



MMBF Underground Gas Storage Project

Stakeholder Engagement Plan
Update Ver01

10 May 2017

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Abbreviations

ACR	Department for Authority & Community Relations (MOL)
AESR	Annual Environmental and Social Report
bcm	billion cubic meter
CO	Carbon Monoxide
E&P	Departments of Exploration and Production Division (MOL)
EBRD	European Bank for Reconstruction and Development
EIA	Environmental Impact Assessment
FGSZ	Hungarian acronym for Natural Gas Transmission Ltd
HSE	Health, Safety and Environment (Requirements)
IEF	Industrial Energy Consumers' Forum
IPPC	Integrated Pollution Prevention and Control
mcm	million cubic meter
MEKH	Hungarian acronym for Hungarian Energy and Public Utility Regulatory Authority
MFB	Hungarian acronym for Hungarian Development Bank
MMBF	Hungarian acronym for Natural Gas Storage Plc
MOL	Hungarian acronym for Hungarian Oil Company Plc
MSZKSZ	Hungarian acronym for Hungarian Hydrocarbon Stockpiling Association
NGO	Non-Governmental Organisation
NO ₂	Nitrogen Dioxide
NO _x	Nitrogen Oxides
OOR	Operational and Organisational Regulations (by MOL)
PA	Preliminary Assessment for EIA screening
PR	EBRD's Performance Requirement
SEP	Stakeholder Engagement Plan
SMP	Social Management Plan
SO ₂	Sulphur Dioxide
SZBT	Hungarian acronym for the main units of the Facility
US SD&HSE	Upstream Sustainable Development and Health, Safety and Environmental Protection (Departments of MOL)

Executive summary

This document is an update on the Stakeholder Engagement Plan (SEP) of the Szőreg-1 Underground Gas Storage Facility (the Facility) for changing the initial project development conditions (i.e. preparation, construction and planned operation) to current operational purposes. The update has been launched by the beneficiary MMBF Natural Gas Storage Plc (MMBF) upon request by the European Bank for Reconstruction and Development (EBRD) co-financing the installation, following the Bank's relevant guidelines.

The Facility was built on the Szőreg-1 field (in the administrative area of Algyő near Szeged), a depleting oil and gas reservoir in 2009, and serves mainly strategic and additionally commercial purposes. The project preparation phase was completed in the first half of 2008, by the time the facility received all necessary permits (e.g. environmental and building permits) to the construction works. Operation started in December 2009, when the strategic natural gas storage was filled up.

Natural gas is extremely flammable and hence considered a dangerous substance. Applying the precautionary principle and taking into consideration the volumes of stored natural gas, the Facility had been identified as upper-tier establishment (defined by the "Seveso Directive" of the EU) in 2009, obtained disaster management licence in 2010, and operates under control of the Seveso regulation.

In line with the EBRD's Environmental and Social Policy (2008), the Project had been screened as Category B, where potential adverse future environmental and social impacts are typically site specific and/or readily identified and addressed through mitigation measures. According to the Performance Requirement No10 of EBRD (PR 10) a Stakeholder Engagement Plan (SEP) is to be established and performed during the project's lifetime. The original SEP was made in June, 2009 by Golder Associates Hungary Ltd in association with Mott MacDonald Hungary Ltd.

The present update is based upon the same SEP document reviewed for text and content by Mott MacDonald Hungary Ltd on assignment by MMBF, owner and operator of the Facility.

The level of details in the plan has been tailored to fit the needs and opportunities of the operation.

During the project preparation phase and the environmental assessments, the stakeholders have been identified by the project investor. According to the stakeholder identification the following categories had been defined:

- Government authorities at national, regional and local levels
- Local inhabitants
- Consumers
- Affected parties: Neighbours potentially affected by impacts of the operation of the facility
- People affected by constraints in their land use
- Clients
- Suppliers, service providers, contractors and their workers/unions
- Company employees
- Workers unions and other professional organisations in connection with the Facility operation
- Civil Societies, including NGOs
- Media

During the project preparation and commissioning period, the public was informed about the project in different ways and stakeholders had several possibilities to orientate themselves, ask questions, formulate their opinion and make complaint. Update of the SEP excludes the plans referring to the commissioning period.

In the operational period the operator, the local and the national authorities are all bound to provide information to the public firstly about industrial safety issues and take part in stakeholder engagement.

Upon request of the municipality of Algyő and the central department of the disaster management authority a public information leaflet was made on "What to do in case of a major industrial accident?". The leaflet is accessible on the homepage of the county's disaster management directorate, but has not been found on the homepage of Algyő. The Facility is not listed in the leaflet among the hazardous establishments.

The updated SEP is narrowed down to the activities and measures that are still relevant and having real practical value during operation as well as most likely accomplishable by MMBF staff.

For disclosure during operation information basically extend to:

- General company data free for disclosure
- Public Safety Report by the Seveso regulation
- Public data in the Annual Environmental and Social Reports to EBRD
- IPPC licences or any other statement or resolution by the authorities
- Accident or incident reports
- Public news

Nonetheless, however the information disclosure and public consultation tasks by the Seveso regulation are shared with the local mayors as well as with the disaster management authority, the establishment's operator as information source shall ensure that the given information reaches the public. In this means information of public nature and interest originated by MMBF is suggested to be released on at least the local web and written media interfaces.

Furthermore, it is recommended to consult with the disaster management authority about updating the public information leaflet (referred above) including the information on the Facility, and contact the local municipalities to upload the information to the website.

All consultation and disclosure activity must be documented.

As part of its work with stakeholders, MMBF has developed a formal Grievance Mechanism firstly within the social management plan during project preparation to receive and facilitate resolution of the affected communities' concerns and grievances related to the company's environmental and social performance.

For the operational period, with extending provisions of the Business Code to all external complaints the following grievance mechanism is in place:

- Upon receipt by the Customer Service the complaint is taken record of.
- All complaints are investigated and Complainants receive feedback in 10 workdays.
- In justified cases MMBF takes action on eliminating the cause of problem as soon as possible by the technical, financial and/or legal circumstances.
- Records on complaints are stored for 3 years by MMBF.
- If the complaint proves not justified by the investigation, the rejection states the reasons.

In order to handle grievances and be able to properly forward incoming feedbacks, personnel of the Facility are trained at least once when they are taking their position about the procedure of accepting grievance. The training of the personnel is registered.

Grievances received anonymously will be treated as comments or issues and recorded, but no formal response will be issued.

