

Table of Content

| ABBREVIATIONS | 2 |
|--|----|
| INTRODUCTION | 3 |
| DESCRIPTION OF GRPO'S ACTIVITIES | 5 |
| NATIONAL AND INTERNATIONAL REQUIREMENTS | 6 |
| SUMMARY OF PREVIOUS CONSULTATIONS | 10 |
| IDENTIFICATION OF MAIN STAKEHOLDERS | 11 |
| PUBLIC CONSULTATION AND DISCLOSURE PROGRAM | 15 |
| PROVISIONAL STAKEHOLDER ENGAGEMENT PROGRAM | 17 |
| GRIEVANCE REDRESS MECHANISM | 19 |
| MONITORING, REPORTING AND RECORD KEEPING | 23 |
| RESOURCES AND RESPONSIBILITIES | 24 |
| MANAGEMENT FUNCTIONS | 25 |
| APPENDIX 1 – SAMPLE GRIEVANCE FORM | 26 |
| APPENDIX 2 – SAMPLE GRIEVANCE REGISTER | 27 |
| APPENDIX 3 – PUBLIC CONSULTATION PROCEDURES UNDER THE ENVIRONMENTAL ASSESSMENT CODE (2017) | |
| APPENDIX 4 – METHODS AND TOOLS FOR ENGAGEMENT | |

Abbreviations

| ADB | Asian Development Bank |
|-------|---|
| CLO | Community Liaison Officer |
| EBRD | European Bank for Reconstruction and Development |
| EIA | Environmental Impact Assessment |
| ESAP | Environmental and Social Action Plan |
| ESHS | Environmental, Social, Health & Safety |
| ESIA | Environmental and Social Impact Assessment |
| ESMS | Environmental and Social Management System |
| FMO | Dutch Entrepreneurial Development Bank |
| GCAP | Georgia Capital PLC |
| GNERC | Georgian National Energy and Water Supply Regulatory Commission |
| GoG | Government of Georgia |
| GRPO | Georgian Renewable Power Operations JSC |
| HPP | Hydropower Plant |
| IFC | International Finance Corporation |
| MEPA | Ministry of Environmental Protection and Agriculture |
| NEA | National Environment Agency |
| PS | Performance Standard |
| SEP | Stakeholder Engagement Plan |

Introduction

Georgian Renewable Power Operations JSC's operations, maintenance, and development activities have the potential to cause adverse impacts on the community and the environment, including river basins, surface, and groundwater environment, air, soil quality, noise, etc. The purpose of the Environmental, Social, Health & Safety (ESHS) Audit process and the establishment of Environmental and Social Management System (ESMS), is to ensure that the ESMS is designed and developed in a manner that avoids, reduces, and mitigates negative environmental and social impacts while maximizing company's activities benefits. Prior to making a funding decision, the potential lenders (International Finance Corporation (IFC), Dutch Entrepreneurial Development Bank (FMO), European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB)) and the Government of Georgia have to be assured that:

- The elements of the investment program would meet Georgian national requirements and existing international financial institution safeguard standards (particularly IFC, FMO, EBRD, ADB requirements).
- The GRPO activities include all necessary mitigation measures to minimize any significant adverse change in environmental, health and safety, and socioeconomic conditions.
- Appropriate public consultation and disclosure are undertaken in line with Georgian national legislation as well as the International Financial Institution (IFI) requirements, thus ensuring all reasonable public opinions are adequately considered prior to a commitment for financing.

For all similar scale developments proposed for IFI financing, the borrower/developer consults all involved stakeholders, project-affected groups, and local nongovernmental organizations (NGOs) about the current and anticipated environmental aspects and takes their views into account.

Successful stakeholder engagement requires a commitment of the Company to build long-term and mutually beneficial relationships with its stakeholders. This Stakeholder Engagement Plan (SEP) has been developed with the aim of describing how the Company will build these relationships and communicate with people and institutions who may be affected by, or interested in the Company's operations, as well as development projects, at various stages of their preparation and implementation.

The SEP also includes a public grievance mechanism for internal and external stakeholders to raise any concerns related to the Company's activities, and receive appropriate response and action from the Company to address the issue. SEP (or Public Consultation and Disclosure Program) is a strategic document for planning a comprehensive and appropriate approach to consultation and disclosure of the Company's performance.

This SEP is prepared in alignment with IFC Performance Standards, EBRD Performance Requirements and ADB Safeguard Policy Statement, 2009. The purpose of this SEP is to provide a consultation and participation strategy which:

- Identifies people or communities that are or are likely to be affected by the Company's activities or projects, as well as other interested parties;
- Ensures that such stakeholders are appropriately engaged on environmental and social issues that may potentially affect them through a process of information disclosure and meaningful consultation;
- Maintains a constructive relationship with stakeholders on an ongoing basis through meaningful engagement during the Company's operations and various stages of projects implementation; and
- > Meets legal requirements related to public consultation.

This SEP includes the following sections:

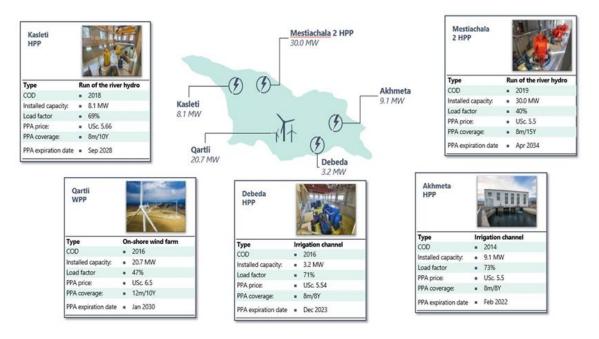
- Activity/Project Description
- National and International Requirements
- Summary of Previous Consultations
- Identification of Main Stakeholders
- Public Consultation and Disclosure Program
- Provisional Stakeholder Engagement Program
- Grievance Redress Mechanism
- Monitoring, Reporting and Record Keeping
- Resources and Responsibilities
- Management Functions

This SEP will be updated regularly throughout the operations, maintenance and development stages, to document consultation and disclosure activities and outputs, as well as outline additional consultation programs, as/if required.

Description of GRPO's Activities

GRPO operates a portfolio of renewable energy facilities, that includes four Hydropower Plants (HPP) and one Wind Power Plant (WPP) via its subsidiaries:

- Svaneti Hydro JSC: Operates 30 MW Mestiachala 2 HPP;
- Hydrolea LLC: Through its 100% owned operational subsidiaries operates Run-of-river Hydropower Plants: 8.1 MW Kasleti 2 HPP, 3.2 MW Debeda HPP and 9.1 MW Akhmeta HPP;
- Qartli Wind Farm LLC: Operates 20.7 MW Qartli WPP.



Electricity generated by GRPO's power plants is connected to the state power grid in compliance with technical conditions set by Georgian TSO.

