

STAKEHOLDER ENGAGEMENT PLAN

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PURPOSE

This strategy outlines the guiding principles for ACWA Power Redstone CSP Power Plant's interaction/engagement with host communities and Government within the Local Municipalities.

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ABBREVIATIONS

CEO- Chief Executive Officer

CLO – Community Liaison Officer

DG – Director General

EDM- Economic Development Manager

SEP - Stakeholder Engagement Plan

CGM- Community Grievance Mechanism

OTL – Overhead Transmission Line

1. INTRODUCTION

A consortium led by ACWA Power, have 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.

This Stakeholder Engagement Plan is aligned to the requirements of IFC Performance Standards on Environmental and Social Sustainability (2012); (IFC PS 1 - Assessment and Management of Environmental and Social Risks and Impacts) and World Bank Group Environmental, Health and Safety (EHS) General Guidelines (2007).

2. SCOPE

This strategy outlines the principles under which ACWA Power SolarReserve Redstone Solar Thermal Power Plant (Redstone CSP Project) will work together and engage with its host communities, stakeholders, partner organizations and Government to ensure timely provision of relevant and understandable information. It also seeks to give direction on how the different stakeholders can share their opinions and concerns and allow feedback from all involved parties to be considered in order to ensure a participatory and transparent decision making process.

Our vision is to create sustainable value for our host communities, shareholders, contractors, suppliers, customers and business partners. We aim at developing, implementing and maintaining management systems for sustainable development that drives continuous improvement and ensure:

- ✚ Clear understanding and commitment to a corporate approach to community engagement;
- ✚ Regularly engage with the communities affected by our operation and projects and take their views and concerns into account in our decision making;
- ✚ Appropriate processes and systems are in place so that all stakeholders and business partners respect and value the host communities and pro-actively respond to community concerns; and
- ✚ Build up close working relationship and develop proper communication channels with the host communities, government institutions at different levels and other partner organization operating within the project area.

This document cross-references the following internal ACWA Power guidelines and procedures;

- ✚ Redstone Worker Grievance Mechanism;
- ✚ Redstone Community Grievance Mechanism;
- ✚ EPC Monthly Monitoring and Reporting HSSE Statistic Plan;
- ✚ COVID-19 Management Construction Sites;(refer Appendix 6 - ESMS)
- ✚ Guidelines for the control and management of COVID-19 Construction Project; and
- ✚ South Africa COVID-19 Regulations
- ✚ Redstone COVID-19 Risk Assessment

3. RESPONSIBILITIES

Redstone CEO	Responsible to approve this document and to enforce compliance of its content within Redstone CSP Power Plant. Lead all Senior Community Stakeholder meetings (Premier, DG, District and Local Mayors, etc)
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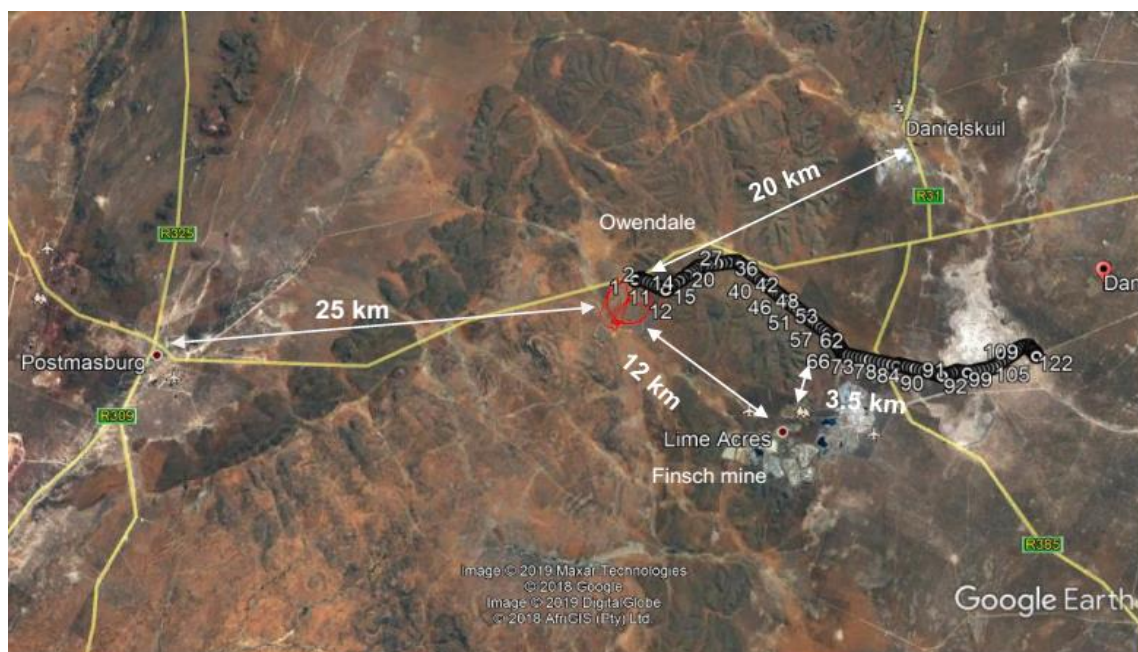
Project Director	To provide on-site Leadership and accountability for the implementation and compliance to the policies and procedures. Serve as Project Company Representative in Community Engagement Initiatives and with Municipal Stakeholders and Local Councillors.
HR, Talent & CSR Manager	Develop the strategy, associated policies and procedures and ensures that Redstone CSP Project employees and business partners understand this policies, in addition, reviews this policy and update it as needed whilst supporting the CEO and Project Director as needed during all Stakeholder engagements as required.
ED Manager	Implement the content of this policy and ensure communities, Government official and all parties understand its contents. Provide an independent, unbiased review of initiatives and engagements targeted for the two municipalities. EDM will have management oversight of both CLOs and management of the Engagement process, including being part of the Steercom.
Community Liaison Officers	To actively liaise with local communities in their respective municipalities in identifying issues and recommendations aligned to this plan and also address the community on these matters. The responsibility of CLO is day to day community engagement, and being part of the Local community engagement forum
EPC	To timely share all project construction related information with the community, timelines, any possible material changes on the project, and jointly participate in the community engagement meetings throughout the construction phase.
All Project Workers	Adhering to this policy and always respect the traditional rights of people and valuing cultural heritage, treating communities fairly and with respect.

