

Efeler GPP Capacity Extension Project

Stakeholder Engagement Plan

October 2018

Quality information

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Table of Contents

| | | |
|-----|--|----|
| 1. | Introduction | 5 |
| 1.1 | Project Background | 6 |
| 1.2 | Key Environmental and Social Issues..... | 8 |
| 1.3 | Social Studies Conducted as part of the ESIA Addendum Studies..... | 9 |
| 2. | Regulatory Requirements of Stakeholder Engagement | 10 |
| 2.1 | National Requirements | 10 |
| 2.2 | International Requirements..... | 11 |
| 3. | Summary of Previous Stakeholder Engagement Activities | 12 |
| 3.1 | Stakeholder Engagement in the scope of National EIA Process for Efeler GPP Project (Capacity Extension)..... | 12 |
| 3.2 | Stakeholder Engagement in the scope of Gurmat-2 ESAP | 12 |
| 4. | Stakeholder Identification..... | 13 |
| 5. | Stakeholder Engagement Plan | 15 |
| 6. | Grievance Mechanism | 17 |
| 6.1 | Objectives..... | 17 |
| 6.2 | Types of Grievances..... | 17 |
| 6.3 | Grievance Procedure..... | 18 |
| 7. | Timetable | 19 |
| 8. | Monitoring and Reporting..... | 20 |
| 9. | Responsibilities..... | 20 |
| 10. | Contact Information for the Public..... | 20 |
| | Appendix A Stakeholder List | 21 |
| | Appendix B Grievance Form | 24 |

Figures

| | |
|---|----|
| Figure 1. General Layout of the Existing Gurmat Facilities and Planned Capacity Extension Plants..... | 7 |
| Figure 2. Grievance Procedure Diagram..... | 19 |

Tables

| | |
|---|----|
| Table 1. Distance (km) of the Project to Surrounding Settlement Centers | 6 |
| Table 2. Interviews and Studies | 9 |
| Table 3. Public Participation Meetings for Efe-6, Efe7 and Efe-8 GPPs..... | 12 |
| Table 4. Project Stakeholder Groups..... | 13 |
| Table 5. Stakeholder Engagement Methods | 16 |
| Table 6. Types of Potential Grievances during Planning/Preparation, Construction and Operation Phases of the Project..... | 17 |
| Table 7. Tentative Timetable for Stakeholder Meetings and Information Disclosure..... | 19 |

1. Introduction

This Stakeholder Engagement Plan (SEP) has been prepared for the Efeler Geothermal Power Plant (“Efeler GPP”) Capacity Extension Project (“Efeler GPP Project” or the “Project”), which is planned to be constructed and operated by Gurmat Elektrik Uretim A.S. (“Gurmat Elektrik”, “Gurmat”, “the Company” or the “Project Sponsor”). Gurmat is a sub-company of Mogan Enerji, an investment holding established by Guris Holding for group’s investments in the energy sector.

The Project is located in Germencik district of Aydin province. At the Project location, Gurmat A.S. has been operating the existing 47.4 MWe Gurmat-1 GPP since 2009 and 114.9 MWe Gurmat-2 GPP (consists of Efe-1, Efe-2, Efe-3 and Efe-4 GPPs) since 2014. The Capacity Extension Project will utilize deep geothermal waters for energy generation and consists of 3 binary type GPPs, providing a total installed capacity of 97.6 MWe:

- Efe-6 GPP, 22.6 MWe installed capacity, located adjacent to southern border of Gurmat-1 GPP
- Efe-7 GPP, 25 MWe installed capacity, located adjacent to southern border of Efe-2 GPP
- Efe-8 GPP, 50 MWe installed capacity, located adjacent to the southern border of Efe-1, Efe-3 and Efe-4 GPPs’ site

Electricity Generation License for Efe-6 GPP and Pre-license for Efe-7 GPP and Efe-8 GPP were obtained in 2017. In addition, an Environmental Impact Assessment (EIA) process, in line with the national EIA Regulation was conducted separately for each unit of the Project and “EIA Positive Certificates” were obtained in 2016 for Efe-6 and in 2007 for Efe-7 and Efe-8. The SEP for Gurmat-2 (Efe-1, Efe-2, Efe-3 and Efe-4) is already in place.

Gurmat is committed to continue communicating openly and actively with workers, communities and governmental/non-governmental organizations on all topics in all Project related activities including the capacity extension works. This SEP has been designed to meet the Project Company’s corporate policies and standards, in line with applicable national legislation, European Bank for Reconstruction and Development (EBRD) Environmental and Social Policy. The SEP will also guide the Company towards implementing a structured stakeholder consultation and engagement during all stages of Project implementation. This includes construction, operation and decommissioning of the GPPs.

In the preparation of this Plan, it has been considered that stakeholder engagement is the basis to building strong, constructive and responsive relationships which are essential for the successful management of a project’s environmental and social impacts. The SEP aims at initiating the engagement process in the early phases of the Project to ensure timely public access to all relevant information.

In addition to identification of Project’s stakeholders, this SEP provides a framework for the consultation and engagement activities, the disclosure plan and the grievance mechanism. This helps affected stakeholders to raise their concerns about the Project, as well as providing feedback about the Company’s activities. The SEP also outlines the resources and responsibilities for the implementation and the means of monitoring and reporting on consultation and disclosure activities.

This SEP has been developed in accordance with the EBRD Performance Requirement 10 (PR10) on Information Disclosure and Stakeholder Engagement;

This SEP is a living document and will be regularly monitored, reviewed and updated by the Project Company throughout all stages of Project implementation. The Project Company will commission a competent team for the implementation of the SEP activities.

1.1 Project Background

The Project GPPs are situated 19-20 km west of the Aydin city center, in Germencik district. The Project GPP locations and the closest settlements are provided below:

- Efe-6 GPP is located adjacent to southern border of Gurmat-1 GPP. The closest settlement to Efe-6 GPP is Kizilcagedik neighborhood, which is situated around 1.2 km northeast. Other settlements located in the vicinity include Alangullu neighborhood that is situated in approximately 1.4 km northwest and Omerbeyli neighborhood that is situated 1.8 km east.
- Efe-7 GPP, is located adjacent to southern border of Efe-2 GPP. The closest settlement to Efe-7 GPP is Germencik. The closest point of Germencik is situated around 400 m northeast of the GPP.
- Efe-8 GPP is located adjacent to the southern border of Efe-1, Efe-3 and Efe-4 GPPs. The closest settlement to Efe-8 GPP is Sinirteke neighborhood, which is situated around 2.2 km southeast.

