



Corporate ESMS

Grievance Mechanism for External Stakeholders & Communities

EMS-009

Applicable Performance Standards:

IFC Performance Standard 1

IFC Performance Standard 4

IFC Performance Standard 5



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Annexure 1: Swefund's Complaints Mechanism



1. Purpose

This grievance mechanism has been developed to receive and facilitate resolution of concerns and grievances raised by external stakeholder, communities and members of the general public about the project's environmental and social performance. The aim of the Grievance Mechanism for External Stakeholders & Communities is to ensure that grievances or concerns raised by external stakeholder, communities and members of the general public are addressed in a manner that:

- Provides a predictable, transparent, and credible process to all parties, resulting in outcomes that are seen as fair, effective, and lasting.
- Builds trust as an integral component of broader External Stakeholders, Communities and Members of the General Public relations and activities.
- Enables more systematic identification of emerging issues and trends, facilitating corrective action and pre-emptive engagement.

The aim of this External Grievance Mechanism Procedure is to address grievances in a manner that does not require a potentially costly and time-consuming legal processes.

2. Scope

In the case of ESIA undertaken by Red Rocket, this procedure shall be incorporated as a functional part of the Stakeholder Engagement process. In the case of construction, operational and decommissioning phase of projects, this procedure shall be incorporated as a functional part of the project ESMS.

Harassment constitutes a subset of grievances, but, due to the sensitive nature and specific competency required to address reports of harassment, they are instead managed in terms of Red Rocket's Internal Harassment Policy and Procedure (**HCM-113**), and Red Rocket's External Harassment Policy and Procedure (**HCM-114**).



3. Responsibilities

Table 1: Responsibility matrix.

Role	Corporate Level	Project Level
Process owner	SI Team	AM Team
Implementor	AM Team	Community Relationship Manager
Support	Project Company, PCM, Employees, stakeholders and communities, Community Liaison Officers	Project Company, contractors, and Asset Management, stakeholders and communities, Community Liaison Officers

Table 2: Expected outputs.

Inputs	→	Activity	→	Outputs
<ul style="list-style-type: none">Receipt of External Grievance		<ul style="list-style-type: none">Grievance Mechanism		<ul style="list-style-type: none">Grievance reportGrievance registerMonthly grievance summary report

4. Procedure

In the development of this External Grievance Mechanism, guidance was taken from the International Finance Corporation (IFC). IFC Performance Standards require that project proponents engage with Project Affected Peoples (PAPs) through:

- Disclosure of information;
- Consultation; and
- Informed participation.

In addition, guidance has been taken from IPIECA - Stakeholder or members of the public grievance mechanisms: Guidance document for the oil and gas industry (2019).



The External Grievance Mechanism is way of ensuring that any issues and concerns are recorded and adequately addressed. Grievances raised by stakeholders need to be managed through a transparent process, which is culturally appropriate, understandable, acceptable, at no cost and without retribution for stakeholders. The mechanism should be appropriate to the scale of impacts and risks presented by a project and be beneficial for both the project and stakeholders. The mechanism must not impede access to other judicial or administrative remedies. Key requirements for developing and implementing a grievance mechanism are highlighted below.

Performance Standard 1 – Social and Environmental Assessment and Management: “The client will establish a grievance mechanism to receive and facilitate resolution of the affected stakeholders’ concerns and grievances about the client’s environmental and social performance”

Performance Standard 4 – Community Health, Safety and Security: “A grievance mechanism should allow the affected community to express concerns about the Community Health, Safety and Security”

This External Grievance Mechanism procedure sets out the steps to be taken to resolve grievances, role players involved in the process and timeframes to resolve grievances. The types of grievances that people may raise include but are not limited to:

- Negative impacts on communities, which may include financial loss, physical harm and nuisance from construction or operational activities;
- Health and safety risks;
- Negative impacts on the environment; and
- Unacceptable behaviour by project staff or employees.

This is a framework through which external stakeholders, communities and members of the general public can gain access to remedy for adverse impacts or damage they have suffered as a result of business activities. For a grievance mechanism to be effective in managing grievances, it should be:

- Legitimate;
- Accessible;



- Predictable;
- Equitable;
- Transparent;
- Rights-compatible;
- A source of continuous learning; and
- Based on engagement and dialogue with existing stakeholders and members of the public.

4.1. Procedure for Receiving and Resolving Grievances

The External Grievance Mechanism provides for external stakeholders, communities and members of the general public to raise grievances in their own language. In addition, external stakeholders, communities and members of the general public may raise concerns anonymously (although note that this restricts ability to respond directly).

In order to build trust with the external stakeholders, communities and members of the general public, the Project Company shall:

- Ensure that the Project Company's **Community Relationship Manager (CRM) or** Community Liaison Officers (CLO), **as applicable**, communicates this External Grievance Mechanism to External Stakeholders, Communities and Members of the General Public at all meetings.
- Provide timely feedback to External Stakeholders, Communities and Members of the General Public about grievances raised and the responses of the company.
- Ensure that any External Stakeholder, Communities and Members of the General Public, who submits External Grievances shall under no circumstance be subject to prejudice or any form of victimisation,
- Allow for External Grievances to be submitted in any language – verbally or documented format (see Appendix A for External Grievance Mechanism Forms).



