

**CORPORATE STAKEHOLDER ENGAGEMENT PLAN
FOR ENERJISA ENERJİ ÜRETİM A.Ş**

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1. Introduction

This document presents a Plan for stakeholder engagement for Enerjisa Enerji Üretim A.Ş. in connection with its investment projects.

This Plan covers the following issues:

- Brief description of Enerjisa and its projects;
- Review of requirements relating to public consultations and information disclosure in conformity with the national legislation, the relevant documents of international organizations and corporate standards;
- Plan of consultations for the pre-construction, construction and operation phases of the projects;
- Identification of resources and organizational structure requirements for implementation of this Plan;
- Development of an efficient mechanism for consideration of complaints.

2. About Enerjisa

Enerjisa Enerji Üretim A.S. (Enerjisa) is a 50:50 joint venture formed by H.O. Sabancı Holding A.S. (Sabancı) from Turkey and Österreichische Elektrizitätswirtschafts-Aktiengesellschaft (Verbund) from Austria. Sabancı is one of the leading industrial and financial conglomerates in Turkey, and Verbund is the largest vertically integrated electricity group in Austria. The joint venture will develop and operate a generation portfolio of hydropower, gas, coal, and wind power plants, as well as distribution and supply and wholesale/trading.

Through its own development, EnerjiSA currently owns and operates four natural gas-fired combined cycle and combined cycle-cogeneration plants (65 to 120 MW electricity capacity), and as a result of acquisitions owns and operates four hydroelectric power plants with capacities ranging from 7 to 48.5 MW.

In 2008, Enerjisa Power Generation, successfully signed a financing package for the first phase of the company's investment program for the 2008 to 2012 period. The first phase envisions the construction of the 933 MW Bandırma natural gas fired thermal power plant in western Turkey adjacent to the Marmara Sea, and – according to current planning – nine hydroelectric power plants with total capacity of 995 MW, including Çambaşı (45 MW) in the Solaklı River basin in northern Turkey; Kavşakbendi (180 MW) Yamanlı II (78 MW), Köprü (140 MW), and Menge (85 MW), located in the Seyhan River basin in the south of Turkey; and Dağdelen (8 MW), Kandil (214 MW), Hacınıoğlu (142 MW), and Sarıgüzel (103 MW), located in the Ceyhan River basin in the south-east of Turkey.

3. Regulations and Requirements

While Enerjisa carries out all of its economical, social and environmental activities by fulfilling the requirements stipulated by legal regulations of Turkish Laws, the internationally recognized management system standards are also adopted as a tool in the identification of business processes.

Since the projects are partially financed by International Finance Corporation (IFC), applicable Performance Standards and Equator Principles guide the application of Enerjisa.

3.1 Public Consultation Requirements in Turkey

Below are the arrangements on Turkish legislation governing public consultation and disclosure:

Pursuant to the article 30 of **Turkish Environmental Law**, anyone who is affected by or informed about an activity polluting or spoiling the environment may refer to concerned bodies and request the implementation of necessary measures related to the activity or, suspension of the activity. In case of a complaint on this issue companies shall be liable to comply with the decisions to be given by authorized bodies.

Turkish Environmental Impact Assessment (EIA) Regulation (*first published in February 1993 and most recently updated in July 2008*): This is regulation requires the assessment of potential environmental impacts and the definition of mitigation measures in new investments or modernization efforts. Environmental Impact Assessment also defines how public participation meetings must be realized. Instructions require, primarily, submission of a report summarizing the characteristic features of the project, spheres of influence and extent of potential environmental impact, followed by the requirement of communication through an official public sharing meeting, announcement of meetings on national and local newspapers and meetings with local authorities. Among the attendees of the meeting are Representatives of the Ministry of Environment and Forestry, Provincial Director of Environment and Forestry, and representatives of Companies. Investments cannot be realized in case of objections to be raised by the concerned parties.

Public Consultation Meeting in the EIA Process:

A meeting is held to inform the public about the investment and to obtain their opinions and recommendations, after presentation of EIA Application File to the Ministry of Environment and Forestry. A notice defining the type and location of the activity and according to the agreement with the Ministry, place, date and hour of the meeting is published in a local newspaper and in one of the national newspapers with highest sale ten days before the Public Consultation Meeting date by the owner of the activity. Besides this, the notice of the meeting is published on a board at places which are chosen by the highest local authority. The views expressed by the public during the meeting, which is administered under the highest local authority or his appointed authority, are reported by an official report to the Ministry by the Provincial Organization.