As the Project GPPs are located adjacent to existing Gurmat GPPs, need for construction of multiple additional access roads is eliminated, resulting in decreased associated impacts in terms of environment and especially occupational and community health and safety.

Distance of Efe-6, Efe-7 and Efe-8 GPPs to the nearby settlement centers are provided in Table 1 and General Layout of the Existing Gurmat Facilities and Planned Capacity Extension Plants is presented in Figure 1.

Table 1. Distance (km) of the Project to Surrounding Settlement Centers

| Settlement | Efe-6 GPP | Efe-7 GPP | Efe-8 GPP |
|---------------------------|-----------|-----------|-----------|
| Aydin city center | 19. | 20.0 | 18.0 |
| Germencik district center | 3.0 | 1.6 | 3.7 |
| Omerbeyli neighborhood | 2.3 | 5.0 | 2.5 |
| Kizilcegedik neighborhood | 1.9 | 4.5 | 3.0 |
| Alangullu neighborhood | 1.5 | 3.8 | 3.7 |
| Hidirbeyli neighborhood | 4.0 | 4.1 | 5.6 |
| Reiskoy neighborhood | 5.1 | 1.8 | 4.5 |
| Turanlar neighborhood | 5.5 | 2.9 | 3.9 |
| Sinirteke neighborhood | 5.0 | 5.5 | 3.0 |
| Erbeyli neighborhood | 4.2 | 5.8 | 3.0 |

The Project consists of exploration, construction, operation and closure phases. Currently (as of June 2018), Efe-6 is in operation and Efe-7 is under construction and pre-construction planning is ongoing for Efe-8. Efe-7 and Efe-8 will be operational in 2018 and 2019 respectively.

Within the scope of the Project, the 22.6 MWe Efe-6 GPP is projected to generate an annual 180.8 GWh electricity, the 25 MWe Efe-7 GPP is projected to generate an annual 200 GWh electricity and the 50 MWe Efe-8 GPP is projected to generate an annual 400 GWh electricity.

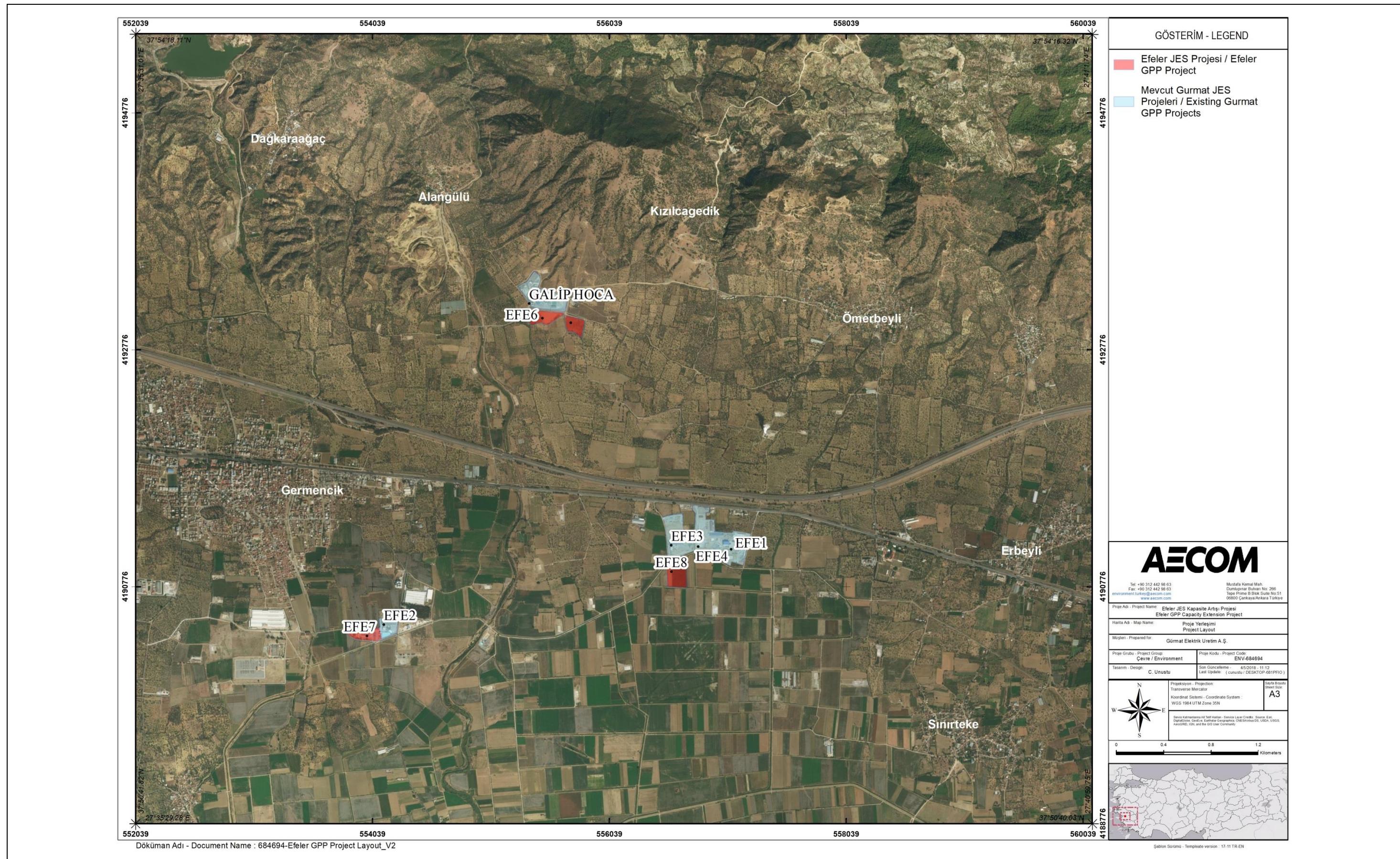


Figure 1. General Layout of the Existing Gurmat Facilities and Planned Capacity Extension Plants

During the construction phase of the Project, work hours will consist of 8 h/day shifts in 26 days/month for 12 months/year. On the other hand, generation will constantly continue during the operation phase. Therefore a system of three 8 hour shifts will be implemented throughout the entire year.

