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**SOCAR GPC LLC
GAS PROCESSING PLANT AND
PETROCHEMICAL COMPLEX PROJECT**

**STAKEHOLDER ENGAGEMENT
PLAN**

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REPORT





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Acronyms and Abbreviation	Definition
CRA	Community Relations Assistant
CRO	Community Relations Officer
CRT	Community Relations Team
EBRD	European Bank for Reconstruction and Development
ESIA	Environmental and Social Impact Assessment
IFC	International Finance Corporation
MENR	Ministry of Environment and Natural Resources
NGO	Non-Governmental Organization
PP	Polypropylene
SEA	Stakeholder Engagement Activity
SEP	Stakeholder Engagement Plan
SOCAR	State Oil Company of Azerbaijan



1.0 INTRODUCTION

State Oil Company for Azerbaijan Republic (SOCAR) GPC, retained Golder Associates Ltd. to prepare the Environmental and Social Impact Assessment (ESIA) study for the Gas Processing Plant and Petrochemical Complex Project (“the Project”) to be constructed in the vicinity of Sangachal, Garadagh, Azerbaijan (40 km from Baku) in compliance with national and international requirements.

2.0 SCOPE AND OBJECTIVES

The present document provides the principles, objectives and procedures to be followed by SOCAR GPC to develop a strong and constructive relationship with stakeholders throughout the Project lifecycle, in line with the Company’s Policies. Constructive engagement and continuous dialogue with stakeholders is an essential part of good business practices and corporate responsibility and is key to the success of any complex project such as the present one. Therefore, the objective of the Stakeholder Engagement Plan (SEP) is to establish a general framework for building and maintaining positive relationships with stakeholders in all the development aspects, through the implementation of engagement activities. In addition, the Plan describes SOCAR GPC’s roles and responsibilities, as well as how engagement activities are to be monitored and reported.

The overall objectives of the Stakeholder Engagement Plan are the following:

- Continuously informing the local community about the Project-related development activities;
- Ensuring that the local community is informed about the hazards associated with construction, operation activities of the Project and mitigation measures implemented by SOCAR GPC to reduce impacts where possible;
- Minimizing potential disputes between Contractor’s and Subcontractors’ and the local community;
- Incorporating local knowledge during the entire Project life cycle, by taking into account bottom up information and feedback provided by local communities; and
- Timely and effectively responding to community concerns regarding the issues such as employment of the local workforce reserve in the construction and operation phases, disruption to daily activities, safety issues, disturbances due to noise or dust, and other environmental and social issues.

Social Engagement must be performed according to a set of principles which overarch all activities and provide general guiding standards to which SOCAR GPC, Contractors and Subcontractors must adhere in order to carry out an appropriate and effective process. The principles are outlined below:

- **Inclusive:** the SEP will ensure inclusiveness in the engagement with stakeholders in representation of views, including women, vulnerable and minority groups.
- **Accountable:** SOCAR GPC incorporates stakeholder feedback into the Project or program design, and report back to Stakeholders.
- **Appropriate:** SOCAR GPC will provide information in a format and language which is readily understandable and tailored to the needs of the target Stakeholder groups.
- **Relevant:** in its engagement with the stakeholders, SOCAR GPC will respect local traditions, customs, languages, timeframes and decision making processes.
- **Two-way:** SOCAR GPC will establish a two-way dialogue with stakeholders that will give both sides the opportunity to exchange views and information, to listen, and to have their views heard and addressed.
- **Proactive:** In order to avoid any potential risks that might arise in its dealings with the stakeholder, SOCAR GPC will be proactive in trying to manage such risks before they occur by offering opportunities for constructive dialogue.
- **Transparent:** SOCAR GPC will engage with stakeholders in an open process, with transparent purpose, goals, accountabilities, expectations and constraints. SOCAR GPC will provide Stakeholders with meaningful information on relevant aspects of project activities.



These principles have to be followed during all engagements with stakeholders and are applicable for all Project functions and contractors.

Moreover the overall objective of the SEP is to explain how SOCAR GPC will engage with stakeholders through the course of the Project. Stakeholder engagement is a key activity within projects such as the present one, because it creates an open communication channel with stakeholders, it ensures that stakeholders understand significant impacts of the project and it helps the sponsor address local expectations and incorporate feedback in the project design, overall fostering the achievement of a sound and comprehensive project.

The SEP is a working document that will be revised during the development of the Project. This version of the SEP is a planning and management document, which explains what stakeholder engagement activities will be done during the ESIA process, and throughout the entire lifespan of the Project (construction, operation and decommissioning phases). Subsequently it will be revised to reflect a list of planned meetings and other stakeholder engagement activities. As part of the impact assessment, which aims to measure and predict actual impacts, stakeholder engagement attempts to capture the perceived impacts of the project. The final ESIA will include a specific chapter to explain how stakeholder activities were implemented throughout the ESIA process.

All stakeholders are invited to review and provide feedback on this SEP.

