

Non-Technical Summary

HS BELACON, BELARUS

April 2021

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1. BACKGROUND

The HS Timber Group GmbH is an Austrian based company who is proposing to develop a new sawmill near the town of Svisloch, Belarus (the Project) and this Non-Technical Summary (NTS) provides a description of the planned Project and describes the potential benefits and impacts associated with its construction and operation. It also describes how these will be mitigated and managed through all phases of the Project and provides a summary of the public consultation activities and the approach to future stakeholder engagement.

1.1. Company Overview

The HS Timber Group was founded in Austria as a family-owned company over 400 years ago. Today the Group is organised by a holding company, HS Timber Group GmbH, based in Vienna.

Employing around 4,000 people, the Group and its subsidiaries primarily operate in the timber industry. However, it is also involved in lumber trading and bioenergy production and supplier for the solar industry. HS Timber Group subsidiaries produce wood products for industrial customers, with a list of products including sawn timber, planed timber, glued timber, profiled timber, pellets, briquettes, blockboards, shuttering panels, and edge glued panels. The company's products are sold in around 70 countries across the world.

HS Timber Group has six operational production sites, five in Romania and one in Germany. This comprises two panel / blockboard manufacturing sites in Romania, and four sawmills – three in Romania and one in Germany.

1.2. Overview of the Project

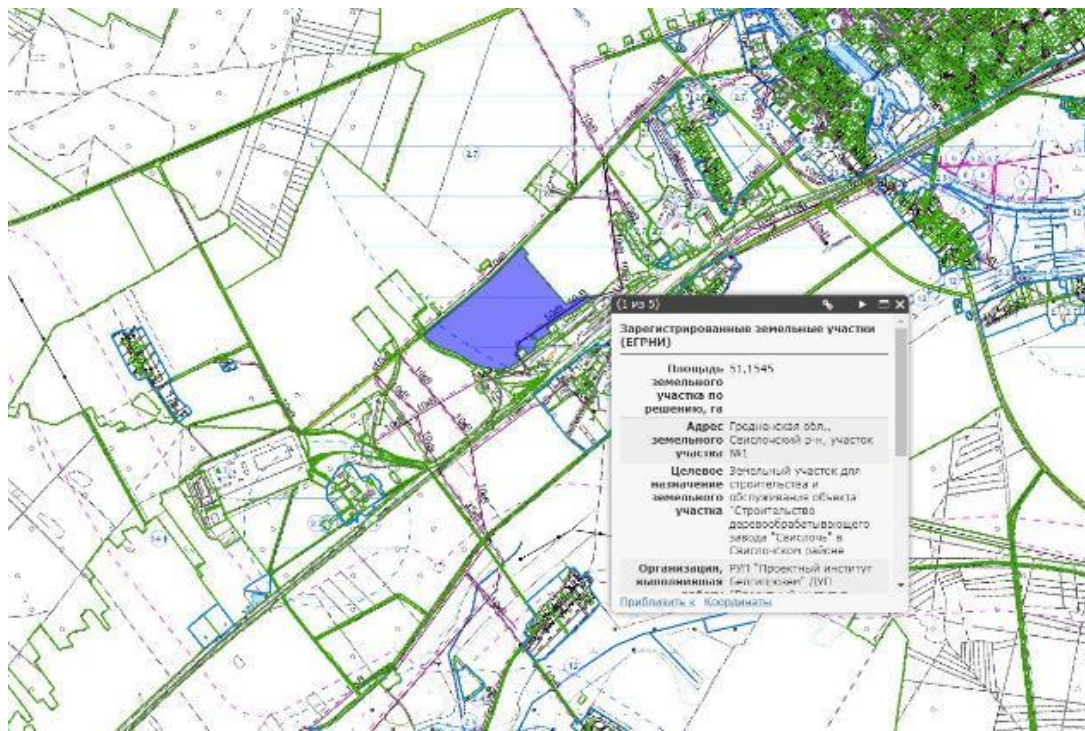
The European Bank for Reconstruction and Development (EBRD) is providing finance to support the development of the Project.

The proposed sawmill site is located near the town of Svisloch, approximately 200 km south-west of Minsk, and approximately 15 km east of the Polish border. The topography of the facility and immediate surrounding area are largely flat.

Figure 1-1 – Site Location within Belarus



Figure 1-2 – Detailed Site Location



As shown in the Figure below, the closest residential properties are located in Melново, approximately 262 m south of the site, and Yubileynaya, approximately 418 m east of the site.

Figure 1-3 – Proximity of Local Communities to the Proposed Sawmill in Svisloch



Logs will arrive by rail from sources in Belarus, via a siding from the mainline railway and will be unloaded in the western part of the site. A radiation scanner will be used to prevent acceptance of wood from risk areas.

