

**SHALKIYA MINE EXPANSION PROJECT
(KYZYLORDA OBLAST, KAZAKHSTAN)**

ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT

STAKEHOLDER ENGAGEMENT PLAN

Version E

Prepared by:

**Ecoline Environmental Assessment Centre
(Moscow, Russia)**

Director: Dr. Marina V. Khotuleva

l/fax: +7 499 9783755

Mobile: +7 903 5792099

e-mail: ecoline@eac-ecoline.ru

Prepared for:

Hatch Engineering and Consulting (Hatch)
JSC ShalkiyaZinc LTD

ABBREVIATIONS

EBRD	European Bank for Reconstruction and Development
EP	Equator Principles
ESIA	Environmental and Social Impact Assessment
IFC	International Finance Corporation
IFI	International Financial Institution
NGO	Non-Governmental Organisation
OVOS	Environmental impact assessment according to legal requirements of Republic of Kazakhstan
PR	Performance Requirement (of the EBRD)
PS	Performance Standard (of the IFC)
RK	Republic of Kazakhstan
SEP	Stakeholder Engagement Plan

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1. PROJECT BACKGROUND

1.1. Introduction

ShalkiyaZinc LTD ('the Owner') is proposing an expansion of the Shalkiya Mine as part of the Shalkiya Lead-Zinc Expansion Project ('the Project'), which is located in Kyzylorda Region (Region), in the south of Kazakhstan (Figure 1). The Project entails an expansion of operations of the existing Shalkiya Mine and the construction and operation of a new Processing Plant and supporting surface infrastructure.

External investments are required to implement the Project. To this end, the Owner plans to approach the International Financial Institutions (IFIs). Developing a Feasibility Study (FS) and Environmental and Social Impact Assessment (ESIA) as per the IFIs requirement is necessary to support the IFIs funding-related decision making process.

The FS is being undertaken by Hatch. The ESIA has been prepared by the Ecoline Environmental Assessment Centre ('the Ecoline EA Centre' or 'ESIA Consultant') with the support of Hatch.

Simultaneously the Owner is conducting an environmental impact assessment (OVOS) in accordance with the legislative requirements of the Republic of Kazakhstan.

In accordance with the requirements of the IFIs, the ESIA includes the following deliverables/documents:

- The ESIA Report incorporate all the results of the undertaken ESIA, including the description of the social and environmental baseline situation, analysis of alternatives, impact assessment, proposals for the management of risks and impacts, and environmental monitoring program.
- The Environmental and Social Action Plan (ESAP);
- The Stakeholder Engagement Plan (SEP)
- Non-Technical Summary (NTS).

This document is the initial draft Stakeholder Engagement Plan (SEP, or "the Plan") developed within the frameworks of the ESIA in 2015. During the course of the Project, the Plan will be reviewed once a year, as a minimum, based on the results of analysing Stakeholder engagement process.

The stakeholder analysis presented in this Plan is based on publicly available information sources, consultations with key stakeholders, and the ESIA Consultant's own observations. The information on stakeholders should be amended and updated as the Plan evolves.

STAKEHOLDER ENGAGEMENT PLAN. SHALKIYA MINE EXPANSION PROJECT.

