

## GENERAL SPECIFICATION

### Sustainable Development

#### GS EP SDV 102

#### Social Impact Assessment

|      |         |                                                            |
|------|---------|------------------------------------------------------------|
|      |         |                                                            |
|      |         |                                                            |
|      |         |                                                            |
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|------------------------------|-------------------------|----------------------|
| <b>General Specification</b> |                         | <b>GS EP SDV 102</b> |
| Social Impact Assessment     |                         |                      |
| Rev.: 02                     | Effective date: 05/2015 | Page: 2 of 32        |

## Contents

|                                                           |           |
|-----------------------------------------------------------|-----------|
| <b>1. Scope .....</b>                                     | <b>4</b>  |
| <b>2. Reference documents .....</b>                       | <b>4</b>  |
| <b>3. Definitions and acronyms .....</b>                  | <b>5</b>  |
| <b>4. Introduction and administrative framework.....</b>  | <b>7</b>  |
| <b>5. Responsibilities.....</b>                           | <b>8</b>  |
| 5.1 The Company .....                                     | 8         |
| 5.2 The Consultant.....                                   | 9         |
| 5.3 The resources .....                                   | 10        |
| <b>6. Objectives of a Social Impact Assessment.....</b>   | <b>10</b> |
| <b>7. SIA study phases .....</b>                          | <b>11</b> |
| <b>8. Integration in the E&amp;P process .....</b>        | <b>11</b> |
| <b>9. Scoping Study .....</b>                             | <b>12</b> |
| 9.1 Objective.....                                        | 12        |
| 9.2 Scoping of Human Rights .....                         | 12        |
| <b>10. Detailed description of SIA.....</b>               | <b>13</b> |
| 10.1 Legal and policy framework.....                      | 13        |
| 10.2 Project Description.....                             | 13        |
| 10.3 Evaluation of Alternatives.....                      | 14        |
| 10.4 Stakeholder Identification and Dialogue .....        | 14        |
| 10.5 Social Baseline .....                                | 16        |
| 10.6 Identification and evaluation of the impacts.....    | 16        |
| 10.7 Mitigation measures and residual impacts.....        | 18        |
| 10.8 Cumulative impacts.....                              | 22        |
| 10.9 Transboundary impacts.....                           | 22        |
| <b>11. Guidelines for the Social Management Plan.....</b> | <b>22</b> |
| <b>12. Commitment Register .....</b>                      | <b>23</b> |

|                              |                         |                      |
|------------------------------|-------------------------|----------------------|
| <b>General Specification</b> |                         | <b>GS EP SDV 102</b> |
| Social Impact Assessment     |                         |                      |
| Rev.: 02                     | Effective date: 05/2015 | Page: 3 of 32        |

|                                                              |           |
|--------------------------------------------------------------|-----------|
| <b>13. Public Consultation and Disclosure .....</b>          | <b>23</b> |
| <b>14. Reporting .....</b>                                   | <b>23</b> |
| 14.1 Provisional report .....                                | 23        |
| 14.2 GIS deliverables .....                                  | 24        |
| 14.3 Presentation of results .....                           | 25        |
| 14.4 Final Report and presentation .....                     | 25        |
| <b>Bibliography .....</b>                                    | <b>26</b> |
| Appendix 1 Context of an HRIA .....                          | 27        |
| Appendix 2 Core international human rights instruments ..... | 28        |
| Appendix 3 Stakeholder engagement .....                      | 29        |
| Appendix 4 International human rights .....                  | 30        |

## 1. Scope

This General Specification defines the Company guidelines for conducting a Social Impact Assessment (SIA). It is the basic standard required by the Company and sets out the study content, phases and expected results. Local laws and rules must be respected, and further specific conditions added if necessary.

## 2. Reference documents

The reference documents listed below form an integral part of this General Specification.

