

## GRIEVANCE MECHANISM

The grievance mechanism (GM) is a formal procedure through which communities and individuals affected by Lydian Armenia's activities can formally communicate their specific concerns and grievances to the company and facilitate resolutions that are mutually acceptable by the parties and within a reasonable timeframe. The grievance procedure may be used by anyone without any concern or fear of retribution. It is the Company's commitment to log all grievances and address them as part of its Corporate Social responsibility (CSR).

All stakeholders are encouraged to submit written grievances to the CLO, Local Community Assistants (LCA) or leave their grievances in Grievance Boxes in the four communities, located in public areas close to local government offices, Information centers in Gndevaz and Jermuk, or other public sites accessible and visible to population. Printed hard copies of the Grievance Mechanism are available in the AICs. Where contractors do not have their own grievance mechanism, the Lydian grievance mechanism will be used by those Contractors.

The Grievance mechanism is posted on the Lydian website in Armenian and English, allowing anyone to convey their grievance on-line; and was communicated with communities through the Lydian Community Newsletter published in March-April 2013 and through discussions in the CLCs. All local Assistants were trained to properly collect grievances from community members, help people log their grievance, explain about the GM, and refer to the respective person in the company as needed. The mechanism provides details on timing for grievances starting from filing the grievance, to then taking actions by the Company within certain time period.

The CLO handles the grievances with the help of the local Assistants; and Social Manager who then logs all grievances (and other requests collected from the Grievance boxes from 4 communities) in the social management system which forms part of the ESMS. CLO, Social Development manager or respective head of a department (responsible for the given area, for example, health and safety), follow on the grievances with or without the contractors (as applicable) and take respective actions.

Anonymous grievances are treated equally, without repercussions. The Company takes action and tracks verbal grievances as well, when people prefer this mode of communication.

Stakeholders outside the area of influence can obtain knowledge of and access to the grievance mechanism from Lydian website; Gndevaz and Jermuk AICs, as well request information from CLO or other Lydian staff.

All formal grievances will receive a formal written reply within ten (10) working days. In all cases the Company will state the date of the resolution. The final response will provide additional information or, if appropriate, further instructions on proposed measures to resolve the issues. The company will make concerted efforts to resolve grievances amicably; yet, if a grievance cannot be resolved, Lydian will seek to involve other external experts, neutral parties or local and regional authorities, as necessary.

Written grievances may be submitted with the form on the following page or by including the following

information in a letter or e-mail:

- ✓ Name;
- ✓ Organisation and position, if relevant;
- ✓ Address;
- ✓ Telephone/Fax and e-mail;
- ✓ Most effective means to send a response; and
- ✓ Details of the grievance (any important details; date of the incident, location, etc.)

**Geoteam – Grievance Submission Form**

Name			
Organisation/Position			
Address:	Telephone/Fax:		
	E-mail:		
Most effective means to send a response:			
Details of the grievance (any important details; date of incident, location, etc.):			

Note: *This user-friendly format is meant to help the community members to submit their grievances. They can however, use any other format (narrative, with no special format) that they deem appropriate or fit for use. The important message is for the stakeholders to know about the availability of GM, how it functions and Company’s commitment to address their concerns.*

The Grievance management system is guided by the following principles:

- ✓ Accessible and easy to use;
- ✓ Transparent and accountable;
- ✓ Warrant appropriate protection to complainants through a commitment to keeping grievances confidential.

Lydian will apply the following principles in respect of grievance management and redress in the context of the Amulsar project:

- ✓ Any grievance will be registered, acknowledged receipt of within 7 calendar days of its receipt, responded to within 30 calendar days of its receipt, and tracked until it is closed;
- ✓ The grievance management arrangement will include two tiers of extra-judicial, amicable review and settlement, with the first one internal to the implementing agency, and the second one either fully external or as a minimum with involvement of external parties; the third tier of the mechanism is the judicial system;
- ✓ The overall objective is to avoid resorting to the formal judicial system for as many grievances as possible.