4. STAKEHOLDER IDENTIFICATION AND ANALYSIS

A stakeholder identification and analysis process was conducted with both Tsantsabane and Kgatelopele Local Municipalities; this was later vetted by the established Steering committee under the oversight of the Office of the Provincial Premier. The identification process involved identifying all potential direct and indirect beneficiaries within a 50kms radius of the project including mapping them out.

Specific attention was given to identify previously disadvantaged groups and economically vulnerable groups and how the operations will affect. This included consideration regarding the status of women and the income and educational levels within the 50kms area. Special focus was given to the community of Groenwater, which is a rural settlement that was established as part of the land reform and restitution project, that is the closest to the project site. Overall the area where the project will be located carries a sense of rural environment dominated by large tracks of agricultural land used primarily for livestock farming. The process adopted enabled us to effectively manage their social risks and responsibilities and foster positive relationships and trust with the stakeholders from these groups. See Map below

Figure 1: Closest communities to the project site (Google Earth, 2019)



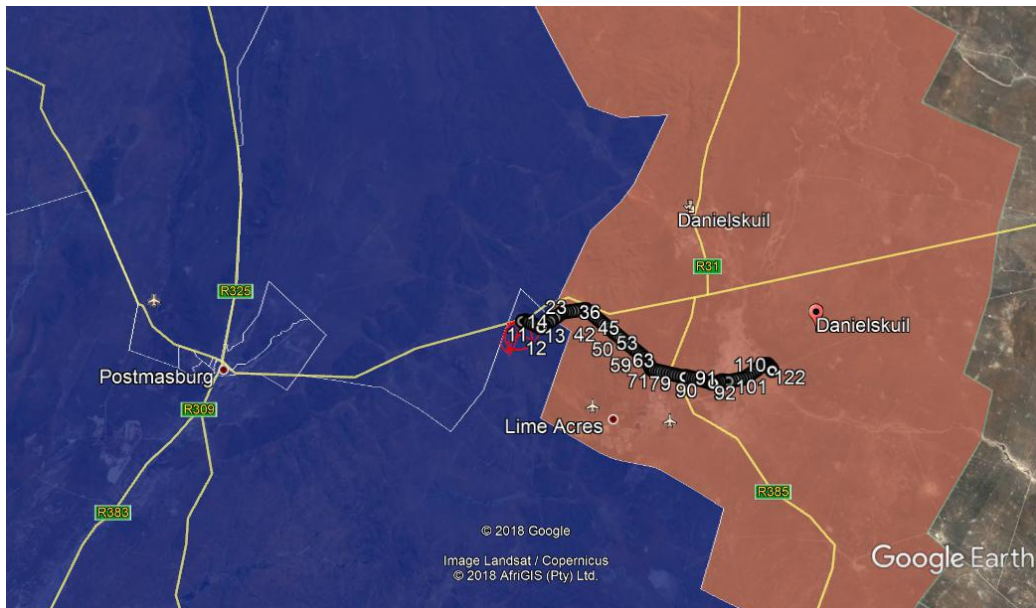


Fig 2: OHT Lines

As indicated in Fig 1 above, the Redstone Project is to be located approximately 25 km east of Postmasburg – the biggest urban node in the Tsantsabane LM. Approximately 20 km south-east of the project site there are two mines namely; Lime Acres limestone mine and Finsch diamond mine. North-east of the site, which is about 20 km away as crow flies, there is the town of Danielskuil. Lime Acres mine, Finsch diamond mine, and the town of Danielskuil are all located in the adjacent Kgatelopele LM.

Connection of the Power plant to the grid will be via an OTL that runs parallel to the existing High Voltage Transmission Lines traversing 12 land parcels that are largely private owned (either by individuals or businesses) with a few owned by the South African government. The closest settlement to any point along the transmission line is Owendale followed by Lime Acres settlement.

The strategy used to differentiate between these stakeholders was to consider zones of influence to differentiate in terms of the potential concentration of possible positive and negative social impacts associated with the proposed development. Three types of zones of influence have been defined below:

- ✚ Immediate zone of influence, which is associated with sensitive receptors that are currently within the proposed footprint of the project or associated land parcels;
- ✚ Primary zone of influence, which is associated with sensitive receptors located near the proposed project's site and are likely to be highly sensitive to the changes in the socio-

economic environment that may ensue as a result of the project's construction and operation; and

- ✚ Secondary zone of influence, which includes communities located further away from the site and are therefore more resilient to possible changes that may ensue from the proposed development

All three zone of influences encompass our prioritised stakeholder groups and have been collectively labelled as Zone 1. Zone 2 then covers the remaining areas in the ZF Mgcwawu District Municipality as defined in the Implementation Agreement. As indicated above, Postmasburg and Danielskuil are the closest towns to the project site and despite them being located relatively far away from the proposed location of the power plant, the towns together with the OTL route are to be considered an immediate zone of influence or a primary zone of influence. There are several closer smaller communities that are situated near the project site, which are also depicted in Figure 1 above namely:

- ✚ Groenwater (Metsimatale) community is located approximately 6 km north-west from the plant;
- ✚ Farmstead adjacent to the project site;
- ✚ Jenn-Haven is located about 12 km north-west from the site and about 6 km away from the Metsimatale community;
- ✚ Lime Acres is located about 12 km south-east from the project site and largely hosts families of the workers employed at the nearby Lime Acres (limestone) and Finsch (diamond) mines; and
- ✚ Owendale is located about 4.5 km north-east from the site and within the Kgatelopele LM.

