

SK Securities Project-level Grievance Redress Mechanism

Chapter 1 – General

1. The Grievance Redress Mechanism (GRM) is at SKS, entity and project levels. The entities need to inform the communities affected, or likely to be affected, by the SKS-financed activities about the grievance and redress mechanisms at all three levels, at the earliest opportunity of the stakeholder engagement process and in an understandable format and in all relevant languages. The details for sending complaints containing the contact information and the appropriate modes by which these will be received will be provided by the executing entities to the communities and disseminated with other involved stakeholders. The GRM would be set up at the activity level to receive and facilitate the resolution of concerns and grievances about the environmental and social performance of SKS-financed activities. These mechanisms will seek to resolve complaints in a manner that is satisfactory to the complainants and other relevant parties, that will be identified, depending on the nature of the complaint. The GRM will establish appropriate and effective mechanisms to receive complaints and facilitate the resolution of such in connection with the SKS-financed activities.

2. The GRM is required at entity and its executing agencies to fulfil the activity-level grievance mechanism requirements. The entity is responsible for its own GRM and will conduct the necessary due diligence and oversight to confirm that these requirements are fulfilled by its executing agencies. The entities' and/or executing entities' mechanism should be scaled to the risks and impacts of the activities. The mechanism will facilitate the resolution of grievances promptly through an accessible, fair, transparent and constructive process. The process needs to be culturally appropriate and readily accessible, at no cost to the public, and without retribution/retaliation to the individuals, groups, or communities that raised the issue or concern. Further, this GRM will not impede the access to the independent Redress Mechanism of SKS or to judicial or administrative remedies that may be available through the country systems acknowledging that these localized systems may provide more robust information and reflect better the context of the issues on the ground. The mechanism will take into account the “effectiveness criteria” for non-judicial grievance mechanisms outlined in the United Nations Ruggie principles.

Chapter 2 – Definition and Mandate

1. GRM is defined as organized systems and resources established by SKS to receive and address concerns about the impact of SKS's projects on external stakeholders.
2. Through GRM, SKS shall address any concerns, complaints, notices of emerging grievances alleging

actual or potential harm to affected persons arising from SKS' project.

3. SKS shall conduct itself at all times in a flexible, collaborative, and transparent manner aimed at problem solving and consensus building.

Chapter 3 – Objective

The main objective of GRM is to assure GRM independent Redressal mechanism and to;

- ① increase the effectiveness of operations;
- ② be responsive to the concerns of people adversely affected by;
- ③ be fair and equitable to all stakeholders;
- ④ be independent and transparent;
- ⑤ be cost-effective and expeditious in the delivery of just redress;
- ⑥ be complementary to other supervision, audit, quality control and evaluation systems of the GCF; and
- ⑦ follow international best practices

Chapter 4 – Scope

1. GRM applies at both the institutional-level and project-level and is part of the SKS, Environmental and Social Standards and Gender Standards with the objective of guiding the stakeholder consultation and grievance redressal processes across the life of the project/program and during the implementation of the Environmental and Social Standards and Gender Standards, across all

funded projects. Especially, for the project level, GRM should make allowances for local language and provide mechanisms for protection against retaliation. SKS will maintain a register to record and archive all complaints and related details on communications with complainant.

2. It is the responsibility of the SKS to require and ensure that their grievance mechanisms and the activities' grievance mechanisms are functioning effectively, efficiently, legitimately, and independently in a manner that is accessible, equitable, predictable, transparent, and that allows for continuous learning

3. SKS' GRM follows standards of GCF criteria that mirror the Ruggie principles set out in the UN guiding principles, Guiding Principles on Business and Human Rights, and are captured in the GCF's environmental and social management policy. Three guiding principles in specific address the GRM. The principles are.

- (a) To make it possible for grievances to be addressed early and remediated directly, entities should establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted.
- (b) Industry, multi-stakeholder and other collaborative initiatives that are based on respect for

human rights-related standards should ensure that effective grievance mechanisms are available.

(c) Effectiveness Criteria for Non-Judicial Grievance Mechanisms.

- ① To ensure their effectiveness, non-judicial grievance mechanisms, should be:
- ② legitimate: enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes;
- ③ Accessible: being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access;
- ④ Predictable: providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation;
- ⑤ Equitable: seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms;
- ⑥ Transparent: keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake;
- ⑦ Rights-compatible: ensuring that outcomes and remedies accord with internationally recognized human rights;
- ⑧ A source of continuous learning/review: drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms;
- ⑨ Operational-level mechanisms should also be: Based on engagement and dialogue: consulting the stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances

Chapter 5 – Department in Charge

1. Department in charge of Global Business Division (hereafter, the HQ) is responsible for addressing any concerns, complaints, notices of emerging grievances alleging actual or potential harm to affected persons arising from SKS's project.
2. The HQ shall take direct action to resolve the grievance/dispute (bring the relevant parties together to discuss and resolve the issue themselves with oversight by SKS).
3. The HQ shall request further information to clarify the issue and share that information with all relevant parties to deal with a complaint.
4. The HQ (in charge of GRM) must have work independence and autonomous activities so that the relevant work can be executed fairly.

