

**ACWA POWER SOLAR RESERVE REDSTONE SOLAR THERMAL POWER PLANT**

**DRAFT STAKEHOLDER ENGAGEMENT PLAN**

**OCTOBER 2015**

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## 1. Introduction

Stakeholders in this document is defined as individuals, businesses, communities and government institutions that **ACWA Power Solar Reserve Redstone Solar Thermal Power Plant** “hereinafter referred to as Redstone” interacts with on a continuous basis. The stakeholders have vested interest in the activities of the business.

It is therefore, imperative for the organisation to always take into account its relationship with specific stakeholder groups as it sets its future business direction and formulate strategies.

The business is expected to engage with stakeholders. Organisations that ignore stakeholder issues may at best, compromise and, at worst destroy both its values and reputation. Challenges of globalisation, modernisation, and ecology, environmental and rapid technological advancements have led to much higher expectations from business performance.

### 1.1. Project description

ACWA Power SolarReserve Redstone Solar Thermal Power Plant (RF) (Pty) Ltd (hereinafter referred to as ACWA Power SolarReserve) proposes to construct and operate a 100 MW Solar Thermal Power Plant on Remaining Portion of the Farm No. 469, known as Redstone, in close proximity to Daniëlskuil and Postmasburg in the Northern Cape Province, South Africa (refer to Figure 1). The Solar Thermal Power Plant will employ the Concentrated Solar Power (CSP) Central Receiver Tower technology, with molten salt as heat transfer fluid and storage medium.

