Construction and Operation of a Caustic Soda Plant in Pavlodar, Kazakhstan

Public Consultation and Disclosure Plan

Prepared for:
JSC Caustic Pavlodar, Republic of Kazakhstan

Prepared by:
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London, UK

Date:
April 2010

Project Number: UK11-14579
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Annex A: Public Grievance Leaflet
1 Introduction

This document presents a plan for community engagement and information disclosure, on behalf of JSC Caustic, in connection with the construction and operation of a Caustic Soda Plant on the site of the former Pavlodar Chemical Plant in Pavlodar, Northern Kazakhstan. It details JSC Caustic's consultation activities to date and its future plans for Project disclosure and stakeholder consultation.

JSC Caustic was established in 2002 and acquired part of the former Pavlodar Chemical Plant (PCP) site, which was one of the largest chemical plants in the former Soviet Unit. The PCP site manufactured Chlorine (among others chemical products) using a now outdated mercury based technology, and employed over 7,500 staff.

The Company’s current operations include the import, handling and distribution of chlorine and chlorine based products; there is currently no on-site manufacture of chlorine.

1.1 Project description

The Project will involve the construction of a chemical facility for the production of chlorine and caustic soda (chloro-alkali production facility) using modern production facilities. The plant will serve the needs of the growing Kazakh economy with high-quality chemical products rather than relying on imports. Production techniques will be based on a modern membrane electrolysis technique which is widely acknowledged as industry ‘best practice’ with several advantages over alternative techniques (including those previously used at the site). The basic advantages of the membrane method are as follows:

- high level of environmental and industrial safety;
- high quality of manufacturing products; and
- low energy consumption (in comparison to alternative technologies).

JSC Caustic’s existing assets are located within the former PCP site and consist of:

- Offices, operational industrial buildings and the currently empty Building 115 which will accommodate the new plant, all within the wider PCP site (now known as the North Pavlodar industrial Zone);
- the dam (retaining walls) of the industrial waste water collecting reservoir “Bylkildak”;
- an industrial solid wastes disposal landfill;
- rail tankers (102 units) for chemical transportation, and
- a 3km railway spur linking the production site to the main line.

JSC Caustic intend to equip the existing Building 115 with new chloro-alkali production equipment and lay new railway sections to a salt unloading area and a railway tanker storage area.
Wastewater effluent, including site stormwater, is currently discharged under license to the industrial wastewater reservoir (named “Bylkylďak”), which is located approximately 1 km to the North of the proposed manufacturing site, and approximately 6 km to the East of the Irtysh River (Figure 1). Located in a natural depression, it was constructed in 1973 (at the same time as the former PCP) to collect industrial waters, domestic sewages, drainage and storm waters from the whole PCP. On the western, northern and eastern sides it is bordered by a constructed dam to prevent the industrial reservoir from over-topping. The reservoir area is approximately 19.2 km²; the evaporation capacity is 9.6 mln.m³/year. JSC Caustic does not own the industrial reservoir, but does have ownership and responsibility for the retaining dam walls. JSC Caustic will continue to discharge treated effluents to the reservoir as part of this proposed project.

JSC Caustic also has a 30 year land lease for an industrial solid wastes disposal site located approximately 1.0km to the north-west of the proposed manufacturing site (Figure 2). The facility was built in 1987 in order to receive wastes from the former PCP.

Pavlodar is located in North Kazakhstan approximately 100km west of the Russian border. The area surrounding Pavlodar is primarily barren and semi-arid, although Pavlodar itself is located close to the River Irtysh and is well vegetated. The river flows in a north-westerly direction towards Russia, crossing the Russian border approximately 200km north-west of Pavlodar.

The plant has been designed for the manufacture of liquid chlorine, concentrated and flaked caustic soda, sodium hypochlorite and hydrochloric acid as follows:

- Liquid chlorine – 9,825 t/year;
- Sodium hydroxide (NaOH), 50% solution – 17,056 t/year;
- Flaked sodium hydroxide – 9,900 t/year;
- Sodium hypochlorite solution – 11,781 t/year;
- Hydrochloric acid – 14,909 t/year.
Figure 1: Location of the site
1.2 Potential Impacts

The project will be located within the North Pavlodar Industrial Zone and use existing facilities infrastructure and buildings. Project impacts during construction are therefore anticipated to be minor.