While efforts will be made to resolve all grievances amicably, if a grievance cannot be resolved, MMBF will seek to involve other external experts, neutral parties or local and regional authorities, as

necessary. The implementation and outcome of the grievance process is also documented and disclosed as appropriate.

1 Introduction

This document is an update on the Stakeholder Engagement Plan of the Szőreg-1 Underground Gas Storage Facility for changing the initial project development conditions (i.e. preparation, construction and planned operation) to current operational purposes. The update has been launched by the beneficiary MMBF Natural Gas Storage Plc upon request by the European Bank for Reconstruction and Development following the Bank's relevant guidelines.

The European Bank for Reconstruction and Development (hereinafter EBRD) was involved in financing the conversion of Szőreg-1 reservoir in the depleting Algyő oil field into an underground gas storage facility (hereinafter the 'Project' or the 'Facility'). In line with the EBRD's Environmental and Social Policy (2008), the Project had been screened as Category B, where potential adverse future environmental and social impacts are typically site specific and/or readily identified and addressed through mitigation measures. For such projects the client of the financing institution undertakes an environmental and social analysis proportionate to the development's characteristics and risks, as well as – with respect to the former use – an environmental audit associated with the existing facilities. The required environmental and social analysis and audit had been prepared in compliance with EBRD's Performance Requirements (PRs).

EBRD's PR 10 instructs on information disclosure and stakeholder engagement specifying the provision of a Stakeholder Engagement Plan (SEP) to be performed during the project's lifetime. The SEP was made in June, 2009 by Golder Associates Hungary Ltd in association with Mott MacDonald Hungary Ltd.

The present update is based upon the same SEP document reviewed for text and content by Mott MacDonald Hungary Ltd (hereinafter Consultant) on assignment by MMBF Natural Gas Storage Plc (hereinafter MMBF), owner and operator of the Facility.

For understanding the operation, as well as for reviewing safety procedures and environmental and social reporting and stakeholder engagement in the Facility a site visit and interviews with company representatives were carried out by the Consultant. In addition, review of documents provided by MMBF, personal (email and phone) communication and public information was used for working out the updated SEP.

The SEP includes:

- Brief description of the project;
- Regulatory and lender requirements for consultation and disclosure;
- Identification of stakeholders of the project;
- Summary of previous consultation activities
- Action plan for further consultation and disclosure for the next stages of the project to meet EBRD's PR 10 and the relevant local requirements;
- Grievance mechanism.

The level of details in the plan has been tailored to fit the needs and opportunities of the operation.

1.1 Project description

1.1.1 The Facility

The Project was commissioned by conversion of a depleted oil field in the south of Hungary (near Szeged and close to the Serbian and the Romanian border) into a natural gas storage facility for 1.9 bcm (billion cubic meter) working gas to both strategic (1.2 bcm) and commercial (0.7 bcm) purposes.

In 2007 MMBF acquired the mining rights for the mining plot named „Szeged-IV hydrocarbon gas reservoir" from MOL Plc where the new underground gas storage facility was planned to be implemented through the completion of new wells and installation of injection and withdrawal facilities on the surface.

The project preparation phase was completed in the first half of 2008, by the time the facility received all necessary permits (e.g. environmental and building permits) to the construction works. As the owner, MMBF contracted MOL Plc (following a tender process in 2006) to construct, commission and operate the facility.

The Facility includes surface and subsurface elements. The four units of surface gas handling and treatment installations comprise:

- SZBT-1: compressor and gas pre-treatment station
- SZBT-2: gas gathering and distribution station
- SZBT-3: gas gathering and distribution station
- SZBT-4: gas gathering and distribution station

SZBT-1 is the central facility that functions as treatment unit for the natural gas at both injecting and withdrawing the gas from the geological formation. SZBT-2, -3 and -4 are uniform installations connected to SZBT-1 through a main pipeline, distributing to or gathering the gas from the wells depending on injection or withdrawal cycles.

Subsurface elements of the Facility contained at the time of commissioning 44 new wells in addition to the 163 existing ones. Out of the 207 wells, 193 were vertical and 14 were horizontal.

Changes to the original scheme in the past 7 years occurred mainly by works on wells required for safe operation, as well as completion of a new connection pipeline to the adjacent MOL site.

1.1.2 Operation

The facility was complete and operational in December 2009, and the strategic natural gas storage was fully filled up with 1.2 bcm natural gas by the end of December in 2009. In addition, commercial storage capacities with regard to economic considerations were made available from the 1st of April 2010, up to 0.7 bcm.

At the time of commissioning MMBF, owner of the Facility was jointly owned by MOL Plc and the Hungarian Hydrocarbon Stockpiling Association (hereinafter MSZKSZ). Operation was contractually assigned to MOL Plc, former operator of the mining plot as well as operator of the neighbouring oil exploit facilities.

In 2013, through a refinancing procedure, shares held by MOL Plc were acquired by the Hungarian Development Bank (MFB) and MSZKSZ for ensuring majority state ownership in the strategic gas storage. At this time MMBF took over operation as full storage service provider, by agreements with MOL to auxiliary services. MMBF as operator holds the license for strategic and commercial gas storage operations issued by the Hungarian Energy and Public Utility Regulatory Authority (hereinafter MEKH). Legal compliance of operation is supervised by MEKH, mining, environmental, safety and employment issues however are dealt with by the competent Government authorities (see later among stakeholders).

MSZKSZ is the owner of the strategic natural gas reserve in the storage facility, thus 'beneficiary' of the natural gas storage. MMBF is responsible for securing, withdrawing and injecting the gas in accordance with the Long-Term Custody Agreement signed by MMBF and MSZKSZ in 2007. Commercial storage is performed through contract agreements with the commercial partners as the storage lessees.

Besides its core activity, the company carries out oil and gas condensate exploitation. These resources are available in decreasing volumes however, and their share of some 10% is expected to be reduced in the following years.

The initially predicted environmental and social impacts had been expected to be low after appropriate mitigation mainly due to the fact that the Project was developed on an existing mining area. For over 40 years crude oil and natural gas production and treatment was carried out here. Related facilities like treatment plants, wells and connecting pipelines were also to be found on site.

1.2 Legal requirements and compliance regarding stakeholder consultation and disclosure

Aarhus and Espoo Conventions

Hungary has ratified the Convention on Access to Information, Public Participation in Decision Making and Access to Justice in Environmental Matters (Aarhus Convention) and the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention).