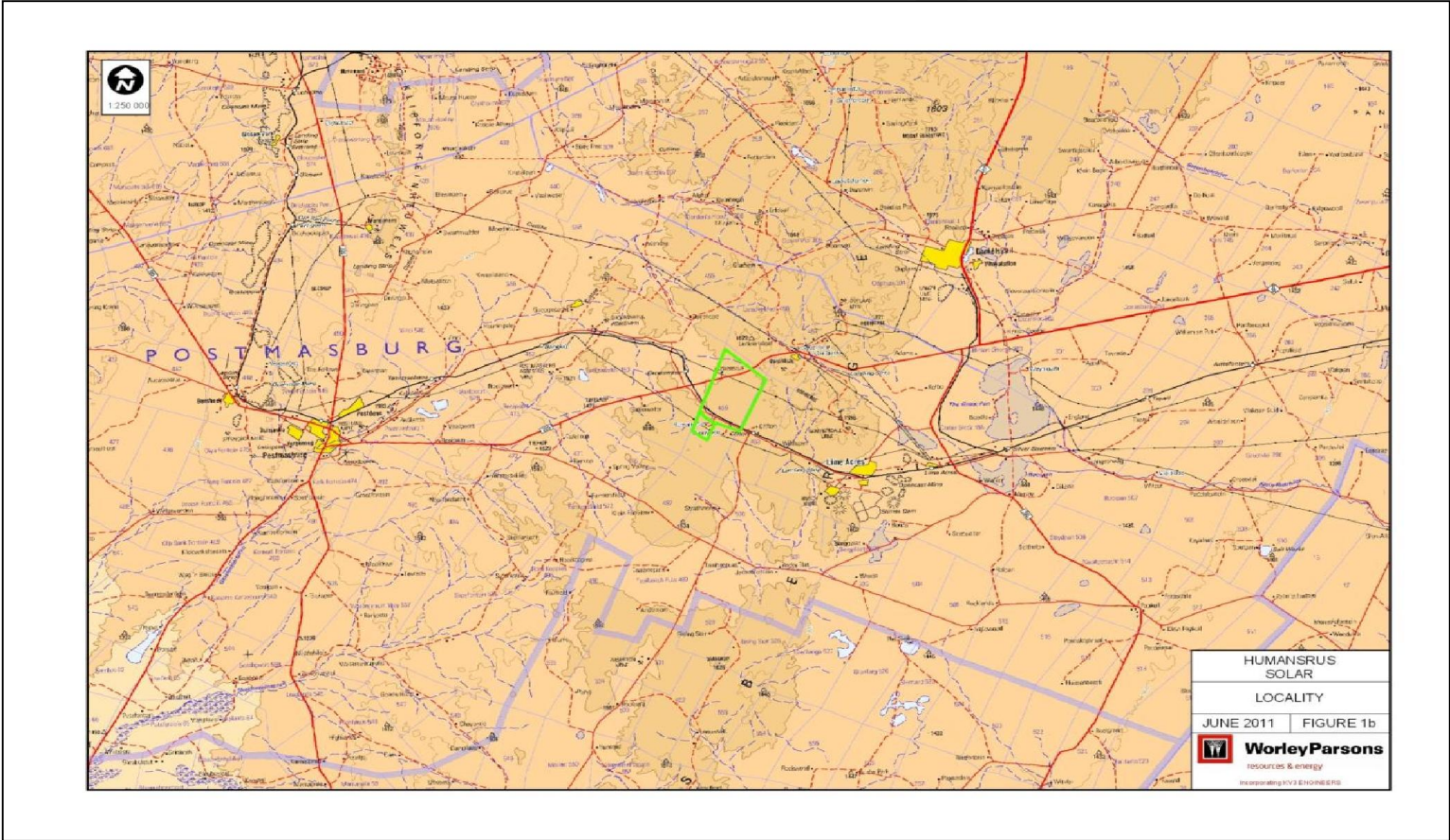


Figure 1: ACWA Power Solar Reserve Redstone Solar Thermal Power Plant (Green block)

## 1.2. Scope

This Stakeholder Engagement Plan applies to Redstone project because it has health, safety, social and environmental risks and impacts that must be managed in the early stages of project development and on an on-going basis.

Stakeholder engagement is about building and maintaining constructive relationships over time. It is an ongoing process between Project Company and all project stakeholders and encompasses a range of activities and approaches, from information sharing and consultation, to participation, negotiation, and partnerships. The nature and frequency of this engagement must reflect the level of project risk and impacts.

This Plan describes Project Company's strategy and program for engaging with stakeholders in a culturally appropriate manner. The goal is to ensure the timely provision of relevant and understandable information. It is also to create a process that provides opportunities for stakeholders to express their views and concerns about the Project, and allows the Project Company to consider and respond to them. This plan has been developed for the construction phase of the Project.

## 2. Objective

Stakeholder Management objectives

- To establish an effective engagement platform prior and during construction as well as during operations periods
- To ensure the mobilisation of Redstone staff around ongoing stakeholder management
- Senior, middle management and supervisors to be empowered to drive interventions around stakeholder management
- To coordinate stakeholder management issues and management thereof as they arise for Redstone (issues management)
- To ensure effective media liaison around stakeholder issues
- To ensure effective Crisis management programmes
- To ensure effective implementation of the EIA and EMP for the 100 MW Redstone CSP Plant
- To actively support social economic development initiatives in line with the Project Agreements and DOE expectations
- To create a platform that will enable for effective future recording and measurement of the value and cost of stakeholder engagement to the business.

### 3. Stakeholder Engagement Principles

Stakeholder engagement is an umbrella term encompassing a range of activities and interactions over the life of a project. Project Company recognises its various components, namely:

- Stakeholder Identification and Analysis
- Information Disclosure
- Stakeholder Consultation
- Negotiation and Partnerships
- Grievance Management
- Stakeholder Involvement in Project Monitoring
- Reporting to Stakeholders
- Management Functions

Community engagement is an on-going process throughout the life of the Project. This Plan focuses on the construction phase and how the various components will be implemented are described below. The activities take into account the risks or impacts identified during the ESIA process. The purpose of the proposed activities is to build and maintain over time a constructive relationship with these communities.

In undertaking its activities, Project Company commits to ensuring that its community engagement will be free of external manipulation, interference, or coercion, and intimidation, and conducted on the basis of timely, relevant, understandable and accessible information. Project Company has an internal policy regarding the confidentiality of the information.

The Project Company commits to consultation processes that are inclusive and culturally appropriate. The Project Company will tailor activities to the language preferences of the stakeholders. Gender and vulnerability issues will always be considered.

During the construction phase, it is anticipated that information disclosure, stakeholder consultation in the form of formal meetings, the existence of a project performance grievance mechanism, and annual reporting will be the most common engagement activities. These are discussed in more detail in the sections below.

### 4. National Regulatory Requirements related to Stakeholder Engagement

- GN R. 982 Chapter 6: Public Participation in support of the Environment Impact Assessment, 2014

The above mentioned Regulations, establish the responsibility of the Project Company to disclose the Environmental Impact Assessment and to explain the project to the identified stakeholders. Comments from them will be taken into account by the Project Company, and all the information from this process will be included in the EIA.



