



BUILDING A BETTER WORLD



Stakeholder Engagement Plan

Krasnoyarsk Cement Plant

Sibirsky Cement Company, Russia

October 2011

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Environmental and Social Due Diligence Krasnoyarsk Cement Plant - Sibirsky Cement Company Russia

Stakeholder Engagement Plan

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Introduction

The European Bank for Reconstruction and Development (“EBRD” or the “Bank”) is considering providing financing to Sibirsky Cement Company Russia (“Sibirsky Cement” or the “Company”). The proceeds will be used to provide financing for the creation of a new dry process line at Krasnoyarsk Cement Plant (the “Site”), to work in parallel with the existing wet process line. Other projects planned as part of the modernization programme include the construction of covered conveyor line to deliver crushed limestone from the Torgashinsky limestone quarry to the main industrial site of the Krasnoyarsk Cement Plant.

The Site is located in the Southern Industrial Hub of the Krasnoyarsk City, as shown in the following figure.

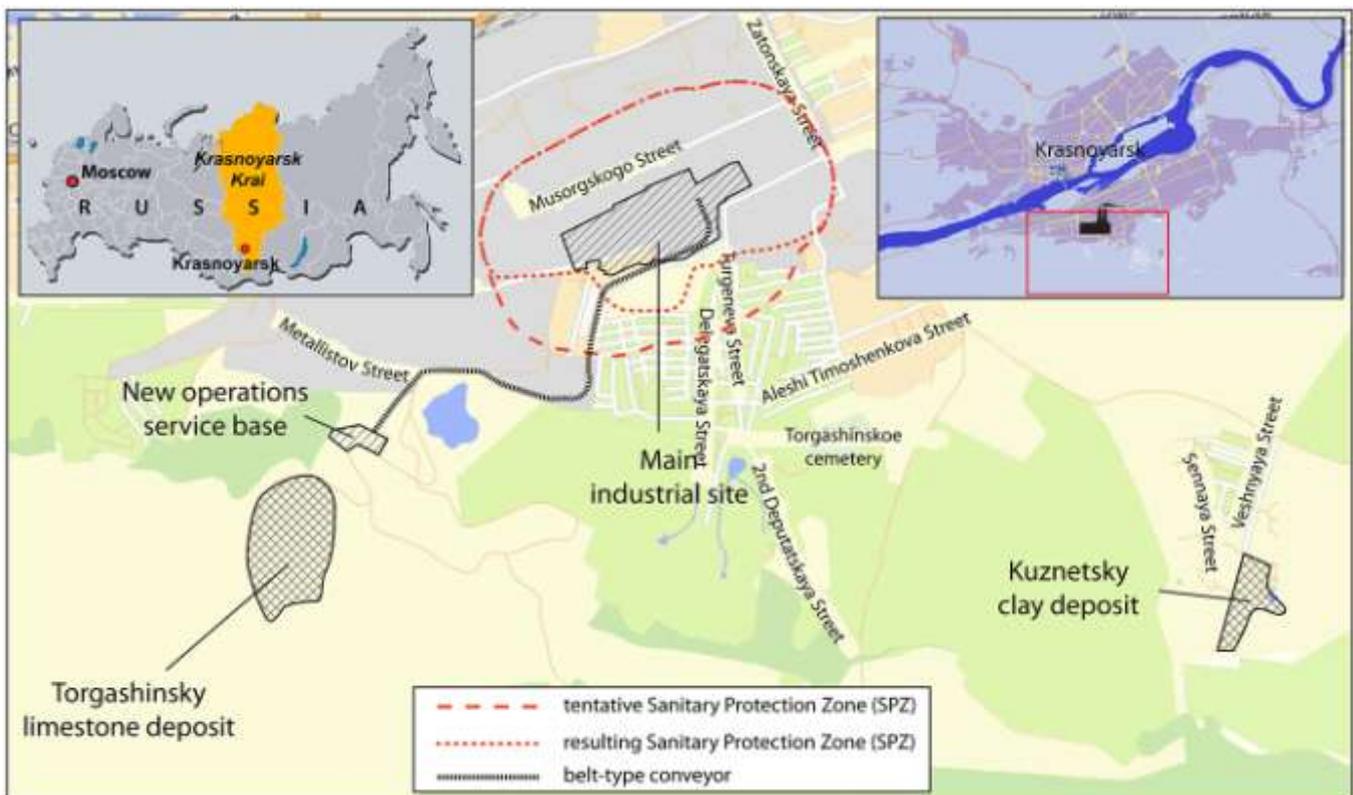


Figure 1 – Site location

The Bank engaged MWH to undertake an Environmental and Social Due Diligence of the Company and an Environmental Analysis of the planned investment program before making a financing decision.

MWH teamed up with Ecoline Environmental Assessment Centre (“Ecoline EAC”) to carry out the assignment.

The present Stakeholder Engagement Plan (SEP) has been developed as part of the Environmental and Social Due Diligence. The SEP describes key proposed actions in order to enhance public information and stakeholder engagement procedures, at both corporate and plant levels. The proposed actions are in line with EBRD requirements and Russian legislation, and have been developed taking into account the relevant experience within the Company, as well as best international practices.



1. Requirements Regarding Stakeholder Engagement Process

Since the Company considers borrowing from the EBRD, the public/stakeholder consultation and engagement process should be therefore organized in a way that is consistent with the Russian legislation and meets the relevant requirements of the EBRD.