Those who want to examine Environmental Impact Statement may do so at central or the provincial offices of the Ministry during the course of the Review and Evaluation period and express their opinions about the contents of EIA to the Ministry. Such opinions is taken into consideration by the Review-Evaluation Commission while scoping and determining the format for the EIA report.

Review and Evaluation Committee

“Specialty Commission” is formed by the Ministry in order to take a responsibility in the process of Review and Evaluation which will be made for reviewing of EIAs, taking into consideration the subject and type of the activity, as well as the characteristics of the primary and alternative locations selected for the implementation of the project. This Commission consists of the representatives of central or local organizations and agencies which are related with the subject of the proposed activity, the owner of the activity or his representative, representative of the agency or organization preparing EIA report, the note taker of the public participation meeting and the representatives of the Ministry. Real persons and legal entities, universities, institutes, research and specialized institutions and Professional Chambers may be invited to act as Commission members. The Commission members are appointed within the framework of their legal authorities, duties and responsibilities. The secretariat services for the Commission are provided by the Ministry.

The Commission members make their assessments for the scope and the format of the EIA report during the Scope and Special Format Determination Meeting and on the EIA report during the Review and Evaluation Meeting. An official minutes of the meeting signed by the Commission members, one copy to be kept at the Governate, shall be sent to Ministry.

Disclosure Period

When the final EIA is submitted to the Ministry, it is disclosed for 10 work days for comments of stakeholders. The final decision of the Ministry is given after the disclosure period.

3.2 Equator Principles and IFC Performance Standards

The Equator Principles are the benchmark criteria for determining, assessing and managing social and environmental risk in project financing for the subscribing international lending institutions. The principles are designed to serve as a common baseline and framework for the implementation of a project by each lending institution that subscribes to the Principles.

Equator Principles related to Enerjisa’s activities are as follows:

Equator Principle No 2 (Social and Environmental Impact Assessment) Companies are obliged to carry out the social and environmental impact assessment process which shall meet Equator principles for each project. This assessment process contains measurements compatible with the size and nature of project.

Equator Principle No 4 (Action Plan and Management System) requires formation of a management system and action plan in harmony with legal arrangements related to management and reduction of impacts and risks identified in social and environmental impact assessment.

Equator Principle No 5 (Consultation and Disclosure), requires continuous consultation with a cultural sensitivity that is in harmony with communities affected by the Company’s activities and in a structured manner. This principle also contains the requirement that consultation status must be independent, preferential and equipped with information, and that ascertainment of the needs of groups which have been or might be affected by this project must be guaranteed.

Equator Principle No 6 (Grievance Mechanism), requires formation of a grievance mechanism which ensures regular and systematic receiving and recording of the complaints of communities affected by the activities of companies, and which also guarantees action to be taken within a specified period.

IFC Performance Standards related to Enerjisa's activities are as follows:

IFC performance standard no 1 aims to promote identification and assessment of positive/negative social and environmental impacts in the project/activity area, prevention of negative impacts on affected communities and environment, at least minimization or recovery of such impacts if prevention is not possible, disclosure to the communities of issues which shall affect them, and improvement of social and environmental performances of the companies with efficient management systems.

IFC performance standard no 2 aims to build, maintain and develop the relationships between the employees and the management, to promote practices guaranteeing compliance with the national laws such as equal opportunity, non-discrimination and equal treatment towards everyone, prevention of child and forced labor, protection of work force, promotion of safe and healthy occupational conditions and protection of workers' health.

IFC performance standard no 3 aims to avoid or minimize adverse impacts on human health and environment by avoiding or minimizing pollution from project activities and to promote the reduction of emissions that contribute to climate change.

IFC performance standard no 4 requires prevention or minimization of risks and impacts on health and safety of the society and working of security personnel within legal boundaries in a way to prevent or minimize the risks to be created, for safety of the society.

IFC performance standard no 5 requires the restoration of livelihoods affected by a project as a result of acquisition of land and other immovable assets.

IFC performance standard no 6 aims to protect and conserve biodiversity and to promote sustainable management and use of natural resources through the adoption of practices that integrate conservation needs and developments priorities.

IFC performance standard no 7 requires that Indigenous People who may be affected by the project within the project's area of influence are identified and whenever feasible, social, cultural and environmental adverse impacts are minimized, mitigated or compensated in a culturally appropriate manner.