During its operational phase the Project will result in several air, effluent and solid waste streams, including:

- Emissions to air - fugitive emissions of chlorine and sodium hydroxide, hydrochloric and sulphuric acid aerosols, carbon dioxide (from brine acidification) nitrogen dioxide, sulphur dioxide, solvents (from painting of containers), and combustion products from the caustic soda flaking unit.

- Effluents – traces of sulphate, chloride, metals (depending on purity of the salt), spent acids and chlorinated hydrocarbons.

- Solid wastes – brine filtration sludges

These effluents and emissions will be treated and/or disposed in an environmentally responsible manner.
In abnormal conditions there is also the small risk of chemical release from the site. The environmental and social impacts associated with construction and operation of the project are described in more detail within the disclosure materials (ESIA and Non Technical Summary) which have been released publicly (see Section 4.2).

In addition to the potential environmental impacts from the proposed project there are also a number of historical practices and legacy impacts associated with the former PCP, most notably mercury contamination at the site of the previous electrolysis building (located close to JSC Caustic facilities) and in the designated industrial waste water collector, known as Bylkylidak industrial reservoir. Both these areas have been extensively studied and levels of mercury in fish from the reservoir are known to exceed health limits and are not suitable for human consumption. These issues and others are also described in the disclosure materials described in Section 4.2.

1.3 Purpose of the Public Consultation and Disclosure Plan

This PCDP is designed to ensure the identification of all stakeholders with an interest in the Project, and to ensure meaningful engagement of these stakeholders during the development and life of the Project.

To this end this PCDP outlines the Company’s previous consultation activities and future plans to engage with its stakeholders during the OVOS process (environmental and social impact assessment), construction and operation phases of the Project. This engagement includes both the provision of relevant, timely and accessible information to stakeholders, and consultation with stakeholders on their opinions, concerns and preferences about Project design and proposed management and mitigation measures for potential impacts.

To this end, this PCDP is intended to:

- Provide a description of the national and international requirements for public consultation and disclosure that the company will conform to;
- Identify stakeholders at the local and national levels throughout the Project life;
- Provide a strategy, format and timetable for consultation and information disclosure;
- Identify JSC Caustic’s resources and management structure for developing and implementing the PCDP;
- Provide a grievance mechanism(s) for stakeholders, and:
- Develop a means of reporting on consultation and disclosure activities.

1.4 Project Programme

According to the project schedule the following works will be undertaken during 2009-2010:

- shipping of the main equipment and components;
- construction and reconstruction of the building for the equipment;
- assembling and commissioning;
Operations are scheduled to start before the end of 2010, with the Plant’s lifespan dependent upon industry needs.
2 Regulatory Context

2.1 Republic of Kazakhstan Requirements for Public Consultation

Kazakh legal requirements for public consultation when identifying project sites and constructing and refurbishing capital construction facilities are set forth below. These requirements will be met by the Project.

- The Environmental Code of the Republic of Kazakhstan No. 212-III ZRK dated January 9, 2007 (Article 57) states that business and other activities should take into consideration the participatory approach to the decision making process related to the rights of the citizens to favorable environment as per the applicable legislation.

- After a decision has been taken regarding the outcome of the state environmental review (i.e. review of an EIA report), all interested persons are provided with an opportunity to read the EIA and provide comments as prescribed in this Code.

- In accordance with the Article 17, sub-para 30 of the Environmental Code the procedures for organizing and carrying out public consultations is set forth by Order of the Minister of MEP No.135-o., dated May, 7, 2007 “On Approval of Provisions for carrying out public consultations”. These Provisions are based on the principles of ensuring constitutional rights of citizens and public organizations to obtain actual, complete and reliable environment-related information and public participation in environmentally efficient decision-making process, and are described in more detail below.

Initiators of Public consultations

According to the Provisions the Client (Initiator) of the planned managerial, business, investment or other activity must organize a public meeting to discuss the EIA materials. If all stakeholders reach the conclusion of project fulfillment and it is agreed then no further meetings are required. Procedures for carrying out public meetings are described in para. 2 of the Provisions. The results (conclusions) of the public meeting are to be recorded in the form of a Protocol (minutes) signed by the Chair and Secretary of the meeting who have been selected at the meeting. The Secretary minutes the proceedings of the public meeting. One copy is sent to the local executive bodies (i.e. the local Mayors’ offices). This Protocol must be included within the EIA, so all stakeholders have access to it. In addition the media often uses the Protocol to prepare articles for newspapers.