On the site, the logs will be sorted, de-barked, sawn into timber, sorted by quality/size, dried, planed and stored. Finished timber will be dispatched by rail to diverse Markets (including in the EU). As well as these dry shavings will be collected in a silo on-site and pressed into pellets. By-products like sawdust and woodchips will be sold for further processing and manufacturing.

The following buildings, structures and operations are proposed to facilitate the above production process:

- Security checkpoint
- Truck & rail weighbridges, including radiation monitoring
- Log sorting line
- Debarking building and log sorting cabin located in the western part of the site
- Dry sorting building
- Saw-building
- Frame tent sheds for pellet production and packaging / storage of finished products
- Log yard
- Single storey administrative building and an adjacent amenities block containing changing rooms, wash areas and toilets. These will be located in the northern part of the site
- Boiler house comprising two bark fired 10 MW boilers, located in the western part of the site and discharging to a single combined flue
- Two continuous drying tunnels, powered by the boilers
- Fuel storage for the boiler room
- Silo for storage of by-products
- Conveyor line for by-products
- Fuel station for diesel
- Transformer substations (x 5)
- Water intake facilities – water will be supplied from two groundwater wells.
- Fire pump station and water tank
- Sewage treatment plant
- Storm sewer treatment facilities, with an oil separator and a pond for percolation and evaporation
- Vehicle wash area
- 10 T and 20 T cranes
- Areas for storing unbarked logs
- Solid waste storage area
- Car & truck parking areas
- Recreation area

The complex will have a capacity of 500,000 m³ of logs per year and is anticipated to generate the following products each year:

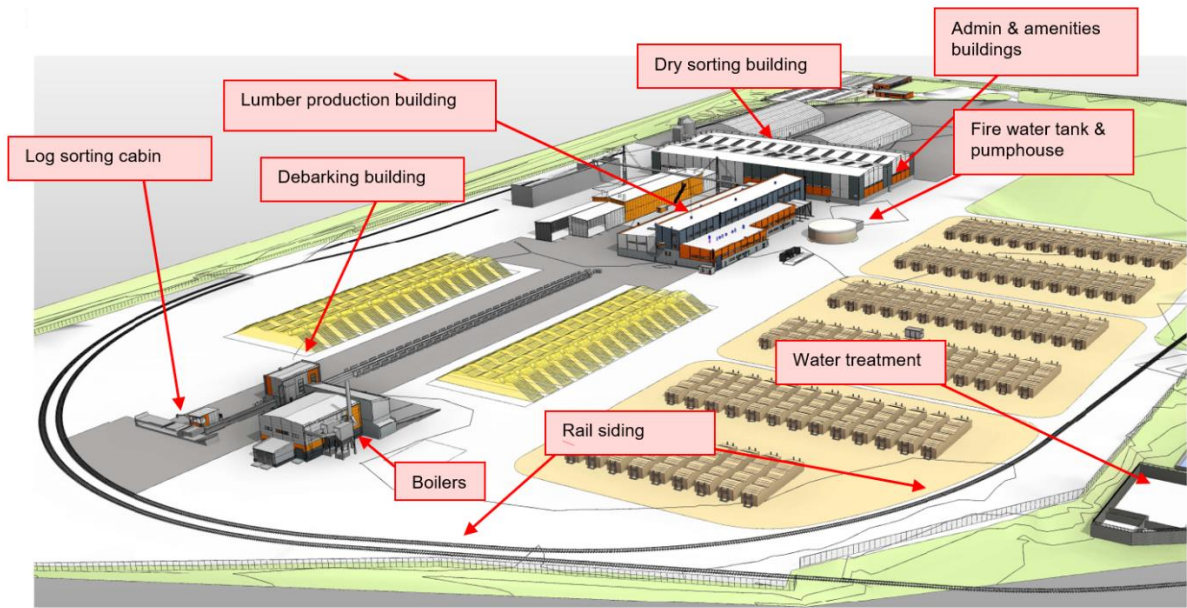
- sawn timber - 275,500 m³ per year;
- wood pellets – 8,506 tons per year;
- by-products (bark) - 17,000 tons per year
- by-products (wood chips and saw dust) - 100,000 dry tons per year.

The facility is proposed to operate 260 days per year with 2 x 8-hour shifts, and administrative, technical, engineering functions in a single 8-hour shift. The boiler and the drying and maintenance operation as well as the security staff is proposed to operate 356 days per year. 246 people are anticipated to be employed by the plant. The figures are assumptions that might differ from practical implementation, which is more dependent on capacity utilisation.

