



# Zero Carbon Lithium™

Stakeholder Engagement Plan (SEP)

PREPARED FOR



Vulcan Energy Resources Ltd

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SIGNATURE PAGE

# Zero Carbon Lithium™

## Stakeholder Engagement Plan (SEP)

0699805

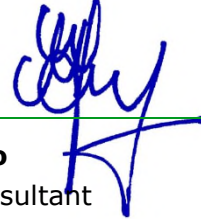
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## ACRONYMS AND ABBREVIATIONS

Acronyms	Description
ABC	Anti-Bribery and Anti-Corruption
AGM	Annual General Meetings
ANU	Working Group for Nature and Environmental Education
AoI	Area of Influence
ASX	Australian Securities Exchange
CSO	Civil Society Organizations
CLP	Central Lithium Plant
ECAs	European Export Credit Agencies
ESG	Environmental, Social and Governance
EIA	Environmental Impact Assessment
EIB	European Investment Bank
EP4	Equator Principles 4 <sup>th</sup> Edition
EPRP	Emergency Preparedness and Response Plan
ERM	Environmental Resource Management
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
EU	European Union
FPIC	Free, Prior and Informed Consent
GBVH	Gender-Based Violence and Harassment
GLEP	Geothermal Lithium Production Plant
GM	Grievance Mechanism
IA	Impact Assessment
ICP	Informed Consultation and Participation
ICPP	Interconnecting Pipeline and Power
IFC	International Finance Corporation
IFC PS	International Finance Corporation Performance Standards
IRENA	International Renewable Energy Agency
KPI	Key Performance Indicator
LEP	Lithium Extraction Plant
LiOH	Lithium Hydroxide
NTS	Non-Technical Summary
OHS	Occupational Health and Safety
PAPs	Project Affected Persons

<b>Acronyms</b>	<b>Description</b>
PR	Public Relations
PS	Performance Standards
RFI	Request for Information
RRI	Regional Readiness Index
SEP	Stakeholder Engagement Plan
UNESCO	United Nations Educational, Scientific and Cultural Organization
UVPG	German Environmental Impact Assessment Act



# 1. INTRODUCTION

## 1.1 BACKGROUND

This document is the Stakeholder Engagement Plan (SEP) for Vulcan Energy's Zero Carbon Lithium Project™ ("the Project") in Germany's Upper Rhine Valley. This version of the SEP has been developed alongside the Environmental and Social Impact Assessment (ESIA), during Phase I of the Project. Most of the information presented in this document is based on primary information gathered directly from the Vulcan Project Team. Additionally, this SEP will be implemented by Vulcan and will be regularly reviewed and updated throughout the progression of the Project relative to the nature and scale of the development of social impacts.

More specifically, a SEP is necessary to formally guide information disclosure and engagement between Project developers (Vulcan) and relevant stakeholders. The SEP acts as a communication plan that specifies objectives and requirements for engagement, roles and responsibilities, avenues for information sharing, addressing grievances and so on. Similarly, stakeholder identification, mapping, and analysis will help label or categorize types of stakeholders based on their level of interest in and influence on a project; this is crucial to understanding how the Project may affect a host of different individuals and groups in both positive and negative ways, ultimately leading to supporting or opposing positions of the Project. Stakeholder Engagement is an on-going and open process throughout an entire Project life cycle.

The Vulcan Team aims to prioritize and work hard to build meaningful and lasting relationships with their stakeholders. Stakeholder engagement allows the team to screen and gain a deeper understanding of opposition and community concerns early on to mitigate social risks and impacts as soon as possible. Moreover, the Vulcan team has communicated their aim to tap into and fulfil community needs – by providing affordable and accessible heat from a renewable source.

Delivering and facilitating meaningful and effective stakeholder engagement bolsters community buy-in and will help the Vulcan team to continue to consider community needs and interests in Project development plans. Overall, this approach contributes to Vulcan's efforts to mitigate and manage social risks and impacts over the long run.

## 1.2 SEP PRINCIPLES AND OBJECTIVES

This SEP is rooted in the principles surrounding stakeholder engagement and social risk/impact management specified in the International Finance Corporation (IFC) Performance Standard (PS) 1 and Equator Principles 4<sup>th</sup> Edition (EP4). These standards and their specific requirements will be clearly summarized in Section 3.

Below are the main principles that stakeholder engagement should be centered around. This list has been developed according to IFC Performance Standard 1 and Equator Principles IV.

- **Open and transparent engagement:** Establish open, honest, transparent, and fact-based engagement with stakeholders throughout the entire Project Lifecycle.
- **Informed consultation and participation:** Stakeholder should be well informed and consulted with adequate access to resource and information in order to participate properly.
- **Active and meaningful participation:** Project proponents should encourage meaningful and inclusive participation by involving a diverse group of **stakeholders** that can pose questions, provide feedback and give input.

- **Safe participation:** Participants should not fear participating and should be free of risks of manipulation, coercion, intimidation, and interference.
- **Proactive and timely engagement:** Project proponents should anticipate and initiate information sharing prior to engagement and consultation so that stakeholders have enough time to understand materials, consult others, gather their opinions, and come to conclusions.
- **Appropriate form of engagement:** Communication should be done using avenues that are culturally appropriate, effective, and understandable to local stakeholders (ex. Engagement should be conducted in stakeholders preferred language).
- **Respect:** Participants and their thoughts, interests, **and** needs must be respected.

This SEP aspires to develop a guide for the Zero Carbon Lithium™ Project's engagement efforts to be consistent, comprehensive, inclusive and accessible and well-aligned with the requirements of international lenders.

The central objectives of this SEP are to:

- Identify and analyze stakeholders that may be affected (indirectly and directly) by the Project and may have interests in Project activities and outcomes so that they may be appropriately contacted, engaged and consulted.
- Define processes for stakeholders to engage, as well as protocols to manage engagement and keep stakeholders sufficiently informed throughout all stages of the Project.
- Identify potential stakeholder risks relative to the project and appropriate means to manage such issues.
- Establish a protocol and system to address and manage stakeholder concerns or incidents and integrate such feedback or learnings into Project materials.

### 1.3 STRUCTURE OF THE SEP

The SEP is structured as follows:

- *Section 2, Project Overview:* Includes a description of the involved parties and project components, as well as overview of the geographic location, land requirements and general timeline of Project activities/phases. The social context, including a definition of the social area of influence and summary of considerations for stakeholder engagement relative to the social context will also be included.
- *Section 3, Regulatory Context:* Will define the national and international legal standards and requirements that this SEP (and ESIA) are aligned with.
- *Section 4, Stakeholder Identification, Mapping and Analysis:* Presents the recognized stakeholders and categorizes them into groups based on interests in and potential influence on the Project. This stage will help determine the engagement approach for the different stakeholders.
- *Section 5, Stakeholder Engagement Program and Approach:* Describes the stakeholder engagement activities and objectives that will take place over course over the entire life cycle of the Project. It will draw specific focus on the approach of the described actions and mention tools that may aid effective communication between parties. Timelines for ESIA related engagement will also be mentioned.
- *Section 6, Grievance Mechanism:* Explains how grievances will be submitted, addressed, and managed over the entire Project lifetime.

- *Section 7, Roles and Responsibilities:* Identifies how the Vulcan team will allocate resources for carrying out stakeholder engagement activities and management; it will distinguish who is responsible for managing certain activities or processes.
- *Section 7, Documentation, Monitoring, and Reporting:* Specifies how stakeholder engagement activities and processes will be recorded and the types of documents that will be collected. It will specify how monitoring and documentation will be managed and shared.

The following appendices are also attached to this SEP:

- Appendix A: Landau Engagement
- Appendix B: Landau Stakeholders
- Appendix C: Example Stakeholder Register
- Appendix D: Example of Vulcan's Previous Stakeholder Mapping Activity
- Appendix E: Regional Readiness Index
- Appendix F: Regional Readiness Index Form
- Appendix G: Grievance Register
- Appendix H: Grievance Form
- Appendix I: Regional Stakeholder and Community Engagement Report

## 2. PROJECT OVERVIEW

Vulcan Energy Resources Limited (hereinafter called the “Vulcan” or “Client”) owns the largest combined geothermal energy and lithium resource in Europe (Upper Rhine Valley, Germany, and France). The Project will ultimately use sub-surface brine water to create a central source of sustainable lithium and renewable energy in Germany’s Upper Rhine Valley. The Project is guided by a carbon neutral strategy and the development team expects it to produce immense added value to the region, especially with renewable geothermal energy (electricity and heat) for local communities.

Additional technical details on the Project can be found in the full ESIA.

### 2.1 PROJECT PARTIES

The involved parties and their respective roles and responsibilities are listed in Table 2-1 below.

**TABLE 2-1 PROJECT PARTIES**

Responsible Party	Role	Responsibilities
<b>Vulcan Group</b>	Project Owner	<ul style="list-style-type: none"> <li>Borrower of the Project finances</li> <li>Development of Project design</li> <li>Land acquisition needed to facilitate the construction and operation of the Project</li> <li>Implementation of the ESIA including its annexes to ensure all social and environmental management plans are implemented in line with Lenders’ requirements.</li> <li>Construction and Operation of the Project</li> </ul>
<b>BNP Paribas</b>	Advisor for debt financing process	<ul style="list-style-type: none"> <li>Coordination of debt financing between Vulcan and international banks as well as Export Credit Agencies (ECAs)</li> </ul>
<b>ERM GmbH</b>	Independent international sustainability consulting firm engaged by Vulcan Energy	<ul style="list-style-type: none"> <li>Development of Scoping Report</li> <li>Development of ESIA Report</li> <li>Development of Stakeholder Engagement Plan (SEP)</li> </ul>
<b>geox GmbH</b>	Third-party Geothermal Power Plant	<ul style="list-style-type: none"> <li>Supplier of a small volume of the total brine needed to supply Vulcan’s GLEP</li> <li>Potential heat supply</li> </ul>
<b>Infraserv</b>	Industrial Park Höchst Operator	<ul style="list-style-type: none"> <li>Provision of the Central Lithium Plant site to Vulcan via rental agreement</li> <li>Service provider for utilities, logistics, security and emergency response</li> </ul>
<b>VERCANA GmbH<sup>1</sup></b>	Responsible for the drilling activities	<ul style="list-style-type: none"> <li>The execution of deep brine wells for the production of water, thermal water, brine, lithium for project development and execution.</li> </ul>

<sup>1</sup> Vercana GmbH is part of Vulcan Group.

Responsible Party	Role	Responsibilities
<b>EPC(m) Contractor(s)</b>	Engineering, Procurement and Construction Contractor for the IPP	TBD

## 2.2 KEY PROJECT COMPONENTS

The key Project components are listed in Table 2-2 below:

**TABLE 2-2 KEY PROJECT COMPONENTS**

Component	Details
Well Sites (Two existing and Five New)	<ul style="list-style-type: none"> <li>The Schleidberg Well Site, located northeast of Insheim bordered by unpaved field paths on three sides and cropland to the east.</li> <li>The Im Teich (Trappelberg) Well Site, located southwest of Insheim, is bordered by unpaved field paths to the north and south, cropland to the east, and a railway to the west.</li> <li>The 40 Morgen Well Site, located southeast of Insheim, is bordered by unpaved field paths to the north and south, with cropland to the east and west.</li> <li>The Hasenberg Well Area, located north of Insheim, is bordered by the paved L543 road to the east, a paved path and vineyards to the south, and by cropland and unpaved field paths to the north and west.</li> <li>The Spreissgraben Well Area, located south of Impflingen, is bordered by the paved L554 road to the east and west, and by a paved path with vineyards to the south, similar to the Hasenberg Site.</li> <li>The Landau Geothermal Well Site is owned and operated by geox GmbH and has therefore been scoped out of this study.</li> </ul>
Interconnecting Pipeline & Power (ICPP)	A subsurface four-pipe system will circulate brine and industrial water between the well sites and the central Geothermal Lithium Production Plant (GLEP). The pipeline will initially require a 30-40 m Right of Way during construction, which will be reduced to a 10 m easement afterward, permitting agricultural use except for tree planting. It will transport industrial water for district heating, steam generation, and geothermal power, with sections undergoing pressure testing. The pipeline's alignment is still under review and has not yet been finalized.
Geothermal Lithium Extraction Plant (GLEP);	Located in the D12 industrial park southeast of Landau in the Palatinate, will produce power and lithium chloride from brine. The GLEP will process brine and industrial water separately. The Project will generate a new source of renewable heating and electricity supply, which energy suppliers will then be able to distribute to households to augment the existing infrastructure and would ultimately supply approximately up to 560 GWh of heat per year and up to 275 GWh of electricity. Considering average per capita heat consumption in Germany, the Project will positively affect ca. 90,000 people.
Insheim Geothermal Plant	Located in southern Palatinate, was acquired by Vulcan in 2022 and is now operated as NatürLich Insheim GmbH. Originally owned by Pfalzwerke geofuture GmbH since 2012, the plant has an average electrical output of about 3 megawatts and generates around 25,000 megawatt-hours annually, supplying electricity and heat to approximately 8,000 households.
Central Lithium Plant (CLP) Höchst	Located in the Industrial Park Höchst to produce lithium hydroxide (LiOH). The Industrial Park Höchst was established in 1863, the park currently hosts 120 plants, 90 companies, and 22,000 workers.
Lithium chloride transportation from the GLEP to CLP	Vulcan evaluated transporting lithium chloride via train, E-Trucks, and diesel trucks. Diesel trucks are chosen for the initial phase, with E-Trucks considered for future use as regulations and availability improve.

A deeper explanation of the individual components and their significance to the Project is included in section 2.1 of the full ESIA.

## 2.3 LOCATION

The Lithium and geothermal energy production will take place in the Upper Rhine Valley Brine Field in Rhineland-Palatinate and the lithium conversion will take place at the CLP in Frankfurt Höchst Industrial Park. Höchst is a predefined industrial area that is zoned for industrial activities, and management of stakeholder engagement activities falls under the responsibility of Infracore, thus, the SEP will primarily focus on the remainder of the Project area as this SEP serves to focus on Vulcan's undertaking of stakeholder engagement and management.

The upstream part of the Project will specifically be centered around the Geothermal Lithium Extraction Plant (GLEP) that will be built in southeast Landau in the Palatinate; the GLEP site will be established within a new industrial park "D12 - Gewerbepark Messengelände Süd-Ost" – and will be connected to the new and existing geothermal brine well. Various well sites will be created to extract the sub-surface hot brine, and these sites will be connected to the GLEP.

Figure 2-1 below provide an overview of the Project layout. The various geothermal plants and drill sites are labelled. Similarly, they show the primary residential areas near the Study Area: Offenbach, Moerlheim, Herxheim, Insheim, Rohrbach, Billigheim-Ingenheim, and Landau. The Project takes place in Rhineland-Palatinate, within the districts of Landau in the Palatinate and Südliche Weinstraße. It passes through six municipalities: Landau in the Palatinate, Billigheim-Ingenheim, Impflingen, Insheim, Rohrbach and Herxheim by Landau/Palatinate.



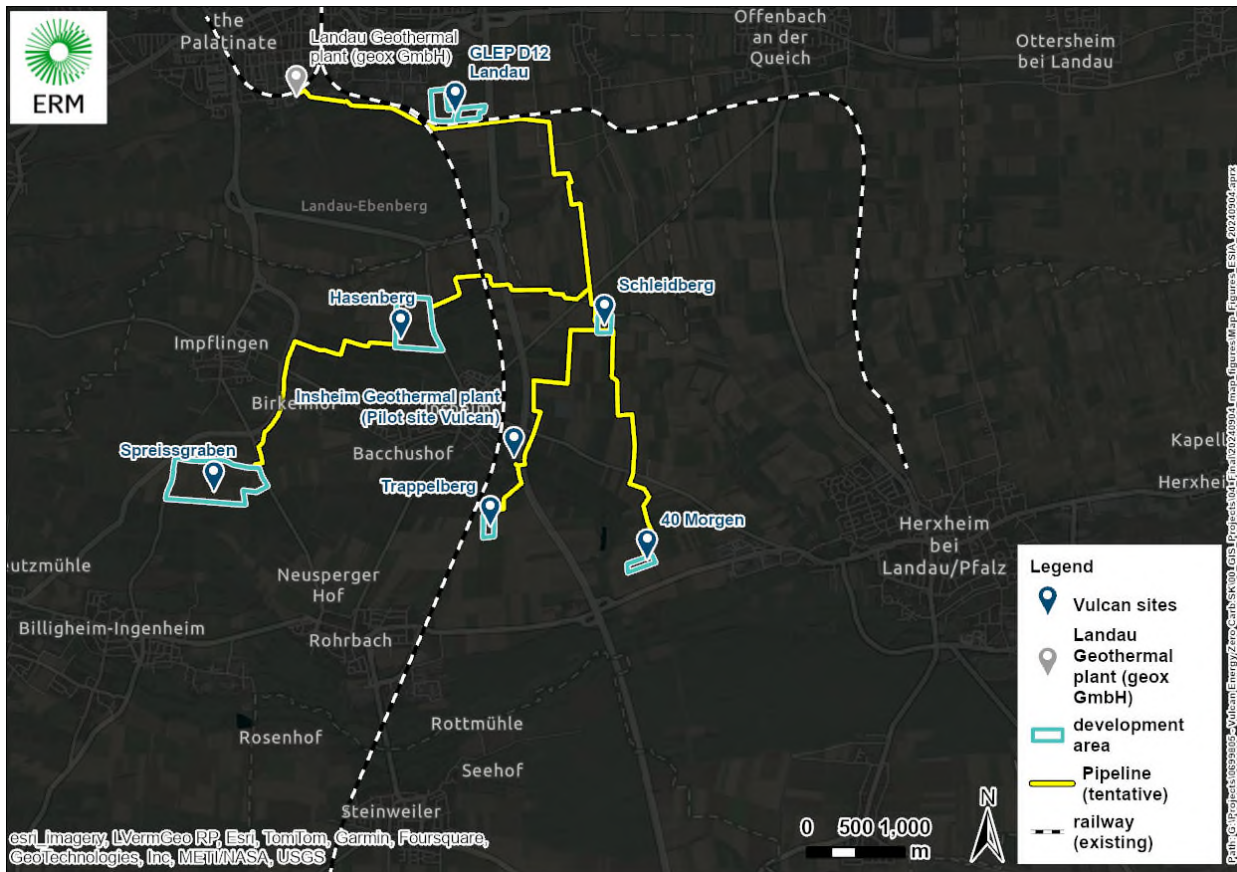


FIGURE 2-1 PHASE ONE PROJECT LAYOUT LANDAU



FIGURE 2-2 PHASE ONE PROJECT LAYOUT HÖCHST



## 2.4 LAND REQUIREMENTS

The land required for this Project is privately owned land, already under Vulcan’s ownership or still in the process of being formally purchased. Land will be privately acquired by Vulcan and follow a strict process under national law; further information on this is also indicated in the full ESIA in section 6.15. There will not be any resettlement or forced displacement from this Project and land requirements. Figure 2-3 below indicates the current status of land ownership for the respective sites and areas. The Spreissgraben and Hasenberg drill sites are the two areas that are still in the land exploration stage. In this area, there are also several land parcels that will be acquired for the Project, but that are not yet in Vulcan ownership but owned by third parties. Land is still needed for the development of access roads around Trappelberg and 40 Morgen, and for the trailing curve at Trappelberg. Some negotiations are in progress and some landowners have yet to be contacted.

As some of the land areas are not yet owned by Vulcan, they will follow the general land purchase process in Figure 2-3 and Table 2-3 below. Vulcan has three people on the land acquisition team – one leader and two land acquisition specialists.