1

National and International Requirements

Public Consultation Requirements under Georgian Legislation

In accordance with the existing Georgian legislation, in particular, the Environmental Assessment Code (2017), adopted by the Government of Georgia which repealed the Law of Georgia on Ecological Expertise (adopted in 2007) the public consultation is required for the projects subject to the Environmental Impact Assessment (EIA).

The Environmental Assessment Code introduces and implements principles of the relevant European Union Directives in Georgia: Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (EIA Directive) and Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programs on the environment (SEA Directive). It applies to various categories of public and private projects, which are defined and listed in I and II Appendices to the Code.

Besides, the code is also in compliance with multilateral international agreements such as the Convention on Environmental Impact Assessment in Transboundary Context (Espoo Convention) and the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters. The code defines the information disclosure, public participation, and consultation procedures for the Screening, Scoping, and Environmental Impact Assessment (EIA) applications submitted to the Ministry (Appendix 3). A public hearing on the EIA application is conducted in accordance with Articles 11 and 12 of the Environmental Assessment Code.

After the registration of the EIA application, within 3 days, the Ministry is obliged to ensure that the application and respective attachments are published on its official webpage and on the information board of the relevant municipal executive and/or representative unit. Upon request, the Ministry ensures the availability of the printed copies of the documents in accordance with procedures outlined by the Georgian Legislation.

The Ministry checks the compliance of the submitted EIA application to the legal requirements within 3 working days after the registration of the application. In accordance with Article 42 of the Environmental Assessment Code, the Minister is obligated to establish an expert commission. The expert commission prepares and submits to the Ministry the conclusion of the expertise on the EIA application within 40 days.

In accordance with Article 11(3) of the code, within 40 days after the submission of an EIA application, the public is eligible to submit suggestions and comments to the Ministry. The Ministry ensures consideration of the reasonable opinions and suggestions of the public during the process.

Information on the public hearing must be published no later than 20 days before the public hearing, in accordance with Article 32 of the Code. The Ministry is responsible for organizing, conducting, and documenting a public hearing. A public hearing of an EIA application must be conducted no earlier than the 25th and no later than the 30th day after an announcement is made to public in accordance with Article 11 (3) of the Code.

Public Consultation Requirements to IFIs Standards

IFC

According to IFC Performance Standards (2012), PS1 - Assessment and Management of Environmental and Social Risks and Impacts, Clause 27 "The client will develop and implement a Stakeholder Engagement Plan that is scaled to the project risks and impacts and development stage, and be tailored to the characteristics and interests of the Affected Communities".

In terms of disclosure (Clause 29), the client will provide Affected Communities with access to relevant information on: (i) the purpose, nature, and scale of the project; (ii) the duration of proposed project activities; (iii) any risks to and potential impacts on such communities and relevant mitigation measures; (iv) the envisaged stakeholder engagement process; and (v) the grievance mechanism.

The client will undertake a process of consultation in a manner that provides the Affected Communities with opportunities to express their views on project risks, impacts and mitigation measures, and allows the client to consider and respond to them. The extent and degree of engagement required by the consultation process should be commensurate with the project's risks and adverse impacts and with the concerns raised by the Affected Communities.

Effective consultation is a two-way process that should: (i) begin early in the process of identification of environmental and social risks and impacts and continue on an ongoing basis as risks and impacts arise; (ii) be based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information which is in a culturally appropriate local language(s) and format and is understandable to Affected Communities; (iii) focus inclusive engagement on those directly affected as opposed to those not directly affected; (iv) be free of external manipulation, interference, coercion, or intimidation; (v) enable meaningful participation, where applicable; and (vi) be documented. The client will tailor its consultation process to the language preferences of the Affected Communities, their decision-making process, and the needs of disadvantaged or vulnerable groups. If clients have already engaged in such a process, they will provide adequate documented evidence of such engagement.

EBRD

According to the EBRD Performance Requirement 10: Information Disclosure and Stakeholder Engagement (2019), paragraph 12 "For projects that are likely to be associated with adverse

environmental and/or social risks and impacts, the client will develop and implement a stakeholder engagement plan (SEP) or an equivalent documented process, proportionate to the nature and scale or the risks, impacts and development stage of the project.

Where the project has environmental and social impacts (paragraph 18), the client will disclose relevant project information, as appropriate, to help stakeholders understand the risks, impacts and opportunities of the project. The client will provide stakeholders with access to the following information: the purpose, nature, scale and duration of the project; risks to, and potential impacts on, stakeholders and proposed mitigation plans highlighting potential risks and impacts that might disproportionately affect vulnerable and disadvantaged groups and differentiate measures to mitigate these; the envisaged stakeholder engagement process, if any, and opportunities and ways in which stakeholders can participate; the time and venue of any envisaged public consultation meetings, and the process by which meetings are notified, summarized, and reported; and the process by which any grievances will be managed.

The client will undertake meaningful consultation, based on the nature and scale of the project's adverse risks and impacts and the level of stakeholder interest. If the client has already engaged in such a process, they will provide adequate documented evidence of such engagement.

Meaningful consultation is a two-way process that: will begin early in the project planning process to gather initial views on the project proposal and inform project design; encourages stakeholder feedback, particularly as a way of informing project development and engagement by stakeholders in the identification and mitigation of environmental and social risks and impacts; continues on an ongoing basis; is based on the prior disclosure and dissemination of relevant, transparent, objective and easily accessible information in a timeframe that enables consultations with stakeholders; is undertaken in a culturally appropriate format, in relevant local language(s), is understandable to stakeholders and takes into consideration stakeholders' decision making processes; considers and responds to feedback; supports active and inclusive engagement with project-affected parties including disadvantaged or vulnerable groups; is free from external manipulation, interference, coercion, discrimination, intimidation and retaliation; and is documented by the client.

ADB

When first approved in 2009, the SPS was widely considered a progressive policy. While the core elements of ADB's Safeguard Policy remain relevant, a number of multilateral financial institutions (MFIs) such as the Asian Infrastructure Investment Bank (AIIB), European Bank for Reconstruction and Development (EBRD), Inter-American Development Bank (IDB), International Finance Corporation (IFC), and the World Bank (WB), have recently updated their safeguard frameworks. While these updated frameworks are consistent with ADB in terms of the core environmental and social policy principles, they have expanded the scope of safeguards to areas such as stakeholder engagement, labor and working conditions, cultural heritage, primary supply chains, fragile and conflict situations, and climate change.

The SEP describes the process and content for engagement with stakeholders throughout the SPRU process. The SEP adopts an inclusive and transparent consultation process to solicit feedback from the government, private sector, civil society organizations, affected communities, and other stakeholders that may be identified in the course of the review.

The SEP is a working document, and it is based on a set of firm principles of meaningful consultation and stakeholder engagement. It covers the whole cycle of engagement – from gathering comments, processing and responding to these comments, and ensuring that the responses are disclosed to the stakeholders (i.e. closing the feedback loop). As such, stakeholders will be consulted to help shape the SEP, which will be implemented according to ESAP timeline.

