

COMMUNITY'S GRIEVANCE MECHANISM

PURPOSE			
This procedure is intended to enable the communities within the Local Municipalities, to express and channel their concerns regarding important issues which directly or indirectly impact on the company's operations, as well as to create an effective communication, problem solving and feedback mechanism between the communities and the Project Company			
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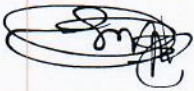
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DEFINITIONS AND ABBREVIATIONS

TERM	DESCRIPTION
Grievance	Grievance is a concern or complaint raised by an individual or a group within communities affected by company operations.
Arbitration	Process of conciliation whereby parties to a dispute agree to refer to issue to an independent and impartial third party to decide the matter and to make an award which they accept as final and binding upon them.
LCC	Local Community Committee
Steercom	Steering Committee
Project Company	Shall mean Acwa Power Solarreserve Redstone Power Plant (Pty) Ltd (RF)
CEO	Chief Executive Officer
EDM	Economic Development Manager
CLO	Community Liaison Officer
GRF	Grievance Response Form

1. BACKGROUND

A consortium led by ACWA Power, has developed the Redstone CSP Independent Power Project located in Northern Cape Province, 600 km west of Johannesburg in the Republic of South Africa. The newly developed project will generate power by using Concentrated Solar Power "CSP" tower technology in South Africa. Redstone CSP Project has been developed by ACWA Power as lead developer together with Solar Reserve as co-developer.

The Redstone CSP project is a Greenfield Independent Power Project (IPP) developed as part of South Africa's renewable IPP program. The project will be developed on a BOO (build, own, operate) with a total power generating capacity of 100 MW net power output. The project will be equipped with the largest thermal storage size ever adopted in South Africa and is among the most efficient solar plants in the world operating in this class of capacity and technology yielding a record high generation in excess of 480 GWh/year to support the power grid of South Africa.

2. SCOPE

This document is applicable to all ACWA Power SolarReserve Redstone CSP Power Plant's employees and contractors, who by the nature and scope of their responsibilities, may put them in direct contact with members of local communities, its leadership and local authorities. This procedure applies to the concerns or grievances of the surrounding communities affected by ACWA Power SolarReserve Redstone CSP Power Plant, including their local authorities, local associations and local interests groups within the local municipalities. This grievance mechanism and relevant forms will also be made accessible to each individual local community in local languages (Setswana, Afrikaans) and Mandarin (EPC language); information will be shared with all members of the communities during the next round of community engagement meetings, at no cost to the communities. Management may also deal with exceptional cases not contemplated by this procedure in such a manner as may be deemed fair and appropriate, (strikes and/or demonstrations etc).

3. OBJECTIVES

The objective of this procedure is to ensure that both formal and informal grievances from the affected communities, local authorities or interest groups are promptly heard, analysed, answered and managed.

In doing so, it may be necessary to detect causes, to determine what events, actors or incidents could interfere with local community and adversely affect the relationship with these communities and their leaders which could affect the company's interests and to take appropriate preventive actions.

The objective of this GM is to provide stakeholders who have a grievance the opportunity to have it examined effectively and within an appropriate timeframe. This document provides a systematic approach to addressing grievances that is consistent, transparent and accessible to stakeholders.

4. RESPONSIBILITIES

POSITION TITLE	ROLE	DESCRIPTION OF TASK
HR, Talent & CSR Manager	Develop, Review, amend and implement the content of this document	The HR, Talent & CSR Manager is responsible for procedure development, review, amendment and for ensuring full implementation of its content.
HR, Talent & CSR Manager	Provide training and awareness on the content of this document	The HR, Talent & CSR Manager is responsible for ensuring that all employees, community leaders and concerned parties understand the contents of this Procedure.
Steering Committee	Committee set up between the two municipalities, and the Office of the Premier at both municipality and provincial level that have	Ensure transparency on project implementation for both municipalities and help resolve issues at been escalated by the LCC.
Local community Committee	Committee set up at local level to deal with local community issues.	Committee of local leaders and/or members who help deal with issue at local community level.
HR coordinator	Co-ordinate's all HR activities	Coordinates all the HR related activities

