wpływa na wartość nieruchomości | INLEGIS Kancelarie Prawne](#)
3. [Służebność przesyłu - na czym polega i co stanowi jej główny problem? - Infor.pl](#)
4. [Encyklopedia prawa - Kodeks cywilny - INFOR.PL](#)

Legal basis:

1. Constitution of the Republic of Poland of April 2, 1997
2. Civil Code of April 23, 1964 ("Civil Code")
3. Act on preparing and developing strategic projects related to transmission grids of July 24, 2015 ("Transmission Law Act")
4. Act on promoting electric energy production in offshore wind farms of December 17, 2020 ("Offshore Act")
5. Act on Real Property Management of August 21, 1997 ("Real Property Management Act")
6. Regulation of the Council of Ministers of September 21, 2004 on the valuation of real estate and preparation of an appraisal report (Dz.U.2021.0.555 t.j.) - archival
7. Regulation of the Minister of Development and Technology of September 5, 2023 on the valuation of real estate (Dz.U.2023.1832)

Location decisions:

1. Decision of March 7, 2024 on determining the location of the investment in the scope of a set of devices used to extract power from the OWF Bałtyk II Offshore Wind Farm - section of onshore connection infrastructure", issued by the Pomeranian Voivode (WI-III.747.1.7.2024.AM)
2. Decision of March 7, 2024 on determining the location of the investment in the scope of a set of devices used to extract power from the OWF Bałtyk III Offshore Wind Farm - section of onshore connection infrastructure", issued by the Pomeranian Voivode (WI-III.747.1.4.2024.EB)
3. Decision of February 12, 2024 on determining the location of the investment in the scope of a set of devices used to extract power from the OWF Bałtyk II Offshore Wind Farm - section of onshore connection infrastructure" – it concerns the construction of the ONS and fragments of electricity transmission lines with accompanying infrastructure, issued by the Pomeranian Voivode (WI-III.747.1.39.2023.AM)
4. Decision of February 12, 2024 on determining the location of the investment in the scope of a set of devices used to extract power from the OWF Bałtyk III Offshore Wind Farm - section of onshore connection infrastructure" – it concerns the construction of the ONS and fragments of electricity transmission lines with accompanying infrastructure, issued by the Pomeranian Voivode (WI-III.747.1.36.2023.EB)

Environmental decisions:

1. Decision of November 29, 2023 on environmental conditions for a project: "Grid connection infrastructure of the Bałtyk II OWF and Bałtyk III OWF offshore wind farms", issued by the Regional Director for Environmental Protection in Gdansk (RDOŚ-Gd-W00.420.40.2022.AM.32)
2. Decision of March 27, 2017 on environmental conditions for a project: " Construction of the Polenergia Bałtyk II offshore wind farm", issued by the Regional Director for Environmental Protection in Gdansk (RDOŚ-Gd-W00.4211.26.2015.KSZ.20)
3. Decision of October 26, 2021 to change the decision on environmental conditions for a project: " Construction of the Bałtyk II offshore wind farm", issued by the Regional Director for Environmental Protection in Gdansk (RDOŚ-Gd-W00.420.3.2021.KSZ.14)
4. Decision of November 7, 2016 on environmental conditions for a project: " Construction of the Bałtyk Srodkowy III offshore wind farm", issued by the Regional Director for Environmental Protection in Gdansk (RDOŚ-Gd-W00.4211.12.2015.KP.22)

5. Decision of November 8, 2022 to change the decision on environmental conditions for a project: “Construction of the Bałtyk Srodkowy III offshore wind farms”, issued by the Regional Director for Environmental Protection in Gdansk (RDOŚ-Gd-WOO.420.41.2022.AM.6).