The stakeholder consultations outlined in the SEP will be conducted in an inclusive, informed, accessible, and substantive manner. ADB recognizes that stakeholder engagement will be done in the current pandemic situation where there are restrictions to people's mobility and online forms of outreach and communication will be mainly used. The SEP adapts to these challenging times, ensuring that all voices will be heard, particularly of those who may have limited access to online platforms. Thus, offline mechanisms for consultation will also be adopted.

Stakeholder consultations (paragraph 32) for the SPRU will follow good practice standards which have been developed over time by the ADB. Stakeholders can be organized by one or more of the following categories for easier reference and identification of appropriate consultation participants: (i) Organization type (e.g., government, CSO, academic, financing, operating); (ii) Focus of operations (e.g., long-term development, humanitarian response, advocacy); (iii) Focus issues (e.g., gender equality, environment, resettlement); (iv) Geographic designations (e.g., national level, regional level, global level); (v) Cross-cutting topics (e.g., stakeholder engagement, accountability, Sustainable Development Goals)

GRPO Guiding Principles of Stakeholder Engagement

The principles, requirements, methodological, and procedural aspects of stakeholder engagement include the following:

- **Stakeholder identification and analysis:** As a first step in stakeholder engagement the relevant stakeholders need to be identified;
- Stakeholder engagement plan: Defines how stakeholder engagement will take place and the grievance procedures to be implemented. Separate grievance processes should be developed for workers and stakeholders;
- Information disclosure: The information that should be disclosed includes purpose, nature, scale, and duration of the Project activities; risks and potential social and environmental impacts; description of the consultation process (ways of public participation, time of public meetings). The information should be provided in a manner that is accessible and culturally appropriate;

- Meaningful consultation: Where the stakeholders are subjected to significant risks a
 process of meaningful consultation should be undertaken. The stakeholders should be
 provided with an opportunity to express their views;
- **On-going consultation:** Public consultation is an on-going process and should continue throughout the construction and operational phases;
- **Grievance mechanism:** The grievance mechanism or procedure should address concerns promptly and effectively. Grievance mechanisms for workers should be developed separately from grievance mechanisms for the public;
- **Reporting:** At least annually, public reports on social and environmental performance should be produced.

Summary of Previous Consultations

The GRPO is comprised of multiple companies and there are different procedures being implemented on each organization level.

On each individual energy project level in cooperation with the Public Relations Department of the GRPO, information sharing is established aiming at providing the information to the public about the operation and maintenance of the HPPs and/or WPPs, important novelties, changes, and other related activities, by the simultaneous use of the several information channels, such as the webpage, information agencies, and media if required.

Table 2 lists energy projects and respective public consultation/hearings conducted in line with the Law of Georgia on Environmental Impact Permits (2007) repealed in 2018 and Environmental Assessment Code (2017) (Annex 3. Public Hearing Proceedings).

| Asset Name | Location/Region | Public Hearing Date |
|-------------------|-------------------------------|---------------------|
| Akhmeta HPP | Akhmeta Municipality, Kakheti | 15 October 2012 |
| Debeda HPP | Kvemo-Kartli | 6 November 2014 |
| Mestiachala 2 HPP | Samegrelo-Zemo Svaneti | 26 January 2015 |
| Kasleti 2 HPP | Samegrelo-Zemo Svaneti | 7 April 2015 |
| Qartli WPP | Shida-Kartli | 5 August 2015 |

Identification of Main Stakeholders

The process of project stakeholder identification is aimed to list the key stakeholder groups who will be informed and consulted about the project. These should include persons or groups who:

- are directly and/or indirectly affected by the project;
- have interests in the project that determine them as stakeholders;
- have the potential to influence project outcomes.

Potential stakeholders are affected communities, local organizations, NGOs, and government authorities. Stakeholders may also include politicians, other companies, labor unions, academics, religious groups, national social and environmental public sector agencies, and the media.

The process starts with identification of potential impacts associated with the planned development and specification of the project affected area. Socio-economic data is collected with regards to activities and businesses within the area of interest.

The GRPO stakeholders can be divided into internal and external stakeholder categories:

Internal Stakeholders:

 Personnel/workers commissioned by the GRPO to operations or maintenance/repair, or reconstruction/development works.

External Stakeholders:

- Affected communities;
- NGOs and civil society members;
- Workers/Employees;
- State Sub-Agency Department of Environmental Supervision;
- National government bodies including:
 - Ministry of Economy and Sustainable Development of Georgia;
 - Ministry of Environmental Protection and Agriculture of Georgia;
 - Ministry of Labour, Health and Social Affairs;
 - Ministry of Education and Science of Georgia;
 - Ministry of Culture, Sports and Youth of Georgia;
 - Ministry of Regional Development and Infrastructure of Georgia;
 - Media outlets;
- Municipal Authorities

Each of these categories is described briefly below.

Affected Communities/Households

This category of stakeholders includes households and community members close to the GRPO's facilities/assets and other property owners. Various members of affected communities could have one or more interests, including:

- Environmental and social impact of the GRPO's facilities operation, maintenance, repair, or other activities;
- Perceived health impacts from operations near communities and homes;
- Disruption, dust, and noise from construction and use of access roads;
- Potential opportunities for temporary or permanent employment.

All potentially affected communities who may wish to have an input into the GRPO's environmental and social compliance process and to receive information about the Company's planned developments and activities, schedule of works and maintenance, and mechanisms to put forward concerns and or grievances – will be notified through the official webpage of the GRPO and local/municipal media. The information is also available at the company's central office, municipal offices in communities near the works locations.

NGOs and civil society members

This category of stakeholders includes NGOs and other civil society members who are concerned about environmental impacts especially in the protected areas and other sensitive habitats, such as water bodies, forests, and other habitats. The NGO and civil society community in Georgia are active and well organized. Both the impact of the GRPO's activities on communities and on environmental resources may be issues of concern to the NGOs, and steps will be taken to inform them about the project and obtain their feedback through the consultations, questionnaires, and various round tables.

The NGOs have a strong information network with the group CENN (Caucasus Environmental NGO Network) that maintains a very active and widely read mailing list. It is expected that additional information about the company's ongoing and planned activities and projects will be distributed through this channel. Local NGOs near potentially affected communities can play an important role during consultations, as well as for support in any future monitoring work. The local NGOs may provide significant support to the company's Community Liaison Officers (CLO), and/or other parties involved in the company's operations at various project implementation.

Workers Hired to Operate, Maintain or Construct the GRPO's Facilities and Infrastructure

The interests of workers involved in the GRPO's operations and maintenance would include employment possibilities and increased income, occupational health and safety, and other concerns related to the work. The workers who operate and maintain the power plants are a special stakeholder group because they will be most directly involved in interactions with customers, affected communities and/or impacted stakeholders.