3.0 PROJECT DESCRIPTION

The key features of the Project are:

- Gas Processing Plant -GPP - capacity is 10 bcma. GPP will process natural gas, remove CO₂ and other toxic components, extract petrochemical feedstock (around 4-5% of natural gas) and revert back to the national gas grid pure methane in accordance with best environmental standards.
- Polymer Plant-PP will produce around 570 kta of polyethylene and 120 kta of propylene. Propylene will be shipped to SOCAR Polymer, Sumgait and further processed to polypropylene. According to market studies Turkey, Europe, China are the target markets, with Turkey prevailing as a growing market. SOCAR would benefit from existing distribution network of Petkim asset in this country.
 - The Polymer Plant will consist of:
 - A Steam Cracker with a capacity of 580 kta, based on C₂+ feedstock from the gas processing plant, which will feed Ethylene to the following units:
 - An LLDfHD swing polyethylene unit with a capacity of around 570 kta for C₄ LLDPE, C₆ mLLDPE and HDPE IM grades. Ineos technology is being considered.
 - A Butene - I Unit: 15 - 20 kta
 - A Hexene-1 unit: 15 - 20 kta
 - The Steam cracker will also produce 120 kta of propylene.
- Utility and offsite facilities will serve the main production facilities above.

The GPP and Polymer Plant are planned to start-up in January 2022.

4.0 REGULATORY FRAMEWORK

4.1 National Legislation

The Azerbaijan Local Legislation related to stakeholder engagement and consultation component of a project development includes the following requirements:

- Requirement for a Scoping Meeting to be attended by the developer, experts and concerned members of the public, and aimed at reaching a consensus on the scope of the EIA;



- Requirement to inform the affected public about the planned activities twice: when the application is submitted to the Ministry of Environment and Natural Resources (MoENR) for the preliminary assessment and during the EIA process. The developer is expected to involve the affected public in discussions on the proposal.

4.2 International Standards

European Commission

Environmental Impact Assessment (EIA) is a key instrument of European Union environmental policy. Since the inception of the first EIA Directive in 1985 (Directive 85/337/EEC) both the law and the practice of EIA have evolved. An amending Directive was published in 2014 (Directive 52/14/EU).

The primary aspects related to stakeholder engagement are linked to the ELA Directive, which includes amendments that align with the Aarhus Convention on Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention) and the Espoo Convention on ELA in a Trans boundary Context (Espoo Convention).

The Aarhus Convention is focuses on three key areas:

- **Access to information:** ensures that the public can have a system whereby one can request and receive information, thus allowing for informed participation;
- **Public participation;** provides for public participation early in decision-making on activities that can have significant environmental impact; and
- **Access to justice:** ensures that the public has legal mechanisms available to review potential violations of access to information and public participation provisions.

The Espoo Convention applies in cases where there may be significant adverse transboundary impacts and requires the country from which the potential impact originates to notify the public of the affected country and to take into account comments received.

The Aarhus and Espoo Conventions differ from international standards below in that the responsibility for disclosure, participation and access to justice resides with the host government and not the project sponsor. However, government representatives can only fulfil the requirements of the Conventions if a project sponsor has fully disclosed all information relating to environmental and social impacts.

International Finance Corporation and European Bank for Reconstruction and Development Standards

The IFC and EBRD requirements for project information disclosure are stringent and exceed the requirements of the European Union (as defined by the Aarhus Convention and Espoo Convention).

The IFC Performance Standards, the basis for the Equator Principle Financial Institutions, stress that public consultation should be started early in project development and that engagement with interested parties at every stage should be:

- “Free” (free of intimidation or coercion);
- “Prior” (timely disclosure of information); and
- “Informed” (relevant, understandable and accessible information).

Specific requirements for the IFC include:

Stakeholder Analysis and Engagement Planning

- Identify affected communities and other stakeholders that may be interested in a Project and consider how external communications might facilitate a dialog with all stakeholders;



- Development of a SEP, including measures to allow for the effective participation of stakeholders identified as disadvantaged or vulnerable;

Disclosure of Information

- Provision of relevant information on (i) the purpose, nature and scale of the project; (ii) duration of the proposed activities; (iii) any risks to and potential impacts on such communities and the relevant mitigation measures; (iv) the envisaged stakeholder engagement process; and (v) the grievance mechanism;

Consultation

- Undertake a process of consultation that provides affected communities with opportunities to express their views on project risks, impacts and mitigation measures;
- Include a two-way process that (i) begins early in the process of identification of environmental and social impacts and continue on an ongoing basis as impacts arise; (ii) is based on prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information that is in a culturally appropriate local language; (iii) focuses inclusive engagement on those directly affected as opposed to those not directly affected; (iv) is free of external manipulation, interference, coercion, or intimidation; (v) enables meaningful participation where applicable; and (vi) is documented;
- Tailor consultation to the language preferences of the affected communities, their decision-making process and the needs of disadvantaged or vulnerable groups;

Informed Consultation and Participation

- Conduct an Informed Consultation and Participation process that will result in affected communities' informed participation;
- Managed a consultation process that (i) captures both men's and women's views, if necessary through separate forums or engagements, and (ii) reflect men's and women's different concerns and priorities about impacts, mitigation mechanisms, and benefits, where appropriate.
- Document the process, in particular the measures taken to avoid or minimize risks to and adverse impacts on the affected communities, and will inform those affected about how their concerns have been considered.