The Aarhus Convention differs from international standards in that the responsibility for disclosure resides with the government and not the project sponsor. However, government representatives can only fulfil the requirements of the Aarhus Convention if a project sponsor has fully disclosed all information relating to environmental and social impacts.

The Espoo Convention provides general instructions to governments to notify neighbouring governments on all major projects that may have adverse environmental impact across boundaries.

Adoption of the conventions into national law was performed by

- Gov. decree No 148/1999. (X.13.) on the proclamation of the convention adopted on 26th of February, 1991 in Espoo on environmental impact assessment in a transboundary context;
- The Act No 81 in 2001 on the proclamation of the convention adopted on 25th of June, 1998 in Aarhus on access to information, public participation in decision-making and access to justice in environmental matters.

Principles of the above conventions are adopted by the executive legislation with detailed prescriptions and integrated in the permitting procedures. Compliance with the national environmental law (in accordance with the relevant Union law) ensures fulfilling the international requirements therefore.

Related National Environmental Legislation

Development Consent phase

For development consent to design and commissioning the Facility environmental impact assessment (EIA) and/or at least EIA screening was necessary according to the Hungarian EIA law¹ (in line with the EU EIA Directive) for obtaining environmental permit or consent by the environmental authority. (See these study phases in Table 1.)

Permitting authority was the Lower Tisza Regional Inspectorate for Environment, Nature and Water (predecessor of the Environment and Nature Protection Department of the Government Offices in charge now). Permitting involved other competent authorities (e.g. Service of the National Public

¹ Government Decree 314/2005 (XII. 25.) on Environmental Impact Assessment and IPPC procedure

Health Officer, Regional Safety Authority, Mining Authority, local governments) in the decision making process.

The permitting procedure included by prescriptions in the Gov. Decree as well as the Environmental Code² and partly by the Code of administrative authority procedures³ announcement of the procedure to the public, notifications by the notary of the affected municipalities towards the inhabitants, disclosure of and access to the supporting documents (PA or EIA and decisions) and set time and terms for comments and questions. Public hearing is and was mandatory in EIA cases and optional in specific cases of EIA screenings.

Minutes of the public hearing held in 2007 in the EIA procedure are available on the Facility's homepage in Hungarian (<http://mmbf.hu/egyeb-dokumentumok>).

Environmental permitting closed in the design phase with grant and no appeal prior to the development consent, its consultation and disclosure proceedings are not in effect for the operation phase. Update of the SEP erases further references to these procedures therefore.

Table 1: Environmental procedures – Development consent phase 2008

Project elements	Environmental permitting procedures
Development Consent	
Underground gas storage facility–new gas operation (SZBT-1)	EIA screening with Preliminary Assessment (PA) Environmental permitting with Impact Assessment (EIA)
34 new vertical gas wells with a maximum capacity of 500 000 m ³ /day	EIA screening with Preliminary Assessment (PA)
10 new horizontal gas wells with a maximum capacity of 900 000 m ³ /day	EIA screening with Preliminary Assessment (PA) Environmental permitting with Impact Assessment (EIA)
Three remote gathering and distribution stations (SZBT-2, -3, -4.)	EIA screening with Preliminary Assessment (PA) Environmental permitting with Impact Assessment (EIA)

Operational consent phase - IPPC procedure⁴

Within the energy sector 'combustion of fuels in installations with a total rated thermal input of 50 MW or more' (in the Union law 2008/1/EC replaced by 2010/75/EU and Annex 2 to the national EIA Gov. Decree) as well as – different to the Union law – in the mining sector 'exploitation of natural gas from 500 thousand cubic meter /day withdrawal in yearly average' requires written authorisation to operate all or part of the installation in line with the rules on integrated pollution prevention and control (IPPC licence in short). For general rules the Gov. Decree and the subsequent legislation is harmonized with the Union law on industrial emissions.

In view of the above installations of the Facility had been subject to IPPC licencing procedures as seen in Table 2. IPPC licences obtained – are available on the Facility's homepage in Hungarian.

Table 2: Environmental procedures – Operational consent phase 2009

Installations	Environmental permitting procedures
SZBT-1: compressor and gas pre-treatment station	IPPC procedure
SZBT-2: gas gathering and distribution station	IPPC procedure
SZBT-3: gas gathering and distribution station	IPPC procedure
SZBT-4: gas gathering and distribution station	IPPC procedure

² Act No 53 in 1995 on the protection of the environment

³ Act No 140 in 2004 on general rules of administrative authority procedures and services

⁴ In Hungary it is called environment use permitting procedure (Egységes környezethasználati engedélyezési eljárás). The procedure corresponds to an Integrated Pollution Prevention and Control (IPPC) assessment.

Stakeholder consultation and disclosure of information and documents is slightly similar to the EIA procedure. After receiving the application for IPPC licence the environmental authority announces the start of the procedure and the terms of feedback on its website and its own notice board.

The application and the IPPC study are sent to the concerned municipalities, who make them accessible to the public for at least 21 days (15 days formerly). The documentation includes a non-technical summary of the study for better understanding. During this period, stakeholders can submit their comments in writing, either to the municipality or to the environmental authority. The public must be informed of this possibility by displaying a notice and by other types of local publicity. Consultation within the frameworks of public hearing is optional in the IPPC procedure.

The decision statement of the environmental authority is announced by the concerned municipalities. The decision statement is also published at the authority on its website. In case of a positive decision, the decision statement is comprised of the IPPC licence, which includes all environment related conditions and requirements regarding the project.

Appeal against the IPPC decision can be lodged within 15 days after publication of the decision statement.

SEVESO regulation

Hungary, based upon the so called Seveso Directives (the sequel of Seveso-I 82/501/EEC, Seveso-II 96/82/EC and Seveso-III 2012/18/EU) of the EU adopted the Union regulation on the control of major-accident hazards involving dangerous substances. The regulation is in effect today by Government Decree No. 219/2011. (X. 20.) amended according to Seveso-III.

The Directive(s) considers an 'establishment' where dangerous substances are present in one or more installations on the whole location under the control of an operator, including common or related infrastructures or activities. Establishments are identified as either lower-tier or upper-tier establishments. Lower- and upper-tier are values specified for the stored amount of the dangerous substance or substances. Natural gas is extremely flammable and hence considered a dangerous substance. Although the geological reservoir where the storage is realized, is hardly identified entirely as the 'location under control' by MMBF, applying the precautionary principle and taking into consideration the volumes of stored natural gas, the Facility had been identified as upper-tier establishment in 2009, obtained disaster management licence in 2010, and operates under control of the Seveso regulation.