State Sub-Agency Department of Environmental Supervision

The GRPO hold energy assets that are subject to stringent environmental regulations and compliance. The State Sub-Agency Department of Environmental Supervision is a governmental institution that is responsible for checking the compliance of the GRPO's assets operations with regards to national environmental standards and in case of infringements, apply environmental liability measures.

Government Bodies

The number of ministries of the national and regional government bodies may have interests in the project. Coordination and collaboration with the appropriate government bodies will be the responsibility of the Public Relations Department of the GRPO. The Public Relations Department of the GRPO will deal with community queries and grievances during the routine operations, initial planning, and survey stages.

The Public Relation Department and the CLOs will manage liaison with the affected population and customers during the reconstruction and development projects planning and implementation in order to ensure public involvement, public information, as well as stakeholders' engagement where needed. The coordination with the stakeholders will include informing them of the specific ESIAs findings, working closely with the relevant governmental and local administrative bodies, public consultations, and other relevant activities.

National and Regional Media

National and regional media have a very important role to play, both in terms of distributing information about the project and providing broader stakeholder information and feedback. Media interest revolves around access to information and serving as a conduit for public information; sources for information on national and regional developments; potential issues pertaining to protected areas, community development, and civil society input into decision-making processes.

The main television channels are Georgian Public Broadcasting (GPB Channel-1, GPB Channel-2), TV-Imedi, Rustavi 2, Maestro, Pirveli Archi (First Channel), others. The Newspapers are "24 Hours", "Kviris Palitra", REZONANS, and others. The Radio outlets are Green wave, Imedi, Palitra, Fortuna, etc. The information agencies are "Interpressnews", 'Info 9", "Kvira.Ge", PIA, "Reportiori", Imedi News, etc. The media outlets will be notified on the main GRPO activities, development plans, and ongoing reconstruction/development projects, or when specific project ESIAs are released for public review.

It is expected they will announce where the public consultations and routine meetings with stakeholders are to be held. Throughout various project implementation, as needed, local newspapers and radio stations will be provided with public service announcements announcing where construction will be occurring. The GRPO's Community Liaison Officers will be responsible for all media relations throughout the project.

Municipal Authorities

The GRPO's CLO of specific development projects, in partnership with the GRPO's management, will work with the municipal authorities to ensure that the information regarding Company's activities is coordinated well in advance of actions, and the municipal authorities will provide support to the project as needed, in terms of liaising with communities, the Ministries and regional authorities.

| Table 3. Summary of the GRPO's Staken | |
|---------------------------------------|---|
| STAKEHOLDER | INTERESTS/CONCERN |
| Personnel/Workers | Employment possibilities |
| | Increased income |
| | Occupational health and safety |
| Affected Communities/Households | Environmental impacts |
| | Social impacts |
| | Health impacts |
| | Restrictions |
| | Temporary or permanent employment |
| NGOs and Civil Society Members | Environmental impacts |
| | Social impacts |
| | Minimum disruption to sensitive habitats |
| Media Outlets | Distributing information to wider public |
| | Distributing information to the targeted stakeholders |
| Local Authorities | Quality of services |
| | Customers' satisfaction |
| | Employment opportunities |
| | Social impacts |
| | Environmental impacts |
| Ministry of Regional Development | Quality of infrastructural works/projects |
| and Infrastructure | Compliance with the standards |
| Ministry Of Labor, Health And Social | Environmental impacts |
| Protection | Social impacts |
| | Human health and social welfare |
| Ministry of Education, Science, | Implementation of social projects |
| Culture and Sport | Implementation of educational projects |
| Ministry of Economy and | Local and foreign investment contracts |
| Sustainable Development | Employment opportunities |
| Ministry of Environmental | Environmental impacts |
| Protection And Agriculture | Mitigation of environmental impacts |
| | Protection of sensitive and managed areas |
| State Sub-Agency Department Of | Environmental compliance |
| Environmental Supervision | Environmental liability |

Table 3. Summary of the GRPO's Stakeholders and their interests.

Public Consultation and Disclosure Program

This Public Consultation and Disclosure Program sets out a strategy to undertake an information campaign that targets affected communities and the civil society community. This will be followed by a series of key stakeholder meetings, which will focus on those individuals and groups that are affected (directly or indirectly) by the company's operation and maintenance activities, and by specific rehabilitation/development projects.

The objective of planning each particular Public Consultation and Disclosure Program is to map out the strategies for engaging the various stakeholder groups in the company's activities. During the public consultations, specific project information will be made available to stakeholders at the impacted areas, in the communities near the project sites, as well as the Ministry of Environmental Protection and Agriculture.

Disclosure of information relevant to the GRPO's various activities and new projects helps stakeholders understand the risks, impacts, and opportunities related to these activities or projects, how GRPO intends to manage risks and impacts, and for stakeholders to have an avenues and forum to raise queries or express concerns. Consultation activities are more informed and constructive if stakeholders have accurate and timely information about the GRPO's activities, projects, and their impacts. The information and issues, that will require public disclosure so that stakeholders can fully understand the new projects, include:

- What is the project and why it is needed?
- Where will the project be located?
- What will the project look like / consist of?
- What the timetable will be for the ESIA and land acquisition processes (if any), construction and operation?
- What effects could there be on the local environment?
- What effects could there be on residents, businesses and livelihoods?
- What effects could there be on human health?

Providing relevant stakeholders with the opportunity to voice their opinions, preferences, and grievances enables participation and involvement in the planning and design process. It is important to present the scoping phase findings and the proposed ESIA approach and focus before commencing the detailed study, if this is a large project with potential positive and negative impacts for the area, both indirectly and directly.

The GRPO will designate a CLO who will be responsible for the day to day community engagement during the implementation of the GRPO's operations, routine repair, or various reconstruction/development projects. The CLOs will be suitably qualified and tasked to:

- Act as the main point of contact for the local community e.g. local group leaders (for instance there are women's groups, youth groups, etc.) and the elected and appointed local authorities.
- Disclosure of Project employment opportunities and key project news and information, such as the commencement/completion of certain construction activities.
- Community consultation and disclosure events at key stages of the project.
- Organize local community meetings to provide a regular opportunity to discuss any issues or concerns.
- Receive and record written and oral comments.
- Receive and log stakeholder grievances according to the grievance mechanism detailed below.
- Dissemination of comments/meeting minutes to appropriate stakeholders.
- Produce annual summaries that provide details related to community activities and the use of the grievance mechanism.

The GRPO will also include clauses in the construction contracts to ensure that construction contractors and other sub-contractors appoint their own CLO's, who will report to the GRPO's CLO.