The Client is required to analyse the conclusions of the public meeting(s) as detailed in the minutes and makes a decision on project further development taking into consideration the public opinion. The EIA documentation with the materials of public opinion; documented and including conclusions on the results of public meetings of ecological aspects of the projected operation is submitted to the State Environmental Review.
Public meetings including the provision of appropriate information must be organized, financed and resourced by the Client.

**Organisation and Timing of public consultations**

The Client is required to preliminarily agree with the local executive bodies the time and place of public meetings. The Client must publish a minimum of one announcement about the public meeting including the date and place in the media 20 days before it is due to take place, both in Kazakh and Russian. There is no special requirement stipulating in which newspaper the announcement must be made; the one used is usually the most popular newspaper of the local region. Other means of public disclosure (information bulletins, exhibition etc.) are welcomed but are not required by legislation. Contact details of offices where the public can examine the EIA materials are included in the announcement. The Client must provide access to the EIA materials from the date of the official announcement about the public meeting(s). All meeting participants are recorded in-line with requirements (15-30 minutes before the meeting) at the appointed time and place and the list of participants is included as part of the minutes.

**Subject of Public Consultations**

The subject of the public consultations is the findings of EIA pre-project and project materials relating to the planned activity that could lead to significant impact on the environment and human health. For determination of impact significance three criteria are used: the impact magnitude, period and intensity.

**Participants of public consultations**

Public consultations may involve any representatives of the concerned public, including individuals and non-governmental organizations.

The participants of public meetings usually include:

1. The Interested Public;
2. Public organizations and NGOs;
3. Local executive and representative bodies, governmental agencies; and
4. The mass media.

The Company’s earlier consultation activities in line with the requirements described above are outlined in Section 4.1.

**2.2 International requirements for a PCDP**

In addition to the Russian regulatory requirements described in Section 2.1, the Project will also conform to the disclosure and stakeholder engagement requirements of the European Bank for Reconstruction and Development (EBRD) which is one of the Project’s potential funders. Specifically the Project will conform to the Public Consultation and Disclosure requirements outlined in Annex 2 of the EBRD Environmental Policy of 2003. This requires
that the Project, which is classified as category ‘A’ project by EBRD, should develop a PCDP which includes the elements described in Section 1.3 above.

In particular EBRD requires that the OVOS (ESIA) must be made publicly available for comment in a format which is accessible to stakeholders potentially affected by the Project. EBRD policy further requires that the ESIA shall remain in the public domain for a minimum period of 60 days.

In addition the EBRD requires that the projects it supports conform to the spirit, purpose and goals of the United Nations Economic Commission for Europe (UNECE) Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (the Aarhus Convention). This PCDP therefore takes account of the measures required by the Aarhus Convention.
3 Identification of stakeholders

3.1 Introduction
Project stakeholders are individuals or groups who i) are affected or are likely to be affected directly or indirectly by the Project ("affected parties") or ii) may have an interest in the Project ("interested parties"). They include individuals or groups that may be affected by the Project (or themselves affect the Project) or perceive themselves to be affected by the Project.

In addition, ‘legitimate stakeholder representatives’ may be identified for some of the stakeholder groups. These are people or organisations who have broad based support amongst the stakeholder groups identified and can act as a two way channel of communication between the company and its stakeholders. Legitimate stakeholder representatives can include, for example ‘...elected officials, non-elected community leaders, leaders of informal or traditional community institutions, and elders within the affected community’. Consultation with stakeholder representatives should not preclude the participation of individuals from the consultation process.

3.2 Project Stakeholders
The stakeholders that have been identified for the Project to date are listed below. During forthcoming consultation activities JSC Caustic will identify individuals and legitimate representatives of primary stakeholder groups who will be targeted with Project information and consulted on the preferences and opinions of their stakeholder group.

Potentially Affected Parties

- Current and future employees of JSC Caustic facilities, which are now under construction or upgrade;
- Students of technical college/institute;
- Local communities in proximity to the plant and the Bylkylkyl industrial reservoir (Pavlodarskoye and Zhana-Aul villages).