For the operator the required actions include:

- Safety Report (reviewed in at least every 5 years),
- Internal Emergency Plan (reviewed in every 3 years + in the year of the safety report update)
- Providing information for the designation of safety distances in the land-use planning, for establishing the External Emergency Plan (by the disaster management authority and the first responders) and for the public concerned in general
- Reporting major accidents within 24 h

By the Seveso regulation information to the public, consultations and participation in decision-making are essential. Tasks specified in this respect in the Gov. Decree are:

- The municipality is to be notified about the application for disaster management licence, and the Safety Report is to be made available to the public in concern by the mayor for commenting.
- After the 21 days of disclosure a public hearing is to be held within 15 days.
- Comments received and the minutes of the public hearing are to be sent to the authority for taking into account before a decision is taken.
- Public version of the Safety Report shall be accessible upon request at any time at the mayor's office.

- Within 6 months after approval of the Internal Emergency Plan of the establishment, the organizations cooperating in emergency shall elaborate the External Emergency Plan, which shall be also disclosed for 21 days' period. Taking into account the comments the plan may be reviewed by the local disaster management authority. The External Emergency Plan is to be reviewed at least in every 3 years.
- The mayor is to be informed about major accidents in the establishment by the authority.

Public consultation and disclosure of documents is carried out under supervision of the disaster management authority acting as the authority in industrial safety. If either the operator or the mayor does not accomplish his/her commitments or the documents disclosed do not contain the real data and information, the authority obliges the operator or notifies the mayor to fulfil the prescribed task.

Land-use planning in conjunction with Seveso regulation:

- The mayor is to be informed by the authority about the safety distances of the establishment for designation in land-use planning.
- Safety zones of the Facility (and the neighbouring facilities) are to be shown on the regulatory plan of the settlements in concern. Developers are bound to consider these distances.
- The mayor is expected to give opportunity to the public to form opinion about developments in the safety zone.

1.3 Relevant company policies

During the project preparation phase, including all authorization procedures, the investor considered the national legal regulations as an obligation in terms of involving the public.

In the period of commissioning and operation by MOL, two departments of MOL Plc's Exploration and Production Division were responsible for public relations: the Department for Authority & Community Relations and the Department for Upstream Sustainable Development and Health, Safety and Environmental Protection.

After handing over operation to MMBF, these responsibilities were transferred to the service provider entirely and carried out by its own staff (transfer of operation included takeover of staff either). There are no significant establishment- or construction related issues in the operation any more. Public relations shall follow the regular tasks of information, disclosure of prescribed reviews on documents, demonstration of planned drills or exercises and reporting accidents if any.

The operator regulates all activities and guidelines related to its business conduct, information and engagement of the stakeholders within, primarily in its Business Code and in its Social Management Plan (SMP) developed for the project specifically. The SMP covered basically the construction period and made suggestions for the operation period, but the final stakeholder engagement action plan for the operation was developed in the SEP.

The Social Management Plan as well as the original SEP are available on MMBF's homepage. The most important internal guidelines to the involvement of stakeholders are included in the SMP (adopted from MOL Group's OOR). The principles are unchanged; main commitments in this context are the followings:

- The company is committed towards health and environmental protection, secure operation and community values: feels responsible towards their colleagues and host communities.
- The company respects local cultures: respects the diversity and values of the local and national cultures, which constitutes the bases of the corporate culture.
- Regarding operation and decision making procedures, the company intends to involve the widest range of stakeholders possible, and plans on a long run.
- During relationships with internal and external stakeholders the principle of transparency is followed, active dialogue is continued with stakeholders in order to demonstrate the company's commitment and achievements.

- The company strives to prevent the occurrence of emergency situations, work related casualties, fire and pollution.
- The company's representatives believe in open communication and seek constructive multilateral dialogue.
- Procedures are developed to enhance preventive measures, mitigate material damage and avoid accidents. Accidents and security related events are reported, recorded and examined.
- Managers are encouraged to meet and establish regular dialogue with the leaders of the local communities and the representatives of social organisations interested in the operations; regular consultations are carried out with stakeholders and authorities to develop relationships, acquire direct information, and to accurately represent the interests of the company.
- Strong and constructive cooperation is established with members of the local community; aside from respecting the interests of the company, the local community's needs and expectations are considered.
- The company is committed to informing stakeholders about the operation, and relevant information is provided to them.

The Social Management Plan contains also project specific guidelines and requirements. These extend to the followings:

- Recommendations to conduct land purchase according to civic principles
- Procedures related to the employees

Social aspects are included in the training schedules that are provided for the engineers, workers and technological conductors participating in the onsite operation and maintenance works. In general the social training extend to:

-
- Activities required within the contractual framework regarding public relations (arrangements, documentation, reports); and
- Managing emergency events, complaints and relations with the authorities.

The location and activity-specific contents of the training material are to be managed by the HSE representative of MMBF. The whole training plan is renewed in each year. Training (beyond work practice) is performed basically on the following levels:

- New staff members may start after a 35 hours training period;
- Refresher training comes in every quarter;
- The external emergency plan is practiced yearly partly or entirely involving the responding organizations;
- The internal fire alarm and remediation plan are also drilled once a year.

New starters as well as on site contractors are bound to accept the Health and Safety Code when on-boarding. The code is also available on the homepage of MMBF. This ensures that all workers have specific mining- and fire protection training including first aid skills.

2 Project Stakeholders

Stakeholders are persons or groups who are directly or indirectly affected by the project, as well as those who may have interests in a project or the ability to influence its outcome, either positively or negatively. Many stakeholders are obvious, such as government authorities responsible for permitting and local communities adjacent to the Facility. Also as stakeholders can be identified interested groups, organisations and individuals that may not appear to be directly involved.

2.1 Stakeholder categories

During the project preparation phase and the environmental assessments, the stakeholders have been identified by the project investor. According to the stakeholder identification included in the Szőreg Underground Gas Storage – Social impact assessment study and the SEP, furthermore through review of the Facility's administrative and social environment stakeholders can be recorded in the following categories:

- Government authorities at the national, regional and local levels
- Local inhabitants
- Consumers
- Affected parties: Neighbours potentially affected by impacts of the operation of the facility
- People affected by constraints in their land use
- Clients
- Suppliers, service providers, contractors and their workers/unions
- Company employees
- Workers unions and other professional organisations in connection with the Facility operation
- Civil Societies, including NGOs
- Media

2.2 Government authorities

National level

The Hungarian Government can be identified as interested party since it issued the national Act No 26 in 2006 on Strategic Storage of Natural Gas and Act No 40 in 2008 on Natural Gas Supply, that were intended to enhance the security, transparency and competitive environment of natural gas provision in Hungary.