The development will also include construction of a railway siding for receipt and dispatch of logs and timber. HS reported that approximately 4.5 km of track would be constructed, but site plans indicate that most of this is within the curtilage of the sawmill site. An external connection to the existing public rail line, located adjacent to the site boundary will also be constructed, with some modification of the existing track and a shunting area. An electricity connection to the grid will also be constructed, via underground cable.

A schematic layout for the Project is presented in Figure 1-4 below.

Figure 1-4 – Schematic of the Project Site (looking northwards)



2. WHAT ARE THE ENVIRONMENTAL, HEALTH, SAFETY AND SOCIAL ASPECTS (EHSS) OF THE PROJECT?

2.1. What Environmental, Health, Safety and Social Assessment has been Conducted for the Project?

In December 2020, an Environmental and Social Due Diligence (ESDD) assessment and audit was undertaken of the proposed Project location, and also of corporate management standards across existing HS Timber Group's operations. This ESDD evaluated the environmental and social impacts and benefits of the project and evaluated them against the following criteria:

- European Bank for Reconstruction and Development (EBRD) 2014 Environmental and Social Policy, which includes a comprehensive set of Performance Requirements (PR) covering key areas of environmental and social impacts and issues.
- Applicable European Union (EU) Reference Guidelines for Best Available Techniques (BREF), covering Best Available Techniques (BAT) for management of environmental impacts for relevant industrial sectors.

Where the audit has identified the need for further mitigation measures to address impacts or improvements in corporate Environmental, Health and Safety and Social (EHSS) performance, an action has been proposed and incorporated into an Environmental and Social Action Plan (ESAP). This ESAP would enable compliance with relevant corporate, national, EU standards and EBRD Performance Requirements. The Project is being designed to fully meet these requirements.

The EBRD has categorised the Project as a Category B project, which is the categorisation for projects generally of lower environmental impact.

2.2. What is the Environmental Impact Assessment Process for the Project?

The planned economic activity of the Project falls into the list of facility types for which an Environmental Impact Assessment (EIA or OVOS) is required.

An EIA, which covers all activities on the Project, was conducted for the development in accordance with the requirements of the Legislation of the Republic of Belarus. According to the developed EIA report, the State environmental Expertise has been passed and a positive conclusion of the environmental expertise obtained¹.

Two versions of the EIA have been produced, the first including a 300 m Sanitary Protection Zone (SPZ) around the operations. The SPZ was extended to 500 m following public consultations. The zone is set at 500 meters from the sources of emissions located on the territory of the enterprise. Settlements boundaries are present closer to the site (Melnovo village 262 m south & Yubileinaya village 418 m east), but residential buildings are located at >850 m.

The revised version of the EIA was submitted for State Environmental Expert review and has been approved for development. Although the railway line is not explicitly covered by the EIA, the approvals make reference to the specification of the rail line. For this reason, it is considered that the state bodies have accepted this approach regarding assessment of the railway. The approvals also indicate approval by the Administration of the Belarusian Railways

Notice of public discussion of the EIA report was posted on the websites of the District Executive Committees, in this case on the website of the Svisloch District Executive Committee (<https://Svisloch.grodno-region.by/ru/belakon-ru/>), as well as in printed form in the district newspaper, in this case in the newspaper "Svislochskaya Gazeta" (issue number 35 of the newspaper dated May 8, 2020)

Complaints and appeals of citizens are considered in accordance with the procedure established by the legislation of the Republic of Belarus. Applications can be received both orally (during a personal reception, by phone) and in writing, including by e-mail². The General Contractor considers complaints and appeals submitted to both the General Contractor and Subcontractors³.

¹ Law of the Republic of Belarus No. 399-Z of July 18, 2016. "On State Environmental Expertise, Strategic Environmental Assessment and Environmental Impact Assessment" <https://www.pravo.by/document/?guid=3961&p0=H11600399>

² Law of the Republic of Belarus "On Appeals of Citizens and Legal Entities" (dated July 18, 2011) Resolution of the Council of Ministers of the Republic of Belarus No. 1786 "On Approval of the Regulations on the Procedure for Conducting Office Work on Appeals of Citizens and Legal Entities to State Bodies, Other Organisations and Individual Entrepreneurs" (dated December 30, 2012). <https://www.pravo.by/document/?guid=3871&p0=C21101786>

³ Law of the Republic of Belarus No. 433-3 "On the Basics of administrative procedures" <https://pravo.by/document/?guid=3871&p0=h10800433> Decree of the President of the Republic of Belarus No. 200 "On administrative procedures carried out by State Bodies and other organisations on Citizens' applications" <https://www.pravo.by/document/?guid=3871&p0=P31000200>

2.3. How Will the Environmental, Health, Safety and Social Aspects Be Managed?

The following table summarises the main potential positive and negative environmental, health, safety and social (EHSS) impacts related to the project (both during construction and operation), as well as a summary of the key mitigation measures to ensure that no significant impacts will be realised:

Aspect	Impact Overview	Mitigation Measures Summary
CONSTRUCTION PHASE		
Climate and Air Quality	Limited potential for impact, other than from dust very local to construction operations.	<ul style="list-style-type: none"> → A detailed Construction Environmental Management Plan (CEMP) will be developed by the construction contractor. The CEMP will incorporate detailed procedures for management and monitoring of dust and stakeholder engagement, (including complaint and grievance procedures). → The CEMP will also include training and awareness of requirements of the CEMP, including for sub-contractors → A Stakeholder Engagement Plan (SEP) has been developed and will be implemented.
Noise and Vibration	There will likely be a noise impact during the construction phase.	<ul style="list-style-type: none"> → A detailed Construction Environmental Management Plan (CEMP) will be developed by the construction contractor. The CEMP will incorporate detailed procedures for management & monitoring of noise and vibration, and management of worker, community health & safety and stakeholder engagement, (including complaint and grievance procedures). → The CEMP will also include training and awareness of requirements of the CEMP, including for sub-contractors → A Stakeholder Engagement Plan (SEP) has been developed and will be implemented.

<p>Land, Surface Water & Groundwater</p>	<p>The site is underlain by a sensitive aquifer and is located in a source protection zone. If spills occur, there is potential for impacts to groundwater resource.</p> <p>Controls on sedimentation and erosion will also be required during construction activities to prevent runoff to soils and surface water bodies.</p>	<p>→ A detailed Construction Environmental Management Plan (CEMP) will be developed by the construction contractor. The CEMP will incorporate detailed procedures for</p> <ul style="list-style-type: none"> • containment of oils and other chemicals, and for prevention and response to spills and releases. • appropriate investigation and clean-up of contaminated soils if these are identified during construction; • minimisation of erosion and sediment release during earthworks and other construction activities • monitoring of erosion and emissions to water <p>→ The CEMP will also include training and awareness of requirements of the CEMP, including for sub-contractors</p> <p>→ A Stakeholder Engagement Plan (SEP) has been developed and will be implemented.</p>
<p>Wastewater Management</p>	<p>Worker hygiene facilities and vehicle cleaning activities used during construction have potential for releases if not properly managed.</p> <p>The site is underlain by a sensitive aquifer and is located in a source protection zone. If releases occur, there is potential for impacts to groundwater resource.</p> <p>Controls on sedimentation and erosion will also be required during construction activities to prevent runoff to soils and surface water bodies.</p>	<p>→ A detailed Construction Environmental Management Plan (CEMP) will be developed by the construction contractor. The CEMP will incorporate detailed procedures for</p> <ul style="list-style-type: none"> • management of wastes generated during construction, including effluents from temporary worker welfare facilities. • appropriate investigation and clean-up of contaminated soils if these are identified during construction • minimisation of erosion and sediment release during earthworks and other construction activities • monitoring of erosion and emissions to water • training and awareness of requirements of the CEMP, including for sub-contractors <p>→ A Stakeholder Engagement Plan (SEP) has been developed and will be implemented.</p>
<p>Ecosystems and Flora & Fauna</p>	<p>The Project is not located in a protected location, so potential for impacts is low. Topsoil and some small vegetation will require removal.</p>	<p>A detailed Construction Environmental Management Plan (CEMP) will be developed by the construction contractor. The CEMP will incorporate detailed procedures for topsoil management, and also processes for protection of air, water, etc.</p>
<p>Geohazards / Seismic</p>	<p>The site is located in an area with very low potential for earthquakes</p>	<p>Not applicable</p>
<p>Waste Management</p>	<p>Waste materials will be generated during construction.</p>	<p>→ A detailed Construction Environmental Management Plan (CEMP) will be developed by the construction contractor. The CEMP will incorporate detailed procedures for management of wastes generated during construction.</p> <p>→ The CEMP will also include training and awareness of requirements of the CEMP, including for sub-contractors A Stakeholder Engagement Plan (SEP) has been developed and will be implemented.</p>