External Communications

- Implementation of a procedure for external communications that includes methods to (i) receive and register external communications from the public; (ii) screen and assess the issues raised and determine how to address them; (iii) provide, track and document responses; and (iv) adjust the environmental and social management program;

Grievance Mechanism for Affected Communities

- Establish a grievance mechanism to receive and facilitate resolution of affected communities' concerns and grievances about the environmental and social performance;
- Inform the Affected Communities about the mechanism in the course of the stakeholder engagement process;

Ongoing Reporting to Affected Communities

- Provision of a schedule for periodic reports to the affected communities that describe the progress with implementation of the project action plans on issues that involved ongoing impacts on affected communities and on issues that the consultation process of grievance mechanism have identified as a concern to those communities; and
- Provision of reports not less than annually (IFC, 2012).



Similarly, EBRD requires:

- Evidence that stakeholder engagement has been free of manipulation, interference, coercion, and intimidation, and that it has been conducted on the basis of timely, relevant, understandable and accessible information;
- Stakeholder identification of individuals or groups who are i) are affected or likely to be affected by the project (affected-parties) or ii) may have an interest in the project (other interested-parties);
- Disclosure of environmental and social action plans or mitigation measures;
- Documentation of the public consultation process;
- Provision of ESIA documents in the public domain; and
- Development of a grievance mechanisms for all segments of affected communities that is available at no cost and guarantees using the mechanism will not cause retribution (EBRD, 2008).

With this document, SOCAR GPC's work is being formalized in a Stakeholder Engagement Plan, a material requirement for the EBRD, IFC and Equator Principle Financial Institutions.

The IFC and EBRD requirements to the information disclosure and stakeholder engagement exceed the Azerbaijani and the European Union requirements. The compliance with the national requirements will be fulfilled through the implementation of the IFC and EBRD requirements.

OECD Common approaches require the Adherents;

- Taking into account the competitive context in which they operate and constraints of business confidentiality, for Category A projects, disclose publicly project information, including project name, location, description of project and details of where additional information (e.g. ESIA report, summary thereof) may be obtained.
- Should include the results of any public consultations with local communities directly affected by the project and/or their legitimate representatives and of any engagement with other parties, such as civil society organisations, that have expressed an interest in the project into ESIA. It is the responsibility of the buyer/project sponsor to undertake any such public consultations and/or engagements with interested parties. For the purposes of public consultations, environmental and social impact information should be made available to affected communities in a language accessible to them.
- Should include the record of interagency and consultation meetings, including consultations for obtaining the informed views of the affected communities and/or their legitimate representatives and other interested parties, such as civil society organisations into ESIA. The record specifies any means other than consultations (e.g. surveys) that were used to obtain the views of affected groups.
- Should describe the schedule for communicating with affected communities when on-going disclosure or consultation is expected into the Action Plan.

5.0 OVERVIEW OF PREVIOUS ENGAGEMENT

No engagement activities related to this Project have been performed so far. SOCAR, the parent company of SOCAR GPC has ongoing relations and open communication channels with a number of stakeholders, due to its long-time presence in Azerbaijan and in the region, however they are not formalised in an engagement plan or in a management system. Previous engagement activities, even if performed according to different principles and for other projects, will be considered when planning activities for the present Project, as they can provide valuable information on approach to use and priorities to consider.



6.0 STAKEHOLDER IDENTIFICATION

Stakeholders are individuals or groups who can affect, or are affected by, or have a legitimate interest in the Project results and performance. Some stakeholders are obvious, such as government authorities responsible for permitting and local communities adjacent to the Project. However, preliminary stakeholder identification intends to include other groups, organisations and individuals that may not appear to be directly involved. Health professionals and educators, for example, may not be directly involved in the Project development, but are familiar with the existing community and socio-economic dynamics and can help improve the quality of impact analysis. Such consultation also helps ensure that mitigation and social investment are coordinated with existing initiatives. Expanding stakeholder identification beyond government and local residents increases the likelihood that a wide representation of interests and opinions will be considered in the development of the Project.

In the case of the present Project stakeholders will be recorded in the following categories:

- Governmental authorities at the national, regional and local levels;
- Multi-national and international organizations (i.e., United Nations, World Bank Group, bilateral donors, etc.);
- Non-commercial, non-governmental and public organizations at the international, national, regional and local levels,
- Interest groups, such as universities and their foundations, cooperatives, local business establishments, business associations, chambers of commerce and others (i.e., labor, youth, religious, businesses, etc.);
- Local communities;
- Local businesses and potential Project contractors and suppliers;
- Project, contractor and subcontractor employees; and
- Media.

In order to ease the organization of engagement activities and to build strong relations with the local communities, it is important to identify a number of community representatives that will represent a privileged communication channel both for the disclosure of information and for the collection of feedback from stakeholders (albeit engagement activities will by no means be limited to these representatives). Community representatives can include community or religious leaders, local government representatives, civil society representatives, politicians, school teachers, and other representatives. Key representatives will be identified throughout the ESIA process, with the objective of identifying at least one for each of the categories mentioned above.