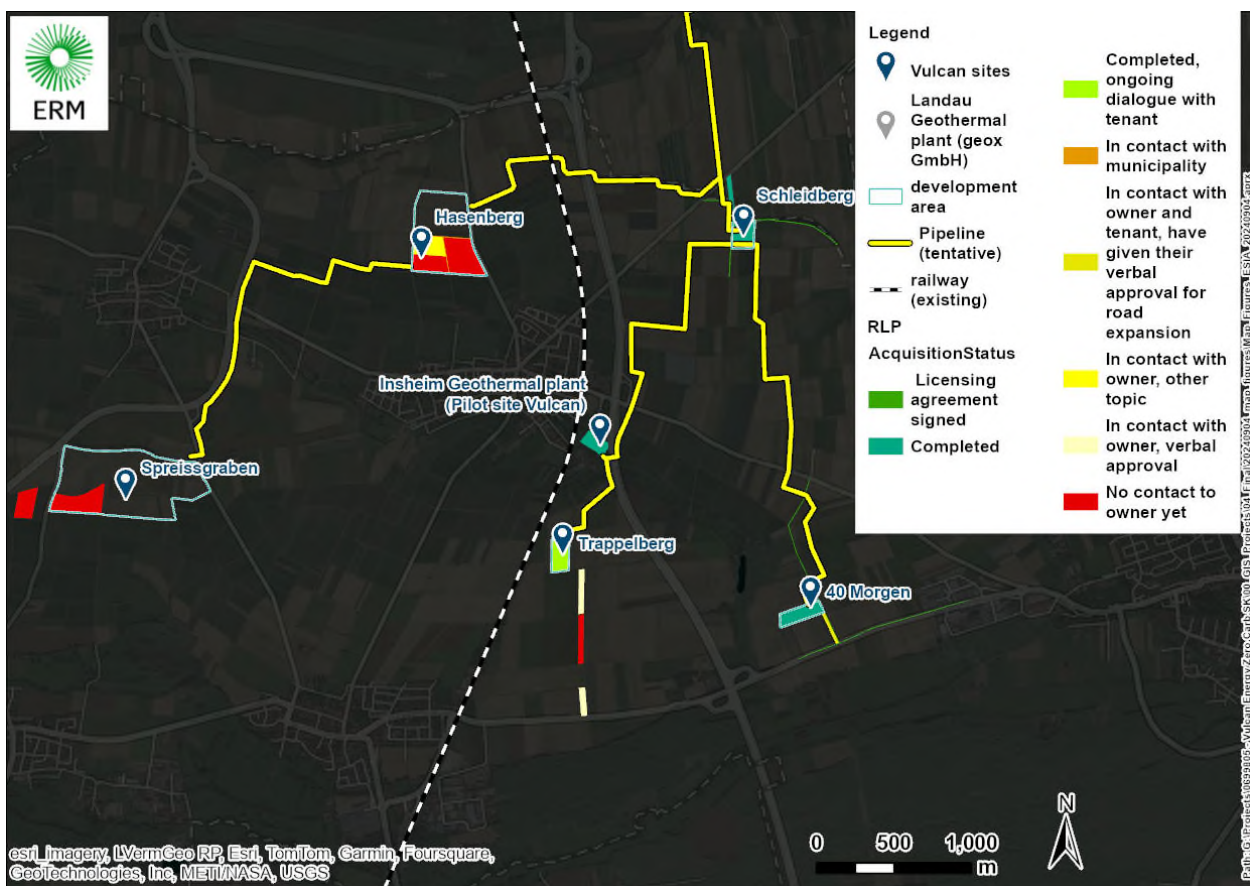


FIGURE 2-3 LAND OWNERSHIP (LANDAU)

TABLE 2-3 LAND OWNERSHIP STATUS DIRECT AOI

Location		Parcel number(s)	Area [m <sup>2</sup> ]	(Former) Owner	Tenant	Acquisition status
Frankfurt Höchst Industrial Park	CLP	G6/G7	85,400	Infraserv	Vulcan	Completed under lease agreement
		G8	10,600	Infraserv	Vulcan	Completed under lease agreement
Insheim	Geothermal Plant	3562/1	15,766	Vulcan	No tenant	Completed
		3563/1				
		3564				
		3565				
		3566				
		3567				
		3568				
		3569				
		3562/1				
Schleidberg	Well site	2447	3.236	Vulcan	No information yet available	Completed
		2448	22.051	Vulcan	No information yet available	Completed
	Access road	545/2	3.300	Vulcan	Private	Completed
		544/5	2.351	Vulcan	Private	Completed
		2426	No information yet available	Municipality Insheim	No information yet available	Licensing agreement signed
		2427	No information yet available	Municipality Insheim	No information yet available	Licensing agreement signed

Location		Parcel number(s)	Area [m <sup>2</sup> ]	(Former) Owner	Tenant	Acquisition status
		2424	No information yet available	Municipality Insheim	No information yet available	Licensing agreement signed
Trappelberg	Well site	4960	6.525	Vulcan	No information yet available	Completed, ongoing dialogue with tenant
		4959	5.033	Vulcan	No information yet available	Completed, ongoing dialogue with tenant
		4958	5.153	Vulcan	Private	Completed, ongoing dialogue with tenant
		4957	2.280	Vulcan	Private	Completed, ongoing dialogue with tenant
		4956 (partly)	6.306	Vulcan	Private	Completed, ongoing dialogue with tenant
	Tractrix curve	5011	10.141	Private	Private	In contact with owner, verbal approval
	Access road	5011	10.141	Private	Private	In contact with owner, verbal approval
		5078	10.487	Private	Self	Contact with owner to be established
		5920	No information yet available	Private	No information yet available	In contact with owner, verbal approval
40 Morgen	Well site	8060	4.269	Vulcan	Private	Completed
		8059	2.457	Vulcan	Private	Completed
		8058	11.113	Vulcan	Private	Completed
		8057	6.456	Vulcan	Private	Completed
	Access road	8140	No information yet available	Private	Private	In contact with owner and tenant, have given their verbal approval for road expansion

Location		Parcel number(s)	Area [m <sup>2</sup> ]	(Former) Owner	Tenant	Acquisition status
		7869	No information yet available	Municipality Herxheim	No information yet available	Licensing agreement signed
		8056	No information yet available	Municipality Herxheim	No information yet available	Licensing agreement signed
		8216/5	No information yet available	Municipality Herxheim	No information yet available	licensing agreement signed
Hasenberg	Well site	1666	10.473	Private	No information yet available	In contact with owner, other topic
		1667	5.940	Private	No information yet available	In contact with owner, other topic
		1668	1.567	Private	No information yet available	In contact with owner, other topic
		1669	4.776	Private	No information yet available	In contact with owner, other topic
		1670	2.080	Private	No information yet available	In contact with owner, other topic
		1671	33.437	Private	No information yet available	Contact with owner to be established
		1672	5.744	Private	No information yet available	Contact with owner to be established
		1673	15.667	Private	No information yet available	Contact with owner to be established
		1664	3.907	Private	No information yet available	Contact with owner to be established
		1663	2.524	Private	No information yet available	Contact with owner to be established
		1662/1	15.589	Private	No information yet available	Contact with owner to be established

Location		Parcel number(s)	Area [m <sup>2</sup> ]	(Former) Owner	Tenant	Acquisition status
		1660	2.592	Private	No information yet available	Contact with owner to be established
		1659	495	Private	No information yet available	Contact with owner to be established
		1658	5.202	Private	No information yet available	Contact with owner to be established
		1657	8.407	Private	No information yet available	Contact with owner to be established
		1656	9.090	Private	No information yet available	Contact with owner to be established
	Access road	1655		Municipality Insheim	No information yet available	In contact with municipality
		1665/1		Municipality Insheim	No information yet available	In contact with municipality
Spreissgraben	Well site	1233	21.390	Private	No information yet available	Contact with owner to be established
		2184/3	1.636	Private	No information yet available	Contact with owner to be established
		2185/3	1.114	Private	No information yet available	Contact with owner to be established
		2186	6.150	Private	No information yet available	Contact with owner to be established
		2190	4.250	Private	No information yet available	Contact with owner to be established
		2192	3.210	Private	No information yet available	Contact with owner to be established
		2195	5.840	Private	No information yet available	Contact with owner to be established

Location		Parcel number(s)	Area [m <sup>2</sup> ]	(Former) Owner	Tenant	Acquisition status
		2196	1.940	Private	No information yet available	Contact with owner to be established
		2197	1.220	Private	No information yet available	Contact with owner to be established
		2198	3.260	Private	No information yet available	Contact with owner to be established
		2200	7.330	Private	No information yet available	Contact with owner to be established
		2202	6.790	Private	No information yet available	Contact with owner to be established
	Access road	2239/5	No information yet available	Municipality Billigheim-Ingenheim	No information yet available	In contact with municipality
		2239/2	No information yet available	Municipality Billigheim-Ingenheim	No information yet available	In contact with municipality
		2239/1	No information yet available	Municipality Billigheim-Ingenheim	No information yet available	In contact with municipality

Source: Data received from Vulcan August 2024.

## 2.5 PROJECT PHASES

Table 2-4 below provides an overview of the Project phases and their respective planned activities.

TABLE 2-4 PROJECT PHASES

Phase	Tasks	Action
<b>Pre-Construction Phase</b>	Licenses	<ul style="list-style-type: none"> <li>Acquisition of the Exploration license</li> <li>Production license granted</li> </ul>
	Drilling	<ul style="list-style-type: none"> <li>Conducting Pre-EIA and acquiring approvals</li> <li>Main operation plan</li> <li>Special operating plan: Well pad</li> <li>Three Special operating plans: Drilling</li> <li>Securing land</li> </ul>
	Pipeline	<ul style="list-style-type: none"> <li>Conducting Pre-EIA and acquiring approvals</li> <li>Securing land (lease)</li> <li>Special operating plan</li> </ul>
	Organic Rankine Cycle (ORC) Plant	<ul style="list-style-type: none"> <li>Full EIA conducted and awaiting approval</li> <li>Land acquisition</li> <li>Building permit</li> </ul>
	Lithium Production Plant	<ul style="list-style-type: none"> <li>Bundes-Immissionsschutzgesetz permit (Act on the Protection against Harmful Effects on the Environment Caused by Air Pollution, Noise, Vibrations and Similar Effects)</li> <li>Conducting Pre-EIA and acquiring approvals</li> <li>Land acquisition</li> <li>Building permit</li> </ul>
	Central Lithium Plant	<ul style="list-style-type: none"> <li>Bundes-Immissionsschutzgesetz (Act on the Protection against Harmful Effects on the Environment Caused by Air Pollution, Noise, Vibrations and Similar Effects)</li> <li>Building permit</li> </ul>
<b>Construction Phase</b>	General construction activities for the components (excluding pipeline): <ul style="list-style-type: none"> <li>Clearing and Grading of the sites</li> <li>Access road improvements and transportation</li> <li>Drill site preparation</li> <li>Drill rig installation and drilling</li> <li>Exploratory test drilling</li> </ul>	
	Pipeline activities: <ul style="list-style-type: none"> <li>Setting out and surveying of the RoW</li> <li>Preparing the Right of Way (including topsoil stripping as necessary)</li> <li>Pipeline stringing</li> <li>Excavating the trench (other methods may also be used where necessary)</li> <li>Laying of pipeline in the trench (ditching)</li> <li>Backfilling with subsoil</li> <li>Pressure testing</li> <li>Reinstating the Right of Way (including replacing the topsoil)</li> </ul> <p><b>Note:</b> Mainline pipeline construction is currently not planned to be executed through the months of December, January, and February due to the likelihood of inclement weather and risk of inefficient working, hazardous working conditions and potential environmental impacts (soil degradation, runoff to watercourses etc). Environmental mitigation works will be completed in the winter preceding start of construction. Pipeline pigging will be undertaken between permanent pigging stations at each wellsite. Pigging of one pipeline segment can be undertaken in parallel with a well site at either end being in operation.</p>	



Phase	Tasks	Action
<b>Operation Phase</b>	Landau Geothermal well site (geox):	<ul style="list-style-type: none"> <li>Provision of up to 100 l/s of brine to GLEP</li> </ul>
	<ul style="list-style-type: none"> <li>Insheim Geothermal well site and Power Plant:</li> <li>Provision of 65 l/s of brine to the GLEP;</li> <li>Supply around 8,000 households with electricity; and</li> <li>Supply heat to 600 to 800 households;</li> </ul>	
	Geothermal Organic Rankine Cycle (ORC) Plant: 33 MW and added heat capacity of up to 560 GWh per year	
	Lithium Extraction Plant (LEP):	<ul style="list-style-type: none"> <li>24,000 tpa LHM equivalent LiCl produced from 900 l/s Li-rich brine.</li> <li>Trucking of Lithium Chloride Solution to the CLP.</li> <li>Together with geothermal plant, "G-LEP"</li> </ul>
	Central Lithium Plant (CLP):	<ul style="list-style-type: none"> <li>Conversion of lithium chloride to 24,000 tpa battery grade LHM using electrolysis.</li> </ul>

Moreover, A high-level Project schedule with key milestones is shown below (Figure 2-4 and in Table 2-5). The full ESIA report provides further details on the preliminary plans for the decommissioning phase.

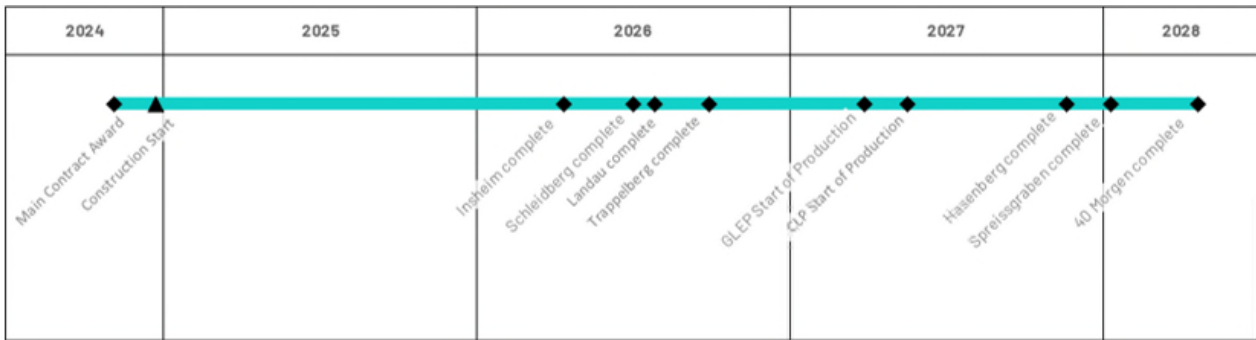


FIGURE 2-4 PROJECT SCHEDULE

TABLE 2-5 PROJECT SCHEDULE

PROJECT SCHEDULE	
Milestone	Date
Main Contract Award	Year 1
Construction Start	Year 1
Insheim Complete	Year 3
Landau Complete	Year 3
Trappelberg Complete	Year 3
Schleidberg Complete	Year 3
GLEP Start of Production	Year 4
CLP Start of Production	Year 4

PROJECT SCHEDULE	
Milestone	Date
Hasenberg Complete	Year 4
40 Morgen Complete	Year 5
Spreissgraben Complete	Year 6

A number of general assumptions have been made when developing the schedule:

- The sequencing is based on a 3-rig strategy.
- An airlift test is completed on each completed well. A circulation test has not been planned.

No parallel work will be conducted on-site during drilling operations. To give a high-level overview and develop the initial project schedule, activities have been grouped into key phases. Main steps include:

- **Obtaining EIA Approval(s):** Secure environmental impact assessment approvals before proceeding.
- **Obtaining MOP/SOP Approval:** Receive approval of the Method of Procedure (MOP) or Standard Operating Procedures (SOP) for the Project.
- **Beginning the Construction Site Setup:** Start construction on the site, including laying conductor piping.
- **Constructing Well Pad:** Build the well pad, ensuring compliance with the Water Resources Act (WHG), and construct areas for drilling cellars, tanks, and hazardous zones (ex-zones). Also include the surface construction for the ICPP connection area.
- **Rig Setup:** Either assemble the drilling rig or move it from another well site.
- **Drilling:** Drill each well (producer or injector) according to the Field Development Plan (FDP) and estimated timelines.
- **Completion of the Equipment Installation & Commissioning:** Install all necessary equipment and complete the commissioning process.
- **Beginning Operations:** Start the operational phase once all construction and equipment are ready.
- **Parallel Activities:** During the project, ensure that land plot ownership, access road easement, engineering, and procurement are progressing as they follow the critical Project path.
- **Hot Commissioning of the Pipeline** After the pipeline is built, cleaned, and tested, introduce process fluids from the well site to commission it.

## 2.6 SOCIAL CONTEXT

### 2.6.1 SOCIAL AREA OF INFLUENCE

The Area of Influence (AoI) for the Project was determined by considering a composite buffer around the Project perimeter: with a 250m radius around the Project's planned pipeline areas and a 500m radius around drill sites, exploration areas, and power plants as presented in Figure 2-5 below.

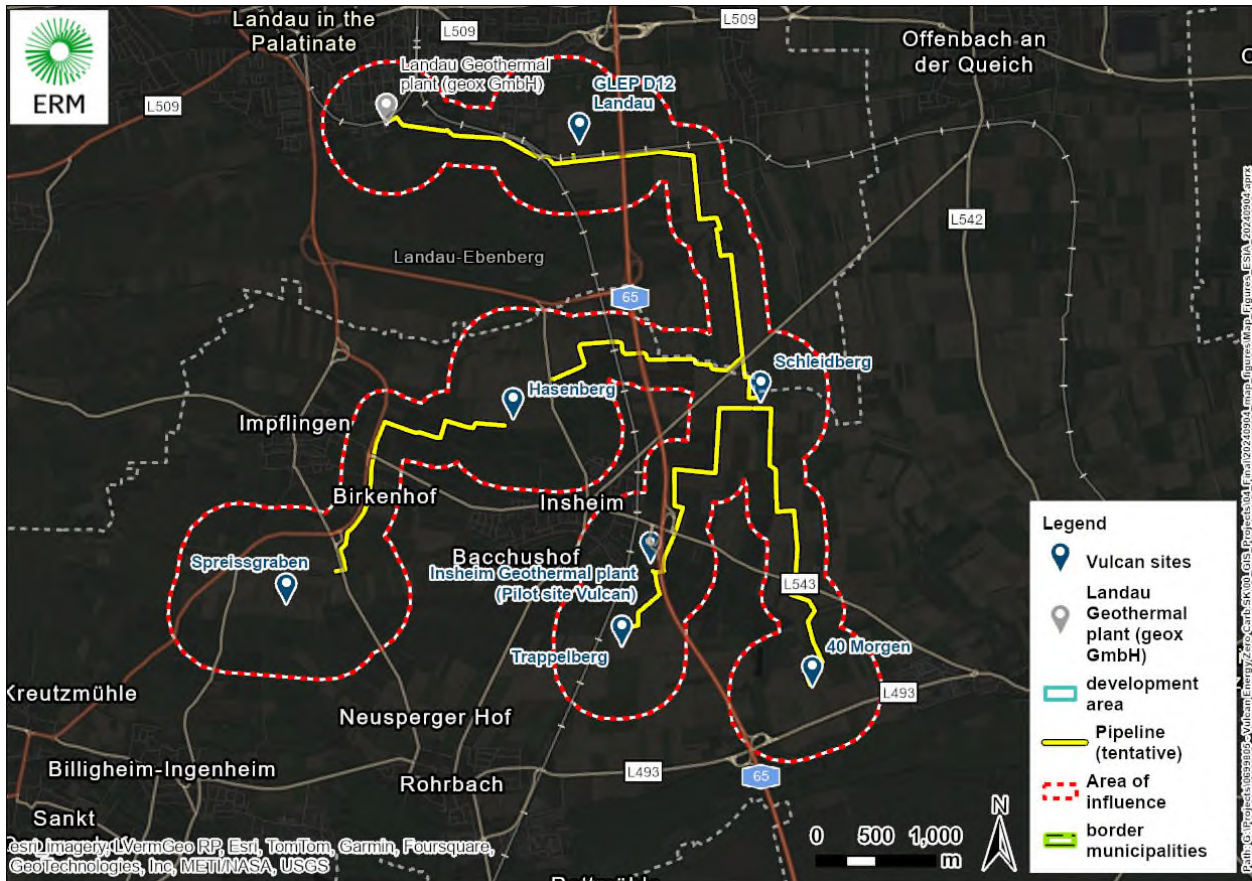


FIGURE 2-5 PROJECT AOI (LANDAU)

The direct social AoI<sup>2</sup> has been developed considering:

- Agricultural and recreational areas that may be affected by land take for the Project components (access roads, land acquisition for drill sites etc.).
- Nearby settlements that may be affected by potential temporary environmental impacts during the construction phase, such as noise and dust, increased road traffic, influx of construction staff as well as by potential noise, landscape and visual and shadow flicker impacts during operation.
- Municipalities that would be experiencing economic and employment impacts as a result of the Project implementation through employment of workforce, supply of goods and services for the Project as well as experiencing potential influx-related impacts.