Cultural Resources	The impact on cultural resources is expected to be minimal.	Not applicable
Visual and Landscape	Limited potential for impact, other than from dust very local to construction operations.	<p>→ A detailed Construction Environmental Management Plan (CEMP) will be developed by the construction contractor.</p> <p>→ A Stakeholder Engagement Plan (SEP) has been developed and will be implemented.</p>
Land acquisition	The Project will be constructed on a parcel of land leased from the Grodno Free Investment Zone (FEZ). Therefore, no land acquisition issues are anticipated.	Not applicable
Social Impacts – economic displacement, community health & safety, occupational health & safety	<p>No economic impacts or economic displacement will be caused by the Project construction activities, if construction processes are appropriately managed. If not suitably managed, potential negative economic impacts could occur due to restricted access to Svisloch railway station, as well as increased traffic and deterioration of roads in the local area during construction.</p> <p>If large numbers of workers need to be accommodated in the area during construction, this could place strain on local services (healthcare, accommodation, etc.) if not planned and managed appropriately. There is also potential for traffic, dust, noise and pollution impacts – management of these is discussed elsewhere in this table.</p> <p>Construction activities (as for any project) present numerous hazards for workers if not managed appropriately.</p>	<p>→ A Stakeholder Engagement Plan (SEP) has been developed and will be implemented.</p> <p>→ Compensation payments will be paid in full to the Executive Committee of Svisloch District to compensate for the removal of 17 trees.</p> <p>→ The construction contractor will provide a brief Local Staff Hiring Plan before construction commencement, demonstrating their commitment and measures to ensure the hiring of local individuals/companies, where possible.</p> <p>→ A transport assessment of construction of the site in Belarus will be conducted, establishing the increase in road traffic caused due to construction activities (including staff travel).</p> <p>→ A detailed Construction Environmental Management Plan (CEMP) will be developed by the construction contractor The CEMP will incorporate detailed procedures for</p> <ul style="list-style-type: none"> • worker and community health & safety • site security & access control • training and awareness of requirements of the CEMP, including for sub-contractors • a Construction Traffic Management Plan to regulate traffic both on and off site. <p>→ Consultation will be done with local services serving the proposed sawmill in Svisloch, with regard to medical facilities as well as accommodation and welfare arrangements for construction workers.</p> <p>→ The accommodation for construction workers entering the area for the construction period, will be confirmed ensuring that the CEMP includes suitable provision for worker welfare.</p> <p>→ During construction, the welfare of the workers, the conditions of their facilities, and the relationship with the wider community of Svisloch will be regularly monitored.</p>
OPERATIONAL PHASE OF THE FACILITY		
Climate and Air Quality	<p>Combustion emissions will be generated by the boiler.</p> <p>Dust will be generated by timber processing operations.</p>	<p>→ All additional permits required for the operational stage of the new facility to be obtained and conditions complied with.</p>

	<p>However, modelling in the EIA indicates no significant impacts related to air emissions.</p>	<ul style="list-style-type: none"> → Design of the boiler in accordance with local regulations and the requirements of the EU Medium Combustion Plant (MCP) Directive. Verification of the projected dust emission levels from the boiler to confirm compliance with the MCP emission limit value (ELV) for dust. → An air emissions monitoring programme will be developed and implemented. This will include monitoring of <ul style="list-style-type: none"> • Air emissions from the boiler stack and other point sources • Dust deposition at sensitive locations within the SPZ (residential areas of Melново & Yubileynaya). A Stakeholder Engagement Plan (SEP) has been developed and will be implemented.
<p>Noise and Vibration</p>	<p>There is potential for operational noise and vibration impacts on nearby sensitive receptors, particularly residential properties.</p> <p>However, modelling in the EIA indicates no significant impacts related to noise emissions.</p>	<ul style="list-style-type: none"> → All additional permits required for the operational stage of the new facility to be obtained and conditions complied with. → An environmental emissions monitoring programme will be developed and implemented. This will include monitoring of environmental noise, both at the site boundary and sensitive locations within the SPZ (residential areas of Melново & Yubileynaya) → Design of operational procedures to minimise disruption to local residents (e.g. development of a Transport Policy). → A Stakeholder Engagement Plan (SEP) has been developed and will be implemented.
<p>Land, Surface Water & Groundwater</p>	<p>The site is underlain by a sensitive aquifer and is located in a source protection zone. If spills occur, there is potential for impacts to groundwater resource.</p>	<ul style="list-style-type: none"> → All additional permits required for the operational stage of the new facility to be obtained and conditions complied with. → Ensuring that detergents are not used in vehicle washing, and that all relevant staff are instructed in these requirements. → Installation of a shallow groundwater monitoring well down-gradient of the percolation pond at the new sawmill → An environmental emissions monitoring programme will be developed and implemented. This will include monitoring of wastewater discharges and monitoring of groundwater (once per year) in the well for potential contaminants associated with wastewater treatment. → Chemical and waste storage facilities at the new sawmill will be designed to allow for proper containment, segregation and movement of chemicals and wastes. → A detailed spill response procedure will be developed for prevention and response to spills and releases. → A Stakeholder Engagement Plan (SEP) has been developed and will be implemented.