The primary purpose of the implementation of Szőreg–1 gas storage facility was fulfilling the requirements prescribed in the national Act. The Facility shall be able to provide uninterrupted natural gas supply to commercial and industrial users in case of disruption of gas supply or extreme and prolonged winter conditions, during a continuous period of 45 days.

The following government authorities are responsible for the adequate operation of the Facility at national level:

- The minister responsible for energy policy (Ministry of National Development)
- The minister responsible for environment protection (Ministry of Agriculture)
- Hungarian Energy and Public Utility Regulatory Authority (MEKH)

The Ministries are directly involved in the Facility operation only in case of issues on national level, otherwise the relevant regional bodies are responsible for the licensing and supervision of the project and for managing related questions.

MEKH is a government body with various roles, including authority, but also market and other regulating functions.

Regional level

All regional authorities that are competent in the licensing procedure and supervision of the project are stakeholders. The most important licensing procedures were the environmental permitting procedures (PA, EIA and IPPC) which involved the following regional authorities:

- Licencing authority: Lower Tisza Regional Inspectorate for Environment, Nature and Water (or for Environment and Nature Conservation respectively, Environmental Inspectorate in short until 2016) – from 2016 the Environment and Nature Protection Department in the Szeged District Office of the Government Offices with succession.

Environmental studies had been sent by the Environmental Inspectorate to competent authorities for evaluation. The position of these authorities, their requirements for further assessments, as well as their stipulations toward the actual implementation were included in the decision of the Environmental Inspectorate. The competent authorities after reorganization of the public administration in 2016 and early 2017 are the followings:

- Mining Office of the Department for Technical Approval and Customer Protection in the Jász-Nagykun-Szolnok County Government Offices or the Hungarian Mining and Geological Authority District Mines Inspectorate on appeal, Szolnok (hereinafter the Mining Authority)
- Csongrád County Directorate for Disaster Management (fire protection, industrial safety and water quality protection), Szeged
- Public Health Department of the Government Offices in Csongrád County and the District Public Health Institute, Szeged
- District Building and Cultural Heritage Department in the Szeged District Office of the Government Offices of Csongrád County, Szeged
- District Labour Office of the Government Offices, Szeged
- Regional Office of the Hungarian Trade Licencing Authority
- District Land Registry Office of the Government Offices, Szeged
- Plant and Soil Protection Directorate of Csongrád County Agricultural Administration Office, Hódmezővásárhely

Since the start of the project preparation the Company has ongoing contact and regular consultation with the regional Mining Authority due to the Authority's specific professional supervisory role in mining and gas industry, as well as geological data repository. The Mining Authority is competent also in the building permitting procedures of the Facility.

Local level

Due to the location of the Facility the authorities concerned on the local level are the Municipalities of Algyő and Szeged. These municipalities were also involved in the environmental permitting procedure. Furthermore, the Municipality of Algyő is the decision-making authority in the building permit procedure besides the Mining Authority.

The project also results in a significant tax-income increase of local authorities.

2.3 Neighbours potentially affected

According to the EIA in the operation phase the main air emission sources of the facilities are the gas engines of the SZBT-1 compressor and gas pre-treatment station, heaters of glycol regeneration and heaters used for social buildings. Based on calculations performed and presented in the EIA the impact area of the SZBT-1 facility is not influencing the NO_x impact area of the former operation. Impact area calculated for the emissions of the Facility is a radius of 1,747 m. Some farmsteads are within the impact area. The operation of the gas engines during the injection phase increases NO₂,

CO and SO₂ concentration in the vicinity but all calculated concentrations are under the legislative limit values.

The main noise emission from the operation of the Facility emerges from the operation of the gas engines and gas coolers with associated fans. Based on the calculations performed and described in detail in the EIA it was concluded that the impact area of the SZBT-1 compressor and gas pre-treatment station includes only one residential house in Szeged. The calculations showed no exceed of noise emission limits in case of the residential house. However upon notification, in order to ensure the fulfilment of the noise emission limits mitigation measures were performed based upon an acoustic expert's opinion of 16th January, 2010 by redesigning the exhaust silencers of gas engines. No additional noise mitigation measures such as containment or passive acoustic protection were deemed necessary.

In terms of industrial safety, the Safety Report identifies the neighbouring entities concerned adjacent to the different safety zones or within the zones if any. Apart of residents of the farmsteads industrial, agricultural businesses and service providers are on the list. The middle and outer zone extend to about 400-1000 m around all facilities but the individual risk of injury is under 10⁻⁵ incidence/year even in the middle zone with no residents. Where the risk value falls to 10⁻⁶ incidence/year the zone reaches main road 47 and motorway M43, but residential areas are still not affected. The individual risk has been qualified as acceptable, while the social risk (involving employees of external companies) is acceptable without conditions.

2.4 People affected by land acquisition

Several people were affected by land acquisition in the project preparation phase. Land acquisition related to this project was in terms of purchase and easement. Central Geo Ltd., as a subcontractor of MOL Plc., identified the concerned lands and the owners and carried out the compensation and land acquisition procedures in the project preparation phase.

Land acquisition procedure consisted of all procedures related to ensure temporary or permanent ownership of the lands necessary for the implementation of the project in terms of removal affected land from agricultural use or to ensure security areas around project facilities.

Altogether 416 easement and 22 purchase cases were carried out during the project preparation phase. No cases were forwarded to the jurisdictional scope.

During operation abandonment and remediation of well fields, if occurs, recreate free land that is fenced off the surrounding land in agricultural use. In such cases the surrounding land's owner may have pre-emption right to reintegrate the land.

2.5 Local inhabitants

In the early years of the century, due to the decrease of the natural gas and oil reserves the employment indicators showed falling trends. Increase of available and quality workplaces was the interest of skilled local inhabitants (in Algyő and Szeged) therefore.

The development of the project resulted also in an increase of the supply service demand of local mining activities as well as demand increase in the local labour market. In the commissioning period the labour market impact of the project was significant offering jobs in the construction.