#### 4.1. Public Participation during the ESIA

During the ESIA, the aim of the public participation process was primarily to ensure that information containing all relevant facts in respect of the proposed project was made available to potential stakeholders and interested and affected persons (I&APs). Participation was facilitated in a manner so that all potential stakeholders and I&APs were provided with a reasonable opportunity to comment on the proposed project. Comments received from stakeholders and I&APs were recorded and incorporated into the EIA process.

In order to accommodate the varying needs of stakeholders and I&APs, as well as ensure the relevant interactions between stakeholders and the EIA specialist team, the following opportunities were provided for I&APs issues to be recorded and verified through the EIA phase, including:

- Focus group meetings (stakeholders invited to attend).
- Public meeting (advertised in the local press).
- Written, faxed or e-mail correspondence.

Issues and comments raised by I&APs over the duration of the EIA process were synthesised into Comments and Response Reports. The Comments and Response Reports included responses from members of the EIA project team and the project proponent.

### 5. International Standards related to Stakeholder Engagement

Stakeholder engagement is the basis for building strong, constructive, and responsive relationships that are essential for the successful management of a project's environmental and social impacts. Stakeholder engagement is an ongoing process that may involve, in varying degrees, the following elements:

- stakeholder analysis and planning,
- disclosure and dissemination of information,
- consultation and participation,
- grievance mechanism, and
- on-going reporting to affected Communities.

The nature, frequency, and level of effort of stakeholder engagement may vary considerably and will be commensurate with the project's risks and adverse impacts, and the project's phase of development.

### 6. Organization Chart

Refer to Annexure 1

## 7. Stakeholder Engagement Plan During Construction

### 7.1. Redstone Stakeholders

#### Internal Stakeholders

- Board of Directors
- ACWA Power Africa Holdings Management Team
- ACWA Power Holdings
- Project employees

#### External Stakeholders

- Lenders and Financing Houses
- Client – Eskom
- Client - DOE
- People local to the project
- Municipality
- Business forums
- Environmental groups e.g. Birdlife SA
- Community based organisations

#### Partners

- EPC Contractor
- O&M Contractor

#### Suppliers

- To be Confirmed

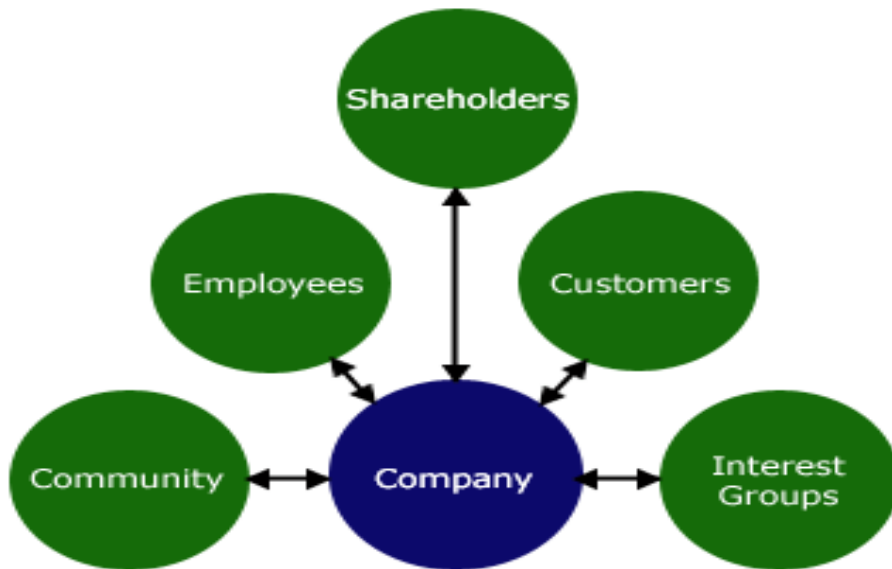
#### Government

- Department of Energy
- Department of Environmental Affairs
- Department of Water Affairs and Sanitation
- Department of Agriculture and Forestry
- Provincial government
  - Department of Labour

Office of the Premier in the provinces where we do work

**Stakeholder Management** is about the engagement of stakeholders in such a way that Redstone can get feedback from them in a company's sphere of activity.





