



PT Medco Cahaya Geothermal (MCG)

STAKEHOLDER ENGAGEMENT PLAN

**Ijen-Blawan Geothermal 2x55 MW Project,
Bondowoso-Banyuwangi
East Java, Indonesia**

March 2023

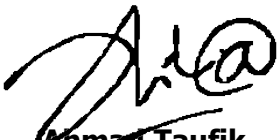



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1 INTRODUCTION

1.1 OVERVIEW OF STAKEHOLDER ENGAGEMENT PLAN

In the year 2008, the Ministerial Decree No. 2472 K/30/MEM/2008 of Ministry of Energy and Mineral Resources was issued defining the Blawan-Ijen concession area. PT. Medco Cahaya Geothermal was officially nominated as winner of tender in year 2011 and was accordingly awarded the Geothermal Concession Authority relevant to Blawan-Ijen (IUP KepGub Jatim No. 188/C2/KPTS/119.3/2011, dated 25 May 2011). PT Medco Cahaya Geothermal (MCG) plans to proceed with the initial stage of development of the geothermal prospect and is planning to drill five exploration wells (three first priority wells and two-second priority wells) at Ijen Sub-District, Bondowoso Regency, Jawa Timur Province.

Currently, MCG as a geothermal developer is a dedicated to conduct development drilling and build power plant with capacity 2x55 MW. Series preparation activities has completed and ongoing such AMDAL for Power Plant, AMDAL for transmission, ESIA and land acquisition as well as EPC preparation. All of these activities require MCG to involve stakeholders and the surrounding community to obtain input and concern in order to all impacts and risks can be mitigated.

This Stakeholder Engagement Plan (SEP) is designed with the aim of providing a platform for consultation and disclosure with MCG stakeholders throughout the construction phase of the Ijen-Blawan Geothermal Project. However, the SEP sets out the approach the MCG, as a living document, will adopt in order to implement an effective engagement program with stakeholders over the life of the Project not only in construction stage. Good relations between the Ijen-Blawan Geothermal Project and its surrounding communities and relevant stakeholders will be essential for the Project to acquire and maintain its Social License To Operate (SLTO). It is also an important means for receiving community feedback on Project related concerns, perceptions and expectations as well as enabling the Project to disseminate information to the community.

This document is updated from previous SEP dated September 2018 due to any additional document UKL/UPL 2019 as attachment of Environmental Permit 2019. In addition, AMDAL for Power Plant has also legalized in 2022 and ongoing process for AMDAL Transmission and also ESIA (Environmental and Social Impact Assessment) for Project financing. Previously this SEP based on the Ijen Geothermal Preliminary Environmental and Social Baseline Study 2013, UKL/UPL 2013, Addendum UKL/UPL 2015, UKL/UPL 2018, and stakeholder engagement records data predicts that the Geothermal Well Drilling Project especially on the exploration stage (Additional of Geothermal Exploration Well drilling) will have significant environmental and social benefits including:

- Providing local employment opportunities for affected village population over the exploration of Project;
- Road upgrading;
- Creating business opportunities and increasing local genuine revenue; and

- Supporting the Government in Energy Development program especially to anticipate the electrical energy demand in east Java that will be growing rapidly in the future.

Meanwhile, more comprehensive good perceptions and expectations from the community and stakeholder also captured during AMDAL, ESIA development and stakeholder engagement has conducted related to positive Project impacts and risks to be considered as follows:

- A raised of a community positive perception. This caused by construction local worker opportunity. Project have commitment to absorb 77% non-skill local worker during construction;
- Increasing local entrepreneurial opportunity. The growth of new community businesses in the form of food stalls, shops and accommodations that adequately serve construction workers;
- Land acquisition for transmission in the plantation and community land will trigger economic growth due to the plantation company can realization their investment plan for next development of plantation and for the community will have the funds to improve their livelihoods;
- Existence the Geothermal Power Plant will increasing tourism enthusiasm due to it offers other diversified objects as previously existed i.e. Wurung Crater, Ijen Crater, hot spring, Jampit plantation, etc. In addition, as the first Geothermal Power Plant in East Java area, this Ijen-Blawan Geothermal Power Plant will be an attraction for research, study tours and internships from various groups such as schools, academics and other stakeholders; and
- Overall for regional economic growth will have significant contribution through payment of royalties and taxes to both regional and central government and implementation of CSR programs.

1.2 ***SOCIAL AND ECONOMIC SETTING OF PROJECT IMPACTED AREA***

The project includes two regencies, namely Bondowoso and Banyuwangi, five sub-districts and multiple villages, as listed in **Table 1-1**. The socio-culture structure of the community living surrounding the Project of Geothermal Power Plant area especially in Ijen Sub-district within Bondowoso Regency is characterized by a traditional culture especially agriculture and plantation community based. The majority ethnic group in the impacted Project area is Madurese ethnic group, followed by Javanese ethnic group. Madurese has strong influence in the cultural life in the area. The majority of the local villagers speak in Madurese language, including the non-Madurese people. Meanwhile, in Banyuwangi regency the majority ethnic group in the impacted Project area especially for transmission line is Madurese in Bulusari, Osing in Grogol and followed by Javanese people spread in the several village with traditional cultural characteristics is same i.e. agriculture and plantations community based unless Kelurahan Giri due to situated in an urban setting with more heterogeneous community. Osing is known as the native of Banyuwangi, which some consider it a sub-culture of Javanese group. Osing people speak in Osing dialect and they mostly reside in the central and northern part of Banyuwangi Regency.

It should be noted that it is common for people to have various ethnic backgrounds in Indonesia and still use Bahasa Indonesia for daily and formal language purposes. Although some have a strong local accent which influenced by the ethnic background.

Both Bondowoso and Banyuwangi regencies are located in the horseshoe area of East Java Province, which is the easternmost tip of Java Island which is directly adjacent to the Bali strait. Bondowoso is only landlocked regency among six regencies located in the horseshoe area.

Table 1-1 Administrative Areas in the Project Area

Administration of Project Area				Project Component
Regency	Sub-District	Village	Area (km ²)	
Bondowoso	Ijen	Sempol	18.55	Current workers accommodation
		Jampit	67.89	Adjacent to the geothermal Power Plant, wells and other supporting facilities
		Kalianyar	76	Geothermal Power Plant, wells, other supporting facilities, and transmission line
Banyuwangi	Licin	Tamansari	100.39	Transmission line
	Kalipuro	Pesucen	18.21	Transmission line
		Bulusari	25.42	Transmission line
	Glagah	Kampung Anyar	31.08	Transmission line
	Giri	Grogol	6.94	Transmission line
		Giri	4.07	Transmission line

Source: Ijen District in Figures, 2021; Licin District in Figures, 2021; Kalipuro District in Figures, 2021; Glagah District in Figures, 2021; Giri District in Figures, 2021

People residing in the Project area are majority Muslim both Bondowoso and Banyuwangi. This came unsurprised given that Bondowoso and Banyuwangi at large is known for its strong Islamic tradition following Nahdlatul Ulama (NU), one of the biggest Islamic organization in Indonesia and in the World. In Banyuwangi, Islam still being the predominant religion with small percentage of Christianity, Catholicism, and Buddhism. Giri and Tamansari has the most diverse population in terms of religion. This is understandable given that Giri is situated in an urban setting with more heterogeneous community.

The social institution system of community in the surrounding the Project area in Bondowoso is characterized by a strong bond between communities based on the plantation activity in relation to PTPN XII (National Plantation) and Perhutani (*Perusahaan Hutan Negara Indonesia* - National Forestry). Therefore, there is no formal kinship or customary institution within impacted area due to the majority community in the impacted Project area is PTPN (State Plantation Company) worker and mostly is immigrant. Meanwhile, in Banyuwangi especially in Kampung Anyar and

Bulusari villages are characterized by a strong bond between communities based plantation activity in relation to PT Perkebunan Kalibendo (private company).

The UKL/UPL (*Upaya Pengelolaan Lingkungan dan Upaya Pemantauan Lingkungan*) or the Environmental Management and Monitoring documents reveal that stakeholders consulted are aware of the exploration activity of Project. Direct one on one surveys and a series of public consultation were conducted throughout the Preliminary Environmental and Social Baseline Study 2013, UKL/UPL 2013, Addendum UKL/UPL 2015, UKL/UPL 2018, UKL/UPL 2019 process, AMDAL 2022 and ESIA. The activities involved selected community members and other key stakeholders in impacted area.

AMDAL 2022 and ESIA document also confirms that those consulted largely have a positive attitude towards the exploitation activity of Project. This is also covers perception from the agriculture and plantation activity within impacted area for of communities that also have expects benefits in terms of local worker priority to be recruit, opportunities for local suppliers such as catering and materials.

The impacted community discussed several concerns particularly in regards to potential health disruption due to steam disturbances noising especially in the Curah Macan hamlet area due to well pad drilling and construction of power plant as well as supporting facilities. Other concerns include potential disruption of dust and noise during the exploitation phase due to the heavy project equipment and vehicles as well as road traffic accident from the project activities when the exploitation activity of project conducted.

1.3 ***STAKEHOLDER ENGAGEMENT PLAN STRUCTURE***

This Stakeholder Engagement Plan (SEP) supports an Environmental and Social Impact Assessment (ESIA) for the preparation, construction and operation of MCG Ijen-Blawan Geothermal. The SEP contains the following sections:

- | | |
|-----------|--|
| Section 1 | Introduction – describes an overview of the SEP document, its purpose and objectives and description of the social-economic setting of the Project area. |
| Section 2 | The Exploitation Activity of Project Description – describes the Project background and details of the activities to be built and conducted. |
| Section 3 | Regulations and Requirements – outlines the key Indonesian legislation and international guidelines concerning stakeholder engagement that apply to the Geothermal Project. |
| Section 4 | Consultation Undertaken to Date – explains consultation activities undertaken during the Preliminary Environmental and Social Baseline Study, UKL/UPL, AMDAL, ESIA development process as well as stakeholder engagement activity. |
| Section 5 | Stakeholder Engagement Planning – identifies the Project stakeholders and issues (mapping) along with power and influence analysis. It also provides a description of planned future stakeholder engagement activities and timetable of when these activities will occur. At the end |

of this section a detailed Geothermal Project-based Grievance Mechanism is discussed.

Section 6 Management for implementation of SEP – details resources for implementation of this SEP (Management Functions) and describes monitoring, reporting and evaluation measures to be undertaken to ensure the success of this SEP.

1.4 LIMITATIONS

The findings reported in this SEP are based on the information internally gathered by PT Medco Cahaya Geothermal (MCG) during preliminary baseline study, the Project UKL/UPL worked by PT Adyatama Optima Consultant based in Surabaya, AMDAL 2022 developed by PT Adi Banuwa and ERM appointed to undertake ESIA. Based on the above a number of limitations exist:

- Limited data or information recorded regarding previous stakeholder engagement activities that not reported in the stakeholder engagement brief report;
- Reliance on preliminary baseline study and UKL/UPL data gathered by PT Adyatama Optima Consultant as UKL/UPL consultant to MCG, PT Adi Banuwa as AMDAL consultant and ERM as ESIA consultant;
- AMDAL Transmission Line and ESIA still ongoing; and
- Limited consultation activities with other stakeholders, due to their lack of availability.

2 **PROJECT DESCRIPTION**

2.1 **PROJECT OVERVIEW AND KEY COMPONENTS**

MCG propose to develop a 110 MW (2 x 55 MW) geothermal project located at Blawan-Ijen, Bondowoso, East Java province. The key components of the Project include the following, as shown in **Figure 2-1**:

- Exploitation facilities including power plant, separator and brine pump, vent station (rock muffler), base camp, office, and car park. This also including the existing water intake and its booster pump facilities;
- Drilling and exploitation facilities including well pad areas (well pad IJN-6, well pad IJN-5, well pad IJN-2, logistics yard, and explosives bunker);
- Access road including road within the Project site, regency road belong Bondowoso regency (existing road), local road belong to PTPN XII (existing road) and hauling road;
- 150 kV Transmission line from Power Plant to Giri Substation located in Banyuwangi (approximately 28 Kms) and towers (83 towers).

The Project is located on Bondowoso and Banyuwangi regencies, East Java province, Indonesia and is approximately 270 km southeast of Surabaya city.

The prospect is situated in a big rim caldera structure with diameter of +16-20 km at an altitude of +1,500 m above sea level. Young volcano activity has occurred along the southern part of the caldera which includes Gunung (Mount) Merapi. The main construction area is located in Kalianyar Village, Ijen Sub-district, Bondowoso, East Java. The transmission line will transverse the administrative areas start from Kalianyar Village (Ijen Sub-district, Bondowoso), Tamansari Village (Licin Sub-district, Banyuwangi), Pesucen and Bulusari Villages (Kalipuro Sub-district, Banyuwangi), Kampung Anyar Village (Glagah Sub-district, Banyuwangi), and Grogol Village and Kelurahan Giri (Giri Sub-district, Banyuwangi) as shown in **Figure 2-2**.