Considering the location of various communities and towns relative to the project site, as well as the municipal boundaries, the community of Groenwater (Metsimatale) and farmstead adjacent to the project site are defined as the potentially primary affected community. The **primary zone of influence** can however, be extended towards the Jenn-Haven community as it is not an urban node, it is not linked to any mine unlike Lime Acres, and it is situated in a relatively isolated area with respect to main transport routes. Considering the location of Owendale and Lime Acres communities, these can be included in the **secondary zone of influence** of the project, together with the rest of other communities in Danieskuil and Postmasburg which falls within the 50kms radius.

Lastly, the **immediate zone of influence** is assumed to comprise of various land parcels where the proposed project's footprint will be located. It includes both the power plant and OTL areas.

Table 4: **Delineated zones of influence:**

Zone of influence	Included settlements and towns in Zone 1 – highest priority
Immediate	Farm portions where the project components are to be located
Primary	Groenwater (Metsimatale), Jenn-Haven and Adjacent farmsteads
Secondary	Postmasburg, Danieskuil, Owendale, and Lime Acres

Table 2 List of Stakeholder Group, Needs and Engagement:

NAME	Organisation	Location	Stakeholder needs	Frequency of Engagement		Medium of Engagement
				Construction	Operation	
Local Municipality						
Tsantsabane Municipality	Local Municipality	Postmasburg	Support with IDP, Infrastructure	Monthly	Quarterly	Meetings
Kgatelopele Municipality	Local Municipality	Danielskuil	Support with IDP, Infrastructure	Monthly	Quarterly	Meetings
Local Community (Close Proximity)						
Groenwater Community (CPA)	Local Community	Postmasburg	Jobs, contracts, services and infrastructure	Monthly with ad-hoc if necessary	Quarterly	Community meetings/ Newsletter
Jeanne Havenn Community	Local Community	Postmasburg	Jobs, contracts, services and infrastructure	Monthly with ad-hoc if necessary	Quarterly	Community meetings/Newsletter
Owendale	Local Community	Danielskuil	Jobs, contracts, services and infrastructure	Monthly with ad-hoc if necessary	Quarterly	Community meetings/Newsletter
Tsantsabane Communities (other wards)	Local Community	Postmasburg	Jobs, contracts, services and infrastructure	Monthly	Quarterly	Community meetings/Newsletter
Kgatelopele Communities (other wards)	Local Community	Danielskuil	Jobs, contracts, services and infrastructure	Monthly	Quarterly	Community meetings/ Newsletter
Land Owner/Adjacent Farm Owner						

Tsantsabane Business Forum	Local Business Forum	Postmasburg	Business contracts and opportunities	Quarterly	Quarterly	Meetings or existing forum's
Blinkklipp Lekgotla	Local Forum	Postmasburg	Business contracts and opportunities	Quarterly	Quarterly	Meetings or existing forum's
Tsantsabane Black Busines Forum	Local Business Forum	Postmasburg	Business contracts and opportunities	Quarterly	Quarterly	Meetings or existing forum's
Kgatelopele Business Forum	Local Business Forum	Danielskuil	Business contracts and opportunities	Quarterly	Quarterly	Meetings or existing forum's
Taxi Association	Local Business Forum	PMG/ Danielskuil	Business contracts and opportunities	Quarterly	Quarterly	Meetings or existing forum's
Local Other Groups/NGO's	Groups/Organisations	Provincial	Social & Env Impacts / benefits	Annually	Annually	Publication/Press briefing
Department/Authority						
ZFM District Municipality	Provincial Government	Upington	District impacts/ benefit programs Collaboration	Monthly	Monthly	Existing Forum
Transnet	Railway Operations	Postmasburg	Compliance to agreements	Annually	Annually	Meeting/Letter
Air Traffic and Navigation System	Local Authority	Postmasburg	Compliance to agreements	Annually	Annually	Meeting/Letter
Sedibeng Water	Local Authority	Postmasburg	Compliance to agreements	Quarterly	Quarterly	Meeting/Letter
Department of Agriculture and Forestry	Local Department/Authority	Kimberly	Compliance to agreements	Quarterly	Quarterly	Meeting/Letter
Office of the Premier	Provincial Government	Kimberly	Provincial impacts/ benefit programs Collaboration	Quarterly	Quarterly	Meeting/Letter

5. STRATEGY STATEMENT

a) Approach

The community engagement strategy shall ensure that a participatory approach is used to interact with the host communities. Community members need to be the centre of the engagement process to ensure that they are empowered and have control over their decision-making processes. Continuous communication with the adjacent communities is crucial to avoid opportunity for lapses

in communication, which can lead to rumours and mistrust. Therefore Redstone CSP Project will frequently and proactively communicate with its host communities in both Postmasburg and Danielskuil LM's (viz, within the 50kms – zone 1).

A social development section with Human Resources has been created at Redstone CSP Project that will manage the implementation of the community policy and its associated strategies and policies in a manner that will create a balance between the community engagement process and the resulting actions required from both the company and the communities, thus the communities take a greater responsibility for what is happening in their areas, enhance conflict management capacities and ensure informed policy-making with local government.