### External Documents

Unless otherwise stipulated, the applicable version of these documents, including relevant appendices and supplements, is the latest revision published at the effective date of this document.

| Reference                        | Title                                                                                                                                           |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| CH-GR-ETH-001                    | Company Code of Conduct                                                                                                                         |
| HR/PUB/11/04                     | Guiding principles on business and human rights. Implementing the United Nations "Protect, Respect and Remedy" Framework. United Nations, 2011. |
| HR/PUB/12/02                     | Corporate Responsibility to Respect Human Rights. Interpretative Guide. United Nations, 2012.                                                   |
| International Labor Organization | Declaration on Fundamental Principles and Rights at Work, 1998                                                                                  |
| IPIECA 2013                      | Integrating human rights into environmental, social and health impact assessments                                                               |
| United Nations                   | Universal Declaration of Human Rights, 1948                                                                                                     |
| Voluntary Principles (2000)      | Voluntary Principles on Security and Human Rights, 2000                                                                                         |

### Total General Specifications

Unless otherwise stipulated, the applicable version of these documents, including relevant appendices and supplements, is the latest revision published in the applicable yearly collection.

| Reference     | Title                                             |
|---------------|---------------------------------------------------|
| GS EP ENV 120 | Environmental impact assessment of E&P activities |
| GS EP ENV 501 | GIS deliverables for HSE                          |
| GS EP SDV 101 | Social Baseline Study                             |

| General Specification    |                         | GS EP SDV 102 |
|--------------------------|-------------------------|---------------|
| Social Impact Assessment |                         |               |
| Rev.: 02                 | Effective date: 05/2015 | Page: 5 of 32 |

### 3. Definitions and acronyms

**Affected stakeholder:** One or a group of external stakeholders that actually is, or potentially could be affected by the Project.

**Compensation Plan:** This plan defines the compensatory or remedial measures for any residual impacts that could not be avoided when the Project was defined nor identified by the SIA. These measures may include but are not limited to financial compensation.

**Cumulative impacts:** Those impacts arising from the combined effects of the different components of a Project such as factories, camps, yards, pipelines etc within the Project's area of operation. Cumulative impacts may also be generated by multiple industrial projects in the same area or region.

**E&P:** Exploration & Production.

**HSEQ/ESSH/SOC:** Societal Engineering Department of E&P branch

**GIS:** Geographic Information System.

**HDI:** Human Development Index developed by the UN is a composite index measuring average achievement in three basic dimensions of human development - a long and healthy life, knowledge and a decent standard of living.

**HRIA:** Human Rights Impact Assessment.

**Human Rights:** Human rights are generally defined as basic standards of treatment to which all people are entitled, Regardless of sex, national or ethnic origin, color, religion, language, or any other status. Human rights are relevant to business and are recognized by various international instruments ([IPIECA 2013](#)). The Company as stated in [CH-GR-ETH-001](#) adheres in particular to the the principles set out in [HR/PUB/11/04](#), [International Labor Organization](#), [Voluntary Principles](#) and [United Nations](#).

**Human Rights Impact:** An adverse human rights impact occurs when an action removes or reduces the ability of an individual to enjoy her or his human rights ([IPIECA 2013](#)).

**ILO:** International Labor Organization.

**Impact:** Any impact positive or negative, potential or actual, on (i) the physical, natural or cultural environment, (ii) surrounding community, and/or (iii) human rights of individuals - community members or others, resulting from any business activity or, when relevant, directly linked to the Project by its business relationships.

**Impact avoidance measure:** A change in the Project's design or procedure (technical, planning options etc.) which avoids a negative or potentially negative impact of the Project.

