



Standard of Operation

Stakeholder Engagement & Community Relations

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1 Introduction

Africa Oil Corp. is a Canadian oil and gas company with a diversified African portfolio. The Company is listed on the Toronto Stock Exchange and Nasdaq Stockholm under the symbol “AOI”. Africa Oil has transitioned to a full cycle E&P growth vehicle with production, cashflow, world-class development as well as significant exploration upside. The Company’s portfolio includes proposed development (Kenya Lokichar Basin), production (Nigeria Deepwater) and exploration (Kenya, South Africa and Deepwater Equity Investment) assets.

This document describes the Standard of Operation that Africa Oil requires to be implemented for its operated assets and which it will use with its Operating Partners on non-operated assets to ensure, as far as practicable, that activities are conducted in line with Africa Oil expectations.

2 Objectives

The objectives of this Standard are to:

- Define the scope of activities;
- Outline applicable standards, requirements and procedures;
- Define roles and responsibilities;
- Define training requirements;
- Define monitoring requirements; and
- Define performance reporting procedures.

This Standard defines the minimum requirements for the conduct of activities at projects and assets in which Africa Oil is either the Operator or is in a Non-Operated Joint Venture.

3 Scope

Application of this Standard is mandatory on all Africa Oil operated assets and Africa Oil will use this Standard with its Operating Partners on non-operated assets to ensure, as far as practicable, that activities are conducted in line with Africa Oil expectations.

This Standard applies to all Africa Oil activities (acting as Operator or in a Non-Operated Joint Venture) throughout the life of all Projects or Assets when on-site activities have commenced.

While the intent is that the Standard is applicable to all Africa Oil activities, it is recognised that in situations where Africa Oil has a minority non-operating interest in a Project or Asset, it may not be possible to exercise an appropriate level of influence over the operation to ensure full conformance with this Standard. Nonetheless, it is expected that Africa Oil will use reasonable efforts to assure itself that the Operator is undertaking its activities in broad conformance with this Standard.

Where a conflict exists between the requirements of this standard and local regulatory laws, the applicable law must be applied. Where the requirements of this standard are more stringent than local laws, or accepted practices, then the requirements of this standard must be applied.

4 Standard of Operation

This Standard describes the basic requirements to address stakeholder engagement and community relations related to Project-related activities with local people and communities within the vicinity of operations and other stakeholders.

International Finance Corporation (IFC) Performance Standards for Social and Environmental Sustainability set out a range of recommendations with regard to stakeholder engagement (Performance Standard 1).¹ IFC Performance Standard 1 establishes the importance of effective community engagement through disclosure of project-related information and consultation with local communities on matters that directly affect them.

Africa Oil and Operator activities will comply with IFC Performance Standard 1 as a minimum.

Key requirements of IFC PS1 related to stakeholder engagement are summarised below (paragraph numbers in IFC PS1 are included below for reference).

4.1 Stakeholder Engagement

25. Stakeholder engagement is an ongoing process that may involve the following elements:

- Stakeholder analysis and planning;
- Disclosure and dissemination of information;
- Consultation and participation;
- Grievance mechanism;
- Ongoing reporting to Affected Communities.

26. Identify stakeholders, including Affected Communities, and consider external communications to facilitate a dialog with them.

27. Develop and implement a stakeholder engagement plan tailored to the characteristics and interests of the Affected Communities. Include differentiated measures to allow effective participation of those identified as disadvantaged or vulnerable. Where the process depends on community representatives, verify that they represent the community views and can be relied on to communicate results to constituents.

28. Where the project location is not known, prepare a stakeholder engagement framework including general principles and strategy to:

- Identify Affected Communities and other stakeholders;
- Plan for an engagement process.

4.2 Disclosure of Information

29. Disclose information on the purpose, nature, scale of the project, duration of activities, risks and impacts on communities, the envisaged stakeholder engagement process and grievance mechanism.

4.3 Consultation

30. Undertake a consultation process that provides Affected Communities with opportunities to express their views on project risks, impacts and mitigation measures. The Operator will consider and respond to these. Ensure the consultation is a two-way process that:

¹ International Finance Corporation. *Performance Standards for Social and Environmental Sustainability*, Performance Standard 4: Community Health, Safety and Security. January 1 2012.