The EDM on the ground plays an important role of linking Redstone CSP Project to the communities, local Government entities and other partner organization that associate themselves with Redstone CSP Project community development programs and projects.

b) Engagement Principles

The following principles have been put in place to help shape and drive successful engagement programs and are consistent with the standards set out by Redstone CSP Project for effective community participation:

- I. Value –. We are committed to accessing views of all groups in the communities and particularly socially excluded or economically disadvantaged groups (e.g. women and the elderly). Therefore, our methods to engage the communities should be planned to make sure that they are appropriate for the area, the target group, and their issue is to ensure that the company responds rapidly to issues raised.
- II. Build capacity – building capacity within the communities is key to development. It brings better involvement, delivers changes and increases skills through shared knowledge.

- III. Communication – people have the right to information, to participate and take an active role in their community and to find out about decisions. Feedback is extremely important as it will check if needs are met and improvement are recognized.
- IV. Evaluate and learn – community engagement has to be monitored and evaluated to ensure it is delivering the outcomes as brought about this policy.

Communities that are classified, as immediate and primary areas of influence will have community engagement meetings every two months depending on the issues that have to be dealt with during construction. However, given the COVID-19 pandemic, further engagements will be done on a monthly basis to enable more frequent updates can be provided to the community. The format of these engagement will conform to the prevailing legislation and regulations regarding COVID-19. Therefore, communication and engagement will be done in such a sensitive and informative manner to avoid any further risk of infections and potential stigmatization within the communities. In particular, a dedicated contact helpline/whatsapp line will be made available to further provide updates. Where physical meetings are to be held, this will be in line with legislation (e.g. maximum number of people shall not exceed 50 people and coordinated with local municipalities). Once the infection rates have significantly declined we will revert back to the engagements every two months.

Meetings shall be held outdoors, social distancing will be maintained, and screening of all attendees will be done in line with local legislation. Furthermore, all other engagement meetings will be done virtually (through Zoom and Teams) and will strictly be done in line with the Project Company COVID-19 protocols and host country's (South Africa) Disaster Management regulation. Secondly, commitment is made by the Project Company to ensure that meetings are held at a time that is convenient for women, the vulnerable, and youth in order to promote attendance. It is expected that most meetings will be held in the early afternoon to allow full participation from the communities. All meetings will be limited to the prevailing COVID-19 regulations and restrictions with strict adherence to social distancing protocols, wearing of masks and proper sanitization.

c) Communication Channels

Engagement focuses on the processes that brings people together. Good community engagement builds understanding around issues and creates momentum for communities to address these issues. As such, community engagement is the way in which we communicate, consult, involve and encourage participation from communities. It is about giving people the opportunity to get information, have a greater say and influence what happens in their community and area. It helps people play a more active role in decision making, and delivering improvements for them, their families and the wider community.

Given the limitations around face-to-face meetings resulting from the on-going Covid-19 pandemic, the Project Company will ensure that other communication tools are utilized that will ensure information reaches majority of the communities. These will entail, (i) print media and pamphlets which will be printed regularly in local languages and distributed at each community paypoint and local municipalities facilities; (ii) local radio stations (e.g. Kurara FM) that are frequently listened to by the majority of locals communities and can be utilized to spread the information quicker and also allow the community to call in to ask questions, and (iii) electronic media that will be used (Via Zoom/MS Teams town hall sessions and other social media platforms); and (iv) sector meetings which will be utilized to widely share the information.

By fostering constructive relationship with the Government and host communities, we create a positive climate and atmosphere within the community, which is well-disposed towards the company and fully understands the inter-dependency of this relationship. It also ensures clear and consistency in sharing of information. The engagement and communication in Redstone CSP Project with the host communities will therefore be strictly aligned to those identified under section 3) RESPONSIBILITIES.

d) Social Development Section

In order to manage and govern the interactions with the local communities of Redstone CSP Project, a Social Development division, reporting to the HR & Talent Manager, has been set up. This division has an Economic Development Manager based on the project site with two

Community Liaison Officers selected from the two impacted municipalities. The team will be locally based and responsible for the day to day interactions with the communities and to deal with the community issues that might arise. The division's activities include developing and coordinating the implementation of the community development projects, deal with general grievances and establish linkages with the local Governments, leadership structures and potential partner organizations. The division is also accountable for to ensure that community grievances are dealt with as outlined in the community grievance procedure, or in the regular community meetings facilitated by Redstone CSP Project. (*Refer Community Grievance Mechanism Plan*).

During the COVID-19 pandemic, the Social Development Division will ensure that all activities mentioned above will be dealt with in strict adherence to the Covid-19 protocols and the host country legislation. The team will ensure electronic media is utilized to collect and share data and information, and, the grievance boxes that will be placed in local communities will predominantly be utilized as another tool to collect information. Pamphlets detailing all information that needs to be shared will also be distributed in each community.

e) Line Management

The EDM functionally reports to the Project Director (PD) and is responsible for implementing the Project specific components of the community strategy and engaging directly with the local Community leaders. It is the HR & Talent Manager's responsibility to report to the Board Sub-Committee on the progress and status of the implementation of the community strategy and its associated development strategies. The Project Director is accountable to the CEO for Redstone CSP Project who in turn will report to the Redstone CSP Project Board.

f) Board Sub-Committee

The Board Sub-Committee is responsible for monitoring and providing guidance on the community policy and strategy. The Board Sub-Committee will hold regular meetings to monitor the progress and measure the implementation of the planned activities and will provide oversight on the allocation of the budget for the community development programs aligned to mandates from the Board.

g) Local Community Committees

To ensure continuity and proper channels of sharing of information with the local communities, a Local Community Committee shall be set up that will represent the two local municipalities including regional representatives mandated by the Office of the Premier. This committee may include locally affected communities or individuals and their formal and informal representatives, national or local government authorities, politicians, religious leaders, civil society organisations and groups with special interests, the academic community, or other businesses.