**Indigenous Peoples:** Broadly defined as a distinct social and cultural group possessing the following characteristics in varying degrees: Self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; Collective attachment to geographically distinct habitats or ancestral territories in the Project area and to the natural resources in these habitats and territories; Customary cultural, economic, social, or political institutions that are separate from those of the dominant society or culture; An indigenous language, often different from the official language of the country or region.

| General Specification    |                         | GS EP SDV 102 |
|--------------------------|-------------------------|---------------|
| Social Impact Assessment |                         |               |
| Rev.: 02                 | Effective date: 05/2015 | Page: 6 of 32 |

**Local development support plan:** Plan for managing the contribution to the human and socio-economic development of a site's neighboring communities. The plan is consistent with existing local development plans and relies on partnerships and competent organizations.

**MPI:** Multidimensional Poverty Index identifies multiple deprivations at the household and individual level in health, education and standard of living.

**Mitigation measure:** Change in the Project's design or procedures (technical, planning options etc.) which mitigates or reduces a negative or potentially negative impact of the Project on affected stakeholders but which may nevertheless leave a residual impact.

**NGO:** Non-Governmental Organization.

**O&G:** Oil and gas.

**Project:** Any oil and gas (O&G) activities in which the Company participates and for which the social impact assessment has been commissioned (e.g. exploration, construction, etc.).

**Project Affected Community (PAC):** Any community or group of people being subject to actual or potential impacts from an O&G project within the Project's area of operation.

**Project Affected Person(s) (PAP):** Any individual person subject to potential impacts from an O&G project within the Project's area of operation.

**Project Area of Operation:** The Project's area of operation includes the primary project site(s) and related facilities, associated facilities whose viability and existence depend exclusively on the Project and whose goods or services are essential for the successful operation of the project; areas potentially impacted by cumulative impacts from further planned development of the project; and areas potentially affected by impacts from unplanned but predictable developments caused by the project that may occur later or at a different location.

**Resettlement Action Plan:** Defines planning activities, the resettlement process, anticipated outcomes, proposed monitoring, the intended schedule and the cost of implementing the physical and economic resettlement program.

**Severity:** Expression of the scale of the impacts generated to stakeholders regardless of their probability. Severity takes into account the intensity of the impact - nature, scope, scale, number of people affected, short or long term, irremediability of the impact - and the vulnerability of the affected stakeholder/s - sensitivity and resilience to handle or recover from impacts.

**Social Baseline Study (SBS):** Initial evaluative study of the socio-economic and human rights context prior to any operational activity, formalized in the framework of the Exploration & Production processes.

**Social Impact Assessment (SIA):** Study that assesses and/or analyzes the actual and potential social or human rights impacts – positive and negative, direct and indirect, short, medium and long term, intentional or not – on the population affected by an O&G project.

**Social Management Plan:** Defines the social issues at stake in an activity and specifies the policy, standards, procedures, and responsibilities guiding their management.

**Societal:** The Societal approach includes initiatives undertaken by the Company and its assets in order to better integrate their activities into the societal context of their host communities, countries and regions, notably by contributing to human, economic and social development in those territories.

## Social Impact Assessment

Rev.: 02

Effective date: 05/2015

Page: 7 of 32

**SME:** Small and Medium Sized Enterprises.

**Stakeholder:** Any person, group of persons, or organization on which the Project (or activity) has an actual or potential, direct or indirect, positive or negative impact, or one that has an actual or potential, direct or indirect, positive or negative impact on the Project (or activity).

**Stakeholder Consultation Plan/Stakeholder Engagement Plan (SEP):** Consultation/engagement is an ongoing, interactive process between the affiliate and its stakeholders. The consultation or engagement plan has three main components: information, dialogue (listening and exchanging) and negotiation. It includes the consultation calendar, the people involved, their roles and responsibilities, and the issues requiring consultation.

**Vulnerability<sup>1</sup>:** An individual or group's diminished or lack of capacity to understand, anticipate, cope with, resist or recover from the consequences of a potential impact or other threat.