IFC performance standard no 8 aims to protect cultural heritage for current and future generations.

4.0 Stakeholder Engagement Plan for Enerjisa's Project Directorate

This Plan accords with the national requirements for EIA as well as with the above listed Equator Principles and IFC Performance Standards. It lists Enerjisa's stakeholders related to its projects' social and environmental activities, consultation and communication approaches that ensure interaction with the stakeholders, methods used for monitoring and reporting of

performance. EnerjiSA sets aside sufficient human and financial resources for the implementation of its stakeholder engagements plans for each of the individual investment projects.

4.1. Stakeholders

Persons, groups or institutions that affect and affected by Enerjisa's projects are the primary stakeholders of Enerjisa's Project Directorate.

4.1.1 Governmental Stakeholders

Formal institutions that facilitate or apply sanctions on Enerjisa's projects with their decisions and applications are key stakeholders.

Major governmental stakeholders of Enerjisa for the projects are as follows:

- Ministry of Natural Resources and Energy;
- Ministry of Environment and Forestry;
- Ministry of Culture and Tourism;
- Ministry of Agriculture and Rural Works;
- Ministry of Labor and Social Security;
- Ministry of Transport;
- General Directorate of Highways;
- Turkish Electricity Transmission Company;
- The Treasury;
- Electrical Power Resources Survey and Development Administration;
- State Hydraulics Works General Directorate; and
- Energy Market Regulatory Authority.

For individual projects, the relevant local government authorities such as:

- District Governorships;
- Provincial Directorates;
- Municipalities; and
- The village headmen (Muhtars) are of particular importance.

4.1.2 Local Residents and Communities

Other major stakeholders of Enerjisa's projects are the local people living in the project area and close surroundings. The local residents provide human resources to the projects, enjoy some of the benefits, and may be adversely impacted by environmental and social activities. Some may be displaced due to the body of dams and their auxiliary facilities (transmission lines, access and relocation roads, etc) and others may live near the construction camps to be located. It is of direct concern to communities in the vicinity of projects that social and environmental elements are properly designed and managed. It is therefore of key importance that communities are regularly informed and alternative channels of communications are provided to them to express their concerns. This is of great importance to EnerjiSA which, has

community liaison officers for each project and takes pro-active action to inform communities as well as seek feedback, including through household visits.

4.1.3 NGOs, Media and other Interest Groups

Interest groups comprising the media (local and national), national and local non-governmental organizations particularly those with an interest in land, agriculture, livestock and other land-based livelihood issues within the project area, university institutions and their foundations, agricultural development or fishery cooperatives, business associations, trade unions and vocational chambers that are active in the project locality.

4.2 Stakeholder Consultation Methodology

Enerjisa's Stakeholder Engagement Plan is an ongoing, multi-faceted plan designed to inform and consult with project affected people¹ and other stakeholders² about the project on a continuous and constructive manner. Enerjisa will ensure that these groups are given sufficient opportunity to voice their opinions and concerns by the Stakeholder Consultation Methodology.

The objectives of Stakeholder Consultation Methodology are as follows;

- Define the project affected people and other stakeholders such as NGOs, media, academics, government authorities;
- Provide an interactive system to give free, objective and prior information, seek feedbacks at local and national levels during the planning, construction, and operation of projects;
- Provide opportunities for stakeholders especially to community based organizations (CBOs) and NGOs to participate in project activities throughout the project cycle; and
- Define detailed action plans, monitoring and reporting procedures.

The communications with stakeholders will be custom tailored through careful selection of the media and medium. Most governmental communications will rely on written materials and meetings. Public at large will be informed through the nation and local newspapers and the TV. Town meetings will be held for all disclosure activities, complemented by reports accessible to stakeholders. Specifically, the content of all communications will be guided by the following principles:

- Written and oral communications in a language understandable to all stakeholders;
- Easy accessibility to both written information and to the consultation process by relevant stakeholders;
- Use of oral or visual methods to explain information to the public; and
- Clear mechanisms to respond to people's concerns, suggestions and grievances.

Enerjisa will update the Stakeholder Engagement Plan in accordance with feedback from project affected people and other groups as needed.

¹ Local public living at the project area and close surroundings

² National and local government authorities, related organisations including NGOs, Chambers, national and local media, related academics

Regarding individual projects, national and local stakeholders are defined separately, including national, local government authorities, other relevant organizations, relevant academic community, national and local media, and face-to-face communications with the project affected persons.