Moreover, the social area of influence is located within the state of Rhineland-Palatinate, districts of Landau in the Palatinate and Südliche Weinstraße. Additionally, the Project also passes through the municipalities Landau in the Palatinate, Billigheim-Ingelheim, Impflingen, Insheim, Rohrbach, Herxheim by Landau (Palatinate).

<sup>2</sup> The *Direct Project Area of Influence* (Project footprint) refers to the immediate and tangible impact zone where the Project's activities, changes, or interventions have a clear and measurable impact. This includes the physical location or community directly affected by the Project, where stakeholders and resources are directly engaged or altered.

The nearest settlements to the social AoI are Offenbach, Moerlheim, Herxheim, Insheim, Rohrbach, Ingenheim, Impflingen, and Landau.

More information on the Social AoI can also be found in the full ESIA..

As Project component details change the social AoI may need to be reviewed and adjusted accordingly. However, the current AoI has been developed with the consideration that land will still need to be acquired within Hasenberg and Spreissgraben.

The main Project Affected Communities are within the settlements:

- Landau
- Moerlheim
- Offenbach
- Rohrbach
- Billigheim-Ingenheim
- Impflingen
- Insheim

Table 2-6 below shows the distance of the nearest buildings to each site. There are four buildings within the AoI, two being commercial, and two wastewater plants. There are no residential buildings within the direct AoI.

**TABLE 2-6 SITE DISTANCE TO NEAREST BUILDINGS**

Site	Type of Nearest Building	Distance from Site (m)	Site distance from Nearest Residential Building (m)	Within AoI (Yes/No)
GLEP D12 Landau	Commercial/industry	54	49	Yes
Hasenberg	Commercial/industry	0	68	Yes
Schleiberg	Residential	1065	1065	No
Insheim Geothermal Plant	Wastewater plant	110	130	Yes
Trappelberg	Wastewater plant	462	523	Yes
Spreissgraben	Residential	523	523	No
40 Morgen	Commercial/industry	622	954	No
Ffm Höchst LEP	Mixed usage (residential/industry)	550	660	No

### 3. REGULATORY CONTEXT

This section situates the SEP within the relevant regulatory and legal context. The Project's ESIA and SEP are aligned with German National Law and prescriptions from the International Finance Corporation (IFC) Performance Standards, and the Equator Principles (EP4).

It is important to note that the purpose of this document and ESIA package is to align Vulcan's Project with appropriate lender requirements, especially for carrying out public participation prior to funding decisions. A full regulatory EIA under German National Laws (see the requirements under section 3.1) will be carried out at a later stage in the Project after lenders have decided if funding will be granted.

#### 3.1 NATIONAL REGULATIONS

Germany has strict EIA and permitting requirements for energy and infrastructure projects. Germany's Environmental Impact Assessment Act (UVPG) does include some provisions for stakeholder engagement.

After the developer's completion of an EIA, the competent authority is expected to inform other authorities of their environmental responsibilities relative to the Project – this includes any municipalities or administrative districts affected by the Project, as well as other relevant regional authorities. Notified authorities are invited to provide their opinions on the Project and EIA.

Public information disclosure and public participation are also expected; however, it is the competent authorities that are expected to involve the public in critically thinking about the Project environmental impacts. Authorities should make the EIA report and any other reports available for public inspection; they should inform the public of:

- Permitting applications, decisions or other actions that the developer takes to evaluate the environmental impacts of the Project.
- The determination of the Project's EIA obligation and transboundary participation.
- Relevant competent authorities for the process and decision authorization.
- Time constraints for the submission of questions and comments.
- The nature of a possible admission decision.
- When an EIA has been submitted.
- Designation of reports and authority's recommendations for the Project.
- Where and when documents will be available for examination.
- And any additional details for the public participation procedure.<sup>3</sup>

Overall, the public are invited to share their concerns and objections related to the Project within certain time periods. The UVPG and Administrative Procedures Act stipulate other clear procedures that shall be followed during this step, which can be accessed in the full legislation.<sup>4</sup>

#### 3.2 INTERNATIONAL STANDARDS AND GUIDELINES

- IFC Performance Standards and the Equator Principles IV are perceived as good benchmarks for evaluating environmental and social risk management amongst private sector Project

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<sup>3</sup> Source: Act on the Assessment of Environmental Impacts – UVPG, retrieved from: <https://www.gesetze-im-internet.de/uvpg/index.html>, accessed in September 2023.

<sup>4</sup> Source: Act on the Assessment of Environmental Impacts – UVPG, retrieved from: <https://www.gesetze-im-internet.de/uvpg/index.html>, accessed in September 2023.



development. Both standards require on-going and holistic engagement with affected communities (indirect and direct) via information disclosure, consultation, and informed participation in a manner that is proportional or relative to the risks and impacts of the Project to affected communities.

Information disclosure and engagement should happen throughout all phases of the Project life cycle to ensure that stakeholders and affected communities are up to date on planned activities, potential outcomes, and changes in Project development.

### 3.2.1 IFC PERFORMANCE STANDARDS/THE EQUATOR PRINCIPLES

The IFC's requirements on stakeholder engagement are emphasized in IFC PS1: *Assessment and Management of Environmental and Social Risks and Impacts*.

EP4 Principle 5 focuses on stakeholder engagement and Principle 6 highlights specific measures for grievance mechanisms. Overall, clients must tailor consultation processes and related measures to the risks and impacts of the Project; its phases of development; language needs and decision-making processes of stakeholders and Project Affected Persons (PAPs); and the needs and involvement of disadvantaged and/or vulnerable groups.

Stakeholder engagement and grievance management must be free from any external manipulation, interference, coercion and intimidation.

The following list provides a general outline of the core requirements for stakeholder engagement based on IFC PS and EP4:

- **Stakeholder Analysis and Engagement Planning:** On-going and open engagement that may include stakeholder mapping and analysis, information dissemination, consultation with and participation from stakeholders, grievance mechanism, and on-going reporting on Project progress and development to stakeholders.
- **Disclosure of Relevant Project Information:** Stakeholders will be provided with adequate, relevant, and accessible information in a timely manner. Information will specify the purpose, nature, scale and impacts of a project; duration of Project-related activities; risks to potential stakeholders and corresponding mitigation measures; expected approach for engagement; and processes and management related to the grievance mechanism.
- **Consultation:** Should be meaningful and take place relative to the degree of Project risks and impacts. Consultations should begin early enough to allow for parties to access and understand relevant information properly and prior to any decision-making; engagements should be mainly focused on those directly affected by the project; be free of any manipulation or interference; and be well documented to ensure transparency.
- **Informed Consultation and Participation:** Is needed when a Project may have significant adverse impacts on affected stakeholders. Consultation and participation entail a meaningful and active exchange of views and information with good-faith-negotiations. The Project proponents should integrate perceptions from these exchanges and decision-making views into Project planning. This process must be documented to minimize and avoid negative risks and impacts and stakeholders shall be informed on the extent to which their concerns have been considered.
- **External Communications:** A procedure shall be in place and maintained to ensure proper methods for external communication. This includes receiving and registering exchanges or communication with/from the public; how to screen, assess and address issues; providing,

tracking and documenting response; and adjusting management programs, accordingly. Clients are also encouraged to make documentation and periodic reports surrounding the Project publicly available.

- **Grievance Mechanism:** Should be scaled to the risks and adverse impacts of the project and be designed for PAPs use. This protocol and system will help resolve stakeholders' conflicts and concerns, especially pertaining to Vulcan's environmental and social performance.
- **On-going Reporting to Affected Stakeholders:** Stakeholders should be up-to-date and periodically informed about project progression and changes, especially in terms of the indirect and direct risks and impacts to stakeholders themselves. Reporting efforts should also include how issues raised in consultations or via grievance mechanisms have been handled. IFC PS also require that after completing an environmental assessment consultation and information disclosure shall continue throughout a Project's lifecycle (until decommissioning).

Additional requirements exist when indigenous people are included amongst the Project's affected communities, in which case IFC PS7 would be triggered. EP4 cross-references PS7 as well and requires a process of Free, Prior and Informed Consent (FPIC) be abided by. However, there are no identified indigenous people within this Project area and thus, this will not be addressed included in the scope of this report.

Other IFC PSs also have additional references to stakeholder engagement and consultation requirements to manage specific impacts. These are presented in Table 3-1 below.



TABLE 3-1 OTHER RELEVANT IFC PERFORMANCE STANDARDS

Standard	Key Components
PS 2: Labour and Working Conditions	<ul style="list-style-type: none"> <li>Recognizes that the pursuit of economic growth through employment creation and income generation should be balanced with the protection of basic rights for workers.</li> <li>Acknowledges that constructive worker-management relationship and safe and healthy working conditions may enhance the efficiency and productivity of operations. As such, requires engagement between Projects and their workers including mechanisms for workers to report grievances.</li> </ul>
PS 4: Community Health, Safety & Security	<ul style="list-style-type: none"> <li>Recognizes that Project activities, equipment and infrastructure can provide benefits to communities including employment, services and opportunities for economic development. However, the Project can also increase the potential for community exposure to risks from development.</li> <li>Where Project activities pose risks of adverse impacts on the health, safety and security of affected communities the owner is required to make available relevant information (including the details of an Action Plan), in an appropriate form, to affected parties and government authorities so that they can fully understand the nature and extent of the risks.</li> </ul>
PS 5: Land acquisition and involuntary resettlement	<ul style="list-style-type: none"> <li>Recognizes that Project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use this land.</li> <li>Where the Project will affect host communities, it will consult with and facilitate the informed participation of affected persons and communities in decision making process related to resettlement.<sup>5</sup></li> </ul>
PS 6: Biodiversity Conservation and Sustainable Natural Resource Management	<ul style="list-style-type: none"> <li>Recognizes that protecting and conserving biodiversity in all its forms is fundamental to sustainable development.</li> <li>Projects are to consider the differing values attached to biodiversity and ecosystem services by affected communities and, where appropriate, other stakeholders.</li> <li>Where the Project has potential impacts on legally protected and internationally recognized areas, natural habitats and/ or critical habitats consultation with relevant authorities, specialists, affected communities and other stakeholders must be appropriately undertaken.</li> </ul>
PS 8: Cultural Heritage	<ul style="list-style-type: none"> <li>Recognizes the importance of cultural heritage for current and future generations and is consistent with the convention concerning the protection of the world's cultural and natural heritage.</li> <li>Where sites of cultural heritage are potentially impacted by the Project the owner will consult with local communities as well as relevant national authorities responsible for the maintenance of such sites.</li> </ul>

<sup>5</sup> The Project will not require any land acquisition as it will be developed offshore.

Other relevant guidance notes to consider are:

- IFC's Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets<sup>6</sup>;
- IFC's Good Practice Note Addressing Grievances from Project-Affected Communities (2009)<sup>7</sup>;
- Equator Principles Guidance Note on Implementation of Human Rights Assessments Under the Equator Principles<sup>8</sup>;
- Guidance Note for EIB Standard on Stakeholder Engagement in the EIB Operations (2020)<sup>9</sup>
- Equator Principles Guidance Note to Support Effective Consistent Application of The Equator Principles.<sup>10</sup>

### 3.2.2 SUMMARY OF REQUIREMENTS

The aforementioned regulations and standards require project developers to adhere to the following steps in engaging with stakeholders and local communities:

- Identify and analyze stakeholders.
- Develop a Plan to engage stakeholders in order to ensure effective communication regarding the Project.
- Disclose information and ensure the necessary consultations as part of the ESIA process.
- Ensure consultation and information disclosure continues throughout the life of the Project and continues beyond ESIA disclosure.
- Establish a grievance mechanism that is accessible and adequate to the local and Project context.
- Designate specific personnel as responsible for the implementation and monitoring of stakeholder engagement and grievance management activities.
- Ensure the Project owner takes a lead role in ensuring adequate and meaningful stakeholder engagement and information disclosure takes place.

Though German legislation does not require stakeholder engagement at the same level that the IFC PS and EP4 stipulate, Vulcan will still need to consult stakeholders on all Project components.

<sup>6</sup> Source: IFC, 2007, Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets, retrieved from: <https://www.ifc.org/en/insights-reports/2000/publications-handbook-stakeholderengagement--wci--1319577185063>, accessed in September 2023.

<sup>7</sup> Source: IFC, 2009, Addressing Grievances From Project-Affected Communities, retrieved from: <https://www.ifc.org/en/insights-reports/2000/publications-gpn-grievances>, accessed in September 2023.

<sup>8</sup> Source: Equator Principles, Guidance Note on Implementation of Human Rights Assessments Under the Equator Principles, retrieved from: [https://equator-principles.com/app/uploads/Human\\_Rights\\_Assessment\\_Sept2020.pdf](https://equator-principles.com/app/uploads/Human_Rights_Assessment_Sept2020.pdf), accessed in September 2023.

<sup>9</sup> Guidance Note for EIB Standard on Stakeholder Engagement in EIB Operations

<sup>10</sup> Source: Equator Principles Guidance Note To Support Effective Consistent Application of The Equator Principles, retrieved from: [https://equator-principles.com/app/uploads/PUBLIC-Guidance\\_Application-of-EP.pdf](https://equator-principles.com/app/uploads/PUBLIC-Guidance_Application-of-EP.pdf), accessed in September 2023.

### 3.3 GAP ANALYSIS OF IFC PS AND NATIONAL REGULATIONS PERTAINING TO STAKEHOLDER ENGAGEMENT

The following table presents a high-level overview of the gaps between the IFC requirements pertaining to stakeholder engagement and those under German EIA law. It should be noted that while German EIA law requires public consultations and participation for some permits and Projects, there are less robust and specific recommendations pertaining to stakeholder engagement overall. Where there are gaps between requirements, Vulcan will seek to adhere to the more stringent requirements and gain input on optimal practices from the IFC PS.

TABLE 3-2 GAP ANALYSIS

Stakeholder Engagement Component	IFC Requirement	Comparable requirement under German EIA law	Gaps
Information Disclosure	<ul style="list-style-type: none"> <li>• The client will provide stakeholders (especially Affected Communities with access to relevant information on the:                             <ul style="list-style-type: none"> <li>◦ Purpose, nature, and scale of the Project;</li> <li>◦ The duration of proposed Project activities;</li> <li>◦ Any risks to and potential impacts on such communities and relevant mitigation measures</li> <li>◦ The envisaged stakeholder engagement process; and</li> <li>◦ The grievance mechanism.,</li> </ul> </li> </ul>	<p>Project documentation shall be made available for at least one month at an early stage of project development there is no specific time/cutoff provided.</p> <p>Relevant authorities shall decide the places and forms of public display to ensure effective participation of the public.</p>	<p>German EIA law requirements pertaining to information disclosure are vague. Project information/EIA disclosure is only required for Projects that require an EIA – many of which do not.</p> <p>No requirements under German EIA law pertaining to disclosing a grievance mechanism, the envisaged engagement process, or mitigation measures. Reference to “public” rather than Affected Communities or stakeholders.</p>
Stakeholder Engagement Plan	<ul style="list-style-type: none"> <li>• Develop and implement stakeholder engagement plan scaled to project risks and impacts and tailored to characteristics of Affected Communities</li> </ul>	<p>No related requirement(s).</p>	<p>German legislation does not require the development of an SEP during any stage of project development or risk/impact management.</p>
Stakeholder Identification and Analysis	<ul style="list-style-type: none"> <li>• Identify the range of stakeholders that may be interested in Project activities</li> <li>• Identify Affected Communities that will be impacted by adverse E&amp;S impacts</li> </ul>	<p>No related requirement(s).</p>	<p>German legislation does not include any requirements pertaining to the identification and analysis of stakeholders and rather refers only to the general “public”. Thus, engagement activities are not planned according to interest, influence and/or impact to/from stakeholders.</p>
Consultation	<ul style="list-style-type: none"> <li>• Consultation process carried out with Affected Communities to allow them the opportunity to provide their perception and input on Project risks, impacts and mitigation measures,</li> <li>• Effective consultation is a two-way process that should.                             <ul style="list-style-type: none"> <li>◦ Begin early on in the identification of E&amp;S risks and impacts and continue</li> </ul> </li> </ul>	<p>After information disclosure, the public have at least one month to comment, and the expiry period must also be disclosed.</p>	<p>Consultation requirements under national legislation are limited to information disclosure and public commentary and/or public participation within a distinct period; consultation is not required throughout the entire Project life cycle. Similarly, there are no requirements stipulating what consultation entails or criteria for</p>

Stakeholder Component	Engagement	IFC Requirement	Comparable requirement under German EIA law	Gaps
		<p>on an on-going basis as risks and impacts arise;</p> <ul style="list-style-type: none"> <li>◦ Be based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information that is provided in culturally appropriate language(s);</li> <li>◦ Focus inclusive engagement on those directly affected as opposed to those not directly affected,</li> <li>◦ Be free of external manipulation, interference, coercion, or intimidation,</li> <li>◦ Enable meaningful participation, where applicable, and</li> <li>◦ Be documented.</li> </ul> <ul style="list-style-type: none"> <li>• Consultations shall be inclusive (i.e. capturing the views, interests, and priorities of a diverse range of stakeholders</li> <li>• Informed consultation and participation (ICP) process shall be developed and implemented for projects with significant adverse impacts.</li> <li>• Where a host country’s government is responsible for stakeholder engagement, the client will collaborate with the responsible agency to achieve outcomes required under the IFC PS.</li> </ul>		<p>effective/meaningful consultations nor are there specifications pertaining to inclusivity and engagement with vulnerable persons/groups.</p>

Stakeholder Component	Engagement	IFC Requirement	Comparable requirement under German EIA law	Gaps
Grievance	Management/Mechanism	<ul style="list-style-type: none"> <li>• Establish a grievance mechanism to receive and facilitate the resolution of affected communities’ concerns and grievances about the E&amp;S performance.</li> <li>• Ensure that grievances can be resolved in a timely manner via an understandable and transparent consultative process that is both culturally appropriate and accessible.</li> <li>• The grievance mechanism shall not require additional costs or risk of retribution to the grievant.</li> <li>• The mechanism shall not impede access to judicial or administrative remedies.</li> <li>• Stakeholder shall be adequately informed of the grievance mechanism during the stakeholder engagement process.</li> </ul>	No related requirement(s).	<p>German legislation does not include any requirements pertaining to managing grievances or establishing any grievance mechanisms. Concerns during public disclosure period/public participation are expected to be responded to but not via any specific mechanism or tool.</p>
External Communications		<ul style="list-style-type: none"> <li>• Clients will implement and maintain a procedure for external communications that includes methods to:                             <ul style="list-style-type: none"> <li>◦ Receive and register external communications from the public;</li> <li>◦ Screen and assess the issues raised and determine how to address them;</li> <li>◦ Provide, track, and document responses, if any; and</li> <li>◦ Adjust the management program, as appropriate.</li> </ul> </li> </ul>	No related requirement(s).	<p>German national requirements pertaining to “external communication” are limited to those under public participation and information disclosure. Thus, there are no requirements or expectations for maintaining and implementing external communication channels or activities.</p>



Stakeholder Component	Engagement	IFC Requirement	Comparable requirement under German EIA law	Gaps
Reporting to Stakeholders		<ul style="list-style-type: none"> <li>• Periodic reports shall be provided to affected communities, which explain the implementation of project action plans, mitigation measures, and issues that involve ongoing risk or impacts to affected communities.</li> <li>• Stakeholders shall also receive ongoing/periodic reports about issues during the consultation process or grievance mechanism that have been identified as a concern to the stakeholders.</li> </ul>	No related requirement(s).	German legislation does not include reference to on-going reporting to stakeholders and affected communities.