7.2. A Stakeholder Engagement Plan therefore means a map of:

- Where we are
- Where we want to go
- How to get there



7.3. Proposed Approach

PHASE	OBJECTIVE	STAGE	TOOL	OUTPUT
1	<b>Gathering info.</b>	Understand the environment, socio-political & economic impact (understand internal and external pressures)	Internal and external stakeholder engagement assessment tool (questionnaire survey) Enviro-Scan	Benchmarking rationale  Interview results  stakeholder management strategy
		Identify key issues	Issues prioritisation framework	Issues matrix
		Identify key stakeholders	Stakeholder weighting and prioritisation	Stakeholder matrix  Stakeholder database on DMS System / Internet
2	<b>Managing info.</b>	Record, communicate, and review data	Stakeholder database (with engagement monitoring system)	Stakeholder engagement reports
		Develop Redstone position statements on issues and work together with APAH to do this	Position statements with issue owners	Position Statements on DMS System / Internet
3	<b>Leveraging Influence</b>	Assess need, and determine expectations	Scenario planning	Awareness and early intervention models
		Identify key actions to create value	Stakeholder and issue checklists  Strategic value assessment	Engagement plans implemented  Engagement platforms matrix

4	<b>Monitoring performance</b>	Adjust strategy, and measure/monitor effectiveness	Stakeholder research (internal and external)	Stakeholder management Reviews
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## 8. Community & Stakeholder Engagement during Construction

During the construction phase, Project Company commits to ongoing information disclosure and consultation. There will be activities that will be implemented as described below.

## 9. Disclosure Activities

The project has an Environmental Impact Assessment which identifies impacts and included a schedule with the public participation information related to the disclosure process. An Environmental Management Programme (EMPr) was also developed in order to establish the way to avoid or minimise all the impact identified during the assessment. These documents have been approved by the Department of Environmental Affairs which issued an Environmental Authorisation. The EMPr is a living document which will be amended as required during the lifecycle of the Project.

During construction, there is not relevant information to be disclosed, but if any information is identified as relevant, Project Company will disclosed it according to the National or International Regulatory Requirements.

### 9.1. Consultation

As needed, Stakeholder Managers will organise consultation meetings to discuss any critical issues raised by stakeholders regarding project performance. For meetings which Project Company wishes to convoke for its own reasons, a summons will be used identifying the date, time, place and agenda. The summons must take place two days in advance before the meeting date, and will be sent to the involved parties through e-mail or by personal communication for those without email systems.

For all meetings with stakeholders, minutes will be produced by Project staff. The minutes shall reflect, at least:

- Place and date of the meeting.
- Meeting participants.
- Causes for the meeting.
- The topics discussed in accordance with the summons agenda.
- The conclusions adopted.
- Actions to be taken, indicating execution dates and the people responsible for them.

The meeting minutes or list of actions are aimed at giving a formal nature to the discussion and inform of the agreements adopted and actions to be taken. They shall be distributed no later than seven (7) days after the meeting.

All formal and informal consultation activities will be logged by the Stakeholder Manager until action close out is completed. The stakeholder log will include dates and the staff involved.

#### 10.4 Media Requests

Media are special stakeholders who have the ability to influence many people's opinions about the Project. Only the Stakeholder Manager will be allowed to discuss Project activities with the media. All workers will be informed to direct any media enquiries to them.

### 10. Grievance Mechanism

#### 10.1. Project Performance Grievance Mechanism

Project Company will establish a project performance grievance mechanism to receive and respond to comments and criticisms. A grievance can be defined as an actual or perceived problem that might give grounds for complaint. As a general policy, Project Company will work proactively towards preventing grievances through the implementation of impact mitigation measures and stakeholder engagement activities that anticipate and address potential issues before they become grievances. Addressing grievances will be the responsibility of Project Company jointly with any contractor whose services are related to the grievance.

Potential impacts and effects that are most likely to give rise to stakeholder grievances for this Project are related to:

- Construction noise and dust; and
- Soil or water contamination from spills.

Any stakeholder (individual, group or company) will be able to submit a grievance to the Project if they believe a practice is having a detrimental impact on the community, the environment, or on their quality of life. They may also submit comments and suggestions.