It should be noted, that physically and/or economically displaced people will be the most directly affected stakeholders and it is important that they are effectively engaged and that this engagement is planned well in order to avoid conflicts.

| Ор | Operation and Maintenance Phase | | | | | | |
|----|---------------------------------|---|---|---|--|--|--|
| # | Stakeholder Group | Activity Description | Means of Communication | Date / Planned Date | | | |
| 1 | Media | Prepare and provide information (articles/feeds) to local media about the GRPO milestones, updates and achievements; Monitor the information in the mass media regarding coverage of the GRPO activities to measure the level of satisfaction (or lack of) and ensure timely response when required. | Media publications Press releases Press conferences | Regular/Routine | | | |
| 2 | IFIs | Communicate with respective project contacts Provide timely reports | Provision of reports Official correspondence | According to the ESAP schedule. Throughout the lifetime of the project. | | | |
| 3 | All Stakeholders | Ongoing interaction and cooperation with stakeholders Continue to provide information on the implementation of the ESAP Collect and address any grievances | Printed press Webpage Meetings Correspondences | Regular/Routine. Throughout the lifetime of the project. | | | |

Provisional Stakeholder Engagement Program

| Pre | -construction | phase of development projects (if/w | when ESIA and perm | it required) |
|-----|---|---|---|---------------------------|
| # | Stakeholder Group | Activity Description | Means of Communication | Date / Planned Date |
| 1 | Internal and external stakeholders. Local residents. Media. NGOs. | Publish advertisement and summary of the Project (in Georgian) and inform all stakeholders through local media on planned public consultation. Disclose EIA (Georgian version) on the company website for the 40 days' disclosure period; Provide hard copies EIA to the Municipality, NEA and other stakeholders upon request. | Local media Webpage Social Media Printed press Hard copy distribution | Pre-construction phase |
| 2 | Internal and external stakeholders. Local residents. Media. NGOs. | Carry out public consultations on ESIA in accordance with Georgian legislation. | Open public consultation meeting. | Pre-construction phase. |
| 3 | All Stakeholders | Participate in public consultations on ESIA of the planned project organized by the NEA in accordance with the Environmental Assessment Code; | Webpage.Distribution of hard copies upon request.Public consultation meetings in local | Pre-construction phase. |

| 4 | Internal and external stakeholders. Local residents. Media. NGOs. | Conduct a presentation on the ESIA of the planned project; Lead the Q&A session of the public hearing. Publishing of updated ESIA Report on the company webpage; Providing link of the published ESIA to lender's webpage. | community, if needed. Public consultation meetings in local community. | Pre-construction phase. |
|---|---|---|--|---|
| 5 | External stakeholders; Governmental Authorities. | Obtain all necessary permits for project construction. | Official correspondence; Formal meetings. | Pre-construction phase. |
| 6 | Internal stakeholders (construction contractors) | Inform about specific ESHS requirements of IFIs. Agree construction related grievance management procedure and code of conduct for temporary workers; Provide training to contractors on the code of conduct. | Meetings; Official correspondence; Trainings. | Pre-construction phase. |
| 7 | Local residents; Road users; Media. | Provide information on safety measures and traffic management procedures during construction; Provide information on employment opportunities and opportunities for service provision; Provide information on construction related grievance procedure. | boards at the construction site(s); Safety signs on roads at dangerous sites; Webpage. | Before the start of, and during construction. |
| 8 | Internal stakeholders; Local residents. | Make internal arrangements to implement the grievance redress mechanism; Inform stakeholders on grievance mechanism. | Newspaper announcements; Webpage announcements. | Before the start of, and during construction. |

| Cor | Construction phase (of the projects subject to ESIA and permit) | | | | | | |
|-----|---|---|---|--|--|--|--|
| # | Stakeholder Group | Activity Description | Means of Communication | Date / Planned Date | | | |
| 1 | All Stakeholders | Provide information on implementation of the Environmental and Social Action Plan (ESAP), SEP, revision of documents, and new impacts (if any); Provide information on processing and responding to grievances | Webpage Printed Press Local media Online information Platforms | Continuously during construction phase. | | | |
| 2 | Internal stakeholders (construction contractors) | Monitor the performance of contactors and their implementation of the agreed plans and procedures Provide additional training as required. | MeetingsOfficial correspondenceTrainings | Continuously during construction phase. | | | |
| 3 | Local residents. | Collect and address any grievances. | Official correspondence Meetings Face-to-face meetings Interviews | Continuously during construction phase. | | | |

Grievance Redress Mechanism

A grievance can be defined as an actual or perceived problem that might give ground for complaint. GRPO will work proactively toward preventing grievances through the implementation of impact mitigation measures and community liaison activities that anticipate and address potential issues before they become grievances.

Each stakeholder can address the company by following means of communication:

- Contact the GRPO using webpage and filling in grievance form;
- Contacting the respective Community Liaison Officer (CLO);
- Using grievance box at the site;
- Come directly to the project site.

The following procedure of Grievance redress is functioning in the company:

Step 1: Receive Complaint Step 2: Acknowledgement Step 3: Investigation Step 4: Resolution Step 5: Follow Up Step 6: Court

Types of Grievances

There are current issues that lead to grievances during the operation and maintenance/repair activities. Key grievances could include:

- Health and safety issues related to primary environmental impacts on nearby residents.
- Social impacts due to operation/maintenance crew activities or impacts on social infrastructure.

Anyone will be able to submit a grievance to/with the GRPO if they believe a practice is having a detrimental impact on the community, the environment, or on their quality of life. Grievances could include:

- Dangers to health and safety or the environment;
- Failure to comply with standards or legal obligations;
- Negative impacts on a person or a community (e.g. financial loss, physical harm, nuisance);
- Harassment of any nature;
- Criminal activity;
- Improper conduct or unethical behavior;
- Financial malpractice or impropriety or fraud;
- Attempts to conceal any of these.

The GRPO will look into all grievances made by any person or organization. It may be found that a grievance is not connected to the regular company activity or specific activity, or that the project is being carried out in full compliance with applicable national and international standards. In these cases, the GRPO will explain this in writing to the person who filed the grievance. In all other cases, the GRPO will investigate whether there has been a failure to work to the intended standard, to identify ways to redress the grievance, and to identify measures to prevent the recurrence.

Submission of grievance

Grievances should go directly to the GRPO as owner, however, some grievances can be directed to the respective Municipality where the specific project is being implemented. The grievance(s) will be reviewed by senior management and decisions made thereafter to redress the issue. If the grievance is related to environmental issues, and is submitted to Ministry of Environmental Protection and Agriculture, the GRPO will confer with the Ministry to resolve the issue.

Upon receipt, the grievance will be reviewed and it will be decided whether it will be taken into further consideration. The grievance mechanism will be made public throughout the public consultation process, and will be maintained during operation and maintenance.