### 3.4 CORPORATE POLICIES

Vulcan has several company codes and policies that demonstrate their commitment to respecting human rights and stakeholder engagement principles at the company. All policies are publicly accessible on their official company website ([www.v-er.eu/sustainability](http://www.v-er.eu/sustainability)).

Vulcan established a Company Constitution in November 2019, underpinned by the Corporations Act 2001<sup>11</sup>. Their Constitution includes but is not limited to internal protocols related to appointments, hiring, and dismissal, internal structures and responsibilities, processes for the handling shares, shareholders' expectations and rights, remuneration, insurance, dealing with overseas shareholders etc. This Constitution acts as the foundation for other company policies and procedures.

Table 3-3 below provides an overview of other company policies. Vulcan restates their commitment to respecting stakeholders and shareholders in several different policies.

**TABLE 3-3 CORPORATE POLICIES**

Charter, Codes and Policies	Purpose/Summary
Board Charter <sup>12</sup>	Defines the role of the Board – providing overall strategic guidance and effective management oversight but is held to the expectations and rules listed in the Company Constitution.
Corporate Code of Conduct and Ethics <sup>13</sup>	Framework for ethical decision-making and minimum standards of behavior for Vulcan's employee, seeking to affirm Vulcan's commitment to "integrity and fair dealing in business affairs, a commitment to do what is right and honorable and to a duty of care to all employees, clients and stakeholders." It regulates employee conduct both internally and externally, and even states that all stakeholders should be aware of company values and intentions to adhere to these principles.
Corporate Governance Statement <sup>14</sup>	Summarizes Vulcan's values, pertaining to governance, the board of directors, diversity, meetings, risk management, business ethics and integrity, and market disclosure. Their main values are integrity, leadership, being future-focused, and sustainability. Their corporate governance statement cross-references their compliance to the ASX Corporate Governance Principles and Recommendations (4 <sup>th</sup> Edition).

<sup>11</sup> The Corporations Act 2001 is an act from the Australian Parliament, determining laws required for Australia's business entities.

<sup>12</sup> Source: Vulcan Energy Zero Carbon Lithium™, Board Charter, February 2020, retrieved from: <https://v-er.eu/wp-content/uploads/2021/07/210701-Board-Charter.pdf>, accessed in September 2023.

<sup>13</sup> Source: Vulcan Energy Zero Carbon Lithium™, Corporate Conduct and Ethics, February 2020, retrieved from: [https://v-er.eu/wp-content/uploads/2022/06/POL\\_UPDATED-Code-of-Conduct-Ethics.pdf](https://v-er.eu/wp-content/uploads/2022/06/POL_UPDATED-Code-of-Conduct-Ethics.pdf), accessed in September 2023.

<sup>14</sup> Source: Vulcan Energy Zero Carbon Lithium™, Corporate Governance Statement, February 2020, retrieved from: <https://www.investi.com.au/api/announcements/vul/e2d67546-693.pdf>, accessed in September 2023.

Charter, Codes and Policies	Purpose/Summary
People and Performance Committee Charter <sup>15</sup>	Explains the roles and responsibilities of the people and performance committee and that their main role is to provide assistance and recommendations to the Board. One of their many responsibilities are “reviewing and facilitating shareholder and other stakeholder engagement in relation to the company’s remuneration policies and practices”.
Anti-Bribery and Anti-Corruption Policy <sup>16</sup>	Outlines Anti-bribery and corruption (ABC) guidelines for employees and company activities. It also mentions that any stakeholders or personnel that feel that their policy has been violated or crimes have been committed should report this to the Board.
Community Relations Policy <sup>17</sup>	States ambition of being a leader in Environmental, Social and Governance (ESG) and aims to create value for stakeholders and have positive impact on communities and environments in which Vulcan operates.
Continuous Disclosure Policy <sup>18</sup>	Policy for information disclosure aligned with ASX Listing Rule 3.1 – “once the company becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value or the company’s securities, the company must immediately disclose that information to the ASX”.
Diversity Policy <sup>19</sup>	States company (and all affiliate bodies) commitment to workplace diversity, and inclusion at all levels of the organization – regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective, and experience.

<sup>15</sup> Source: Vulcan Energy Zero Carbon Lithium™, People and Performance Committee Charter, June 2021, retrieved from: <https://v-er.eu/wp-content/uploads/2021/09/People-Performance-Charter-FINAL-240821-2.pdf>, accessed in September 2023.

<sup>16</sup> Source: Vulcan Energy Zero Carbon Lithium™, Anti-Bribery and Anti-Corruption Policy, February 2020, retrieved from: <https://v-er.eu/wp-content/uploads/2021/09/Anti-Bribery-Anti-Corruption-Policy-FINAL-250821.pdf>, accessed in September 2023.

<sup>17</sup> Source: Vulcan Energy Zero Carbon Lithium™, Community Relations Policy, May 2022, retrieved from: [https://v-er.eu/wp-content/uploads/2022/05/POL\\_2200525\\_Community-Relations-Policy.pdf](https://v-er.eu/wp-content/uploads/2022/05/POL_2200525_Community-Relations-Policy.pdf), accessed in September 2023.

<sup>18</sup> Source: Vulcan Energy Zero Carbon Lithium™, Continuous Disclosure Policy, February 2020, retrieved from: <https://v-er.eu/wp-content/uploads/2022/08/Continuous-Disclosure-Policy-minor-update-11822.pdf>, accessed in September 2023.

<sup>19</sup> Source: Vulcan Energy Zero Carbon Lithium™, Diversity Policy, February 2020, retrieved from: <https://v-er.eu/wp-content/uploads/2021/09/Diversity-Policy-FINAL-240821.pdf>, accessed in September 2023.

Charter, Codes and Policies	Purpose/Summary
Environmental Management Policy <sup>20</sup>	States commitment to meeting highest environmental standards during business activities and operations and acts as a policy guideline for company and ESG strategy. Notes that materially improving and safeguarding the environment will also be done via engaging with stakeholders to leverage opportunities and improve environmental performance.
Occupational Health and Safety (OHS) Policy <sup>21</sup>	Affirms Vulcan's commitment to meeting the highest health and safety standards during execution of operations. This document acts as a guideline for all Vulcan Group employees, companies, contractors and stakeholders. Specifies that their commitment to ensuring zero-harm culture includes consultations and engagement with all Vulcan team, contractors, and stakeholders by asking for suggestions on improvements and regular inclusion in communication and OHS training.
Shareholder Communications Strategy <sup>22</sup>	Ascertains that shareholders should be informed of all major developments affecting the Company's situation. This is specific for shareholders and does not specify all stakeholders.
Sustainable Supplier Policy <sup>23</sup>	Specifies that suppliers must meet the highest standards of business ethics and integrity and are both fair and transparent. Supply-chain specific policy specifying Vulcan's commitment to creating stakeholder value and positive input in communities and environments in which they operate.
Whistleblower Protection Policy <sup>24</sup>	The Vulcan Group encourages a culture of 'speaking up' against possible unethical, unlawful, or socially irresponsible behavior without fear of retaliation or risk of being disadvantaged.

<sup>20</sup>Source: Vulcan Energy Zero Carbon Lithium™, Environmental Policy, May 2022, retrieved from: [https://v-er.eu/wp-content/uploads/2022/05/POL\\_220525\\_Environmental-Policy-1.pdf](https://v-er.eu/wp-content/uploads/2022/05/POL_220525_Environmental-Policy-1.pdf), accessed in September 2023.

<sup>21</sup>Source: Vulcan Energy Zero Carbon Lithium™, Occupational Health and Safety Policy, August 2023, retrieved from: [https://v-er.eu/wp-content/uploads/2023/08/POL\\_230207\\_VER-Health-and-Safety-Policy-FINAL.pdf](https://v-er.eu/wp-content/uploads/2023/08/POL_230207_VER-Health-and-Safety-Policy-FINAL.pdf), accessed in September 2023.

<sup>22</sup>Source: Vulcan Energy Zero Carbon Lithium™, Shareholder Communications Strategy, February 2020, retrieved from: <https://v-er.eu/wp-content/uploads/2021/07/210701-Shareholder-Communications-Strategy.pdf>, accessed in September 2023.

<sup>23</sup>Source: Vulcan Energy Zero Carbon Lithium™, Sustainable Supplier Policy, September 2021, retrieved from: <https://v-er.eu/wp-content/uploads/2021/09/Sustainable-Supplier-Policy-FINAL-310821-1.pdf>, accessed in September 2023.

<sup>24</sup>Source: Vulcan Energy Zero Carbon Lithium™, Whistleblower Policy, February 2020, retrieved from: <https://v-er.eu/wp-content/uploads/2021/09/Sustainable-Supplier-Policy-FINAL-310821-1.pdf>, accessed in September 2023.

Other company policies include:

- Project Oversight Committee Charter
- Audit, Risk and ESG Committee Charter
- Nomination Committee Charter
- Conflict Minerals Policy
- Privacy Policy
- Risk Management Policy
- Social Media Policy
- Trading Policy
- Website Terms of Use

## 4. STAKEHOLDER IDENTIFICATION, MAPPING, AND ANALYSIS

The IFC defines stakeholders as “persons or groups who are directly and indirectly affected by a project, as well as those who may have interests in a project and/or the ability to influence its outcome, either positively or negatively.”<sup>25</sup>

### 4.1 STAKEHOLDER IDENTIFICATION

Vulcan has already identified various stakeholder groups. A sample stakeholder register of stakeholders in Landau has also been included in Appendix B. The listed stakeholders meet at least one of the following requirements:

- May or can provide commentary on Project-specific issues and concerns.
- Have an interest(s) in the Project.
- May potentially be impacted by the Project and its related activities (negatively or positively).

Vulcan will create and keep a Project-specific stakeholder register for all Project phases and components moving forward. The register will indicate contact details as needed, any useful information or links to website pages, and will distinguish which stakeholder group/category they belong to. A sample template for a Stakeholder Register is included in Appendix C.

Table 4-1 below explains the connections of stakeholder groups to the Project. Categorizing stakeholders in this manner helps properly consider their diverse needs, interest, and influence related to Project activities and outcomes. This high-level list has been developed using available information and knowledge but has not been confirmed with stakeholders themselves.

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<sup>25</sup> Source: International Finance Corporation, Stakeholder Engagement Handbook, (May 2007), retrieved from: <https://www.ifc.org/content/dam/ifc/doc/mgrt/ifc-stakeholderengagement1.pdf> accessed in September 2023.



TABLE 4-1 STAKEHOLDER CATEGORY LIST

Stakeholder Categories and Groups	Connection to the Project	Stakeholders
Central Government	Central Government establishes policy and monitoring and enforces compliance with German Laws throughout all stages of the Project life-cycle.	<ul style="list-style-type: none"> <li>• The European Union and affiliated governing bodies</li> <li>• German Federal Government</li> <li>• German Federal Ministry for Economic Affairs and Climate Action</li> <li>• Federal Ministry of Finance</li> <li>• Federal Ministry of the Interior and Community</li> <li>• Federal Ministry of Labour and Social Affairs</li> <li>• Federal Ministry of Food and Agriculture</li> <li>• Federal Ministry of Health</li> <li>• Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection</li> <li>• Federal Ministry for Housing, Urban Development and Building</li> <li>• Federal Ministry for Economic Cooperation and Development</li> </ul>
Local Government	The Local Government is responsible for the decisions on environmental conditions and permits as well as the implementation of legislation, and development plans and policies at a local level. Local Government needs to be engaged to maintain a direct line of communication, identify important issues which may impact the Project, and ensure social support.	<ul style="list-style-type: none"> <li>• Local mayors and official leaders</li> <li>• Municipal Councils and assemblies (Landau and Südliche Weinstraße city councils)</li> <li>• Local community councils and governments (Insheim Ortsgemeinde, Impflingen an der Südlichen Weinstraße etc.)</li> </ul>
Local Institutions/Public Service Providers	Local public services (e.g. administration and utility supply related stakeholders) that may be directly or indirectly affected by the Project activities or the Project's associated environmental and social impacts.	<ul style="list-style-type: none"> <li>• Emergency response (firefighters, paramedics, police departments etc.)</li> <li>• Local enterprises (hospitality, construction, energy/heating companies and distributors etc.)</li> <li>• ESW, Thüga, MVV, Stadtwerke Viernheim, Stadtwerke Bad Dürkheim, Pfalzwerke, Stadtwerke Neustadt, Technische Werke Ludwigshafen, Stadtwerke Weinheim</li> </ul>

Stakeholder Categories and Groups	Connection to the Project	Stakeholders
<p>NGOs</p>	<p>Organizations with direct interest in the Project, and its social and environmental aspects can influence the Project directly or through public opinion. Such organizations may also have useful data and insights on areas of interest to the Project. Moreover, engagement may produce benefits in terms of expanding awareness about the Project.</p> <p>These stakeholders are already or may potentially become partners to the Project in areas of common interest.</p>	<ul style="list-style-type: none"> <li>• Environmental organizations (Environmental Action Germany, Germany, BUND, Umweltbundesamt, FSC, German Climate Consortium, etc.)</li> <li>• Bauern- und Winzerverbände, Landwirtschaftsverbände, Beregnungsverbände, Umweltforum MA mit 16 Umwelt- und Naturverbänden, MRN, TRK, Nachbarschaftsverbände, Träger öffentlicher Belange aus Betriebsplänen</li> <li>• United Nations Educational, Scientific and Cultural Organization (UNESCO)</li> <li>• International Renewable Energy Agency (IRENA)</li> <li>• Fraunhofer Institutes</li> <li>• Working Group for Nature and Environmental Education (ANU) Rhineland-Palatinate</li> <li>• Farming/agricultural organizations (Bioland Rheinland-Pfalz/Saarland e.V., Demeter Rheinland-Palatinate and Saarland Working Group for Biodynamic Farming, Working Group Organic Farming Rhineland-Palatinate/Saarland e.V.)</li> <li>• Cultural heritage organizations (German World Heritage Fund, German Archaeological Institute)</li> </ul>
<p>Potentially affected communities/groups</p>	<p>Communities may be directly or indirectly affected by the proposed Project and its activities. Some groups could express their negative opinions on Projects of similar nature and may protest against the Project. These communities need to be made aware of the Project’s schedule and its planned activities as well as of the potential benefits that will come in the form of economic opportunities and employment.</p>	<ul style="list-style-type: none"> <li>• Residents of nearby settlements</li> <li>• Local community leaders</li> <li>• Tourists</li> <li>• Farmers</li> <li>• Opinion leaders (e.g. well-known people or leaders from the area)</li> </ul>

Stakeholder Categories and Groups	Connection to the Project	Stakeholders
Vulnerable Groups	Potentially vulnerable groups are those groups that are more likely to be less resilient to adverse impacts of a major project than the general population. This may be due to specific characteristics of the individuals or groups (such as gender, age, ethnicity, or disability), or may result from a broader range of factors (such as dependence on natural resources, lower access to employment and/or other benefits of the Project). Due to their nature, they may be highly impacted by the Project but will have low influence.	<ul style="list-style-type: none"> <li>• Vulnerable groups (women, elderly/retired, children, youth, asylum seekers, migrant workers, low-income households, people with disabilities)</li> </ul>
Civil Society organizations (CSOs)	Organizations with direct interest in the Project, and its social and environmental aspects, that are able to influence the Project directly or through public opinion. Such organizations may also have useful data and insights on areas of interest to the Project. Moreover, engagement may produce benefits in terms of expanding awareness about the Project. These stakeholders are already or may potentially become partners to the Project in areas of common interest.	<ul style="list-style-type: none"> <li>• German Archaeological Institute</li> <li>• Institute for European Politics</li> <li>• International Civil Society Center</li> <li>• Bündnis der Bürgerstiftungen Deutschland</li> <li>• Women’s shelters and associations</li> </ul>
Academia	Education institutions and individuals with direct interest in the Project, and its social and environmental aspects and that are able to influence the Project directly or through public opinion. Such organizations may also have useful data and insight and may be able to become partners to the Project in areas of common interest. Potential partners’ interests lie in the provision of services and supplies to the Project.	<ul style="list-style-type: none"> <li>• Research institutes and think tanks (e.g. Fraunhofer Institutes)</li> <li>• Universities and schools</li> </ul>

Stakeholder Categories and Groups	Connection to the Project	Stakeholders
Media	Local, regional and national level media may influence local stakeholders' perceptions of the Project.	<ul style="list-style-type: none"> <li>• Radio stations (SWR3, SWR 1 Rheinland-Pfalz, Deutschlandfunk etc.)</li> <li>• News stations/channels (e.g. SWR, WELT, TAG24, Die Rheinpfalz etc.)</li> <li>• Local TV networks</li> <li>• Newspapers and Magazines</li> <li>• Local websites (Südliche Weinstraße official website, Landau city council website)</li> </ul>
Internal Stakeholders	Internal stakeholders include people involved in the Project, mainly employees, contractors and supply chain workers. These stakeholders will be impacted by the Project. Furthermore, these stakeholders may be in direct contact with local communities due to their presence in the area.	<ul style="list-style-type: none"> <li>• Shareholders</li> <li>• Vulcan Energy employees</li> <li>• Contractors/subcontractors</li> <li>• Potential lenders</li> <li>• Supply chain workers</li> </ul>

Source: ERM, September 2023.

## 4.2 STAKEHOLDER MAPPING AND ANALYSIS

### 4.2.1 APPROACH AND PURPOSE OF MAPPING

The purpose of stakeholder mapping is to initiate a systematic, strategic, and effective means of engagement after initial identification. It helps tailor an engagement approach to the specific interests and differing levels of influence that stakeholder groups have on the Project.

Vulcan also created a stakeholder mapping for their general activities and Projects, included in Appendix D. ERM has adapted these general mappings to further to incorporate more specificity and consider stakeholder influence pertinent to all Project components and activities (Section 2.2). Influence on, interest in, and impact on the Project were all rated on a scale of low, medium, and high.

Influence refers to the power that the stakeholders have relative to decisions that may affect the Project or are made by Project developers. Stakeholders may have some degree of control over the decision-making process, even if only in informal ways – protesting the Project or seeking to prevent Project operations from continuing. Though influence is important to consider, impacted stakeholders should be prioritized regardless of their degree of influence; those without influence may sometimes be the most vulnerable and severely impacted, and thus may require additional attention throughout engagement efforts.

Furthermore, impact and interest help understand and determine a stakeholder or stakeholder group's importance. Firstly, estimating stakeholder's level of interest in the project can help clarify motivations that particular actors may have and thus ways they might influence Project development and outcomes. Interest can be assessed by looking at whether stakeholders are directly involved with the Project or if they have something to gain or lose as a result of Project development.

Impact, however, refers to the consequences that stakeholders face as a result of the Project. Impacts to stakeholders may be direct or indirect and can be environmental, socio-economic or cultural. The scale and severity of an impact influences an individual or group's interest in the Project – higher impact typically correlates to higher interest and ultimately, higher importance.

Different levels of engagements will be proposed for different stakeholder groups. This is primarily based on experience with similar projects and the analysis of the stakeholder consultation and engagement process to date. Stakeholder positions and status may change over time, as the Project progresses. Stakeholder influence, interest and impact, will be reviewed and updated as needed, including newly identified stakeholders or stakeholder groups.

The stakeholder priority matrix below (Figure 4-1) provides an evaluation matrix combining influence and importance evaluations that will then determine approaches for consultation. Stakeholders who have low influence and importance will at a minimum be informed. Those with high influence and importance will have more frequent meeting and active input/collaboration.

Influence	H	Involve	Collaborate	Collaborate
	M	Involve	Involve	Collaborate
	L	Inform	Consult	Consult
		L	M	H
Importance				

FIGURE 4-1 STAKEHOLDER PRIORITY MATRIX

Figure 4-2 below shows the preliminary stakeholder prioritization matrix based on general stakeholder groups. It incorporates ratings and stakeholder groups noted in the mapping included in Appendix D, however, ratings have been adjusted for this specific Project and activities. Considerations of influence and importance have been evaluated relative to the scale and severity of the Project’s potential environmental and social risks and impacts.

