

EXECUTIVE SUMMARY

Stakeholder Engagement Plan (SEP)

**600 MWh Zarafshan Battery Energy Storage
Systems (BESS) Project in Uzbekistan**



1. INTRODUCTION

Abu Dhabi Future Energy Company – Masdar is developing a 300 MW / 600 MWh Battery Energy Storage System (BESS) in Tomdi District, Navoiy Region, Uzbekistan, covering a site area of approximately 10 hectares, together with a 788 m underground power line connecting it to the existing Muruntau substation. BESS stores electricity in large batteries and releases it back to the grid when it is needed. It helps the country make better use of renewable energy and reduces the risk of power cuts. The Project is being developed by Zarafshan Energy Storage Foreign Enterprise LLC, a company set up by Masdar for this purpose and referred to in this document as “the Developer”.

A Stakeholder Engagement Plan (SEP) has been prepared for the Project. This Executive Summary explains what the SEP does, who the Project needs to talk to, what engagement has taken place so far, what is planned for the future, and how anyone can raise a concern or complaint about the Project.

The SEP is a dynamic document. It will be reviewed and updated regularly as the Project moves forward, as new people or groups become involved, and as circumstances change.

2. PURPOSE AND APPROACH OF THE STAKEHOLDER ENGAGEMENT PLAN (SEP)

Stakeholder engagement means sharing information about the Project with the people and organizations who have an interest in it, listening to what they have to say, and taking their views into account.

The SEP sets out how the Developer will do stakeholder engagement throughout the life of the Project. In particular, the SEP:

- identifies the people, communities, authorities and organizations with an interest in the Project;
- explains how and when each group will be informed and consulted;
- records the engagement that has already taken place and what people said;
- sets out how information about the Project will be made publicly available; and
- describes how anyone can raise a concern or complaint, and how it will be handled.

The Developer’s approach is based on a few simple principles. Engagement should start early and continue throughout the Project. Information should be shared in a form and language people can understand. Meetings should be held in places and at times that people can reach. Nobody should feel pressured or intimidated. And what people say should genuinely be taken into account in how the Project is planned and managed.

Particular care is taken to include people who may find it harder to take part. This includes women, older people, young people, people with disabilities, low-income households and ethnic minorities. Extra support is provided where needed, for example by holding separate sessions for women, choosing venues that are accessible, providing materials in local languages, and working through community representatives who know these groups.

The SEP has been prepared to meet the requirements of Uzbek law as well as the requirements of the Asian Infrastructure Investment Bank (AIIB) that is financing the Project. The Project has been categorised by AIIB as Category B under its Environmental and Social Framework, on the basis that the adverse environmental and social impacts are limited in number, largely site specific and mainly reversible.

3. KEY STAKEHOLDER

The Project has identified the key people, communities, authorities and organizations that may be affected by, involved in, or responsible for approving and overseeing the Project. Stakeholder identification will continue throughout Project development and will be updated as necessary.

The main stakeholder groups identified for the Project are as follows:

- People who may be affected by the Project. The closest community to the Project is Muruntau Mahalla, located about 12 km from the site. This includes local residents, community leaders and local businesses that may supply goods or services to the Project. Their main interests are job and business opportunities, and any effects such as noise, dust or traffic during construction.
- People involved in delivering the Project. This includes the workers who will build and operate the facility, whether employed by the Developer, the construction contractor, the future operator or any subcontractor. It also includes the banks financing the Project, who check that it is developed to the required environmental and social standards.
- Authorities and organizations with a role in the Project. This includes national ministries responsible for the environment, water, health, transport, labour, culture, emergencies, mining and digital infrastructure. It also includes the national land agency, the national electricity grid company, and the agencies responsible for youth and for family and women's affairs.
- Regional and local authorities. The Zarafshan City and Tomdi District administrations, and the Muruntau Mahalla, which represents the local community. Their main interests are local employment, land matters, community benefits and the handling of complaints.
- Non-governmental organizations. These include the Uzbekistan Society for the Protection of Birds, which is interested in effects on wildlife, the Association of Persons with Disabilities of Uzbekistan, which is interested in access to employment, and Ne Molchi, which works on violence against women and has an interest in how any related complaints are handled.
- Health and emergency services, who may provide medical services to the Project workforce or respond in an emergency.
- Academic and research institutions, including the Academy of Sciences, which have an interest in the environmental studies carried out for the Project.

4. SUMMARY OF PAST STAKEHOLDER ENGAGEMENT ACTIVITIES

Stakeholder engagement commenced during the early stages of the Project's environmental and social assessment process and has continued throughout preparation of the ESIA.