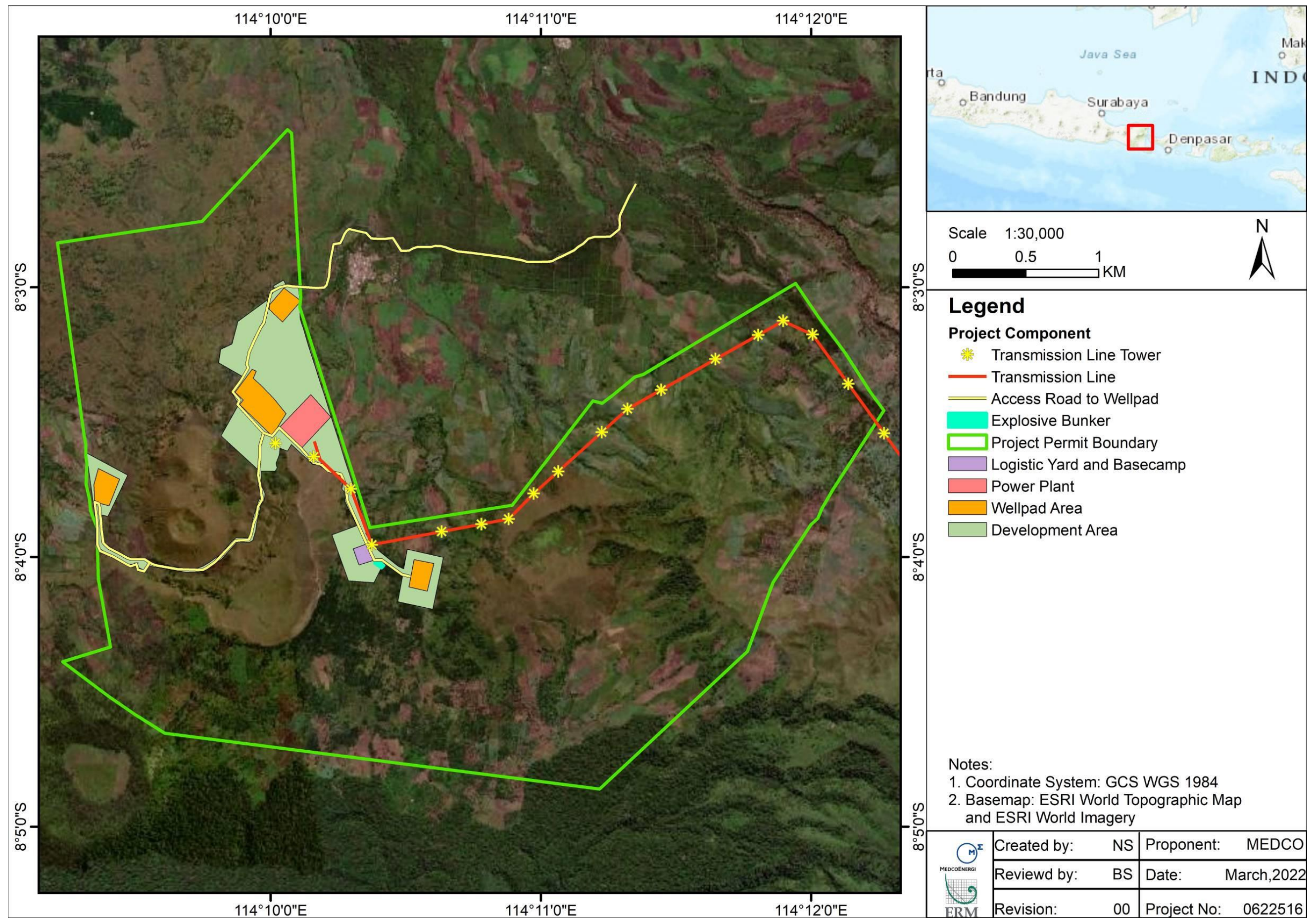


Figure 2-1 Overview of Project Facilities (Main Construction Area)

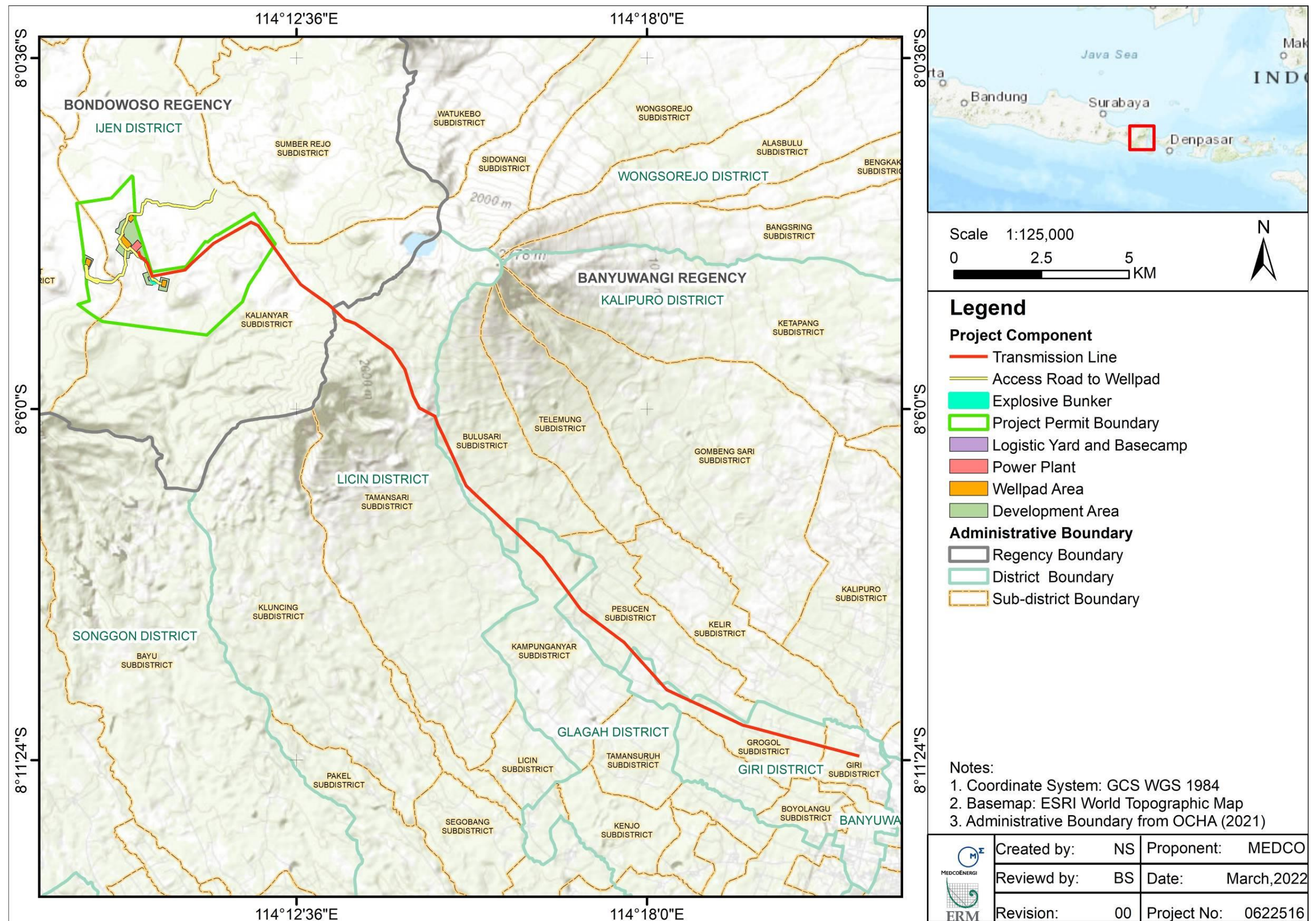


Figure 2-2 Project Location (with Transmission Line)

Project facilities

The proposed location of the project facilities in the main concession area are shown in **Figure 2-3**. The power plant has been located over 1 km from the nearest village at the furthest possible distance from social receptors to reduce any potential impacts. The boundary of the Project site has been defined to avoid plantation areas where possible which limits potential impacts to livelihoods associated with these areas.

The new well pads for the production and injection wells are located around 1 km from the nearest village. The wells have been located at the furthest possible distance from receptors to reduce the impacts from drilling noise and air emissions.

The access roads are existing on the site. These roads will be upgraded and paved with asphalt during the Project prior to COD. The access road does not pass through any nearby villages to reduce impacts from vehicle movements in the communities.

The route of the transmission line has been defined based on analysis of the topography and to avoid any sensitive areas. The transmission line route (as shown in **Figure 2-4**) has been aligned along the route of an existing access road and to avoid the Kawah Ijen Nature Reserve. The transmission line is proposed to be built along the existing access route for ease of access and this also avoids the Project needing to clear land / forest areas to create new access roads to transmission tower locations during its construction.

Land acquisition was conducted after MCG obtained KKPR (*Kesesuaian Kegiatan Pemanfaatan Ruang*/Suitability of Spatial Use Activities Permit from the Minister of Agrarian and Spatial Planning. KKPR Permit No.PF.01/820-200/X/2022 issued on October 17, 2022. In the negotiation process, MCG has used a fair price reference and is considered to be a great benefit to the landowners after the transaction has been made, and therefore the market valuation price of the KJPP has been used as the initial value or lower limit of the purchase price that MCG offered first to each landowner.