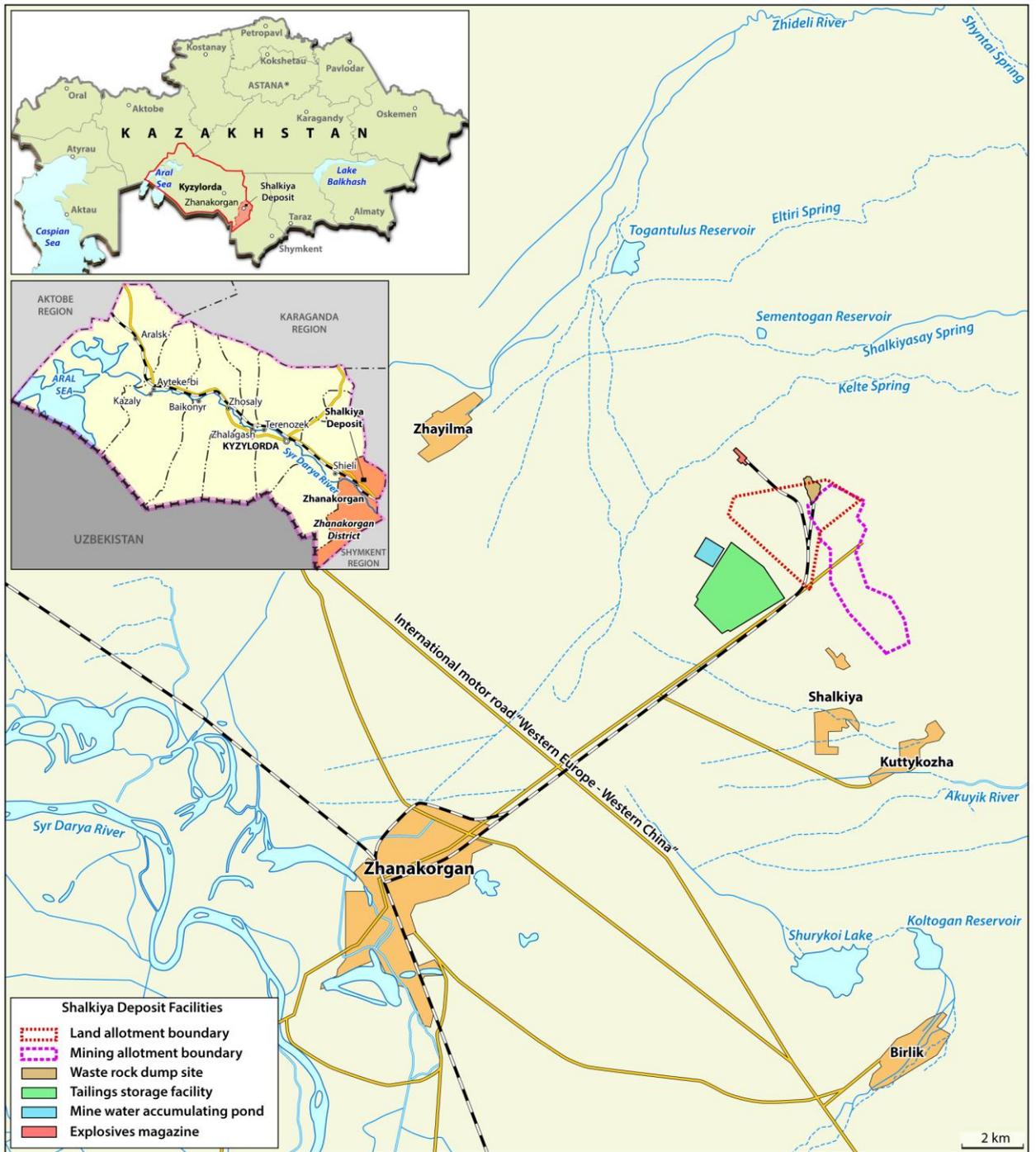


Figure 1. Map, showing the position of the mine in southern Kazakhstan and surrounding settlements and other features.

1.2. Definition

The following definitions are used in this Plan:

- The Project: the Shalkiya Lead-Zinc Expansion Project; the Project that includes an expansion of operations of the existing Shalkiya Mine and the construction and operation of a new Processing Plant (concentrator) and supporting surface infrastructure;
- ESIA: environmental and social impact assessment, a process to assess environmental and social impacts of the proposed development and identify mitigation measures in accordance with the requirements of financing organisations;
- OVOS ¹ : environmental impact assessment, a process to assess environmental impacts and identify mitigation measures in accordance with the legislation of the Republic of Kazakhstan;
- SEP: Stakeholder Engagement Plan that defines stakeholder engagement principles and actions, prepared according to IFI requirements;
- NTS: Non-Technical Summary that presents key ESIA findings, conclusions and recommendations

1.3. The Project Overview

The Shalkiya Mine has operated intermittently since mining commenced in 1982. Existing mine infrastructure includes surface and underground structures including a mine water pond, administrative buildings, power substation and power distribution lines, motor roads and a railway line from Zhanakorgan to the mine site and other infrastructure facilities. The mine was closed in 1994 for economic reasons. Mining was started again in 2004 and operated until 2008, when the mine operations were suspended. The new stage of mine development started in 2014 when care-and-maintenance program was initiated to maintain the surface and underground facilities.

In support of the mine expansion, it would be necessary to upgrade existing underground and surface facilities as well as developing a variety of additional aboveground facilities.

¹ The abbreviation OVOS commonly used by practitioners in post-Soviet countries is based on the Russian term for environmental impact assessment.

2. REQUIREMENTS WITH REGARDS TO STAKEHOLDER ENGAGEMENT

2.1. Legal requirements of the Republic of Kazakhstan

According to the Kazakhstani legislation, the Project in question is categorised as a Category I project². This means that the Project may result in significant adverse impact on the environment (entails high environmental risks), so an environmental impact assessment (OVOS) is necessary.

In accordance with the Environmental Code of the Republic of Kazakhstan³, citizens and NGO's have access to environmental information in terms of environmental impact assessment (OVOS) and decision-making. Access to environmental information is provided both at the stage of project preparation (in the frameworks of OVOS) and at the stage of State Environmental Review.

The following should be provided by the Proponent in the frameworks of OVOS⁴:

- Receiving and analysis of information with regards to public opinion, public comments and concerns;
- Holding Public hearings in cooperation with local authorities;
- Provision of consideration of public opinion regarding design decisions; the minutes of Public hearings, list of participants and register of comments / suggestions should be applied.

The procedure of the access provision in the frameworks of the State Environmental Review is defined by the specific body, which is dealing with protection of the environment, and acting with regards to the following legal requirements:

- Access to environmental information, related to the OVOS procedure and decision-making process⁵;
- Rules for conducting public consultations⁶.

²On approval of the Instruction for development of assessment of impacts of proposed business and other activities in the context of development pre-planning, planning, pre-design and design documentation. Order of the Minister of Environmental Protection of the Republic of Kazakhstan from 28th June, 2007, № 204-п. Registered in the Ministry of Justice of the Republic of Kazakhstan on 23rd of July, 2007 № 4825, with amendments introduced by the Orders of vice Minister for Environmental Protection of RK from 26.03.2010 № 70-Ө; and from 19.03.2012 № 72-п.

³Environmental Code of the Republic of Kazakhstan dated September 1, 2007 No.212 with amendments dated November 4, 2014. Available at: <http://adilet.zan.kz/eng/docs/K070000212>

⁴ Instruction on conduct of impact assessment of planned economic and other activity on environment in the development of pre-planned, pre-project and project documentation, approved by the order of the Minister of Environment Protection of the Republic of Kazakhstan dated on July 28, 2007. No. 204-п, (with amendments as of 24.09.2013) available at http://adilet.zan.kz/rus/docs/V070004825_

⁵Access to environmental information related to the environmental impact assessment (OVOS) and decision-making process. Confirmed by the Decree of the Minister of the Environment of the Republic of Kazakhstan dated July 25, 2007 No.238-п.

