
CSR PROCESS AND PRACTICES MANUAL FOR AFRICA OIL OPERATIONS

Document Number	KE/CRP/CA/MNL/2017-133V2			
Created by	Ka-Hay			
Created on Date	July 2014			
Revision Number	August 2017			
Revision Frequency	After every 12 months			

Revision History and Control

Revision Date	Change Description	Section/Paragraph affected	Revised By	Approved by
July 2015	Full Update	All Sections	Alex Budden	
August 2017	Full update	All sections	Linda Were	

Hardcopies of this document are considered uncontrolled. Refer to digital version for latest revision.

Contents

Africa Oil Kenya B.V.....	Error! Bookmark not defined.
Introduction.....	3
1. Social Impact Assessments	5
2. Stakeholder Engagement.....	9
3. Grievance Mechanisms.....	13
4. Community Investment	21
5. Local Content/Hiring.....	23
6. Management Systems	27
7. CSR and Operations team:.....	32
8. CSR and Health, Safety and Environment.....	32

Africa Oil

1 Introduction

Africa Oil has adopted a set of Corporate Social Responsibility (CSR) commitments. This document is intended to help country level teams implement the commitments on a day-to-day basis for Africa Oil Kenya (AOK).

The foundation of effective CSR activities is strong management systems that allow the company to identify early on, potential risks arising from operations and respond strategically to minimize or manage negative impacts, and optimize potential positive benefits. A key factor for success is to have a **clear, predictable, and transparent process** that is understood by all stakeholders to address issues that may arise – from community grievances, to hiring of local labour, to sourcing products from local communities.

The following Operations Manual offers guidance on key activities that ensure that AOK's CSR activities are in line with best practices and to ensure operational activities are consistent and coherent with corporate CSR policies. It has been developed using international best practice guidelines such as IFC Stakeholder Engagement – Good Practice Handbook for Companies doing Business in Emerging Markets, and IFC guidance principles (2007), IFC Good Practice note Grievance Mechanisms (2009), as guidance and adapted to current and local context. Topics covered include:

- a) Social Impact Assessments
- b) Stakeholder Engagement
- c) Grievance Mechanisms
- d) Community Investment
- e) Local Hiring/Content
- f) CSR management systems
- g) Internal training
- h) CSR and Operations team
- i) CSR Roles in Health Safety and Environmental practices

Each section covers:

- Overview
- Putting into Practice
- Roles and Responsibilities and
- Tools and Resources.

The operations manual is intended to be a living document, updated on a regular basis to include up to date best practices and enable continuous improvement across the company.

1.1 Overview: CSR Activities by Stage

The following chart outlines key CSR activities to be undertaken throughout various stages of exploration.

Dimensions	Stage 1 Pre-Seismic	Stage 2 Seismic	Stage 3 Pre-Drilling	Stage 4 Drilling
Planning and Management	<ul style="list-style-type: none"> Environmental and Social Impact assessments 2-3 months prior to planned Seismic Activities Initial Stakeholder Assessment, mapping and engagement plan 	<ul style="list-style-type: none"> Implement recommendations from ESIA Provide training to field team as required Regular updates to management on key developments and progress 	<ul style="list-style-type: none"> Environmental and Social Impact Assessment (review/update if required) Review stakeholder mapping and engagement plan as required 	<ul style="list-style-type: none"> Implement recommendations from SIA Provide training to field team as required Regular updates to management on key developments and progress
Community Stakeholder Engagement	<ul style="list-style-type: none"> Select CLO Stakeholder Engagement Strategy Meet with local administrators Town hall meeting Establish Project Stakeholder Committee (PSC) Design Grievance Mechanism based on ESIA results Implement Stakeholder Registry and Stakeholder Engagement Log Prepare and coordinate with operations team for Local hiring 	<ul style="list-style-type: none"> Regular consultations led by CLO Quarterly meetings with company management (at minimum) Monitor grievances and report back to stakeholders On-going monitoring of issues Maintain current stakeholder registry and engagement log Regular updates on stakeholder issues and progress to Operations Team 	<ul style="list-style-type: none"> Select CLO as required Town hall meeting and Community consultations based on new operational activities Update Stakeholder Engagement Strategy if required Review/update Grievance Mechanism as required Prepare and coordinate with Operations team for local hiring 	<ul style="list-style-type: none"> On-going stakeholder consultations Monitor and manage grievances Regular updates on stakeholder issues and progress to Operations Team