5. Complaints will be dealt with by designating an appropriate representative who was not previously involved in the dispute resolution. If it deems it appropriate, SKS may request an independent person to confirm the opinion.

Chapter 6 – Registration

1. A grievance can be sent by any individual or group of individuals that believes it has been or will be harmed by SKS's project.

(a) If a grievance is to be lodged by a different individual or organization on behalf of those said to be affected, the claimant must identify the individual and/or people on behalf of who the grievance is submitted and provide written confirmation by the individual and/or people represented that they are giving the claimant the authority to present the grievance on their behalf.

(b) The HQ should notify the information such as e-mail, phone, etc. to receive Grievance for each project before starting project

(c) The HQ will take reasonable steps to verify this authority when the grievance is registered

2. A grievance should include the following information:

(a) the name of the individual or individuals making the complaint;

(b) a means for contacting the claimant (e-mail, mobile phone, address, etc.);

(c) (if the submission is on behalf of those alleging a potential or actual harm) the identity of those on whose behalf the grievance is made, and written confirmation by those represented of the claimant's authority to lodge the grievance on their behalf;

(d) the description of the potential or actual harm;

(e) claimant's statement of the risk of harm or actual harm (description of the risk/harm and those affected, names of the individual(s);

(f) what has been done by SKS thus far to resolve the matter;

(g) whether the claimant wishes that their identity is kept confidential.

3. Complaints are not required to provide all the information listed in Article 2. The complaint need only provide enough information to determine eligibility.

(a) If insufficient information is provided, the HQ has an obligation to make a substantial, good faith effort to contact the complainant to request whatever additional information is needed to determine eligibility, and if eligible, to develop a proposed response.

Chapter 7 – Acknowledgement and Investigation

1. All grievances and reports of conflict will be received, acknowledged to claimant, recorded electronically, and subject to periodic updates to the claimant as well as the office file.

- (a) Within one week from the receipt of a grievance, the HQ will send a written acknowledgement to claimant of the grievance received
 - (b) Each grievance file will contain, at a minimum:
 - ① the date of the request as received;
 - ② the date the written acknowledgment was sent (and oral acknowledgment if also done);
 - ③ the dates and nature of all other communications or meeting with the claimant and other relevant stakeholders;
 - ④ any requests, offers of, or engagements of a mediator or facilitator;
 - ⑤ the date and records related to the proposed solution/way forward;
 - ⑥ the acceptance or objections of the claimant (or other stakeholders);
 - ⑦ the proposed next steps if objections arose;
 - ⑧ the alternative solutions if renewed dialogues were pursued;
 - ⑨ notes regarding implementation;
 - ⑩ any conclusions and recommendations arising from monitoring and follow up.
2. Files for each grievance will be available for review by the claimant and other stakeholders involved in the grievance, or their designated representatives(s). Appropriate steps will be taken to maintain the confidentiality of the claimant if previously requested.
3. Within one week of receiving a grievance, the HQ shall go through the following investigation procedures:
- (a) Notify relevant stakeholders of the receipt of the grievance, including SKS;
 - (b) Promptly engage the claimant and any other relevant stakeholders deemed appropriate, to gather all necessary information regarding the grievance;
 - (c) Convene one or more meetings with relevant individuals and institutions that are relevant to the grievance;
 - (d) At any point during the investigation, the HQ may determine that an onsite field investigation is necessary to properly understand the Grievance and develop an effective proposed solution and way forward.
4. The objective of all investigative activities is to develop a thorough understanding of the issues and concerns raised in the grievance and facilitate consensus around a proposed solutions and way forward.
5. The HQ shall procure the cooperation of their respective staff with the investigation.
6. The HQ shall provide periodic updates to the Claimant regarding the status and current actions to resolve the grievance. Not including the acknowledgment of receipt of the grievance, such updates will occur within reasonable intervals (not greater than every 30 days).
7. At any point after receiving a grievance and through to implementation of the proposed solution

and way forward, the HQ may seek the technical assistance and/or an advisory opinion from any entity or individual which may reasonably be believed to be of assistance.

Chapter 8 – Implementation of Solutions

1. The HQ shall communicate to the claimant one or more proposed actions or resolutions and clearly articulate the reasons and basis for proposed way forward.