Stakeholder identification is an ongoing activity that continues throughout the entire Project lifecycle. Considering the long timeframe of the Project, stakeholders will evolve in time, new stakeholders might emerge and existing ones might lose relevance. It is recommended that SOCAR GPC will set up and update a Stakeholder Register throughout the entire Project cycle. This register allows keeping track and giving evidence of all stakeholders involved in the process, to facilitate communication activities and to identify stakeholders to be involved for specific activities or on an “as needed basis”.

At this stage of the project, stakeholder identification has been conducted through desktop review of potential stakeholders. The list includes a broad range of parties that could be potentially affected by the Project, to ensure that they are all considered for engagement activities. However, their level of involvement in stakeholder engagement activities will vary, according to a selection of stakeholders that will be done as the process goes ahead. Any information on additional stakeholders (individuals or groups) that may have an interest in SOCAR GPC’s activities should be provided to the contact persons described in paragraph 8.0. SOCAR GPC will add stakeholders to the register, and, if requested, will include these stakeholders in future efforts to disclose public information about the Project.

A preliminary list of stakeholders is provided in APPENDIX A.



7.0 STAKEHOLDER ENGAGEMENT PROGRAM

7.1 General principles for engagement

The following general principles will govern stakeholder engagement activities:

7.1.1 Capacity building

In order to facilitate meaningful participation of stakeholders, activities aimed at education and capacity building will be conducted:

- The content of documents for public comment will provide accessible and adequate information on the Project, and not create undue fears (regarding potential negative impacts) or expectations (regarding potential positive impacts such as job creation, etc.);
- Written information will be accompanied by visual illustrations and explanations as needed to build understanding of the project;
- The information will be disclosed in the local language(s) where needed and in a manner that is accessible and culturally appropriate, taking into account any vulnerable people;
- If key issues of particular concern arise, workshops may be offered to explain technical processes, assessment techniques, and quality assurance measures to verify results and ensure mitigation procedures are followed; and
- Efforts will be made to explain not only the proposed project and ESIA process, but also applicable national laws and legislations, international principles and standards and how SOCAR GPC will address compliance.

7.1.2 Provision for the participation of vulnerable groups

Vulnerable groups may be defined as people that by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage or social status may experience different or unique effects from the Project than others. International best practice encourages that individuals or groups particularly vulnerable to adverse project impacts and risks be supported to participate in the consultation process. The following measures will be implemented to enhance the ability of vulnerable stakeholder groups to participate meaningfully in the ESIA process:

- During the continued process of stakeholder identification, SOCAR GPC will identify disadvantaged or vulnerable persons or groups; and
- Staff will identify consultation approaches and activities that will support effective engagement of vulnerable persons.

7.2 Engagement methods

This section reports the methods that will be used throughout the stakeholder engagement process and identifies how they will be used in the different phases of the Project development. Each activity allows to reach specific engagement objectives and to engage with different groups of stakeholders, implying various commitment levels from SOCAR GPC. The Community Relations Officer (CRO) and SOCAR GPC management are therefore in charge of deciding which activities are more appropriate to the different Project phases, based on the framework and indications provided below. During the ESIA phase Socar GPC will get the assistance of the ESIA consultant for the Stakeholder Engagement Activities. The recommended Stakeholder Engagement Activities are the following:

- 1) **Public meetings open to all stakeholders:** this activity allows involving and reaching out to a wide range of Stakeholders. Due to the interactive approach, concerns and questions from Stakeholders can be discussed directly with SOCAR GPC and possible answers given during the meeting. However public meetings can also lead to certain groups prevailing on others during the discussion and to the risk of covering only general or recurring issues. In addition there is a risk that the same stakeholders participate



or that numbers of attendees dwindle in time. In such cases, SOCAR GPC should consider implementing different activities.

Announcements of public meetings have to be made at least two weeks before the meeting by sending written communication to all stakeholders that have previously participated in SEA and are present in the Register. Meeting details have to be posted on the SOCAR GPC website. In addition brochures or posters will be distributed to community representatives and made available in specific places such as the community centre and the CRO should liaise directly with community representatives to inform them on the meeting. If deemed necessary, SOCAR GPC should organize a transport system to allow all stakeholders, even those with limited mobility, to participate in the meeting.

The meeting will be chaired by the CRO and representatives of SOCAR GPC and of the contractor should be present. Information provided orally during the meeting also will be provided in writing under the form of information sheet or brochure. Attendance of Stakeholders will be registered on a specific form during the meeting.

Once the meeting is over, the CRO is responsible for recording information on the Record form and of collecting meeting related material in the dossier.

- 2) **Group meetings with community members** that have been identified as being representative of relevant groups (local authorities, local business representatives, or NGO representatives). In this case the CRO will organize smaller meetings with specific stakeholders that are particularly relevant within the scope of the Project and that have proven to be proactive and representative during previous activities. This activity allows focusing on specific issues and possibly finding agreed solutions among parties. However this meeting is closed therefore does not allow full participation to all stakeholders, possibly leading to the perception in other stakeholders of being excluded. Announcement of the meeting will be done by the CRO by directly liaising with the selected stakeholders. If deemed necessary, SOCAR GPC should organize a transport system to allow all stakeholders, even those with limited mobility, to participate in the meeting.