The committee will be chaired by the Redstone CSP Project and will proceed to identify and include community stakeholder representatives and ensure that the membership of the committee is adequately published.

h) Minutes of Meetings

All the meetings shall be properly minuted. For clarity and better understanding, community minutes of meeting will be translated into their official language spoken in the community if it is different from English. Copies will be distributed to the local leadership representatives.

i) Community Engagement Meetings

The engagement process will be done regularly during both construction (including the early works associated with the LNTP period) and operations period. All meetings during the COVID-19 pandemic period will be done monthly, based on the urgency of the issues coming up however all stakeholder meetings will be carried out on a phased approach starting with stakeholders in close proximity to the site i.e. adjacent communities (e.g. Groenwater), land owners and farmsteads, covering as a minimum the immediate and primary zones of influence prior to any site clearance. During these meetings whether face-to-face or through electronic platforms, the Project Company will undertake engagement via presentations and handouts of information (translated to local language). These presentations, handouts or pamphlets will include the Project non-technical summary, grievance mechanism process and pertinent COVID-19 related information and procedures to be followed. In sharing these pamphlets and using these alternate channels, Project

Company will be reducing the risks associated with large engagements and to reduce any potential exposure to COVID-19. Additional information related to the project impacts with adjacent land owners and farmsteads/communities (with special focus on all sections of the Groenwater community), will be shared and presented to them. This will include the distribution of NTS of construction phase impacts, while also providing an opportunity for feedback to be received.

Given the challenges around COVID-19 pandemic, information dissemination will be done in line with the COVID-19 Management for construction procedure and relevant South African legislation. Information pamphlets will be distributed in all the communities, local radio station will be utilized to further broadcast the information. Community members will have an opportunity to call in during the live broadcasts programme and ask direct questions, which will be immediately addressed. Finally printed information and forms will also be delivered at all municipality paypoint and facilities, this will also include information regarding the grievance mechanism, relevant forms and grievance boxes. This engagement will ensure priority is given to the communities closer to the project site and adjacent landowners, followed by other local communities that are further away from the project site.

Due to the current COVID-19 restrictions and protocols it is anticipated that the next few engagement processes might take more time and effort than the previous one, as more time and care has to be taken in ensuring that information dissemination is adequately done and reaches majority of the community members while restricting numbers per engagement where face-to-face engagements are planned. Local live radio broadcast is expected to assist in reaching a much broader community which might also speed up information dissemination. Finally all electronic and print media, will also be utilized for a wider reach of the community.

Once the pandemic has significantly reduced all meetings during construction period will revert being done every two months based on the urgency of the issues coming up. However, the CLO/EDM will continue to engage with the communities on a daily basis to ensure seamless communication, this will further be enhanced by weekly summary reports and the monthly reports that will be shared with the authorities.

Community engagement meetings will take place every two to three months during the construction phase, and every six months during operations in all communities within the Tsantsabane and



Kgatelopele Municipalities. These meetings will be to disseminate pertinent information on the progress of the Project. It is important to note that during construction both Redstone Project Company and EPC will hold joint community engagement meetings, to ensure consistency of the whole engagement process. The Project Company commits to holding meetings in the afternoon to ensure that all women and vulnerable groups are provided an opportunity to also attend, this will ensure they fully participate in the meetings.

j) Publications

The EDM will produce a monthly social performance report that will be circulated internally with the Redstone CSP Project.

A quarterly project performance report will be prepared for distribution to the Governments representatives and local leaders. This report will be prepared by the EDM and vetted for release by the Project Director.

The annual project report shall be produced and distributed to the relevant Governmental authorities and the lenders.

A range of tools will be used for the stakeholder engagement as part of this project. These include public participation meeting, focus group discussions, community level questionnaires, print media and leaflets, posters, local radio station announcements and key informant discussions. Stakeholder engagement will continue using these employed mechanisms as required ensuring efficient and effective engagement throughout the life of the project.

EPC Project Manager will be present at key community engagement and information sharing events to demonstrate company commitment to stakeholder engagement, to build relationships and to answer any questions. Information will be presented in a culturally appropriate and easy to understand, using graphics and maps, wherever possible local languages will be used.

6. STAKEHOLDER DISCLOSURE AND CONSULTATION

Over the past year, Redstone initiated the first rounds of stakeholder engagement process aimed at introducing the project to the wider community and all related stakeholders, while at the same time creating a basis for engagement as far as both local procurement and recruitment process are concerned. Redstone also took the opportunity during these pre-construction engagement meetings to introduce EPC to the communities. For all planned engagements the list of stakeholder to be invited were reviewed against the full list of affected stakeholders with respect to the agenda's being tabled.

One of the key areas of focus is stakeholder management and in particular community engagement, thus focus points during the first rounds of engagements were targeted at sharing the basic details about the project, its intended timelines, how it will work, set up of the recruitment and procurement databases, and the overall engagements plan and process. Given the location of the project and the two local municipalities affected, a comprehensive plan was established to meet the key deliverables of the project, which are, (i) Socio-economic Development, (ii) Enterprise Development and (iii) Employment Creation. The objective from the onset was to create a sustainable community engagement platform for host communities so that we build a relationship of trust. A further consultation with local NGO's including but not limited Bird Life Africa and Endangered Wild Life Trust will be undertaken.