Engagement with authorities and technical stakeholders: Consultations were undertaken with a range of national, regional and district-level authorities on matters including land status and ownership, environmental permitting, water resources, transport and oversized load permitting, emergency response arrangements, employment, cultural heritage and health services. Relevant technical and specialist organizations were also consulted on biodiversity and wildlife matters, including the Academy of Sciences and the Uzbekistan Society for the Protection of Birds.

Engagement with the local community: Consultation sessions were undertaken with members of the Muruntau community. These sessions were announced in advance through the local Telegram channel

and through the Muruntau Mahalla. A separate discussion was also held with women participating in the consultation, covering matters including education support and employment opportunities. A further engagement session was undertaken with the Zarafshan City administration and relevant regional departments.

Public hearing: A public hearing was held with the Muruntau community, during which information on the Project was presented and participants were provided with an opportunity to ask questions and raise concerns. No objections to the Project were raised during the hearing.

4.1 Key Issues Raised During Stakeholder Engagement

The main issues and areas of interest raised during stakeholder engagement included:

- **Employment opportunities:** Employment was the most frequently raised topic. Community members asked whether local residents would be employed, what types of positions may become available and when recruitment would commence. Employment opportunities for women were also specifically raised.
- **Battery safety:** Community members raised questions regarding potential risks associated with the battery systems, including fire, explosion and radiation, as well as the emergency preparedness and response measures that would be implemented.
- **Community support:** Requests were made for the Project to support local initiatives and contribute to community development.
- **Construction-related impacts:** Questions were raised regarding potential noise, dust and traffic impacts during construction and the measures that would be implemented to manage these impacts.
- **Waste management:** Community members asked how used batteries and other Project-related waste would be managed.
- **Land and displacement:** Questions were raised regarding whether private land, residential properties or other assets would be affected by the Project. It was confirmed that the Project is located on State-owned land and that no physical displacement of households is expected.
- **Grievance mechanism and future communication:** Community members asked how they would be able to contact the Project and raise questions, concerns or grievances in the future.

The outcomes of the stakeholder engagement process have informed the ESIA and the development of the Project's mitigation, management and stakeholder engagement measures.

5. PLANNED STAKEHOLDER ENGAGEMENT

Stakeholder engagement will continue throughout construction and operation. Planned activities include:

- Community consultation sessions in Muruntau before commencement of construction, with separate sessions for men and women.
- Regular Project updates through the Zarafshan and Tomdi administrations, the Muruntau Mahalla and the Muruntau Mahalla Telegram channel, covering construction activities, employment and procurement opportunities, and environmental and social matters.
- Disclosure of Project documents online and in hard copy at local offices, in the languages set out under "Disclosure of Project Information" below.

- Ongoing engagement with relevant authorities on Project progress and matters requiring their involvement.
- Workforce engagement to ensure workers are informed of their rights and available grievance mechanisms.

A Project's HSSE Manager will be appointed by the Developer as the main point of contact for the local community. Records of stakeholder engagement activities will be maintained and updated monthly.

6. GRIEVANCE MECHANISM

The Developer operates a grievance mechanism that provides a clear and accessible process for stakeholders to raise concerns or complaints regarding the Project and receive a response.

Scope and eligibility: The grievance mechanism is available to local community members, government bodies, non-governmental organizations, the media, academic institutions and other external stakeholders. It covers concerns relating to Project activities, as well as the conduct of the Developer, construction contractor, subcontractors and suppliers. Project workers have access to a separate worker grievance mechanism established under the Project's Labour and Working Conditions Management Plan (LWCMP).

The two mechanisms operate separately but are coordinated by the Project Manager, and a grievance received through the wrong channel will be referred to the appropriate mechanism without delay.

Grievance submission channels: Concerns or complaints may be submitted through the following channels:

- by completing a grievance form and placing it in a grievance box available at the Project Office, Muruntau Village Local Unit Office or Tomdi District Khokimiyat;
- by contacting the Project's HSSE Manager directly by telephone or email;
- through the Developer's website, or
- verbally, in person or by telephone with the Project's HSSE Manager, through Mahalla representatives or the Mahalla Community Organization, or at community meetings. Where a person is unable or unwilling to submit a grievance in writing, the Project's HSSE Manager will record it on their behalf and read it back for confirmation. Grievances submitted verbally carry the same status as those submitted in writing.

Interim arrangements: Until the Project Office is established and the Project's HSSE Manager appointed, grievances may be submitted at the Muruntau Village Local Unit Office or the Tomdi District Khokimiyat, through the Mahalla Community Organization or the Muruntau Mahalla Telegram channel, or to the Developer's interim contact point identified on the Grievance Disclosure Sheet. Final contact details will be confirmed and publicly disclosed before construction begins and the mechanism is activated.