Wastewater Management	Effluents and stormwater runoff will be treated in an on-site wastewater treatment plant and discharge of treated effluent to a pond is proposed.	<ul style="list-style-type: none"> → All additional permits required for the operational stage of the new facility to be obtained and conditions complied with. → Ensure that detergents are not used in vehicle washing, and that all relevant staff are instructed in these requirements. → Installation of a shallow groundwater monitoring well down-gradient of the percolation pond at the new sawmill → An environmental emissions monitoring programme will be developed and implemented. This will include monitoring of wastewater discharges and monitoring of groundwater (once per year) in the well for potential contaminants associated with wastewater treatment. → A detailed spill response procedure will be developed for prevention and response to spills and releases. → A Stakeholder Engagement Plan (SEP) has been developed and will be implemented.
Ecosystems and Flora & Fauna	The Project is not located in a protected location, so potential for impacts is low.	Not applicable
Geohazards / Seismic	The site is not located in a seismically active region.	Not applicable
Waste Management	The Projects will generate wastes in the form of animal by-products, and other wastes, and will consume packaging materials.	<ul style="list-style-type: none"> → All additional permits required for the operational stage of the new facility to be obtained and conditions complied with. → Chemical and waste storage facilities at the new sawmill will be designed to allow for proper containment, segregation and movement of chemicals and wastes. → A detailed spill response procedure will be developed for prevention and response to spills and releases. → A Stakeholder Engagement Plan (SEP) has been developed and will be implemented.
Cultural Resources	The impact on cultural resources is expected to be minimal.	Not applicable
Visual and Landscape	Limited potential for impact, other than from dust or litter.	The site will be maintained in an orderly state during operation.
Land acquisition	The Project will be constructed on a parcel of land leased from the Grodno Free Investment Zone (FEZ). Therefore, no land acquisition issues are anticipated.	Not applicable
Economic Displacement	No economic impacts or economic displacement will be caused by the Project activities, if operations are appropriately managed. If not suitably managed, potential negative economic impacts could occur due to restricted access to Svisloch railway station, as well	<ul style="list-style-type: none"> → Develop and implement a Transport Policy → A Staff Hiring Plan will be implemented to ensure that local employment is maximised where possible, and a fair recruitment process is established

	as increased traffic and deterioration of roads in the local area during operation.	
Supply chain	<p>HS Timber Group operate a thorough due diligence process to ensure the sustainability of their supply chain, particularly with regard to their purchasing of raw wood materials in Romania. HS Timber Group contracted KPMG LLP to support its continuous improvement initiatives for timber sourcing at its Romanian sawmills.</p> <p>In Belarus, the State has the exclusive right to export specified timber products. There is a low risk of timber procurement illegality.</p>	<p>The HS Timber Group due diligence system being developed in Belarus includes a checklist to ensure the correct documents have been correctly gathered by suppliers for their logging operations and transport of these logs, and that they assess these documents to determine the suppliers measures to ensure that no controversial material is entering the supply chain. HS commits not to buy from BY National Parks.</p> <p>FSC or PEFC certification will be obtained for the new sawmill</p>

2.4. What Are the Overall Benefits of the Project?

It is expected that the investment project will:

- Provide direct employment for approximately 250 people, who will be engaged in operation of the new plant;
- Provide economic opportunities for suppliers, contractors and support companies in sectors including transportation, timber supply, and maintenance;
- Provide direct employment for construction contractors and indirect economic opportunities for support companies during construction of the facility;
- Allow operation of a modern, purpose designed facility which minimises environmental impact for the type of facility.

An Environmental and Social Action Plan (ESAP) has been developed in order to align the existing operation and the proposed investment with the EBRD performance requirements. Key action areas from the ESAP are detailed in the table above. The proposed action areas will result in improved EHSS performance and risk management and benefit enhancement across HS Timber operations, as well as Contractors' operations.

3. HOW WILL STAKEHOLDERS BE ENGAGED IN THE PROJECT?

3.1. What is the Stakeholder Engagement Plan (SEP)?

A Stakeholder Engagement Plan (SEP) has been developed for HS Timber Group with the objective of identifying key stakeholders and ensuring that, where relevant, they are informed in a timely manner of the potential impacts of projects. The plan will also identify a formal grievance mechanism to be used by stakeholders for dealing with complaints, concerns queries etc. It will be reviewed and updated on a regular basis. If activities change or new activities relating to stakeholder engagement commence, the SEP will be brought up to date. The SEP will also be reviewed periodically during project implementation and updated as necessary.

The SEP includes the following:

- Project description, location of the site and key environmental and social issues;
- Public consultations and information disclosure requirements;
- Identification of stakeholders and other affected parties;
- Overview of previous HS Timber' stakeholder engagement activities;
- Stakeholder engagement programme and methods of engagement and resources; and a
- Grievance mechanism.