1.1 Requirements of the Russian Legislation

In the Russian Federation, public consultations with regard to proposed investment projects are carried out within the framework of the OVOS procedure (the national environmental impact assessment procedure in Russia) [6]. The consultation process includes three stages (preliminary assessment or scoping, the main stage, and the final stage); it is organised by municipal self-government bodies and ensured by the project proponent. The regulations include specific requirements related to the procedure of disclosing information and receiving stakeholder feedback, which are to a significant extent consistent with the requirements of the international financial institutions.

In preparing this Plan, other laws and regulations of the Russian Federation [2-6], Krasnoyarsk Region [9-11], and the city of Krasnoyarsk [15] were taken into account.

1.2 EBRD's Requirements

1.2.1 EBRD Mandate and Key Documents

The key EBRD's requirements regarding the stakeholder consultation process are governed by the EBRD Environmental Policy and the applicable Performance Requirements (PR) adopted in 2008. Specific stakeholder engagement requirements are set out in the following documents:

- EBRD Environmental and Social Policy (2008).
- EBRD Public Information Policy (2008).
- PR 10. Information Disclosure and Stakeholder Engagement (2008).

Other relevant documents applicable to the EBRD-funded projects include:

- UNECE Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention).
- The EU Directive EC 85/337/EEC, amended by the Directive 97/11/EC, on the Assessment of the Effects of Certain Public and Private Projects on the Environment.

1.2.2 Stakeholder Engagement Requirements

The EBRD views stakeholder consultations as a continuous process covering all stages of the project life, from the earliest stage on the environmental assessment process and throughout the life of the EBRD-financed project.

The EBRD's requirements with regard to the public consultation process, are to a large extent similar to the Russians requirements, but also have a number of significant differences, which can be briefly summarised as follows:

- the EBRD considers stakeholder consultation as a continuous process covering all stages of the project life; whereas in the Russian legislation there are three fixed stages;
- the EBRD's policies request a systematic identification of stakeholders, their expectations and concerns; significant attention is paid to the identification, informing and engagement of specific stakeholder groups; it is recommended to pay particular



attention to disadvantaged or vulnerable groups whose vital interests can be affected by the project implementation;

- the establishment of a formal public grievance mechanism, providing an opportunity for extrajudicial resolution of conflicts, is a mandatory requirement.
- the maintenance of a close interaction with the local community and the promotion of its development should be an essential element of corporate policies and activities of all companies borrowing through the EBRD. Moreover while there is no explicit requirement for charitable contributions or charity activities, they are encouraged and appreciated.

1.2.3 Domestic and International Best Practice

The IFC's publication Stakeholders Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets [12] should be used as best practice guidelines in the context of the proposed project. The Handbook describes key principles of and approaches to stakeholder engagement (in accordance with IFC's policies) and provides concrete examples of applying those approaches in various countries (including Russia).



2. Stakeholder Identification and Key Approaches

2.1 Methodology

2.1.1 Principles

In order to meet EBRD requirements and best practice approaches, the following principles for stakeholder engagement are suggested:

- **Openness and life-cycle approach:** public consultations should be arranged for all development initiatives during the whole life-cycle, carrying them out in an open manner, free of external manipulation, interference, coercion or intimidation;
- **Informed participation and feedback:** information should be provided to and widely distributed among all stakeholders in an appropriate format; opportunities should be provided for communicating stakeholders' feedback, for analysing and addressing comments and concerns, for improving management decisions based on public feedback (where relevant), and also building long-term relations;
- **Inclusiveness and sensitivity:** stakeholder identification should be undertaken to support better communications and build effective relationships. The participation process should be inclusive, not exclusive. All stakeholders should be encouraged being involved in the consultation process. Equal access to information should be provided to all stakeholders. Sensitivity to stakeholders' needs is the key principle underlying the selection of engagement methods. Special attention should be given to vulnerable groups.

2.1.2 Stakeholders Analysis and identification

It is anticipated that the present Stakeholder Engagement Plan (SEP) will help clarify the stakeholder identification procedure. The following criteria, adjusted to take account of local specific conditions, are proposed to be used for the identification of stakeholders:

- **Liability:** project implementation or on-going operations may result in legal, financial or other liabilities of the proponent to a social group;
- **Influence:** a social group may be able to substantially influence project implementation or on-going operations ;
- **Partnership:** there are opportunities for building partnership relations between the Company and a given social group in the framework of the project implementation or on-going operations;
- **Dependency:** project implementation may significantly affect a given social group, in particular, it may affect vital interests of its representatives if they are dependant on the project on-going operations in economic or financial terms;
- **Representation:** a social group may have a right to represent interests with regard to a project or on-going operations, and this right is legitimated through legislation, custom and and/or cultural specifics;
- **Expressed interest:** a social group and/or individuals may express interest to a project or on-going operations, and this group is not necessarily directly affected by the planned or current activities.



Within the framework of the preparation of this Plan, a tentative identification of relevant stakeholders and their main expectations and concerns was carried out (see Table 1). All stakeholders were classified into two categories: internal¹ and external ones; the main engagement methods were grouped accordingly.

According to PR 10, particular attention should be paid to affected stakeholder groups. In this particular case, we consider as affected the residents of Cementnikov settlement and Torgashinno neighbourhood of Krasnoyarsk (see Figure 1), who reside in the immediate vicinity of the cement plant. Moreover a special attention is needed when engaging with the population residing within the boundaries of the tentative Sanitary Protection Zone of the main industrial site (500 m), which is based on the universal size defined by the legislation for an industrial facility of the respective hazard class).