Interested Parties

- National Bodies
  - Ministry of Environmental Protection of the Republic of Kazakhstan
    Entrance 14, House of Ministries 35-8, Left Bank, Astana, 010000, Republic of Kazakhstan
    Telephone/fax: + 7 (7172) 740075

2 IFC, 2007, Guidance Note 1 on Social and Environmental Assessment, paragraph G1
Email: N/A
Official Website: www.eco.gov.kz
Minister: Mr. Ashimov Nurgali Sadvokasovich

Regional/Local Authorities:
- Pavlodar Region Administration
  49 Akademik Satpayev Street, Pavlodar, 140009, Republic of Kazakhstan.
  Telephone/fax: + 7 (7182) 32-48-55, 32-40-55, 32-34-22
  Email: kense.ap@pavlodar.gov.kz
  Official Website: www.pavlodar.kz
  Region Mayor: Mr. Saginbayev Bakytzhan Abdirovich

- Pavlodar City Administration
  25 Krivenko Street, Pavlodar, 140009, Republic of Kazakhstan
  Telephone/fax: +7 (7182) 320306
  Email: kense.ap@pavlodar.gov.kz
  Official Website: www.pavlodar.gov.kz
  Mayor: Mr. Zhumanov Bahytzhan Tolevzhanovich

- Pavlodarskoye Village Administration
  4 Sovetskaya Street, Pavlodarskoye village, Republic of Kazakhstan
  Telephone/fax: +7 (7182) 358317
  Email: kense.ap@pavlodar.gov.kz
  Official Website: www.pavlodar.gov.kz
  Mayor: Mrs. Fogel’ Irina Viktorovna

- Zhana-Aul Village Administration
  43 Aymanova Street, Pavlodar, 140009, Republic of Kazakhstan
  Telephone/fax: +7 (7182) 533071
  Email: kense.ap@pavlodar.gov.kz
  Official Website: www.pavlodar.gov.kz
  Representative: Mrs Chikayeva Bakhyt Oizhayevna

Specific designated supervisory authorities including:
Irtysh Department of Ecology of Ecological Regulation and Control Committee of Ministry of Environmental Protection of Republic of Kazakhstan

22 Mira Street, Pavlodar city, 140009, Republic of Kazakhstan
Telephone/fax: +7 (7182) 532910
Email: potuoos@rambler.ru
Official Website: http://www.ecokomitet.kz/departament/irtysh.php
Head of the Department: Alimzhanov Yerkin Kaynuldinovich
Deputy of the Main State Expert of Pavlodar City Department Head: Alimzhanov E.K.;
Head of Environmental Regulation Department: Kasenov B.Zh.

Department of Employment and Social Programs of Pavlodar region

25 Krivenko Street, Pavlodar, 140009, Republic of Kazakhstan
Telephone/fax: +7 (7182) 320096
Email: None
Official Website: www.pavlodar.kz
Head of the Department: Mrs. Mukasheva Zauresh Kuantayevna

Department of State Sanitary Epidemiological Supervision in Pavlodar Region

70/2 Toraygyrova Street, Pavlodar, 140009, Republic of Kazakhstan
Telephone/fax: +7 (7182) 550644; 553914; 553997, 554824
Email: pav_dgsen@mail.ru
Official Website: http://www.pavlsanepid.gov.kz/link214/
Head of the Department: Mr. Temerbekov Amanzhol Salikovich
Head of Supervision of the Industrial Enterprises Department and other Physical Factors: Kamashev T.K.
Head of Supervision of Municipal Objects, Objects of Water Supply and an Environment Department: Tleubergenov M.Z

Department of the State Sanitary and Epidemiologic Supervision of City of Pavlodar

3 Chkalova Street, Pavlodar, 140009, Republic of Kazakhstan
Telephone/fax: +7 (7182) 544639
Email: pavlodar_ugsen@mail.ru
Official Website: www.pavlsanepid.gov.kz
Main Specialist of the Supervision Department for the Industrial Enterprises of Management Department: Litvinchuk V.N.

Department of Entrepreneurial Activity and industry Management in Pavlodar Region

Room 101a, 61 Lenina Street, Pavlodar, 140009, Republic of Kazakhstan
Telephone/fax: +7 (7182) 324239
Email: kense.olpp@pavlodar.gov.kz
Official Website: www.pp.pavlodar.gov.kz  
Head: Usenov M.A.

Department of Architecture and Town Building of Pavlodar

25 Krivenko Street, Pavlodar, 140009, Republic of Kazakhstan  
Telephone/fax: +7 (7182) 320894  
Email: arhgrad2008@mail.ru  
Official Website: www.arhyrad.gov.kz  
Head: Mr. Smailov Zarykhan Slamkanovich

Entrepreneurial Activity Department of Pavlodar City

25 Krivenko Street, Pavlodar, 140009, Republic of Kazakhstan  
Telephone/fax: +7 (7182) 320618  
Email: None  
Official Website: None  
Head of the Department: Mr. Kapenov Serik Uahapovich