Additionally, there are several direct, dedicated channels, including e-mail, webpage, grievance box at site, available at the GRPO to receive complaints or concerns concerning the specific project. The GRPO will monitor this line and maintain a log of all calls. This log of communications will be included in the annual report on Stakeholder Relations.

Grievance Resolution Process

In case the grievance is not connected to the project activity or in case the GRPO finds that all work is consistent with applicable Georgian and international standards, the grievance will not be further processed. When this occurs, this will be explained in writing to the person who submitted the grievance.

In all other cases, the GRPO, in consultation with other authorities as needed, will investigate whether there has been a failure in complying with standards and if so, to identify measures to prevent the incident from occurring again. In general, grievances will be resolved as described below.

Step 1: Receive Complaint

Once the GRPO receives a letter or is otherwise notified of a potential problem, they will assign someone to be responsible for resolving the grievance, including notifying other responsible authorities of the issue.

Step 2: Acknowledgement

The contact person will acknowledge receipt of a grievance by letter within 10 working days of having received the grievance. The acknowledgement will specify a contact person, their reference indicator, and an anticipated target date for resolution.

Step 3: Investigation

The GRPO contact person or CLO will work to understand the cause of every grievance. They may need to contact the claimant during this time. During this phase, the GRPO will determine whether the grievance is related to the project, and if so whether the problem was caused by a failure to meet Georgian or international standards.

If the problem was indeed caused by a failure to meet standards, the GRPO will determine if this was a one-time occurrence or if there is an underlying problem with project activities. The responsible person will coordinate modifications to project activities as necessary to meet standards and avoid future problems, and for ensuring that project management and workers are properly counseled and trained to avoid future recurrences of the problem.

Step 4: Resolution

Once the GRPO specialists have investigated a grievance and determined the proper course of action, CLO will write to the claimant and disclose the results of the investigation and of the proposed course of action, if any. If the person who submitted the grievance considers the issue to be satisfactorily resolved, they will be asked to sign a Statement of Satisfaction. If the grievance remains unresolved, it will be reassessed and there will be further dialogue with the claimant to determine if there are any further steps which may be taken.

Step 5: Follow Up

The GRPO may contact the claimant at a later stage to ensure that the activities continue to pose no further problems. If there is a remaining problem, the issue will be treated as a new grievance and re-enter the process.

Step 6: Court

Regardless of the GRPO's efforts to solve grievance if a claimant is unsatisfied with grievance resolution options provided by the company, the claimant has a right to bring the case to court.

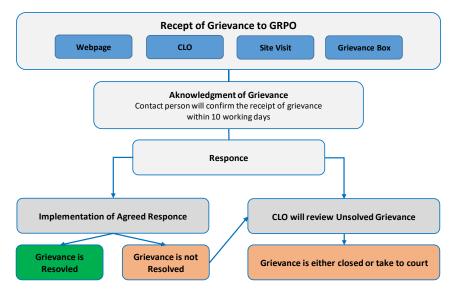


Figure 2. Schematic representation of the Grievance Redress Mechanism.

Confidentiality and Anonymity

A person submitting a grievance may wish to raise a concern in confidence. If the claimant asks the GRPO to protect his or her identity, it will not be disclosed without consent. Details of submissions and allegations will remain secure within the team responsible for investigating the concerns. However, the situation may arise where it will not be possible to resolve the matter without revealing claimant's identity (for instance where it is required to give evidence in court), the investigative team will discuss with the claimant how best to proceed.

In case the claimant does not disclose his identity to the GRPO, it may make it more difficult to look into the matter, to protect claimant's position, or to give feedback. Accordingly, while the GRPO will consider anonymous reports, such grievances are not encouraged. In order for any anonymous report to be taken seriously, the anonymous grievance will need to include sufficient facts and data to enable the investigative team to look into the matter without any further assistance.

Placement of special boxes at large offices and facilities of the company have been added to all the above opportunity, where the employees have an opportunity to report anonymously in writing on certain issues of their concern.

Mediation / Complaints Management

On regular basis, HR organizes open day and if all employees of the company express their wish, they may state their view on important and relevant topics. e.g. working conditions, engagement, labor discipline, encouragement, career development, etc. share any opinion, project, initiative,

opinion related to the work process, an increase of labor efficiency and productivity, technological and technical solutions, the innovative changes to the company.

Besides, the employee may, in the same format, express his / her desire regarding the change of the workplace, opinion related to the work, considering his/her candidacy on other position, finding and eliminating a defect, with a request to improve a working process.

If you wish to provide this information remotely on the basis of anonymity, you may also perform similar communications via e-mail at <u>info@grpc.ge</u>;

HR Department is delivering monthly reports to the company's top management based on the feedback from the staff (if any);

Placement of special boxes at large offices and facilities of the company has been added to all the above opportunities, where the employees have a chance to report anonymously in writing on certain issues of their concern.

Monitoring, Reporting and Record Keeping

Members of civil society and NGOs will be empowered to work with the GRPO Public Relations Department and CLOs as it pertains to their concerns about environmental and social impacts. As needed, the CLO will meet with the community and NGOs to discuss concerns and work to resolve them. Records of all consultations will be kept and made available to the stakeholders.

The GRPO will publish the annual ESHS reports, and will provide a summary of issues raised during the consultation process and appropriate feedback on its webpage and also will place paper copies in the Ministry of Environmental Protection and Agriculture.

This SEP identifies various activities that require monitoring and reporting including the following:

- The updating of the SEP;
- CLO activities: minutes of consultation meetings will be produced and all original written consultation correspondence will be retained as evidence of the process and outcomes;
- Grievance logging and tracking: each grievance will be registered by CLO.
- Annual reporting: Project-specific annual report summarizing project performance and CLO activities, including grievances and updates to the SEP will be produced.

Public domain documents will be distributed widely to stakeholders including regulatory agencies, project financiers, NGOs, local authorities, and local communities. As part of the ESIA, an Environmental and Social Management and Monitoring Plan will detail specific monitoring and reporting requirements for environmental and social project performance.

Throughout the project, the Company will maintain communication channels with relevant stakeholders as identified in this Plan, and the GRPO CLO will be responsible for ensuring that these channels of communication remain open. In addition to the grievance procedure, the CLO will notify interested stakeholders of any significant events, such as new development projects, or changes in the rehabilitation works schedule, or major changes in project planning.

The GRPO will provide project updates on its webpage. During the operations and rehabilitation works, the GRPO will produce an annual environment and safety report, which will be based upon a summary of the Company's performance on the management of health, safety, environment, and social issues. They will also produce the annual Stakeholder Relations Report to the Lender, detailing all consultations, meetings, notifications, and grievances, as well as all grievance resolutions. These will be posted on the GRPO webpage. In addition, the ESMS will include a monitoring program that will require submission to the Lenders an annual report on key environmental, social, and occupational health and safety aspects of the Company's performance.