As a result of the historical urban development, existing residential areas, pre-school institutions etc. were falling within the tentative Sanitary Protection Zone (SPZ) of the site. However, according to the legislation and based on the modelling of pollutant dispersion and noise pollution, the SPZ boundaries have been revised, and the resulting SPZ does not include residential areas.

Other potentially interested stakeholder groups include municipal administrations and residents of Sverdlovsky and Kirovsky districts² of the city of Krasnoyarsk, and two food-related businesses, whose premises are currently located within the plant site – OOO Alonda (a candy factory) and Individual Entrepreneur V.G. Medvedev (a food warehouse). It is expected that these operations can be relocated from the Krasnoyarsk Cement's site as a result of the project identification.

So far, no stakeholder groups actively opposing the project have been identified. Also NGOs expectations and concerns also have not been identified. At the subsequent stages of the project (plant modernisation), the list of stakeholders and their concerns and expectations will be reviewed and updated. It is recommended to maintain a Stakeholder Register, continuously updating it as appropriate.

¹ Internal stakeholders include the existing staff of the plant.

² In Kirovsky District of Krasnoyarsk, Site #1 of the Kuznetsovskoye Clay Deposit is located.



Table 1 – Key stakeholders, concerns and expectations

Stakeholder group	Interests with regard to the project Concerns Expectations and preferences
Internal stakeholders	
Cement plant employees ³	Participation in the project implementation / Expectations: job creation, professional and career growth, improvement of working conditions
External stakeholders	
Government authorities and municipal self-government bodies	
Krasnoyarsk Region Government	Not identified
Krasnoyarsk City Administration	Participation in the process of project approval and issuing of necessary permits and in the decision-making on city zoning Expectations: tax payments increase to the city budget and reduction of air emissions
Krasnoyarsk City Council	Participation in the decision-making process on changing the hazard class of the industrial site Expectation of roads repair in the site proximity and air emissions reduction
Municipal administration of Krasnoyarsk Sverdlovsky District	Participation in the stakeholder consultation process, organizing public meetings Expectations: increase in tax payments to the municipal budget, new job creation, reduction of emissions into the air
Municipal administration of Krasnoyarsk Kirovsky District	Not identified
Yenisei Interregional office for Engineering and Environmental Supervision Department, Krasnoyarsk Region for Rosprirodnadzor Department (Federal Supervisory Service for Natural Resource Use) and Rospotrebnadzor Department (Federal Supervisory Service for Consumer Rights Protection and Human Well-being)	Participation in the process of project approval and the issuing of necessary permits, oversight of environmental compliance Expectations: air emissions reduction
Federal State Institution “Centre for Hygiene and Epidemiology in Krasnoyarsk Region”	Not identified
Ministry for Natural Resources and Forestry Complex of Krasnoyarsk Region	Expectations: compliance with the environmental legislation and reduction of air emissions
Krasnoyarsk Environmental Prosecutor’s Office	Expectations: compliance with the environmental legislation

³ At the moment of the site visit the personnel of the plant amounts to about 650 persons. [14].



Stakeholder group	Interests with regard to the project Concerns Expectations and preferences
Local communities	
Residents of Sverdlovsky and Kirovsky districts of Krasnoyarsk	<p>Participation in the stakeholder consultation process</p> <p>Expectations: new job⁴ opportunities, reduction of air emissions, repair and improvement of roads quality, reduced vehicle traffic and dust generation as a result of the use of an enclosed belt conveyor instead of heavy trucks for limestone transportation</p>
Vulnerable groups	
Vulnerable social groups (children, pensioners, low-income persons) residing in the project implementation area	Not identified
Krasnoyarsk Sverdlovsky District population residing close to the boundaries of the calculated SPZ (within the boundaries of the tentative SPZ)	<p>Participation in the stakeholder consultation process</p> <p>Concerns: possibility of relocation from the plant impact area</p> <p>Expectations: new housing provision</p>
Children attending two kindergartens and the school located within the tentative SPZ	Not identified
Other industries	
Food industries operated by OOO Alonda and Individual Entrepreneur V.G.Medvedev (within the plant site)	Possible relocation of the operations from the site
Design consultants and providers of production equipment (SibNIIproektcement Institute, KHD Gumboldt Wedag (Germany) etc.)	Participation in the project / further collaboration with the company
Other companies of OAO Holding Company Sibirsky Cement	Involvement in the implementation of a energy efficient dry cement production line and an enclosed belt conveyor for the transportation of raw materials
Similar industries	Exchange of unique experience, possibility of increased competition as a result of the cement production expansion

⁴ It is expected that the project implementation will result in the creation of about 190 new jobs.