### ***Anticipated Categories of Grievances on land acquisition***

During the land acquisition phase, in practice, grievances and disputes that may be anticipated for the Amulsar land acquisition programme are the following:

- ✓ Misidentification of properties (allocation of a property to the wrong owner due to wrong cadastral information and/or deliberately misleading statements);
- ✓ Disputes over plot limits, between affected person and Project or between two neighbours;
- ✓ Disputes over the ownership of a given property (two or more individuals claiming the same property);
- ✓ Disagreement over the valuation (either unit rate applied or count) of a plot, crop or structure;
- ✓ Post cut-off establishment of a plantation, structure or other asset;;
- ✓ Absentee landowners;
- ✓ Confusion between legal occupants and informal occupants;
- ✓ Forged documents (identification, ownership or others);
- ✓ Deceased estates and unresolved successions, divorces, and other family issues, ;
- ✓ Damages occurring during construction;
- ✓ Unsatisfactory reinstatement of temporarily used land.

### ***Other categories of grievances related to employment with the company***

During the construction and operational phases employment becomes sensitive area that can raise speculations and discontent among local population and wider communities. Anticipated areas of concerns are illustrated below:

- ✓ Processes for hiring locally: information dissemination, awareness, etc.
- ✓ Fair distribution of jobs among and within communities
- ✓ Geography and coverage of hiring
- ✓ Expectations for jobs
- ✓ Fair treatment for community members, equal opportunities
- ✓ Gender considerations: opportunities for women
- ✓ Job restrictions based on nature of jobs (physical, etc.)
- ✓ Employees rights, human rights violations at work place
- ✓ Entitlement for job-related benefits, limitations
- ✓ Fair treatment and ethics at work place
- ✓ Safety at work place
- ✓ Other

Employee grievances (including anonymous), will be handled according to Company grievance policy which is widely available to staff members (both in Yerevan and in the site). Employees may also seek advice from the HR Manager on the grievance policy and procedures.

## **Safety considerations**

Lydian Armenia is in process to adhere and adopt Voluntary Principles: it recognizes the importance of the promotion and protection of human rights and the constructive role business, civil society, and local communities can play in advancing these goals.

The Company will adhere to the following set of voluntary principles as guidance in maintaining the safety and security of operations, with the assurance of respect for human rights and fundamental freedoms.

- Acknowledging that security is a fundamental need, shared by individuals, communities, businesses, and governments, we recognize that security and respect for human rights can and should be consistent;
- Recognizing that we share the common goal of promoting respect for human rights, particularly those set forth in the Universal Declaration of Human Rights, and international humanitarian law;
- Safeguarding the integrity of company personnel and property & recognizing a commitment to act in consistence with the national laws, comply with international standards, and to observe international principles (e.g., the UN Code of Conduct, etc.).
- Recognizing the value of engaging with civil society and local governments to contribute to the welfare of the local community while mitigating any potential for conflict where possible;
- Sharing and understanding our respective experiences regarding best security practices and procedures, country human rights situations, and public and private security, subject to confidentiality constraints.

### ***Illustrative categories of grievance related to security***

- ✓ Violation of human rights
- ✓ Discriminatory behaviours, attitude or actions (age, gender, position, etc.)
- ✓ Unsafe working conditions (perceived or other)
- ✓ Integrity of personnel
- ✓ Abuse of security practices and procedures (force, etc.)
- ✓ Harassment

### **Grievance history:**

As of May 2016, roughly a total of 105 entries have been registered in the SEP log (for period 2011 – December 20154): this number is based on actual notes (hard copies, written by stakeholders). Approximately 30% of these submissions are thank you notes and requests for social projects; 35% are personal requests; 20% are requests for job opportunities; and the rest are general questions about health or environmental impacts of the project.

In addition, in 2015 alone, the Grievance log registered roughly 20-21 entries, of which 85% (19 notes/letters) requested financial support to address family/individual health conditions: all but 3-4 requests were satisfied through “Healthy communities foundation.” One of the entries was a group letter/complain by a group of Gndevaz residents, who raised their concerns on environmental impacts of the Project. In 2015 only one entry was around land acquisition, whereby the landowners were negotiating over a higher price for compensation. Additional formal meetings were held with land acquisition management and landowners, resulting in positive outcome.