(a) If the claimant does not accept the resolution, the HQ shall engage with the claimant to provide alternative options.

2. If the claimant accepts the proposed solution and way forward, the HQ shall continue to monitor the implementation directly and through the receipt of communications from the claimant and other relevant parties.

(b) As necessary, the HQ may solicit information from the relevant parties and initiate renewed dialogue where appropriate.

3. In all communications with the claimant and other stakeholders, the HQ shall be guided by its problem-solving role, non-coercive principles and process, and the voluntary, good faith nature of the interaction with the claimant and other stakeholders.

Chapter 9 – Monitoring

1. Bi-annually, the HQ shall make available to the public, a report describing the work of the HQ, listing the grievances received and processed in the past six months.

(a) The report shall contain a date and description of the Grievances received, resolutions, referrals and ongoing efforts at resolution, and status of implementation of ongoing resolutions.

(b) The level of detail provided with regard to any individual grievance will depend on the sensitivity of the issues and stakeholder concerns about confidentiality.

(c) The report shall highlight key recommendations regarding:

- ① measures that can be taken by the local government of the claimant to avoid future harms and grievances; and
- ② improvements to the HQ that would enhance its effectiveness, accessibility, predictability, transparency, legitimacy, credibility, and capacity.

Chapter 10 – Use of Mediation

1. If necessary, SKS may use independent mediation, mediators on the roster/panel.

2. For the option of independent mediation, mediators on the roster/panel should have at least the following qualifications:

- (a) professional experience and expertise in impartial mediation;
 - (b) knowledge of project type, project activities, and the region, including an understanding of indigenous and tribal culture and practices;
 - (c) local language proficiency;
 - (d) availability in principle for assignments of up to 20 days; and
 - (e) willingness to declare all relationships and interests that may affect their ability to act as impartial mediators in particular cases.
3. If mediation succeeded in resolving the dispute or grievance, the outcome will be documented and reviewed by the HQ.
- (a) In case of an unsuccessful mediation, stakeholders will have the option to return to the HQ for assistance.

ADDENDA

1. This GRM shall enter into force on October 21, 2024.

Appendix: SK Securities' GRM Procedure

1. Receiving a grievance			
	Method of receiving a grievance	Timeline for registration of the grievance	Timeline for sending a notice of grievance registration to the applicant
	Personal reception	During personal reception	Within one day of receiving the grievance receipt, if the complaint relates to security issues;
	By phone	During phone call	
	By e-mail	On the date of receiving the letter	
	Forwarding complaints from General Contractor and subcontractors	On the date of receiving the grievance by General Contractor of subcontractor	Within 5 working days of receiving the grievance
2. Definition of the responsible person for grievance handling			
	<ul style="list-style-type: none">- The complaint is investigated within the SK securities,- The complaint is addressed to the General Contractor		
	Type of grievance	Timeline for definition of the responsible party	
	Safety issue related to the behavior of workers and activities on construction sites, operation of the reconstructed road, etc.	On the date of receiving the grievance	
	Other issues	Within 5 working days of receiving the grievance	
2.1. Investigation of the grievance within SK securities			
	<ul style="list-style-type: none">- Investigation of the facts and causes of the issue,- Development of measures to address the issue / mitigate the impact,- Consultation with the applicant on the measures developed,- implementation of corrective measures,		
	Type of grievance	Timeline for definition of the responsible person by SK securities	Timeline for investigation by SK securities
	Safety issue	On the date of receiving the grievance	Within 1 to 2 days of receiving the grievance
	Other issues	Within 3 working days of receiving the grievance	Within 30 calendar days of receiving the grievance
2.2 Investigation of the grievance within General Contractor			
	<ul style="list-style-type: none">- Notification of the applicant about the following of the grievance redress to the General Contractor- Control over the appointment of the responsible person.- Control over the investigation of the facts and causes of the issue,- Control over the development of measures to address the issue / mitigate the impact,- Control over the consultation with the applicant on the measures developed,- Control over the implementation of corrective measure		
	Type of grievance	Timeline for definition of the responsible person by General Contractor	Timeline for investigation by SK securities
	Other issues	Within 3 working days of	Within 30 calendar days of receiving the

		receiving the grievance	grievance
3. Settlement of the grievance			
	Result of investigation	Further actions	
	The grievance is settled	The applicant is invited to sign a statement of satisfaction with the decision	
	The grievance is not settled (additional time of required to investigate the issue)	Letter to extend the period of consideration of the complaint is sent to the applicant. The additional period of grievance investigation may not exceed 15 calendar days	
	The grievance is not settled	The grievance is re-investigated. The applicant is consulted on possible solutions. If the grievance cannot be resolved, the applicant may be proposed to appeal to the court	