Stakeholder group	Interests with regard to the project Concerns Expectations and preferences
Partners/customers (industrial operations in Krasnoyarsk Region; Khakassia, Sakha-Yakutia, and Tyva Republics; Irkutsk and Altay Regions etc.) and potential partners	Continued collaboration / expansion of products' range, improvement of products' quality, packaging and delivery
Customers of specialised cement grades, including such companies as OAO RusHydro ⁵ , oil and gas production companies ⁶	Continued collaboration / expansion of products' range, improvement of products' quality,, products certification in accordance with the relevant Russian and international standards
Contractors	Continued collaboration Interest in providing more services to the company
Industries located within the SPZ of OOO Krasnoyarsk Cement (about 30 companies)	Joint participation in the collective SPZ arrangement of the Southern Industrial Cluster; Development of a pollution reduction strategy Achieving compliance with the environmental legislation
Providers of services and materials (OAO Yeniseiskaya TGK etc.)	Continued collaboration Interest in providing more materials and services to the company
Educational, training and research organisations	
Kemerovo College of Construction and Maintenance of Buildings and Engineering Facilities, V.G.Shukhov's Belgorod State Technology University, Krasnoyarsk Construction College, Institute for Urban Planning, Administration, and Regional Economy, Aerospace College, Krasnoyarsk State Pedagogical University	Participation in the training workforce of the company, in particular, in the training of highly skilled specialists for the new dry cement production line Expectations: further implementation of the plant modernisation project
Corporate training centre at OOO Topkinsky Cement	Possible participation in the training workforce of the company
OOO Institute for Applied Ecology and Hygiene (St. Petersburg), OOO Ecology	Participation in the design of a collective SPZ of the Southern Industrial Cluster
Union of Manufacturers and Entrepreneurs of Krasnoyarsk Region	Not identified
Non-governmental organisations, state environmental organisations	
Council of Veterans of OOO Krasnoyarsk Cement	Not identified

⁵ OOO Krasnoyarsk Cement is the only company in the Siberian Federal District of Russia producing specialised "hydrocement" used in the construction of hydropower plants.

⁶ Oil and gas well cement with the quality certified on the basis of the respective international standards.



Stakeholder group	Interests with regard to the project Concerns Expectations and preferences
Greenpeace Russia, Socio-Ecological Union, Regional Ecological Union of Krasnoyarsk Region	Not identified
Mass media (magazines, newspapers, TV and radio channels, news agencies) ⁷	Informing stakeholders on the progress of the project implementation/ Expectations: timely information about the project

⁷ See Annex 1 for the list of key media identified as stakeholders in the context of the project in question.



2.2 Sibirsky Cement Existing Approaches in building relationships with Stakeholders

2.2.1 Stakeholder Engagement initiatives

The following events were held within the stakeholder consultation process set up for the proposed Krasnoyarsk Cement Plant modernisation project:

1. Meetings of Krasnoyarsk Cement representatives with the design consultants (SibNIIproektcement Institute and KHD Gumboldt Wedag, a German company) in order to discuss the continuation of the Plant Modernisation Programme. One such meeting was held in July 2009 [22].
2. Meeting of representatives of the municipal administration of Sverdlovsky District and Krasnoyarsk Cement with residents of Cementnikov settlement and Torgashino neighbourhood, organised as a community gathering⁸. The meeting was held on April 30, 2010 at 5 p.m. in School #25 (Delegatskaya str., 18). At the meeting organised by the Sverdlovsky District administration, the Krasnoyarsk Cement Plant Modernisation Programme and other plant development plans were presented [25]. The meeting was announced by the district administration through media [26,27]⁹.
3. Events in order to make amendments to the existing Land Use and Urban Planning Rules of Krasnoyarsk City The amendments involved certain changes to the city zoning scheme and the re-designation of a part of the existing plant site, originally having the status of a 3rd hazard class industrial site, as a 1st-2nd hazard class industrial site). The taken decision was a necessary pre-requisite to approve the proposed plant modernisation project¹⁰:
 - In August 2010, an on-site meeting of the Standing Commission for Urban Economy and Environment of the Krasnoyarsk City Council was held at the premises of Krasnoyarsk Cement Plant. During this meeting the commission discussed the suggestion of the hazard class change of a part of the plant site [24].
 - Public hearings on the proposed amendments to the Land Use and Urban Planning Rules of Krasnoyarsk City, conducted on the basis of a Decree of the Krasnoyarsk City Administration [16]).
 - A public hearing was held at Sverdlovsky Cultural Centre on May 26, 2010. The hearing was attended by 36 persons [17]. After the meeting, the commission for the preparation of the draft amendments to the Land Use and Urban Planning Rules of Krasnoyarsk City received written comments and suggestions till June 18, 2010. A report on the outcome of this public hearing was published in the newspaper Gorodskiye Novosti [18].

⁸ The Plant does not have minutes of the meetings.

⁹ According to the information available in the Internet, announcements were posted on information web portals on April 29 and 30, 2010.

¹⁰ With regard to proposed changes to the city's zoning scheme and re-designation of a part of the existing 3rd hazard class industrial site, located at the address Krasnopresnenskaya str., 1, as a 1st-2nd hazard class site in connection with the construction of a new production line.



4. Information in regard to the long-term modernisation project involving the construction of a new production line was disseminated via several media such as:
- District, municipal and regional newspapers (Gorodskiye Novosti [20], Izvestiya, Expert-Siberia [21] etc.).
 - Official website of OAO Sibirsky Cement (www.sibcem.ru/news/).
 - Company's weekly press releases, sent to various authorities and news channels, such as the regional government, the city administration, magazines, newspapers, news agencies, TV and radio channels – see Annex 1.
 - Webportal¹¹.

2.2.2 Existing Approaches towards Stakeholder Engagement

Krasnoyarsk Cement actively participates in the social and cultural life of the city and region, and contributes to the regional and local economy. In 2008, the company was granted the status of a High Social Performance Enterprise [31]; it also received an Honorary Diploma for the Best Approach towards Health and Safety Management from the Union of Manufacturers and Entrepreneurs of Krasnoyarsk Region. The main stakeholder engagement approaches, currently used by Krasnoyarsk Cement, are listed below.