- Where External Grievances are not resolved the matter shall then be issued to the either and further committee as agreed to be the complainant and the Project Company and/or the Project EPC Contractors (as may be applicable).

4.2. Grievance Mechanism Boxes

External grievance mechanism boxes available to external stakeholders, communities and members of the general public shall be placed at:

- The Project Company's CRM in Communities;
- At any other points/localities at the discretion of the Project Company's CRM.

External Grievance in any written format may be placed in the box at any time by any person.

In case where the external stakeholders, communities and members of the general public may be illiterate, they may engage the CRM or CLO, or any other trusted person for assistance, to document the grievance. Community based External Grievance Mechanism shall be opened twice weekly by the respective CRM or CLO.

4.3. External Grievance Mechanism

Upon opening of the community based external grievance mechanism boxes, the CLO located in the community shall immediately log the Grievance onto the Grievance Logbook and immediately advise the project's CRM by email (including a copy of the actual Grievance at attachment) and by telephone that a Grievance has been received.

At this point the CRM shall, within 1 (one) working day, review the Grievance in order to determine whether the matter should be dealt with by the Project Company or the appointed EPC/Contractor. In



either case the respective **CRM** from the Project Company or EPC's CLO shall then at a minimum undertake the following:

- Within 2 working days of receipt of the grievance contact the Complainant to discuss the grievance and agree on suitable date and venue for a meeting in order to discuss the grievances raised. Unless otherwise agreed, the meeting (including teleconference) should be held within 2 weeks of receipt of the grievance.
- Draft a letter to be sent to the Complainant acknowledging receipt of the grievance, the name and contact details of Complainant, the nature of the grievance, the date that the grievance was raised, and the date and venue for the meeting (once agreed).
- At any time in this process a competent Interpreter must be provide at cost to the Project Company or the EPC/Contractor, should the Complainant require such.
- Prior to the meeting being held the respective **CRM/CLO** must contact the Complainant to discuss and agree on the parties who should attend the meeting. The people who will be required to attend the meeting will depend on the nature of the grievance. While the Complainant and or proponent are entitled to invite their legal representatives to attend the meeting/s, it should be made clear that to all the parties involved in the process that the grievance mechanism process is not a legal process. It is therefore recommended that the involvement of legal representatives be limited.
- The meeting should be chaired by the respective **CRM/CLO**, who shall also ensure that accurate minutes of the meeting are recorded.
- Draft copies of the minutes must be made available to the Complainant within 4 working days of the meeting being held. Unless otherwise agreed, comments on the Draft Minutes must be received by the respective **CRM/CLO** within 4 working days of receipt of the draft minutes.
- In the event of the grievance being resolved to the satisfaction of all the parties concerned, the outcome must be recorded and signed off by the relevant parties. The record should provide details of the date of the meeting(s), the names of the people that attended the meeting(s), the outcome of the meeting(s), and where relevant, the measures identified to address the grievance, the party responsible for implementing the required measures, and the agreed upon timeframes for the measures to be implemented.



- In the event of the grievance not being resolved to the satisfaction of all the parties concerned, the option of appointing an independent mediator to assist with resolving the issue should be discussed. The record of the meeting(s) must note that a dispute has arisen, and that the grievance has not been resolved to the satisfaction of all the parties concerned.
- In the event that the parties agree to appoint a mediator, the respective CRM/CLO will identify three (3) mediators and forward the names and CVs to the Complainant within 2 weeks of the dispute being declared. The Complainant, in consultation with the Proponent, must identify the preferred mediator and agree on a date for the next meeting. The cost of the mediator must be borne by the Proponent. Minutes of meetings shall be recorded.
- In the event of the grievance, with the assistance of the mediator, being resolved to the satisfaction of all the parties concerned, the outcome must be recorded and signed off by the relevant parties, including the mediator. The record should provide details on the date of the meeting(s), the names of the people that attended the meeting(s), the outcome of the meeting(s), and where relevant, the measures identified to address the grievance, the party responsible for implementing the required measures, and the agreed upon timeframes for the measures to be implemented.
- In the event of the dispute not being resolved, the mediator must prepare a draft report that summarizes the nature of the grievance and the dispute. The report should include a recommendation by the mediator on the proposed way forward with regard to the addressing the grievance.
- The draft report must be made available to the Complainant for comment before being finalised and signed by all parties. Unless otherwise agreed, comments on the draft report must be forwarded to the company representative appointed to manage the grievance mechanism within 4 working days. The way forward will be informed by the recommendations of the mediator and the nature of the grievance.