## 4. Introduction and administrative framework

The SBS (**GS EP SDV 101**) is an integral part of the SIA and may, where possible and appropriate, be conducted as a single piece of work during the same period. This is frequently the case given the time restrictions imposed by the license conditions. The SIA should to as a high degree as possible include identification and assessment of actual and potential human rights impact. At certain instances (see section 9.2 and Appendix 1), a stand-alone HRIA may be required.

The SIA is to be public and subject to discussions with government authorities and the sites' neighboring communities during the consultation process. Selected parts or annexes containing information confidential to the Company may be determined in discussion between the Company and the Consultant.

The SIA shall include justification of the selected technical strategies, plus responses to suggestions and comments made by any of the stakeholders met. Comments and views from stakeholders shall be integrated into the SIA.

The standards to be applied are those of the national legislation and requirements and those of the Company. The Company adheres in particular to the [HR/PUB/11/04](#), [United Nations](#), the [Voluntary Principles](#) and the [International Labor Organization](#).

The Consultant shall also make best efforts to integrate human rights into the SIA, building methodology on evolving good practice. Where international human rights directly or indirectly conflict with national legislation or other requirements, this should be examined and flagged in the SIA. When financial lenders are supporting the project, the standards of the relevant international institutions shall apply.

If an SBS is not conducted in conjunction with the SIA, or has been conducted at a significant interval prior to the SIA, the Consultant initially carries out a gap analysis of baseline information and, if necessary, updates the SBS which shall include an analysis of the human rights context and a mapping of human rights obligations.

It is essential to promote the Company's societal and human rights policy in relations both with the authorities in the host countries and with the partners on whose behalf the Company is

<sup>1</sup> It is important not to confuse 'the vulnerability of people or groups to the Project's impact' with that of people included in 'vulnerable groups' such as indigenous people, elderly people, etc. A person may not belong to a typical 'vulnerable group' but still be very vulnerable to impacts.

| General Specification    |                         | GS EP SDV 102 |
|--------------------------|-------------------------|---------------|
| Social Impact Assessment |                         |               |
| Rev.: 02                 | Effective date: 05/2015 | Page: 8 of 32 |

operating a license. In all relationships, engagement with stakeholders – government or other – the Company's adherence to international human rights standards is reinforced.

The societal impacts of an O&G Project are many, and they vary according to the context, type and scale of the Project. The study content should be tailored to the local conditions and to the nature and characteristics of the Project and should address potential risk and impacts in at least the following areas:

- Population and demography
- Community health
- Community safety
- International Human Rights
- Community structure and social dynamics
- Vulnerable PACs and PAPs
- Intra- and inter-community relations
- Lifestyle, cultural habits
- Local economy and employment
- Land rights, claims and use
- Management and use of natural resources
- Basic services – health, education, access to water and electricity
- Local infrastructure
- Living and housing conditions
- Culture, cultural, archeological and religious sites
- Community social tensions
- Conflict (whether armed or social, or relating to e.g. land, religion)

## 5. Responsibilities

### 5.1 The Company

The affiliate's societal correspondent, or the HSEQ/ESSH/SOC coordinator in the case of studies being managed by headquarters, is the Company representative for the SIA. S/he liaises with the selected Consultant, from the call for tender stage, as regards implementing, monitoring and validating the study.

The Company representative is responsible for coordination between the following involved parties:

- Relevant internal stakeholders including the department responsible for the Project and the Project or Asset manager, or other internal departments such as environment, security, contracts and procurement, etc.

| General Specification    |                         | GS EP SDV 102 |
|--------------------------|-------------------------|---------------|
| Social Impact Assessment |                         |               |
| Rev.: 02                 | Effective date: 05/2015 | Page: 9 of 32 |

- The Consultant.
- The local authorities, administration and any partner or national or international institution (when these studies are required by regulations).
- The local population or national or international associations and organizations likely to be contacted, and met for the purposes of the study.
- Stakeholders that should be engaged, or communicated with for the purposes of this study in particular actual and potential PAPs and PACs.
- Any expert hired in the host country.
- Headquarters (advisory function).