Notices explaining how and where grievances may be submitted will be displayed at key locations to ensure that the mechanism is accessible to stakeholders.

Grievance management process: the main steps are as follows:

- **Registration:** All grievances received are recorded in the Project grievance log.

- **Acknowledgement within 5 working days:** The Project's HSSE Manager will contact the complainant through their preferred method of communication to confirm receipt of the grievance.
- **Investigation:** The Project's HSSE Manager will review and investigate the grievance, identify its cause and determine appropriate corrective or remedial actions.
- **Response within 30 days:** The proposed resolution will be approved by the Project Manager and communicated to the complainant. Where an investigation cannot be completed within this period, the complainant will be notified before it expires and given a revised timeframe, with progress updates at intervals of no more than 30 days until the grievance is closed.
- **Closure:** Once the resolution is agreed and implemented, the Project's HSSE Manager will issue a formal closure notification to the complainant recording the outcome and the date of closure, and the closure will be recorded in the grievance log.
- **Escalation:** Where the complainant is not satisfied with the proposed resolution, the grievance may be escalated to the Project Manager and, where required, to the Developer's head office and senior management. Where the matter remains unresolved, the complainant will be informed of other available avenues for resolution, including relevant authorities, the courts, or the Project-affected People's Mechanism of the AIIB.

Key protections:

- The grievance mechanism is free of charge.
- No person will be subject to retaliation or disadvantage for raising a grievance.
- Grievances may be submitted confidentially or anonymously. Anonymous grievances are investigated in the same way as any other, and because no direct reply can be sent, their outcomes are communicated publicly through the grievance disclosure locations, the Mahalla Community Organization and the Muruntau Mahalla Telegram channel.
- Use of the grievance mechanism does not restrict access to judicial or other available remedies.
- Where a complaint concerns a member of Project management, a grievance focal point or any other person involved in administering the mechanism, it may be submitted directly to the Developer's Environmental and Social Department, bypassing the Project team. Any person named in the complaint is excluded from handling it, and an independent reviewer may be appointed where impartiality cannot otherwise be assured.

Sensitive grievances: Specific procedures apply to complaints of gender-based violence and harassment (GBVH) and sexual exploitation, abuse and harassment (SEAH). These follow internationally recognized good practice and adopt a survivor-centred approach. Complaints are handled by trained focal points, including at least one female and one male focal point, and identifying information is not recorded in the grievance log. A survivor may report directly to a designated focal point or to a specialist service provider without using the standard grievance channels, and without any prior contact with the Project. Before construction begins, the Developer will identify and document the medical, psychosocial, legal, protection and shelter services available, so that survivors can be referred for support. No referral is made and no further action is taken without the survivor's consent.

7. AIIB PROJECT-AFFECTED PEOPLE'S MECHANISM:

The Project grievance mechanism is the primary route for raising and resolving Project-related concerns. Separately, the AIIB operates its own independent Project-affected People's Mechanism (PPM), which may be approached by people who believe they have been adversely affected by the AIIB's failure to implement its own Environmental and Social Policy. The PPM is a mechanism of last resort and does not replace the Project grievance mechanism, and people are generally expected to seek resolution through the Project first. Further information is available at www.aiib.org.

8. MONITORING AND REPORTING

The Developer will monitor the effectiveness of stakeholder engagement and maintain records of engagement activities and grievances received. Monitoring will include indicators such as the number of grievances received and resolved, resolution timeframes, and participation of groups that may be harder to reach. Where monitoring identifies gaps or areas for improvement, the stakeholder engagement approach will be adjusted accordingly.

9. DISCLOSURE OF PROJECT INFORMATION

The following Project documents will be publicly disclosed:

- Environmental and Social Impact Assessment (ESIA), including the Environmental and Social Management Plan (ESMP), in English;
- Non-Technical Summary (NTS), in Uzbek and English;
- Stakeholder Engagement Plan (SEP), in English; and
- this Executive Summary of the SEP, in Uzbek and English.

These documents will be available on the Developer's website and in hard copy at the Project Office, Muruntau Village Local Unit Office and Tomdi District Khokimiyat. Contact details for the Project's HSSE Manager are provided in the SEP and below.

Disclosure will be undertaken for a period of 30 days and will be announced through notifications and advertisements with the Zarafshan and Tomdi Khokimiyats and the applicable Mahallas, including the Mahalla Community Organization, and through the Muruntau Mahalla Telegram channel. Comments may be submitted during the disclosure period through the Project's HSSE Manager or through the grievance mechanism described above.

The above will be provided at the Developer's website at the following link: www.masdar.ae

In addition, hard copies of the above will be available at the following locations. These documents will remain in the public domain for the duration of the Project and will be updated as appropriate.

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