The main and associated units of the Project and their functions are provided below:

- Production and Rejection Wells: The Project will use production wells to tap into the reservoir for utilizing high temperature geothermal fluid for energy generation. Following energy generation at the GPP sites, the spent geothermal fluids will be reinjected back into the reservoir via reinjection wells.
- Pipelines: A network of pipelines will be used which will provide for connection of the production wells to the GPPs and following energy generation, the GPPs to reinjection wells.
- Power Plants: Geothermal fluids transported via the pipelines will be utilized in the GPPs for energy generation. All of the Project GPPs will use binary systems, which uses a secondary fluid for energy generation. Basically, geothermal fluid will be diverted to the evaporators to convert the pre-heated secondary fluid into steam by yielding its heat without any direct contact. Vaporized pentane will then be sent to the turbines for energy generation through the generators.
- Switchyards: Within the scope of the Project, high voltage switchyards will serve the adjustment of voltage level of the generated energy before connection to the national grid. A new switchyard has been constructed for Efe-6, a new switchyard will be constructed for Efe-8 and no switchyard is required for Efe-7.
- Energy Transmission Lines (ETL): Efe-6 will use an overhead ETL, Efe-7 will use an underground cable system and Efe-8 will connect to the grid through the existing switchyard located on Efe-1 GPP site.
- Emergency Ponds: The Project will utilize impermeable emergency ponds that will collect geothermal fluids in case of equipment failure and other emergencies such as well blow-outs or pipeline failures. The collected fluids will later be reinjected to the reservoir
- Fire Systems Within the scope of the Project, new fire extinguisher systems are designed for Efe-6 GPP, whereas fire systems for Efe-7 GPP is designed to use the fire systems of existing Efe-2 GPP, and fire systems for Efe-8 are designed to use the fire systems of existing Efe-1, Efe-2 and Efe-3 GPPs.

1.2 Key Environmental and Social Issues

Geothermal resources and hence geothermal power plants provide renewable and sustainable energy capabilities in terms of land use, noise and waste generation. However, despite that it is a green energy source; the Project's limited potential impacts need proper assessment and management throughout the construction and operation phases.

In line with the EBRD's Environmental and Social Policy (2014), and its associated Performance Requirements (PRs), a project of this type and scale requires a fit for purpose Environmental and Social Impact Assessment (ESIA). Following a review of the previous Environmental Impact Assessment (EIA) reports prepared for Efe-6, Efe-7 and Efe-8 GPPs to meet national requirements, additional supplementary environmental and social studies have been developed to meet the EBRD PRs and international good practice.

Potential environmental and social impacts of the project have been identified and detailed in the ESIA Addendum document. Within this regard, Project's social impacts are assessed to be completely preventable or manageable with good practices in place. In addition, land acquisition process is complete and all required land was acquired on willingness basis, where agreements were reached with land owners in terms of a mutually agreed price. Therefore no expropriation occurred. As the acquired lands were all agricultural areas, physical displacement was also not required.

1.3 Social Studies Conducted as part of the ESIA Addendum Studies

As part of the ESIA Addendum studies, consultations have been conducted with the representatives of nearby local communities, affected persons, relevant local administrations and Project personnel. In this scope, face-to-face interviews were conducted by ESIA Consultant's social expert during the site visit held on 22 November 2017, which are summarized in Table 2.

Table 2. Interviews and Studies

| Title/Role | Contents of the Meeting |
|--|--|
| H&S Specialist | <ul style="list-style-type: none"> • Health and Safety issues • OHS Management System |
| Personnel Chief | <ul style="list-style-type: none"> • HR Policies • HR Management System |
| Environment, OHS and Logistics Officer | <ul style="list-style-type: none"> • Labor and working condition • Contractor agreements and monitoring systems |
| Head Employee Representative | <ul style="list-style-type: none"> • Labor and working conditions • Employee representative system • Internal grievance mechanism |
| Director of Administrative Services | <ul style="list-style-type: none"> • Stakeholder Engagement Mechanism • Grievance process • Land acquisition process |
| Land Owner | <ul style="list-style-type: none"> • Land acquisition and compensation process |
| Headmen of Omerbeyli Neighborhood | <ul style="list-style-type: none"> • Baseline socioeconomic information • Grievance mechanism • Stakeholder engagement activities |
| District Health Director of Germencik | <ul style="list-style-type: none"> • Community health and safety issues |

2. Regulatory Requirements of Stakeholder Engagement

The SEP itself has been prepared in compliance with, and stakeholder engagement activities identified in this SEP will conform to the following legislation and standards:

- Relevant Turkish national legislation
- EBRD's Environmental and Social Policy and the associated PR 10 (2014)

Further details of the relevant Turkish legislation and applicable international requirements are given in the following sections.

2.1 National Requirements

Under the scope of the current Turkish Environmental Impact Assessment (EIA) Regulation (published in the Official Gazette dated 25 November 2014 and Numbered 29186), several references are made to information disclosure and stakeholder participation.

Regarding the participation of governmental stakeholders into the EIA process, a Scoping, Review and Evaluation Commission ("Commission") is established by the Ministry of Environment and Urbanization ("MoEU") at the scoping phase of the EIA process. This Commission includes representatives from related governmental agencies and institutes (if deemed necessary depending on the scope and type of the project, universities, representatives of the relevant research organizations, experts, professional chambers, unions, associations and non-governmental organizations may be asked to participate in the Commission). Commission members review the relevant EIA documentation throughout the process (e.g. EIA Application File, EIA Report) and provide their official views in writing at the scoping, review and evaluation stages. Accordingly, establishment of this Commission ensures that central and local governmental institutions that are relevant to a project are involved in and contribute to the EIA process starting from the scoping until the issuance of final EIA decision including the review and evaluation stages.

Regarding the participation of the public into the process, it is a legal obligation for the project owner as per the 1st clause of Article 9 of the EIA Regulation to organize a Public Participation Meeting (PPM) at a location easily accessible by the people affected by the project mostly. The meeting is conducted on a date which is determined in agreement with the Ministry of Environment and Urbanization (MoEU). The aim of the meeting is to inform project affected people about the investment and to get their opinions and comments regarding the project.

The Public Participation Meeting is chaired by the Provincial Director of Environment and Urbanization or an official assigned by the Provincial Director. During the meeting, a brief and understandable presentation is given to the participants by the competent EIA Consultant. The opinions of participants are obtained, and necessary explanations made to address the questions and concerns of the participants. The issues raised by the public are documented in the official meeting minutes to be considered and addressed in the EIA Report. Copies of the official minutes of meeting are kept by the Governorate and the Ministry. Through this mechanism, Public Participation Meeting provides an open platform to all interested parties to participate and submit their views, concerns and questions about the Project.

Additionally, the 2nd clause of the same article of the EIA Regulation states that activities such as questionnaires and seminars/workshops can be conducted by the project owner to increase the level of public participation.