The meeting will be chaired by the CRO and representatives of SOCAR GPC management and of the contractor should be present. Information provided orally during the meeting also will be provided in writing under the form of information sheets or brochures. Attendance of stakeholders will be registered on a specific form during the meeting. Once the meeting is over, the CRO is responsible for recording information on the Record form and of collecting meeting related material in the dossier.

- 3) **Open Door event:** this activity consists in inviting the public to visit the Site, to directly present the activities that are occurring onsite. This would be typically done during preconstruction and at the end of construction phase.

An Open Door typically includes an introductory meeting, a tour of selected Site areas accompanied by SOCAR GPC staff and a final Q&A session. The activity has to be carefully planned in order to ensure full safety of attendees and therefore has to be organized with the support of the appropriate resources. Benefits of this activity include the fact that public can see in first hand site activities, possibly reducing undue fears and better understanding the project and its nature. In addition Open Door events improve the Company's reputation of conducting its operation with a transparent and proactive approach.

Announcements of the Open Door will be made at least two weeks before the event by sending written communication to all stakeholders that have previously participated in SEA and are present in the Register. Meeting details will be posted on the SOCAR GPC website and brochures or posters will be distributed to community representatives and made available in specific places such as the community center. In addition the CRO should liaise directly with community representatives to inform them on the meeting. If deemed necessary, SOCAR GPC should organize a transport system to allow all stakeholders, even those with limited mobility, to participate in the meeting. Due to safety issues linked to this activity, interested Stakeholders have to confirm their presence and only those that have responded will be admitted. The event will be led by the CRO with the support of technical experts who can explain in better detail certain aspects of the Project. Attendance of stakeholders has to be



registered on a specific form during the meeting. Once the meeting is over, the CRO is responsible for recording information on the Record form and of collecting meeting related material in the dossier.

- 4) **Newsletters:** this approach is less time-consuming for SOCAR GPC and allows reaching out to a wide array of stakeholders. The newsletter will be sent to all Stakeholders that are in the register and will be posted on the SOCAR GPC website. In addition, printed copies will be posted on a visible bulletin board in locations such as the community center and sent to specific Stakeholders for further distribution. The newsletter alone however cannot be considered a sufficient engagement method because it is a one-way communication tool and does not allow direct interaction between Stakeholders and SOCAR GPC.
- 5) **Letters and phone calls:** on a quarterly basis the CRO should write to or call representative stakeholders to inform them on progress of activities and to discuss possible critical issues that have emerged. This tool is simple to implement and allows creating a strong connection with certain stakeholders and identifying possible problems together in advance.
- 6) **Informant interviews:** during the ESIA process informant interviews will be conducted as part of the data and information collection process for the social baseline. Such semi-structured interviews will be flexible to provide Project information and collect issues, concerns and questions that are relevant for the overall engagement process.
- 7) **Focus groups:** similar to informant interviews, focus group discussion will be conducted primarily to collect information for the ESIA. These small group meetings will be used as a means to provide Project information and collect stakeholder feedback.
- 8) **External Report:** outcomes of activities performed and of the grievance mechanism implementation, as well as main issues emerged from stakeholders will be collected in a report to be periodically disclosed to stakeholders, as indicated in Section 10.2.2.

7.3 Implementation of activities

The main objective of the program is to maintain ongoing positive community relations and ensure that all interested stakeholders/parties are kept informed on all Project activities throughout the entire Project lifecycle.

The SOCAR GPC CRO is responsible for organizing and implementing these relations and engagement activities in cooperation with SOCAR GPC Management. Activities will be performed both during the ESIA process, construction, operation and decommissioning phase, at different levels of intensity. The ESIA Consultant will support Socar GPC for organizing and implementing these relations and engagement activities in during the ESIA Process. In the subsequent project phases, the role of CRO will be fully fulfilled by Socar GPC. Activities will be performed both during the ESIA process, construction, operation and decommissioning phase. The CRO is responsible for keeping track of all Stakeholders' Engagement Activities (SEA) organized and implemented, by organizing a Stakeholder Engagement Activities Register, which includes registers, management forms and all relevant material used or prepared for the activity (announcements, posters, brochures, presentations, attendees sheet, pictures, etc.). An example of the register and record forms to be used for the implementation of a Stakeholder Engagement Activities register is presented in APPENDIX B.

A program of activities to be planned and implemented during the different Project phases is presented in the sections below.

7.3.1 Scoping and baseline data collection

The purpose of stakeholder engagement during the scoping and baseline data collection phase is to make sure all stakeholder issues, questions and concerns are sufficiently considered in Project design and in the development of baseline studies to be used in impact analysis.