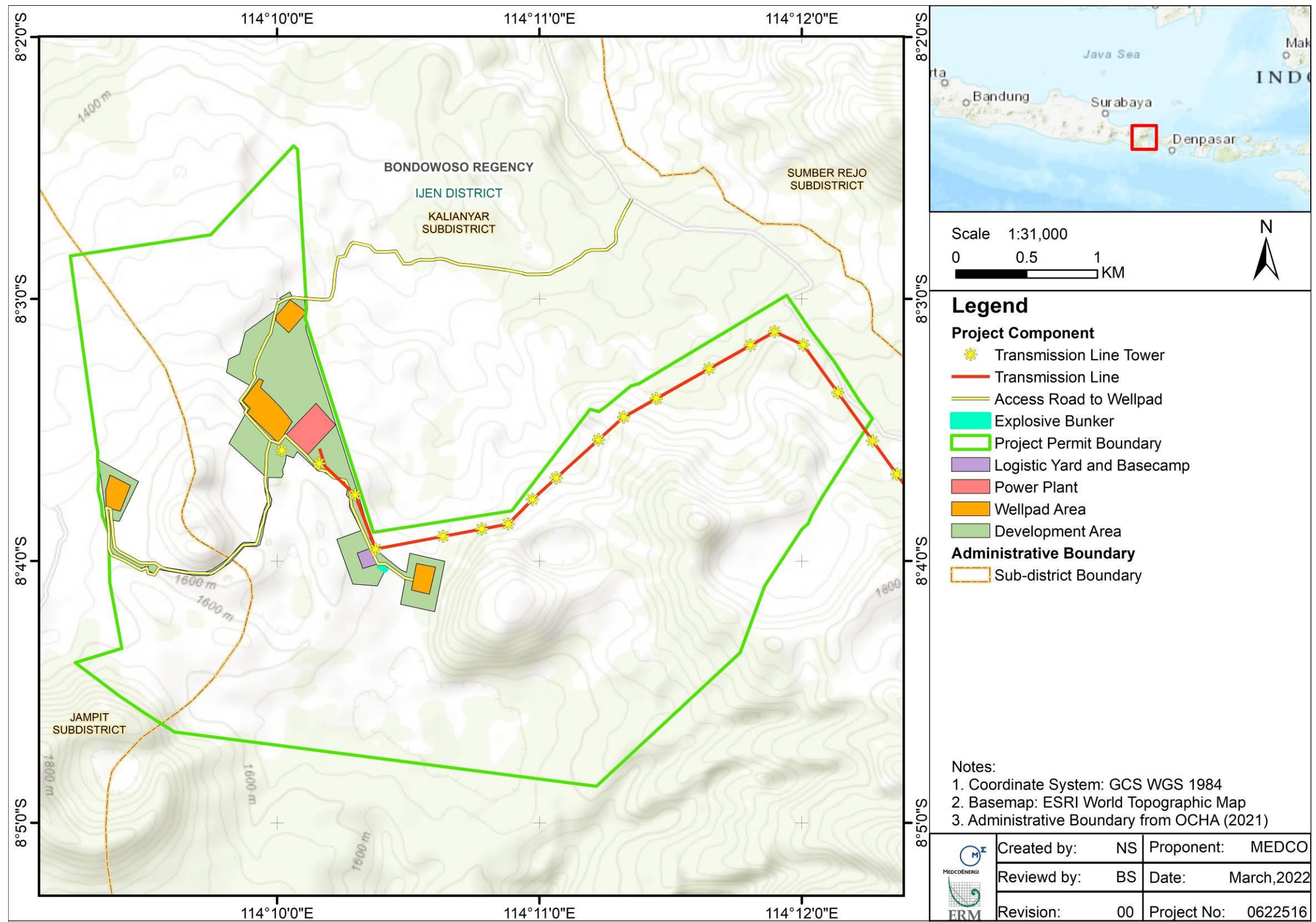
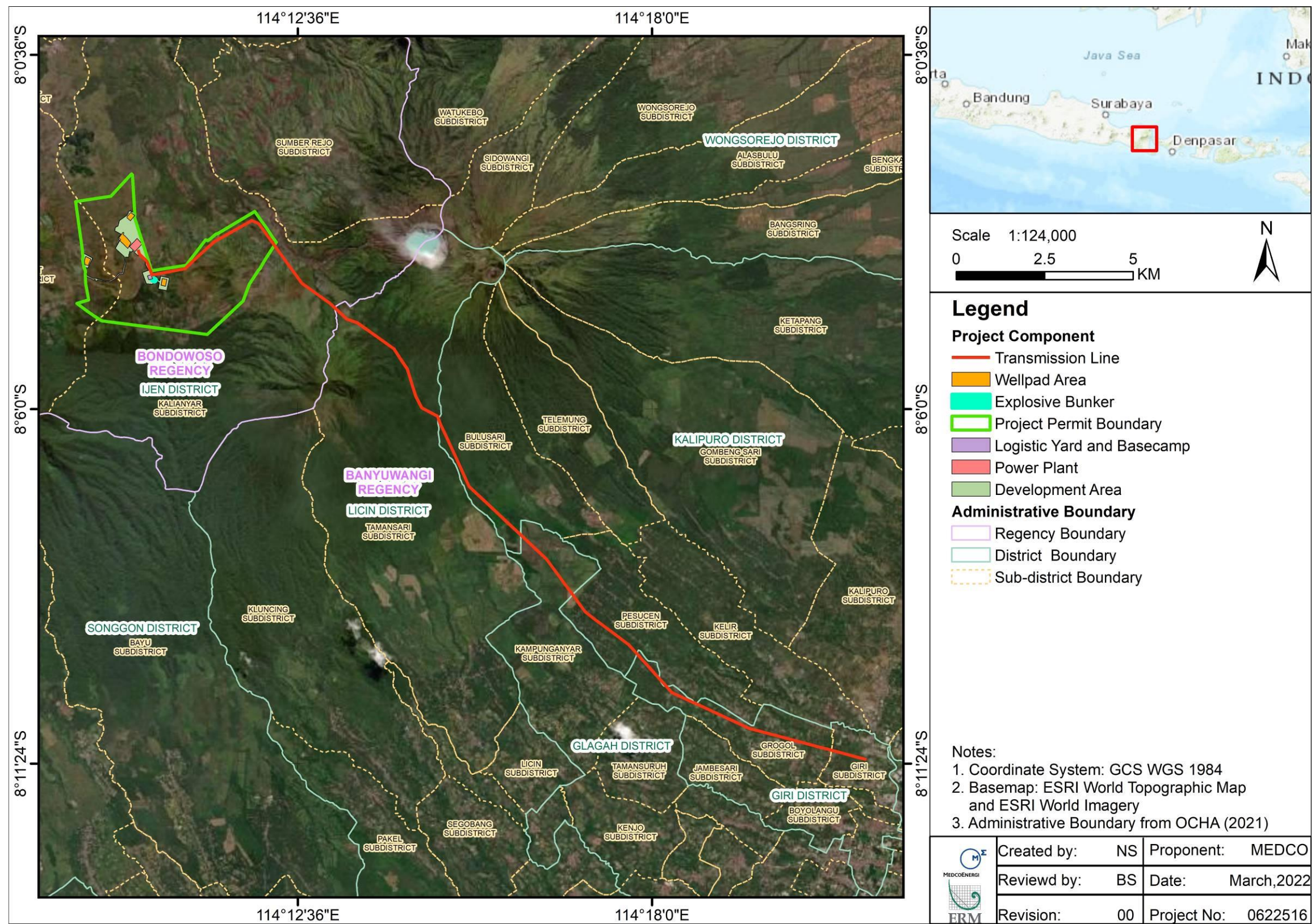


Figure 2-3

Project Facilities Layout



3 **REGULATIONS AND REQUIREMENTS**

The purpose of this section is to set out the requirements that apply to stakeholder engagement for the Project. These are driven by:

- Principles and procedures specified by the Equator Principles. Which integrate the IFC's Social and Environmental Policy and Performance Standard;
- World Bank Environmental, Health and Safety Guidelines;
- Good international industry practice;
- The legal framework for AMDAL in Indonesia;
- Blawan-Ijen Environmental and Social Impact Assessment (ESIA);

Refer to MPI Corporate Level Procedure regarding the Stakeholder Engagement (Document No.: A800/C01/SOPR000016 regarding Stakeholder Engagement dated January 24th 2018), PT MCG Geothermal Exploitation phase aims to ensure that the activities complies in all respects with Indonesian law and regulatory requirements for public consultation and disclosure. In addition, as the Project desires to meet international best practice, the Project is also seeking to comply with the International Finance Corporation's guidance on stakeholder consultation and disclosure which serves as an international benchmark for good practice.

This section outlines the key Indonesian legislation and international guidelines concerning stakeholder engagement which apply to the Project. It also sets out the key principles concerning public or stakeholder consultation and the disclosure of MCG Geothermal Exploitation information.

3.1 **EQUATOR PRINCIPLES**

To comply with environmental and social performance requirements of potential Project partner, the Project must comply with the Equator Principles, which have been developed by the Equator Principles Financial Institutions (EPFIs) to ensure that projects are developed in a manner that is socially responsible and reflects sound environmental and socially responsible management practices.

There are ten Equator Principles:

- Principle 1: Review and Categorization
- Principle 2: Environmental and Social Assessment
- **Principle 3: Applicable Environmental and Social Standards**
- Principle 4: Environmental and Social Management System and Equator Principle Action Plan
- **Principle 5: Stakeholder Engagement**
- **Principle 6: Grievance Mechanism**
- Principle 7: Independent Review
- Principle 8: Covenants
- Principle 9: Independent Monitoring and Reporting
- Principle 10: Reporting and Transparency

The key principles that are relevant to stakeholder engagement are presented in the following paragraphs:

1. Principle 3: Applicable Environmental and Social Standards

Projects located in 'non-designated countries' must be evaluated for compliance with the applicable IFC Performance Standards on Environmental and Social Sustainability (IFC Performance Standards) and the World Bank Group Environmental, Health and Safety Guidelines (WBG EHS Guidelines). Indonesia is considered a non-designated country by the IFC and consequently the IFC Performance Standards and EHS Guidelines apply.

2. Principle 5: Stakeholder Engagement

Principle 5 requires the following:

"For all Category A and Category B Projects, the EPFI will require the client to demonstrate effective Stakeholder Engagement as an on-going process in a structured and culturally appropriate manner with Affected Communities and, where relevant, Other Stakeholders. For Projects with potentially significant adverse impacts on Affected Communities, the client will conduct an Informed Consultation and Participation process. The client will tailor its consultation process to: the risks and impacts of the Project; the Project's phase of development; the language preferences of the Affected Communities; their decision-making processes; and the needs of disadvantaged and vulnerable groups. This process should be free from external manipulation, interference, coercion and intimidation. To facilitate Stakeholder Engagement, the client will, commensurate to the Project's risks and impacts, make the appropriate Assessment Documentation readily available to the Affected Communities, and where relevant Other Stakeholders, in the local language and in a culturally appropriate manner. The client will take account of, and document, the results of the Stakeholder Engagement process, including any actions agreed resulting from such process."

3. Principle 6: Grievance Mechanism

Principle 6 requires the following:

"For all Category A and, as appropriate, Category B Projects, the EPFI will require the client, as part of the ESMS, to establish a grievance mechanism designed to receive and facilitate resolution of concerns and grievances about the Project's environmental and social performance. The grievance mechanism is required to be scaled to the risks and impacts of the Project and have Affected Communities as its primary user. It will seek to resolve concerns promptly, using an understandable and transparent consultative process that is culturally appropriate, readily accessible, at no cost, and without retribution to the party that originated the issue or concern. The mechanism should not impede access to judicial or administrative remedies. The client will inform the Affected Communities about the mechanism in the course of the Stakeholder Engagement process."

MCG is committed to upholding all applicable laws and regulations of the Government of the Republic of Indonesia. Laws and regulations most applicable to stakeholder consultation and disclosure activities already compiled and provided in the Document No.: A800/C01/SOPR000016 regarding Stakeholder Engagement dated January 24th 2018 at Table 1 page 4-6. In **Table 3-1** below is summarized additional regulation are not mentioned in the Document No.: A800/C01/SOPR000016.

Table 3-1 National Regulation Framework for Stakeholder Consultation and Information Disclosure

Regulation	Content
Act No. 21 of 2014 on Geothermal <i>UU 21/2014 tentang Panas Bumi</i>	<p>This law also regulates community participation in article 65</p> <p>(2) In the implementation of Geothermal, the community has the right to:</p> <ul style="list-style-type: none"> a. Obtain information relating to geothermal exploitation through the Government or the Regional Government in accordance with its competence; b. Benefit from geothermal exploitation activities through corporate obligations to fulfill corporate social responsibility and / or community development; c. Obtaining appropriate compensation due to errors in the operation of Geothermal operations in accordance with the provisions of laws and regulations; and d. File a lawsuit against the court against damages resulting from a geothermal operation that violates the provisions.

Regulation	Content
Act No. 30 of 2009 on Electricity <i>UU 30 tahun 2009 tentang Ketenagalistrikan</i>	The Article 28 regulates the obligations of electric power suppliers, including: a. Provide electrical power that meets applicable standards of quality and reliability; b. Providing the best service to consumers and community; c. Meet the electrical safety requirements; and d. Priority of products and potential in the country.
Act No 32 of 2009 on Environmental Protection and Management <i>UU 32/2009 tentang Perlindungan dan Pengelolaan Lingkungan Hidup</i>	Article 65 stipulates that communities are: (1) Equally entitled to a good and healthy environment; (2) Entitled to information about potential environmental impacts; and (3) Entitled to play a role in the framework of environmental management (including decision making and ongoing discussions).
Government Regulation Number 27 of 2012 on Environmental Permit and in particular community involvement <i>Peraturan Pemerintah Indonesia Nomor 27 Tahun 2012 tentang Izin Lingkungan</i>	Article 9 (1) Proponent, in preparing AMDAL documents should involve the community: a. affected; b. environmentalists; and / or c. who are affected by any decision in the AMDAL process. (2) Community participation as intended in paragraph (1) is done through: a. announcement of Business and / or Activity plan; and b. public consultation. (4) Within ten working days of the date of the announcement of proposed activities, community have the right to suggest, express opinions and provide input regarding the planned activities.
Regulation of the State Minister for Environment No. 06/2011 on Public Information Services <i>Peraturan Menteri Negara Lingkungan Hidup Republik Indonesia Nomor 06 Tahun 2011 tentang Pelayanan Informasi Publik</i>	Article 65 stipulates that communities are: (1) Equally entitled to a good and healthy environment; (2) Entitled to information about potential environmental impacts; and (3) Entitled to play a role in the framework of environmental management (including decision making and ongoing discussions)
Kepmen ESDM 2683K/30/MEM/2015 dated 7 April 2015 regarding Geothermal Permit	Coordination and maintain nurture good relationship with relevant stakeholder in order to comply with those regulation.
Kepmen ESDM 1006-12/20/600.3/2012 regarding Temporary Electricity Developer in Ijen Area	
Governor Decree of Jawa Timur No. 18/C2/KPTS/119.3/2011 regarding Business Permit for Electricity Supply Geothermal Based in Ijen Area	

Regulation	Content
Kepmen ESDM No. 13 year 2021 regarding Tower and ROW Compensation	All compensation should be refer to the asset appraisal conducted by certified and independent office. In addition, consider the community grievance and maintain good communication and consultation with the asset owner.
ANDALALIN (<i>Analisis Dampak Lalu Lintas</i>) Approval No. 188.45/005/ANDALALIN/430.9.6/2021 that issued by Environmental and Transportation Office	Consider the technical approach related to the impact on public transportation. In addition, consider the weight and capacity of heavy vehicle to ensure there is no over dimension over loading (ODOL). Coordination with relevant stakeholder and community in the mobilization and demobilization route of heavy vehicle/equipment and material.