3.2. Who Are the Key Stakeholders?

Stakeholders could be individuals and organisations that may be directly or indirectly affected by the project either in a positive or negative way, who wish to express their views. The definition applied to identify key stakeholders is:

'any stakeholders with significant influence on or significantly impacted by, the work and where these interests and influence must be recognised if the work is to be successful'.

Key stakeholders have been identified from the following categories:

- international (EBRD);
- governmental (Ministry of Natural Resources and Environmental Protection of the Republic of Belarus (Minprorody), the Committees of Natural Resources and Environmental Protection, Grodno Regional Committee of Natural Resources and Environmental Protection, The Ministry of Forestry, other relevant Ministries, Municipalities and other relevant local authorities);
- NGOs - organisations concerned with illegal logging and sustainable forestry in Belarus;
- International regulating bodies – Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC)
- services / suppliers (construction contractor, road & rail transport companies, other suppliers & contractors;
- clients;
- institutions (universities, think tanks, etc.);
- the industrial sector (trade bodies, other industrial sites, contractors, suppliers),
- internal stakeholders (employees, HS Timber Group companies);
- local communities (towns, villages, farmers, other potentially affected people);
- public groups (local schools, hospitals, etc.); and
- the media.

3.3. What is the Procedure for Communicating with Stakeholders?

The SEP outlines the methods that HS Timber Group will adopt to ensure effective stakeholder engagement is undertaken, providing details of the programme of future public consultation and information disclosure that will be recorded for major projects. HS Timber Group will record the following information on an ongoing basis:

- Type of information disclosed, in what forms (e.g. oral, brochure, reports, posters, radio, etc.), and how it was released or distributed.
- The locations and dates of any meetings undertaken to date.
- Individuals, groups, and / or organisations that have been consulted.
- Key issues discussed and key concerns raised.
- Company response to issues raised, including any commitments or follow-up actions.
- Process undertaken for documenting these activities and reporting back to stakeholders.

If there are questions, queries, complaints or grievances regarding future projects, a grievance mechanism has been developed to address these issues and a grievance form will be used to record this information. The grievance process is outlined below.

The grievance mechanism process already being used by HS Timber Group's companies in Romania will be introduced in Belarus. HS Timber's Grievance Mechanism is managed by the Chief Compliance Officer, who will receive support from the HS Belacon General Manager and Assistant Manager. Any comments or concerns can be brought to the attention of the Company verbally or in writing or by filling in a grievance form. Any grievances submitted to the General Contractor and their staff will be escalated to the HS Belacon General Manager.

Grievances can be submitted through the following channels:

- Email or telephone call to the General Manager, Assistant Manager (HS Belacon) or Chief Compliance Officer (HS Timber Group GmbH);
- Grievance form (see Appendix I.2) completed and sent through the post, via email, in person, or via the grievance boxes at the office/site;
- Verbally at consultation events; and

The grievance form and information on the procedure (including contact persons) will be made available on the HS Timber Group's website⁴, during consultations and other engagement activities, and at their offices and sites. Stakeholders have the option to submit these grievances anonymously. Information banners, including GRM contact persons details, will be placed on the border of the construction site.