As the pulling sector hydrocarbon industry slackened in the region due to depletion of the natural resources, the local service industry slowed down consequently resulting in decreasing economic activity and tax incomes in the region. The implementation of the project meant new possibilities for the local service and supplier companies and similarly for the local inhabitants.

In addition, the local inhabitants as well as all Hungarian citizens have interest in the success of the project, since it supports the security of gas supply for the country.

Central unit of the Facility (SZBT-1) is surrounded by industrial land uses (mainly by facilities of the operating oil/gas fields), denser settlements such as Algyó or Szeged are in over one-kilometre distance. The wider vicinity, as well as the well fields extend to the loose tessellation of farmsteads in agricultural land. The Safety Report accounted social risk for 4 residents inhabiting the farmsteads within the main facility units' potential zone of influence. Agricultural uses did not cease on surface of the geological formation of storage; farmers are allowed to use access roads built or maintained by the operator. There is cultivation obligation for owners (or tenants) on the plowlands surrounding the well fields to avoid overgrowing of the surface areas that would interfere with operation and maintenance of the Facility.

2.6 Consumer organisations

Under the Act No 26 of 2006 on Strategic Storage of Natural Gas, MMBF is required to purchase and store a national gas reserve of 1.2 bcm, with an output capacity of 20 mcm/day for a continuous period of 45 days. In case of disruption of the existing gas supply or extreme and prolonged winter conditions the gas from the reservoir will be provided through the Hungarian gas transmission network to the end users such as industrial users and citizens.

Hence the implementing law refers to the need of continuous supply of most exposed consumers on the gas market strategic natural gas storage is deemed public interest.

From the end of 2016 domestic consumers are supplied by one supplier (FŐGÁZ Plc) with unified customer service under the supervision of MEKH and consumer protection performed firstly by the district government office and the Pest County Government Offices on appeal.

There are various NGOs and small groups working besides others on the field of interest representation, but their activity or the scope of representation are limited. The major gas users are represented by the Industrial Energy Consumers' Forum (IEF).

Nonetheless the main customer is MSZKSZ, owner of the strategic reserve, and the minority (49%) shareholder of the company. MSZKSZ being an association of consumers has the potential of represent its member's interest on the strategic level, though under supervision of the minister responsible for energy policy.

2.7 Clients

Withdrawn gas from the strategic gas storage is led to the high pressure pipeline system of the Natural Gas Transmission Ltd (FGSZ) and distributed further to the gas distribution company, power plants and the large industrial consumers upon need. FGSZ is considered as system operator of delivery in this lineup, this is however MSZKSZ to decide upon withdrawal and distribution of the gas in stock.

Besides the gas stored for strategic purposes the Facility serves as storage of 0.7 bcm natural gas for commercial utilisation to companies interested in natural gas trading. Apart of MSZKSZ the main customer, these trading companies are MMBF's clients among the stakeholders. Number and identity of these lessees is not limited, there are however only a few to use the service economically.

Service users are served by 24-hours dispatcher service and assigned customer service.

2.8 Suppliers, service providers, contractors and their workers/unions

Several manufacturers, supplier, service provider and construction companies have interest on the project. The appointed companies are chosen according to MMBF's selection process. Procurement documents as well as the standard terms and conditions are available on the company's homepage.

For maintenance and development works the following categories of stakeholder companies can be identified as main contractors:

- Manufacturers of key equipment for gas injection and withdrawal units,

- Equipment installation companies,
- Supervisors of installations,
- Quality assurance company for quality management of all steps of construction.

During operation development and several maintenance or refurbishment works are carried out by contractors. Being majorly specified to this sector getting these jobs are their interest. They are interested in providing high quality work so as to qualify or remain qualified as approved suppliers.

Security service is provided by a contractor. Their interest is the same as that of contractors for the technical work but extended to all periods of the project as security is a necessary service for the whole lifecycle of the project.

2.9 Company workers

Operation and maintenance is performed by a team of approximately 30 workers of MMBF taken over from MOL Plc in most cases. The interest of experts and workers is in safe, secure and high-quality execution of all project-related tasks to have a long-term job and get recognition for outstanding work.

2.10 Workers unions

The workers may join the Hungarian Oil- and Gas Miners' Union (considered as the MOL miners' union), or alternatively BDSZ, the Miners-, Energy-, and Industry Workers' Union may give shelter for a local organization for representing workers' interests. It is the unions' interest in the Facility's employees to join them or remain members to further strengthen the unions' lobbying potential. Although the active union (MOL miners') is recognized by the employer, real membership is low among the Facility's workers.

2.11 Civil Society, including NGOs

Civil Societies, including NGOs especially can be identified as potential stakeholders, their inquiry in the operation phase may occur at any time.

2.12 Media

Since the project was important for securing the entire country' gas supply high level of national and local media interest was expectable. Countless of reports were broadcasted and articles were published on the Project and its effects. Further media interest in the operational phase is expected if the strategic reserve has to be mobilised (e.g. when circumstances cause higher demand on gas supply, or if suppliers cease the provision of gas for any other reasons).

3 Previous Consultation and Disclosure Activities

3.1 Project preparation and commissioning

During the project preparation, licensing and construction period the public was informed about the project in different ways and the stakeholders had several possibilities to orientate themselves, ask questions, formulate their opinion and make complaint.

Based on the environmental and IPPC permits the information disclosure during the permitting procedure complied with the national requirements. It has ensured that the affected communities were adequately informed about the purpose, the duration, the risks and impacts of the project, furthermore about the consultation and participation opportunities. The information disclosure took place according to legal requirements, the local expectation and expertise.

In the project preparation and licensing phase on a public hearing in Szeged-Tápé two questions were raised regarding the project:

- The representative of the local municipality asked whether the public roads damaged by the usage during the construction work would be restored. The investor ensured that the road damages will be assessed and restored, if the claim for damages is justified.
- Two inhabitants asked who would compensate them regarding the depreciation of their lands. The investor emphasized that according to the related law the mining company (in this case the MOL Plc.) is obligated for paying compensation.

One complaint was filed during the construction phase. The regional office of Public Road Authority has complained that the pavement of some road sections was damaged by the truck traffic during the construction work. An agreement was made between the Office and the investor which includes that:

- the investor maintains the quality of the roads and carries out immediate restoration when necessary in the project construction phase;
- following the project construction phase representatives of the Office and the investor review the status of the roads and according to the results of the review investor undertakes the restoration of the affected roads.