Community Liaison Officer	Main relation officer and field worker	Serves as the first point of contact with the community. Disseminates information to the community and follow up on any community related matters. Recording grievances, responding to complainant, initiating investigations, updating the grievance log, checking the grievance boxes, preparing monitoring reports.	
Economic Development Manager	Provide guidance and supervision to the CLO's.	Has overall managerial oversight of the CLO's and the overall community relation and economic activities.	
Security Personnel	Performs safety duties on site.	Assist community members by providing the forms posted at their security gate and can also assist community members in completing grievance forms.	
Hotline custodian	Custodian set up as part of compliance to receive and disseminate complaints received through the Hotline	Recipient of all the complaints done through the compliance to receive and ensure these are disseminated to the relevant people.	
All Employees and contractors	Adherence	All employees are responsible to adhere to this procedure. Employees includes contractors, sub-contractors and other third party.	
Redstone CEO	Document Approval	The Redstone CEO is responsible to approve this document and to ensure compliance of its content within ACWA Power SolarReserve Redstone CSP Power Plant	

5. PROCEDURE STATEMENTS

This section sets out the process that will be followed by ACWA Power SolarReserve Redstone CSP Power Plant for receiving, processing and resolution of community grievances that have been formally lodged by the community through its community leaders.

Grievance materials (i.e., procedure & forms,) will be made accessible to community members at no cost. Material will be distributed to all community leaders, and /or community Relations Officers at all pay points within both Municipalities. In addition, there will also be a box posted on site at the security gate, and other discreet places to allow privacy for those who would like their submissions to remain anonymous (*Refer Security Procedure ZA001-CP-SYS-S05-0248*). Finally, the procedure, will also be disseminated to all workers, including of the EPC and its contractors, subcontractors, and other third-party workers in all official Project languages as part of their first on-site Induction, while regular reminders will be done during the Toll Box discussions. This grievance Mechanism is applicable to everyone who will be working on the Redstone Project. It is important to note that all face to face meetings that will be held will strictly follow the COVID-19 protocols and as stipulated in the COVID-19 Management for Construction Site, in the ESMS procedure. (refer ESMS, Appendix 6)

Any community grievance received by the project about any company or worker on the project will be investigated in line with this CGM. In addition, any Grievance that is lodged and is in relation to contractual obligations not met will also be pursued subject to provisions of the respective contract documents. This includes issues related to the EPC, their sub-contractor and/or ESKOM.

5.1 STEP 1 - RECEIVING AND RECORDING GRIEVANCES

5.1.1 Grievance Registration

Any Community Grievance should be lodged with the Community Liaison Officer (CLO) or through a local community leader who should pass it onto the CLO. Grievances can be provided verbally, through email, or a call to the Hotline should the Complainant wish to remain anonymous. A Grievance box and forms in each community and anonymous Hotline will be available, in addition the project will ensure that the CLO disseminate the CGM to vulnerable groups and adjacent landowners/ farmers in person or through the community leaders. Finally, verbal grievances can also be provided e.g. in meetings, or to field staff, who will take the details and phone number of the person laying a grievance, and ensures the information is submitted to the CLO for registration in the grievance log and processing. The complainant can expect to receive an acknowledgement from the CLO once the complaint has been logged with him/her. Below are details for weblink connection and Hotline.

Please connect www.compliance.ethicspoint.com or call 0 800-992604 (at prompt dial 855-575-4202) to seek help or report a violation.

The Grievance may in the first instance be lodged in writing or verbally. It is the responsibility of the CLO to complete a Community Grievance Statement Form (FM-HR-0016) and have it signed by the Complainant. During construction, grievance monitoring including checking the grievance box will be done twice a week, while during operations grievances will be dealt with as and when they are received. This same recording process will also be applicable where an informal grievance is logged. The CLO will take the details of the person who has a grievance (telephone, statement, etc), log them down, and follow up once additional information related to the grievance has been received.

The Complainant will be given a stamped copy of the completed Grievance Form by the CLO and will be notified of the date on which the Grievance will be addressed.

Should the Grievance be submitted anonymously, the CLO will register it on the Grievance Form and a signed and stamped copy must then be displayed on the public board at the local Municipalities. There will also be a box posted on site at the security gate, and other discreet places (i.e. bathrooms, meeting rooms, office hallway) for easy accessibility.

Grievances boxes on site will be positioned in such a way as to enable people to access them at the security gate. Furthermore, Security personnel will be given basic training on the how to complete the grievance forms as this will enable them to assist any community member to write down a grievance.

Below is a table where Grievance boxes will be placed in each community:

<i>Communities around the Redstone Project</i>	
Community - Kuisville(Danielskuil)	Kuisville Primary School
Community- Danielskuil (Danielskuil)	Kgatelopele Town Hall
Community - Lime Acres	Lime Acres Town Hall
Community- Thlakatlou (Danielskuil)	Community Hall
Community - Ward 3 (Postdene)	Laerskool Postdene
Community - Ward 3 (Groenwater)	Community Hall

The database will include information provided on the form FM-HR-0016 and other information pertaining to Project actions and associated documentation.