Dimensions	Stage 1 Pre-Seismic	Stage 2 Seismic	Stage 3 Pre-Drilling	Stage 4 Drilling
Community Investment	<ul style="list-style-type: none"> Identify potential community development initiatives 	<ul style="list-style-type: none"> Implement Community Investment Activities On-going monitoring and impact assessment (quarterly basis) 	<ul style="list-style-type: none"> Review impacts of past CI initiatives independently and with stakeholders Solicit input on additional CI initiatives Review/update Community investment Strategy 	<ul style="list-style-type: none"> Implement Community Investment Activities with key partners On-going monitoring and impact assessment (Quarterly basis)
On-going Management	<ul style="list-style-type: none"> Internal training as required (on-going throughout all phases), Maintain Stakeholder Registry, Engagement Log, and Grievance Mechanisms Monthly summary of key risks/issues to management team Outline key responsibilities and management responsibilities at all levels Updates and alignment with Operations team 			

2 Social Impact Assessments

2.1.1 Overview and Purpose

The Social Impact Assessment (SIA) is an important step in understanding how operational activities may affect stakeholders and ensuring appropriate management measures are put into place to minimize negative impacts. SIAs provide a detailed understanding of socio-economic context and prioritized list of risks and potential impacts that may arise, and recommend appropriate strategies for mitigating, minimizing or, in the case where negative impacts are unavoidable, compensation.

Social impact Assessments may be conducted at the same time as an Environmental impact Assessment (an ESIA). They should be conducted prior to new operational activities (ex. Seismic, Drilling, road construction etc). The SIA ToR Template provides detailed requirements for SIAs. The following is summary of key requirements:

- Provide comprehensive and detailed assessment of potential socio-economic risks to impacted communities as it relates to key operations
- Be carried out by assessors that have demonstrated experience in conducting thorough SIAs
- Provide detailed quantitative and qualitative information on type and nature of impact on communities
- Collect baseline data
- Prioritize potential risks based on type, nature, significance and likelihood of impact
- Inform CSR management systems

- Use IFC performance principals as guidelines
- Focus on both the process undertaken (as each point of engagement with stakeholder impacts company`s community relationship) as well as the assessment results.
- Outline clear stakeholder engagement plan
- Generate stakeholder mapping and list of stakeholders engaged along with contact information
- Inform Grievance Mechanism

2.1.2 Putting into practice

1. Advance Planning and Coordination with Operations Team:

- Thorough assessments can take 2-3 months and so advance planning and coordination with Operations team is required.
- The SIA can be conducted alongside the EIA in order to leverage available resources and minimize the repeat surveying of community. The capacity of the assessor team to conduct both assessments to a high standard should be the determinant factor.

2. RFP -

- A qualified, reputable Assessment team ensures that useful data is captured and supports the credibility of the assessment. Depending on country level RFP processes, it is encouraged that an RFP process is undertaken to identify appropriately qualified firms.

3. SIA Process

The SIA Process should involves the following phases:

- Scoping** – Appropriate definition of the scope of the assessment will ensure relevant data is captured and the assessment is carried out efficiently. The Assessor team may undertake an initial visit to the planned operations site and conduct a preliminary assessment on potential issues.
Company employees may be interviewed during this process and existing procedures reviewed.

The scoping stage should produce detailed Terms of Reference for detailed data collection. The Assessor should propose and reach agreement on ToR with the Country Team.