3.3 **IFC PERFORMANCE STANDARDS**

In April 2006 the IFC, a member of the World Bank Group (WBG), released a set of Performance Standards (PSs) based upon the original World Bank Group Safeguard Policies, which recognize further the specific issues associated with private sector projects. The IFC PSs have been broadened now to include issues such as greenhouse gases, human rights, indigenous peoples, cultural heritage, land acquisition and resettlement, community health, safety and security as well as stakeholder engagement and community grievance handling. A revised set of PSs came into force on January 1, 2012. The complete list of PS's is provided in **Figure 3-1**.









 <p>PS1 Assessment and Management of Environmental and Social Risks and Impacts</p>	Assess social and environmental impacts (both positive and negative) in their projects area of influence. Identify ways to improve the social and environmental performance of the project or business through the effective use of management systems.	 <p>PS2 Labour and Working Conditions</p>	The workforce is the most valuable asset to any business. A poor relationship could undermine worker commitment and retention, and ultimately jeopardize a project. It can also lead to serious reputational risks.
 <p>PS3 Resource Efficiency and Pollution Prevention</p>	All industrial activity and urbanization will often increase levels of pollution to air, water, and land that may threaten the community and the environment. They can also lead to increased, unsustainable use of these resources.	 <p>PS4 Community Health, Safety and Security</p>	Avoiding or minimize impacts on the health and safety of the local community as a result of business or project. Ensure that the safeguarding of personnel and property is carried that avoids or minimizes risks to the Communities.
 <p>PS5 Land acquisition and Involuntary Resettlement</p>	Without proper planning and management, involuntary resettlement may result in long term impoverishment for affected communities, as well as environmental damage and social stress in areas to which they have been displaced.	 <p>PS6 Biodiversity Conservation and Sustainable Natural Resource Management</p>	Protecting and conserving biodiversity, and its ability to change and evolve, is fundamental to human survival and sustainable development.
 <p>PS7 Indigenous Peoples</p>	Indigenous communities are often the most vulnerable and marginalized segments of the national population.	 <p>PS8 Cultural Heritage</p>	Defining whether an object or place is considered a Cultural Heritage is often very difficult, this standard aims to guide in the protection of cultural heritage from adverse impacts and supporting their preservation.

Figure 3-1 IFC Performance Standards

The Project is seeking to adhere to these standards to meet their stakeholders' expectations. As a result it intends to comply with the IFC PSs. These standards (most specifically PS1: Assessment and Management of Environmental and Social

Risks and Impacts) set out the following expectations with regards to stakeholder engagement:

- *"An effective Environmental and Social Management System...involves engagement between the client, its workers and the local communities directly affected by the project".*
- *"To promote and provide means for adequate engagement with Affected Communities throughout the project cycle on issues that could potentially affect them...".*
- *"...the client will identify individuals and groups that may be differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status....".*
- *"Stakeholder engagement is the basis for building strong, constructive, and responsive relationships that are essential for the successful management of a project's environmental and social impacts".*
- *"Stakeholder engagement is an ongoing process that may involve, in varying degrees, the following elements: stakeholder analysis and planning, disclosure and dissemination of information, consultation and participation, grievance mechanism, and ongoing reporting to Affected Communities...".*
- *"...The nature, frequency, and level of effort of stakeholder engagement may vary considerably and will be commensurate with the project's risks and adverse impacts, and the project's phase of development. ...".*
- *"When Affected Communities are subject to identified risks and adverse impacts from a project, the client will undertake a process of consultation...".*
- *"Effective consultation is a two-way process that should...(iv) be free of external manipulation, interference, coercion, or intimidation".*

Furthermore, in the book *"Stakeholder Engagement: A Good Practice Handbook for Companies doing Business in Emerging Markets"* (2007), which is the most applicable guide for involving the stakeholders, the following matters are addressed:

1. Explanation of good procedure, process and practice in developing and applying effective programs to engage the stakeholders;
2. In each phase of the project cycle, stakeholder engagement is one of the requirements that must be fulfilled, which includes collecting input through meaningful consultation and involving the stakeholders in the planning of the project to be implemented;
3. Provide a guide on how to provide a beneficial information service, which is easy to access and adjusted to the needs of the stakeholders as well as the impacted community;
4. Recommends that information be given out first through consultations and decision-making; and
5. Introduces and establishes a two-way respected dialogue and explains why the process of engagement should be free from intimidation, deception, falsehood and coercion.

The document provides recommendations and suggestions to involve all groups of stakeholders with different interests, at the same time ensuring that the vulnerable

and overlooked communities are provided with a media through which they can provide and receive information. In addition, in the separate document will detailing with special procedure to redress of community grievance to ensure the grievance receipt and handle directly by the Project not irresponsible parties. This procedure also regulate the step and channel to ensure the addressing of grievance from the community managed properly.

This SEP has therefore been developed with the national regulations and international standards set out in this chapter and fully refers to the Medco Power Indonesia corporate level Document No.: A800/C01/SOPR000016 regarding Stakeholder Engagement dated January 24th 2018.

At the current status of the MCG Project, the main stakeholder engagement activity thus far was undertaken during the development of the preliminary baseline study, UKL/UPL, AMDAL and ESIA. This included discussions and consultation meetings with the local, provincial and national level authorities and the impacted community regarding the Project design, identified potential Project impacts to the surrounding environment and Project planning to develop the mitigation measures. A summary of the consultation undertaken by Preliminary Baseline Study, UKL/UPL, AMDAL and ESIA team is presented in

Table 4-2.

The consultation conducted by the Preliminary Baseline Study, UKL/UPL, AMDAL, ESIA consultant and MCG involved representatives of the related regencies government authorities, head of sub-district, head of village, and representatives of the community as well as Community based Organization and Media (if any).

In addition to the consultation process, the Preliminary Baseline Study, UKL/UPL, AMDAL and ESIA consultant also collected social economic baseline data from the community living in Ijen Sub-district (the nearest area to the Project site) and several sub-district in Banyuwangi (150 kV transmission line). This area was selected based on screening of the affected areas undertaken by Consultant and has been approved by the Environmental Authority.

The Project has conducted series of disclosure program during community consultation as part of the socio-economic baseline data collection for the ESIA which will be the basis for conducting the Project impact assessment. Key informant interviews and discussions with key local stakeholders were the main approaches undertaken during the fieldwork. This has included engagement/ consultation meetings with village government officers/ authorities of the affected villages, key village figures, and representatives of the affected communities. **Table 4-1** presents the stakeholders involved in the consultations for the ESIA baseline study/ data collection.

Table 4-1 Stakeholder Involved in the Consultations for ESIA Baseline

No	Location	Key Stakeholders Involved
1	Ijen District	<ul style="list-style-type: none"> ■ Head of Sempol Village ■ Head of Kalianyar Village ■ Religious leader of Kalianyar Village ■ Youth representative of Kalianyar Village ■ Women representative of Sempol Village ■ Community leader of Jampit Village ■ Head of LMDH / Forest village community organization Kalianyar

No	Location	Key Stakeholders Involved
		<ul style="list-style-type: none"> ■ Head of Ijen Community Health Centre ■ Local farmers – land users within the Project Area ■ Representative of PTPN XII ■ Representative of Perhutani
2	Glagah District	<ul style="list-style-type: none"> ■ Secretary of Kampung Anyar Village ■ Osing youth ■ Representative of Kalibendo Plantation
3	Kalipuro District	<ul style="list-style-type: none"> ■ Head of Bulusari Village ■ Secretary of Bulusari Village ■ Head of Bulupayung Hamlet, Bulusari ■ Head of Kelir Community Health Centre
4	Grogol District	<ul style="list-style-type: none"> ■ Head of Giri Village ■ Secretary of Giri Village ■ Secretary of Grogol Village

During the ESIA consultation, the following information was provided to the stakeholders:

- Description of the Project and the potential environmental and social impacts; and
- ESIA process (steps of Project activities that will be conducted within the ESIA process) and Project activities.

Table 4-2 MCG's Historical and Completed Stakeholder Engagement during Preliminary Environmental and Social Baseline Study 2013, UKL/UPL 2013, Addendum UKL/UPL 2015, UKL/UPL 2018, AMDAL 2022 and ESIA 2022

Date and Location	Activities	Key Stakeholder Involved	Key Messages and Issues Covered
May 2018 at [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] Village	Social Survey for UKL/UPL document development	Affected Community	<ul style="list-style-type: none"> - Potential social, safety and health, and environmental impact - Optimizing the benefit of the existence of the Project such as work opportunity, economy empowerment, increase the village infrastructure and maintain the conductivity of security and safety.
23 May 2018 at DLHP Bondowoso Office	Meeting of UKL/UPL Report	<ol style="list-style-type: none"> 1. KLH Expert 2. BLH Bondowoso 3. Public Work Agency of Bondowoso 4. Health Agency of Bondowoso 	<p>This discussion conducted facilitated by UKL/UPL Commission. The item of discussion as follows:</p> <ol style="list-style-type: none"> 1. Project description 2. Regulations related to exploration of geothermal project

Date and Location	Activities	Key Stakeholder Involved	Key Messages and Issues Covered
		5. Manpower of Bondowoso 6. Spatial Planning of Bondowoso 7. Law Agency of Setda Bondowoso	3. Clarification related to hazard or community health such as steam, fire and community accessibility to the Project site 4. Maximize the positive impact to the community and enlarge the CSR program
2 August 2018 at Bondowoso Official Residence	Courtesy Visit and Socialization	1. Bupati Bondowoso () 2. Asda II () 3. Danramil ()	- Disclose the information pertaining Project starting and introduce the contractor (Schlumberger) - Stakeholder concerns and expects on maintaining a conducive and safe situation in the work area
2 August 2018 at Kodim Office	Courtesy Visit and Coordination for Project Preparation	1. Dandim () 2. Danramil ()	- Disclose the information pertaining Project starting and introduce the contractor (Schlumberger) - Stakeholder concerns and expects on maintaining a conducive and safe situation in the work area
2 August 2018 at Kapolres Office	Courtesy Visit and Coordination for Project Preparation	1. Kapolres () 2. Danramil ()	- Disclose the information pertaining Project starting and introduce the contractor (Schlumberger) - Stakeholder concerns and expects on maintaining a conducive and safe situation in the work area
1 August 2018 at Arabica Guest House	Courtesy Visit and Coordination for Project Preparation	1. Camat Ijen () 2. Danramil ()	- Disclose the information pertaining Project starting and introduce the contractor (Schlumberger) - Stakeholder concerns and expects on maintaining a conducive and safe situation in the work area
24 August 2018 at Kalianyar Village Office	Visit and interview	() (Acting Head of Village)	- Community daily activity on social and cultural aspect - Local worker priority
24 August 2018 at pak Saleh's Home (Elder)	Visit and interview	() (Acting Head of Village) and () ()	Village history and local wisdom
24 August 2018 at Home of Head of Curah Macan Hamlet	Visit and interview	()	- Community concerns on the gas from IJEN_01 - Local worker priority
2 March 2022 at Kalianyar Village, Bondowoso	Key Informant Interviews	Head of Kalianyar Village ()	- The existing tourism destinations in Kalianyar village is managed by Tourism, Youth, and Sport Agency of Bondowoso Regency. Village office does not obtain any direct revenue. However, village is currently planning to develop the tourism potential and the Project is expected to support this initiative. - Project is expected to continue the CSR program, particularly in conducting local hiring. Besides, Project is expected to accept