Objectives of all engagements

- Review and maintain Legitimate Community Engagement forum;
- Identify, manage & resolve community concerns;
- Ensure transparent engagement processes; and
- To build & maintain favourable reputation for Redstone and its Shareholders and Partners

Information shared to date and to be shared at further engagements, as relevant:

- Proposed location of meeting/s;
- Methods of communicating information;
- Construction timetable and forecast;
- Implementation Agreement reporting (employment, preferential procurement etc);

- Key impacts and mitigation measures (e.g., increased traffic, abnormal loads expectations, workers housing in local communities etc),
- Disclosure and training as applicable of key management plans/project information such as the CGM, E&S policies, emergency preparedness plan and traffic management plan, etc.; and
- Status of Socio-economic development projects and programmes including Enterprise development initiatives

Below is a brief summary of key milestone issues that have been completed as part of the first rounds of the engagement process

Table 3: Key Milestones status:

Activity	Description	Timeline	Remark
Project Introduction to stakeholders	Introductory meeting with each municipality of the Redstone Project	May/Jun 2018	Completed
Formulation of the Steering Committee	Both municipalities formed steercom chaired by an envoy from Premier's Office.	July 2018	Completed
Steercom update meetings	Several streecom meetings on project update and to discuss planning around project	Aug 2018 – Sept 2019	Completed /Ongoing
MoU	Draft MoU presented and discussed with the steercom for comments and approval. MoU approved by steercom.	Aug/Sept 2018	MoU Approved Open
Community Engagement process	First round of community engagement meetings conducted with all 11 wards in both municipalities	Sept/Oct 2018	Completed
Database	Both CV and Contractors database created.	Aug/Nov 2018	Completed
Contractors engagement	Introduction of SEPCO III and hosting contractors' day to share information of scope of works.	Oct/Nov 2018	Completed
District /Province Engagement	Engaged with different stakeholders in both the ZFM District and Provincial level	Oct 2018 – Sept 2019	Completed
Recruitment process	Advertised (EDO) Manager, CLO and IR Positions. To date all interviews for EDO and CLO has been	Sept 2018 – Jan 2019	Completed

	completed. Appointment to be done soon as PPA extension is finalized.		
Local Community Forum	Currently working on establishing the Local Committee forums to work closely with communities on the ground	Nov- current	Ongoing
Project Workers	Engagement with communities and ensuring information disseminations on other project related matters; i.e HSSE	Aug 2018- Current	Ongoing
SED	Initial gathering of possible SED and ED project to be presented at first board meeting for consideration and approval started.		Ongoing

Table 4: Timetable for Pre-construction Community Engagement with Immediate, Primary and Secondary stakeholders

ZONE 1 - Stakeholders	Location of Meeting	Planned dates
Tsantsabane Municipality	Postmasburg Town Hall	Monthly – 2 nd week of the month
Kgatelopele Municipality	Danielskuil Town Hall	Monthly – 2 nd week of the month
Groenwater Community- CPA- (Vulnerable) & adjacent landowners	Community Hall	2 nd & last week of the month
Jeanne Havenn Community	Library	2 nd & last week of the month
Tsantsabane Communities (other wards)	Halls, clinics or schools as available	Monthly – last week of the month
Kgatelopele Communities (other wards)	Halls, clinics or schools as available	Monthly – last week of the month

7. GRIEVANCE MECHANISM

One critical part of an effective stakeholder management process is a grievance mechanism plan. 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. A grievance Mechanism provides stakeholders who have a grievance the opportunity to have it examined effectively and within an appropriate timeframe. The plan provides a systematic approach to addressing grievances that is consistent, transparent and accessible to stakeholders.

Below is brief process on how received grievances will be handled:

- Grievance is formally acknowledged through a personal meeting, phone call or letter as appropriate, within 5 working days of submission. If the grievance is not well understood or if additional information is required, clarifications should be sought from the complainant during this step. A special arrangement for anonymous grievances has also been included.
- The EDM will delegate the grievance in writing to the relevant personnel/contractor (EPC) for development of an appropriate response. The EDM will estimate the subject matter of this grievance and identify the risk category. If required, the grievance may be sent to senior management for consideration.
- A response is developed by the delegated team and the EDM with input from the HR, Talent and CSR Manager.
- Required actions are implemented to deal with issues and completion of these recorded on the grievance log.
- The response is signed off by the HR, Talent and CSR Manager. The sign off may be a signature on the grievance log or in correspondence which should be filed with grievance to indicate agreement.
- The response is communicated to the affected party, the response should be carefully coordinated. The EDM ensures that a suitable approach to communicating the response to the affected party is agreed and implemented. The response to a grievance will be provided 20 working days after receipt of the response. For anonymous grievances, the resolution response will be communicated through the local bulletin boards at the municipalities.
- A grievance is closed with a sign-off from the HR & CSR Manager, who determines whether the grievance can be closed or whether further action is required. If further attention is required the EDM should return to second bullet point above to re-assess whether the grievance can be closed, he/she will sign off to approve closure of the grievance on the

grievance log or by written communication. The complainant shall also sign off on the grievance if the resolution is acceptable to them where applicable.

If actions taken on grievance are not successful, a stakeholder may turn to court in accordance with existing legislation without any retribution. (Refer Community Grievance Mechanism).

The above 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 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 Tool Box discussions. 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. All grievances will be lodged using the Grievance Mechanism Form -*Refer Appendix A of this SEP (Refer Redstone Grievance Mechanism System)*.

Company contact for all CGM matters - Pulane Mogoere: telephone 071 485 9808 or email pmogoerer@acwapower.com

8. INTERNAL AND EXTERNAL REPORTING

Stakeholder engagement will continue throughout design finalization, construction and operations. Key stakeholders will be kept informed about the progress of the Project, have the opportunity to provide feedback on the effectiveness of mitigation and enhancement measures and to raise any concerns or grievances. During this process key stakeholders will receive meaningful and accessible information about the mitigation/enhancement and management measures contained in the Environmental and Social Management Plan. Information to be shared before construction commences will include the following:

- The impacts that have been identified as a result of the project;
- The impacts and mitigation or enhancement measures that are being implemented;
- The implementation schedule; and
- Roles and responsibilities.