Key activities during the scoping and baseline data collection stage are summarised in the table below:

Table 1: Engagement program during scoping and data collection



Engagement Method	Stakeholder Groups	Schedule
Public meetings	All	Q3 – Q4 2017
Letters and phone calls	Key stakeholders and representatives	Q3 – Q4 2017
Informant interview	Key stakeholders and representatives	Q4 2017
Focus groups	Key stakeholders and representatives	Q4 2017
External Report	All	At least annually

7.3.2 ESIA

The objective of stakeholder engagement during the ESIA phase is to disclose impact assessment findings and associated management plans.

According to national legislation the ESIA Report will be disclosed. (Handbook for the Environmental Impact Assessment Process in Azerbaijan referring to EIA Handbook of UNDP/State Environmental Committee, 1996). Similarly the standards of international financial institutions require that final draft version of the ESIA Report and its management plans are disclosed to stakeholders and that stakeholder comments and questions are incorporated into the final ESIA document.

Key activities of stakeholder engagement process during the ESIA stage are summarised in the table below:

Table 2: Engagement program during ESIA disclosure

Engagement Method	Stakeholder Groups	Schedule
Public meetings (number and frequency to be in line with Project Requirements)	All	Q1 2018
Disclosure to International Financing Institutions	All	Q2 2018
Corporate website	All	Q2 2018
Grievance mechanism	All	Q2 2018
Group meetings with community members	Key stakeholders and representatives involved in previous activities and additional stakeholders to be determined	Q2 2018
External Report	All	At least annually

7.3.3 Construction and Operations

The objective of stakeholder engagement during the construction and operations phase is to maintain links with all stakeholders to ensure that impact mitigation is being implemented as planned. The frequency of stakeholder engagement will diminish as the Project transitions from construction to operations, but key methods such as the maintenance of the grievance mechanism will be used to identify and solve any impacts or problems that were not foreseen by the ESIA and associated management planning process.

The construction and operations phase is the longest stage of the Project and will continue for the life of the facility. The SEP will be updated periodically and upon major project changes to reflect engagement activities that may be required during the life of the Project.

Key activities during the construction and operations stage are summarised in the table below:



Table 3: Engagement program during construction and operation

Engagement Method	Stakeholder Groups	Schedule
Public meetings	All	During ESIA process and ad hoc according to requests from stakeholders
Corporate website	All	To be determined as required
Grievance mechanism	All	Throughout entire project lifespan
Group meetings with community members	Key stakeholders and representatives involved in previous activities and additional stakeholders to be determined	To be determined as required
Open door events	To be determined	To be determined as required
External Report	All	At least annually

7.3.4 Decommissioning and closure

The objective of stakeholder engagement during the decommissioning and closure phase is to reduce the impacts related to closure, especially on retrenchment and on any environmental legacy issues. No specific details of the frequency and schedule are possible now, but such details would be added during the next revision of the SEP and when the decommissioning schedule is set.

Key activities during the decommissioning and closure stage are summarised in the table below:

Table 4: Engagement program during decommissioning

Engagement Method	Stakeholder Groups	Schedule
Public meetings	All	To be determined
Corporate website	All	To be determined
Grievance mechanism	All	Throughout entire project lifespan
Group meetings with community members	To be determined	To be determined as required
External Report	All	At least annually

8.0 ROLES AND RESPONSIBILITIES

8.1 SOCAR GPC

SOCAR GPC Management has to ensure sufficient and qualified resources are allocated on an ongoing basis to achieve effective implementation of actions, measures and monitoring activities under SOCAR GPC’s responsibility. SOCAR GPC Management is responsible for:

- final approval of this Plan;
- taking appropriate actions to plan engagement activities, to address major Non-Conformities, based on audit reports and to respond to requirements that might arise from the CRO.



SOCAR GPC Community Relation Officer (CRO): The Community Relation Officer is appointed for the overall implementation of the social management activities of the Project. He/she reports to the Management and is responsible for the implementation and operation of the SEP and in this respect acts as an interface between SOCAR GPC, contractors, subcontractors and stakeholders. The CRO is responsible for implementing and organizing engagement activities described in this plan. The CRO is also responsible for monitoring the Plan implementation and for proposing corrective actions and reports to the Management. The CRO is furthermore responsible for:

- ensuring that this procedure is up to date and appropriate to the nature and scale of the Project;
- proposing to SOCAR GPC management, if necessary, amendments and/or updates to this procedure and issuing revisions;

Community Relation Assistant (CRA): if deemed necessary, SOCAR GPC will appoint one or more Community Relations Assistant(s), which will support the CRO in daily activities and duties. The CRA might be particularly important during the construction phase, as this is when Stakeholder Engagement related activities will peak. The CRA should be preferably employed from the local community, as this can ensure that he/she already has an established relationship with the community.

Specialized contractor on social issues: if deemed necessary, SOCAR GPC will appoint an external expert that can cover the role of strategically assisting the CRO and the management in the implementation of the SEP. He/she should be expert on social management and should have previous experience on similar projects. The consultant is particularly important in the initial phase of the Project, as he/she can provide strategic support on setting up the procedure and on taking key decisions; once the Plan is implemented, the consultant can be involved on an “as needed” basis or when changes are needed.