⁶ On amendments being made to the Decree of the Minister of the Environment of the Republic of Kazakhstan dated May 7, 2007 No. 135-P "Approval of the Rules for the conducting of public hearings". The Decree of the Minister of the Environment of the Republic of Kazakhstan dated April 2, 2012 No. 88-Ө. Registered in the Justice Ministry of the Republic of Kazakhstan on 07

State Environmental Review (SER) authorities must disclose information to interested governmental structures and public). Application for the SER as well as the conclusion of the SER must be published in mass media, thereby the SER Proponent must launch holding and financing Public Hearings with provision of relevant information over the course.

2.2. IFIs requirements

The applicable requirements for this project are of International Finance Corporation (IFC), and the Equator Principles (EP), and the European Bank for Reconstruction and Development (EBRD). This set of requirements allows earning credits almost all largest banks of the world. If necessary, requirements can be specified and supplemented by the requirements of specific banks.

2.2.1. IFC requirements

The IFC invests in private projects, without guarantees of national governments, and also facilitates attraction of investments from other sources. Requirements to information disclosure specified in:

- Policy on Environmental and Social Sustainability (IFC, 2012); and
- Performance Standard (PS) "Assessment and management of environmental and social risks and impacts", which defines the principles and approaches to information disclosure by IFC clients and their interactions with stakeholders in the context of specific projects (IFC, 2012).

Interaction with stakeholders is carried out in order to establish and maintain relationships with residents of the project area who are affected and exposed to risks associated with its implementation. The core principles for development of dialogue with stakeholders, adopted by the IFC, are:

- identification of all the stakeholders, their expectations and concerns related to the project;
- early information distribution and acquiring of the feedback, considering the real possibilities of obtaining information and providing review of all the stakeholders;
- involvement of all stakeholders (the process should be inclusive and not exclusive); special emphasis is made on work with the residents affected by environmental aspects of the project, and vulnerable groups of society.

Consultations with stakeholders are essential components of the preparation and implementation processes of projects. They are held for the purpose of communicating information to stakeholders, information about the expectations, preferences, concerns of the residents and considering public preferences in decision-making.

Effective consultation should:

- be based on early provision of required and adequate information, including design documents, plans and programs;

- begin on the early stage of the ESIA; and
- focus on identified risks and adverse impacts of social and environmental nature, as well as on the proposed measures and actions to prevent, minimize, mitigate or compensate.

The distinctive feature of the IFC's approach, like other IFIs, is a consistent analysis of stakeholders, their expectations and concerns, the potential influence on the implementation of the project and cooperation opportunities. Special attention should be paid to the population that potentially may be affected by the impacts of the project, as well as vulnerable groups whose livelihood may be disrupted during project implementation. Consultation methods should be carefully selected. They should be acceptable to such groups, and special measures for prevention and mitigation of negative impacts with consideration of interests of vulnerable groups.

It is important to note that consultations with stakeholders are not limited by the period of design development and estimate documentation and execution of the ESIA and should be conducted at subsequent stages of its implementation on a regular basis. While the IFC recommends to develop and maintain the SEP. In accordance with the requirements of the IFC this document includes:

- the results of the identification of the stakeholders, including vulnerable groups, analysis of their interests and concerns;
- measures to promote dialogue and cooperation with stakeholders; adequate channels to inform and obtain feedback with regard to the requirements of national legislation, cultural sensitivity, empowerment of local communities;
- description of the consultation process, the recording of observations and comments, methods of communicating the results of the E&S Assessment to the stakeholders;
- grievance mechanism.

2.2.2. Equator Principles

The Equator Principles (EP) III (2013)⁷, adopted by 81 financial institutions around the world, impose a minimum set of requirements regarding environmental and social performance of companies. They are applicable to all new projects over 10 million dollars, and which may have significant environmental or social impacts.

The Equator Principles define for Category A projects:⁸

- development of the ESIA (Principle 2),
- Environmental and Social Management System and Action Plan implementation (Principle 4);
- Stakeholder Engagement Plan (Principle 5).

⁷ Equator Principles, ver. III, 2013 -

http://www.equator-principles.com/resources/equator_principles_III.pdf

⁸ Category A – Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented;(EP III, Principle I)

- Grievance mechanism should be established and supported (Principle 6) should be developed.
- For Kazakhstan and other non-designated countries⁹ the EP require projects to comply with applicable performance standards and IFC guidelines (Principle 3).

2.2.3. EBRD requirements¹⁰

According to the EBRD Environmental and Social Policy (ESP), the project is categorised as a Category 'A' project. This means that the Project could result in potentially significant adverse future environmental and/or social impacts and, therefore, requires an ESIA. Requirements for such projects include public consultation, the preparation and implementation of a SEP. The key requirements with respect to stakeholder engagement are laid out in the EBRD Performance Requirement 10 (PR10).