Turkish EIA Regulation ensures information disclosure and stakeholder involvement at several stages starting from the scoping. In the scoping stage, the MoEU and the related provincial Governorate(s) announce to the public by using appropriate communication tools (e.g. announcements, notice boards, internet, etc.) that the EIA application has been made for the Project, EIA process has been started, and the views and proposals about the Project may be submitted to the Governorate or the MoEU until completion of EIA process.

Following the Public Participation Meeting, a Special EIA Report Format is prepared by the MoEU. In this process, the MoEU considers the views and proposals of the Commission (provided as official views) and the public (provided during the Public Participation Meeting). The EIA Report is then prepared in accordance with the Special Format.

Once the EIA Report is submitted to the MoEU for review, the MoEU and the related Governorate(s) announces to the public that the review process of the Commission has started. Appropriate communication tools (e.g. announcements, notice boards, internet, etc.) are used for the announcement. In parallel to Commission's review process, the Draft EIA Report is disclosed to public for comment. From the announcement date to the report finalization through the Review and Evaluation Meeting(s), stakeholders can review the Draft EIA Report and submit their views and comments to the MoEU or the Governorate(s) (through Provincial Directorate of MoEU). These comments are taken into consideration by the Commission members during their review and evaluation of the Project. The EIA Consultant also addresses relevant views and comments in the EIA Report. A Review and Evaluation Commission Meeting is also held at the headquarters of the MoEU in Ankara with the involvement of absolute majority of the Commission members. In this meeting, questions or comments of the Commission members are answered and/or discussed and the views of the Commission members are obtained (in written) for finalizing the EIA report. The Report is then finalized in consideration of the governmental stakeholders represented by Commission members and the Final Draft EIA report is submitted to the MoEU for the final public disclosure.

Accordingly, the Final Draft of the EIA Report is disclosed by the MoEU and the related Governorate(s) for 10 calendar days through announcement boards and at the internet page of the MoEU. Any view or comment received from public in this context is considered by the MoEU in the decision-making process. Depending on the comments received from public, MoEU may request fulfilment of the deficiencies, execution of additional studies or regathering of the Commission. Finally, the MoEU requires the Consultant to submit the Final EIA report with a statement indicating that the report and its annexes are under the commitment of the project owner. Taking the Commission's evaluations and the public views, MoEU gives its "EIA Positive" or "EIA Negative" decision regarding the project. At the latest stage, the decision of the MoEU is also disclosed to public using appropriate means.

2.2 International Requirements

The main applicable international standard for the Project, EBRD's performance requirements, agree with the approach of the UNECE Aarhus Convention, which identifies the environment as a public good and considers stakeholder engagement as an essential part of good business practices, corporate citizenship, and a way of improving the quality of projects.

In addition, EBRD requires that the projects it supports conform with the purpose and goals of the Aarhus Convention. This Convention assures the rights of access to information, public participation in decision-making, and access to justice in environmental matters, therefore protecting people's rights to a healthy environment.

Within this scope, The Project Company will conform to EBRD disclosure and stakeholder engagement requirements as outlined in EBRD's Performance Requirements 1 and 10:

PR 1

- Identify and engage with stakeholders in accordance with PR10;
- Dynamic process of performance monitoring and evaluation, including the monitoring of stakeholder feedback, the local community or inspections by regulatory authorities; and
- Regular reporting to EBRD on stakeholder engagement during project implementation.

PR10

Identify people or communities that are affected or could be affected by the project, as well as other interested parties;

Ensure that stakeholders are appropriately engaged on environmental and social issues that could potentially affect them; this is achieved through a process of information disclosure and meaningful consultation; and

Pay special attention to the identification of vulnerable groups who are living in the project impact area; this is done to understand whether their livelihood and well-being is influenced by project activities.

3. Summary of Previous Stakeholder Engagement Activities

Stakeholder engagement activities conducted to date (as of June 2018) include the activities conducted in the scope of previous national EIA processes for the Gurmat-1, Gurmat-2 and Capacity Extension Projects (i.e. public participation meetings conducted, official correspondences and meetings conducted with the governmental stakeholders, disclosure of national EIA reports in accordance with the EIA Regulation) and activities (e.g. face to face meetings and consultations with the Project stakeholders) conducted as part of the ESIA Addendum studies.

3.1 Stakeholder Engagement in the scope of National EIA Process for Efeler GPP Project (Capacity Extension)

In line with the requirements of the Turkish EIA Regulation, Public Participation Meetings were held in locations that are easily accessible for communities identified to be potentially affected by the Project. More than 10 days in advance of the meeting dates, advertisements were published in local and national newspapers to inform the public about the meeting dates and locations in accordance with the provisions of Turkish EIA Regulation. Additionally, announcements were posted at the meeting venues and offices of the neighborhood headmen for the same purpose.

The main questions and concerns raised by the participants during the meetings and meeting details are summarized below in Table 3.

Table 3. Public Participation Meetings for Efe-6, Efe7 and Efe-8 GPPs

| Project | Meeting Location | Meeting Date | Main Concerns/Questions/Issues Raised by Participants |
|--------------------------------------|--|-------------------|--|
| Efe-6 GPP | Omerbeyli neighborhood (Wedding Hall) | February 25, 2016 | <ul style="list-style-type: none"> • Details of the operation process to be conducted at the power plant; • Air pollution caused by geothermal power plants operating in the region; |
| Efe-7 and Efe-8 GPPs (joint meeting) | Germencik Municipality Conference Hall | December 23, 2016 | <ul style="list-style-type: none"> • Impacts of air pollutants emitted from these plants on agricultural lands; • Disturbances due to steam emitted from the stacks of the power plants. |

Source: *Efe-6 GPP National EIA Report, August 2016; Efe-7 GPP National EIA Report, April 2017; Efe-8 GPP National EIA Report, April 2017*

3.2 Stakeholder Engagement in the scope of Gurmat-2 ESAP

A SEP is in place and the grievance mechanism established within this scope is being implemented for Gurmat-2 (Efe-1, Efe-2, Efe-3 and Efe-4). Within this scope, a public participation meeting was held on October 31, 2014. To inform the communities and potentially interested parties of the meeting, invitation letters were sent to administrative bodies, advertisements were posted at local places and announcements were published in local and regional newspapers 1 week prior to meeting. During the meeting, information regarding Gurmat-2, its potential environmental and social impacts and relevant management measures, applicable national legislation and international standards were provided to the public. The key concerns raised by the public included the following:

- Maximization of local employment
- Request for further information regarding land acquisition procedure

4. Stakeholder Identification

In line with the definitions of international standards, this SEP recognizes a stakeholder as any individual, organization or group that is potentially affected by the Project or that has an interest in the Project and its impacts. The purpose of stakeholder identification is to determine and prioritize Project stakeholders for consultation that may be affected (either directly or indirectly in positive or negative way) by the Project or that have an interest in the Project but are not necessarily directly impacted by the Project. As part of the stakeholder identification process, it is also important to identify individuals and groups that may be differentially or disproportionately affected by the Project because of their disadvantaged or vulnerable status.