- NGOs
  
  Consulting Informational Center

48 Gagarina Street, apartment 67, Pavlodar, 637013, Republic of Kazakhstan  
Telephone/fax: +7 (7182) 450410  
Email: root@kic.pavlodar.kz  
Official Website: None  
Head: Mr. Okishev Vecheslav

Pavlodar regional Department of environment protection Kazakh society

168 Dzerzhinskogo Street, Pavlodar, 637000, Republic of Kazakhstan  
Telephone/fax: +7 (7182) 320885  
Email: None  
Official Website: None  
Head: Mrs. Shirochenko Galina Grigoriyevna

OO EKOM

75-9 Sovetov Street, Pavlodar, 637000, Republic of Kazakhstan  
Telephone/fax: +7 (7182) 557787
Email: msv@nursat.kz
Official Website: None
Head: Mrs. Mogiluyk Svetlana
4 Disclosure and Consultation

4.1 Consultation Undertaken to Date
JSC Caustic has already undertaken public consultation activities, namely those in relation to the development of the OVOS (ESIA) for the Project. Information about the planned public meetings was published in mass media (announcements were published in newspaper Zvezda Priertyshia on 1st January, 2009). In addition official invitations were sent to local authorities and other stakeholders including:

- Pavlodar region and Pavlodar city Administrations;
- Irtysh Department of Ecology of Ecological Regulation and Control;
- Committee of the Ministry of Environmental Protection of the Republic of Kazakhstan;
- Pavlodar State University;
- Department of State Sanitary Epidemiological Supervision in Pavlodar Region;
- Department of Entrepreneurial Activity and industry Management in Pavlodar Region;
- National-Democratic Party “Nur Otan”;
- Labour Union of “Pavlodarenergo” power network employees;
- The newspaper “Zvezda Priirtyshia”;
- The newspaper “Irbsy”;
- The newspaper “Karavan”;
- Pavlodar radio; and
- Pavlodar TV.

The public meeting was held at 11:00hrs 27.01.2009 in the hall of the Department of Entrepreneurial Activity and Industry Management in the Pavlodar Region (61 Lenina Street, Pavlodar City) and was attended by 102 people. The results of public discussions were published in the mass media and on the internet site of Pavlodar region administration http://www.pavlodar.gov.kz/page.php?page_id=45&lang=1 and on the website of Kazakhstani mining portal http://www.mining.kz/index.shtml?f=show&type=1&id=133881135175.

There were no claims or objections from local stakeholders regarding the construction of chlorine and caustic soda production plant during this meeting.

On 12.06.09 a representative of JSC Caustic made a presentation on the project during a regular meeting of the National-Democratic Party “Nur Otan”. The meeting comprised a series of presentations from organisations concerning the work they are undertaking in the region. JSC Caustic was invited to give the presentation because the JSC Caustic plant is one of the thirty ‘Corporative Leaders’ aimed at supporting effective growth of the economy of Kazakhstan. This presentation was shown on local TV and was reported in the mass media.
Since January 2009 the OVOS (ESIA) for the Project can be accessed at the JSC Caustic office (Sharipov P.T.) in hard copy upon the request.

4.2 Future Disclosure and Consultation

JSC Caustic will release an environmental ‘disclosure package’ on the 25th March 2010 in Russian language. The disclosure package will include:

1. The OVOS (ESIA) for the proposed Project;
2. An addendum to the OVOS (ESIA) to fulfill EBRD’s requirements for any supplementary environmental and social assessment requirements, for example for detail of the proposed technologies, description of any social impacts, consideration of cumulative and transboundary impacts.
3. A non-technical summary (NTS) that will include:
   • An overview of the Project including all Project sites and proposed expansions,
   • A summary of the OVOS findings, including potential environmental and social impacts and proposed management measures identified in both the OVOS documentation and supplementary ESIA documentation.
4. This PCDP.

Notices will be printed in the local mass media to launch the disclosure package, providing information on where the disclosure package will be available, how to contact the Company (JSC Caustic) for comment and the times, dates and location of any planned public meetings (articles will be published in newspapers “Zvezda Priytyshya” and the first article will be published on the 26th March 2010. The notice will also be posted within the village’s Mayor’s office and shop windows of Pavlodarskoye and Zhana Aul. Local authorities will be contacted directly. The notice will specify the cut off date for feedback (anticipated to be 25th May 2010).

Copies of the NTS will be posted to selected interested parties and legitimate representatives of affected stakeholders. The entire disclosure package, including the NTS and the underlying environmental assessments, will be made available for public review. It is possible that due to the size of some of these documents it will not be feasible to disclose them via the internet. Thus the disclosure package will be made available in a variety of locations and formats as described below.