A Grievance is closed out when no further action can be or needs to be taken. Closure status will be classified in the Complaints Register as follows:



Resolved: Grievances where a resolution has been agreed and implemented and the Complainant has signed the Confirmation Form.

Unresolved: Grievances where it has not been possible to reach an agreed resolution and the case has been authorised for close out by the Appeals Committee.

Abandoned: Grievances where the Complainant is not contactable after one month following receipt of a Grievances and efforts to trace his or her whereabouts have been unsuccessful.

The grievance mechanism does not replace the right of an individual, community, group or organization to take legal action should they so wish. In the event of the grievance not being resolved to the satisfaction of Complainant and or the Proponent, either party may be of the opinion that legal action may be the most appropriate option.

4.4. Grievance Categorization, Analysis & Reporting

Grievance are categorised according to

Table 3.

Table 3: Grievance categorisation matrix.

Impact	Consequence/ Severity		
	Low	Medium	High
Social and Environmental	Minimal impact, likely to have little real effect. Mitigation is easily achieved; compensation unlikely to be necessary.	Impact is real but not substantial or long-lasting. Mitigation is both feasible and easily achieved; compensation likely to be moderate.	Significant impact and potentially long-lasting. Mitigation is likely to be difficult: expensive, time consuming and requiring difficult negotiation; compensation may be significant.
Corporate reputation	No Impact	Local or Moderate Reputation Damage	Significant Loss of Shareholder/ Public Trust
Project schedule	No Delay	Moderate Delays	Significant Disruption
Input required for resolution	Local: frequently in-field discussion with complainant	Local/ National: may require technical input from relevant work stream and Project Manager decision	Project: may require Corporate level input and decision- making



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All printed documents are uncontrolled

Effect on construction and operations	No effect	May require some limited or local adjustment in construction planning and operations	May require substantial or widespread change in construction planning and operations
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The **CRM** shall, on a monthly basis, prepare and maintain an analysis of Grievances inclusive of:

- Frequency of Grievances Received;
- Categorisation of Grievances - Environmental, Social, Health, Safety, Security, Community, Stakeholder or members of the public, other;
- Consequence/Severity rating of Grievances;
- Service Functions/Contractors involved;
- Origin of Grievances are received (Internal/Communities);
- Repetitive Grievance;
- Route Cause Analysis of Grievances;
- Description of Outcomes (Corrective and Preventive Actions); and
- Grievance Outstanding/Resolved.

The Project Company's Economic Development & Social Manager shall report, on a monthly basis, the following to the Project Company and Shareholders:

- Frequency of Grievances Received;
- Categorisation of Grievances - Environmental, Social, Health, Safety, Security, Community, Stakeholder or members of the public, other;
- Consequence/Severity rating of Grievances;
- Service Functions/Contractors involved;
- Origin of Grievances are received (Internal/Communities);
- Repetitive Grievance;
- Route Cause Analysis of Grievances;
- Description of Outcomes (Corrective and Preventive Actions); and
- Grievance Outstanding/Resolved.



4.5. Reprisals

Red Rocket and its Projects have zero tolerance for reprisals for legitimate whistle-blowers or grievances reported in good faith.

4.6. Community Reporting

The Project Company's CRM shall provide reports to affected communities as follows:

- Status of Grievance received to against the project at all meetings held in the community
- On the basis of the existing reporting program undertaken during the construction, operational and decommissioning and closure phases, a summary report suitable for digestion by a non-technical community audience will be developed and disclosed on a monthly basis.
- This report will focus upon graphical representation of information, and in particular outcomes of any community complaints and those actions taken to remedy significant impacts.
- This will be undertaken in non-technical languages and in suitable local languages in a culturally appropriate manner.

4.7. Swefund Grievance Portal

Swefund has provided a portal for individuals and communities to lodge a grievance directly to Swefund. The official communication in this regard is attached as an annexure to this procedure.

5. Referenced Documents

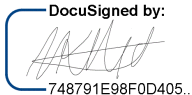
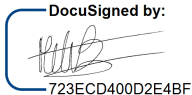
- Project-level Risks and Impacts Procedure (EMS-005)
- Internal Harassment Policy and Procedure (HCM-113)
- External Harassment Policy and Procedure (HCM-114)



6. Normative References & Guidelines

- IFC - GPN - Grievance Mechanisms Addressing in Project Affected Communities

7. Revision and Approval History

Rev	Date	Updated by	Summary of changes	Reviewed by	Approved by
0	2021/09/14	T. Szöke	First issue	M. Logan	M. Brambilla
1	2024/04/29	M. Logan & T. Szöke	Included a reference to Swefund's complaints mechanism and a statement of zero tolerance on reprisals.	M. Logan	M. Brambilla
2	2024/10/01	T. Szöke	Included reference to the internal and external harassment policies and procedures. Allowed for CRM or CLO. Brand refresh.	M. Logan  748791E98F0D405... SI Director	M. Brambilla  723ECD400D2E4BF... CEO