- Detailed Assessment**

Assessor team uses detailed ToR to capture baseline data and conduct analysis. This stage of assessment should produce detailed and quantitative data that has been gathered through ground level focus and community consultations. Detailed impacts (ex. Which communities are affected, how many people, nature of community dynamics) should be recorded.

CSR team provides backstopping and support as required and field level team (CLO and operations team) and other staff should be made accessible to assessor team.

- 4. Follow up:** The SIA should inform management decisions and operational activities.
- a. Review and Implementation**
 - CSR team identifies strategies to implement recommendations for improving impact management, working with teams to implement new practices as required.
 - CSR team and Country team reviews results so issues are understood across functional areas and employees understand role in impact monitoring and management as required
 - b. Disclosure**
 - Results shared back to community and relevant authority to encourage transparency
- 5. On going Monitoring -**
- a.** Management plan developed and monitored on on-going basis

Human Rights Impact Assessment– Identifying how human rights may be impacted by planned operations is an important element of managing operational impacts and risks. The SIA should provide initial scoping for potential HR issues and, in the large majority of cases, this should be sufficient. However an additional HR impact assessment may be carried out if human rights issues emerge as a significant finding in the SIA.

The Human Rights Impact Assessment will follow a similar process to the SIA, but with terms of reference tailored to HR issues. Specific attention needs to be paid to potential relocation of communities, or if Indigenous peoples are affected.

2.1.3 Roles and Responsibility within Social Impact Assessment

Assessment Activity	CSR Team Responsibility	Operational Team Responsibility
RFP	CSR team to run RFP according to local Procurement procedures and with operational timeline in mind	Operations team inform CSR team of planned operational dates and activities
Scoping	CSR team primary engagement with Assessor team CLO available to support Approve Detailed TOR with Assessor	Operation team and employees available for interviews as required Company operations/procedures/policies made available for review
Detailed baseline data collection and assessment	CSR team check in with Assessor team on progress CLO support as required	Operational team accessible to Assessor team as required
Internal Review of Results	CSR Team reviews and debriefs assessment with Operations team Implements appropriate recommendation for impact monitoring and management	Operations team reviews report and is aware of key issues and implications
External Disclosure	Ensures results are shared with relevant stakeholders to promote transparency	
On-going monitoring	CSR team leads on-going monitoring	Staff communicate potential issues and

	of activities CLOs to undertake monitoring requirements on monthly basis	participate in monitoring as required
--	---	---------------------------------------

2.1.4 Tools and Resources

Tool Number	Name	Purpose	Notes
	SIA Terms of Reference	Sample Terms of Reference for scoping Social Impact Assessment	Sample ToR provides detailed overview of what the SIA should contain. It can be used/modified for the RFP process. A similar document should be drafted with Assessor team to ensure alignment on expected deliverables
	HR impact assessment	Sample Terms of Reference for HRIAM	Provides terms of reference for Human Rights impact Assessment
	Reference SIA	South Omo SIA provides reference to the quality of SIA required	
	Impact Monitoring Systems	Ensure oversight on key impact areas	

3 Stakeholder Engagement

3.1.1 Overview and Purpose

Stakeholder consultation and engagement is an essential component of Sustainable Business approach in that it enhances our 'social license' of the project. Consultation is not a single, but a series of opportunities to create understanding about the project among those it will likely affect or interest, and to learn how these external parties view the project and its risks, impacts, opportunities, and mitigation measures. Stakeholder and Public participation involves five elements in increasing order of public influence (International Association for Public Participation 2007):

- Inform - to provide the public with balanced and objective information to assist them in understanding the project, alternatives, opportunities and/or solutions.
- Consult – to obtain public feedback on analysis, alternatives and/or decisions.
- Involve – to work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered
- Collaborate – to partner with the public in each aspect of the decision, including the development of alternatives and mitigation measures

A trusted relationship, with strong communication, between stakeholders takes time to cultivate. It is beneficial to start early and be proactive in understanding the various perspectives of the communities in order to manage expectations, identify potential conflicts or risks early on and appropriate responses, and to ensure communities feel like they have been engaged.