Influence	H	Local politicians; Federal political parties	Internal Stakeholders, Shareholders, and Employees; Local Media; Internal Suppliers; Banks	Local Governments, Regulatory and Permitting Authorities (e.g. Directorate of State Archaeology)
	M	Trade Tax Recipients (municipalities)	NGOs (Greenpeace, BUND); General/Regional Press; Insurers	PAPs/Local Residents within/around AoI
	L	Industry Competitors; Clients (Energy); General Suppliers; Social Insurance Carrier, European Union; Associations	Other local residents of nearby towns; Waste Contractors; VERCANA drilling contractors	Clients (Heat, electricity), Offtakers of Lithium
		L	M	H
Importance				

FIGURE 4-2 PRELIMINARY STAKEHOLDER PRIORITIZATION MATRIX FOR THE PROJECT

Monitoring will be extended to all engagement activities regardless of group interests and influence, to ensure that engagement is appropriate with any developments or changes to the Project. The majority of engagement activities with consultation and collaboration measures will be extended to local governments, regulatory authorities, local citizens (specifically those within and closest to the AoI), and PAPs.



### 4.3 VULNERABLE GROUPS AND GENDER CONSIDERATIONS

Vulcan recognizes the need to consider and integrate provisions to include vulnerable groups more readily in engagement efforts. Though there are no identified high-risk impacts to vulnerable groups as a result of this Project Vulcan acknowledges that vulnerable persons may face additional hurdles when seeking to participate. The Project and its engagement efforts will also be gender inclusive. Some methods will include:

- Vulcan will seek to naturally establish a gender balance amongst future engagement efforts and activities through “gender-blind” recruitment processes<sup>26</sup>.
- Vulcan will ensure that the appointed Regional Manager(s) have sufficient training or materials to handle gender-specific issues or any sensitive incidents in an appropriate and meaningful way.
- Vulcan may create designated ‘safe spaces’ for vulnerable persons to freely share their input and experiences without fear of retaliation. This can be facilitated by creating one-to-one discussions or female-only discussions, if needed.
- Vulcan will try to use existing forums and methods of engagement used by different genders, including informal ones where participants may be more comfortable sharing information and views. They will also engage with civil society organizations that might provide a forum for, or insight into, the best avenues for engagement with specific groups.
- Vulcan will be open to other suggestions from their stakeholders and employees to listen, acknowledge and try to address their concerns and thoughts in the ways that best suit them.

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<sup>26</sup> Vulcan aspires to ensure equality of opportunity by ensuring merit rather than implementing quotas.

## 5. PREVIOUS STAKEHOLDER ENGAGEMENT

### 5.1 STAKEHOLDER ENGAGEMENT AT HÖCHST INDUSTRIAL PARK

Infraserv is responsible for managing Frankfurt Höchst Industrial Park (Industriepark Höchst), plays a key role in interacting with nearby communities and ensuring that local residents and businesses are kept informed about activities within the industrial park.

#### **Community Information and Communication Channels**

- **Website and Social Media:** Infraserv Höchst maintains a dedicated website and active social media channels to provide real-time updates on any activities or incidents at the industrial park. Residents can access detailed information about ongoing projects, safety measures, and environmental data.
- **Hotline:** They offer a 24-hour community hotline where residents can ask questions or report concerns related to noise, emissions, or safety issues. This hotline is particularly useful during planned or unplanned activities that might affect the surrounding areas, such as maintenance work, loud operations, or potential incidents.
- **Public Information Events:** Infraserv holds regular public meetings and information events to discuss the developments in the industrial park, new projects, and safety protocols. These events allow residents to interact directly with company representatives and voice concerns.

#### **Emergency Preparedness and Alerts**

- **Siren and Alert Systems:** Infraserv Höchst coordinates with local authorities to maintain a siren system to warn nearby residents of any serious emergencies, such as chemical spills or fires. They also use SMS alerts or notification systems to inform communities in real-time during such incidents.
- **Collaboration with Local Emergency Services:** Infraserv works closely with local fire departments, police, and emergency medical services to ensure rapid response to any incidents that could affect nearby communities. This includes regular safety drills and joint exercises with local agencies.
- **Emergency Plan Information:** Residents in nearby areas like Höchst, Sindlingen, and Unterliederbach are provided with emergency preparedness guidelines, including what actions to take in case of an industrial incident. This information is distributed through brochures, local media, and online platforms.

#### **Corporate Social Responsibility (CSR) and Community Involvement**

- **Community Support and Sponsorships:** Infraserv Höchst actively participates in local community life by sponsoring cultural, educational, and sports events in nearby areas. This includes funding for schools, sports clubs, and local initiatives aimed at improving the quality of life in the surrounding districts.
- **Job Creation and Education Programs:** Infraserv provides local job opportunities and runs apprenticeship and training programs, often working with local schools and vocational training centers. This helps develop the local workforce and strengthens ties with the community.
- **Educational Programs and Site Tours:** Infraserv offers educational programs for schools and universities, including guided tours of the industrial park. These tours focus on safety,

environmental protection, and industrial processes, giving students and the public a chance to learn more about modern industry operations.

### **Noise and Traffic Management**

- **Noise Reduction Initiatives:** Infraserve is committed to reducing noise pollution from the industrial park, particularly during construction or maintenance activities. They inform residents in advance about any planned activities that could cause temporary noise or disruptions.
- **Traffic and Transport Management:** Infraserve collaborates with local authorities to minimize the impact of industrial traffic on nearby residential areas. This includes working on traffic management plans and coordinating transport routes to reduce congestion and emissions in the surrounding communities.

## **5.2 SUMMARY OF PREVIOUS STAKEHOLDER ENGAGEMENT ACTIVITIES**

Vulcan specifies that “communication with stakeholders plays a central role for them, as the company is aware of the need for information regarding both deep geothermal energy and lithium extraction.” During the ERM site visit in August 2023, the Vulcan team explained their open-door policy<sup>27</sup> in which anyone is welcomed to call, email, or arrange an in-person meeting to ask questions, tour sites, and share concerns. Project representatives and directors play an active part in stakeholder engagement, and the communications team supports with facilitating engagement.

The Vulcan team initiates meaningful stakeholder engagement efforts and they have carried out various distinct and meaningful engagement efforts. Vulcan has shared various planning documents specifying the locations for certain engagement activities and communication material (e.g. presentations) that will/has been used. Vulcan has developed a comprehensive excel document specifying the phase and time in which the particular engagement will take place (preparation) corresponding to the type of engagement (information, dialogue, active participation, additional ideas and future brainstorming).

As of September 2024, planning materials have not been curated specific to one Project but are mostly categorized according to area or phase type. Nevertheless, previous planning tools and presentations still noted objectives, milestones, recaps of engagement to date, Project phases with correlating risks and measures, upcoming events, stakeholders in the area, and contact information.

Vulcan has emphasized that prior to individual steps or phases in project development they typically intensify communication measures in local communities, main public areas (marketplaces), and on social media platforms.

For example, from April to September 2022 Vulcan employees drove along the Southern Palatinate roads to share information on their 3D-seismic survey planned for the region. Additionally, in September 2022 a Vibrotruck<sup>28</sup> was put on display in the town square of Landau

<sup>27</sup> The “Open-Door Policy” is not a formally established or written policy but is an ERM observation based on discussions with Vulcan and their approach to engagement activities.

<sup>28</sup> Vibrotrucks are special vehicles used during 3D seismic screening. They drive around a particular area and then bring a metal plate to the ground; the plate then vibrates for a few seconds and geophones (earth microphones) are able to pick up the reflected sound waves. This information is from Vulcan, Press Release: Vulcan Conducts 3D seismic survey in the Mannheim Region, retrieved from: <https://v-er.eu/de/vulcan-fuehrt-3d-seismik-in-der-region-mannheim-durch/>, accessed in August 2023.

in the Palatinate and citizens of all ages and backgrounds were encouraged to exchange ideas and ask questions to Vulcan experts regarding the 3D seismic measurement area/activities. Their goal is to create and act transparently and address concerns or questions from the community.

On May 4<sup>th</sup>, 2024, Vulcan also held an “Open Door Day” at the Insheim geothermal plant, where the 200+ attendees were able to learn about the process of geothermal energy production and climate-neutral lithium production. This was also beneficial to provide more clear insights and manage community expectations pertaining to climate-neutral district heating supply and how project development relates to the expansion of the district heating network. Thüga Energie and EnergieSüdwest were also in attendance to participate in the discussions pertaining to heating and energy supply.

Similarly, Table 5-1 below shows a summary of the types of engagement to date. Most of the engagement thus far has been information disclosure, considering the project is still in early-development and pre-construction. A comprehensive overview with clear descriptions of the various engagement efforts carried out to date can be reviewed in Appendix I. The information has been summarized from discussions, site visit, shared public relations (PR) calendars, and planning and strategy materials.

The PR calendars notably indicated meeting locations, mode of communication (print, online, TV, podcast) topics discussed, who led/performed the activity, and the language it took place in. When sharing information on the types of print media that were published, the team even specified who the journalists and interviewees were.

TABLE 5-1 OVERVIEW OF STAKEHOLDER ENGAGEMENT TO-DATE

Mode of Engagement	Engagement Activity(s)	Engagement Summary	Date(s)
<i>Public Information Disclosure</i>	Online/digital media information sharing	Relaunched company/regional websites, social media posts, press releases	January 2022- present
	Print Media Information Publications	Advertisements, large billposting, flyers, construction site signs/information boards, newsletters, technical information and info sheets, specific material for political authorities	January 2022- present
<i>Direct Community/Public Engagement</i>	Information Trucks	Designated truck that opens to provide interactive information on the entire company and on-going projects. Various roadshows (9) were held in Landau, Offenbach, Herxheim, Billigheim-Ingenheim, Rohrbach, Insheim, and Impflingen to hear about Vulcan's plans for phase one and gain information pertaining to geothermal energy, seismic surveys, and overall Project.	April- August 2022
	Information Centre	Centre for local population to visit and gather information and materials regarding Vulcan's endeavors. Visitors can arrange a meeting time or drop in and also have the opportunities to ask questions and discuss questions/concerns with Vulcan representatives.	June 2022- present
	Participatory and dialogue-based events with community stakeholders	Citizen dialogue and information events, consultation hours at InfoCenter, citizen phone/chat-line, information trips to Insheim, citizen surveys, kick-off events with stakeholders per project phase, technical discussions with target groups, roundtable	April 2022- present
<i>Political Engagement</i>	Political Visits	Various meetings and visits from local government officials to the project site(s) to provide first-hand insight into Project Lionheart, Vulcan's headquarters, and to discuss the potentials of geothermal energy and renewable lithium production in the region.	July 2022-August 2024

A notable measure of engagement from the Vulcan team are their information trucks and information centers. These operate independently of Projects and on an on-going basis, used to share information and answer questions about company mission, values, and on-going and future Projects. At the Insheim Geothermal Plant there is also a visitors' center in which local stakeholders are encouraged to come visit the plant and learn about carbon neutral lithium production. The information trucks drive around the area and open up (when parked and stationary), allowing the Vulcan team to interactively present Project information to stakeholders who might not have been previously aware of the company or their endeavors. The info truck is often located at the marketplace area in Landau and has made numerous appearances at civil events and festivals in the area, such as the resident's festival in Insheim or at the Bad Dürkheim sausage market. Photos of such engagements are presented in Appendix A.

Similarly, the information centers are open on most weekdays and any person or group is welcome to stop in and visit, coordinate a meeting time, or call and ask questions. The first information center was opened in Landau 2022. ERM visited the info centers during the site visit in August 2023. There were numerous pamphlets presenting project information in a digestible and non-technical manner for personal stakeholder groups to be able to understand and engage. There were maps explaining the breakdown of project locations and differentiation of sites, as well as a projector and seating area for a small lecture or discussion to be held. Figure 5-1 below show the Landau information center that ERM visited during their site visit.



FIGURE 5-1 VULCAN INFORMATION CENTER LANDAU

Source: ERM site visit, August 2023



During ERM's visit to site ERM was able to engage with stakeholders and representatives from Infrserv at the Hoechst Industrial Park and engaged with a local farmer near the Schleidberg drill site (Figure 5-2 below) – this engagement confirmed that the Vulcan team treats and engages with stakeholders in a meaningful and respectful way, seeking to build lasting and effective relationships.



FIGURE 5-2 ERM AND VULCAN REPRESENTATIVE DISCUSSING WITH LOCAL FARMER

Source: ERM Site Visit, August 2023

### 5.3 KEY STAKEHOLDER ISSUES

The main issues raised by the stakeholders and potential adverse impacts are as follows:

- Differentiation between Vulcan’s activities compared to other geothermal Projects;
- Concerns surrounding seismicity and related adverse impacts;
- Perceived risks due to misinformation;
- Fears of increased noise during Project construction and operation; And overall understanding of Project components, activities, and outcomes.

These issues are further contextualized in the following sub-section, as well as in the social impact assessment component of the full ESIA, where public perceptions of the Project are discussed. Vulcan has begun and will continue to manage community and stakeholder expectations, especially emphasizing local value creation relative to potentially adverse environmental and social impact.

### 5.3.1 PUBLIC PERCEPTIONS OF THE PROJECT

Based on desktop research, and conversations with Vulcan, public sentiments around geothermal projects were both neutral and partially negative in the Landau in the Palatinate area – however, Südwestrundfunk (Southwest Broadcasting) (SWR), a regional public broadcasting corporation in Rhineland-Palatinate and Baden-Württemberg, note that in June 2022 the city council overturned the objective of shutting down the geox geothermal plant.<sup>29</sup> Based on news articles and journalistic resources public scrutiny and opposition mostly comes from lack of understanding of discrepancies between types of geothermal drilling and what the de facto risks vs value added is.<sup>30</sup>

However, Vulcan concludes that stakeholder engagement efforts in recent years have resulted in mostly positive perceptions of the Project. In particular, the Vulcan team emphasizes to stakeholders the value added that will result from this Project - the provision of local and renewable heat. Their frequent stakeholder engagement at this stage is also mostly centered around information and knowledge sharing and managing public expectations.

This has most recently been demonstrated in the actions of the Landau City Council, and surrounding town councils, of which 8/9 voted in favor of Vulcan's field work plans in 2022. In 2023 the Landau City Council also voted in favor of geothermal development to supply the city with renewable heat.

Vulcan has also drafted a document summarizing the basic principles and reasons for opposition in each of their Project areas. This has helped identify that adverse impacts due to induced seismicity from drilling is a key social concern or risk amongst public and community stakeholders. Indeed, Vulcan notes that opposition in the region can be traced back to the seismic events that happened in Basel (2007) and Landau (2009) – two shallow wells (about 140m deep) created an uplift in the ground. They note that opposition groups tend to be small (>5 active opponents and 10-15 sympathizers typically); are mainly active on Facebook, receiving less than 20 likes on average; and the groups mostly interact amongst themselves rather than with other opposition groups. Similarly, at an FDP parliamentary event in Ortenau (Offenburg) the mayor of Sasbach raised concerns pertaining to the issue of seismicity, namely with regard to similar developments in other regions.

Nonetheless, further stakeholder engagement/meaningful consultations and proper management of the grievance mechanism laid out in this SEP, will continue to make the Project's projected impacts and planned mitigation measures transparent. Additional controls to limit the potential for induced seismicity and/or establishing a process for remediation/compensation in the unlikely event that seismic impacts are to be experienced will function as further safeguards. Thus, risk of public opposition or stakeholder fears pertaining to seismicity can be managed with proper mitigation.

Vulcan's general findings pertaining to opposition are categorized by region and go on to identify the main activities and opposition groups. They identify where stakeholders and opposition are

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<sup>29</sup> Source: SWR Aktuell, Landau city council changes attitude to geothermal power plant, retrieved from: <https://www.swr.de/swraktuell/rheinland-pfalz/ludwigshafen/landau-sagt-ja-zu-geothermie-100.html>, accessed in August 2023.

<sup>30</sup> Source: SWR, Lithium-Hype am Rhein: Chance oder Risiko? SWR Wissen, retrieved from: <https://www.youtube.com/watch?v=GXbSI2FJf0k>, accessed in August 2023.

active and how best to interact with them. Vulcan even goes so far as to document any previous conflict and mediation processes between geothermal developers and opposition groups.<sup>31</sup>

Proper stakeholder engagement and management throughout the Project life-cycle would ideally help maximize Project positives/opportunities to stakeholders while minimizing and helping reconcile adverse impacts.

#### 5.3.1.1 REGIONAL READINESS INDEX

Furthermore, Vulcan has created and been utilizing a Regional Readiness Index (RRI) to better understand and gain information on stakeholders' receptivity to Vulcan's company efforts and Projects. This acts as a general feedback tool that generally assesses the extent to which stakeholders within respective regions are properly primed and ready for the Project to commence.

Though the RRI tool is used across the company's Projects it has been updated during the ESIA phase to allow for feedback on overall stakeholder engagement and grievance mechanism management.

The RRI will not replace stakeholder registers or planning material and documentation, nor will it function as a grievance mechanism. The RRI is a supplementary engagement tool that will be used for additional information gathering, monitoring and management. It will continue to be managed by Vulcan's communications team.

A Vulcan presentation on the RRI results from January-April 2023 is included in Appendix E. Most findings are in German with most important slides also translated into English. A sample of the stakeholder RRI feedback form is included in Appendix F. Though most of the stakeholders speak German, and option to submit the form in English will also be made possible.

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<sup>31</sup> Source: Vulcan, Public Acceptance – opposition against geothermal and lithium projects in the Upper Rhine Valley, accessed October 2023.,

## 6. STAKEHOLDER ENGAGEMENT PROGRAM AND APPROACH

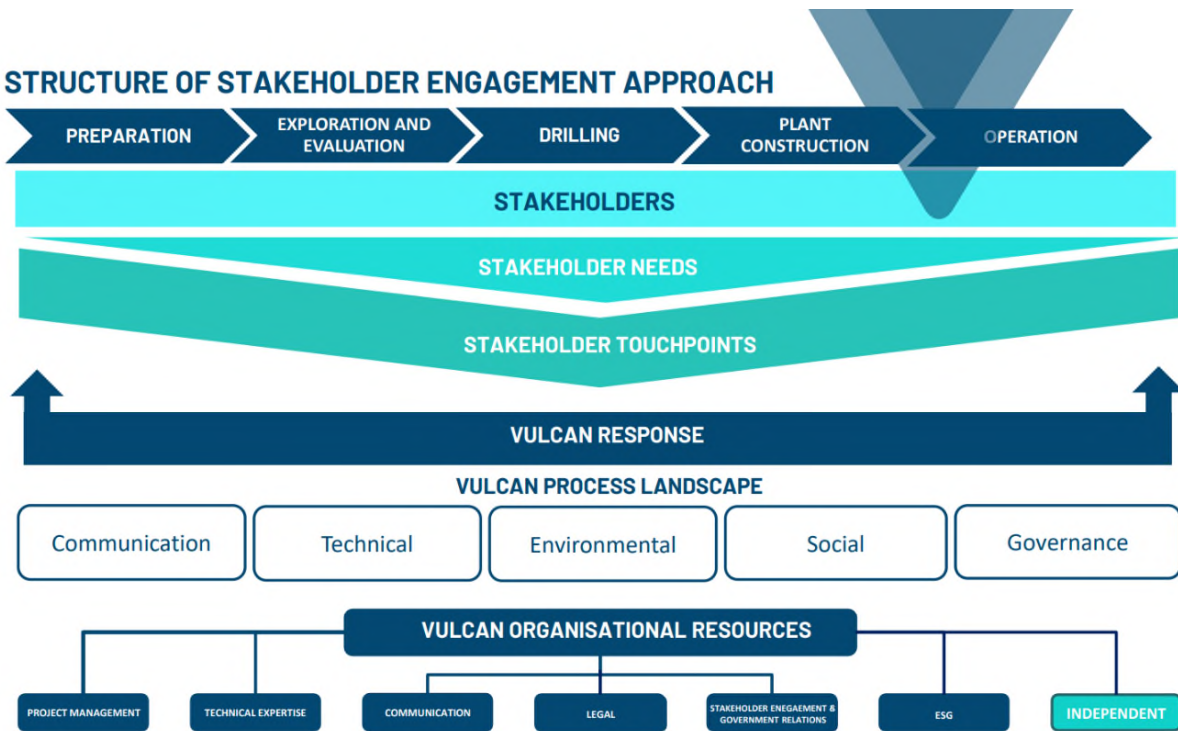


FIGURE 6-1 VULCAN'S APPROACH TO STAKEHOLDER ENGAGEMENT

Source: Vulcan Energy Zero Carbon Lithium™ Phase One DFS Presentation, 2023.