Record keeping will take the following form:

- A hard (electronic) copy filing system for all external relations activities;
- Recording issues raised at meetings and distributing the report to attendees for approval;
- Attendance registers completed at all meetings, and taking digital photographs and/or video recordings at meetings as required/possible;
- Keeping a comprehensive record for reporting purposes of:
 - All meetings (dates, venues, attendees, objectives, outcomes);
 - All events such as launches, open days, etc. (dates, venues, attendees, objectives, outcomes);
 - All comments, compliments, grievances, and responses to these;
 - Times and content of media advertisements, radio broadcasts.

All stakeholder engagement and disclosure documentation will be collected throughout the life of the project and will be available for public review upon request. The Company will also issue public reports on social and environmental performance throughout the life of the Project on an annual basis.

Resources and Responsibilities

The Public Relations Department of the GRPO and the Project CLO will have the responsibility of continuing communications with the customers, local and governmental authorities, affected communities, and other stakeholders. The GRPO should fund these positions and provide sufficient budget resources to support the work of these persons and to enable them to maintain an active outreach with stakeholders.

During the operation and maintenance activities, the GRPO and their contractors' CLOs will be responsible for meeting with stakeholders and implementing the grievance mechanism. The CLO

will document interactions with all stakeholders and be responsible for logging grievances and working to resolve them in a timely manner.

Management Functions

The GRPO's Public Relations Department and the CLO will be key members of the corporate environmental and social management system and will provide an important integration function for the implementation of the ESMS. The oversight of the Company's environmental and social performance will be the direct responsibility of the GRPO's management team and its Public Relations Department. The Public Relations Department and the liaison officers should have experience working with multiple stakeholder groups, training workers on sensitivities of the project, working with media outlets, and stakeholder group mediation.

The Public Relations Department and CLO will be responsible for maintaining a stakeholder database, and a list of project activities that could affect stakeholders for all projects/activities implemented by the GRPO. The Public Relations Department ensures communication and information disclosure by means of internal and external communication channels during the regular operation and maintenance activities of the company and pre-construction and construction works.

However, while implementing projects undergoing ESIA procedure the respective CLO will be appointed responsible for communicating directly on-site to inform communities of work to be done in their area as far in advance as possible, which will be at least two weeks in advance of construction and maintenance wherever possible.

The CLO will also be responsible for ensuring foremen and workers are trained about issues and concerns and how these can be addressed throughout project implementation. The CLO will visit worksites periodically to monitor affected community/residents, introduce foreman, and to encourage positive dialogue between affected community/residents and the contractors.

| Topics | Responsibilities |
|---|-----------------------------|
| ESMS implementation | Management team |
| Overall environmental and social performance | |
| Database & Communication | Public Relations Department |
| Stakeholder database; | GRPO's CLOs |
| Activities affecting people; | |
| Communication via different channels. | |
| Information, Monitoring & Liaison | GRPO's CLOs |
| Informing, communicating and monitoring effected communities (on site); | |
| Liaising between affected community and contractors; | |
| Monitoring technical capacity of workers, ensuring trainings. | |

Appendix 1 – Sample Grievance Form

| Full Name | First name |
|--|---|
| Note: you can remain | Last name |
| anonymous, if you prefer or request not to disclose your | □I wish to raise my grievance anonymously |
| identity to the third parties without your consent! | □I request not to disclose my identity without my consent |
| | |
| Contact Information | □By Post: Please provide mailing address: |
| Please mark how you wish to | |
| be contacted (mail, telephone, e-mail). | □By Telephone: |
| | □By E-mail |
| Description of Insident | What happened? |
| Description of Incident or Grievance: | |
| | 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? | |
| | |
| Please return this form to: | [name], Health and Safety Manager, |
| | [company name], |
| | Address |
| | Tel.: or E-mail:@com. |

Appendix 2 – Sample Grievance Register

| | GRPO Grievance Register | | | | | | | | |
|----|-------------------------|--------------------|----------------------------|------------------------------------|--|---------------------------------|----------------------------|---|--|
| # | Date of the Receipt | Type of Receipt | Name of the Complainant | Description of the Grievance | Grievance Issued to Relevant Department | Due Date for the Response | Actual Response Date | Details of Corrective and Preventive Action | Response Date to the Complainant |
| 1 | | | | | | | | | |
| 2 | | | | | | | | | |
| 3 | | | | | | | | | |
| 4 | | | | | | | | | |
| 5 | | | | | | | | | |
| 6 | | | | | | | | | |
| 7 | | | | | | | | | |
| 8 | | | | | | | | | |
| 9 | | | | | | | | | |
| 10 | | | | | | | | | |

Appendix 3 – Public Consultation Procedures Under the Environmental Assessment Code (2017)

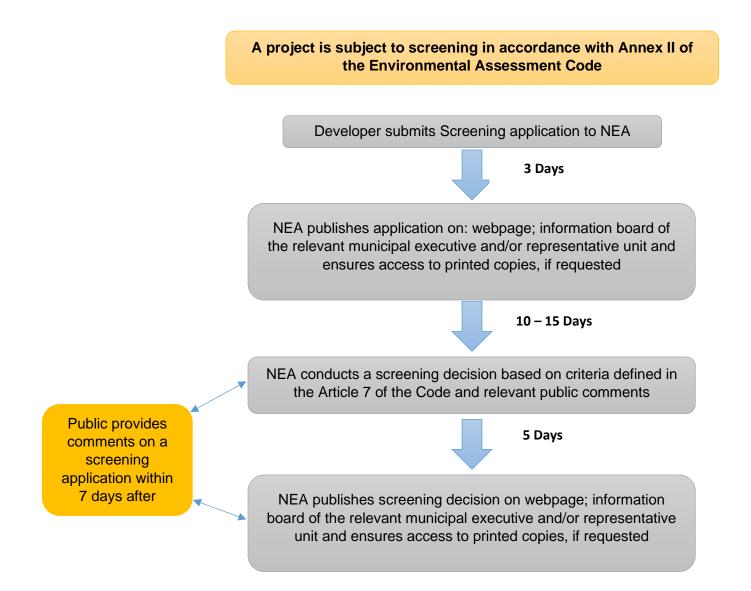
In accordance with the existing Georgian legislation, in particular, the Environmental Assessment Code (2017), adopted by the Government of Georgia which repealed the Law of Georgia on Ecological Expertise (adopted in 2007) the public consultation is required for the projects subject to the Environmental Impact Assessment (EIA).