The **process** of stakeholder engagement is as important (and at times, more important) as the outcomes of engagement. Stakeholder engagement is an on-going process and should be:

- a) **Predictable** – Stakeholders should have a clear understanding of the process of engagement
- b) **Transparent** - Communicate information early on in decision-making process in ways that are meaningful and accessible.
- c) **Accessible and Appropriate** – consultation with stakeholders in a manner that is adapted for local norms in order to ensure that stakeholders can communicate effectively and with minimal barriers (due to financial, cultural, literacy restraints etc.) It should also be inclusive of all stakeholders.
- d) **Responsive** – Helps the company understand and respond effectively to issues as they emerge
- e) **Documented** – It is essential for engagements to be documented for future reference, to ensure the company can respond appropriately and to support transparency of engagement.
- f) **Grievance Mechanism** – grievance mechanisms to allow for open communication of issues from stakeholders and enable company to proactively manage critical issues.

AOK's stakeholder engagement is comprised of the following:

- i. Stakeholder Mapping and Management Plan
- ii. CSR team
- iii. Grievance Mechanism (to be addressed in separate section)
- iv. Management tools

3.1.2 Putting into Practice

3.1.2.1 Stakeholder Mapping and Stakeholder Management Plan

It is important to develop a clear understanding of the relevant stakeholders and identify a management plan. The stakeholder mapping and stakeholder management plan are designed to ensure the CSR team understands the key stakeholder issues, are prepared to respond strategically, and are tools to institutionalise information and share with internal company stakeholders as the need arises (induction for new hires, internal management meetings).

The results of the SIA will inform an initial set of stakeholders and form the foundation of the **Stakeholder Mapping**. It is the responsibility of the CSR Coordinator to provide additional details to profile each stakeholder and consolidate it into a stakeholder mapping. Stakeholder mapping should include:

- i. Profiles of key stakeholders, including
 - a. Positions
 - b. Interests
 - c. Alliances
 - d. Potential impact on project
 - e. Potential impact of project on stakeholder group
- ii. Rate the priority levels of all the stakeholders

The **Stakeholder Management Plan** will use the information from the mapping and consolidate it into a set of actions for the CSR team to undertake to manage and effectively engage key stakeholders. The management plan should outline:

- i. Key stakeholders
 - ii. Nature of interests
 - iii. Engagement strategy (inform, consult closely, involve in decisions), frequency of engagement
 - iv. Who leads the engagement (CLO, CSR coordinator, General manager etc)
- This document should be shared with all CSR team including ESG Manager and VP external affairs.
- The mapping and engagement plan should be updated at the earlier of month end reporting, or the occurrence of an incident.

Additional details on stakeholder engagement plans and activities are listed below.

i. CSR team

The CSR field team is crucial to the success of the company's stakeholder engagement as they are the Company's eyes and ears on the ground.

The Company will hire CSR Coordinator, a field area manager, Community Liaison Officers and /or Community Development Officers (focused more on the community investment initiatives) who are respected and are from the local community. The CSR Coordinator will be the overall supervisor and in charge of all CSR activities. The field area manager will supervise all CSR activities in the field and report to the CSR Coordinator. The responsibilities of the CSR team will include understanding and managing community issues, consulting with key stakeholders, promoting and maintaining information flow between

the company and communities, helping head office understand any emerging risks and concerns and addressing and mitigating risks.

The CSR field team should include the following roles & responsibility although exact structures may vary:

CSR Coordinator-In charge of the CSR team. Receives reports from the field area manager, manages local hiring process and local sourcing processes, managing the grievance procedure.