The Grievance Log will be managed and maintained by the CLO who has the responsibility for ensuring the records are up to date and accurate. During construction, grievance monitoring will be done twice a week (including checking the grievance box), while during operations grievances will be dealt with as and when they are received. All contractors will be required to adhere to this CGM and as such this mechanism will be used to investigate any grievance raised regarding any company/worker working on this project.

A Grievance Log is a database for entering information about each grievance registered on a Grievance Form, for purposes of keeping track of the grievance trends.

On completion of the Grievance Form, the CLO will record details of the Grievance Form into the Director / CEO receives a copy of the Form within 48 hours, unless circumstances make this impossible, in which case the forms must be submitted as soon as practically possible.

5.1.2 Recording the Grievance into the Grievance Log

Community - Ward 3 (Jenn Haven)	Community Hall
Community - Ward 6 (Maremane)	Community Hall
Community - Ward 6 (Stasie)	Traffic
Community - Ward 6 (White City)	Katinka Pre Primary
Community - Ward 7 (Mountain View)	Tent
Community - Ward 4 (Boichoko)	Community Hall
Community - Ward 7 (Boichoko)	Old Clinic
Community - Ward 5 (Maranteng)	Tent
Community - Ward 2 (Newtown)	Community Hall
Community - Ward 1 (Carnation & West End)	Showgrounds
Community - Ward 5 (Town)	Town Hall

Project Company will report internally once a month on all grievances received (both open and closed), and on an annual basis to lenders on how they were resolved. All grievances received will be captured in the Grievance Log (see Annexure A).

5.2 STEP 2 – GRIEVANCE ANALYSIS AND RECOMMENDATION

The CLO will review all Grievances Forms for completeness of information and make a preliminary recommendation to the EDM for resolving each grievance. The EDM may, if appropriate consult the Local Community Committee (LCC) and/or Steering Committee (Steecon) regarding the grievance in formulating a preliminary recommendations, as well as other Project employees, if necessary.

The preliminary recommendation will take into consideration the principles set in the Community strategy, past experience, current issues and potential outcomes. Furthermore, grievances will be classified based on the three defined risk level 1-3. Below is more details of the risks levels:

1. Risk level 1- A grievance that is isolated or a once off, and has little or potential to cause long-term damage to employee relations.
2. Risk level 2- A grievance that is widespread and repeated has resulted in attention from the local/regional media and has potential to cause damage to local employee relation or disrupt operations.
3. Risk level 3- A grievance that is both widespread and or has resulted in serious breach of Redstone Project Company Policies or law, and has had a negative local and international media attention or judged to have potential international media or stakeholder. Risk level 3 has potential to result in a breakdown in relationship with the company, damage the reputation of the company or disrupt operations.

The EDM will provide his/her preliminary recommendation to the HR, Talent & CSR Manager/ Project Director in a timely manner, but it cannot exceed 96 hours. The HR, Talent and CSR Manager will escalate to Senior management (CEO) only in cases where there is potential relationship breakdown, possible operation disruption or a breach of law or policies.

During construction, grievance monitoring will be done twice a week, while during operations grievances will be dealt with as and when they are received. Project Company will report internally once a month, on all grievances received (both open and closed), and on an annual basis to lenders on how they were resolved. All grievances received will be captured in the Grievance Log (Annexure A).

5.3 STEP 3 - DEVELOPING RESPONSE AND ACTIONS

5.3.1 Grievance Response Consideration

The EDM must develop a formal written response within 15 days of the date on which the Grievance Form was lodged and the CLO records this in the Grievance Log.

The formal written response will include the rationale behind the response and next steps and actions, if any, to be taken by the Project Company to resolve the Grievance. The response will take into consideration the preliminary recommendations of the CLO, ACWA Power Redstone CSP Power Plant Policies and Procedures, feedback from the CEO, external consultations, current issues, past experience, and potential outcomes.

The HR, Talent & CSR Manager will be responsible for signing off formal written response for submission to the Complainant.

5.3.2 The Formal Written Response

Both verbal and written formal responses will be recorded into the Grievance Log.

Formal Written Response Not Requiring Action: If the written formal grievance response does not require any further action by the Project Company, this decision and supporting rationale, will be documented using the Grievance Response Letter and recorded into the Grievance Log by the CLO.

Formal Written Response Requiring Action: If the formal grievance response does require action by the Project Company in order to resolve the grievance, the CLO will record the formal

response, action required to implement the response, and the consideration leading to the response and agreed action into the Grievance Log.

