

Georgian Renewable Power Operations – GRPO
Environmental and Social Management Plans (ESMP) Package

Grievance Redress Mechanism (GRM)



GEORGIAN
RENEWABLE
POWER OPERATIONS

March, 2023

Contents of Plan

- 1. Introduction..... 2
- 2. Grievance Process 2
 - 2.1 Grievance Submission 4
 - 2.2 Grievance Resolution..... 5
- 3. Confidentiality and Anonymity..... 6
- 4. Employee Grievances Procedure 6
 - 4.1 Employee Grievances Principles 7
- 5. TABLE OF REVISIONS..... 9

1. Introduction

Grievance Redress Mechanism (GRM) is a set of arrangements that enable local communities, employees and other affected stakeholders to raise grievances with the Company and seek redress when they perceive a negative impact arising from the Company's activities. It is a keyway to mitigate, manage, and resolve potential or realized negative impacts, as well as fulfill obligations under international human rights law and contribute to positive relations with communities and employees. Along with the broader process of stakeholder engagement, the management of the Company will stay informed and involved so that decisive action can be taken when needed to avoid escalation of disputes.

The fundamental principles behind the grievance mechanism are:

- The grievance mechanism process in place covers all project activities. It will be transparent and aligned with traditional grievance mechanisms in the community.
- Complaints channels and grievance procedure shall be in place throughout entire operation phase till the end of project life.
- Each person/community affected by the project / facility and other stakeholder groups will have free access to the complaints process.
- All complaints and claims will be recorded in the social information management system, whether based on facts or felt.
- All claims will result in interviews with the complainant and a site visit to gain a first-hand understanding of the nature of the concern.
- Special provisions will be made for women, vulnerable and marginalized groups, to allow them to voice their concerns and register their complaints.
- The response to the complaint will be dealt with as soon as possible.

The process for handling complaints to receive, assess and process complaints is described in this procedure. The specific responsibilities of key stakeholders are presented in this document.

The GRM shall be disclosed to the internal and external stakeholders through written and verbal communication. The disclosure shall be undertaken in keeping with the provisions of information disclosure as provided in procedure.

2. Grievance Process

The Grievance redress mechanism of the Company is available on the corporative level, which covers all projects. The grievance collection system covers the employee grievances as well as grievances of affected community and all interested parties.

The grievance collection system covers the possibility for grievance collection through mails/e-mails, through grievance boxes at head office and at each facility operated by the Company, through CLO's and all personnel working on sites and submission of official letters using mail services. The grievance system provides possibility to submit anonymous grievances as well as

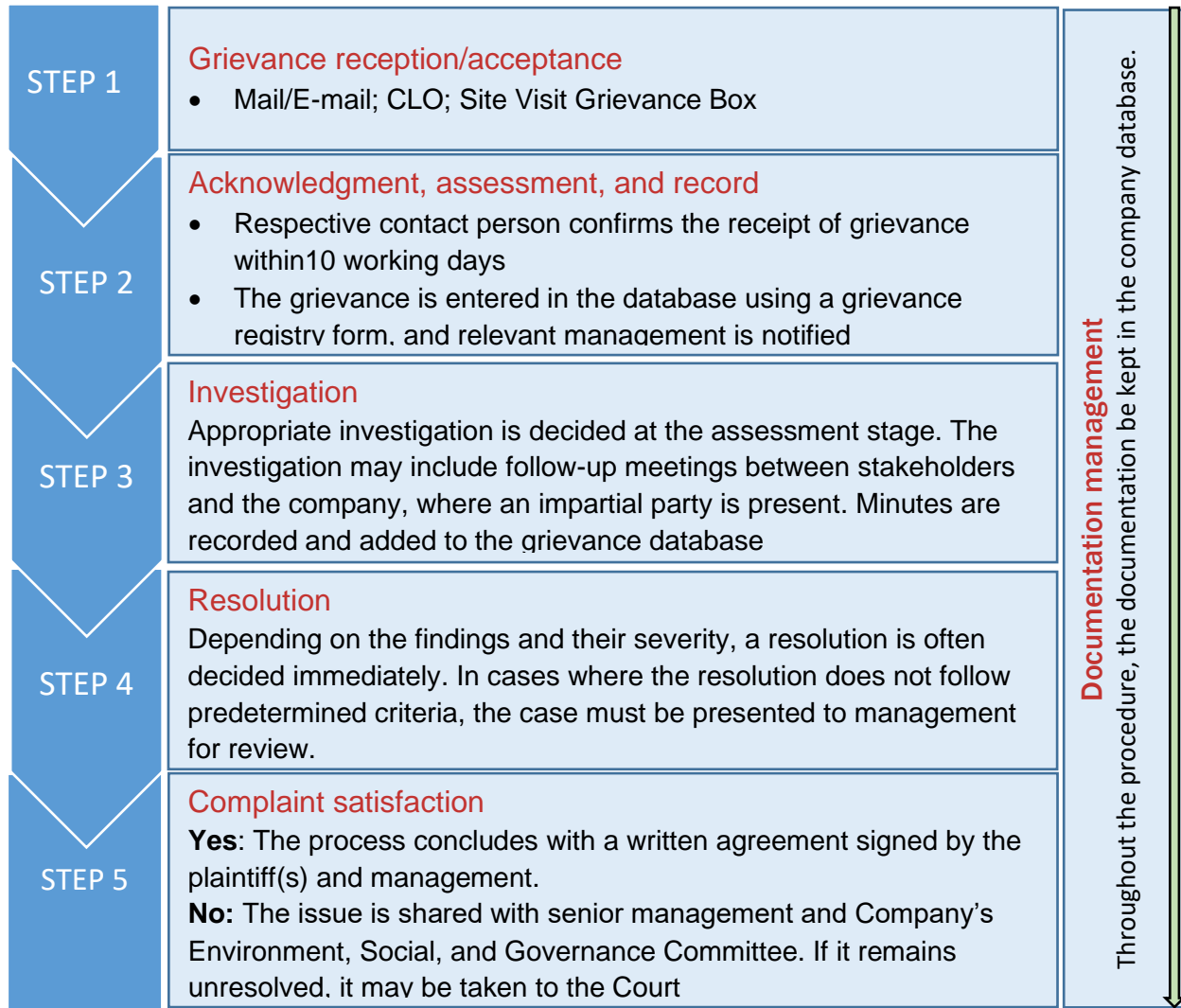
collective claims. Anyone will be able to submit a grievance to/with the Company if they believe a practice is having a detrimental impact on the community, the environment, or on their quality of life.