Grievances could include:

- Negative impacts on a person or a community (e.g. financial loss, physical harm, nuisance);
- Dangers to health and safety or the environment;
- Failure of Project Company, its contractors and their workers or drivers to comply with standards or legal obligations;
- Harassment of any nature;
- Criminal activity;
- Improper conduct or unethical behaviour;
- Financial malpractice or impropriety or fraud; and
- Attempts to conceal any of the above.

Project Company will record grievances in a formal logging system. The EHS Manager will supervise the preparation of a standard form to record complaints that are received from individuals or

organisations by any medium including site visits, telephone calls or written correspondence. The logging system will include the following information:

- Date of the complaint;
- Name and contact address of the complainant;
- Brief description of the complaint, with a file reference to any correspondence from the complainant;
- Brief description of the action taken by the Project to investigate the cause of the complaint and bring about corrective action, if justified; and
- Date of reply to the complainant, with a file reference to any correspondence.

Grievances will be investigated to review their validity and responsibility. Grievances can be classified according to the table below. As a responsibility of the EHS Manager, the Project will formally acknowledge the complaint/comment and provide feedback by explaining in writing (or where literacy is an issue orally) the manner in which the review was carried out, the results of the review, any changes to project activities that will be undertaken to address the grievance or how the issue is being managed to meet appropriate environmental and social management systems and requirements.

If the EHS Manager is a man, and the complainant would rather talk to a woman, the Project will take this into consideration.

Grievance Classification Criteria

Grievance Classification	Risk Level	Validity	Response
Low	No or low	Unsubstantiated	EHS Manager will conduct investigation, document findings and provide a response.
Medium	Possible and likely a one off event	risk Possible substantiation	EHS Manager and an appropriate investigation team will conduct investigation. The Site Manager may decide to stop work during the investigation to allow the corrective preventive actions to be determined. The EHS Manager will provide a response.
High	Probable and could reoccur	risk Probable substantiation	The EHS Manager, will organise a Major Investigation Team for prompt investigation and resolution. Work will be stopped in the affected area. The EHS Manager, will provide a response.

Project Company will track progress on grievance investigations and resolutions. The EHS Manager will initiate the investigation and ensure its speedy conclusion aiming to provide a response within ten working days, unless there are exceptional circumstances.

Project Company will play an important role in investigating the validity and responsibility for the grievance effect. Project staff, and outside authorities as appropriate, will also contribute to the investigation. The EHS Manager, will identify an appropriate investigation team with the correct skills to review the issue raised and to decide whether it is Project related or whether it is more appropriately addressed by a relevant authority outside the Project. The investigation will aim to identify whether the incident leading to the grievance is a singular occurrence or likely to reoccur. Identifying and implementing activities, procedures, equipment and training to address and prevent reoccurrence will be part of the investigation activities. In some cases it will be appropriate for the Project to follow up at a later date to see if the person or organisation is satisfied with the resolution or remedial actions.

Complaints concerning the security personnel will be investigated immediately and automatically. They will be categorized as “high” and the investigation team will include the EHS Compliance Manager and a high level appropriate manager from the Security Company. In the case of complaints with events and allegations related to illegalities or abusiveness, investigations will also be automatically categorized as high and be immediately and will contact local authorities to address the issue properly. The Project will cooperate fully with local authorities and legal systems.

For claims regarding personal security (whether or not they involve security personnel), where the complaint is verified as true, the response or disciplinary action will be in proportion to the seriousness of the offense and in line with disciplinary procedures. As appropriate, serious offenses may result in immediate dismissal.

The Project will aim to protect the complainant’s confidentiality when requested and will guarantee anonymity in annual reporting. Individuals will be asked permission to disclose their identity. Investigations will be undertaken in a manner that is respectful of the aggrieved party and the principle of confidentiality. The aggrieved party will need to recognise that there may be situations when disclosure of identity is required and the Project will identify these situations to see whether the aggrieved party wishes to continue with the investigation and resolution activities. Anonymous comments or grievances will be categorised and investigated. However, evidence will be required for any disciplinary procedures.

Grievances will be summarised in bi-annual reports during construction and annual reports during operation, removing identification information to protect the confidentiality of the complainant and guaranteeing anonymity.