The EBRD's requirements concerning the public consultation process are generally in line with the legal requirements of Kazakhstan, but at the same time differ in a number of important respects. These differences can be briefly summarised as follows:

- The EBRD policies view stakeholder consultation as an ongoing process continuing throughout the life of the project.
- Stakeholder engagement involves the following elements:
 - stakeholder identification and analysis with a particular emphasis to organising dialogue with affected groups; special attention should be paid to vulnerable groups whose vital interests can potentially be affected by the project in question;
 - stakeholder engagement planning; engagement activities should be planned in consultation with stakeholders; where appropriate, diverse consultation methods should be used (meetings, roundtable discussions, public hearings, focus groups etc.);
 - information disclosure;
 - consultation and engagement;
 - grievance mechanism;
 - regular reporting to interested stakeholders.
- The nature and frequency of stakeholder engagement should be proportionate to the nature and scale of the project and its potential adverse impacts on the affected communities, the sensitivity of the environment, and the level of public interest.
- The client should identify and document the various individuals or groups who (i) are affected or likely to be affected (directly or indirectly) by the

⁹ Non-Designated Countries are those countries not found on the list of Designated Countries on the Equator Principles Association website.

¹⁰ Environmental and Social Policy. European Bank for Reconstruction and Development, 2014. Available at: <http://www.ebrd.com/downloads/research/policies/esp-final.pdf>

project (affected parties), or (ii) may have an interest in the project (other interested parties).

- A mandatory requirement is the establishment of an effective grievance mechanism to facilitate prevention and/or timely resolution of conflicts that may arise.

2.3. Good international practice resources

The IFC publication “Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets”¹¹ can be used as guidance. The handbook describes key stakeholder engagement principles and approaches (in accordance with the IFC’s performance standards) and provides concrete examples of implementing these approaches in different countries.

2.4. Company experience in stakeholder engagement

The Company regularly holds public hearings as required by the national legislation. The following public hearing events have been held to date:

- Public hearing to discuss the Project of Shalkiya Mine development up to 4,000,000 ton per annum, current activities and Environmental Protection Plan for 2013-2014 (19.06.2012).
- Public hearings to discuss ongoing activities and Environmental Protection Plan implementation (18.11.2014 and 12.02.2016).

The Minutes of these public hearings are available. The Company’s experience of conducting public hearings is described and reviewed in the ESIA Report (Section 11).

In addition to public hearings, the following stakeholder engagement arrangements are in place:

- Public complaints and requests are sent to the Akimat; all of them (both related and not related to the Project)_are filed in one logbook; those complaints/requests that are related to the Project are conveyed to the Company;
- The Company regularly discusses with stakeholders its staff recruitment policies;
- The Company maintains dialogue with vulnerable groups and provides focused support where possible.

Generally, the consultation process to date is considered to provide a good basis for further development of dialogue. The implementation of this Plan would help enhance existing experience through the use of good practices in line with the EBRD requirements.

¹¹ Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets. Available at: http://www.ifc.org/wps/wcm/connect/938f1a0048855805beacfe6a6515bb18/IFC_StakeholderEngagement.pdf?MOD=AJPERES

3. STAKEHOLDER IDENTIFICATION AND ANALYSIS

Stakeholder identification and analysis has been carried out by means of expert analysis on the basis of information from open Internet resources as well as the results of social study carried out by Ecoline EA Centre and Hatch (August, 2015). On the basis of this analysis, the Stakeholder Register¹² is developed. The Stakeholder Register will be extended/updated through the consultation process throughout the Project lifecycle.

3.1. Stakeholder identification

For the purpose of stakeholder analysis, stakeholders are conventionally classified into internal (working at the Company or for its key contractors, directly involved in and benefitting from the Project) and external (not working at the Company and not involved in the Project). Among external stakeholders, affected groups and vulnerable groups are specifically identified.

- Affected parties:
 - Residents of Shalkiya village;
 - Residents of Kuttykozha village;
 - Special attention is to be paid to vulnerable groups within the affected communities: lonely elderly people, families with many children, single-parent families, people with disabilities and other low income groups
- Local communities not affected by direct impacts of the Project:
 - Residents of Birlik and Jalyima villages (Shalkiya aul district);
 - Residents of other settlements in Zhanakorgan district;
 - Residents of Kyzylorda Oblast and Kentau and Turkestan cities.
- State authorities:
 - Government of Republic of Kazakhstan
 - Akimat of Kyzylorda Oblast
 - Ministry of Energy, Committee of Environmental Regulation, Control and State Inspection in oil and gas sector.
- Neighbouring land users:
 - Industrial enterprises (Kyran LTD, UAD LTD, KazProm LTD, Meliorator LTD, ShalkSchebZavod LTD etc.)
 - Agricultural producers (Ai-Takh LTD, Toleuov PE, Myrzakhanov PE, Auyezbekov PE, Oksikbayev PE, Maulenbekov PE, Victoria Ten PE etc.)

¹² Stakeholder Register is the open list of stakeholders containing contact details and information on the expectations, concerns, suggestions, notes, comments, as well as on notices, invitations and responses sent and other relevant information required to organize and maintain effective dialogue. The Register is amended and updated as the dialogue evolves.