Date and Location	Activities	Key Stakeholder Involved	Key Messages and Issues Covered
			local vocational high school graduates to work on the Project.
2 March 2022 at Kalianyar Village, Bondowoso	Key Informant Interviews	Religious leader of Kalianyar Village (████████)	<ul style="list-style-type: none"> - Communities initially has concerns regarding the potential disturbance on the community's clean water source due to Project operation. However, MCG has clarified that the Project does not use community's clean water source. - Communities are currently supporting the Project and has no concerns at all. - Project is expected to continue the existing community development program, especially in providing assistance to renovate worship facility (mosques) and conducting local hiring for unskilled workforce.
2 March 2022 at Kalianyar Village, Bondowoso	Key Informant Interviews	Youth representative of Kalianyar Village (██████)	<ul style="list-style-type: none"> - Youth decided to leave lower secondary school (SMP) to work in the plantation (for male student) or get married (for female student). The absence of matching job opportunity is also considered as one of the reasons of high figure of student drop out in lower and upper secondary school (SMP and SMA). - Project is expected to create job opportunity as a pulling factor of students going to school.
3 March 2022 at Power plant area, Kalianyar Village, Bondowoso	Key Informant Interviews	Local farmers in Power plant area	<ul style="list-style-type: none"> - Farmers were collecting potatoes and utilizing the land nearby MCG plant facilities. The land in the surrounding Project area is considered unproductive land and allow communities to utilize it. - Potatoes are collected and sold through middlemen. Detailed information on the price and quantity is available in local livelihood section - Farmers rely on rain as irrigation for the farmland. For larger farmland, farmers use basins to store water for irrigation - Farmers are aware that the land is formally owned by Perhutani and currently used and borrowed by MCG
3 March 2022 at Curah Macan hamlet in Kalianyar, Bondowoso	Key Informant Interviews	Head of LMDH / Forest village community organization (██████)	<ul style="list-style-type: none"> - Community supports the project and has no concerns on the existence of MCG's project located near the hamlet other than the steam kick happened in 2020 - MCG has communicated with communities to clarify the steam kick incident and ensure health and safety of the people nearby (No documentations of the communication available for review). - Local recruitment should be prioritized for Curah Macan people, as the closest community area from the Project
3 March 2022 at Kalibendo,	Key Informant Interview	One of owners of the Kalibendo	<ul style="list-style-type: none"> - Engagement for the transmission line done by MCG team and the team will continue to

Date and Location	Activities	Key Stakeholder Involved	Key Messages and Issues Covered
Kampung Anyar Village, Banyuwangi		plantation ()	<p>communicate with the plantation owner for any project development.</p> <ul style="list-style-type: none"> - Community is welcomed and supporting the project - Plantation owner has received some inquiries from the community related to compensation for those people whose land is affected by the transmission line - Compensation should be fair, transparent and benefiting the affected communities
4 March 2022 at Kalibendo, Kampung Anyar Village, Banyuwangi	Key Informant Interview	Osing people ()	<ul style="list-style-type: none"> - Osing cultural norms and values are not practiced by young people anymore - Osing people are living modern live like the rest of other Madurans and Javanese people - Osing people use distinct dialect in comparison with the rest of east Javanese dialect
4 March 2022 at Kependugu Hamlet, Grogol Village, Banyuwangi	Key Informant Interview	Grogol Village Secretary ()	<ul style="list-style-type: none"> - Socializations for the transmission line were done by MCG team several times; initial boundary marking, public consultation for EIA process, follow-up visit by MCG to the potential affected landowners - Further socialization and involvement of KJPP consultant (certified asset assessor) will be carried out in the near future - The village secretary received inquiries/ concerns from the community related to Compensation - Compensation should be transparent, fair and benefiting the affected people - Communities whose land is passed by the transmission line feel the need of their land to be compensated as they will be affected in terms of the height of the plantations, their plantation condition during TL construction and operation, lower land pricing for land under TL, health and safety during TL construction
5 March 2022 at Bulupayung Hamlet, Bulusari, Banyuwangi	Key Informant Interview	Bulupayung head of hamlet, Bulusari Village ()	<ul style="list-style-type: none"> - Engagement for the transmission line was conducted by MCG team - There is no current issues related to the Project. However, affected landowners are waiting for further information related to the next step of the acquisition process
6 March 2022 at Sempol Village, Bondowoso	Key Informant Interview	Wife of the Sempol Village head ()	<ul style="list-style-type: none"> - The informant was not informed/ is not aware of any socializations for the Project by MCG team. - There are few concerns related to access road and traffic due to MCG's mobilizations of equipment - Mobilizations of equipment has caused multiple road traffic and delay travel time by 2-4 hours. This has impacted communities who need to commute for emergency reasons (i.e. sick family members)

Date and Location	Activities	Key Stakeholder Involved	Key Messages and Issues Covered
			<ul style="list-style-type: none"> - Vehicle noise create disturbance/ inconvenience during night time in community residential area - Informant is aware that the her house is laid on land formally owned by Perhutani
6 March 2022 at Sempol Village, Bondowoso	Key Informant Interview	Head of Perhutani Forest Management in Sempol Area [REDACTED]	<ul style="list-style-type: none"> - Cooperative model between Perhutani Belawan and local community is regulated through LMDH / Forest village community organization with sharing profit of 70:30 (70% of harvest profit goes to the community member of LMDH and 30% of the profit goes to Perhutani). - Community shall also comply with annual technical plan of Perhutani for allocated land area such as for green space, managing main crops, etc. - All six (6) LMDHs have established contract agreement with Perhutani indicating legitimate partnership - Disputes related to utilized land area between communities are settled by the head of Perhutani forest management
6 March 2022 at Sempol Village, Bondowoso	Key Informant Interview	PTPN XII Supervisor [REDACTED]	<ul style="list-style-type: none"> - Cooperative models involving PTPN XII and communities utilizing PTPN's land are two things; rent price per hectare determined by harvest revenue and selling price of the crop, and daily labour wage for farmers that are engaged indirectly through renters especially in harvest seasons - Fresh water for drinking, eating and other household use for community in Sempol is sourced from Taman spring water located nearby in Sempol area
7 March 2022 at Bulusari Village, Banyuwangi	Informal Discussions	Bulusari Office Staff members	General socioeconomic condition of communities in Bulusari village: main livelihood activity is farming, 85% of the people are Madurans, 10% -15% are Osing people, water resources are from Patemon water spring in Kalibendo plantation area as well as water spring in Meranti mountain.
7 March 2022 at Kalipuro Sub-district Office, Banyuwangi	Key Informant Interview	Bulusari Village head [REDACTED] and Village secretary [REDACTED]	<ul style="list-style-type: none"> - Socializations for the transmission line were done by MCG team several times; initial boundary marking, public consultation for EIA process, follow-up visit by MCG to the potential affected landowners (7 initially identified affected landowners) - Initially identified landowners inquire about the realization of the project and negotiation process for land acquisition - Proactive communication with MCG to inform affected landowners the current progress and the tentative timeline for negotiation is required - Local communities would like to gain better information on the development of transmission line, safety aspects of it and

Date and Location	Activities	Key Stakeholder Involved	Key Messages and Issues Covered
			<p>the likely impacts during construction and operation</p> <ul style="list-style-type: none"> - Land parcels laid on the transmission boundary plot are farmland belongs to individual persons (non-communal).
7 March 2022 at Giri Village (Urban Village), Banyuwangi	Key Informant Interview	Giri Village Head [REDACTED] and Village Secretary [REDACTED]	<ul style="list-style-type: none"> - Socializations for the transmission line were done by MCG team several times; initial boundary marking, public consultation for EIA process, follow-up visit by MCG to the potential affected landowners (3 initially identified affected landowners) - Land parcels laid on the transmission boundary plot are farmland belongs to individual persons (non-communal). Plants include but not limited to coconut trees, Chinese albizia (Sengon), corn, and teak - Majority of the local community in Giri are unaware of the Project - Limited socializations may lead to negative perception and risk of social unrest - Inclusive and continuous socializations targeted for directly and indirectly affected people the surrounding communities and other related stakeholders are essential
8 March 2022 at Jampit Village, Bondowoso	Key Informant Interview	Community and Religious Leader [REDACTED]	<ul style="list-style-type: none"> - Historically and socially important burial site and Islamic boarding school are existed since colonial era. Location is approximately 1-2 km from the power plant location - Community learning centre (PKBM) is initiated and running under close supervision of the regency level of education agency. - PKBM provides non-formal standardized education for elementary, junior and high school level as well as life skill/ vocational trainings in music, art, and culinary art - Community is welcomed and supportive towards the project - The steam kick incident was not affecting people in Jampit area - Donations to Jampit community are done few times by MCG

Stakeholder engagement report is living document. This document will be updated in the Stakeholder Engagement Log.

5 ***STAKEHOLDER ENGAGEMENT PROGRAM***

5.1 ***PROJECT STAKEHOLDERS***

5.1.1 ***Approach and Method for Stakeholder Identification***

A range of approaches and methods to undertake stakeholder identification for this SEP referred to MPI Stakeholder Engagement procedure in the corporate level (Document No.: A800/C01/SOPR000016 regarding Stakeholder Engagement dated January 24th 2018). MCG's project activities were implemented including:

- Desktop review regarding the area from the available published documentation as well as the results of Preliminary Baseline Study, survey by UKL/UPL, AMDAL and ESIA as well as media coverage.
- Investigation through key stakeholder interviews to gather data on items not included in Preliminary Baseline Study, UKL/UPL, AMDAL and ESIA documents to enrich the information on relevant issues, perceptions and concerns and to confirm unclear information found during the desktop review.
- Community and stakeholder meeting to triangulate information from different sources such as published documentation and interview (investigation).

5.1.2 ***Stakeholders Identified During UKL/UPL, AMDAL and ESIA Consultation***

A stakeholder is defined as an entity or a persons affected or likely to be affected by the Project (affected parties) or may have an interest in the Project (other interested parties). Following this definition, the two principal categories of Project stakeholders are:

1. Project Affected Communities; people / entities directly affected by the Project and/or have been identified as most vulnerable to change and who need to be engaged in identifying impacts and their significance, as well as in decision-making on mitigation and management measures, namely:
 - The [REDACTED] of Ijen Sub-district;
 - Land owner in the tower footprint and along of Right of Way (RoW);
 - People of Sempol Village;
 - People of Jampit Village;
 - People of Tamansari Village;
 - People of Kampung Anyar Village;
 - People of Bulusari Village;
 - People of Pesucen Village;
 - People of Grogol Village;
 - People of Giri Village;

- Illegal Land User/ Illegal Houses/ non-commercial Illegal Sand Mining (if any) of the site area or PTPN XII/PERHUTANI land; and
 - Local figures and informal leader from villages such as religious and community leaders and youth figures.
2. Local Community Organization; this group comprises of those who may have an interest in the Project and its social and environmental aspects. It includes members of civil society organizations such as citizens' associations, environmental and social groups, etc. Some of local community organizations that have been identified include:
- Local activist in Bondowoso;
 - Youth association in Sempol Village; and
 - Student association in Bondowoso
3. Local Government; this stakeholder group consists of government agencies (at regency and sub-district levels) and community leaders at the sub-district and village levels who have the power to regulate or otherwise influence the Project in terms of establishing policy, granting permits and approvals for the Project, monitoring and enforcing compliance with the applicable rules and regulations and making available the necessary infrastructure and resources for the Project. Some of the key authorities at the regency (Bondowoso and Banyuwangi) and local level include the following:
- Regent at Bondowoso and Banyuwangi;
 - Environmental Agency at Bondowoso and Banyuwangi Regency;
 - BAPPEDA at Bondowoso and Banyuwangi Regency;
 - One-stop Integrated Service Agency (Dinas PM PTSP) of Bondowoso and Banyuwangi Regency;
 - Land Agency at Banyuwangi;
 - Manpower Agency at Bondowoso and Banyuwangi;
 - Spatial Plan Agency at Bondowoso and Banyuwangi
 - Regency/Resort Police at Bondowoso and Banyuwangi Regency with role is handling the security issue in the regency level;
 - Army in Bondowoso Regency (KODIM) at Bondowoso and Banyuwangi Regency with role handles the defense issues in the regency level;
 - Head of Ijen Sub-district (CAMAT) with role is incorporated in all government programs in the area;
 - Head of Licin Sub-district;
 - Head of Glagah Sub-district;
 - Head of Giri Sub-district;
 - Sub-district Police with role handles the security issues at the district level;
 - Army in Sub-district (KORAMIL) with role handles the defense issues in the village and sub-district level;

- Head of Sempol Village;
 - Head of Kalianyar Village;
 - Head of Tamansari Village;
 - Head of Kampung Anyar Village;
 - Head of Pesucen Village;
 - Head of Bulusari Village;
 - Head of Grogol Village;
 - Head of Giri Village;
 - Include all village secretaries in each village as mentioned above.
4. Central and Provincial Government; this stakeholder group consists of ministries and provincial authorities who has a role in regulating the Project, such as granting permits and approvals and monitoring compliance. The authorities, which are likely to have the maximum influence on the Project, include:
- Ministry of Energy and Mineral Resources (MEMR);
 - Ministry of Environmental and Forestry (MEF);
 - Environmental Agency of East Java Province (BLH Jawa Timur), with role to provides and supervises the social and environmental management;;
 - Energy and Mineral Resources Agency of East Java Province;
 - BAPPEDA is incorporated in all development plans in the area;
 - Spatial Plan Province
 - DLH/DLHP oversees permitting and manages the impact of development in the area.
5. Other interested parties; people / entities that are interested in the Project and/or could affect the Project in some way, namely:
- NGO: WALHI [REDACTED] The NGO focuses on environment. However, currently, there are no particular issues submitted by the NGO related to the Project.
 - Media: [REDACTED] The Media focuses on the transparency information issues (asking the presence of the Project).
 - Other: PERHUTANI and PTPN XII with role:

PERHUTANI:

 - Exploitation area within KEHUTANAN (well pad, etc.);
 - Compensation for tree

PTPN XII:

 - Permit for joint utilization of use access to the location and well pad location
 - Water pipeline distribution area
 - Through PTPN XII Cooperative request to use the fresh water "ROLLAS"

5.1.3 ***Vulnerable Groups***

In the Project area, especially in Blawan, Plalangan, Curah Macan, and Watu Capil within Kalianyar Village in Ijen Sub-district a number of families categorized as illegal house, illegal land user (plantation and agriculture), and non-commercial illegal sand mining from PTPN XII and PERHUTANI. The vulnerability due to can be evicted by the government. However until now there is no evicted by the government.