The Non Technical Summary, an addendum to the OVOS and this PCDP will be available:

• Electronically on the JSC Caustic’s website;
• Electronically on EBRD’s London, Almaty and Astana office websites;
• As a hard copy in the central library of Pavlodar city, Akimat of Pavlodar city, Akimats of Pavlodarskoye and Zhana-Aul; and
• As a hard copy in JSC Caustic’s main office in Pavlodar, North Industrial Zone, 140000, Republic of Kazakhstan.
The OVOS materials and supplementary information may not be suitable for the website downloads and therefore hard copies will therefore be available at JSC Caustic’s main office in Pavlodar, North Industrial Zone, 140000, Republic of Kazakhstan for any stakeholders. Further hard copies will be made available at the Akimat of Pavlodar city, Akimats of Pavlodarskoye and Zhana-Aul and in EBRD’s offices in London, Almaty and Astana.

These documents will remain in the public domain for a period of at least 60 days. Contact details and web addresses for each of the above are provided in Section 8.

Feedback on the Project and the OVOS will be solicited through suggestions and comments log books, a phone log, discussions with stakeholder representatives, and a comments space on the company web site (see Section 8).

In April 2010 public meetings targeted at affected parties will be held in settlements close to the Project facilities, specifically Pavlodarskoye village and Pavlodar city. These meetings will be used to give a presentation of the NTS, and solicit feedback from local stakeholders. Transport and other assistance to attend the meeting will be given to elderly or disabled residents and those living in remote households as necessary should they be unable to make their own transport arrangements. The meetings will be conducted in both the Russian and Kazakh languages using translators.

Proposed dates for public meetings are

- Meeting 1. To be held in Pavlodarskoye at the village hall on 29th April 2010 at 17:00hrs.
- Meeting 2: To be held in the Hall of the Department of Entrepreneurial Activity and Industry Management in the Pavlodar Region (61 Lenina Street, Pavlodar City) on 30th April 2010 at 11:00hrs.

Additional advertisements about the meetings will be made one week before the meetings in the most popular local newspaper “Zvezda Priirtishyia”.

The meetings will be attended by representatives of JSC Caustic. EBRD will also have a representative to observe the meetings.

**4.3 Consultation during Construction and Operations**

During construction JSC Caustic will:

- Inform affected communities about any construction activities that may affect them in advance of the activities including predicted start and end dates and any significant anticipated impacts;
- Inform affected communities on the progress of construction;
- Solicit feedback from community member on the effectiveness of any mitigation measures for construction nuisance;
• Implement the company Grievance Procedure (see Section 6); and
• Identify an individual Stakeholder Liaison Officer who will be responsible for ongoing communications and liaison with members of the community and other stakeholders.

Throughout the life of the Project JSC Caustic will continue to update stakeholders on company performance and any proposed Project changes (e.g. additional expansions) using the Company website and notices in local media as necessary. In addition the public will be able to use the grievance procedure, or contact named Company representatives with suggestions or comments at any time using the contact details in Section 8.
5 Resources and Responsibilities

Stakeholder engagement activities will be coordinated by JSC Caustic’s Deputy of Chairman for Construction/Chief Specialist Ahmetov Artur Darazhatovich, who reports to the General Director. Contact details are provided in Section 8.

Ahmetov Artur Darazhatovich will be responsible for the disclosure of project information; public consultation activities and the management of the JSC Caustic Public Grievance Procedure (see Section 6).
6 Grievance Mechanism

6.1 Introduction
Managing grievances, including avoiding and minimising them, is an integral part of a sound stakeholder engagement strategy. Experience indicates that significant numbers of grievances arise from misunderstandings, and that such grievances can be avoided, or their numbers minimised, through consistent engagement with communities. Engagement also helps preventing community concerns from escalating into grievances.

A specific Project grievance mechanism may be useful for:

- reducing Developers exposure to litigation – and related risks and costs;
- helping address community and individual concerns and complaints before they escalate beyond control; and
- enhancing the reputation of a company and helping acquire and sustain the ‘social licence to operate’.

Plans will be made to manage (avoid, mitigate or compensate) any potential environmental or social impacts identified during the EIA process.

However, to ensure that the Company is made aware of, and thereby able to manage or compensate, any unexpected environmental and social impacts, JSC Caustic has developed a Public Grievance Mechanism. This is described in the remainder of this section.