5.3.3 Assigning Project Actions to Resolve Grievance

Actions for Community Relations: If the formal grievance response requires action, and the action required is within ACWA Power community relations responsibility, the HR, Talent & CSR Manager will assign responsibility for completing the action to the CLO, who will and draft an Action Log to record the steps and deadlines to sign-off the grievance. The grievance should be responded to within 10 days.

5.4 STEP 4 - RESPONDING BACK TO THE COMPLAINANT

Verbal and written grievance response will be provided to the Complainant. The reasons for the response will be explained to the Complainant

If the Complainant accepts the Project Company's Formal response, this decision will be documented with the Complainant signature on the Grievance Response Form (GRF). In this case, the GRF will be returned to the CLO for recording into the Grievance Log.

If the Complainant rejects the response, section 6.5 of this procedure then applies.

If the Grievance was lodged anonymously, the final resolution decision with actions taken if any must be prepared and displayed on the public board at the Community Relations Office. Grievances lodged anonymously have no further rejection mechanisms.

5.5 STEP 5 - IF A RESPONSE IS REJECTED

If the Complainant rejects the formal response, the HR, Talent & CSR Manager will consult the CEO / Project Director to review the merits of the rejection and determine whether other avenues could be approached by the Project Company together with the Complainant, such as third party conciliation or consultation with community or other stakeholder groups.

If the Complainant rejects Project Company's formal response, he/she may consult with the Local Community Committee or Community Forum or any other person or body within 14 days of the decision.

If the Local Community Committee or Community Forum, having reviewed the details of the grievance and consulted with both the Complainant and the Project Company regarding Project's Grievance Response Letter (GRL), formally (in writing) rejects the Project Company's response given the reasons for such rejection, the matter will be referred to a formal meeting with f Community Leaders and local authorities or other stakeholders representatives (as appropriate given the nature of the specific grievance) together with the Project Company's representatives and Complainant with the objective of reaching final agreement that can be accepted by the Complainant and the Project Company. The Project Company should ensure this process is reviewed and resolved within 30 days of the original rejection/ escalation date.

Formal notes documenting the meeting will be issued and signed by the attending representatives. The outcomes of this meeting will be recorded, and if agreement is reached between the Project Company and the Complainant, the agreement will be captured in the Grievance Form with the signature of the Complainant.

If no agreement can be reached, then the Complainant can pursue other avenues (such as tribunal, Mediation or legal mechanisms) at his/her discretion. The HR, Talent & CSR Manager will proceed to Section 6.6 of this procedure for close-out.

All grievances should be resolved no later than 90 days from lodging however, people should be able to escalate to the courts at any time without retribution.

- The HR, Talent & CSR Manager will review on a monthly basis a summary grievance report prepared by the CLO to determine if there are any recurring grievances that point to a need for changes in Project Company's policies, procedures or activities. This will take place in the 28 days after sign-off;
- The EDM will share on a weekly basis grievances raised related to them. In addition, EPC will receive monthly summary grievance report prepared by the CLO.
- Any grievances not signed-off as resolved will be further investigated and the EDM will seek agreement from the stakeholder to maintaining contact in order to determine what further action is required to resolve the grievance.
- The Project CEO will periodically review the adequacy of the grievance process procedure and agreed modifications following consultation with the HR, Talent & CSR Manager.
- The Grievance Mechanism will be monitored and evaluated annually.
- A suitable budget will be allocated during construction period to ensure adequate resources are provided to addressing all matters related to external grievances. This budget will be reviewed on an annual basis based on the frequency and severity of the complaints received.
- This CGM and all related forms will be communicated and shared with the community during the next community engagement process to be undertaken before construction starts.