## 10.2. Labour Grievance Mechanism

The Project will establish a labour grievance mechanism for work related issues and employee stakeholders. The labour grievance mechanism will include:

- Formalising a grievance mechanism whereby staff can register complaints to someone other than their direct line manager without fear of reprisals;
- Informing workers at the time of hire and periodically during the construction phase about the labour grievance mechanism;



- Using an appropriate level of management (for instance beginning with the human resource manager and providing recourse at a higher level);
- Addressing concerns promptly and providing feedback on grievances.

The basic principles guiding this worker grievance mechanism are:

- **Legitimacy:** it aims to be clear, transparent and independent so that no party to a particular grievance can interfere with the fair conduct of the process.
- **Accessibility:** it will be publicised to employees and there will be assistance from the human resource department for those who face barriers to access from language, literacy, awareness, or fear of reprisal.
- **Predictability:** it aims to provide a clear procedure with timeframes for each stage, clarity on the types of outcomes and resolutions that can be monitored.
- **Equity:** aggrieved parties will have reasonable access to information, advice and expertise necessary to engage in the process on equitable terms.
- **Rights-compatible:** its procedures and potential outcomes aim to accord with internationally recognised human rights standards and with the laws of South Africa.

The first step in the labour grievance mechanism will be to encourage the worker to try and resolve the issue informally with the appropriate line manager or involvement of the human resource manager. The next step will be a formal procedure whereby the employee completes a labour grievance form developed by the Human Resource Manager. Human resource staff will be required to help illiterate workers complete the form.

The third step will be an investigation by the Human Resource Manager where the various parties are interviewed. The HR will have up to seven working days to gather the information and an additional five working days to organise a resolution meeting. The meeting will allow the various parties to present their side, refute or clarify evidence, and the Human Resource Manager to announce the suggested resolution. The meeting will be held in a location comfortable to all participants speaking openly and at a time accessible to the complainant.

The worker will have five working days to inform in writing whether they wish to appeal the decision and ask for an audience with a Company Director. For all meetings, the complainant will have the right to be accompanied by a colleague, worker representative, lawyer or family member. This labour grievance mechanism does not impede access to resolution through other channels including contacting the Ministry of Labour.

In instances where contractors do not have labour grievance mechanisms, Project workers will use Project Company labour grievance mechanism. The labour grievance mechanism procedures will be discussed in toolbox talks every six months.

## 11. Reporting

Project Company will provide periodic reports to the identified stakeholders that describe progress with implementation of the Action Plan on issues that involve ongoing risk to or impacts on affected communities and stakeholders, and on issues that the consultation process or grievance mechanism

has identified as of concern to those communities. The frequency of these reports will be proportionate to the concerns of affected communities but not less than annually.

Ensuring effective communication is important to the Project and the periodic reports will be the main tool.

Reports are the main means to communicate the risks and problems connected with the project, to identify progress, how the company is meeting its goals and achievements, and to mention any challenges and how they are being addressed, as well as to call the attention on those issues that demand the participation of the customer or of the organization itself (both the project team and the Management of the company).

From this perspective, Project Company will prepare periodical reports as a need rather than as a duty or obligation, and the best return possible of its use must be obtained, with the aim of inform the parties involved in the project.

The way in which Project Company defines how to prepare its reports may positively or negatively affect the project results. Due to this, it is very important to ensure the reporting quality because it represents a guarantee to secure the best results of the project.

Project Company will choose an appropriate report format to achieve objectives of disclosing relevant information to stakeholders in a visually attractive reports. Paper saving techniques will be considered. Annual reports will try to use a similar table of contents to allow comparison.

Different departments will contribute to the annual reports, such that relevant technical, financial, environmental and social Project information is presented. Anticipated responsibility for report sections are presented in the following table.

Task/Area	Person in charge
Report Compilation and Edition	Internal Coordinator
Executive Summary	Project Manager/ Internal Coordinator
Engineering Report	Project Engineering Manager/Supervisor
Works Report	Site Manager
Purchase Report	Purchase Manager
Commissioning & Start-up Report	Commissioning & Start-up Manager
Planning	Works Planning Technician
Quality and Environment	HSEQ Manager
Labor Risk Prevention	HRManager