The stakeholders that have been identified as being affected by or potentially interested in the Project are listed in Table 4, whereas a detailed list including contact details of the key stakeholders is given in Appendix A. Organizations or groups which are not listed and wish to be informed about the Project, are invited to contact Project Company (see Chapter 10 for contact details for the public) to add their contact information to the list. This SEP is a living document and will be updated and revised as necessary, including the list of Project stakeholders.

Table 4. Project Stakeholder Groups

| Stakeholder Groups | Definitive Stakeholders | Summary of Specific Interest/Relevance |
|--|---|--|
| External Stakeholders | | |
| National Governmental Organizations | Ministry of Energy and Natural Resources Ministry of Forestry and Water Affairs (especially General Directorate of State Hydraulic Works) Ministry of Environment and Urbanization Ministry of Culture and Tourism Ministry of Labor and Social Security Ministry of National Education (for education related CSR activities) Energy Market Regulatory Authority | National and regional development Policy formulation Permitting Cumulative impacts |
| Local Governmental Organizations | Governorship of Aydin (including Provincial Directorate of Environment and Urbanization, Food, Agriculture and Livestock, Culture and Tourism) Germencik District Governorate İncirliova District Governorate Aydin Metropolitan Municipality Germencik Municipality İncirliova Municipality Local Police Force Local Emergency and Health Services | Social and economic development Environmental protection Management of environmental impacts (e.g. wastes, wastewater) Permitting |
| Public Economic Enterprises | Turkish Electricity Transmission Company (TEIAS) | Implementation of infrastructure services Operation and maintenance of Project ETUs |
| Non-governmental Organizations (NGO's) – international, national and local | Nature Association Environment Foundation of Turkey WWF Turkey the Association of Geothermal Electrical Plant Investors (JESDER) Turkey Geothermal Association Aydin Branch Office of Union of Chambers of Turkish Engineers and Architects (TMMOB) Women associations | Environmental and social impacts Cumulative impacts Economic development |
| Local Communities/Residents (incl. landowners and/or users) | Germencik district Alangullu neighborhood Erbeyli neighborhood Hidirbeyli neighborhood Kizilcegedik neighborhood Omerbeyli neighborhood | Environmental and social impacts Cumulative impacts Income loss Land acquisition Employment |

| Stakeholder Groups | Definitive Stakeholders | Summary of Specific Interest/Relevance |
|------------------------------|---|--|
| | Reiskoy neighborhood Sinierteke neighborhood Turanlar neighborhood Project affected persons (PAPs) using the License Area for agricultural purposes Vulnerable persons/groups | |
| Local Businesses | Local Enterprises | Procurement and service provision opportunities Inward investment |
| Universities | Aydin Adnan Menderes University | Technical Consultancy |
| Local Media | Local newspapers, local television channels, etc. | Relaying correct Project information to communities Advertisements |
| Lenders | International finance institutions (including private banks) | Project finance |
| Internal Stakeholders | | |
| Company | Employees Contractors and Sub-contractors and their Employees | Growth and development Stable employment and opportunity Occupational health and safety |
| Company Shareholders | All shareholders | Reputation with regard to Environmental and Social Performance of the Project Business growth and shareholder value |

5. Stakeholder Engagement Plan

The Company already has in place a SEP for Gurmat-2 GPPs (Efe-1, Efe-2, Efe-3 and Efe-4).

The engagement activities and monitoring system provided in this SEP for the Capacity Extension Project will be implemented during the lifetime of the Project.

To ensure effective and meaningful engagement with different stakeholder groups, the Project Company will use various appropriate methods of communication and information throughout construction, operation and decommissioning phases of the Project. Above all, electronic copies of the Disclosure Package documents and the national EIA will be disclosed to public (in Turkish and in English) on the Mogan Enerji web site (<http://www.mogan.com.tr>), as well as the EBRD website (<http://www.ebrd.com> – for the 60 day disclosure period) to allow stakeholders to view information about the planned development and to initiate their involvement in the public consultation process. Documents to be disclosed for Capacity Extension Project include the following:

Disclosure Package

- **National EIA Reports**
- **ESIA Addendum**
- **Non-Technical Summary (NTS)**
- **Stakeholder Engagement Plan (SEP) (including the Grievance Procedure)**
- **Environmental and Social Action Plan (ESAP)**

It is envisaged that electronic copies of the above listed documents will remain in the public domain for the duration of the Project and that this SEP will be updated periodically and will remain publicly available on the web-site and in the offices of the Project Company in Turkish.

In addition to electronic copies, hard copies of the documents comprising the Disclosure Package and the national EIAs will also be available at the related Municipalities (Aydın Metropolitan Municipality, Germencik Municipality, İncirliova Municipality), Project site offices and the neighborhood headmen's offices at the selected settlements:

- Alangullu neighborhood
- Erbeyli neighborhood
- Kizilcegedik neighborhood
- Omerbeyli neighborhood
- Reiskoy neighborhood
- Sinirteke neighborhood

A public announcement will be made on the local media, as well as through notifying the headmen, using public information boards including the Germencik municipal information board, distributing leaflets and additional announcements at local media outlets to disseminate information on Project specifics, details of environmental and social studies and the stakeholder engagement approach. Announcement will include Company contact details and information on the grievance mechanism.

Annual environmental and social reports including monitoring data will be prepared and submitted to the Lenders (i.e. EBRD). In this respect, summarizes the type of information to be shared with each stakeholder group and the specific methods for communication/consultation to be used for stakeholder engagement.

Particularly in consultations with and information of the local communities, elected neighborhood headmen ("Muhtars") will play an intermediary role by acting as a bridge between communities and external stakeholders from outside their localities. As required, meetings will be conducted with the headmen and community representatives to inform them about the Project development accurately.