### 6.1 STAKEHOLDER ENGAGEMENT APPROACH

Prior to Vulcan’s ESIA process, stakeholder engagement activities were done by region and have overlapped for various Projects. Moving forward, Vulcan will slightly adapt their engagement activities to ensure that planning, documentation, and monitoring of engagement is Project specific.

Vulcan’s previous approach to stakeholder engagement has been conducted on a regional basis and was led by the regional communications team and regional managers. Engagement efforts have been and will continue to be tailored to population consultation/engagement versus political stakeholders; engagement within those categories will still be tailored to smaller target groups based on the stakeholder mapping and analysis.

#### **Political Engagement**

The Regional Managers and Project Development Team are mainly responsible for political engagement, i.e. presenting project statuses in various councils and negotiating contracts etc.; Regional Managers tend to provide more political input whereas Project proponents contribute technical information.

Local politicians and councils are in close consultation with Vulcan’s Project Developers and Regional Managers. Frequently discussed topics are cooperation agreements, heat supply, or even the possibilities of land acquisition.

## **Community Engagement**

Additionally, the Regional Communication Team is the main source of contact for communication with local citizens and other members of the Project; Project proponents also sometimes support with community engagement. They implement a variety of engagement tools at different locations (city centers, Insheim geothermal plant, Vulcan visitor center etc.) to reach a larger audience and allow as many people as possible in the region to gain understanding, acceptance, and tolerance for the local Project.

Community engagement is mainly divided into informational measures and dialogue. Informational measures include posters, flyers, print advertisements, and using other forms of media to share information on Vulcan as a company and the Project. Most dialogue tends to take place in road shows, public events, smaller meetings with Vulcan representatives and stakeholders, or site/Info Center visitations.

### **6.1.2 ENGAGEMENT THROUGHOUT THE PROJECT LIFE-CYCLE**

Vulcan aspires to include stakeholder inputs throughout their Project activities. Engagement will continue to take place throughout the entire Project Life Cycle – planning, construction, operation, and decommissioning.

Communication channels for Vulcan and their stakeholders are well established and will continue to be used moving forward.

#### **6.1.2.1 ESIA DISCLOSURE**

In line with international lender requirements ESIA disclosure will take place with the following objectives:

- Communicate the purpose, scale, and nature of Project activities.
- Provide a platform to exchange information about the risks and potential impacts of the Project with stakeholders, as well as proposed mitigation.
- Be accessible and culturally appropriate.
- And meet the specific needs of affected groups, and/or make additional provisions for vulnerable groups/persons as needed.

The ESIA will be made available to all stakeholders in a multitude of formats/channels, such as via online postings (Vulcan website) and in hard copies (Vulcan offices, Project sites).

Stakeholders will have access to the following documents:

- Environmental and Social Impact Assessment (ESIA) Report.
- The Non-Technical Summary (NTS).
- Stakeholder Engagement Plan (SEP).
- The Environmental and Social Management Plans (ESMPs).

During any consultations, findings and information will be recorded in line with the requirements stipulated throughout this SEP.

#### **6.1.2.2 POST-ESIA ENGAGEMENT**

Vulcan will proceed with engagement as laid out in this SEP. The implementation of the SEP throughout pre-construction, construction, operation, decommissioning and ultimately closure, will be overseen and managed by its Regional Manager(s).



Engagement shall be open and ongoing, allowing for the sharing of information and understanding stakeholder interests and concerns throughout all these phases. The SEP will generally be updated at least every six months; during construction it will be reviewed and updated as needed at least every three months. Stakeholder feedback will determine if reviews and updates should be more frequent. The Regional Managers will be responsible for reviews and updates to the SEP, mainly to ensure that:

- Stakeholder groups, lists, and mapping remain accurate.
- Review and adjust engagement methods or approaches for information disclosure to it stakeholder needs.
- And to review and assess stakeholder participation to revise, if necessary, the frequency, means and format of engagement to meet accessibility and participation requirements of all stakeholders.

Periodic consultations with PAPs, and locals nearest to the AoI are necessary to ensure that social and environmental risks and impacts have been properly assessed, managed and mitigated.

During operation, engagement will primarily be focused on maintenance of facilities an overall satisfaction with Vulcan's benefits to the community. As consultations during operation and decommissioning will be far less frequent than during planning and construction, the RRI and grievance mechanism will be most essential to understanding and managing social risks and impacts to stakeholders. Other consultations and engagement will take place on an ad-hoc basis.

Figure 6-1 below provides an overview of the general approach for engagement per Project phase. It notes objectives, as well as the relevant stakeholder engagement and Project activities that correspond to that phase.



**TABLE 6-1 PROPOSED ENGAGEMENT APPROACHES PER PROJECT PHASE**

Project Phase	SEP Objectives	SEP Activities	Project Activities
<p><b>Planning/Pre-Construction</b></p>	<ul style="list-style-type: none"> <li>• Incorporate any newly identified stakeholders into the SEP, especially mapping an analysis</li> <li>• Continue to fortify relationships and communication channels with stakeholders;</li> <li>• Obtain stakeholder buy-in to Project/social license to operate</li> <li>• Record and address stakeholder ideas, concerns, and suggestions</li> <li>• Collect feedback on anticipated E&amp;S risks and impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Appoint Regional Manager and central manager for the Grievance Mechanism</li> <li>• Disclose and implement community Grievance Mechanism/protocol</li> <li>• Establish Project-specific website or webpage</li> <li>• Set up Project-specific information at InfoCenters and sites</li> </ul>	<ul style="list-style-type: none"> <li>• Finish land acquisition and purchase</li> <li>• Continue obtaining outstanding licenses and permits</li> <li>• Finalize detailed designs and planning materials, including exact locations of Project components (access roads, electric cables, grid connections etc.)</li> <li>• Continue and conclude ESIA process and other E&amp;S protocols with international lenders</li> <li>• Archaeological excavations (40 Morgen)</li> </ul>
<p><b>Construction</b></p>	<ul style="list-style-type: none"> <li>• Keep stakeholders updated and informed on Project progress</li> <li>• Maintain social license to operate</li> <li>• Address grievances</li> <li>• Maintain positive and peaceful working relationships with stakeholders and contractors</li> </ul>	<ul style="list-style-type: none"> <li>• Adjust and maintain SEP for construction</li> <li>• Be present on site and ready to engage regularly with stakeholders, especially with any vulnerable people</li> <li>• Verify effectiveness and protocol of the Grievance Mechanism</li> <li>• Evaluate and verify community Project perceptions</li> </ul>	<ul style="list-style-type: none"> <li>• Land clearing and setting up construction infrastructure (access roads, workers camps etc.)</li> <li>• Site excavations</li> <li>• Drilling</li> <li>• Pipeline construction</li> <li>• Work on geothermal plants</li> </ul>
<p><b>Operation</b></p>	<ul style="list-style-type: none"> <li>• Keep stakeholders updated and informed on Project progress</li> <li>• Addresses any grievances</li> <li>• Maintain positive and peaceful working relationships with stakeholders and contractors</li> </ul>	<ul style="list-style-type: none"> <li>• Adjust and maintain SEP for operation</li> <li>• Carry out continuous and regular engagement during/related to operations</li> <li>• Disclose and implement Grievance Mechanism (if not already done)</li> <li>• Address any grievances</li> <li>• Report on E&amp;S performance and SEP efficacy</li> </ul>	<ul style="list-style-type: none"> <li>• Renew licenses and permits as needed</li> <li>• Service and maintenance activities</li> </ul>

Project Phase	SEP Objectives	SEP Activities	Project Activities
<p><b>Decommissioning/Closure</b></p>	<ul style="list-style-type: none"> <li>• Keep stakeholders updated and informed on Project progress</li> <li>• Addresses any grievances</li> <li>• Understand authority and legal requirements</li> <li>• Manage retrenchment processes</li> </ul>	<ul style="list-style-type: none"> <li>• Inform stakeholders on decommissioning process (staff retrenchment, timelines, activities, waste management/material disposal)</li> <li>• Define engagement activities for decommissioning</li> </ul>	<ul style="list-style-type: none"> <li>• Dismantle Project components</li> <li>• Seal any remaining holes in the ground</li> <li>• Restoration of Project site to initial conditions, as much as possible</li> </ul>

### 6.1.3 ENGAGEMENT TOOLS

The following list notes Vulcan's various engagement tools:

- In-person, open engagement at Vulcan's InfoCenter in the city of Landau;
- Citizen information events;
- Visitations at the Landau InfoCenter;
- Roadshows using the Information Truck;
- Print media: flyers, print advertisements in local media outlets and newspapers, and posters;
- PowerPoints and presentations;
- Social media;
- Regional Readiness Index and Feedback surveys (Appendix E and Appendix F);
- And information publicly available on Vulcan's company website.

Examples of such engagement tools can be seen in Appendix A.

## 6.2 ACTION PLAN

Table 6-2 below provides a high-level overview of the recommended Action Plan for Stakeholder Engagement throughout the remainder of the Project Life Cycle.

The Action Plan shall act as a guiding tool for engagement activities throughout the key phases and will be tailored to Project changes as they come up. For instance, as the Project progresses, there may be a need for more targeted conversations or consultations with a particular stakeholder or stakeholder group. The Action Plan shall be regularly reviewed and updated along with other monitoring and management documentation for the Project.

TABLE 6-2 STAKEHOLDER ENGAGEMENT ACTION PLAN

Engagement Activity	Objective	Format of Engagement	Target Stakeholder(s)	Timing/Frequency	Responsibility & Support
<b>ESIA Disclosure</b>					
ESIA Disclosure (dissemination of ESIA documentation to the public)	Fulfil international lenders consultation requirements by publicly disclosing the final draft ESIA, NTS, SEP, and associated Project materials	The ESIA, SEP and NTS published in English and posted hard copies in the primary government office of the respective municipalities within the AoI. The NTS will also be published in German.  The ESIA and related material will also be made available online on Vulcan’s website	Key stakeholders and affected communities in the Social AoI All interested (internal and external) stakeholders	Weeks 1-2 of ESIA Disclosure period (assumed 30-day period) (2024 – timing TBD)	Vulcan
Engage with stakeholders on the ESIA through in-person meetings (interviews/focus groups/open house event or public meeting)	Facilitate understanding about the Project and ESIA conclusions, as well as proposed mitigation measures  Solicit feedback on the Project and ESIA Contribute to open and positive relationship with Project stakeholders  Use stakeholder and local input to ensure that identified social impacts are properly evaluated and assessed.	Disclosure and feedback through in-person meetings with stakeholders met during previous engagement rounds  Physical open house event or public meeting held in Landau (TBD)  Information about open house/public meeting provided to communities via announcements to stakeholders and through posts in the Municipality office, as well as on the Project website  Timing for these events will be specifically defined so	Stakeholders met in the previous engagement rounds, including vulnerable groups and affected communities in the Social AoI  Key local community leaders Environmental NGOs  All interested stakeholders, including from the Social AoI, as well as national/international stakeholders and interested parties	Weeks 3-8 of ESIA Disclosure (assumed 60-day period) (2024 – timing TBD)	Vulcan

Engagement Activity	Objective	Format of Engagement	Target Stakeholder(s)	Timing/Frequency	Responsibility & Support
		as to maximize participation.			
Summarize stakeholder feedback from disclosure process and integrate stakeholder feedback into the Final ESIA (as needed)	Report on disclosure feedback and integrate it into the Final ESIA as appropriate	Preparation and distribution of a summary report on disclosure and how submissions have been considered and addressed	All interested stakeholders	After the 9-week (assuming 60-day disclosure) ESIA Disclosure	Vulcan
<b>Post-EIA/ESIA Disclosure</b>					
Meetings with key stakeholders around the employment/training, especially for construction crews and drilling operations	Support local participation in Project employment as much as possible and ensure that working conditions are suitable and efficient	Targeted meetings/focus groups	Potential Project employees	Periodically	Vulcan
Ongoing engagement with affected communities and key stakeholders	Facilitate collaboration with stakeholders  Collect feedback as indicated in this SEP	Targeted meetings; individual meetings, focus groups	Local communities in the Social AoI  Key local authorities and other stakeholders	Quarterly	Vulcan
Regular meetings with workers	Check in regarding grievances and grievance mechanism  Implement mitigation measures with relevance to worker health and safety and labor and working conditions	Targeted meetings, focus groups	Workers (internal stakeholders)	Periodically	Vulcan

<b>Engagement Activity</b>	<b>Objective</b>	<b>Format of Engagement</b>	<b>Target Stakeholder(s)</b>	<b>Timing/Frequency</b>	<b>Responsibility &amp; Support</b>
Ongoing disclosure of Project information, including grievance management reporting	Provide updates about the Project and key construction and operation milestones	Website update	All interested stakeholders	Quarterly	Vulcan

### 6.3 STAKEHOLDER ENGAGEMENT FOR CHANGE MANAGEMENT

As the SEP is a “living document” Vulcan will ensure that it is reviewed and updated to accurately represent Project conditions especially those related to stakeholder engagement activities, grievances and the grievance mechanism, stakeholder issues, organization etc., at least annually. The SEP shall properly reflect any changes in the Project, especially those related to or contributing to economic and social risks and impacts.

As Project development progresses changes are likely to happen—after ESIA disclosure, during construction, implementation, and even during operation and decommissioning. Changes can include, but are not limited to:

- Changes in the scope or intended funding of the Project.
- Changes in organizational structure, roles and responsibilities.
- Changes to schedules, timelines, and action plans.
- Changes in methodologies or materials, such as procurement strategies or technology.
- And some environmental or social risks and impacts may be more significant than initially anticipated.

In the case of changes the Vulcan team will inform stakeholders of such changes in a timely manner and carry out any additional consultations or other specific engagement efforts as needed.

Moreover, Vulcan will also monitor how changes to the Project, especially environmental and social risks and impacts, may affect approvals from regulatory authorities and consult them, accordingly; changes to risks and impacts and mitigation measures shall be conveyed. Changes that cannot be feasibly mitigated using existing Project measures will be considered significant.

Vulcan will ensure to specifically notify lenders of changes to the project scope, design, or operation that may affect environmental or social risks and impacts. Previously disclosed documents will also be adjusted.



## 7. GRIEVANCE MECHANISM

This section describes the Grievance Mechanism that Vulcan Energy will use to manage to address external grievances pertinent to the Project. There will be two grievance mechanisms for this Project: one Community Grievance Mechanism (CGM) for external stakeholders (mainly targeted at the local community and public stakeholders); and a second for internal management of workforce grievances, especially during construction.

Though the Vulcan team has an 'Open Door Policy'<sup>32</sup> amongst other goals and tools in place to address grievances there is no official grievance mechanism specific to external stakeholders for the Project.

This section provides a formal and cohesive grievance mechanism that builds upon existing measures that the team has in place and is intended to be used by external stakeholders, especially those in locally affected communities within the direct and indirect Project AoI.

This GM has been developed in line with IFC Performance Standards and Good Practice Note on Addressing Grievances from Project-Affected Communities and Principle 6 of EPIV. The IFC Good Practice Note on Addressing Grievances from Project-Affected Communities (2009) defines a *grievance* as:

*'A concern or complaint raised by an individual or a group within communities affected by company operations. Both concerns and complaints can result from either real or perceived impacts of a company's operations, and may be filed in the same manner and handled with the same procedure.'*<sup>33</sup>

For the purpose of this SEP a grievance refers to any concern, complaint, request for information (RFI), question, or suggestion that a stakeholder, especially local community members, wish to raise to the Vulcan team. Grievances may be specific to incidents, injuries, impacts, or overall project feedback and concerns, but can even be commitments that Vulcan and their constituents have not properly fulfilled or honored.

Vulcan is aware that unexpected impacts and risks may occur throughout the duration of the Project and open and on-going communication with affected communities and/or interested parties will actively show transparency and build trust. This is needed to preserve stakeholder (especially local community) buy-in over a long-period of time and to manage social risks and impacts over the long-run.

### 7.1 PURPOSE AND PRINCIPLES OF A GRIEVANCE MECHANISM

The purpose of a GM is to ensure that stakeholders have a proper avenue(s) to communicate their concerns, complaints, and grievances specific to Project development and for the Project team to be able to manage and resolve such issues in a *systematic, fair, and transparent manner*.

A proper GM is necessary to protect the rights and liberties of stakeholders, ensure their feedback is actively integrated into project development, and manage the Project's social risks and impacts over time.

<sup>32</sup> Encouraging employees, shareholders, and stakeholders to approach them and share any questions, comments, or concerns they feel to.

<sup>33</sup> Source: IFC Good Practice Note Addressing Grievances from Project-Affected Communities – 2009, available at [IFC+Grievance+Mechanisms.pdf](#) and accessed in September 2023.

Addressing and managing grievances is crucial to actively demonstrating to stakeholders that their needs and input is both essential and valued to mitigating and managing social risks throughout Vulcan's proposed Project. It more effectively helps manage expectations and risks at an earlier stage to reduce overall social risks and maximize positive outputs and value creation for the community.

The following criteria and principles are essential for the creation, implementation, and management of a successful and effective GM:

- Ensure a prompt, consistent, and respectful protocol for receiving, investigating, and addressing concerns and complains from individuals and community stakeholders in a timely manner.
- A GM does not replace judicial or administrative remedies and should not be treated as such.
- GM should be **accessible, open and receptive to all stakeholder groups** – i.e. having multiple avenues to raise concerns, be in a format that is culturally appropriate, grievances can be submitted in local/preferred languages, stakeholders are aware of how and where to find/access grievances (and any changes are explicitly communicated), and the GM shall ease the overall process for stakeholders to participate.
- A GM shall be both **transparent and confidential**; privacy, anonymity, and other sensitive data or information shall be respected and protected.
- GM and its handlings shall ensure **that stakeholders are free of manipulation, intimidation, coercion, or retaliation** and will bear no cost or retribution.
- GM should be **broadly and regularly publicized** to ensure that grievances are sufficiently logged, acknowledged, and resolved. Status and developments surrounding the GM, including the handling of certain cases or key incidents, should be **documented and shared** with stakeholders.
- The GM must be able to address and **respond to grievances that have been submitted verbally, in writing, or indirectly.**
- The handling and **resolution of grievances must be documented.**
- **Compensation** and/or **conflict resolution** shall be provided, when needed.
- GM shall also **serve the unique needs of and obstacles that vulnerable stakeholders** face; those responsible for handling and managing grievances shall be sensitive to the issues raised by and situations of vulnerable people (i.e. victims of gender-based violence or harassment).
- Finally, a GM shall act as a source of learning, contributing to improving project Environmental and Social Performance.

A proper GM shall keep an up-to-date grievance register (see example in Appendix G) to maintain transparency and ensure that established protocols for identification, tracking, and redress are abided by. Anonymity shall be protected and shall only be shared with that individual's own discretion. This GM shall allow for the submission of grievances specific to Vulcan's activities in workplaces and external communities.

The GM will apply to all activities and components of the Project moving forward and is applicable to company employees, subcontractors and contractors. It pertains to all Project stages and shall be reviewed and updated regularly; this is necessary to ensure that the SEP is up-to-date with Project developments in terms of scale, impact and Project phase.

Vulcan will regularly report and inform stakeholders about the implementation and management of the GM and will also periodically update the public on such matters.

## 7.2 GRIEVANCE MECHANISM PROCESS

This section explains the protocol that will be used for the submission and management of stakeholder and workforce grievances. Firstly, it provides an overview of Vulcan's previous approach to managing grievances. Section 7.2.2 then dives into the updated Grievance Mechanism(s) that have been tailored specifically to the nature and requirements of this Project. The improved approach will aid Vulcan in ensuring that documentation remains comprehensive, but more centralized for the Project. Overall, this will improve the efficacy of grievance management and response.