6.2 Procedure
JSC Caustic has developed a Public Grievance Procedure and a Public Leaflet describing this procedure (see Annex A). The leaflet will be made available at the Company office (address provided in Section 8) and at local government offices or in neighbouring settlements (Pavlodarskoye and Zhana-Aul Local Councils (Akimats)).

In the event that a grievance is raised JSC caustic will respond in line with the procedure outlined in Annex A. In summary this requires that any requests for information will be acknowledged and where possible the information provided within five business days for a verbal request and ten business days for a written request. Any other type of grievance will be acknowledged and where possible resolved immediately (if verbal) or within five business days (if written).

Where resolution of the grievance cannot be provided within the timescales above, JSC Caustic aims to complete investigations within twenty business days from the grievance being acknowledged and once investigations have been completed will contact the complainant to discuss and agree the resolution. After the resolution has been agreed and implemented JSC Caustic will undertake follow up monitoring to check that the problem does not recur. JSC Caustic’s management and resolution of any grievances will be subject to EBRD monitoring should EBRD provide financing.
Persons lodging grievances will have the opportunity of maintaining confidentiality and JSC Caustic will ensure that the name and contact details of the person are not disclosed without their consent and only the JSC Caustic team directly working on the investigation of the grievance will be aware of them. If it is not possible for the team to fully investigate the grievance without revealing the person’s identity (for example if they are required to give evidence in court) the investigation team will discuss with the person how they wish to proceed. The procedure also allows for anonymous complaints to be lodged. In this case the grievance will still be investigated, but the company will not be able to give feedback to the complainant.

All grievances will be logged in a company grievance log, which will include:

- The reference number;
- The date the grievance was lodged;
- Content of the grievance;
- Date the acknowledgment was sent;
- Date the investigation was completed;
- Findings of the investigation;
- Proposed resolution, and;
- Statement of satisfaction of the person who lodged the grievance, or reason for non-resolution of the grievance.

The procedure will be operational from the date the disclosure package is publicly released.
7 Reporting

JSC Caustic will publish its finalized disclosure package, issues raised during the consultation process and appropriate feedback to issues raised on its website and place hard copies, which should not be removed, in local libraries and the venues for the public meetings as outlined in Section 4.

Throughout the Project, JSC Caustic will maintain communication channels with relevant stakeholders. In addition to the Grievance Procedure, JSC Caustic will notify interested stakeholders of any significant Project events, for example, changes in the Project schedule or major activities such as the onset of construction activities. JSC Caustic will provide Project updates on its web site and will notify certain stakeholders via email. For those stakeholders without access to email, notifications will be posted in the community halls in Pavlodar city, Pavlodarskoye and Zhana-Aul.
8 Contact Details for the Public

JSC Caustic’s main office

Contact

Ahmetov Artur Darazhatovich - Deputy of Chairman on construction/ chief specialist on approvals
Phone/Fax: +7 (7182) 53 66 46; 39 64 38
email: a.ahmetov@energo.kz
North Industrial Zone
Pavlodar City, 140000,
Republic of Kazakhstan
Website address: http://www.environcommunication.co.uk/Caustic_Kazakhstan/

EBRD London (Business Information Centre)

EBRD
One Exchange Square
London EC2A 2JN, UK
Tel: +44 20 7338 6747
Fax: +44 20 7338 6155

EBRD Almaty

Business Consultations Programme
Third floor
Kazybek Bi Street, 41
Almaty,
Republic of Kazakhstan
Tel: + 7 (727) 2 581 423
Fax: +7 (727) 2 581 422
Regional Director – Michael Weinstem, weinstem@ebrd.com

EBRD Astana

Astana Towers Business Center
Microdistrict Samal, 12
Astana, 010000
Republic of Kazakhstan
Tel: +7 7172 580 204
Fax: +7 7172 580 201
Head of Representative Office in Astana: Ulf Hindstru, hindstru@ebrd.com
Annex A: Public Grievance Leaflet
Annex A: Public Grievance Leaflet

JSC Caustic's Public Grievance Leaflet

JSC Caustic is the only chemical enterprise in the Republic of Kazakhstan distributing chlorine and related products to the majority of all large water and sewage treatment complexes throughout the Republic. It currently has plans to expand its existing operations in the North Pavlodar Industrial Zone to include the manufacture of chlorine, caustic soda and other related products. JSC Caustic is striving to ensure that planned expansion work will not cause any problems for those living around the Project site. However we would like to hear about any concerns or grievances that you have in relation to the Company's activities.