To engage with the internal stakeholders, including direct employees and the contracted workers, and inform them about the Project developments and internal mechanisms, the following particular methods will be used:

- For Employees of Gurmat:
 - Internal newsletters, notifications and intranet
 - Code of Conduct
 - Internal grievance procedure
 - Company bulletin boards
- For temporary construction workers, contractors, subcontractors:
 - Bulletin boards
 - Code of conduct
 - Internal grievance procedure

Table 5 summarizes the type of information to be shared with each stakeholder group and the specific methods for communication/ consultation to be used for stakeholder engagement.

Table 5. Stakeholder Engagement Methods

| Stakeholder Group | Engagement Method |
|--|---|
| Local communities (including vulnerable groups) in the Project's Impact Area | <ul style="list-style-type: none"> • Electronic publications and press releases on Company website • Disclosure Package and national EIA Reports (hard copy) at neighborhood headmen offices, Project office • Press releases in the local media for the announcements regarding information events (i.e. community meetings, etc.) • Regular and on-demand meetings • Leaflets, brochures, information board posts • Correspondences and telephone calls • Procurement announcements at public areas and boards |
| Non-governmental organizations | <ul style="list-style-type: none"> • Electronic publications and press releases on Company website • Regular and on-demand meetings • Correspondences and telephone calls |
| Government authorities and agencies (including Public Economic Enterprises) | <ul style="list-style-type: none"> • Disclosure Package and national EIA Reports (hard copy) at neighborhood headmen offices, Project office • Regular and on-demand meetings • Correspondences and telephone calls |
| Local businesses, recruitment agencies | <ul style="list-style-type: none"> • Electronic publications and press releases on Company website • Leaflets, brochures, information board posts • Procurement announcements at public areas and boards |
| Universities | <ul style="list-style-type: none"> • Regular and on-demand meetings • Correspondences and telephone calls |
| Lenders | <ul style="list-style-type: none"> • Electronic publications and press releases on Company website • Regular and on-demand meetings • Correspondences and telephone calls |

6. Grievance Mechanism

The Company already has in place a grievance mechanism for Gurmat-2 GPPs (Efe-1, Efe-2, Efe-3 and Efe-4). Within this scope, the Company appropriately addresses all related grievances in a timely manner. The contractors are also responsible of receiving and addressing any grievances in line with the Company's standards. Contractor grievance response performance will be monitored by the Company.

Currently, the grievances are recorded and responded to appropriately. The grievance mechanism described in this SEP will be implemented to further increase the effectiveness of grievance redress procedures in the future.

6.1 Objectives

Managing, avoiding, minimizing and effective handling of grievances is an integral part of a sound stakeholder engagement strategy. A significant number of grievances arise from misunderstandings and such grievances can be avoided, or reduced, through proactive and consistent engagement with communities. Engagement also helps anticipate and review community concerns to prevent them from escalating to grievances. A specific Project grievance mechanism is useful for:

- Addressing community and individual concerns and complaints before they escalate beyond control;
- Reducing developers/project executing agencies exposure to litigation – and related risks and costs;
- Identify and implement appropriate and mutually acceptable actions to address complaints;
- Ensure that complainants are satisfied with outcomes of the corrective actions; and
- Avoid the tendency to resort to judicial proceedings.

Grievances are useful indicators of a Project's environmental and social performance. High number of grievances may point out a need to adjust work practices or procedures in order to mitigate adverse effect or conflicts with the stakeholders.

6.2 Types of Grievances

Table 6 summarizes different types of grievances that may arise during planning/ preparation, construction and operation phases of the Project.

Table 6. Types of Potential Grievances during Planning/Preparation, Construction and Operation Phases of the Project

| Exploration Phase | Construction Phase | Operation Phase |
|---|---|--|
| -Misconduct of Project personnel/workers | -Environmental pollution | -Environmental pollution |
| -Insufficient information | -Disruption or damages to local roads | --Damages to agricultural areas |
| -Environmental pollution | -Closure of passageways | -Insufficient information |
| -Disruption or damages to local roads | -Nuisance from dust, noise and vibration | -Misconduct of Project personnel/workers |
| -Disruption or damages to infrastructures | -Disruption or damages to infrastructures | -Community health and safety impacts |
| -Damages to agricultural areas | -Damages to agricultural areas | -Health problems, injuries and accidents |
| -Health problems, injuries and accidents | -Population influx | -Odor impact |
| | -Misconduct of Project personnel/workers | |
| | -Increase in the traffic load | |
| | -Community health and safety impacts | |
| | -Health problems, injuries and accidents | |
| | -Unfair employment/procurement opportunities for the locals | |

Note: Land acquisition is complete and physical resettlement did not occurred.

6.3 Grievance Procedure

Information regarding the procedure and channels (e.g. phone, e-mail address, and website) that can be used to lodge grievances will be provided in all nearby settlements within the Project Impact Area and on the Company website. Grievance boxes will be provided in appropriate public spaces in selected settlements.

The grievance process for the Project is presented in Figure 2. Each complaint whether from an individual, entity or a community will be considered. A response to each specific complaint will be communicated to the party that raised it (complainant). A formal procedure will be used to log the key information provided by a complainant and to record any related incoming communications. A record of actions taken and resolutions agreed as a result of the grievance investigation will also be documented.

A formalized procedure, ensuring response to any concerns and complaints from affected stakeholders and communities is aimed. Where training is necessary for the staff involved in the management of the grievance mechanism, the Company will ensure that such training is provided in a timely manner. The implementation of the Grievance Procedure will be under the day to day responsibility of a designated personnel with related skills and experience.

Grievance boxes will be placed at the Project sites and neighborhood headmen's offices in selected settlements to facilitate collection of grievances.

A Public Grievance Form, which will be used to lodge a grievance, is provided, in Appendix B.

If the complainant is not satisfied with the solutions proposed and implemented by the Company to address the raised comment or grievance, the complainant is free to seek other mediation or legal remedies in accordance with Turkish law.

The grievance procedure will cover employee and non-employee grievances. Contractor employees will also have access to the employee grievance mechanism. Employee suggestion boxes will be available at the construction camp sites/ power plants.