During commissioning and start of operation 2009-2010 one civil organization, Energy Club raised a claim on disclosure of contracts establishing the Facility. The claim was handled in form of lawsuit and resolved by disclosure of the contracts on the homepages of MOL and MSZKSZ.

3.2 Project operation and management

Information by the authorities

The operation and management of the Facility involves compliance with the environmental- and environmental use permits (IPPC) reporting and disclosure requirements. The permits are bound to be renewed on time of expiry or in every 5 years the IPPC licence respectively, or when significant changes occur. The procedure of renewal involves review of the facility and operation for updating prescription in the permits. Environmental review is defined by the Environmental Code. Public hearing is mandatory only in the special cases if PA is required but omitted or the project to be licenced starts without licence, although the procedure of review is announced by the authority and feedback is received in writing is all cases. Compliance with the IPPC licence is audited by the environmental authority annually.

One incident was reported in August 2016 to the authorities by the operator. On the 22nd of August 2016 a small fire event occurred at a gathering station of SZBT-3. The fire has been caused by

thunderbolt. Consequently, the authorities (the regional Mining Department of Szolnok and the county's Disaster Management Directorate) inspected the site. The incident involved no casualties or material damage and was not identified as significant or major accident.

Information by the operator

IPPC licences renewed in 2014 are available on the homepage of MMBF.

In the operational period until now, apart from accomplishing the legal obligations by the Seveso regulation, no public meetings were reported for informing local stakeholders on the operation of the Facility.

Basic information and information for customers and contractors are available on the homepage of MMBF.

Information by the municipality or the mayor

Public hearing was held in Algyő on the 4th of September in 2014 by presenting the updated Safety Report to the inhabitants and in connection with review of the IPPC licences (e.g. references to the planned new connecting pipeline). The mayor's office informed the public about the availability of and access to the safety report, about the opportunity of raising written questions to the report, and consideration of the comments in decision-making by the authority. According to the abstract of the minutes of meeting, the public hearing resulted in acknowledging the Safety Report by the Council.

The regulatory plan of Algyő accessible on the settlement's homepage shows the safety distances of the Facility (<https://www.algyo.hu/index.php/onkormanyzat/kozerdeku-informaciok/beruhazasok>). The homepage gives no other details on the Facility. Former news on gas storage is present.

Information from the external emergency plan is not accessible on the settlement's homepage, one publication of 2013 does summarize the general knowledge on safety of the gas fields and preparedness of disaster management however (<https://www.algyo.hu/index.php/1231-mennyire-biztonsagos-az-algyoi-gazmezo>).

Upon request of the municipality of Algyő and the central department of the disaster management authority a public information leaflet was made on "What to do in case of a major industrial accident?". The leaflet is accessible on the homepage of the county's disaster management directorate by targeted search, but has not been found on the homepage of Algyő. The Facility is not listed in the leaflet among the hazardous establishments.

(http://csongrad.katasztrofavedelem.hu/letoltes/document/csongrad/document_397.pdf)

4 Consultation and Disclosure Plan

MMBF Plc commissioned Mott MacDonald Ltd. in July 2008 to develop a Social Management Plan (SMP) along with the Environmental Management Plan (EMP) in order to identify, describe and regulate stakeholder engagement activities.

Besides the stakeholder engagement activities, the SMP covered all activities related to monitoring and project improvements, the documentation requirements and the grievance mechanism.

The SMP considered basically the project preparation and commissioning phases, where impacts were expected the highest to both environment and society. The SMP's suggestions to the operational phase however were carried over to the consequent SEP and have been considered in the composition of the Business Code. In the operational phase this is basically the Business Code that has to be applied to all aspects of business conduct, the public relations and grievance mechanism including. Business Code and Customer Service information are available on MMBF's homepage.

The next tables include an overview of the stakeholder engagement activities prescribed in the SMP and the public consultation and information activities fulfilling EBRD requirements additionally planned in the SEP for the construction period and for the operation, and the verification of their relevance among the present operational conditions.

The updated SEP is narrowed down to the activities and measures that are still relevant and having real practical value during operation as well as most likely accomplishable by MMBF staff.

For disclosure during operation information basically extend to:

- General company data free for disclosure
- Public Safety Report by the Seveso regulation
- Public data in the Annual Environmental and Social Reports (AESRs) to the Bank
- IPPC licences or any other statements or resolution by the authorities
- Accident or incident reports
- Public news

Nonetheless, however the information disclosure and public consultation tasks by the Seveso regulation are shared with the local mayors as well as with the disaster management authority, the establishment's operator as information source shall ensure that the given information reaches the public. In this means information of public nature and interest originated by MMBF is suggested to be released on at least the local web and written media interfaces by request.

The EBRD PR10 sets for such cases the following principles:

- When the stakeholder engagement depends substantially on community representatives the client will make reasonable efforts to ensure that such persons are facilitating the communication process by communicating the information to their constituents and conveying their comments to the client or authorities, as appropriate.
- Where stakeholder engagement is the responsibility of the relevant governmental authorities, the client will collaborate with the responsible government authority and, where necessary and appropriate, commit to supplemental actions.

It is recommended to consult with the disaster management authority about updating the public information leaflet (referred in the last paragraph of chapter 3.2) including the information on the Facility, and contact the local municipalities to upload the information to the website.

All consultation and disclosure activity must be documented.

4.1 Consultation Plan

Table 3: Updated Consultation Plan for Operation

Stakeholder	Consultation Method	Time Frame	Responsibility
Government authorities			
National level			
<ul style="list-style-type: none"> - Ministry of National Development - Environmental issues - Ministry of Agriculture - MEKH 	Meeting	On demand of the authority In case of emergency situation In case of relevant question at national significance	MMBF (headquarters with support by the on-site office)
Regional levels			
<ul style="list-style-type: none"> - Mining Authority 	Meeting	As regular as required in the operation phase In emergency situation On demand of the authority	MMBF (on-site office with support by the headquarters)
<ul style="list-style-type: none"> - Environmental Authority - Public Health Department of the Government Offices 	Meeting and/or written communication	Reporting monitoring data and review of permits In emergency situation In case of relevant questions /on demand	MMBF (on-site office with support by the headquarters)
<ul style="list-style-type: none"> - Csongrád County Directorate for Disaster Management 	Meeting	As regular as necessary complying with SEVESO regulation Once about public information* In emergency situation In case of relevant questions On demand of the authority	MMBF (on-site office with support by the headquarters)
Local level			
<ul style="list-style-type: none"> - Municipalities of Algyő and Szeged 	Meeting	In emergency situation In case of questions at local Interest Once about public information* On demand of the authority	MMBF (on-site office with support by the headquarters)
Local inhabitants and enterprises			
Local inhabitants	Public forum about the operational safety and environmental and social performances, grievances – open for neighbours, civil associations and NGOs	If a public need occurs /on demand. If significant changes occur to the operation	Mayors of Algyő/Szeged and MMBF (on-site office with support by the headquarters)