Grievances could include:

- Negative environmental, health and safety impacts on a person or a community (e.g. financial loss, physical harm, nuisance);
- Dangers to health and safety or the environment;
- Failure to comply with standards or legal obligations;
- Environmental and social performance of a facility;
- Harassment of any nature;
- Criminal activity;
- Improper conduct or unethical behavior.
- Behavior of employees or contractors;
- Cultural problems;
- Lack of information and communication on the project;
- Non-fulfilment of the commitments made.

The Company will look into all grievances made by any person or organization. It may be found that a grievance is not connected to the regular company activity or specific activity, or that the project is being carried out in full compliance with applicable national and international standards. In these cases, the Company will explain this in writing to the person who filed the grievance. In all other cases, the Company will investigate whether there has been a failure to work to the intended standard, to identify ways to redress the grievance, and to identify measures to prevent the recurrence. The grievance redress mechanism of the Company is outlined on the Figure below.

Grievance process of the Company



2.1 Grievance Submission

Grievances should go directly to the GRPO as owner, however, some grievances can be directed to the respective Municipality where the specific project is being implemented. The grievance(s) will be reviewed by senior management and decisions made thereafter to redress the issue. If the grievance is related to environmental issues and is submitted to Ministry of Environmental Protection and Agriculture, the Company will confer with the Ministry to resolve the issue.

Upon receipt, the grievance will be reviewed and it will be decided whether it will be taken into further consideration. The grievance mechanism will be made public throughout the public consultation process and will be maintained during operation and maintenance.

2.2 Grievance Resolution

In case the grievance is not connected to the project activity or in case the Company finds that all work is consistent with applicable Georgian and international standards, the grievance will not be further processed. When this occurs, this will be explained in writing to the person who submitted the grievance.

In all other cases, the Company, in consultation with other authorities as needed, will investigate whether there has been a failure in complying with standards and if so, to identify measures to prevent the incident from occurring again. In general, grievances will be resolved as described below:

Step 1: Complaint Once the Company receives a letter or is otherwise notified of a potential problem, they will assign someone to be responsible for resolving the grievance, including notifying other responsible authorities of the issue.

Step 2: The contact person will acknowledge receipt of a grievance by letter within 10 working days of having received the grievance. The acknowledgement will specify a contact person, their reference indicator, and an anticipated target date for resolution.

Step 3: The Company's contact person or CLO will work to understand the cause of every grievance. The investigation may include follow-up meetings between claimant and the Company, where an impartial party is present. Minutes are recorded and added to the grievance database.

Step 4: Once the Company's specialists have investigated a grievance and determined the proper course of action, CLO will write to the claimant and disclose the results of the investigation and of the proposed course of action, if any. If the person who submitted the grievance considers the issue to be satisfactorily resolved, they will be asked to sign a Statement of Satisfaction. If the grievance remains unresolved it will be reassessed and there will be further dialogue with the claimant to determine if there are any further steps which may be taken.