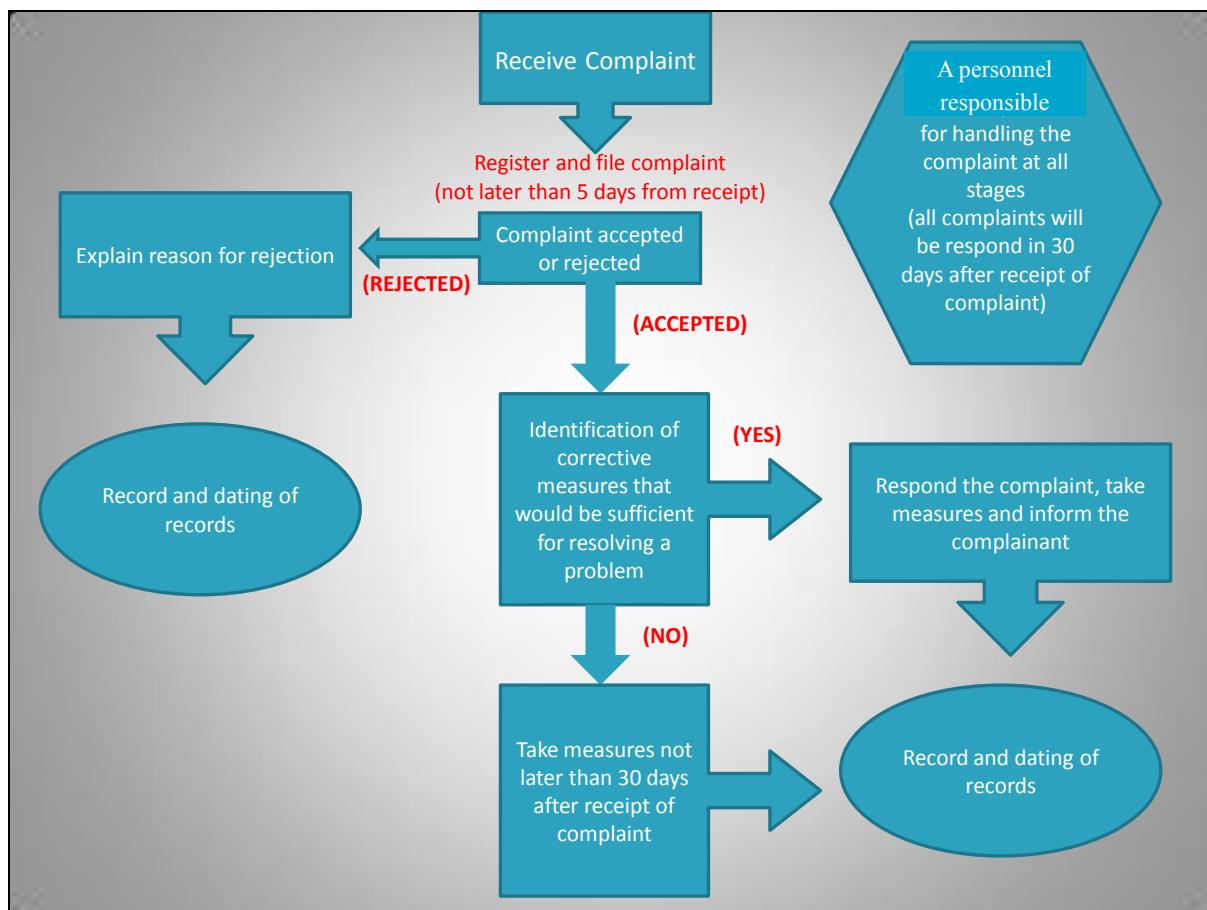


Figure 2. Grievance Procedure Diagram

7. Timetable

Actions and provisional dates with regard to information disclosure and stakeholder consultation are determined as given in Table 7. Exact timetable and frequency of the activities will be specified in the due course and the SEP will be updated accordingly.

Table 7. Tentative Timetable for Stakeholder Meetings and Information Disclosure

| Activity/Event | Timetable |
|--|-----------|
| Dissemination of hard copies of the ESIA Addendum, NTS and SEP | 2018 Q4 |
| Implementation of the updated Grievance Mechanism | 2018 Q4 |

The Project Company will continue to hold stakeholder meetings and carry out information disclosure activities to the extent possible in the future.

8. Monitoring and Reporting

The SEP will be periodically reviewed and updated, as necessary, during the course of the Project implementation. Monthly summaries of grievances, queries and related incidents together with the implementation status of corrective/preventive actions will be referred to the Company's senior management. Monthly summaries will be used to assess both the number and nature of complaints (if any), along with the Company's ability to address complaints in a timely and effective manner.

9. Responsibilities

The Company will have an overall responsibility for undertaking and supervising engagement with all stakeholders in relation to the Project and will use available resources to ensure that the relevant activities are conducted effectively and to the appropriate standard. Received grievances and response status with actions taken/ to be taken and the results will be summarized in monthly reports. These reports will include a section detailing the number and nature of grievances received and the Company's performance in addressing the grievances. The Operation Manager will review these reports to ensure all grievances are responded to appropriately.

The construction and operation phase contractors will be monitored closely in order to comply with the requirements of this SEP.

10. Contact Information for the Public

Gurmat Head Office

Address: Ankara Caddesi No: 222, Karaoğlan Mahallesi, Golbasi, 06830, ANKARA

Telephone number: +90 (312) 484 05 70

Fax: +90 (312) 484 45 78

E-mail: info@gurmat.com.tr

Website: www.mogan.com.tr

Project Site

Address: Omerbeyli Koyu Mevkii, Germencik, Aydin, Turkey Telephone number: +90 (256) 563 33 25

Fax: +90 (256) 563 35 11

Contact Name: Necati Bayrakoğlu

Appendix A Stakeholder List

| Stakeholder Groups | Definitive Stakeholders | Contact Details |
|--|--|---|
| External Stakeholders | | |
| National Governmental Organizations and Public Enterprises | Ministry of Energy and Natural Resources | Address: Turkocagi Cad. No:2 Pk: 06100 Cankaya/ANKARA Telephone: +90 (312) 212 6420 |
| | Ministry of Forestry and Water Affairs | Address: Bestepe Mah. Alparslan Turkes Cad. No: 71 - Yenimahalle/ANKARA Telephone: +90 (312) 207 5000 |
| | Ministry of Environment and Urbanisation | Address: Mustafa Kemal Mahallesi Eskisehir Devlet Yolu 9. km. No: 278 Cankaya / ANKARA Telephone: +90 (312) 410 1000 E-mail: cevrevetsehircilikbakanligi@hs01.kep.tr |
| | Ministry of Food, Agriculture and Livestock | Address: Universiteler Mah. Dumlupinar Bulvarı No: 161 Pk:06800 Cankaya/ANKARA Telephone: +90 (312) 287 3360 |
| | Ministry of Culture and Tourism | |
| | Ministry of Labour and Social Security | Address: Emek Mahallesi, 17. Cadde No:13 Pk: 06520 Çankaya / ANKARA Telephone: +90 (312) 296 6000 |
| | Energy Market Regulatory Authority | Address: İşçi Blokları Mahallesi Muhsin Yazıcıoğlu Caddesi (Eski 1483 Cd.) No:51/C 06530 Yüzüncüyil/Çankaya/ANKARA Telephone: +90 (0312) 201 40 00 - 201 40 01 - 201 40 02 |
| | State Hydraulic Works | Address: Devlet Mahallesi , İnönü Bulvarı No: 16 Çankaya / ANKARA TÜRKİYE Telephone: +90 (312) 454 54 54 |
| | General Directorate of Renewable Energy | Address: Eskisehir yolu 7. km No:166 Pk:06520 Cankaya/ANKARA Telephone: +90 (312) 295 5000 E-mail: info@yegm.gov.tr |
| | Turkish Electricity Transmission Company (TEIAS) | Address: Nasuh Akar Mah. Turkocagi Cad. No:12 Balgat/ANKARA Telephone: +90 (312) 222 8160 |
| | Turkish Employment Agency | Address: Emniyet Mah. Mevlana Bulv. No:42, Yenimahalle/ANKARA Telephone: +90 (312) 216 3000 |