5.1.4 ***Summary of Issues and Concerns Raised by Stakeholders during Consultation***

This section summaries the issues and concerns raised by stakeholders during the consultation processes undertaken during Preliminary Baseline Study, UKL/UPL, AMDAL and ESIA development. A summary of issues and concerns is presented in **Table 5-1**.

Table 5-1 Issues and Concerns Raised by Stakeholders Related to the Project during Preliminary Baseline Study, UKL/UPL, AMDAL and ESIA Development

Issue	Description	Category of Stakeholder Raising the Issue / Concerns
Project Description and AMDAL-ESIA Process	<ul style="list-style-type: none"> Description of the Project and the potential environmental and social impacts; and ESIA process (steps of Project activities that will be conducted within the ESIA process) and Project activities. 	<ul style="list-style-type: none"> EMRM MEF BLH Province EMR Province EF Province Bondowoso Regent Banyuwangi Regent Related Government Agencies Head of Village Sub-district Government Affected Community
Project contribution to community development	Stakeholders expect the Project will significantly contribute towards community development to increase community livelihoods and infrastructure improvement in Ijen Sub-district. Especially now that the project is entering a period of exploitation, stakeholder expects much to have significant contribution towards community development.	<ul style="list-style-type: none"> Bondowoso Regent Banyuwangi Regent Related Government Agencies Head of Village Sub-district Government Blawan, Plalangan, Curah Macan, and Watu Capil within Ijen Sub-district Community
Project contribution to village/public infrastructure	The community expects to obtain benefit impact on the increasing village infrastructure such as road, etc. Especially now that the project is entering a period of exploitation, stakeholder expects to have significant contribution towards village infrastructure.	<ul style="list-style-type: none"> Bondowoso Regent Banyuwangi Regent Related Government Agencies Head of Village Sub-district Government Blawan, Plalangan, Curah Macan, and Watu Capil within Ijen Sub-district Community
Local workers priority	<p>This includes transparency on worker recruitment. Involving local government (village and sub-district level) to ensure the data validity of the workers and also to monitor the number and mobility of immigrant workers.</p> <p>The people expects to priority the local worker if the competency and qualification can be fulfill by local people.</p>	<ul style="list-style-type: none"> Bondowoso Regent Banyuwangi Regent Related Government Agencies (Manpower, etc.) Local businessman Head of Village Sub-district Government Blawan, Plalangan, Curah Macan, and Watu Capil within Ijen Sub-district Community

Issue	Description	Category of Stakeholder Raising the Issue / Concerns
Optimizing local supplier and local vendor such as catering, vehicle and materials	Local businessmen are already aware about the economic opportunities from the presence of the Project as a local supplier and vendor. They expect to be involved to support the Project activities.	<ul style="list-style-type: none"> • PTPN XII • Local businessman (vehicle provider, fresh water provider, guesthouse, etc.) • Head of Village • Sub-district Government
Community health safety and security	Community concerns regarding dust, noise and other sources, and especially potential health, security and safety disruption due to steam disturbances and road safety from heavy vehicle mobilization and arrival of workers from outside the area especially in the Curah Macan hamlet due to well drilling and power plant development.	<ul style="list-style-type: none"> • TNI/Polri (Polres, Kodim, Polsek, Koramil) • Head of Ijen Sub-district • Midwife/doctor/paramedic • Head of Village • Blawan, Plalangan, Curah Macan, and Watu Capil within Ijen Sub-district Community

Based on the consultation undertaken, a number of issues must be prioritized and followed up by the Project including:

- Project contribution to community development and village infrastructure;
- Local worker recruitment process;
- Local supplier and vendor requirements;
- Project impacts and mitigation measures; and
- Discussing transmission line, steam, road safety and other community fears.

5.1.5 ***Stakeholder Analysis (Interest, Influence and Perception) Towards the Project***

Based on the results of direct one-on-one consultations, community meeting, investigation and desktop review, a stakeholder analysis was conducted, see **Table 5-2**.

Generally positive perceptions were voiced and the level of support from stakeholders towards the Project currently 100% but accompanied by the hope that the project could bring a positive impact. Deliver well manage on the social and environmental impact assessment and management.

Table 5-2 Summary of the MCG Projects Stakeholder Analysis

No.	Stakeholder	Location	Interest	Power or Influence	Perception
1.	MEMR	Jakarta	Project to supply renewable energy	Have the power to regulate or otherwise influence the Project in terms of establishing policy, granting permits and approvals for the Project, monitoring and enforcing compliance with the applicable rules and regulations and making available the necessary infrastructure and resources for the Project	Fully Support
2.	MEF	Jakarta	Project to impact on social and environmental	Have the power to regulate or otherwise influence the Project in terms of establishing policy, granting permits and approvals for the Project, monitoring and enforcing compliance with the applicable rules and regulations and making available the necessary infrastructure and resources for the Project	Fully Support
3.	BLH Jawa Timur	Surabaya	Project to impact on social and environmental	Have the power to regulate or otherwise influence the Project in terms of establishing policy, granting permits and approvals for the Project, monitoring and enforcing compliance with the applicable rules and regulations and making available the necessary infrastructure and resources for the Project	Fully Support
4.	EMR East Java Province	Surabaya	Project to supply renewable energy	Have the power to regulate or otherwise influence the Project in terms of establishing policy, granting permits and approvals for the Project,	Fully Support

No.	Stakeholder	Location	Interest	Power or Influence	Perception
				monitoring and enforcing compliance with the applicable rules and regulations and making available the necessary infrastructure and resources for the Project	
5.	BAPPEDA	Surabaya	Project to trigger regional development	Have the power to regulate or otherwise influence the Project in terms of establishing policy, granting permits and approvals for the Project, monitoring and enforcing compliance with the applicable rules and regulations and making available the necessary infrastructure and resources for the Project	Fully Support
6.	DLH/DLHP Bondowoso and Banyuwangi	Bondowoso and Banyuwangi	Project to impact on social and environmental	Have the power to regulate or otherwise influence the Project in terms of establishing policy, granting permits and approvals for the Project, monitoring and enforcing compliance with the applicable rules and regulations and making available the necessary infrastructure and resources for the Project	Fully Support
7.	Spatial Plan Agency Bondowoso and Banyuwangi	Bondowoso and Banyuwangi	Project to impact on social, environmental and spatial plan	Have the power to regulate or otherwise influence the Project in terms of establishing policy, granting permits and approvals for the Project, monitoring and enforcing compliance with the applicable rules and regulations and making available the necessary infrastructure and resources for the Project	Fully Support

No.	Stakeholder	Location	Interest	Power or Influence	Perception
8.	Bupati Bondowoso	Bondowoso Regency level	Project to trigger Region Economic Development	Highest Regency Authority	Fully Support
9.	Bupati Banyuwangi	Banyuwangi Regency Level	Project to trigger Region Economic Development	Highest Regency Authority	Fully Support
10.	Land Agency Banyuwangi	Banyuwangi	Project to impact on land	Land authority	Fully Support
11.	Manpower Agency	Bondowoso and Banyuwangi	Project to impact on manpower. Expects to involve local manpower	Manpower authority	Fully Support
12.	Head of Village	Impacted Village in Banyuwangi and Bondowoso	Head of Village has an interest to optimize the beneficial impacts from the MCG Project including establishing a community development program, improving village infrastructure, providing opportunities for local suppliers and vendors, optimizing and prioritizing Blawan, Plalangan, Curah Macan, and Watu Capil villagers in Bondowoso and impacted village in Banyuwangi as a workers and also minimizing all the potential adverse impacts such as steam, dust, noise, security and road safety.	The head of villages in impacted area are cooperative and open minded. He/she is also active in community organization.	<p>Very supportive and positive towards the MCG Project but also critical because he/she has many experiences with several investments or projects in other area.</p> <p>However, he/she believes that through the incoming investment, the village can advance its development.</p>
13.	Local Businessman (local businessman who provides services to MCG Project)	Village until Province Level	<ol style="list-style-type: none"> 1. As a local supplier 2. As a local vendor (Sub-contractor), labor brokers, rental of heavy equipment such as excavators and car 	Has significant influence and power in village and district level. They also has a close relationship with political figures at the Regency level.	Supportive and very positive towards the Project. They sees the presence of MCG Project as a big opportunity to develop his businesses in the area.

No.	Stakeholder	Location	Interest	Power or Influence	Perception
14.	ESDM Bondowoso and Banyuwangi <i>Energy and Mineral Resources Agency</i>	Bondowoso and Banyuwangi, Regency Level	Ensuring the availability of a consistent energy supply in Bondowoso.	Very strong as the authority that controls the energy sector in Bondowoso.	Positive, strongly supports the Project.
15.	PTPN XII Manager of Blawan and Manager of Kalisat	Bondowoso, Regency Level	<ul style="list-style-type: none"> - Implementation of land rental permit complies with relevant regulations. - Business cooperation 	Authority in issuing land rental permit.	Positive, strongly supports the Project.
16.	PERHUTANI Manager of Bondowoso Area	Bondowoso, Regency Level	<ul style="list-style-type: none"> - Implementation of land rental permit complies with relevant regulations. - Propose patrol together 	Authority in issuing land rental permit.	Positive, strongly supports the Project.
17.	Sub-district Government	Ijen, Sun-district Level	<p>Ijen Sub-district's interest is to gain benefits from the presence of MCG Project i.e. to increase and improve public infrastructure and reduce unemployment. They also have interest to ensure that the anticipated negative impacts such as steam, dust, and poor roads are addressed properly.</p> <p>The Sub-district government expects not to be involved in the coordination only if problem occurs, but throughout the Project stages.</p> <p>Follow the Bupati direction</p>	The Ijen Sub-district government's main duties are to oversee the CSR programs and supervise the workers recruitment, ensuring the priority is given to local workers.	Very supportive and expecting transparency on the recruitment process of workers
18.	Bondowoso and Banyuwangi Office Area of PLN	Bondowoso and Banyuwangi, Regency Level	Keep the balance of the electricity supply and demand. And for this stage (exploitation) there was no relevant interest until project go to development or exploitation phase	Bondowoso and Banyuwangi Office Area of PLN only provides considerations on technical aspects since the decision is made by PLN's headquarters in Jakarta.	Positive attitude towards the Project

No.	Stakeholder	Location	Interest	Power or Influence	Perception
	Plalangan, Curah Macan, and Watu Capil within Ijen Sub-district	Capil within Ijen Sub-district	local workers, opening new jobs, and improving the economy of the surrounding community		
23.	Land owner in the tower footprint and along of Right of Way (RoW)	Pesucen, Bulusari, Grogol and Giri	Land and asset acquisition and compensation	Have rights to reject the land acquisition for tower footprint	Positive and Support
24.	DLHP Bondowoso	Bondowoso	Environmental Permitting	Environmental Permitting	Positive and Support
25.	BLH Province	Surabaya	Environmental Permitting	Environmental Permitting	Positive and Support
26.	Dinas PM PTSP [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] Bondowoso and Banyuwangi	Bondowoso and Banyuwangi	Local worker priority	Worker Permitting	Positive and Support
27.	Manpower Agency of Bondowoso and Banyuwangi Regency	Bondowoso and Banyuwangi	Local worker priority Report to Dinas Manpower Ensure the project comply with the requirement such as BPJS, etc.	Worker Permitting	Positive and Support
28.	Vulnerable Group (Illegal House, Illegal Land User and non-commercial Illegal Sand Mining)	Hamlet of Blawan, Plalangan, Curah Macan, and Watu Capil within Ijen Sub-district	Secure their livelihood and prioritize local as a worker	One of the requirement of environmental permit is approval from affected communities	Positive and Support

No.	Stakeholder	Location	Interest	Power or Influence	Perception
29.	District and Resort Police	Banyuwangi and Bondowoso Level	Secure the conductivity of the area	Security authority	Positive and Support
30.	Army Force (KORAMIL and KODIM)	Impacted Sub-districts in Banyuwangi and Bondowoso	Secure the conductivity of the area	Defense authority	Positive and Support
31.	BAPPEDA Bondowoso	Bondowoso	Ensure to commit with spatial plan of Bondowoso Regency	Authority of spatial plan to be fulfil by MCG	Positive and Support
32.	Midwife/doctor	Kalianyar Village and Ijen Sub-district Level	Community health	There is no strong power from midwife/doctor	Positive and Support

5.2 ***STAKEHOLDER ENGAGEMENT STRATEGY***

Stakeholder engagement is centered on building and maintaining constructive relationships over time with groups of people / stakeholders who are affected or interested in the MCG Project's activities. It is an ongoing process between MCG Project and its stakeholders that extends throughout the life of the Project and encompasses a range of activities and approaches, from information sharing and consultation, to participation, negotiation, and information of partnerships.