Relations with external stakeholders

- Company news are published by various media and websites on a timely basis, in fact the company send weekly its press releases to various authorities and news outlets (the regional government, the city administration, magazines, newspapers, news agencies, TV and radio channels – see Annex 1),.
- Company news are posted on the official website of OAO Sibirsky Cement (www.sibcem.ru/news/).
- Regular meetings are held with representatives of the Krasnoyarsk City Administration and companies whose operations are located at the same site, in order to design of a collective Sanitary Protection Zone of the Southern Industrial Cluster of Krasnoyarsk [19,30].
- Collaboration with educational institutions is ongoing: excursions to the plant are organised for college and university students and job placements for students.
- Roundtable meetings are organized with the existing and potential partners of Krasnoyarsk Cement.
- Roundtable meetings are organized in the occasion of the specialised exhibition “Construction and Finishing Materials, City, Housing Sector, Environment”, with the participation of representatives of environmental authorities, city administration, scientific community, industrial companies and NGOs).
- The Company has participated to PetroCem conferences conducted in St. Petersburg since 2000.
- Effective interaction with state regulatory and supervisory authorities (regional departments of Rospotrebnadzor, Rosprirodnadzor etc.) is ongoing (various consulting initiatives, timely reporting and payments for natural resource use).

¹¹ In particular, web portals such as www.procement.ru, www.avtobeton.ru, www.rucm.ru,...



Charity

The company annually provides funds in order to support charitable projects, such as:

- Funds to vulnerable social groups, which include children, disabled and elderly people of Krasnoyarsk Sverdlovsky, Kirovsky, and Leninsky districts.
- Support of “Samotsvety” orphanage in Krasnoyarsk.
- Funds to churches (in particular, of the cement used for churches’ construction or restoration is free delivered).

OOO Krasnoyarsk Cement is an official partner of a number of international competitions in various sports.

2.2.3 Personnel Relations

The company has several established approaches towards employee relations, which are both used for day-to-day operations and in the context of the modernisation project.

The press secretary of Krasnoyarsk Cement is responsible for maintaining relations with both internal and external stakeholders. In addition the press secretary has to immediately report to the Managing Director [28]. At the level of the holding company (Sibirsky Cement), it is the Director for Personnel and Management who is ultimately responsible for personnel relations.

Internal communications

At present, Krasnoyarsk Cement uses the following internal communications activities:

- Weekly planned meetings of plant’s senior management.
- Regular meetings within representatives of OAO Holding Company Sibirsky Cement and the senior management of Sibirsky Cement owned companies.
- Monthly meetings organized at a workshop level, dedicated to the discussion of results of the month. Workers are able to voice their comments and suggestions, usually related to the results of work).
- General meetings of personnel with the Plant Managing Director (twice a year).
- Weekly Health and Safety Days and quarterly OHS meetings with the participation of workshop managers and senior management [29].
- Since 2010 at the Holding Company level there is a telephone line which allows the employees to directly contact the Director for Personnel and Management.

It is however to note that Krasnoyarsk Cement Plant is lacking of a collective bargaining agreement, labour union organisations, as well as other professional or public associations. This limits the range of internal communication methods available to both employees and management.

Personnel training

Krasnoyarsk Cement runs a Personnel Skill Improvement Programme for its existing employees, aimed at providing the company as a whole and the new production line in particular with highly skilled workforce. Specialised educational Krasnoyarsk institutions participate in the implementation of the programme.

It is the corporate Group for Personnel Training and Social Programmes that is responsible for organising personnel training [28].



Social Programmes

Krasnoyarsk Cement practices different social activities aimed at increasing the well-being of its employees, such as:

- Support to employees and their children for recreation programmes at sports and health improvement camps. The company subsidised the 85-90% of the cost.
- Annual First-Grader's Day for employees' children going to school for the first time.
- Support for veterans and pensioners who worked for the company¹² (greetings for the Victory Day, the International Day for the Elderly, and the Plant Birthday);
- Festivals and celebrations for the employees (New Year's balls, professional holidays etc.);
- Sports and healthy lifestyle events (the Plant Spartakiad — an annual multi-sports event, tournaments in various sports etc.).

2.3 Other Public Consultation Methods

Other potential communication/interaction methods that can be used in order to communicate with the public, are discussed below.

2.3.1 Target group meetings

Meetings with specific stakeholder groups are useful when it is necessary to bring different positions together and elaborate a mutually acceptable decision. Such meetings should be carried out on a regular basis.

Members of local communities should be considered as a separate stakeholder group that requires attention from the Company. Therefore it would be beneficial arranging direct company-community group meetings.

In some cases, meetings with those stakeholders that express concerns about environmental aspects of the Plant's operations can be particularly useful. At present, this method is not used either by the Company or by specific enterprises of concern.

2.3.2 Open EHS reports

Annual report presenting in brief key achievements in the field of environmental, health and safety and community development are recommended to be developed both at the corporate level and at specific enterprises and made available to the general public.

2.3.3 Focus groups

Focus group meetings involve groups of specially selected individuals and are used to identify public views on pre-determined topics. Focus group meetings help reveal views of stakeholder groups that may remain silent at large public meetings. This method can be recommended to identify or clarify specific issues and concerns that can be raised by some of the local residents.

¹² The company provides support to a total of 300 pensioners and 50 veterans.



2.3.4 Public visitor centers

Public visitor centres are an effective means of working with community members. Such centres are frequently attended by citizens who do not dare to voice their comments or inquiries at a large public meeting.

2.3.5 Personal letters

Personal letters can be used to better inform the stakeholders. They may contain key information on upcoming meetings and other events, important environmental and social performance indicators, and other information the Company considers relevant. Such letters are usually sent to all individuals and organizations that have expressed significant interest to the public consultation process.