Community Relations Team (CRT): the CRT is made of the Community Relations Officer and of the Community Relations Assistants. The Community Relations Team is supported by the specialized contractor on social issues.

Contact details to liaise with SOCAR GPC will be defined as below:

Address:

Phone Number:

Email Address:

Corporate website:

8.2 Contractor and Subcontractors

The establishment and implementation of the SEP is under the responsibility of SOCAR GPC. Contractors and subcontractors are not allowed to implement engagement activities directly but have to collaborate with SOCAR GPC within the framework of the Plan. Moreover contractors and subcontractors should appoint a responsible person that will act as point of contact with SOCAR GPC for all issues related to stakeholder engagement. SOCAR GPC, contractors and subcontractors have to liaise regularly to discuss on status of activities and on emerging issues that should be included in engagement activities. If Stakeholder engagement activities must be implemented in collaboration with the contractor and subcontractor, the CRO will liaise with the responsible persons to discuss on planned activities and level of collaboration needed. The contractors and subcontractors have to report to SOCAR GPC on a periodic basis regarding general activities progress so that the information can be disclosed to stakeholders during the planned activities.



9.0 GRIEVANCE MECHANISM

9.1 Purpose and Scope

The purpose of a grievance mechanism is to demonstrate responsiveness to stakeholder needs. A clear and widely publicised grievance mechanism improves stakeholder management by ensuring the grievances are documented in writing and clearly understood. All stakeholders are encouraged to submit written grievances and should be reassured that written submissions will not be used in any way to intimidate those submitting the complaints.

Key elements of a grievance mechanism include:

- Clear instructions on how grievances are submitted and handled after submission, including a minimum period that a stakeholder must wait to receive a reply; and
- Alternatives for submitting a grievance in person to a staff member if a stakeholder is not able to or comfortable submitting a grievance in writing.

9.2 Responsibilities

SOCAR GPC CRO is responsible for coordination of stakeholder engagement activities and the management of the corporate grievance procedure. SOCAR GPC CRO does not have the authority to resolve grievances, but rather works with a team of managers to collect accurate information about a given issue, to share it with appropriate senior management, and to communicate the resolution back to the person submitting the grievance.

9.3 Procedure

The Grievance Mechanism is a management procedure through which communities and individuals affected by SOCAR GPC's activities can formally communicate their concerns, complaints and grievances to the company and facilitate resolutions that are mutually acceptable by the parties, within a reasonable timeframe. The grievance mechanism is a management tool designed to help address stakeholder concerns and facilitate a trustworthy and constructive relationship. Steps of the management of the grievances are as below;

- Receiving and registering of the complaints
- Assessment of the complaint
- Resolution of the complaint
- Close out of the complaint

Grievances may be submitted in writing or verbally through staff of the project to the SOCAR GPC CRO that will put the grievance in writing for management purposes.

Other aspects include:

- All formal grievances will receive a formal reply within two weeks unless indicated otherwise in the grievance itself. The formal response will provide additional information or, if appropriate, further instructions on proposed measures to resolve the issues;
- All grievances will be documented. The importance of documenting all grievances is to make sure problems are accurately understood and handled appropriately;
- Written submissions will not be used in any way to intimidate the person or organisation submitting the complaint;
- As a general rule, names of persons submitting a grievance will be kept confidential unless a grievance is made in a public meeting;
- SOCAR GPC aims to resolve complaints within 30 business days.



- Grievances received anonymously will be treated as comments or issues and recorded, but no formal response will be issued; and
- While efforts will be made to resolve all grievances amicably, if a grievance cannot be resolved, SOCAR GPC will seek to involve other external experts, neutral parties or local and regional authorities, as necessary.
- The grievance procedure may be used by anyone at no cost and without any fear of retribution.

Written grievances may be submitted with a specifically prepared template form or by including the following information in a letter or e-mail:

- Name;
- Organisation and position, if relevant;
- Address;
- Telephone/Fax and e-mail;
- Most effective means to send a response; and
- Details of the grievance (any important details; date of the incident, location, etc.)

An example of the register and record forms to be used for the implementation of a Grievance Mechanism register is provided in APPENDIX C.

10.0 MONITORING AND REPORTING

The SEP will be updated upon major project changes and for project phases: ESIA/Scoping, Construction, Operation and Decommissioning. Updates will provide brief summaries of issues, concerns and questions raised during the previous year, as well as information on any changes between planned activities and the activities and events actually held. As explained throughout the SEP, stakeholder engagement is an underlying process that informs the on-going environmental and social management processes. The SEP will regularly list environmental and social reports that have been prepared and disclosed to the public. This process will be overseen by the SOCAR GPC CRO.

10.1 Monitoring

The correct implementation of this Plan is verified through internal inspections and audits to be carried out. The schedule, the frequency, the scope and objectives of the audit as well as the responsible internal auditors will comply to SOCAR GPC's internal audit policy.

Internal auditing shall address:

- The correct implementation of this Plan;
- The compliance to the frequency and to the planned schedule of activities indicated in the Plan;
- Timely and effective reporting.