9. MONITORING AND EVALUATION

Monitoring of the implementation of the SEP will include:

- Internal performance monitoring: This entails regular internal tracking of whether the identified actions have been implemented on time, within the agreed budget, and to the requisite quality. It also monitors whether the appropriate stakeholders were involved in the activity. The Engagement Schedule will form an essential basis for this activity. If necessary, corrective actions should be put in place. The project company commits that part of the monitoring will be focused on women, thus will be collecting stakeholder data by gender (e.g. through attendance records, sign in sheets, etc.), to help track gender inclusion, needs, different knowledge, roles and interests are recognized and addressed. In addition, more refined, specific, timebound and measurable indicators will be implemented once construction starts as part of the grievance monitoring process.
- Contextual monitoring: The Stakeholder Engagement Plan based on an understanding of the corporate, socio-economic and regulatory context as well as an analysis of stakeholders and issues. There is therefore a need to conduct regular monitoring to track changes on a regular basis. Where there are material changes, this may require adjustments to be made to the Plan.
- Monitoring will occur on a monthly basis and reports thereof will be shared with EPC, in addition there will be quarterly half-yearly and annual reports. Evaluation will be undertaken at least annually and will be aimed at determining whether the Stakeholder Engagement being carried out continues to remain appropriate and the most effective means in which to achieve ACWA Power's corporate stakeholder management goals. In addition, KPI's will also be tracked in

accordance with the Redstone monthly HSSE Performance reporting template. In addition, communities will be engaged on the monitoring obligations during the Stakeholder engagement process as defined in section E&S 06 (*refer ESMS*) under Stakeholder Management.

10. IMPACT ANALYSIS

This chapter presents the analysis of the socio-economic impacts that are expected to ensue as a result of the development of the Redstone Project and an evaluation of these impacts. The combination of all data gathered and analysed, as well as the past experience with similar projects, assisted in the identification of the following social impacts that are to be assessed.

- ***Construction phase impacts:***

- Temporary employment creation due to construction activities;
- Changes in the demographic profile;
- Changes in the sense of place and community ties;
- Economic displacement due to the ensued project;
- Pressure on social facilities due to influx of migrant workers; and
- Increased social ills, including prostitution and risks of HIV/AIDs, due to influx of migrant workers

- ***Operational phase impacts:***

- Long-term employment creation due to operation and maintenance activities;
- Long-term Enterprise Development and support of Small Medium Enterprise (SMME); and
- Continued Development of the Social Economic Development and community wellbeing.

In light of the baseline profile of the primary zone of influence, the proposed project is envisaged to create both positive and negative impacts. On one hand it is envisaged to assist with creation of some temporary jobs for the local labour during construction and provide sustainable employment opportunities during operations. The absorption capacity of the proposed Redstone Project

considering the status of skills in the primary zone of influence will be limited, particularly during operations, and will need to be enhanced through provision of targeted skills development initiatives that should be done during construction phase.

In contrast to the positive impacts that will be created, the project is also envisaged to lead to several negative social effects, which could exacerbate the plight of the community members if not adequately mitigated. Potential changes in demographic profile, increase in social ills, added pressure on the local communities' capacity to serve the residents are envisaged to be the most significant possible negative social impacts. Most of these impacts are envisaged to arise from the influx of workers and job-seekers to the area and will need to be mitigated by:

- Initiating a local recruitment processes and be willing to offer some skills transfer during the construction phase of the project to ensure maximum local procurement of labour.
- Setting up a skills desk in Groenwater and Danielskuil community prior to the start of the construction phase and aim to match the identified skills with the opportunities at the construction site; and
- Sharing the skills requirements and needs information with the local all the local communities to provide them with an equal chance to apply for the jobs.

Providing training for unemployed local community members with insufficient skills to increase absorption of local labour thereby decreasing in-migration.

- Assisting with the launch of community awareness campaigns and distribution of necessary contraceptives, to curb the demographic changes and decrease the risk of contracting HIV/AIDs;
- Work closely with the local authorities of both municipalities and with the community leaders of all communities to strengthen the community identity and the ties among the residents;
- Ensuring that as many people from these communities are employed as possible (to reduce the need for migrant labour);
- Assisting in accommodating migrant workers in the settlements that are better serviced – like Postmasburg or Danielskuil; and
- Assisting the local communities in alleviating some of the most pressing issues with respect to the service provision, such as required improvements in mobile clinic services, water access, and access to sanitation. In undertaking the above activities, it will be important for

the Project Company to firstly inform the local municipality of the potential impact of the proposed project in order for the necessary preparations to take place in a timely manner and secondly, partner with them in implementing certain initiatives. Furthermore as the projects LNTP will start during the COVID -19 pandemic, the project will ensure proper consideration of COVID-19 and possible impact thereof is properly reviewed. This will inform the potential risks related to the engagement process, and possible mitigation plans the owner needs to implement throughout the construction phase. It is anticipated that some of the risks will directly impact community interface, which will provide an opportunity for Redstone to implement measures within the communities that would help in curbing the COVID-19 infections. (refer COVID-19 Risk Assessment:- community engagement).

11. APPLICABLE LEGISLATION

This strategy is designed to be compliant with the South African legal requirements and international best practice standards (IFI social standards).