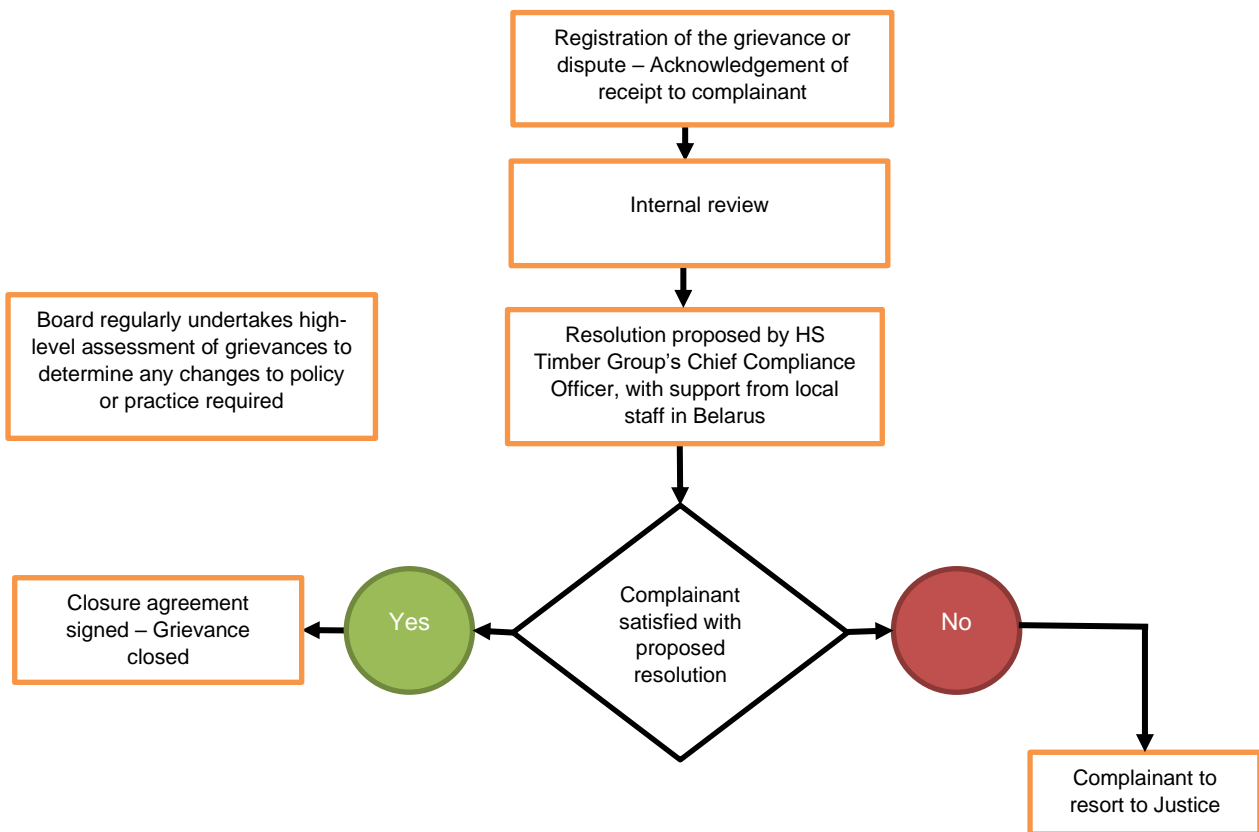
HS Timber's Chief Compliance Officer manages an internal ticketing system, ensuring that all grievances are recorded and undergo a structured investigation and resolution. All verbal or written complaints or grievances will be logged immediately. Complaints will be responded according to Belarusian legislation. They will be acknowledged and responded (first response) within 3 working days and seek to be resolved within 2 weeks, depending on the complexity of issue but latest after three month. HS Timber Group will aim to respond to complainants and resolve the issues as quickly as possible from the date of receipt.

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

⁴ <https://hs.at/en/responsibility/stakeholder-involvement/stakeholder-platform.html>

APPENDIX I – COMPLAINT PROCEDURE AND GRIEVANCE FORM

Appendix I.1. GRC Process Chart



Appendix I.2. Grievance Form

Reference No:

Full Name

Note: you can remain anonymous if you prefer or request not to disclose your identity to the third parties without your consent

First name _____

Last name _____

- I wish to raise my grievance anonymously
 I request not to disclose my identity without my consent

Contact Information

Please mark how you wish to be contacted (mail, telephone, e-mail).

- By Post (Please provide mailing address):

- By Telephone: _____

- By E-mail _____

Preferred Language for communication

- Belarusian Russian English Other _____

Description of Incident or Grievance:

What happened? Where did it happen? Who did it happen to? What is the result of the problem?

Date of Incident/ Grievance

- One time incident/grievance (date _____)
 Happened more than once (how many times? _____)
 On-going (currently experiencing problem)

What would you like to see happen to resolve the problem?

Signature: _____

Date: _____

Please return this form to:

HS Belacon OOO (Belarus)

Vytautas Slankauskas
General Manager – HS Belacon

Address: Grodno region, Svisloch district, Svisloch village council, BLDG. 32, r. 6
Republic of Belarus
Phone: +375 29 121 56 00
Email: vytautas.slankauskas@belacon.by

Contact details at HS Timber Group for this project are:

HS Timber Group GmbH (Austria)

Michael Proschek-Hauptmann
Chief Compliance Officer

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1040 Vienna
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HS Belacon OOO (Belarus)

Vytautas Slankauskas
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GLOSSARY

BAT	Best available technique
BREF	Best available techniques reference document
CAPEX	Capital expenditure
dBa	Decibels
EBRD	European Bank for Reconstruction and Development
EHS	Environmental health and safety
EHSS	Environmental, health and safety and social
EIA	Environmental impact assessment
ESAP	Environmental and social action plan
ESDD	Environmental and social due diligence
EU	European Union
EUTR	EU Timber Regulation
FEZ	Free Investment Zone
FSC	Forest Stewardship Council
GmbH	Gesellschaft mit beschränkter Haftung (limited liability company)
GRM	Grievance Redress Mechanism
ha	Hectares
km	Kilometre
m ³	Cubic metres
Minprorody	Ministry of Natural Resources & Environmental Protection of the Republic of Belarus
MW	Megawatt
NGO	Non-governmental organisation
NTS	Non-technical summary
OVOS	Environmental impact assessment
PEFC	Programme for the Endorsement of Forest Certification
t	Tonnes