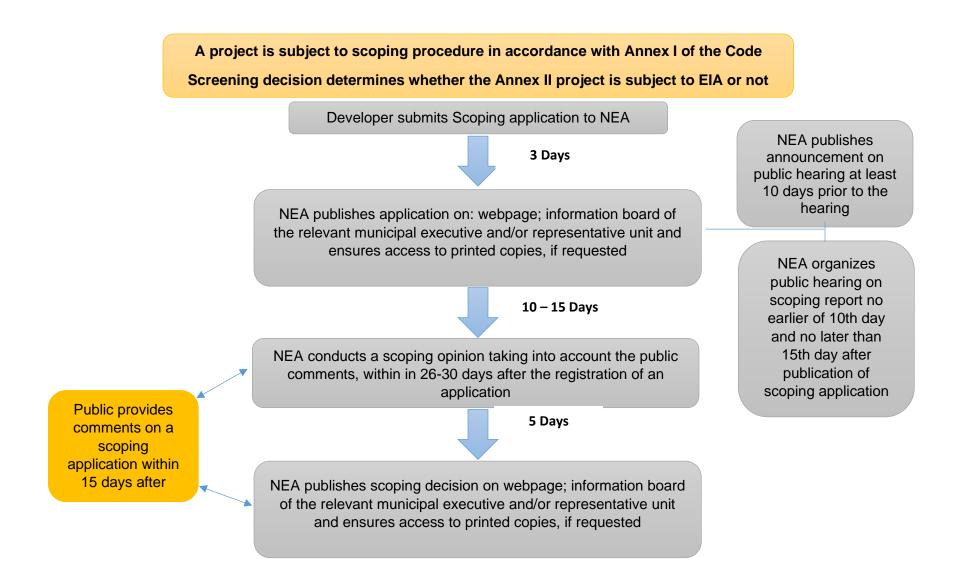
The Environmental Assessment Code introduces and implements principles of the relevant European Union Directives in Georgia: Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (EIA Directive) and Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programs on the environment (SEA Directive). It applies to various categories of public and private projects, which are defined and listed in I and II Appendices to the Code.

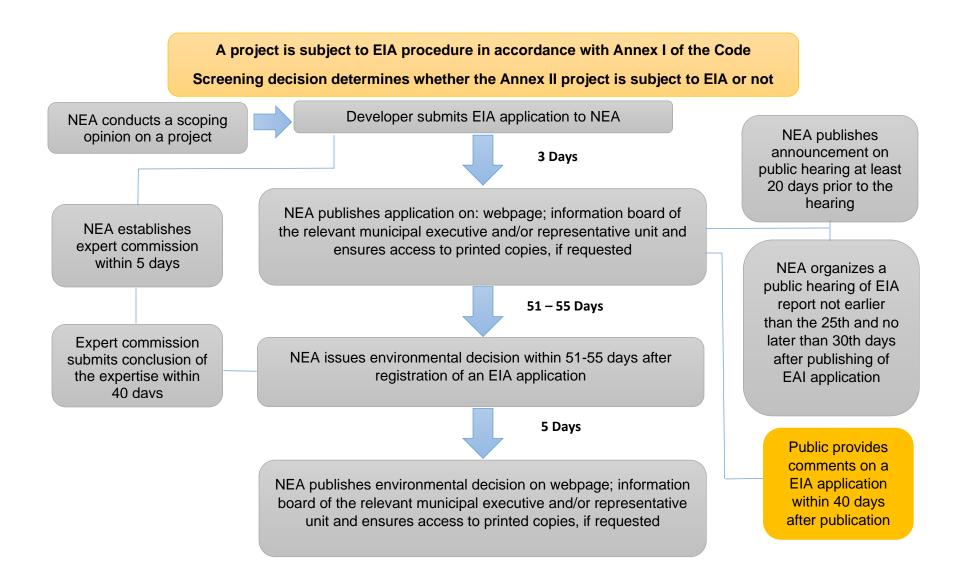
Besides, the code is also in compliance with multilateral international agreements such as the Convention on Environmental Impact Assessment in Transboundary Context (Espoo Convention) and the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters. The code defines the information disclosure, public participation, and consultation procedures for the Screening, Scoping, and Environmental Impact Assessment (EIA) applications submitted to the MEPA. A public hearing on the EIA application is conducted in accordance with Articles 11 and 12 of the Environmental Assessment Code.

After the registration of the EIA application, within 3 days, MEPA is obliged to ensure that the application and respective attachments are published on its official webpage and the information board of the relevant municipal executive and/or representative unit. Upon request, MEPA ensures the availability of the printed copies of the documents in accordance with procedures outlined by the Georgian Legislation. MEPA checks the compliance of the submitted EIA application to the legal requirements within 3 working days after the registration of the application. In accordance with Article 42 of the Environmental Assessment Code, MEPA is obligated to establish an expert commission. The expert commission prepares and submits to MEPA the conclusion of the expertise on the EIA application within 40 days.

In accordance with Article 11(3) of the code, within 40 days after the submission of an EIA application, the public is eligible to submit suggestions and comments to MEPA. MEPA ensures consideration of the reasonable opinions and suggestions of the public during the process. Information on the public hearing must be published no later than 20 days before the public hearing, in accordance with Article 32 of the Code. MEPA is responsible for organizing, conducting, and documenting a public hearing. A public hearing of an EIA application must be conducted no earlier than the 25th and no later than the 30th day after an announcement is made public in accordance with Article 11 (3) of the Code.







Appendix 4 – Methods and Tools for Engagement

| Engagement Technique | To Be Used For | Project Phase |
|---|---|---|
| Information Centre at the Project Site | Allowing local communities to receive additional information about the project; Allowing local communities to submit grievances and concerns about the project; Disseminating project related information to the local communities. | Pre-construction Construction Operation and maintenance |
| Communication by Means of: • Letter/Email • Phone • Social Media | Distributing project related information to various stakeholders; Making official announcements Inviting stakeholders to meetings, events workshops, etc. | Pre-construction Construction Operation and maintenance |
| Print Media And Radio Announcements | • Disseminating project related information mostly in local communities Note: using ration and printing press for communication and/or announcement is a rare case. | Pre-construction Construction |
| Face-To-Face Interviews And Focus Group Meetings | Allowing stakeholders to share sensitive information; Allowing a company to receive detailed information on a specific topic of interest which is not feasible otherwise; Establishing informal relations with stakeholders/interviewees and a small group of community members, in case of a focus group interview. | Pre-construction Construction Operation and maintenance |
| Formal Meetings | Present project information to a targeted group of stakeholders (e.g. Government, NGOs, etc.); Disseminating project related information, publication, reports, etc.; Strengthening relations with the stakeholders of special interest; Using a platform for negotiation, if needed; Allowing stakeholders to provide and expressing their viewpoints and/or concerns, if any. | Pre-construction Construction Operation and maintenance |
| Public Meetings | Present project information to a targeted group of stakeholders (e.g. Government, NGOs, etc.); Presenting project related information specific to the communities of project influence; Allowing stakeholders to provide and expressing their viewpoints and/or concerns, if any; Identifying stockholder needs based on feedback provided during the meeting. | Pre-construction Construction |
| Surveys | Collecting baseline data Recording data for different research purposes Monitoring and evaluation | Pre-construction Operation and maintenance |