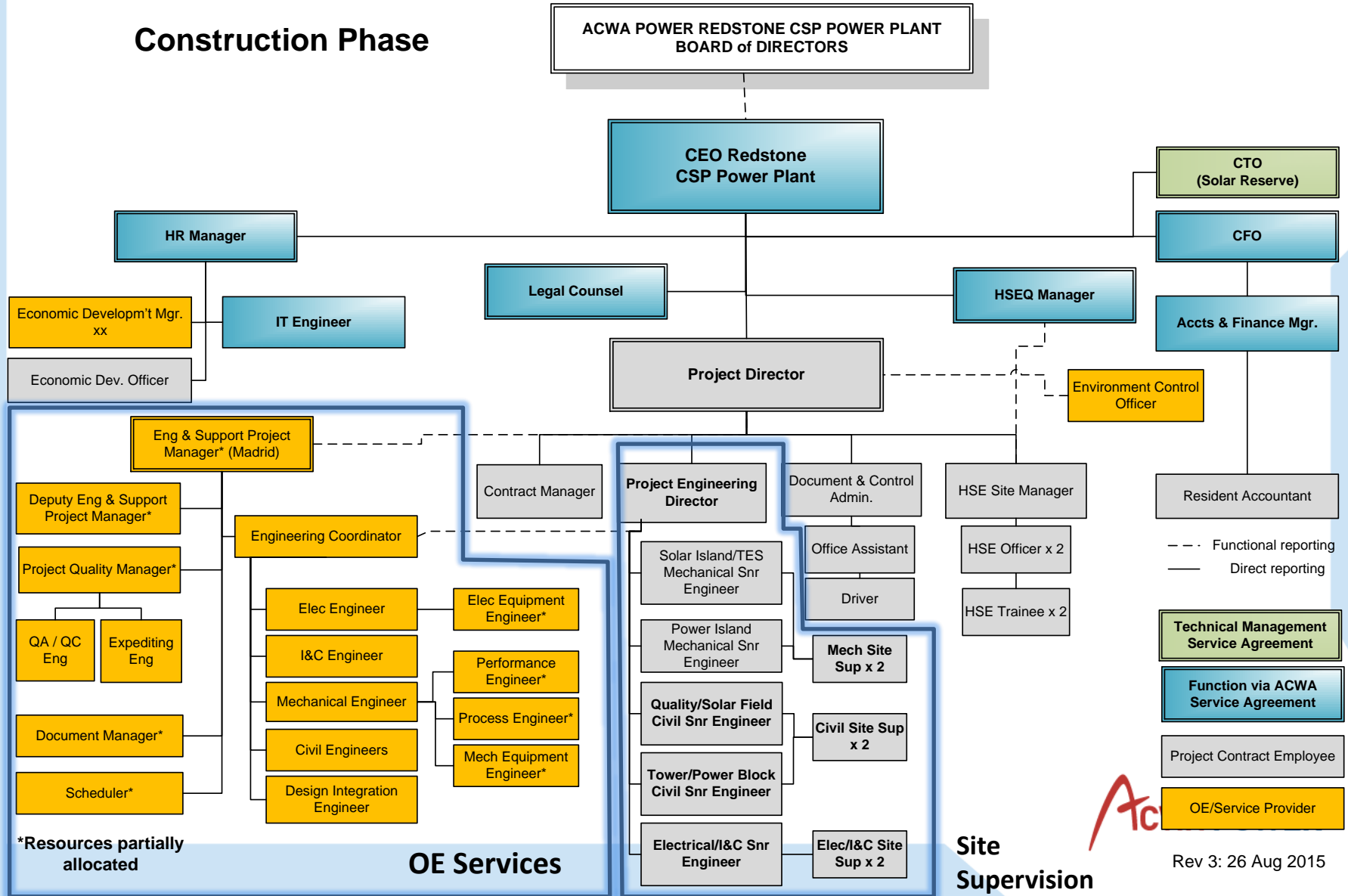
Economic Status	Project Manager/ Finance Controller
Contractual Status and Risks	Risks Manager / Contract Manager
Licenses and Legalizations	Permits Manager
Human Resources.	Project Manager/ HR manager
Customer / Public Relations / Stakeholders / Communities	Project Manager/ Internal Coordinator

ANNEXURE 1

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# 7. Resulting Redstone Construction Organogram

## Construction Phase



\*Resources partially allocated

OE Services

Site Supervision

- Functional reporting
- Direct reporting
- Technical Management Service Agreement
- Function via ACWA Service Agreement
- Project Contract Employee
- OE/Service Provider