- Local authorities:
 - Akimat of Zhanakorgan District;
 - Akimat of Shalkiya Aul Okrug
- Environmental NGOs¹³:
 - NGO "Ecological Fund of Kazakhstan";
 - NGO "Green Salvation".
 - Aarhus Centre in the city of Kyzylorda;
 - NGO "Regional Centre of ecology and health protection";
 - NGO "Women of the Aral";
 - NGO "Kamystybas";
 - NGO "Arman Aktolkyn";
 - NGO "Baytak Dala";
 - NGO "Ecoterbie";
 - NGO "Ecology of Aral";
 - NGO "The Aral Sea";
 - Association of legal entities "Syr Tabigaty".
- Research and educational institutions, including, among others:
 - Research institute "Garysh-Ecology";
 - Research centre of Biotechnologies and Ecology;
 - Kyzylorda Academic University of Economics, Ecology and Law;
 - Kyzylorda State University named after Korkt Ata;
 - Higher and secondary educational institutions of Kyzylorda Oblast (Region).
- International lending agencies and other potential investors
- International community including experts and non-governmental organisations

¹³ Interest to be confirmed in consultations

3.2. Stakeholder analysis

The key stakeholders identified as a result of the analysis are listed below (Table 1). For the purpose of planning stakeholder engagement activities, a summary analysis of their expectations and concerns has been made. Where field survey results were found to be insufficient, assumptions were made regarding potential expectations and concerns of stakeholders based on experience from similar projects in Kazakhstan and elsewhere.

Stakeholder concerns were partly taken/verified through social studies done 10-17th August 2015. The information on stakeholders, their expectations and concerns should be amended over the course of consultations and subsequent SEP updates.

Table 1. Stakeholder analysis

Stakeholders	Possible role in the project	Expectations/ concerns/interests
Local residents:		
Residents of Shalkiya village	Nearest village: potentially affected community	Expect new job opportunities; poor water quality is the main concern
Residents of Kuttykozha aul	Nearest village: potentially affected community	Expect new job opportunities; farmers could expect new market for their production. Concerns are not identified.
Residents of Birlik and Jalyima villages	Not directly affected by the environmental aspects of the project. Could receive social benefits through the Project	Are presumably interested in new jobs and larger markets for their agricultural products
Residents of other settlements in Zhanakorgan district	Could be interested in employment opportunities. These settlements are located along the Project's freight and staff transportation routes	No analysis of expectations was undertaken as part of ESIA. Consultations are recommended
Government of the Republic of Kazakhstan		Interested in the success of the development of mining and metallurgical cluster development
Ministry of Energy, Committee of Environmental Regulation, Control and State Inspection in oil and gas sector	Carries out state environmental expert review and subsequent oversight of environmental compliance	Oversees compliance with national legal environmental requirements
Akimat of Kyzylorda Oblast	Support the Project implementation at the regional	Expect the development of mining and metallurgical cluster,

STAKEHOLDER ENGAGEMENT PLAN. SHALKIYA MINE EXPANSION PROJECT.

Stakeholders	Possible role in the project	Expectations/ concerns/interests
	(Oblast) level Participate in the allocation of a land plot and approvals	economic and social development,
Local authorities		
Akimat of Zhanakorgan District	Organise the public hearings Participate in land plot allocation	Interested in economic and social development, job places, tax revenues
Shalkiya Village Akimat	Participate in organizing the public hearings	Support the Project; interested in job creation and tax revenues; Interested in providing longer term development opportunities (to sustain the village after the mine closure)
Neighbouring land users		
Industrial enterprises	Participation in consultations	Not examined
Agricultural producers	Participation in consultations	Could be interested in the environmental aspects of the Project
Environmental and social NGOs		
NGO "Ecological Fund of Kazakhstan"	Participation in consultations	Can be interested in environmental aspects of the Project
NGO "Green Salvation"	Participation in consultations	Can be interested in environmental aspects of the Project
Aarhus Centre in the city of Kyzylorda	Participation in consultations	Can be interested in environmental aspects of the Project
NGO "Regional Centre of ecology and health protection"	Participation in consultations	Can be interested in environmental aspects of the Project
NGO "Women of the Aral"		
NGO "Kamystybas"		

Stakeholders	Possible role in the project	Expectations/ concerns/interests
NGO "Arman Aktolkyn" NGO "Baytak Dala" NGO "Ecoterbie" NGO "Ecology of Aral" NGO "The Aral Sea"		
WWF Kazakhstan	Participation in consultations	Can be interested in discussing the environmental aspects of the Project
Research and educational institutions		
Research institute "Garysh-Ecology" Research centre of Biotechnologies and Ecology Kyzlorda Academic University of Economics, Ecology and Law Kyzlorda State University named after Korkt Ata	Participation in the environmental assessment of the Project and public consultation	Can be interested in participation in OVOS process and/or discussion of the environmental aspects
International lending agencies and other potential investors	Financing the Project	Interested to receive credible and unbiased information on the environmental and social impacts of the Project
International community including experts and non-governmental organisations	Participation in consultations	Not examined

STAKEHOLDER ENGAGEMENT PLAN. SHALKIYA MINE EXPANSION PROJECT.