Considering the social setting of the community and category of stakeholders identified during the Preliminary Baseline Study and UKL/UPL, AMDAL, ESIA and operational consultation, the following section presents the strategy and approach for the MCG Project to conduct stakeholder engagement activities in a culturally appropriate manner. This strategy is refer and in line with MPI Stakeholder Engagement procedure in the corporate level (Document No.: A800/C01/SOPR000016 regarding Stakeholder Engagement dated January 24th 2018 section 4.6.5 Guidance to Develop Stakeholder Engagement Strategy on page 22-24).

The goal is to ensure the timely provision of relevant and understandable information and to create a process that provides opportunities for all stakeholders to express their views and concerns, and allows the MCG Project to consider and respond to them. The nature and frequency of this engagement should reflect the level of Project risks and impacts.

5.2.1 ***Stakeholder Engagement Materials***

Materials supporting stakeholder engagement can include printed information in the form of leaflets and posters as well as documents that form the focus of disclosure and consultation activities, including the Preliminary Baseline Study, UKL/UPL, AMDAL and ESIA Reports. Other materials are developed to support consultation meetings, including presentations, posters and banners illustrating aspects of the MCG Project.

Potential consultation / engagement methods that could be used by MCG Project include (but are not exclusive to) those detailed in **Table 5-3**.

Table 5-3 *Stakeholder Engagement Tools*

Method*	Use
Briefings and presentations	Provide information on a specific issue/initiative to those that may be affected.
Public displays	Increase accessibility of information to community. Include Fact Sheets/Newsletters and staff to answer questions.
Media coverage (both editorial and advertising)	Raise awareness amongst wide audience.
Open days	Informal event designed to raise awareness and provide vehicle for addressing community concerns. Include printed material and staff for further information.
Printed/website materials (external)	Provide updates to reach wide audience.

Method*	Use
Printed/intranet materials (internal)	Provide updates to reach wide internal audience.
Videos/DVDs	Visual depiction of development/activities. Can be used in briefings/presentations, open days, public displays and other methods of consultation/engagement.
Community Consultative Committees	Made up of relevant interest group representatives in order to provide a vehicle for constructive discussion and good relationships.
Community profiling	Used to understand the community profile in a specific geographical area or community of interest. Can assist in better understanding consultation needs.
Focus groups	Often used to identify specific issues on which to base further research or consultation.
Negotiation/mediation	Aimed at dealing with conflict and resulting in an agreed outcome.
Public or community meetings	Used to raise awareness amongst wide audience and provides a vehicle for community to raise their concerns.
Stakeholder interviews	Used to gain in-depth understanding of a specific issue.
Surveys	Used to gain overview of community views or level of community understanding.
Community partnerships	Provide an opportunity for joint company-community decision making on community projects and initiatives.
Social investment or CSR program	Strategic contributions to support areas of identified need in the community. Can lead to good relationships and will enhance corporate reputation.

5.2.2 **Communication Channels**

The different consultation and disclosure methods, materials and communication channels that can be used to engage stakeholders are shown in **Table 5-4**.

Table 5-4 Communication Channels

Stakeholder Category	Disclosure Methods	Communication Channels
Residents of local communities	Paper copies of documents made available in central community location (e.g. town halls, cultural centers, village head office, traditional market, etc.)	<ul style="list-style-type: none"> • Telephone, post and in person • Secure comment boxes • Community meetings and public hearings
Government Authorities	Notification, key documents and invitations to meet with Project addressed to specific stakeholders.	<ul style="list-style-type: none"> • Regular report, email, telephone, post and in person • Meeting and correspondence with the Project representative

Stakeholder Category	Disclosure Methods	Communication Channels
Non-government organizations (NGOs)	Notifications, key documents and invitation to meet with the Project addressed to specific stakeholders.	<ul style="list-style-type: none"> Email, telephone, post and in person. Meeting and correspondence with the Project representative
Media	Notifications, key documents (press release) and invitation to meet with the Project	<ul style="list-style-type: none"> Email, telephone, post and in person. Meeting and correspondence with the Project representative

5.3 ***PLANNED FUTURE STAKEHOLDER ENGAGEMENT***

This SEP identifies the relevant stakeholder groups, key messages to be delivered, approach and tools of engagement, timeline and responsible parties. The SEP is designed to include all relevant stakeholders and issues to cover the entire lifecycle of the MCG Project. The plan is a dynamic tool to be periodically updated and adapted to the current social, economic and political situation of the area since the MCG Project's stakeholders and issues / concerned raised may change over the life time of the Project.

Based on the analysis of stakeholder interests' verses power or influence presented in Table 5-2 in the previous sub-section, the type of engagement that will be implemented for each of the different stakeholder identified is shown in **Figure 5-1**.

The proposed future Project stakeholder engagement activities, based on MCG's understanding of Project impacts and stakeholder consultation results are presented in **Table 5-5**.

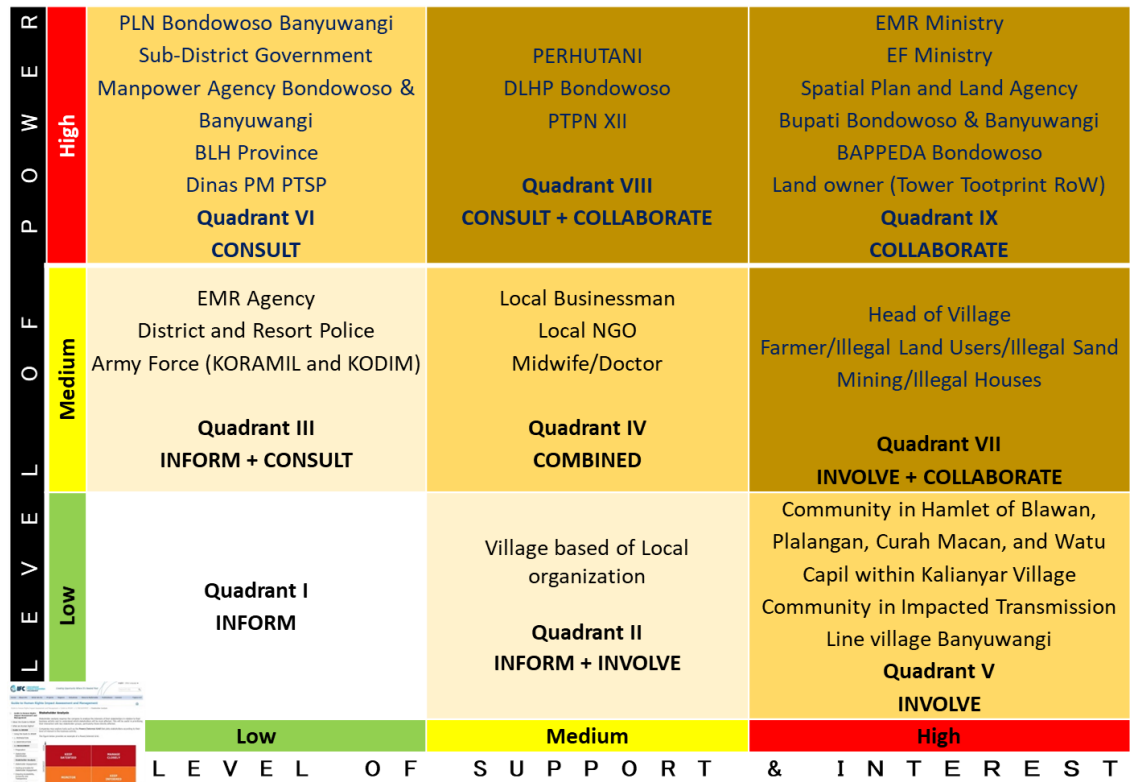


Figure 5-1 Stakeholder Engagement Based on Power verses Interest

Table 5-5 Proposed Project Stakeholder Engagement Activities

Stakeholder Group	Location	Key Issue	Approach	Timeline
Ministry of Energy and Mineral Resources (MEMR)	Jakarta, Surabaya, Bondowoso and Banyuwangi	Project preparation and execution	Courtesy visit, Consultation and Approval	Prior to and during construction.
Ministry of Environmental and Forestry (MEF)	Jakarta, Surabaya, Bondowoso and Banyuwangi	Environmental impact and management plan	Courtesy visit, Consultation and Approval	Prior to and during construction.
Spatial Plan and Land Agency	Surabaya, Bondowoso and Banyuwangi	Spatial suitability and land acquisition	Courtesy visit, Consultation and Approval	Prior to and during construction.
Bupati Bondowoso and Banyuwangi	Bondowoso and Banyuwangi	Region Economic Development	Courtesy visit and Consultation	Prior to and during construction.
Head of Villages	Impacted Village across in Bondowoso and Banyuwangi	<ul style="list-style-type: none"> • Project design and development, impacts and opportunities. • Project UKL/UPL, AMDAL and ESIA • Environmental, health and social impacts generated from Exploitation Project. • Project labor requirement and procurement mechanism. • Project Grievance Mechanism for affected communities. 	<p>Socialization and Consultation</p> <p>Tools: Socialization forum in Kalianyar village involving village governments</p>	Prior to and during construction.
Local Businessman (local businessman who provides services to MCG Project)	Kalianyar Village until Province Level	<ul style="list-style-type: none"> • Exploitation Project • Project activities which could have an opportunity for the businessman including: <ol style="list-style-type: none"> 1. As a local supplier 2. As a local vendor (Sub-contractor), labor brokers, rental of heavy equipment such as excavators 	<p>Socialization and Consultation</p> <p>Tools:</p> <ul style="list-style-type: none"> • Socialization forum in Kalianyar village • Posters in location where it is easily accessible to the community. 	Prior to and during construction.

Stakeholder Group	Location	Key Issue	Approach	Timeline
ESDM Bondowoso and Banyuwangi Energy and Mineral Resources Agency	Bondowoso and Banyuwangi, Regency Level	Ensuring the availability of a consistent energy supply in Bondowoso and Banyuwangi.	<ul style="list-style-type: none"> Courtesy visit Consultation 	Prior to and during construction.
PTPN XII Manager of Blawan and Manager of Kalisat	Bondowoso, Regency Level	<ul style="list-style-type: none"> Implementation of land rental permit complies with relevant regulations. Business cooperation 	<ul style="list-style-type: none"> Courtesy visit Consultation 	Prior to and during construction.
PERHUTANI Manager of Bondowoso and Banyuwangi Area	Bondowoso and Banyuwangi, Regency Level	<ul style="list-style-type: none"> Implementation of land rental permit complies with relevant regulations. Propose patrol together 	<ul style="list-style-type: none"> Courtesy visit Consultation 	Prior to and during construction.
Sub-district Governments	Impacted area in Bondowoso and Banyuwangi, Sub-district Level	<ul style="list-style-type: none"> Head of Sub-district's interest is to gain benefits from the presence of MCG Project i.e. to increase and improve public infrastructure and reduce unemployment. They also have interest to ensure that the anticipated negative impacts such as steam, dust, and poor roads are addressed properly. The Sub-district government expects not to be involved in the coordination only if problem occurs, but throughout the Project stages. Follow the Bupati direction 	<p>Socialization and Consultation</p> <ul style="list-style-type: none"> Tools: Socialization forum in Sub-district involving village governments as well. 	Prior to and during construction.
Bondowoso and Banyuwangi Office Area of PLN	Bondowoso and Banyuwangi, Regency Level	Keep the balance of the electricity supply and demand. And for this stage (exploitation) there was have relevant interest until project go to development or operation phase.	<ul style="list-style-type: none"> Courtesy visit and Consultation 	Prior to and during construction.