### 7.2.1.1 PREVIOUS APPROACH TO GRIEVANCE MANAGEMENT

Prior to the start of the scoping and ESIA process Vulcan was already aware of the need for adequate grievance management. However, the approach was slightly more fragmented.

Community grievances were mainly submitted in writing via email or on the website's questionnaire/grievance form. Emails were managed and addressed by the Regional Communications team, often in cooperation with technical departments.

Urgent issues or 'crises' were handled by the Crisis Response team and dealt with according to the protocols in the Crisis Management/Emergency Preparedness Plan. The plan defines a crisis as "something usually unexpected that may threaten the company and requires a quick, coordinated response either immediately after occurring or within the following hours and days."<sup>34</sup> The existing plan categorizes crisis levels to properly coordinate responses and within the appropriate time. As an outcome of the ESIA process, ERM has recommended that Vulcan refine and develop a more robust Emergency Preparedness and Response Plan (EPRP) tailored to all Project activities and assets prior to key construction and operational milestones, this plan shall be aligned with EU directives and EIA law, and will consider consultations with relevant stakeholders and regulatory bodies to ensure compliance with regulations and sufficiently address potential risks.

Other internal grievances – mainly for Vulcan employees that are not Project-specific – are actively managed within individual teams. Similarly, an anonymous employee survey is also conducted annually. The results of the survey act as a key starting point for Vulcan to take actionable steps to increase employee satisfaction.

### 7.2.2 UPDATED GRIEVANCE MECHANISM PROTOCOL FOR THE PROJECT

Two Project-specific Grievance Mechanisms (GMs) will be used throughout the entire Project Life Cycle to manage Project-specific grievances: a Community Grievance Mechanism (CGM) and a workforce grievance mechanism. Project-specific grievances will likely come primarily from external stakeholders and the Project workforce: public, government officials, local communities, construction crews and contractor employees. The GMs will be used to raise and address issues that are directly or indirectly related to Project activities and outcomes during planning, construction, operation and decommissioning.

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<sup>34</sup> Source: Vulcan Crisis Management/EPRP, 11.10.2023.

Figure 7-1 below provides an overview of the Community Grievance Mechanism Management Process and steps that will be taken to ensure that grievances are responded to in a timely and appropriate manner. The workforce GM will generally follow the protocol laid out in Figure 7-1 with some minor adjustments.

Regional Managers will also be appointed to oversee the stakeholder engagement and grievance mechanisms for the Project. Each step of this process will be described in the preceding sections, and Roles and Responsibilities will be discussed further in Section 7.8.

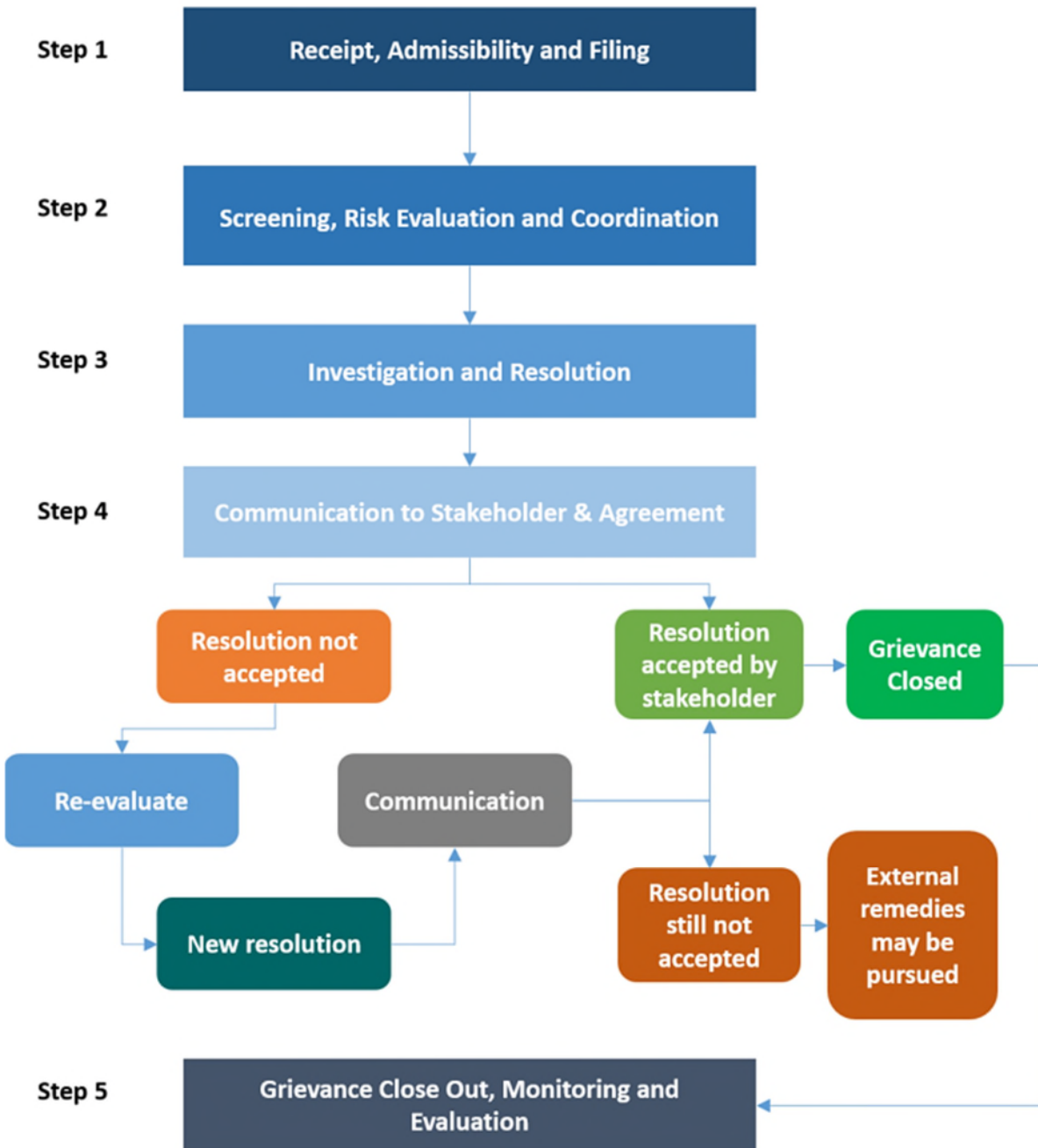


FIGURE 7-1 COMMUNITY GRIEVANCE MECHANISM MANAGEMENT PROCESS DIAGRAM

Source: ERM 2022

Additionally, Table 7-1 below indicates the expected timeframes for response depending on grievance risk categorization. This will be explained in the following sections.

**TABLE 7-1 TIMEFRAME ACCORDING TO GRIEVANCE RISK CATEGORIZATION**

Steps	High Risk (days)	Medium Risk (days)	Low Risk (days)
Step 1	1 day	1 day	1 day
Step 2	1 day	2 days	3-5 days
Step 3	1-2 days	5-8 days	10-15 days
Step 4	1-2 days	1-3 days	5-10 days
Total (maximum)	5 days <sup>35</sup>	15 days	30 days

## 7.3 COMMUNITY GRIEVANCE MECHANISM FOR STAKEHOLDERS

This section explains how the community grievance mechanism will be used and implemented. The intended users are mainly external stakeholders from local and nearby communities, PAPs, and other public stakeholders.

### 7.3.1 STEP 1: RECEIPT, ADMISSIBILITY, AND FILING

Stakeholders shall be able to submit grievances through a variety of different channels to ensure that all stakeholders can access it easily. Vulcan' Regional Managers will coordinate, manage and be overall responsible for the execution engagement activities related to the Project. The Regional Manager will also be responsible for managing and addressing grievances.

Grievances can be submitted via the following avenues:

- Verbally or in writing to the Regional Manager, at the following contact details: *TBC*
- Verbally or in writing to Project team, at the following contact details: *TBC*
- In person or in writing via regular mail using the attached grievance form included in Appendix H.
- Electronically, by submitting a form [here](#) on the Project website.
- Contacting the Vulcan office at: +61863316156 ; [info@v-er.eu](mailto:info@v-er.eu) ; or at their German office Amalienbadstraße 41, Bau 52, 76227, Karlsruhe, Germany.

How to use and access the GM will be shared amongst all Project stakeholders and supplementary communication tools (PowerPoint slides, flyers, brochures etc.) will be used to properly convey the necessary information. The language will be clear and concise, and materials will be shared in English and German.

As grievances are received, the Regional Manager will note the details of the complaint (including date) in a comprehensive register. The grievance shall be noted in the Grievance Database/Register within 24 hours of being received. Anonymous grievances shall be filed the same way, while respecting the individual's anonymity.

Sufficient details will be included in the Grievance Database for follow-up and future reference. Registered grievances should note:

<sup>35</sup> The total time will not exceed 5 days; if step 3 is completed in 2 days, then step 4 must be completed in 1 day to meet the 5-day timeline for such grievances.

- The date received;
- Description of the concern/complaint.
- Risk level and initial categorization.
- Grievance management process dates.
- Responsibilities.
- Resolution of the complaint.
- Additional information.
- And information on reception of remediation.

After registering the grievance, the admissibility can be decided. Claims must be related to Project activities (all phases) whether indirect or directly caused by Vulcan's employees, contractors or subcontractors. Grievances will not be admissible in the following cases:

- The complaint is not related to the Project and has no obvious relationship with the activities of the Project in any of its phases, its contractors or subcontractors.
- It is outside the scope of the Project – e.g. the impact was pre-existing or prior to the start of Project activities.
- The nature of the complaint exceeds the scope of the GM or the Project's area of influence.
- The complainant does not have standing<sup>36</sup> to file a complaint.
- There are other more appropriate mechanisms or formal institutions or community procedures to deal with the problem.

The Regional Manager will establish a standardized time period to acknowledge the receipt of complaints, depending on the avenue of submission. Complaints shall be informed of expected response timelines. Using the GM will not infringe on stakeholders' rights to seek other forms of legal redress.

When claims are inadmissible the Regional Manager will properly explain to the complainant why their claim cannot be considered and will register it as "inadmissible" in the Database. They will try to identify the proper point of contact for the afflicted stakeholder.

The Regional Manager is responsible for managing and ensuring the timely response to and handling of grievances, along with engaging the proper departments and people to help resolve grievances raised. At this stage, the Regional Manager may also request the complainant to submit more information if after the preliminary analysis it has been concluded that the information provided by the interested party is insufficient.

### 7.3.2 STEP 2: SCREENING, RISK EVALUATION, AND COORDINATION

Once submitted to the GM, all grievances will be screened and categorized based on priority and risk. This screening process is a critical step as it helps ensure grievances will be addressed in a proper timeframe before worsening. This risk screening and categorization is conducted prior to investigation and resolution and will help the Regional Manager coordinate the appropriate

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<sup>36</sup> In law, *standing* or *locus standi* is a condition that a party seeking a legal remedy must show they have, by demonstrating to the court, sufficient connection to and harm from the law or action challenged to support that party's participation in the case.



personnel and resources to resolve the grievance. Various units/departments (including even senior management and subcontractors) may need to be involved depending on the grievance.

Screening and risk evaluation should be conducted within 24 hours after the grievance is received. After preliminary screening that determines admissibility of the claim (*Step 1*) the risk level and severity of the grievance will be determined based on the criteria in Table 7-2.

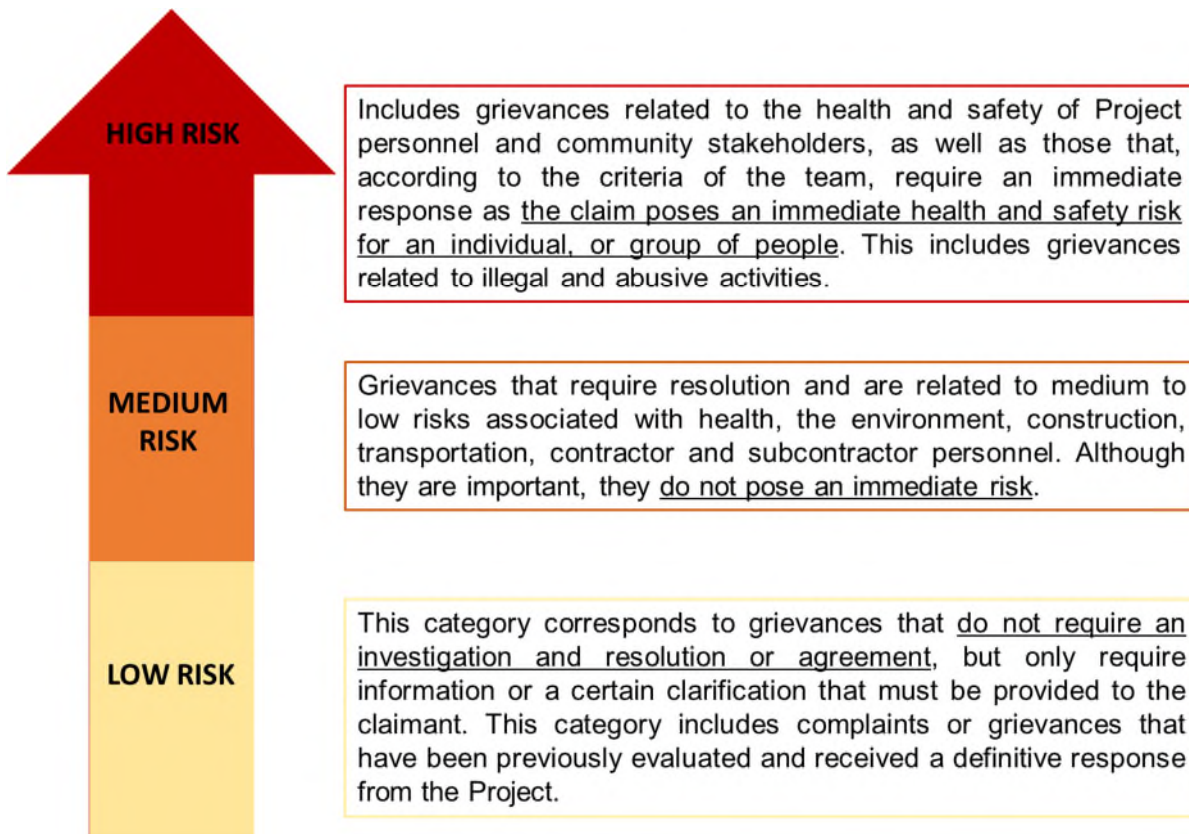


FIGURE 7-2 GRIEVANCE RISK RATINGS

Source: ERM, 2022

Timelines for investigation and resolution will differ depending on the risk level of grievances. More specifically:

- **Low risk** grievances shall be resolved and closed out within a *maximum of 30 days*.
- **Medium risk** grievances will be evaluated within a maximum of 10 days; and solved and closed out within a maximum of 15 days.
- **High risk** grievances shall be *evaluated immediately* upon receipt and shall be *investigated and solved within 5 days maximum*. In situations where a person's life or health are at risk they must be resolved immediately. High risk grievances may likely involve Vulcan's crisis management team and be appropriately coordinated.

All relevant parties – stakeholders, Regional Manager, Project Manager, ESG Managers etc. – shall be made familiar with this risk categorization upon implementation of the grievance mechanism. Vulcan will provide a proper training for those working on/with the grievance



mechanism. The Regional Manager must coordinate the proper resources and personnel for *Step 3* and so on.

### 7.3.3 STEP 3: INVESTIGATION AND RESOLUTION

The Regional Manager will organize the proper means to investigate a complainant's allegation(s), verify the accuracy, and understand the severity of the grievance. The Regional Manager may coordinate an in-person meeting, phone call, or email exchange. A site inspection with the Regional Manager and perhaps relevant authorities may also be needed if the grievance refers to a specific site or location.

The investigation will help establish the proper corrective or preventative measures that are needed to resolve the issue. Resolving a grievance may sometimes require gathering more information about the situation, improving means of communication between stakeholders and Project actors, remuneration (financial or in-kind), and the implementation of mitigation measures.

The investigation and resolution of the grievance will ideally take place within 10-15 days (low risk grievances), 5-8 days for medium risk grievances and within 1-2 days for high-risk grievances. If Complex grievances (e.g. a damage assessment could be required) involve a delay in resolution there will be an interim update to the complainant to indicate if additional 5, 15 or 30 days would be required to solve the respective grievance.

The Regional Manager shall properly document the evidence, communication, conclusive findings and resolution of each case.

### 7.3.4 STEP 4: COMMUNICATION TO STAKEHOLDER AND AGREEMENT

After the completion of the investigation process the Regional Manager shall draft a formal response to the complainant specifying the findings, outcome, and suggested form of resolution. The response will clarify mutual commitments and ask for the complainants' official agreement to the proposed remediation. If the individual agrees then the case can be officially closed out; this shall be documented.

If the complainant is anonymous then the resolution shall be published on the Vulcan or Project website, notice boards, or other key locations where stakeholders can easily see it (on Project sites, visitor centers etc.).

However, if the complainant is dissatisfied with the form of remediation or overall resolution, they can request an appeal and proceed with discussions or negotiations to review the case, if appropriate. If even after an appeal, they are still not content they can seek legal redress or other alternative resolution avenue outside of the Project GM. In these situations, the Regional Manager shall put Vulcan's legal team in contact with the complainant and try to coordinate any other appropriate resources, if possible. Even if the issue is taken outside of the Project GM, the Regional Manager is responsible for documenting and monitoring the progress of the situation and the ultimate resolution.

Redress and actions may include, but is not limited to:

- Compensation (in-kind or financial).
- Discussions and negotiations with proper parties and management.

- If resolved internally create record of resolution with date and time resolution was created/decided and have appropriate staff sign off.
- Third party mediation or informal participation.
- And bilateral or unilateral redress.

While resolutions are underway the Regional Manager and their team shall document and collect photos to form comprehensive records substantiated with evidence. The Regional Manager shall also ensure that there is proper documentation verifying the stakeholder's acceptance. Responses will be provided in a timely manner and resolution processes should adhere to the specified periods.

### 7.3.5 STEP 5: GRIEVANCE CLOSE OUT, MONITORING, AND EVALUATION

Once the stakeholder agrees that the resolution is sufficient the grievance can be closed out. However, it can only be closed once 100% resolved and no remaining processes are outstanding. This must be properly documented and updated accordingly in the register. The close out date shall be indicated in the register and any related documentation shall be properly filed and kept. After a grievance is formally resolved, the Regional Manager will also send out a formal Grievance Closure Letter.

Corrective actions against the issue shall be implemented as agreed upon/specified to the complainant. Ideally, resolution shall culminate 72 hours after confirmation of the response and action.

## 7.4 WORKFORCE GRIEVANCE MECHANISM

Overall, Vulcan Energy is responsible for the implementation, management, and monitoring of internal and external grievances. Project contractors will be required to report to and coordinate with Vulcan on grievances raised by or involving contractors.

The workforce grievance mechanism is essential to ensure that workers can voice their concerns, report incidents (injuries, harassment etc.), and receive proper remediation. It also helps reduce conflict and strengthen relationships between workers and Vulcan over time. The following sub-sections detail Vulcan's process for handling workforce grievances.

### 7.4.1 STEP 1: ACKNOWLEDGE GRIEVANCE

The person in charge of overseeing the grievance mechanism (the Regional Manager) shall acknowledge, in writing, that the grievance has been received. It should include a straightforward statement, be signed, and sent to the grievant as soon as possible.

### 7.4.2 STEP 2: ANALYSIS

The grievance shall first undergo an initial screening to determine the urgency of the issue. Screening and risk evaluation should be conducted within 24 hours after the grievance is received. This is essential as workplace injuries may be highly dangerous and have lasting consequences.

After initial screening, the supervisor or person in charge of the grievance mechanism should:

- Analyze the issue
- Try to identify the root cause(s) of the problem
- Identify the potential solutions

- Assess the cost and feasibility of potential solutions
- Make the necessary arrangements to resolve the problem (or remediate).