The Company representative ensures:

- That a description of the Project is available, indicating the Project status at the time of the study, and including any uncertainties and elements that need to be finalized.
- The smooth roll out of the study.
- Monitoring and validation of the provisional reports.
- That the final reports are monitored, validated and sent to the department responsible for the Project.
- That the stakeholders are informed and engaged with appropriately.
- That a representative from Head offices or the affiliate assists the Consultant if necessary, especially during the field mission.

## 5.2 The Consultant

The Consultant is responsible for:

- Adapting the study themes to the context, scope, size, potential impacts and location of the Project
- Detailing his/her methodology, evaluation criteria and impact coding system so they can be discussed and agreed upon at the kick-off meeting.
- Preparing a Stakeholder Engagement Plan (SEP) (also known as Stakeholder Consultation Plan) for the SIA, to be validated by the Company.
- Drawing up a detailed schedule for the planned activities, including a kick-off meeting, interim meetings and a close-out meeting.
- Conducting the study in line with good international oil and gas industry practices on social and human rights study practice.
- Interpreting the results and producing associated GIS deliverables.
- Writing the final report and a brief presentation intended for a wide audience.

Monitoring and intermediate progress reports are essential to ensure that the study remains on track because of the risk of drift from the scope of work as a result of mutual misunderstandings, unexpected delays, irrelevant information, etc.

**Social Impact Assessment**

Rev.: 02

Effective date: 05/2015

Page: 10 of 32

At any point in time, if the Consultant discovers ongoing or immediate (severe) social or human rights impacts caused or contributed to by either the Consultant or the study process itself, or other Company activities, the Consultant shall report this to the Company without delay. The Consultant shall consider the potential for being implicated in harm towards stakeholders whilst conducting the study. For example, risks to stakeholders participating in stakeholder engagement processes, risks to human rights defenders or unions that may during early phases oppose the project, or risks involved with utilizing security providers when gaining first access to conflict-sensitive areas.

### 5.3 The resources

Contractor personnel employed for the study include a project manager and/or any person able to organize and carry out the SIA and a consultation process (sociologist, demographer, economist, anthropologist, ethnologist, archeologist, human rights expert, GIS expert, etc.). It is also necessary to have local consultants as part of the team, to bring local knowledge and understanding of the context and to facilitate engagement with stakeholders. Where there are significant human rights issues or a high probability of human rights impacts (see section 9.2), the consultant should include in its team a human rights expert or a person with experience and capacity to understand human rights risks and potential impacts.

The Consultant is responsible for all logistics and should inform the Company especially if there is an in-country office. In certain difficult contexts, the Company may assist the Consultant with logistical aspects.

## 6. Objectives of a Social Impact Assessment

The results of the SBS lead to an understanding of the Project's socio-economic and human rights context. The SIA identifies the potential positive and negative social impacts of the Project, particular adverse human rights impacts, and engages with stakeholders on potential impacts. The Consultant is required to examine whether impacts of any sort also has negative human rights consequences. For example, a social impact that leads to a loss in household income that causes children to be taken out of school to work would therefore also be affecting the human rights of the child. The analysis of socio-economic and human rights impacts should be carried out jointly as an interrelated continuum rather than viewed as separate 'issues'.

The SIA:

- Identifies Project stakeholders, PACs and PAPs.
- Identifies underprivileged, marginalized, discriminated or otherwise vulnerable groups that are likely to be exposed to or suffer greater impact than others.
- Includes engagement with stakeholders through an SEP for the SIA.
- Identifies and assesses with PACs and PAPs, negative human rights and socio-economic impacts and appropriate measures for avoiding, or mitigating these impacts.
- Identifies, with PACs and PAPs, appropriate measures for responding to and remedying negative impacts and proposes ways to measure and track performance.
- Identifies and assesses potential positive human rights and socio-economic impacts of the Project and ways to leverage or maximize these.