Stakeholder Group	Location	Key Issue	Approach	Timeline
Farming Communities/ Land owner/ Squatter/ Illegal Houses and Land User	Blawan, Plalangan, Curah Macan, and Watu Capil Hamlet Level	Project activities which could have an impact on the livelihoods of the farming communities due to disruption of steam, etc. in farming location surrounding Project area. Project Grievance Mechanism for affected communities (system and process, person in charge, grievance submission).	Socialization and Consultation Tools: <ul style="list-style-type: none"> • Socialization forum in Kalianyar village • Posters in location where it is easily accessible to the community. 	Prior to and during construction.
Village based of Local organization (██████████ ██████████ ██████████ ██████████ ██████████)	Village level	<ul style="list-style-type: none"> - Involvement of youth in the village development - Employment opportunities - Involving women and cultural or religion approach 	Socialization and Consultation Tools: <ul style="list-style-type: none"> • Socialization forum in Kalianyar village and another villages both in Bondowoso and Banyuwangi • Posters in location where it is easily accessible to the community. 	Prior to and during construction.
Local NGO: WALHI	Regency level, based in Ijen Sub-district	Good governance and transparency of development projects in the regency, ensuring that community's interests are addressed in the MCG Project	Courtesy visit and Consultation	Prior to and during construction.

Stakeholder Group	Location	Key Issue	Approach	Timeline
Community in Hamlet of Blawan, Plalangan, Curah Macan, and Watu Capil within Ijen Sub-district	Hamlet of Blawan, Plalangan, Curah Macan, and Watu Capil within Ijen Sub-district	The community 100% agree with the Project due to expects to obtain positive impact on the absorption of local workers, opening new jobs, and improving the economy of the surrounding community	Socialization and Consultation Tools: Socialization forum in Kalianyar village involving village governments.	Prior to and during construction.
Land owner in the tower footprint and along of Right of Way (RoW)	Pesucen, Bulusari, Grogol and Giri	Land and asset acquisition and compensation	Socialization and Consultation	Prior to and during construction
DLHP Bondowoso and Banyuwangi	Bondowoso and Banyuwangi	Environmental Permitting	Courtesy visit and Consultation	Prior to and during construction.
BLH Province	Surabaya	Environmental Permitting	Courtesy visit and Consultation	Prior to and during construction.
Dinas PM PTSP (Penanaman Modal dan Pelayanan Terpadu Satu Pintu) Bondowoso and Banyuwangi	Bondowoso and Banyuwangi	<ul style="list-style-type: none"> Local worker priority 	Courtesy visit and Consultation	Prior to and during construction.
Manpower Agency of Bondowoso and Banyuwangi Regency	Bondowoso and Banyuwangi	<ul style="list-style-type: none"> Local worker priority Report to Manpower Agency Ensure the project comply with the requirement such as BPJS for Health and Manpower, etc. 	Courtesy visit and Consultation	Prior to and during construction.
Vulnerable Group (Illegal House, Illegal Land User and non-commercial Illegal Sand Mining)	Hamlet of Blawan, Plalangan, Curah Macan, and Watu Capil within Ijen Sub-district	Secure their livelihood and prioritize local as a worker	Socialization and Consultation Tools: Socialization forum in Kalianyar village involving village governments.	Prior to and during construction.
District and Resort Police (Polres and Polsek)	Bondowoso and Banyuwangi	Secure the conductivity of the area	Courtesy visit and Consultation	Prior to and during construction.
Army Force (KORAMIL and KODIM)	Bondowoso and Banyuwangi	Secure the conductivity of the area	Courtesy visit and Consultation	Prior to and during construction.

Stakeholder Group	Location	Key Issue	Approach	Timeline
BAPPEDA Jawa Timur, Bondowoso and Banyuwangi	Surabaya, Bondowoso and Banyuwangi	Ensure to commit with spatial plan of Bondowoso Regency	Courtesy visit and Consultation	Prior to and during construction.
Midwife/doctor	Kalianyar Village and Ijen Sub-district Level Health facility and apparatus in Banyuwangi	Project activities which could have an impact on the community health	Socialization and Consultation Tools: <ul style="list-style-type: none"> • Socialization forum in village • Posters in location where it is easily accessible to the community. 	Prior to and during construction.

Grievances can be an indication of growing stakeholder concerns (real and perceived) and can escalate if not identified and resolved. Identifying and responding to grievances supports the development of positive relationships between Project, communities and other stakeholders.

A grievance management process will be established for the MCG Project. This will provide a formal and on-going avenue for stakeholders to engage with the MCG Project. A MCG Project-level grievance mechanism is a locally based, formalized way for MCG Project to accept, assess, and resolve stakeholder complaints related to Project activities. It offers a package of widely understood and effective procedures for solving problems in a culturally appropriate manner.

The grievance mechanism will be advertised and announced to affected stakeholders so that they are aware of the process, know they have the right to submit a grievance and understand how the mechanism will work and how their grievance will be addressed. In most cases, a grievance or complaint will be submitted by a stakeholder or local resident by phone, in writing or by speaking with one of the company's Project representative officer.

In this SEP, community grievance mechanism will refer and in line with MPI Community Grievance Handling procedure in the corporate level (Document No.: A800/C01/SOPR000015 regarding Community Grievance Handling dated January 24th 2018). The Community Grievance Redress Mechanism Procedure will regulated in separately procedure.

6 **MANAGEMENT FOR IMPLEMENTATION OF STAKEHOLDER ENGAGEMENT AND GRIEVANCE MECHANISM**

6.1 **DEDICATED RESOURCES FOR MANAGING SEP**

The HSE and Social Security (External Relations Team) of MCG Project will be the main point for communications with stakeholders and conducting engagement activities as well as address the received grievance from the community. The team will be responsible for the implementation and management of the Project's overall stakeholder engagement activities and grievance management across all categories of stakeholders.

Currently, the MCG Project has established a specific unit or management team to undertake the proposed stakeholder engagement activities and grievance redress mechanism.

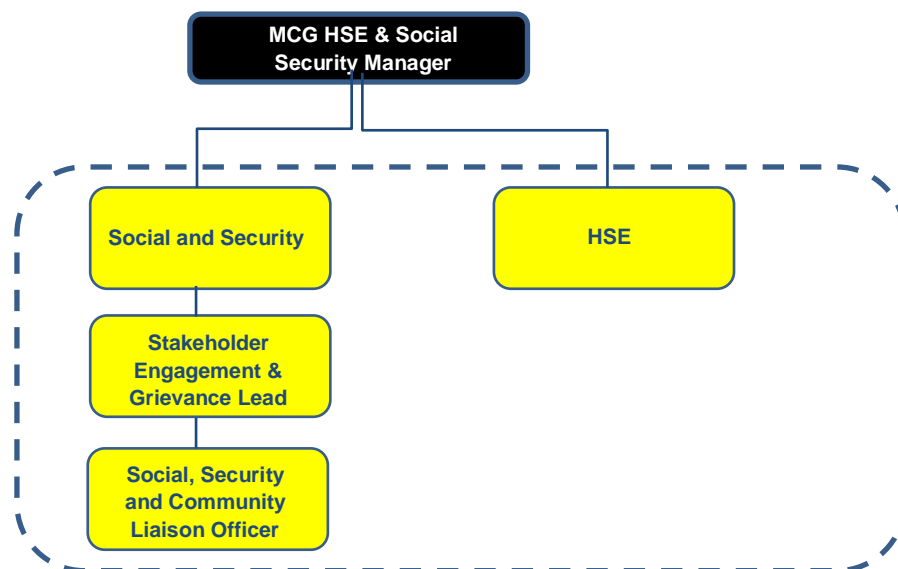


Figure 6-1 *MCG Project Structure for Implementation of Stakeholder Engagement Plan*

Figure 6-1 illustrates the broader organizational structure in more detail. **Table 6-1** summarizes the key roles and responsibilities that will be required to implement this plan effectively.

Table 6-1 *Summarizes the Key Roles and Responsibilities that will be required to Implement the Stakeholder Engagement Plan*

No	Roles and Responsibilities
Stakeholder Engagement and Grievance Management Lead	
1.	Develop and endorse Community related Policies
2.	Liaise with all relevant stakeholders
3.	Plans, directs, manages, and coordinates CSR program, services, functions and activities

No	Roles and Responsibilities
4.	Monitor and report the MCG Project's Social performance on a regular basis to the Manager, and take action to address performance issues, as needed
5.	Develops, justifies, and manages the budget
6.	Lead collaboration with Project HSE Team to establish and implement the Project Grievance Mechanism for construction phase
7.	Ensure the social-related commitments in the HSE&S Policy are applied
8.	Manage the implementation of grievance mechanism, monitoring and audit as required.
9.	To collaborate with other related units or departments and external parties (e.g. contractors) in resolving grievances
10.	Report to the Top Management on social issues and grievance resolution implementation progress
Social, Security and Community Liaison	
1.	Support Stakeholder Relationship and Grievance Management Lead in communicating with all relevant stakeholders to include the government
2.	Manage the implementation of CSR program, security matter, services and activities
3.	To observe the steps required in tracking and handling grievances
4.	To receive, record and log grievances properly as required
5.	Support Stakeholder Relationship and Grievance Management Lead in communicating with stakeholders and complainants
6.	Support Stakeholder Relationship and Grievance Management Lead in coordinating with contractors and other related parties as requested
7.	To ensure proper documentation and database update of grievance and its resolution
8.	To prepare periodical grievance reporting

6.2 ***MONITORING AND TRACKING OF STAKEHOLDER ENGAGEMENT ACTIVITIES***

It is important to monitor stakeholder engagement to ensure that consultation and disclosure efforts are effective, and in particular that stakeholders have been meaningfully consulted throughout the process. Stakeholder engagement monitoring will include:

- Auditing implementation of the SEP;
- Monitoring consultation activities conducted with all groups of stakeholders;
- Monitoring the effectiveness of the engagement processes in managing impacts and expectations by tracking feedback received from engagement activities; and
- Monitoring any grievances received.

6.3 ***DISCLOSURE OF GRIEVANCE MECHANISM***

The disclosure and communication of the grievance mechanism will begin early in the MCG Project lifecycle and continue on an on-going basis as grievances arise. It will be disclosed in a culturally appropriate manner in the local language (the majority of the community residing around the MCG Project site speak Bahasa Indonesia fluently but the local Bondowoso and Banyuwangi language is also spoken widely) and format that is understandable to all the MCG Project affected peoples. Disclosure of the community grievance mechanism will follow and in line with MPI Community Grievance Handling procedure in the corporate level (Document No.:

A800/C01/SOPR000015 regarding Community Grievance Handling dated January 24th 2018).

6.4 *REPORTING*

Typically quarterly reports will be developed and will summarize all activities for the period, and provide a summary of issues raised and how they have been addressed, including timeliness of responses and corrective and mitigation measures to address grievances, and analysis of trends. These will include:

- Total number of stakeholders engaged according to stakeholder category;
- Numbers of comments and queries received by topic and responses given;
- Issues raised and level of support for and against the Project;
- Number of grievances submitted; and
- Time to resolve and close out grievances.

Reporting of the implementation of Stakeholder Engagement and Community Grievance Handling will refer, follow and in line with MPI Stakeholder Engagement procedure in the corporate level (Document No.: A800/C01/SOPR000016 regarding Stakeholder Engagement dated January 24th 2018) and MPI Community Grievance Handling procedure in the corporate level (Document No.: A800/C01/SOPR000015 regarding Community Grievance Handling dated January 24th 2018).

APPENDICES

ANNEX 1
MPI STAKEHOLDER ENGAGEMENT PROCEDURE IN THE
CORPORATE LEVEL (DOCUMENT NO.: A800/C01/SOPR000016
REGARDING STAKEHOLDER ENGAGEMENT DATED JANUARY
24TH 2018)

ANNEX 2
MPI COMMUNITY GRIEVANCE HANDLING PROCEDURE IN THE
CORPORATE LEVEL (DOCUMENT NO.: A800/C01/SOPR000015
REGARDING COMMUNITY GRIEVANCE HANDLING DATED
JANUARY 24TH 2018)

ANNEX 3
MCG COMMUNITY GRIEVANCE REDRESS PROCEDURE
(DOCUMENT NO.: A800/C01/SOPR000015 REGARDING
COMMUNITY GRIEVANCE REDRESS MECHANISM DATED MARCH
30TH 2023)

ANNEX 4
MCG STAKEHOLDER DATABASE