Step 5: The Company may contact the claimant at a later stage to ensure that the activities continue to pose no further problems. If there is a remaining problem, the issue will be treated as a new grievance and re-enter the process. Regardless of the Company's efforts to solve grievance if a claimant is unsatisfied with grievance resolution options provided by the Company, the claimant has a right to bring the case to court.

Throughout the procedure, the documentation on received grievances will be kept in database and appropriate statistical information about all grievances received in the Company will be available. The GRM system should include a complaint form, minutes of any meetings held by the GRM committee or other body and signed agreement to any resolution to a grievance. Good-quality documentation minimizes the risks of grievances being raised again and of subsequent complaints about the resolution. No reported grievances do not mean that no grievances exist.

A logbook of grievances will be kept in order to monitor their progress towards resolution. The log illustrates the type of information that is important to record about each grievance. The logbook that the Company will use for registration of grievances is presented in the Appendix of the ESMS procedures.

Information about the existence and functioning of the GRM in the Company will be available to all stakeholders.

Complaint Boxes are installed at an easily accessible places, in front of all powerhouses operated by the Company.

3. Confidentiality and Anonymity

A person submitting a grievance may wish to raise a concern in confidence. If the claimant asks the Company to protect his or her identity, it will not be disclosed without consent. Details of submissions and allegations will remain secure within the team responsible for investigating the concerns. However, the situation may arise where it will not be possible to resolve the matter without revealing claimant's identity (for instance where it is required to give evidence in court). The investigative team will discuss with the claimant how best to proceed.

In case the claimant does not disclose his identity to the Company, it may make it more difficult to look into the matter, to protect claimant's position, or to give feedback. Accordingly, while the Company will consider anonymous reports, such grievances are not encouraged. In order for any anonymous report to be taken seriously, the anonymous grievance will need to include sufficient facts and data to enable the investigative team to look into the matter without any further assistance.

4. Employee Grievances Procedure

GRMs are also an important tool for addressing employee grievances, especially for first-time workers operating in an unknown business culture. Such grievances are complaints and problems that employees raise with their employers. These may relate to any complaint, problem or concern of an employee regarding their workplace, job or coworker relationships. Employees can file grievances for any of the following reasons:

- Workplace harassment;
- Health and safety;
- Supervisor behavior;
- Adverse changes in employment conditions.

This list is not exhaustive. However, employees should try to resolve less important issues informally before they resort to a formal grievance.

Employees are encouraged to talk to each other to resolve their problems. When this isn't possible, employees can file a grievance:

1. Communicate informally with their direct supervisor. The supervisor will try to resolve the problem. When employees want to complain about their supervisor, they should first try to discuss the matter and resolve it between them. In that case, they're advised to request an informal meeting. Supervisors should try to resolve any grievance as quickly as possible. When they're unable to do so, they should refer to the HR department and cooperate with all other procedures;
2. If the grievance relates to a supervisor behavior that can bring disciplinary action, employees should refer directly to the HR department or the next level supervisor;
3. Accommodate the procedure outlined below:

The HR department should follow the following procedure:

- Ask employee to fill out a grievance form;
- Talk with the employee to ensure the matter is understood completely;
- Provide the employee who faces allegations with a copy of the grievance;
- Organize mediation procedures (e.g. arranging a formal meeting);
- Investigate the matter or ask the help of an investigator when needed;
- Keep employees informed throughout the process;
- Communicate the formal decision to all employees involved;
- Take actions to ensure the formal decision is adhered to;
- Deal with appeals by gathering more information and investigating further;
- Keep accurate records.

This procedure may vary according to the nature of a grievance.

4.1 Employee Grievances Principles

There is no prescribed form for grievance mechanisms but there are various principles that should underpin them. The following principles will be respected by the Company:

Worker and manager awareness. All workers will be informed about the grievance mechanism at the time they are hired, and details about how it operates should be easily available. Employees will know to whom they can turn in the event of a grievance and the support that is available to them. Managers who will be dealing with grievances, and workplace representatives who may become involved, will all be familiar with the procedures.

Simplicity and necessity. Procedures will be kept as simple as possible, avoiding unnecessary administrative stages.

Confidential and impartial process. The process will ensure that a complaint is dealt with confidentially. While procedures may specify that complaints will first be made to the employees' line manager, there is also the option of raising a grievance first with an alternative manager, for

example, a human resource (personnel) manager. The findings of the process will be explained clearly to all parties.

Non retribution. Any employee raising a complaint will not be subject to any reprisal.

Right of appeal. An employee has the right to appeal to a higher level of management if he or she is not happy with the initial finding.

Right to be accompanied. In any meetings or hearings, the employee has the right to be accompanied by a colleague, friend or union representative.

Keeping records. Once a grievance has been raised formally, proper written records have to be kept, to aid transparency and allow for any review of the process or decision to be undertaken. If possible, the original complaint should be in writing. The employer's response will also be recorded. Any actions taken along with reasons will also be recorded, for example, a grievance hearing and finding.