In this particular case, it is recommended to use this method for informing interested NGOs, vulnerable groups, as well as other stakeholders that have shown their explicit interest towards activities of the Company.

3. Grievance mechanism

Both core operations of the plant and the implementation of the modernisation project may potentially lead to disagreement, disputes, or conflicts between different stakeholder groups. In order to be able to prevent and/or resolve them in a civilised manner, a permanent mechanism for the filing and addressing of grievances and appeals (accessible, in particular, to plant employees and residents of city areas located close to the site) is necessary.

However, the company does not have in place a formal and documented mechanism for handling grievances of either employees or local community members¹³. At present, a staff member is able to communicate his or her suggestions, comments, or concerns to management by the following means:

- Monthly workshop meeting dedicated to the discussion of the work results.
- General meeting within the personnel and the Plant Managing Director (twice a year).
- Reception hours of the Plant Managing Director (once a month).
- Telephone line maintained by the Holding Company.
- Conversation with each personal workshop manager.

Grievances, suggestions and comments communicated using these means are not consolidated or registered in any special log. No member of the plant administration has been assigned the responsibility for handling stakeholder grievances.

Krasnoyarsk Cement should design a grievance mechanism (accessible to both internal and external stakeholders), which then should be defined and introduced by corporate regulations (approved by the Managing Director). In designing such a mechanism, it would be very helpful to consider the existing stakeholder engagement practices of the plant.

It is important that the following information is accessible to the stakeholders:

¹³ According to representatives of Krasnoyarsk Cement, no grievance or appeal on the issues of health, safety, and environment was received from local community members over the last three years [14].



- Contact details of the plant employee responsible for receiving grievances and/or appeals (name, telephone number, mailing address, e-mail).
- Ways of filling a grievance and/or appeal (regular mail, telephone calls, possibly, special grievance boxes, grievance form);
- Grievance/appeal review period and prompt and effective ways of getting a response.

The claimants should be able to fill a free-form written grievance, either signed or anonymous. However, even in the latter case claimants are recommended to provide reliable contact details in order to be able to receive a reply.

Each grievance received by the company should be registered and reviewed. A reply should be prepared by a specially designated employee and approved by management. The reply should be sent to the claimant no later than 30 days after the filing.

4. Stakeholder Engagement Plan

Based on the above analysis of the current status of the plant's stakeholder dialogue, the following conclusions can be drawn:

- OOO Krasnoyarsk Cement actively works with mass media; which results in numerous publications on the plant modernisation project.
- Within its operations, the company has been using a number of stakeholder engagement approaches, which are also used in the context of the modernisation project.
- The existing corporate personnel training programmes (based at the corporate training centre of OOO Topkinsky Cement), as well as programmes delivered by the city's institutions of vocational and higher education are aimed at providing highly skilled specialists for the planned production line.
- No stakeholder groups actively opposing the project have been identified so far; concerns and expectations of certain stakeholder groups still need to be identified.
- No minutes of the previous public consultations and stakeholder meetings were kept, presentations and statements made by company's managers and specialists were not recorded.
- Krasnoyarsk Cement Plant lacks of a documented grievance mechanism.

In order to develop a more effectively constructive dialogue with the stakeholders, it is recommended that:

- Stakeholder's consultation events are preceded by a preparatory stage, during which the relevant stakeholders are promptly and fully informed on the upcoming event, its goal and objectives, moreover it is suggested that accessible and meaningful presentation as well as other materials are being prepared.
- Minutes of each stakeholder consultation event are kept, including the information on participants and speakers, agreed results of the meeting, as well as the persons responsible for it. Moreover minutes should contain the dates foreseen for the implementation of the approved suggestions or the responses to informational inquiries.
- A documented grievance mechanism is accessible to local community members and other stakeholder groups (with regard to their concerns and inquiries about the modernisation project), as well as to plant personnel (with regard to occupational, social and other issues) should be established.



While planning disclosure and consultation activities, it is also important to incorporate the existing stakeholder engagement and communication experience of Krasnoyarsk Cement Plant (see Section 2.2.2).

In the next pages the main proposed methods of engaging internal and external stakeholders at all stages of the project implementation are briefly summarized, with dates and responsible entities for each approach (see Table 2).



Table 2 –Main stakeholder engagement methods and actions advisable for of the Krasnoyarsk Cement modernisation project

Objective	Method / action	Document / information material ¹⁴	Dates	Responsible entity or person
Improvement of the internal communications system and experience sharing	Training (further implementation of the existing Personnel Skills Improvement Programme)	Training materials	On a permanent basis	Group for Personnel Training and Social Programmes
	Information boards on the project (in particular, in recreation rooms)	Press releases on the project progress, leaflets, etc.	Implementation of the project at each stage	Press secretary of OOO Krasnoyarsk Cement Plant
	Social programmes	-	As practiced by the company	OOO Krasnoyarsk Cement Plant
	Sharing the project experience with other companies of Sibirsky Cement Holding	Materials documenting the experience of the project's implementation	On a permanent basis	Holding company
Disclosure of project-related information and feedback	Preparation of a media plan		September-November	Press secretary of OOO Krasnoyarsk Cement Plant
	Media publications, press releases, news conferences, etc.	Brief information on the progress of the project's implementation	According to the media plan	Press secretary of OOO Krasnoyarsk Cement Plant

¹⁴ All documents should be available in Russian.