Legislation	Stakeholder Engagement Requirements
Constitution of the Republic of South Africa	Requirement – On-going stakeholder engagement with affected communities to achieve this goal.
National Environmental Management Act (NEMA)	Article 4 stipulates the importance of public participation. Engagement centres on the EIA process but also on-going engagement with project affected people about, for example any incidences, results of monitoring etc. Requirement – On-going stakeholder engagement.
Environmental Impact Assessment Regulation	Article 14 of the EIA Regulations defines the Public Participation Process as an activity that involves public hearings and consultation. The Public Participation Process implies delivery of information regarding projects to all directly and indirectly affected and interested parties, responding to public requests for explanations on the project and the formulation of suggestions. Engagement focuses on participation in the EIA process, during the scoping phase and during disclosure of documents. It stipulates that a public enquiry may be called for when the nature, characteristics and effects of the activity so justify. Public enquiries may be requested by individuals, local authorities, economic associations, and research

Legislation	Stakeholder Engagement Requirements
	and educational establishments - any of which may have a direct or indirect interest in the proposed activity. Requirement – Specific stakeholder engagement during EIA processes.
Addenda to the EIA Process Regulations no. 45/2004	The public participation is an integral part of the EIA process starting from the scoping phase and continuing through to the construction and operational phases of the planned activity. Public involvement and awareness of project must be managed as a safeguard for ensuring checks about the relevance and appropriateness of project decisions. Requirement – Specific stakeholder engagement during EIA processes.
General Directive for EIA	As Above Requirement – Specific stakeholder engagement during EIA processes.
General Directive for the Public Participation Process in the EIA process	This Decree provides details on the public participation process that must be carried out whenever a proposed activity implies the permanent or temporary relocation of people or communities, and the displacement of goods or assets or restrictions on the use of or access to natural resources. Requirement – Specific stakeholder engagement during EIA processes.
Biodiversity Act	Requirement – Engagement by Redstone for a consultation process through public participation
Occupational Health and Safety Act- Act 85 of 1993 and Regulations	Requirement – The impact of activities by the company with the aim at protection of public against potential risks that will impact health and safety of employees and persons other than employees
Municipal and Provincial Bylaws	Requirement – Community engagement and consultation with local authorities when undertaking specific activities
Protection of the South African Cultural Heritage	Requirement - If items covered by the definitions in the law were found during the mining process then National Cultural Heritage Council (Part of the Ministry of Culture and Sport) would need to be informed and the item(s) delivered to the state. Communication can be made through the local or district authorities.

Legislation	Stakeholder Engagement Requirements
Archaeological Heritage	Requirement - If items covered by the definitions in the law were found during the mining process then National Cultural Heritage Council (Part of the Ministry of Culture and Sport_ would need to be informed and the item(s) delivered to the state. Communication can be made through the local or district authorities
Water Act	Requirement – Engagement by the applicant (Project Company) with affected communities is required when applying to a Regional Water Administration for a water use permit.
Water License and Concessions Regulations	Requirement – Engagement with the Ministry of Public works. While there is a community consultation and engagement requirement it is the responsibility of the Ministry to schedule and call the meetings and the Project Company must then attend.
Land Act	The law recommends a consultation-based process that recognizes customary rights as the means for identifying the claims of communities and individual members of communities without title. Article 24 identifies that in rural areas local communities participate in: a) the management of natural resources, b) the resolution of conflicts, c) the process of obtaining title as established in No. 3, of Article 13 of the Land Law, and d) in the identification and definition of the boundaries of the land they occupy. The Land Law therefore recognises and protects the rights of individuals to land acquired through inheritance or occupation (customary tenure and good faith rights). Requirement – Specific stakeholder engagement during a Resettlement Action Plan.
South African Disaster Management Regulation	COVID -19 Management for construction site (appendix 6 in the ESMS)
Land Act Regulations	Article 18 states that the right of land use and benefit obtained for the fulfilment of an investment project shall have a maximum term of 50 years, renewable in accordance with the provisions of the Land Law and the terms of renewal of the Authorization. Consultations between the applicants for land and the local community are mandatory before a decision to grant title use is made by the

Legislation	Stakeholder Engagement Requirements
Air Quality Act	provincial governor or higher authority. Requirement – Specific stakeholder engagement during a Resettlement Action Plan, and when land use rights have to be re-negotiated after the 50 years have lapsed. Requirement – Public participation in the enhancement of air quality

In addition to the above, Redstone CSP Project has agreed to comply with the following standards required by the lenders:

- International Finance Corporation Performance Standards and associated guidelines
- African Development Bank Environmental Guidelines for Power Projects
- World Bank/MIGA Environment, Health and Safety Guidelines

ANNEXURE A

Pre- construction Engagement Plan:

Below is the phased-out Stakeholder Engagements Plan with the communities of Postmasburg and Danielskuil which will kick off during the first week of February 2021. It is important to note that the schedule is done based on the current South African COVID-19 restriction level 3, and there will be limited face to face engagements. In addition all meetings/gatherings will strictly adhere to the maxim of 50 attendants, observing social distancing and sanitation will also be provided. The plan may change based on the level of restriction within the country.

Activity	Description	Timeline	Remark
Information Pamphlet Distribution	Distribution of NTS, Grievance Mechanism, and Covid-19 related information to Groenwater, vulnerable and adjacent land owners.	1 st week of February 2021	
Steering Committee meeting	Zoom/Teams meeting with the Steercom.	1 st week of February 2021	
Local Radio Broadcast	Live Local Radio broadcast with community call in to share information and answer questions.	2/3 week of February 2021	
Community Engagement meetings	Phased out community engagement meetings with the rest of Tsantsabane and Kgatelopele communities	4 th week February – end of March 2021	
Contractors engagement	Zoom/Teams session with contactors and SEPCO 3, on procurement opportunities, and timelines	2 nd week of March - onwards	
Local Community Forum	Finalize the Local Committee forum which we will work closely with within communities on the ground.	1 st week of April 2021	
SED	Initial gathering of possible SED and ED project to be presented at first board meeting for consideration and approval started.	4 th week February - onwards	
Recruitment Process	Finalize the appointments of the HR/IR Manager, Economic Development Manager, and CLO's	2 nd week of March 2021- onwards	