The Stakeholder Engagement Plan for the projects of Enerjisa is initiated during the EIA procedures, in order to achieve ongoing disclosure and consultation:

- The project affected people and other groups are invited and informed about the projects (technical aspects, environmental and social impacts) by presentations at local public disclosure meetings;
- Assessment documentation and non-technical summaries will be made accessible to the public via liaison offices. Enerjisa will take account of and document the process and results of the consultation, including any actions agreed resulting from the consultation;
- Environmental, social and demographic data will be gathered by means of literature search, field surveys, interviews and perception analyses at each project area and surroundings;
- The Stakeholder Engagement process which, includes sustainable social development programmes, will be based on scientific and participatory research results. As a corporate communications policy, Enerjisa adds value and support to local communities that are involved. Therefore as a result of research from each project area, various social development programmes are defined which allow local community to participate and own as a business will be conducted;
- Communication materials such as brochures, posters, leaflets, films, health and safety information will be prepared and posted at attainable places such as headmen offices, municipalities, gendarmerie forces and construction sites of the projects. When possible mock-up of power plants will be at construction site and used at meetings as a communication tool. All materials will be designed taking into consideration of understanding capacity of the project affected people.
- Enerjisa will conduct meetings with the project affected and other groups such as national and local NGOs to obtain their comments and suggestions; it will encourage NGOs to participate in the Stakeholder Engagement Plan;
- The comments and suggestions will be evaluated in detail and within the disclosure and consultation plan the NGO will be informed of the next step;
- Enerjisa will visit related government authorities such as governor, province directories of related authorities and distribute communication materials;
- All visits, meetings and data of each will be reported and tracked by a consultation tracking programme; and
- Feedback tools which allow all stakeholders to state their comments, concerns and suggestions will be established. The feedback tools will include:
 - Communication forms created on corporate web sites;
 - Forms presented at attainable places such as headmen offices, municipalities, gendarmerie forces and construction sites of the projects;
 - Free Hotline which is managed by headquarter will be organized;
 - A Community Liaison officer at construction sites for each project;
 - E-mail; and
 - Grievance forms to be used for implementation of grievance mechanism.

Also minutes of meetings will be used as feedback tools. For this purpose:

- A Database Management System will be established. The database will be managed by Environmental and Social Unit in the headquarters of EnerjiSA. All feedbacks received through minutes of meetings, reports of visit, etc., will be collected and evaluated by this System. The evaluation results will help update relevant elements of the SEP;
- The data will be reported to Management team and Local team monthly by the Environmental and Social Unit. Reports will be evaluated and new action plans will be decided if needed. Data collected from the report and actions based on these data will be shared by the project groups at roundtable meetings, visits at government authorities and media relations;
- Grievance Mechanism will be provided to receive and facilitate resolutions of the project affected people's concerns and inform them. Community Liaison officers will be responsible to receive, coordinate and inform back. Grievance forms have been designed;
- In accordance with the grievance mechanism, grievance forms must be reviewed carefully and responded to within two weeks by the Community Liaison officers. Replies to each grievance must be in writing as well as verbally depending upon the literacy status of the applicant. Verbal expressions of grievance will be recorded by the Community Liaison officers. Monthly reports will be prepared and shared with management team and relevant members of the local team.
- A Community Liaison officer will be recruited by Enerjisa for each project. He/she will report to the Environmental and Social Unit at headquarters and to the construction manager. Main responsibilities of the Community Liaison officer will be to:
 - Inform local communities;
 - Conduct meetings with local communities;
 - Visit local government authorities;
 - Inform construction manager and the Environmental and Social Unit at headquarters about the issues which can affect the project;
 - Monitor the local area and the affected communities and send feedback to the Environmental and Social Unit;
 - Follow up on emerging issues;
 - Manage grievance mechanism locally and report to the Environmental and Social Unit and follow up the feedback;
 - Manage the social investment projects held by local community and related NGO and other social activities;
 - Prepare monthly reports and present to the Environmental and Social Unit; and
 - Monitor the relationship / actions or reactions between power plant and local communities, supervise the social projects and report monthly to Environmental and Social Unit at headquarter.

The employees of construction site and operation will be informed about Stakeholder Engagement Plan and policies.