During the inspections the audit team shall address in particular:

- Review of Stakeholder Engagement Activities register to ensure that record is filled correctly;
- Review of Stakeholder Engagement Activity forms and dossiers to ensure that information and material is filed and registered correctly;
- Review of Stakeholder Register to ensure that the list is continuously updated;
- Review of periodic reports prepared by the CRO to ensure that they are compiled correctly



- Levels of stakeholder participation in activities and of stakeholder satisfaction based on the information presented in the “lessons learned” section of the SEA Record form.
- Levels of satisfaction to the Grievance Mechanism effectiveness based on the information presented in the “lessons learned” section of the Grievance Record form.

Evidences and results of the inspection and audit activities have to be included in an audit reports. SOCAR GPC’s Management will review results of inspections and audits and the progress of the Preventive/Corrective actions and takes additional appropriate actions if necessary, according to the internal audit system.

10.2 Reporting

The outcomes of SEAs will be regularly reported both internally and externally.

10.2.1 Internal Reporting

With regards to internal reporting, the CRO is responsible for liaising with management on a regular and on an as-needed basis, to inform on general progress of the Plan implementation and to seek advice when needed.

In addition the CRO will prepare formal periodic reports on a six monthly basis during the construction phase and at defined frequencies during the operation phase. Reports have to contain the following information:

- Overall data on number and typology of activities performed;
- Attendance and feedback from Stakeholders;
- Problems and critical issues emerged;
- Status of Grievance Mechanism performance and critical issues emerged;
- Corrective actions taken within the Plan and schedule;
- Decisions to be taken with the management;

Reports will be presented during a six-monthly meeting to the Management and to any other staff deemed necessary.

10.2.2 External Reporting (to stakeholders)

With regards to external communication, SOCAR GPC will report back to communities and stakeholders within the framework of periodic external communication.

11.0 REFERENCES

EBRD, 2008. Environmental and Social Policy. London, UK.

IFC, 2007. Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets. Washington, D.C., USA.

IFC, 2012. Performance Standards on Environmental and Social Sustainability. Washington, D.C., USA.



Report Signature Page

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APPENDIX A

Stakeholder Register



Stakeholder Register

Name	Category
Executive power representative of the Garadagh rayon (region)	Governmental authorities at local level
Village of Azim Kend/Masiv 3 administrative representative	Governmental authorities at local level
Sangachal administrative representative	Governmental authorities at local level
Municipality representatives of the Sangachal	Governmental authorities at local level
Village of Azim Kend/Masiv 3 aghsakal (elder)	Governmental authorities at local level
Village of Sangachal aghsakal (elder)	Governmental authorities at local level
UMID Village administrative representative	Governmental authorities at local level
NGDU	Local businesses
BOS Shelf	Local businesses
Petrol station (s)	Local businesses
Sangachal railway station	Local businesses
SOCAR GPC personnel	Project Personnel
Health providers	Governmental authorities at local level
School representatives	Governmental authorities at local level
Ministry of Ecology	Governmental authorities at national level
Center of Hygiene and Epidemiology	Governmental authorities at local level
NGOs, Trade Unions and etc	NGO
Media representatives	Media



APPENDIX B

Stakeholder Engagement Activities Register Templates

Example of Stakeholder Engagement Activities Register

ID	Typology	Date	Location	Title of the meeting
1	Public Meeting			
2	Public Meeting			
3	Public Meeting			
4	Public Meeting			



Example of Stakeholder Engagement Activity Form

Number:	
Engagement Activity:	
Location and Date:	
Description of the activity or event	
Project Phase:	
Typology:	
Announcements and communication:	
Minutes of Meeting reference:	
Attendees Stakeholders	
Attendees SOCAR GPC	
Activity Details	
Agenda:	
Presentation material used:	
Discussion points:	



Outcomes:	
Actions to be taken:	
Lesson learned	
Other notes	



APPENDIX C

Grievance Mechanism Register Templates

Example of Grievance Register

No	Complainant	Grievance Description	Submission date	Receipt date	Submission Method	Closure date
1						
2						
3						



Example of Grievance Management Form

Grievance Information			
ID:			
Title:			
Submission method:			
Date of submission:			
Date of receipt:			
Complainant details			
Name:			
Organization:			
Address:			
Telephone/Fax:			
Email:			
Details on the reported Grievance			
<p><i>Location of the grievance</i></p> <p><i>Assets and Activities involves</i></p> <p><i>Any other party involves</i></p>			
Grievance review			
Is grievance eligible for mechanism:	Y/N		
Date completed:			
<i>Description of the review and result</i>			
Grievance assessment and resolution			
Grievance category:			



Parties involved in assessment:			
Resolution and Corrective actions			
<i>Description</i>			
Resolution and Corrective actions			
Action to be Taken		Responsible	Date/period
1.			
2.			
3.			
Records of any meeting held during the process			
Date	Attendees	Outcomes	
Records of any other Communication			
Date	Recipient	Type	Content
Closure			
Was complainant satisfied:	Yes/No/Partially		
<i>Description</i>			
Date of closure:		Signature :	

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