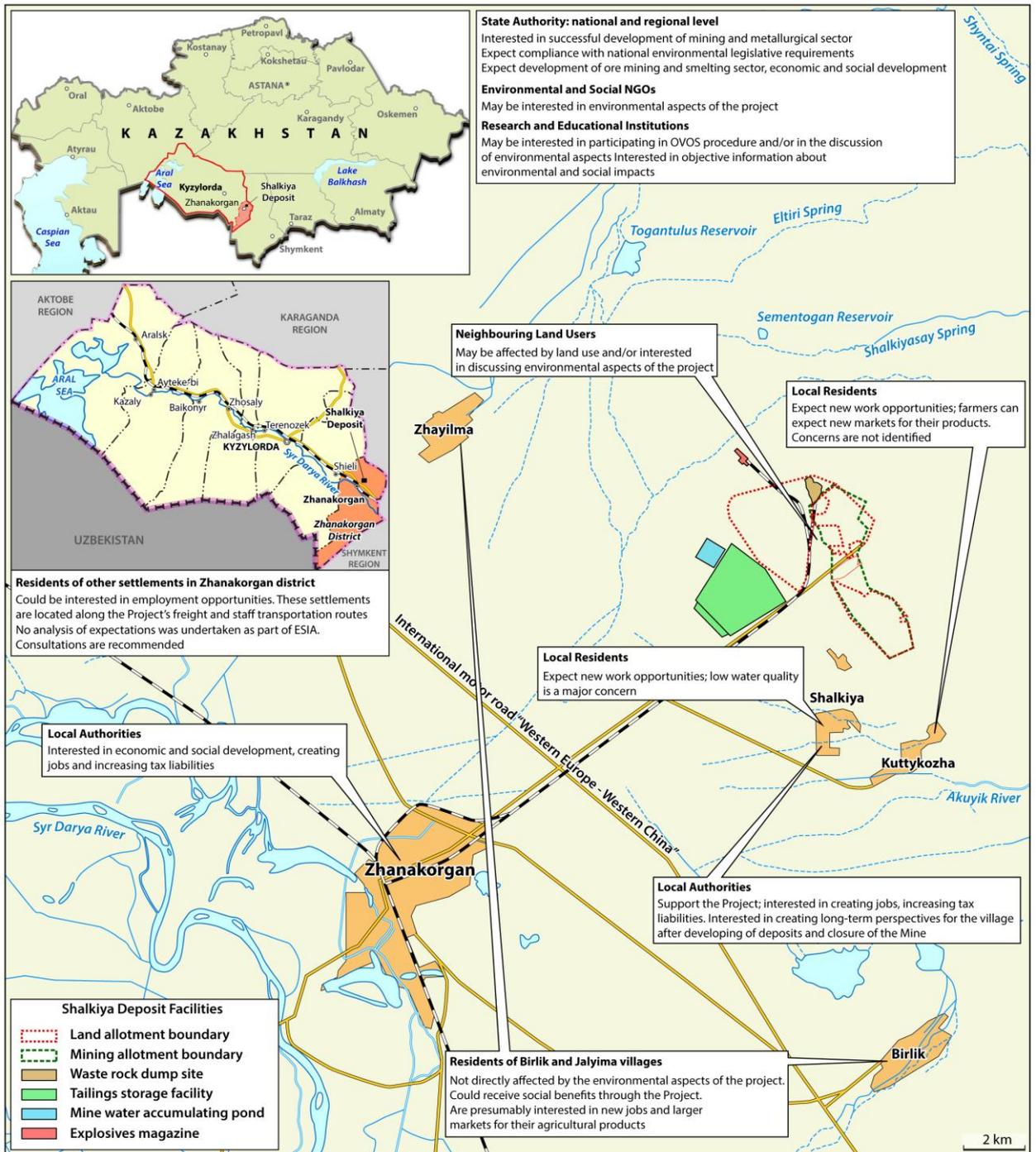


Figure 2. Map of stakeholders

4. STAKEHOLDER ENGAGEMENT PROGRAM

The Stakeholder engagement program covers the following tasks: (1) timely and relevant Project information providing to stakeholders, particularly to affected people; (2) meaningful two-way stakeholder consultation activities; (3) grievance mechanism for effective feedback and problem solving.

4.1.1. Information disclosure

Stakeholders will be provided access to reliable and complete Project information presented in a manner that takes account of specific local conditions, cultural and language preferences of local communities.

To effectively communicate relevant information to diverse stakeholder groups, at the stage, the following documents will be disclosed:

- Environmental and Social Impact Assessment Report: this document typically attracts interest among experts and non-governmental organisations (in Russian and English);
- Environmental and Social Action Plan (in Russian);
- Non-technical summary: information at this level is aimed at a broader audience of interested users (in Kazakh, Russian, and English);
- This Stakeholder Engagement Plan (in Kazakh, Russian, and English);

Given that significant part of local residents could find reading technical texts difficult, the above mentioned documents will be complemented with information brochures in Kazakh language. Other visual means could be also used to distribute information about the Project (posters, information boards etc.).

To ensure accessibility of the disclosed documents, they will be available to the public:

- at a dedicated website on the Company website (<http://zinc.kz>), where interested users will also be able to ask a question and get an answer;
- in the Public Visitors' Centre (PVC) in Shalkiya village (Akimat building) where the paper copies of these documents will be available;

The international community will be also able to have access to the English versions of these documents at the Company website.

For the Category A projects, EBRD requires providing a 120 day consultation period for reviewing the ESIA documentation and collecting comments.

The national legislation requires a much shorter period of consultation and information disclosure (at least 20 days). For this Project, based on the Company's and regional experience, ESIA documents will be available for disclosure and review for at least 2 months (one month before and one month after the public consultations). This period could be extended if deemed necessary.

The project events (including meetings, opening PVC and other communication channels) will be announced in the local and regional newspapers and TV; where prescribed by the national legislation, the announcements in national mass media will be done

The Company will publish information through the Internet site, to be maintained for the life of Project. The Public Visitors' centre was launched in May 2016 in the premises of Shalkiya Akimat and will be maintained jointly by the Company and Akimat throughout the Project cycle. This approach is underpinned by the available experience the Akimat has in receiving and handling public complaints for a long time. By relying on this experience, the Company would be able efficiently developing the stakeholder dialogue, following the national legislation and IFI requirements.