Stakeholder	Consultation Method	Time Frame	Responsibility
	May be combined with the public hearing on Safety Report update.	In at least every 3 years preferably after updating the emergency plans and/or the safety report.	
	Public forum Radio / TV message / Press release in the local free media / flyers	In emergency situations	MMBF (headquarters with support by the on-site office)
Neighbours	One to one interviews Meeting	On demand In emergency situations	MMBF (on-site office with support by the headquarters)
Others			
Consumers End users	Press release	In case of necessity	Responsibility of MMBF's supervisory bodies with support by the headquarters
Clients	Client survey One to one interviews	Provisions by the Business Code On demand of clients	MMBF (headquarters)
Suppliers, service providers, contractors and their workers/unions	One to one interviews	On demand of suppliers, service providers, contractors	MMBF (headquarters with support by the on-site office)
Company workers	One to one interview	At employ/ start of the work On demand	MMBF (headquarters and on-site office equally)
	Coordination meeting	Daily (morning meetings)	MMBF (on-site office)
	Forum	On demand (several times a year) In emergency situations	MMBF (headquarters and on-site office equally)
Workers unions	Meeting	On demand of workers' unions	MMBF (headquarters with support by the on-site office)
Media	Interview Press release	Upon request by the media In emergency situations	MMBF (headquarters with support by the on-site office)
Emergency responders	Meeting	In emergency situations	MMBF (on-site office with support by the headquarters)
EBRD	In written form Monitoring visits	On submittal of AESRs Upon request of EBRD	MMBF (headquarters with support by the on-site office)

Source: 2017 update

* Consult on update the public information leaflet (referred in 3.2) including information on the Facility.

4.2 Disclosure Plan

Table 4: Updated Disclosure Plan for Operation

Documents to disclose	Disclosure location	Duration of the disclosure	In what language
Announcement where the project related information and reports are available (e.g. address of the site office, the local Municipality's customer service office, the website)	On the notice board and newspaper of the local Municipalities.	Once after issue of any report of public interest	Hungarian
	On the project site's notice-board	Continuously for new documents	
	On the authority's webpage in administrative cases	By regulation	
Information given to the public information leaflet with site and company contact / customer service information (to ensure questions, comments and grievances can be easily submitted to appropriate staff)	On the project website Local municipalities' official websites	Continuously To be published once (in 2017) for continuous access on the webpages	Hungarian
Updated public Safety Report	On the project website. At the project site.	Continuously	Hungarian
	Local municipalities' official websites	Combined with the general information being updated at every change	
Information on trainings and drills by the emergency plan	On the project site's notice-board. On the project website	Two weeks long before the drill	Hungarian
Public information from the Annual Reports	On the project website.	At least three months long after issuance	Hungarian
Environmental Social Action Plan (ESAP)	On the project website. On the project site	Continuously with any updates of the ESAP	Hungarian
Grievance mechanism and the related contact information. The information includes that the grievance mechanism can be used also for express concerns about the security arrangements and acts of security personnel.	On the project website. On the project site's notice-board.	Continuously	Hungarian
	On the official website of the local Municipalities combined with the general information on the project.		
Ongoing grievance process and its management	In the Customer Service records Decide on disclosure case-by case for protecting the privacy of affected individuals	Ensure access for 3 years after recording the complaint	Hungarian

Source: 2017 update

5 Grievance Mechanism

Purpose

As part of its work with stakeholders, MMBF developed a formal Grievance Mechanism firstly within the SMP to receive and facilitate resolution of the affected communities' concerns and grievances related to the company's environmental and social performance.

Handling of grievances should be discreet, objective, sensitive and responsive to the stakeholders' needs and concerns. The mechanism should also allow for anonymous complaints to be raised and addressed.

Potential complainants

Potential complainants of the project are the customers, workers, suppliers and other subcontractors of the project, neighbours of the project area such as land owners or users and local residents; and last, but not least NGOs working in the field of protection of natural and built environment, cultural and community heritage.

Grievance mechanism

For the operational period, with extending provisions of the Business Code to all external complaints the following grievance mechanism is in place:

- Upon receipt by the Customer Service the complaint is taken record of;
- All complaints are investigated and Complainants receive feedback in 10 workdays.
- In justified cases MMBF takes action on eliminating the cause of problem as soon as possible by the technical, financial and/or legal circumstances.
- Records on complaints are stored for 3 years by MMBF.
- If the complaint proves not justified by the investigation, the rejection states the reasons.

For appeals the Business Code lists possible advocacy bodies, such as:

- MEKH with address and Customer Service details
- Association of Hungarian Energy Consumers with address
- Industry Energy Consumers Forum with address
- National Association for Consumer Protection in Hungary with address

For appeals in mostly private affairs with no relevance to gas consumption these are the Government Offices' competent departments or the civil court to be contacted as in any other cases.

In order to handle grievances and be able to properly forward incoming feedbacks, assigned personnel are trained at least once when they are taking their position about the procedure of accepting grievance. The training of the personnel is registered.

Documentation

The objective of documenting all grievances is to make sure problems are accurately understood and handled appropriately.

The following information on all grievances submitted in any form will be documented in a record form: *name and contact details* (address, telephone, fax, email) of complainant, *organisation and position* (if relevant), *details of the grievance* (any important details; date of the incident, location, etc.), *most effective means to send a response*, *date of the grievance*, *form of submission*, *route of forwarding* (responsible body/person to resolve the complaint). Written submissions will be attached to the record form. The submitted grievances will not be used in any way to intimidate the person or organisation submitting the complaint.

Grievances received anonymously will be treated as comments or issues and recorded, but no formal

response will be issued.

While efforts will be made to resolve all grievances amicably, if a grievance cannot be resolved, MMBF will seek to involve other external experts, neutral parties or local and regional authorities, as necessary.

The implementation and outcome of the grievance process is also documented and disclosed as appropriate.