### 7.4.3 STEP 3: MEDIATION

After completing the grievance analysis, the supervisor will be responsible for finding a solution to the issue. It is advised that the worker/individual is invited for a meeting to discuss and investigate the issue. This invitation can be extended in writing or orally (i.e. in person or over the phone).

The meeting will begin with the supervisor or Regional Manager explaining the first two steps that have already taken place; they will provide reasoning for their analysis and conclusions thus far. The afflicted individual will be given space and encouraged to share any additional explanations or information with the supervisor; the aggrieved individual shall also provide feedback or input to the analysis process, specifically. If the individual feels that the analysis has not been conducted in a consistent or accurate manner based on the stipulations of this SEP and handling of other grievances, they are encouraged to provide this feedback as well.

The end of the meeting is intended to discuss potential remediation. The supervisor shall ideally present their proposed solution and the grievant shall respond.

The minutes of this meeting shall be documented, while respecting confidentiality as necessary.

### 7.4.4 STEP 4: CLOSING

Ideally, a solution shall be agreed upon during a mediation meeting, confirming what corrective or remediation measures that will be taken by a certain time. Once the agreement has been reached the solution for the grievance will be publicized to the other workers, while still respecting the involved party's privacy.

If agreements cannot mutually be reached, then the mediation will be extended for further investigation or the grievant will submit an appeal.

### 7.4.5 STEP 5: APPEAL

The grievant can submit an appeal if they feel that the proposed corrective measures or solution are insufficient. They should also submit an appeal if there are any delays or issues during the implementation of the agreed upon corrective actions or if they feel that they have been coerced, harassed, or victimized while their grievance was being addressed.

Appeals shall be investigated immediately. If there are incidents of harassment, coercion, or harm then those individuals shall receive adequate consequences (including dismissal or further legal actions), as such behavior undermines the purpose, efficacy, and integrity of a GM.

## 7.5 GENDER-BASED VIOLENCE AND HARASSMENT PROVISIONS

According to the IFC Toolkit regarding Gender-Based Violence and Harassment (GBVH) Projects involving `construction are often high-risk environments for GBVH towards community members, workers, and service users.<sup>37</sup> This is often the case when there is a large influx of male construction workers from outside areas and are not already part of the local community; such

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<sup>37</sup> Source: Addressing Gender-Based Violence and Harassment (GBVH) in the Construction Sector, retrieved from: [https://toolkit.bii.co.uk/wp-content/uploads/2020/12/GBVH-SB\\_Construction\\_Final\\_WEB-2.pdf](https://toolkit.bii.co.uk/wp-content/uploads/2020/12/GBVH-SB_Construction_Final_WEB-2.pdf) , accessed in September 2023.

risks are also exacerbated in situations where workers may be in close contact with the community, such as living together in remote areas or encounters on access roads. Traditionally male-working environments may also increase risks of harassment, exploitation and abuse and land acquisition during construction may also increase threats of GBVH.<sup>38</sup>

The GM will include the following provisions to ensure that GBVH related incidents are handled sensitively and with care and respect:

- Using and accessing the GM shall be safe and easily accessible for local communities and all stakeholders
- Ensure that stakeholders have the option of confidential submission of grievances;
- Vulcan may ensure that there is a specific person (female or other preferred gender) for stakeholders to approach in such sensitive cases;
- Reporting materials and activities will ensure confidentiality and offer referral and support systems for stakeholders;
- Vulcan will seek to provide those who have experienced Project-related GBVH with proper resources and support (counselling, referrals, informal resources such as women's organizations, additional healthcare services etc.).

Grievances that involve any kind of GBVH will be fast tracked and will be categorized as high risk and urgent to ensure that they are properly acknowledged and resolved to prevent stakeholders from further harm.

Vulcan will ensure that provisions for preventing and dealing with GBVH will be included in trainings for Project-related activities. The Vulcan team will consider creating specific standalone training for GBVH, as needed.

## 7.6 CONTRACTOR GRIEVANCE MANAGEMENT

Contractors will have their own designated person to receive, manage, and address grievances related to operations involving the Project. They may choose to refer stakeholders to existing GM channels established by the Project and handle grievances as such; these decisions will be specified explicitly. The appointed representative has the responsibility of informing Vulcan's Project team and grievance management representative within 48 hours.

The Regional Manager will be responsible for monitoring activities and evaluation tasks to ensure that the agreed upon remediation has been provided in the proper timeframe, to gauge the individual's satisfaction with the process and outcome, and to evaluate the efficacy of the process and learnings that may have come out of the process. The Regional Manager shall also gather and note patterns amongst grievances being raised or issues in their resolution to improve the overall protocol and resolve issues before they are exacerbated. The Grievance Database is the key document for monitoring an evaluation.

## 7.7 MONITORING AND REPORTING

Grievances and consequent resolutions/handlings shall be identified, tracked, and recorded in a comprehensive Project grievance register. Grievances and how they have been addressed and resolved shall be reviewed to ensure that proceedings have adhered to protocol, been fair,

<sup>38</sup> Source: Addressing Gender-Based Violence and Harassment (GBVH) in the Construction Sector, retrieved from: [https://toolkit.bii.co.uk/wp-content/uploads/2020/12/GBVH-SB\\_Construction\\_Final\\_WEB-2.pdf](https://toolkit.bii.co.uk/wp-content/uploads/2020/12/GBVH-SB_Construction_Final_WEB-2.pdf) , accessed in September 2023.

systematic, transparent, and resolved in a sufficient timeframe. Results shall be shared with stakeholders to ensure transparency and accountability.

Further monitoring and reporting requirements are specified in more depth in Section 7.7.

## 7.8 ROLES AND RESPONSIBILITIES

This section specifies the roles and responsibilities pertaining to stakeholder engagement management and the handling of the project's Grievance Mechanism.

**TABLE 7-2 ROLES AND RESPONSIBILITIES FOR SEP IMPLEMENTATION**

Role	Responsibility
<b>Regional Managers (Project oversight and one for Grievance Management)</b>	<ul style="list-style-type: none"> <li>• Engage regularly with community stakeholders, including local community members, civil society organizations, landholders and land/resource users, households and vulnerable groups, with the aim of building the trust and respect of the community</li> <li>• Ensure that affected communities are informed about the Project, its activities and its impacts, ensuring that stakeholders' comments / questions and their concerns are considered and addressed</li> <li>• Ensure effective operation of grievance management process including receipt, registration, investigation, resolution and monitoring of grievances</li> <li>• Communicate grievance management process to communities and the outcome(s) of the grievance investigation(s)</li> </ul>
<b>ESG Manager</b>	<ul style="list-style-type: none"> <li>• Ensuring messaging is consistent and clear when engaging stakeholders</li> <li>• Communicate the CGM process and obligations to Project personnel, contractors, and others engaged on the Project</li> <li>• Regularly review the Grievance Register and ensure it is maintained and up-to-date</li> <li>• Notify management of any high priority grievances</li> <li>• Prepare reports that summarize stakeholder engagement activities including grievances received and resolution status</li> </ul>
<b>Head of Regional Management and Public Affairs</b>	<ul style="list-style-type: none"> <li>• Coordination of local engagement team and other activities involving community relations</li> <li>• Understanding and managing community expectations, needs, interests, concerns and levels of influence.</li> <li>• Recognize whether community members have sufficient access to information, and reporting to managers on any barriers to community information access</li> <li>• Respond sensitively at all times and bring calm to tense situations.</li> <li>• Support negotiation processes between the company and the community relating to compensation, benefit sharing.</li> <li>• Monitor Contractor grievance management</li> <li>• Maintain the Grievance Register up to date</li> <li>• Contribute to hiring decisions by providing insights about skills and expertise available within communities. Supporting community members with information on project job opportunities, and gathering insights on the potential training needs of the local workforce</li> </ul>

Role	Responsibility
<b>VP/Head of Communications</b>	<ul style="list-style-type: none"> <li>• Manage and build the Communications team.</li> <li>• Responsible for all internal and external communications</li> <li>• Oversee and lead activities with the communications team to deliver efficiently across the stakeholder groups.</li> <li>• Work closely with Environmental and Social Manager to prepare/validate communication materials aligned with Company standards and ensure messaging, branding, reputation management and, occasionally, government relations.</li> <li>• Build the global stakeholder communications plan across all stakeholder groups</li> <li>• Responsible for the Crisis Communications Plan.</li> <li>• Work closely with Environmental and Social Manager and Regional Manager, Head of PA and Regional Management to prepare/validate communication materials aligned with Company standards and ensure messaging, branding, reputation management and, occasionally, government relations/PA.</li> </ul>
<b>Contracts/Procurement Manager</b>	<ul style="list-style-type: none"> <li>• Responsible for engagement with local businesses/suppliers and their concerns/complaints.</li> <li>• Responsible for managing and analyzing supplier's ESG credentials</li> </ul>
<b>Crisis Management Team</b>	<ul style="list-style-type: none"> <li>• Supporting handling of high-risk/urgent grievances in high-risk matters</li> </ul>

## 8. DOCUMENTATION, MONITORING, AND REPORTING

### 8.1 DOCUMENTATION TRACKING

All stakeholder engagement activities (and issues pertaining to the grievance mechanism) will be thoroughly and systematically documented for transparency purposes. Vulcan will use such documentation to track, evaluate, and report on their performance and actively integrate learnings and feedback into Project development.

Vulcan will utilize and ensure that they maintain the following documentation for stakeholder engagement for the duration of the Project:

- **Stakeholder Register:** on-going and categorized list of stakeholders; include key contacts and contact details when possible.
- **Stakeholder Engagement Log:** will be used to track, analyze, and report on stakeholder engagement activities. It will include information and relevant materials presented/discussed in certain meetings or consultations, audience interactions and questions, outcomes and responses from the meetings, and frequency of engagement over the Project lifecycle.
- **Commitment Register:** will track commitments made to stakeholders during meetings, listed in the ESIA (and during EIA process), and during/after resolution of grievances.
- **Meeting Minutes (and template):** meeting minutes will be recorded and kept, unless confidential or of a matter that requires privacy sensitivity.
- **Event and meeting evidence:** photographs, attendance list (documenting attendees' gender, place of origin, and stakeholder categories), meeting minutes (if privacy sensitivities permit)
- **Grievance Database:** Log of all grievances and issues raised, both internally and externally, that are specifically related to the Project. This will be used to track stakeholder issues and how Vulcan and its project proponents dealt with such matters. It will also specify if issues are on-going or have been closed out, with specific indications of the dates and duration. This will also be used for periodic reporting on stakeholder engagement and other social issues.
- **Other Media:** media monitoring of related press-releases or news stories that are about or relevant for the Project; sharing of resources and information with the public

All records will be kept and stored in a central location/folder and access to personal/private information in line with German data protection regulations, company and shareholder policies. Documentation will also be reviewed quarterly to ensure that tools and documentation are used and managed properly. Similarly, documentation will be reviewed to ensure that grievances have been properly addressed and actions set out during stakeholder engagement activities will be followed through with.

### 8.2 MONITORING AND EVALUATION

Vulcan will establish a monitoring management plan/process that will be used for reviewing documentation and evaluating the overall efficacy of the SEP and related engagement activities. The process will include, but not be limited to the following elements:

- Implementation of the planned SEP activities. Key performance indicators or measurement of success will be included and evaluated during the Project; Vulcan will strive to make feedback and evaluations as participatory as possible – for example Vulcan may ask



shareholders to rate their satisfaction on how a certain activity or engagement was carried out);

- All communication and engagement activities between the client and all stakeholders, including attendance and meeting minutes.
- Measures to monitor media coverage that is pertinent to the Project, the company, and shareholders; the level or depth of coverage and tone or type of coverage (neutral, positive, negative) will be indicated;
- Periodic evaluation of the engagement strategies and actions in this SEP, including updates to stakeholder register and mapping to properly demonstrate stakeholder needs and concerns.

As mentioned, a grievance log will be maintained to keep track of all concerns submitted via the grievance mechanism and other key issues raised during the Project. The log will note the issue, stakeholder(s) involved, and how Vulcan responded and addressed the issue. Further measures that Vulcan will consider during management and monitoring of the GM include:

- The number of reports/incidences concerning vulnerable groups or issues related to GBVH;
- Accessibility and appropriateness of the GM between different types of stakeholders;
- Total number of grievances;
- Timeframes of grievance responses and resolution(s) (times may sometimes vary depending on the type of complaint and its complexity, but understanding average response times/timelines can help manage SEP guidelines and stakeholder expectations);

Table 8-1 below provides a comprehensive overview of the Key Performance Indicators (KPIs) that will be utilized to evaluate the SEP’s effectiveness. The table lists a Project objective and the monitoring tools that will be implemented.

**TABLE 8-1 SEP KEY PERFORMANCE INDICATORS**

Review topics	Objective	Indicators
Periodic review of publicly available Project documents such as Project information materials, flyers, the website, media materials and social media communications and other documents and or channels	<ul style="list-style-type: none"> <li>• Assess whether publicly available Project documents and online platforms are up-to-date</li> <li>• Assess cultural appropriateness of publicly available information</li> <li>• Assess communications distribution channels to ensure they are available to communities in the AoI</li> <li>• Assess level of engagement with stakeholders through formal and informal means (e.g., meetings with government agencies, public meetings and online engagement)</li> </ul>	<ul style="list-style-type: none"> <li>• Date of publicly available Project information; frequency of distribution</li> <li>• Level of understanding of information by stakeholders</li> <li>• Number and types of comments/feedback received by stakeholders</li> <li>• Number and timing of responses to comments received</li> <li>• Qualitative assessment of awareness of community stakeholders of GM through stakeholder engagement process</li> </ul>

Review topics	Objective	Indicators
	<ul style="list-style-type: none"> <li>Track issues raised by stakeholders</li> <li>Confirm the company is responding to issues in a timely manner</li> <li>Verify consultation activities include awareness raising about the GM</li> </ul>	
Monthly review of community grievances	<ul style="list-style-type: none"> <li>Assess whether grievances are correctly classified</li> <li>Identify trends in grievances</li> <li>Confirm that grievances are being adequately addressed</li> </ul>	<ul style="list-style-type: none"> <li>Number of grievances by risk type</li> <li>Number and percentage (%) of grievances closed according to risk type and number of close out forms signed by the complainants</li> <li>Timeframes for resolution (and closure) by grievance type</li> <li>Number of repeated grievances from the same stakeholder</li> <li>Trends in numbers of complaints</li> <li>Topics of complaints</li> </ul>
Quarterly review of GM	<ul style="list-style-type: none"> <li>Assess compliance with the grievance management process</li> <li>Evaluate progress in achieving GM objectives</li> <li>Identify improvements and update GM</li> </ul>	<ul style="list-style-type: none"> <li>Level of compliance with the process</li> <li>Completeness of grievance register</li> <li>Number of grievances by level and type</li> <li>Timeframes for resolution (and closure) by grievance type</li> <li>Number and % of grievances closed according to type</li> <li>Number of satisfied responses from complainants by grievance type</li> <li>Number of repeat of a grievance from the same community stakeholder</li> <li>Qualitative assessment of awareness of community stakeholders of GM through stakeholder engagement process</li> <li>Qualitative assessment of trust in grievance management process through stakeholder engagement.</li> </ul>

### 8.2.1 EVALUATION

The defined goals and objectives in this SEP will be used to evaluate the effectiveness of the SEP engagement activities. Further evaluation activities will include:

- Gathering local information (issues and complaints, perception surveys, satisfaction surveys etc.);
- Interviews with stakeholders;
- External or third-party evaluation(s).

Corrective actions to address deficiencies and improve performance will be created and implemented if the SEP objectives are not met. The SEP will be reviewed and updated regularly to avoid any deficiencies or deviations from the plan.

## 8.2.2 REPORTING TO STAKEHOLDERS

Numerous internal reports will be created and shared with internal personnel, employees, shareholders and stakeholders, in addition to external reporting measures that will help report Project developments and progress to external stakeholders and the public. Data protection measures and regulations will apply as needed, especially when reporting information relative to grievance submissions and other confidential issues.

The reporting material will prioritize information, status and updates regarding the following objectives and measures:

- Engagement activities carried out to date: who were the engaged stakeholders, what were the key topics discussed, identified risks and concerns, expectations, corrective actions or updates to be made to the engagement plan;
- Project risks and their developments;
- Limitations (e.g. resources, actions, plans);
- Corrective actions and handling of issues that may be of interest or relevance for various personnel and stakeholders;
- And priorities for the next quarter, steps of the Project, and future Project ambitions.

### 8.2.2.1 INTERNAL REPORTING

The following internal reports will be created:

- **Monthly Reports:** stakeholder engagement activities that took place during the month of reporting, including information regarding grievances (number of submitted vs responses and closed out grievances). The ESG Manager and Project leads will guide and oversee these presentations, with support from the communications team and appointed contractors/subcontractors. While the reports will be shared with internal stakeholders and employees, it is imperative that senior management also reviews such material.
- **Quarterly Project Progress Reports:** the ESG Manager and Project team will develop Project progress reports each quarter and include a summary section on stakeholder engagement updates. It will summarize findings, developments, lessons, and obstacles related to stakeholder engagement and adhering to the SEP.

### 8.2.2.2 EXTERNAL REPORTING

Reporting is crucial to monitor Project progress and changes and evaluate the extent to which the Project team has adhered to their prescribed management plans and engagement objectives. External reporting to stakeholder and the public is especially important for those outside of the Project to understand how their feedback and concerns have been received and integrated into Project planning activities, if at all. It is also crucial for external stakeholders to be able to monitor and assess new Project risks and impacts (and their corresponding mitigation measures) to form new opinions and conclusions and verify the Project team's transparency and accountability.

The following external reporting measures will be carried out during the Project:

- Biannual updates to external stakeholders on the environmental and social performance (e.g. local communities) during Project construction and operation;

- Vulcan will keep track of all commitments made and in external reporting materials will provide updates on the extent to which this progress has been met; reporting on this matter will be done quarterly.

Reports will be evidence based including photographs, examples of publications, meeting minutes etc. Personal data will not be shared publicly, and anonymity will be respected.



APPENDIX A      LANDAU ENGAGEMENT



APPENDIX B      LANDAU STAKEHOLDERS



APPENDIX C      EXAMPLE STAKEHOLDER REGISTER





APPENDIX D

EXAMPLE OF VULCAN'S PREVIOUS  
STAKEHOLDER MAPPING ACTIVITY



APPENDIX E REGIONAL READINESS INDEX



APPENDIX F REGIONAL READINESS INDEX FORM



APPENDIX G      GRIEVANCE REGISTER



APPENDIX H      GRIEVANCE FORM

**GRIEVANCE FORM****Reference No.** (To be assigned by Project office personnel):**Preferred language for communication** **German** **English****Other, please specify:**  
\_\_\_\_\_

Please enter your contact information and grievance. This information will be dealt with confidentially.

Please note: If you wish to remain anonymous, please enter your comment/grievance in the box below without indicating any contact information – your comments will still be considered by

**Full Name****Anonymous submission** **I wish to raise my grievance anonymously** **I request not to disclose my identity without my consent****Please mark how you wish to be contacted (mail, telephone, e-mail).** **By telephone (please provide telephone number):**  
\_\_\_\_\_ **By e-mail (please provide e-mail address):**  
\_\_\_\_\_**Description and type of the incident or grievance:** **Construction nuisance due to noise, dust, vibration, blasting, etc.** **Employment** **Gender based violence and harassment** **Human rights** **Workplace Issue (discrimination, forced labor, child labour, overworking hours, payments, occupational health and safety etc.)** **Community Health, Safety and Security** **Others (Please specify)**

What happened? Where did it happen? Who did it happen to? What is the result of the problem?

**Date of incident/grievance:**  
\_\_\_\_\_ **One time incident/grievance (date \_\_\_\_\_)** **Happened more than once (how many times? \_\_\_\_\_)** **On-going (currently experiencing problem)****What would you like to see happen to resolve the problem?**  
\_\_\_\_\_  
\_\_\_\_\_



APPENDIX I REGIONAL STAKEHOLDER & COMMUNITY  
ENGAGEMENT REPORT





ERM HAS OVER 160 OFFICES ACROSS THE FOLLOWING COUNTRIES AND TERRITORIES WORLDWIDE

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