Objective	Method / action	Document / information material ¹⁴	Dates	Responsible entity or person
	Excursions to the new production line for university and college students	An information/ advertising film, presentation materials, leaflets	Implementation of the project at each stage	Press secretary of OOO Krasnoyarsk Cement Plant
	The opening and maintenance of a public visitors' centre	Stakeholder Engagement Plan; press releases; ESDD Non-technical summary (NTS); brief information on the environmental impacts (updated quarterly based on the monitoring results); public reports (annual)	Opening at the preliminary construction stage (permanent functioning at the subsequent stages)	Press secretary of OOO Krasnoyarsk Cement Plant
	Creating a dedicated project page or section at the company's official website		As appropriate	Press secretary of OOO Krasnoyarsk Cement Plant
	Announcements, information and advertising boards at significant city events	Brief information on the project, photos, schemes	As appropriate	OOO Krasnoyarsk Cement Plant
	Public meetings	Brief information on environmental aspects of the project and ongoing activities of the plant	At least twice a year	OOO Krasnoyarsk Cement Plant
	Roundtable meetings with NGOs	Stakeholder Engagement Plan; press releases; the ESDD NTS.	November 2011, then — as appropriate	OOO Krasnoyarsk Cement Plant
Communications with state and municipal authorities	Meetings	Project documentation	According to the established procedure	OOO Krasnoyarsk Cement Plant
Development of local community relations	Social, cultural, and sports events in the city (planned)	Leaflets, press releases	As appropriate	OOO Krasnoyarsk Cement Plant



Objective	Method / action	Document / information material ¹⁴	Dates	Responsible entity or person
Development of the local professional potential	Implementation of the Personnel Skills Improvement Programme	Training materials	On a permanent basis	OOO Krasnoyarsk Cement Plant
	Vocational guidance; support of vocational training	Training materials	On a permanent basis	OOO Krasnoyarsk Cement Plant, Siberian State Technology University, Krasnoyarsk Technology College
Support of vulnerable social groups	Social support (veterans and low-income residents of Sverdlovsky, Leninsky, and Kirovsky districts)	Meetings, subsidised recreation, holiday presents, invitations to the commencement of the new line, providing construction materials free of charge	After the new production line is commissioned	OOO Krasnoyarsk Cement Plant



5. Monitoring and Reporting

The ultimate success of the implementation of the Plan depends on the systematic efforts, continuous monitoring and review of the results conducted by the Client. Initially, the following indicators of the effectiveness of stakeholder communications can be used:

- Number of public consultation participants included in the Stakeholder Register.
- Number of comments and suggestions received by the company via various feedback channels.
- Number of stakeholders' grievances and claims concerning the project implementation process.
- Number of publications about the project in local, regional, and federal media.

Additional information regarding Sibirskiy Cement Company operations and the modernisation program at Krasnoyarsk Cement Plant is available at:

- The Department for Capital construction of Sibirsky Cement Company office, 15 building 1 Musorgsky street, Krasnoyarsk and by telephone (391) 2746461 from 8.00 to 17.00. Contacts: Korobkov Pavel Fedorovich, Zherdeva Julia Jurjevna; email: v.pivneva@sibcem.ru
Mr Alexandr Cherepanov, Vice-president, Investment Development; cherepanov@sibcem.ru
- Sibirskiy Cement's website: <http://www.sibcem.ru/>
- The library n.a. Sergey V. Mikhalkov, 46 Schoros street, Krasnoyarsk.
- EBRD Resident Office for Siberian Federal Okrug, Business Center "Vesna" 3 "A", Vesni Str., 15th floor, Krasnoyarsk. Contact Nikolay Sorokin email: SorokinN@ebrd.com; and Krasnoyarsk@ebrd.com
- EBRD Business Information Centre, London; One Exchange Square; London, EC2A 2JN; United Kingdom; Tel: +44 207 338 6000
- EBRD internet site www.ebrd.com/



References and Documents Provided by the Company

1. Environmental and Social Policy. European Bank for Reconstruction and Development, 2008. Available at <http://www.ebrd.com/downloads/about/sustainability/2008policy.pdf>.
2. The Land Code of the Russian Federation dated October 25, 2001 No. 136-FZ (adopted by the RF State Duma on September 28, 2001, amended as of July 22, 2010).
3. The Urban Planning Code of the Russian Federation dated December 29, 2004 No. 190-FZ (adopted by the RF State Duma on December 22, 2004, amended as of October 1, 2010).
4. Federal Law "On Environmental Protection" dated January 10, 2002 No. 7-FZ (adopted by the RF State Duma on December 20, 2001, amended as of December 27, 2009).
5. The Water Code of the Russian Federation dated June 3, 2006 No. 74-FZ (adopted by the RF State Duma on April 12, 2006, amended as of April 1, 2010).
6. Order of the State Environmental Protection Committee dated May 16, 2000 No. 372 "On Approval of the Regulation on Assessment of Environmental Impact of Planned Economic and Other Activities in the Russian Federation" (Registered by the Ministry of Justice No. 2302 on July 4, 2000).
7. Federal Law "On Environmental Expert Review" dated November 23, 1995 No. 174-FZ (adopted by the RF State Duma on July 19, 1995, amended as of December 17, 2009).
8. Order of the Committee for Natural Resources and Environmental Protection of Leningrad Region dated December 14, 2004 No. 73 "On the Approval of Methodological Recommendations on the Engagement of the Public into the Discussion and Addressing of Environmental Safety Issues".
9. Statute Law of Krasnoyarsk Region dated June 18, 2009 No. 8-3419 "On Public Hearings in the Legislative Assembly of Krasnoyarsk Region".
10. Statute Law of Krasnoyarsk Region dated March 26, 2009 No. 8-3076 "On Public Consultations".
11. Law of Krasnoyarsk Region dated June 05, 2008 No. 5-1777 "The Statute of Krasnoyarsk Region".
12. Stakeholders Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets, IFC, May 2007.
13. Public Information Policy, September 2008. Available at: <http://www.ebrd.com/downloads/research/policies/pipe.pdf>
14. Pre-audit questionnaire for the Environmental and Social Due Diligence of OOO Krasnoyarsk Cement, 2010.
15. Statute of the City of Krasnoyarsk, dated December 24, 1997 No. B-62 (amended as of July 1, 2010).