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- Commences early in the assessment process and continues on an ongoing basis;
- Is based on prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information which is in a culturally appropriate local;
- Language(s) and format and is understandable to Affected Communities;
- Is inclusive for those directly affected;
- Is free of external manipulation, interference or coercion and intimidation;
- Enables meaningful participation;
- Is documented.

4.4 Informed Consultation and Participation

31. Conduct an Informed Consultation and Participation (ICP) process for projects that may have significant adverse impacts. ICP involves a more in-depth exchange of views and information, and an organised and iterative consultation, leading to the incorporation of Affected Communities views into the project decision-making process. The ICP process should:

- Capture both men's and women's views, separately if necessary;
- Reflect men's and women's differing concerns and priorities about impacts, mitigation mechanisms, and benefits;
- Be documented, particularly measures taken to avoid or minimise risks and impacts;
- Inform those affected how their concerns have been considered.

4.5 Indigenous Peoples

32. Conduct an ICP process for projects that may have adverse impacts to Indigenous Peoples. In certain circumstances the Operator may be required to obtain their free, prior and informed consent (FPIC) (refer PS 7).

4.6 Responsibilities Under Government-Led Stakeholder Engagement

33. When stakeholder engagement is the responsibility of the host Government:

- Collaborate with the responsible agencies (to the extent permitted) to achieve outcomes consistent with the objectives of IFC PS1.
- Play an active role in engagement planning, implementation planning and monitoring.
- Conduct a complementary process when the Government-led process does not meet the relevant requirements of IFC PS1.

4.7 External Communications

34. Implement and maintain a procedure for external communication including methods to:

- Receive and register communications from the public;
- Screen and assess issues raised, how to address them;
- Provide, track and document responses;
- Adjust the management program;
- Make public periodic reports on E&S sustainability.

4.8 Grievance Mechanisms

35. Establish a grievance mechanism to receive and facilitate resolution of Affected Communities concerns about the project's environmental and social performance. Concerns will be addressed promptly, using an understandable and transparent consultative process that is culturally appropriate and readily accessible at no cost and without retribution. It will not impede access to judicial or administrative remedies. Communities will be informed about the mechanism as part of the stakeholder engagement process.

4.9 Ongoing Reporting to Affected Communities

36. Provide periodic reports (not less than annually) to Affected Communities that describe progress with implementation of project Action Plans on issues of ongoing risk or impact on Communities and on issues that are of concern to Affected Communities. Communicate material changes or additions to mitigation measures or actions described in the Action Plans to Affected Communities not less than annually.

5 Roles and Responsibilities

5.1 Ownership of the Standard

Overall responsibility for implementation of the Standard rests with the Africa Oil Chief Operating Officer.

5.2 Operator Responsibilities

The Operator shall, as a minimum, be responsible for managing stakeholder engagement and community relations in accordance with this Standard. In a Non-Operated Joint Venture, the parent company of the Operator will be responsible for ensuring that appropriate systems and procedures are in place, and in line with this Standard.

The Operator will review local legislative requirements with respect to stakeholder engagement and community relations and establish appropriate controls to ensure compliance.

5.3 Africa Oil Responsibilities

Africa Oil will cooperate and coordinate with the Operator to the extent required to confirm that an appropriate stakeholder engagement and community relations systems is in place.

6 Training

Africa Oil will ensure that its staff are appropriately trained in the requirements of this Standard. The Operator will be responsible for this appropriate training of its staff.

7 Monitoring

Africa Oil will assess on an annual basis that the Operator has appropriate and fit for purpose stakeholder engagement and community relations procedures in place to meet the expectations set out in this Standard.

8 Key Performance Indicators

Key Performance Indicators (KPIs) for the effective implementation of this Standard are set out below.

Table 1 Key Performance Indicators

ID	KPI	Target	Monitoring measure
SECR-KPI-01	Number of identified non-compliances with stakeholder engagement and	Minimise and target zero	Annual review undertaken

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ID	KPI	Target	Monitoring measure
	community relations requirements identified in this Standard.		

9 Document Control

This Standard is owned by the Africa Oil Chief Operating Officer.

This Standard will be reviewed on a two-yearly basis.