Planned events and other project information will be announced through local and regional media:

- District newspaper "Zhanakorgan Tynysy",
- Oblast newspaper "Kyzylordinsky Vesti".
- TV channel "Kazakhstan Kyzylorda"
- Information Agency "Kyzylorda-News.kz"
- Newspaper "Who is that?"
- The newspaper "Tran Asali"
- Newspaper "Kyzylorda times"
- The newspaper "Asali"

4.1.2. Consultations

Within the framework of the Project, consultations will be organised with all key stakeholders. Some events will be intended for all stakeholders; other events will focus on specific topics that would represent interest for selected stakeholder groups.

The general-purpose events include public consultations held to discuss the ESIA documentation in line with IFI requirements and public hearings organized to discuss the OVOS materials pursuant to the national legislation. Special-purpose events include meetings held to address specific issues and problems identified in the ESIA that are of interest for specific stakeholder groups. These issues include, for example, land use, local workforce recruitment, development opportunities for local communities at various stages of the Project etc.

Table 2. Stakeholder Engagement Program

	Activity	Focus Group	Information Materials	Timeframe	Responsibility	Location
1.	<i>Hold public consultations on the f ESIA findings:</i>				JSC ShalkiyaZinc LTD	Shalkiya
1.1.	Establish the public visitor centre and provide the ESIA documentation.	Local community	ESIA Report, Environmental and Social Action Plan; Non-Technical summary (NTS), Stakeholder Engagement Plan (SEP)	May 2016	JSC ShalkiyaZinc LTD	Shalkiya
1.2.	Publish information through the Internet	All stakeholders		July 2016	JSC ShalkiyaZinc LTD	Company website: http://zinc.kz/
1.2.	Hold public consultations	Local residents and stakeholder groups		August 2016	JSC ShalkiyaZinc LTD, Shalkiya Aul District and Zhanakorgan District Akimats	Shalkiya Zhanakorgan
1.3.	Hold roundtable meetings	Local community members and stakeholder groups in Kyzylorda Oblast		August 2016	JSC ShalkiyaZinc LTD, Kyzylorda Oblast Akimat	Kyzylorda Oblast
1.3.	Collect stakeholder comments	All stakeholders		July 2016	JSC ShalkiyaZinc LTD	Shalkiya

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2.	<i>Hold public consultations on the OVOS materials</i>			Q3-4 2016	JSC ShalkiyaZinc LTD, Akimat	Shalkiya
2.1.	Publish an announcement in the newspaper and make OVOS materials public	All stakeholders	OVOS materials ¹⁴	Shalkiya	JSC ShalkiyaZinc LTD	Shalkiya (Public Visitors Centre), Zhanakorgan District Administration, Internet site
2.2	Hold public consultations ¹⁵	All stakeholders		Q3-4	JSC ShalkiyaZinc LTD, Akimat	Zhanakorgan
2.3.	Collect stakeholder comments	All stakeholders		Q4	JSC ShalkiyaZinc LTD, Akimat	Shalkiya
3.	<i>Thematic consultations¹⁶</i>					
3.1.	Consultation on the Recruitment Policy	Job seeking candidates	Recruitment Policy	2016 as deemed necessary	JSC ShalkiyaZinc LTD	Shalkiya
3.2.	Consultation on land use	Businesses neighbouring with the ShalkiyaZinc	ESIA materials			

¹⁴ ESIA Report, ESAP, SEP, NTS and leaflets can be used as supporting materials

¹⁵ Where possible, to combine these with the public consultations on the ESIA.

¹⁶ The topics of the meetings to be identified and finalized through consultation

3.3.	<p>Shalkiya Mine and village: what their future could be in 2020, 2030, and 2050? Community meetings, workshops and meetings aiming to help articulate a vision of the desired future , expert meetings, roundtable meetings etc.</p>	Shalkiya district residents and Akimat	Available materials	2016-2017	JSC ShalkiyaZinc LTD, Akimat	Shalkiya
3.4.	<p>Formulating the Local Community Development Plan. Work meetings</p>	Shalkiya district residents and Akimat	Available materials	2016	JSC ShalkiyaZinc LTD, Akimat	Shalkiya

Public Consultations to Discuss the ESIA and OVOS Findings:

It is planned to bring the public consultation process for the ESIA and OVOS as close as possible to the affected communities. The public hearings will be held in Zhanakorgan (as per normal practice) and Shalkiya (which is going to be an unprecedented experience in the district). The roundtable meetings will be also organized in Kyzylorda as necessary. As much as possible, the public consultation events for the ESIA and OVOS processes will be combined (the OVOS consultations are traditionally conducted in Zhanakorgan). All residents living in the Shalkiya aul okrug and Zhanakorgan district will be actively invited to attend these meetings.

To ensure as much transparency as possible, the local community representatives can be delegated to attend the public hearings in Zhanakorgan and roundtable meeting in Kyzylorda. The Company will provide transportation support for these people.

Records/minutes of every meeting will be maintained and key notes from each speech will be taken. The Company will review the public consultation materials and stakeholder expectations and concerns, and update/adjust its stakeholder engagement activities accordingly.