| Stakeholder Groups | Definitive Stakeholders | Contact Details |
|--|--|---|
| Local Governmental Organizations | Governorship of Aydin | Address: Köprülü-veysipaşa Mahallesi, Hükümet Blv. No:74, 09100 Aydin Merkez/Aydin Telephone: +90 (256) 212 24 16 |
| | Germencik District Governorate | Address: Camikebir Mahallesi, Atatürk Cad. Hükümet Konağı D:36-38, 09700 Germencik/Aydin, Turkey Telephone: +90 (256) 563 10 11 |
| | İncirliova District Governorate | Address: Hürriyet Mahallesi, Kenan Evren Cad. Hükümet Konağı, 09610 İncirliova/Aydin Telephone: +90 (256) 585 24 26 |
| | Aydin Metropolitan Municipality | Address: Güzelhisar Mahallesi, İstiklal Cad. No:4, 09100 Merkez/Efeler/Aydin Telephone: +90 444 40 09 |
| | Germencik Municipality | Address: edieylü Mahallesi, Köprülü Mehmet Paşa Sk. No:16, 09700 Germencik/Aydin Telephone: +90 (256) 563 01 20 E-mail: basin@germencik.bel.tr |
| | İncirliova Municipality | Address: Cumhuriyet Mahallesi, Kenan Evren Cad. No:37, 09610 İncirliova/Aydin Telephone: +90 (256) 585 12 24 E-mail: bilgi@incirliova.bel.tr |
| | Germencik District Police Headquarters | Address: Camikebir Mahallesi, Çetinkaya Sk. Özel İdare Binası No:19, 09700 Germencik Telephone: +90 (256) 563 11 03 |
| | Local Emergency and Health Services | Various |
| Non-governmental Organizations (NGO's) – international, national and local | Nature Association | Address: Kızılay Mahallesi, Menekşe-2 Sk. 33/5, 06100 Çankaya/Ankara Telephone: +90 312 481 25 45 |
| | Environment Foundation of Turkey | Address: Tunali Hilmi Cad. No:50/20 Pk: 06660, Cankaya/ANKARA Telephone: +90 (312) 425 55 08 E-mail: çevre@cevre.org.tr |
| | WWF Turkey | Address: Buyuk Postane Cad. No: 19 Kat: 5 Pk:34420 Bahcekapi Fatih/İSTANBUL Telephone: +90 (212) 528 2030 |

| Stakeholder Groups | Definitive Stakeholders | Contact Details |
|---|---|---|
| | the Association of Geothermal Electrical Plant Investors (JESDER) Turkey Geothermal Association | E-mail: info@wwf.org.tr Adress: 1203/11 Sokak No:3 D:4/409 35110, Yenişehir / İzmir Telephone: + 90 (232) 457 77 22 E-mail:info@jesder.org |
| | Clean Energy Foundation (TEMEV) | Address: Defne Sokak 18/1 Pk: 06540 Asagi Ayrancı/ANKARA Telephone: +90 (312) 468 0309 E-mail: temev@temev.org.tr |
| | Energy and Environment Foundation (ENDER) | Address: Oguzlar Mah. Suleyman Haciabdullahoglu Cd. 1397 Sok. No:14, Balgat Cankaya/ANKARA Telephone: +90 (312) 443 6337 |
| | Federation of Turkish Women Associations | Address: Akay Cad. No: 15/2 Kucukesat/ANKARA Telephone: +90 (312) 417 2604 |
| Local Communities/ Residents (incl. landowners) | Kizilcegedik neighborhood headman Alangullu neighborhood headman Hidirbeyli neighborhood headman Reiskoy neighborhood headman Turanlar neighborhood headman Sinirteke neighborhood headman Erbeyli neighborhood headman | Various |
| Local Businesses | Local Enterprises | Various |
| Universities | Aydin Adnan Menderes University | Address: Adnan Menderes Üniversitesi Merkez Kampüsü, Kepez Mevkii Efeler / Aydın Telephone: +90 (256) 218 20 00 |
| Local Media | Local newspapers, local television channels, etc. | Various |

Appendix B Grievance Form

Grievance Sample Form

| | |
|---|--|
| Reference No (to be filled in by responsible person in Gürmat): | |
| Full Name: | [Insert] |
| Contact Information and Preferred method of communication Please mark how you wish to be contacted (mail, telephone, e-mail) | <input type="checkbox"/> By Post: Please provide postal address: <input type="checkbox"/> By Telephone: Please provide telephone number: <input type="checkbox"/> By E-mail: Please provide E-mail address: |
| Description of Incident or Grievance: | What happened? Where did it happen? Who did it happen to? What is the result of the problem? Source and duration of the problem? |
| Date of Incident/Grievance | One time incident/grievance (date _____) Happened more than once (how many times? _____) On-going (currently experiencing problem) |

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

Signature: _____

Date: _____

Please return this form to:

Gürmat Head Office

Contact Person: Zeynep Yarga

Address: Ankara Caddesi, No: 222, Karaoglan Mah., Golbasi, 06830, Ankara, Turkey

Telephone number: +90 (312) 484 05 70

Fax: +90 (312) 484 26 77

E-mail: info@gurmat.com.tr

Gürmat Omerbeyli Field

Contact Person: Mr. Necati Bayrakoğlu

Omerbeyli Koyu Mevkii, Germencik, Aydin, Turkey

Telephone number: +90 (256) 563 33 25

Fax: +90 (256) 563 35 11

E-mail: info@gurmat.com.tr