What kind of grievance can I lodge?

Anyone can lodge a grievance if they feel that JSC Caustic's activities are negatively affecting them, their community or their local environment. Examples of grievances might be:

- Negative impacts to local residents (such as excessive dust, noise, odour or blocking of roads and access routes)
- Environmental damage resulting from Project activities
- Practices that endanger the health and safety of employees or residents
- Failure to meet the labour rights of JSC Caustic or contractor employees

How can I submit a grievance?

Anyone can submit a grievance to the company in the following ways:

- By phone to Ahmetov Artur Darazhatovich - Deputy of Chairman on construction/ chief specialist on approvals, Phone: +7 (7182) 53 66 46; 39 64 38
- By e-mail: a.ahmetov@energo.kz
- In person to the Ahmetov Artur Darazhatovich during normal working hours (from 09:00 until 18:00). Address: JSC Caustic, North Industrial Zone, Pavlodar City, 140000, Republic of Kazakhstan.
- By completing the attached grievance form and posting it to or dropping it at the locations specified on the form or the following address:
  
  JSC Caustic,
  North Industrial Zone,
  Pavlodar City,
  140000, Republic of Kazakhstan.

How will JSC Caustic deal with my grievance?
JSC Caustic will go through the following steps to deal with your grievance:

**Step 1: Acknowledgement**

JSC Caustic will contact you to acknowledge and where possible resolve your grievance within the following timescales:

- Five business days for verbal request for information and ten business days for a written request for information.
- Immediately for a verbal grievance and within five business days for a written grievance.

This acknowledgment will include your grievance reference number, the person at JSC Caustic responsible for tracking your grievance and their contact details, and the expected date for completing the investigation into your grievance (where appropriate).

**Step 2: Investigation**

Where necessary JSC Caustic will then set up an investigation into your grievance. We may need to contact you during this investigation. JSC Caustic will aim to complete the investigation within a further twenty working days.

**Step 3 Resolution**

When we have investigated the grievance we will contact you with our findings and our proposed response. If our investigations find that the grievance does not relate to the company’s activities, or if JSC Caustic is working within the relevant Kazakh and International Standards in relation to the grievance (e.g. for grievances related to environmental impacts of the Project) we will explain this in writing to you. Otherwise we will propose a response to address the grievance. If you consider our response (and its implementation) to be satisfactory we will ask you to sign a statement of satisfaction if you are happy to do so. If you are not satisfied with our response we will have further discussions with you to see if there are other steps which can be taken to resolve the grievance.

**Step 4 Follow up**

JSC Caustic may contact you at a later stage to check that our activities pose no further problems.

Confidentiality: If you wish your grievance to remain confidential, JSC Caustic will ensure that your name and contact details are not disclosed without your consent and only the JSC Caustic team directly working on the investigation of your grievance will be aware of them. If it is not possible for the team to fully investigate the grievance without revealing your identity (for example if you are required to give evidence in court) the investigation team will discuss with you how you wish to proceed.
**Anonymity:** If you wish to lodge a grievance anonymously you can do so using the attached form without filling in the name and contact details. In this case the grievance will still be investigated, but it may be more difficult for JSC Caustic to conduct the investigation and we will not be able to give you feedback on our investigations.
JSC Caustic's Public Grievance Form

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<thead>
<tr>
<th>JSC Caustic's Grievance Reference Number (to be filled in by JSC Caustic):</th>
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<tr>
<td><strong>Contact Details</strong></td>
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<td>Name:</td>
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<td>Address:</td>
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<td>Tel:</td>
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<td>e-mail:</td>
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<td><strong>How would you prefer to be contacted by JSC Caustic?</strong></td>
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<td>By post</td>
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<td><strong>ID Card number</strong>:</td>
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Details of your grievance. Please describe the problems, who it happened to, when, where and how many times, as relevant

What is your suggested resolution for the grievance?

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3 (Your ID card number is required by Kazakh Law when registering an official grievance. However if you do not wish to submit your ID Card number your grievance will still be investigated by JSC Caustic on an unofficial basis).
| How to submit this form to JSC Caustic | By Post to: Ahmetov Artur Darazhatovich  
JSC Caustic  
North Industrial Zone  
Pavlodar City, 140000,  
Republic of Kazakhstan  
By hand: please drop this form at the box at the site gates at the above address.  
By e-mail: Please email your grievance, suggested resolution and preferred contact details to: a.ahmetov@energo.kz |
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<td>Signature</td>
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