Thematic Consultations:

At the initial stage, thematic consultations will be organized to discuss issues identified through the ESIA process. While these consultations are open for all stakeholders, the major focus would be on target groups that are considered to be most interested in these topics:

- Consultations on the Recruitment and Employment Policy: these consultations are already ongoing and will continue as the draft Policy is developed. Local residents hoping to benefit from new employment opportunities created by the Project are most interested in attending these consultations at the moment. It is anticipated that in the future, once the draft Policy is made public, these consultations will be more actively attended by other candidates from communities based in Zhanakorgan district and broader Kyzylorda Oblast. These consultations are organized by JSC ShalkiyaZinc LTD along with the Shalkiya Aul Okrug Akimat.
- Consultations on land uses: these consultations are primarily intended for business entities located adjacent to the Mine site. These include (a) agricultural farms and private entrepreneurs and (b) industrial enterprises producing and processing mineral resources of local significance. Consultations with farmers grazing their livestock in the immediate vicinity of the Mine site were held in April-June 2016 and could continue as necessary. It is also required to maintain dialogue with livestock keepers who graze their livestock directly at the Mine site without any permits. JSC ShalkiyaZinc takes steps to crease illegal livestock grazing activities. Interested land users will be made aware of these steps through individual and group meetings, distribution of information materials (specific awareness raising activities to be identified).

- Formulating a vision of the desired future for Shalkiya: the target audience for this topic includes local residents from Shalkiya and Kuttykozha villages, Shalkiya Aul Okrug Akimat officers, small and medium businesses, cultural and healthcare sector specialists. It is planned to invite the Zhanakorgan District Akimat officers and other stakeholders to take part in this discussion. The dialogue will be jointly organized and facilitated by the Akimats and JSC ShalkiyaZinc LTD. Stakeholders will be invited to take part in the dialogue during the public hearings in Shalkiya village and Zhanakorgan district. The forms of dialogue will be agreed through joint consultations with the involvement of all stakeholder groups. Discussing these issues requires combining various forms of dialogue (e.g. work group meetings, vision workshops and community meetings).
- Formulating the Local Community Development Plan: this Plan will be developed at the early stages of the mine development and maintained into the future. It will focus on issues of mutual interest for the Company and local community, to be developed and implemented through joint effort and based on the principle of mutual respect for interests, opportunities and needs of participants. It is expected that all interested residents from the Shalkiya aul district and Zhanakorgan district will take part in the dialogue. It will be organized and maintained through joint effort of the Company, local authorities and self-governance bodies.

A small community liaison office will be organized and maintained to facilitate the implementation of this Stakeholder Engagement Plan and maximize the efficiency of community engagement process throughout the Project. The community liaison officer will be selected among the local residents and specially trained by the Company to maintain engagement with the local community. It will be directly accountable to the Advisor to the Chairman of the Board of JSC ShalkiyaZinc LTD who is responsible for managing the stakeholder engagement activities. His/her role will grow as the dialogue evolves from the ESIA consultations to interaction and cooperation toward ensuring better future for Shalkiya community.

The Council of the Elders could become a valuable consultation channel. The members of the Council will be consulted with on a regular basis.

5. GRIEVANCE MECHANISM

The implementation of the proposed Project may potentially lead to disagreements, disputes, or conflicts. In order to prevent and/or resolve them in a timely and effective manner, the IFI requires establishing and maintaining a permanent mechanism for receiving and handling citizens' grievances and concerns (EBRD PR10; IFC PS1).

Stakeholder claims can be sent to PVC or to Shalkiya Akimat in writing, via email or telephone. They will be recorded in the log book.

Both signed and anonymous grievances will be accepted. However, if the person filing a grievance wants to receive the written reply, he or she has to provide reliable contact details. Each claim (including anonymous) will be forwarded to a competent specialist for preparing a reply and identifying remediation measures, if appropriate. The maximum period of grievance handling is 30 days. The prepared reply will be approved by the Project management and sent to the grievance originator. All claims and answers will be also posted on the website and kept at the Project Visitors Centre.

Contact details

Name	Nazhmadin Turkbenovich Musabayev
Position	Advisor to the JSC ShalkiyaZinc Chairman of the Board
E-mail	n.musabaev@zinc.kz
Telephone	Office: +7-72435- 21-7-78, mobile: +7-701-721-2790
Address	Shalkiya Mine, ASB, Office 301

Name	Yerkinbek Amirbekovich Bolganbayev
Position	Chief Specialist, Shalkiya Akimat
E-mail	akimat_s@mail.ru
Telephone	Office: +7 -72435-42-2-37, mobile: +7-747-654-72-05
Address	Shalkiya village, Aul Akimat building

6. MONITORING AND REPORTING

Successful stakeholder engagement depends on continuous effort, performance monitoring, analysis and adapting to changed circumstances and stakeholder information needs. JSC ShalkiyaZinc LTD will implement SEP and monitor and analyse SEP efficiency. The following initial indicators will be used for monitoring and improving stakeholder engagement performance in support of project implementation:

- Actions mentioned in Chapter 4 have been done;
- Number of public consultation participants;
- Number of visits to public visitors' centres;

- Number of stakeholders' comments and suggestions received by the proponent through various feedback channels;
- Number of stakeholders' grievances and claims regarding the Project;
- Number of publications on the Project implementation process in local, regional, and national media;
- Type/category of enquiries lodged via the public visitor centre;
- Type/category of stakeholder comments and suggestions addressed by the Company and through what means;
- Key categories of grievances received (employment, land use, environmental issues, labour relations, etc.)
- Number of grievances resolved within the maximum established timeline;
- Number of grievances remaining unresolved.

The Company will also prepare and publish annually a public report on the Project social and environmental performance.