5.7 MONITORING THE GRIEVANCE PROCESS

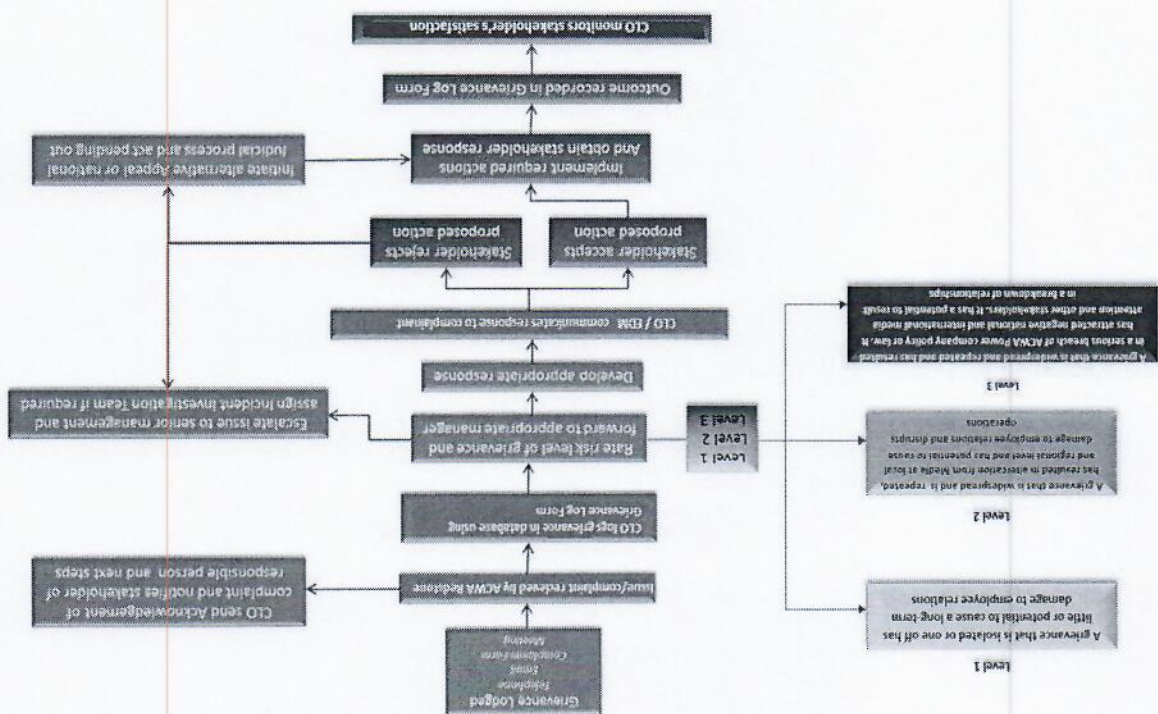
If no agreement can be reached with the Complainant the Grievance Form will include the rationale for close-out and will be signed by the HR, Talent & CSR Manager. The CLO will record the rationale and close-out decision into the Grievance Log within the seven working days of the decision.

Where formal written response action is needed to resolve the grievance, the Complainant will confirm the work has been completed by signing the GRF. The CLO will record the completion of the actions and the date of the signature of the Complainant into the Grievance Log.

Following the completion of actions specified in the Grievance Form (GRF), photos and/or other documentary evidence will be collected by the CLO to form a comprehensive record of the grievance and how it was resolved.

5.6 STEP 6 - COMPLETING ACTIONS AND GRIEVANCE CLOSE-OUT

Grievance Process Flow Chart:



5.8 LOCAL COMMUNITY COMMITTEE

The Local Community Committee (LCC) is a committee formed by a defined number of community leaders representing the local community as whole and identified local government authorities Municipality representative, and the relevant Councilors) with the purpose of addressing community issues and assisting in identifying the most appropriate means for resolving such issues. Any issues that the LCC is not able to resolve will be escalated to the Steercom.

The Local Community Committee shall be established by the Community Leaders Forum.

5.9 STEERING COMMITTEE

The Steering Committee (Steecom) is a Municipality level forum for purposes of addressing issues faced by the Municipality and assisting in identifying the most appropriate means for resolving such issues. The Steecom can also address issues raised by LLC which were not able to be addressed and remain unresolved.

The Steecom will include the Municipality Heads, envoy from Premier's office and selected representatives from the municipalities. The Steecom will occasionally, on a need basis also meet with the local Chief Police. This committee shall have a meeting on request, with representative of the LLC.

6. REFERENCES

REFERENCE	AUTHOR	TITLE
Good Practice Note	IFC-World Bank/EBRD	Addressing Grievances from Project-Affected Communities – Guidance for Projects and Companies on Designing Grievance Mechanisms
COVID-19 Management on construction site		COVID-19 Management on Construction site. Appendix 6 (ESMS).

7. APPENDICES

7.1 COMMUNITY GRIEVANCE STATEMENT FORM (FM-HR-0016)



Full Name of the Complainant _____

Village/Municipality of the Aggrieved _____

Place and Date Grievance Occurred _____, _____ / _____ / 20____

Statement of Complaint / Grievance
 (Brief description of the facts; provide name(s) of person(s) involved, time, date and location of incident. Names of witnesses must be included. Attach additional sheets if necessary):

Expected action and personal justification (use attachment if necessary):

[illegible]

Complainant Signature

Date _____

A complainant has the right to remain anonymous and not sign the grievance form.

Need to raise red flag?

Please connect www.compliance.ethicspoint.com or call 0 800-992604 (at prompt dial 855-575-4202)

ANNEXURE A

7.2 GRIEVANCE LOG TABLE:

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