16. Decree of the Krasnoyarsk City Administration dated April 14, 2010 No. 163 “On Appointing Public Hearings on the Proposed Amendments to the Land Use and Urban Planning Rules of the City of Krasnoyarsk”.
17. Municipal newspaper “Gorodskiye Novosti”, No. 60, April 28, 2010.
18. Municipal newspaper “Gorodskiye Novosti”, No. 93, June 29, 2010.
19. Minutes of the meeting on the designation of the collective Sanitary Protection Zone of the Southern Industrial Cluster in Krasnoyarsk, November 8, 2010.
20. Municipal newspaper “Gorodskiye Novosti”, May 2010.
21. Magazine “Expert-Siberia”, No. 01-03 21, January 31, 2010.
22. Materials of the web portal http://www.rucem.ru/?fn_mode=fullnews&fn_id=1596
23. Institute for Applied Ecology and Hygiene. “Justification of the Size of the Calculated (Tentative) SPZ of OOO Krasnoyarsk Cement”, Krasnoyarsk, Krasnopresnenskaya str., 1. Draft, Vol. 1, Book 1, 2009.
24. Materials of the web portal http://www.krasrab.com/archive/2010/08/26/05/view_article.
25. Materials of the web portal <http://www.24rus.ru/more.php?UID=58894>.
26. Materials of the web portal <http://pressagenda.com/krasnoyarsk/20016>.
27. Materials of the web portal, <http://www.admkrsk.ru/press/announcements/Lists/announcements/DispForm.aspx?id=6795>
28. Organisational structure of OOO Krasnoyarsk Cement since October 25, 2010, approved by Managing Director V.P.Skakun.
29. Order of Managing Director of OOO Krasnoyarsk Cement V.P.Skakun.
30. Minutes of the meeting of the working group on the designation of the collective Sanitary Protection Zone of the Southern Industrial Cluster in Krasnoyarsk, on December 10, 2010 r.
31. Press release of OAO Holding Company Sibirsky Cement, March 13, 2010.



Annex 1. Relevant Mass Media

Magazines:

- Projects of the Krasnoyarsk Region;
- Economic Review;
- Social Partnership (magazine published under the municipal administration of Sverdlovsky District);
- Renommé Magazine;
- Siberian Industrial Pages;
- New Construction Projects of Krasnoyarsk;
- RUSPROM Magazine;
- Krasnoyarsk Fair;
- Grad Magazine;
- Sibdom;
- Cement and its Applications (a sectoral magazine).

Newspapers:

- Vecherny Krasnoyarsk;
- Krasnoyarsky Rabochyi;
- Vecherny Krasnoyarsk, newslab web portal;
- Gorodskiye Novosti;
- Nash Krasnoyarsky Kray;
- Stroitel;
- Kommersant;
- Komsomolskaya Pravda, Krasnoyarsk Edition;
- AiF on Yenisei;
- Rossiyskaya Gazeta;
- Izvestiya;



- Izvestiya Regiona.

TV channels:

- Afontovo;
- Prima;
- KGRTK Vesti Krasnoyarsk;
- ORTV;
- Yenisei Region TV;
- 7th Channel.

Radio stations:

- Novosti Radio;
- Novosti on Yenisei;
- Radio Zebra;
- Radio Business FM.

News agencies:

- Informbureau;
- Knews;
- Interfax;
- Siberian News Agency;
- Radio Business FM;
- Izvestiya.



Annex 2. List of information to be disclosed at the public visit-centre

1. Krasnoyarskiy Cement LLC. Non-technical summary of Environmental and Social Review. Environmental and social management and monitoring plan - 2011.
2. Krasnoyarskiy Cement LLC. Stakeholders engagement plan – 2011.
3. Krasnoyarskiy Cement LLC. Environmental Mitigation Measures Plan – 2011
4. Russian Academy of postgraduate education. Department of municipal hygiene. Expert opinion on the project of justification of sanitary protection zone (SPZ) size for LLC Krasnoyarskiy Cement, 1 Krasnopresnenskaya st., Krasnoyarsk – 2009.
5. The project of sanitary protection zone for Krasnoyarskiy Cement LLC.
6. Sanitary and epidemiological conclusion №24.49.31.000.T000943.12.09 of 07.12.2009 on the project of calculated (preliminary) SPZ for Krasnoyarskiy Cement LLC.
7. Sanitary and epidemiological conclusion №24.49.31.000.T000050.02.10 of 02.02.2010 on the project of calculated (preliminary) SPZ for limestone open-cast mine “Cherny Mys” of Krasnoyarskiy Cement LLC.
8. Sanitary and epidemiological conclusion №24.49.31.000.T00516.06.09 of 25.06.2009 on the project of calculated (preliminary) SPZ for production base including limestone crushing department, oversize vehicle park, АБК, engineering and auxiliary buildings and constructions Krasnoyarskiy Cement LLC.



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