The Consultation Methods of Enerjisa are defined as follows:

Consultation Methods	Activity	Coordinating Department	Period	Target Group
National and International Press Conferences	Information about the company's new commercial (eg. new investment projects) and social (launch of social responsibility projects) activities.	Corporate Communication's Unit	On demand/ in accordance to the situation	Through national and international media, all stakeholders
Local Press Conferences	Information about the company's new project and social activities.	Corporate Communication's Unit	On demand/ in accordance to the situation	Through local media, all local stakeholders
Meetings with Local Authorities/Visits to Local Authorities	Local authorities are visited by the top management and informed about the project to be realized in that locality	Environmental and Social Unit	Launch of new projects	Local authorities
Public Meetings	Enerjisa organizes public meetings with concerned communities on its new projects as a requirement of Environmental Impact Regulations and record the minutes of meeting.	Environmental and Social Unit	Once every EIA	The local communities who would be affected from the project and local authorities

4.3. Stakeholder Disclosure Methodology

Disclosure Tools	Activity	Department	Period	Target Group
Press Releases	Latest development and news concerning Enerjisa are sent to local/national/international press institutions according to the scope of information they contain.	Corporate Communications Unit	In accordance to the situation	All stakeholders
Public Disclosure Letters	The estimated undesirable impacts of non-routine activities such as noise, dust etc;	Environmental and Social Unit	In accordance to the situation	Districts and municipalities on behalf of potentially affected communities
Pamphlets and Newsletters		Environmental and Social Unit	In accordance to the situation	Local residents of project areas
Enerjik Magazine	Internal Magazine for the employees of Enerjisa about the corporate latest developments	Corporate Communications Unit	Quarterly	Employees
Internet	On the website of Enerjisa, following information are available to all stakeholders: policies, press releases, important news and latest developments concerning the company	Corporate Communications Unit	Regularly	All stakeholders

4.4 Grievance Mechanism

Enerjisa aims to be accessible for its stakeholders and answer complaints and grievances in the shortest time possible.

Although grievance mechanisms should be designed to fit the context and needs of particular projects, the purpose of the Stakeholder Complaints Procedure is to ensure all complaints from local residents are dealt with appropriately with corrective actions being implemented and the complainant being informed of the outcome. This procedure will be applicable to all complaints received from any project-affected settlements.

The Community Liaison Officers will be responsible for collating written complaints and coordinating responses to all complaints.

Both verbal and written complaints are to be entered on the Complaints Log and a Grievance Action Form.

4.5 Participatory Monitoring and Evaluation

The purpose of Enerjisa's Stakeholder Engagement monitoring is to verify that:

- Actions and commitments described in this Stakeholder Engagement Plan are implemented fully and on time;
- Complaints and grievances lodged by project affected people are followed up and that where necessary, appropriate corrective actions are implemented; and
- If necessary, changes in SEP procedure are made to improve stakeholder engagement.

For Enerjisa's projects, primary monitoring responsibility will belong to Environmental and Social Management Unit.

4.6 Reporting

As a part of its monitoring system, Enerjisa has a reporting chain as described below:

Report	Content
Daily Reports by Community Liaison Officer to E&S Management Unit	<ul style="list-style-type: none">• Any community incidents causing injury.• Any community incidents resulting, or with the potential to result in, a stoppage of the work.
Monthly Reports by Community Liaison Officer to E&S Management Unit	<ul style="list-style-type: none">• Community liaison activities carried out.• Community liaison activities planned.• Results of meetings with education authorities.
Annual Reports to lenders at the corporate level	<ul style="list-style-type: none">• Disclosing information regarding economical, social and environmental yearly activities.

4.7 Resources

The following resources will be required to fulfill the objectives of the Stakeholder Engagement Plan:

Environmental and Social Management Team:	An environmental and social management team consisting of environmental engineers and social specialists working at the corporate and projects department level.
Community Liaison Officer	One community liaison officer for each project site.
Corporate Communications Unit	A department consisting of public relation specialists at the corporate level.

5.0. Conclusion

Enerjisa has developed a broad Stakeholder Engagement Policy (SEP) to guide its current activities and new investments. Each project creates and implements its own Public Disclosure and Disclosure Plan consistent with this policy and in line with the the context and needs of particular projects.

Enerjisa evaluates the methods and tools it implements and uses while fulfilling its responsibilities towards its stakeholders in terms of efficiency through monitoring performance and perception indicators, reviews these methods and tools by taking into consideration measurement and learning results and continuously improves them.