The Field Area Manager– Responsibilities including managing field team performance, leading engagement activities with all stakeholders, addressing day to day grievances that may arise, liaising with Drilling supervisor and support them on issues related to communities. The field area manager reports directly to the CSR coordinator. He or she also approves any visits from communities to the well site 24 hours in advance. Should there need to be exceptions to this commitment, management approval will be required.

Community Liaison officers – these are representatives that are hired from the local community and acting on behalf of the company to manage community relationships. Responsibilities include understanding and managing community issues, promoting and maintaining information flow between the company and communities, helping head office understand any emerging risks and concerns and addressing and mitigating risks.

Embedded CLOs - Africa Oil Senior management has also agreed that to focus on managing community issues at the drill site, including addressing labour issues that may arise with unskilled labour hired from the communities (as they may not be able to speak English), addressing any stray visitors from communities to site. Since unskilled labour originates from local communities, ensuring good labour relations will be a key aspect of maintaining community relationships. The CLO on site continues to report to the CSR coordinator, but will also report to drilling supervisor.

Community Development Officers – these are Africa Oil Employees who are from the local community. In addition to managing community relationships, they have the added responsibility of leading community development projects. This includes working with communities to understand key priority needs, and implementing agreed upon projects.

The CSR coordinator, the field area manager, CLOs and CDOs form a critical point of contact between the company and community. They are tasked to understand early on, any risks that may emerge and prevent them from escalating to a stage that it impacts operations.

Engagement activities

- Establishing a **Project Stakeholder Committee** can provide an effective way to engage a large number of stakeholders. This committee should represent community interests and it is important to ensure that all critical voices are heard, including the traditionally marginalised and vulnerable. It can be useful to define the expectations of the Project Stakeholder Committee so that the roles, responsibilities and expectations are clear.

- **Mini-Barazas (small public meetings) to validate committee members.** The project stakeholder committee members should be publicly elected in a transparent setting. Upon the initial establishment of the committee, the CSR team should undertake ‘mini –barazas’ to the locations of the project area with the committee representative of that area to further validate his/her representation by the community themselves.
- Additional strategies for engagement may be required (ex. Monthly calls with local government official). Use the baseline information from SIA and stakeholder identification to plan out an engagement strategy that speaks to the needs of each group. This will be an evolving process as local context changes and operational activities progress.
- **Stakeholder Engagement** Be prepared for each Stakeholder Engagement Meeting. Ensure that stakeholders are made well aware of the engagement, and have the necessary information to engage in the process adequately. Each engagement is an opportunity to demonstrate transparency with stakeholders. Provide updates on company operations – next steps, any changes, or follow up from previous consultations – using objective and specific language to manage expectations. Keep in mind that stakeholder consultation is an on-going process.
- **Documentation** It is very important to document stakeholder issues and company responses. This ensures and promotes transparency, accountability and strengthens management of issues. It is also critical to helping CSR and company staff understand what is happening in the field.

It provides a record of decisions and activities to improve institutional knowledge of the context and for future reference. It is important to keep up to date records of the following:

- i. **Stakeholder Registry** – lists key stakeholders of projects and impact on/by the project
- ii. **Stakeholder Engagement Log** – Log of all key stakeholder engagement activities
- iii. **Stakeholder meeting minutes** – these should detail attendees, contact information if possible, issues discussed and any follow up actions.

The Stakeholder Registry and Engagement Log should be kept to date on a weekly basis at community level and consolidated at the country level on a monthly basis.

- **Transparency and Disclosure** -To promote informed engagement and transparency, consider what information can be shared. Share the minutes of meetings with stakeholders so they have a record of what was discussed. It is also helpful to provide relevant information about the project to ensure that stakeholders are not surprised by changes, are up to date with project activities, or can be informed throughout the engagement process.
 - a. **All meeting minutes must be signed off by committee members and posted in a public location**
- **Grievance Mechanism** – The Grievance Mechanism is a key aspect of stakeholder engagement. This is addressed in a separate section below.

3.1.3 Roles and Responsibilities

Activity	CSR team	Operations Team
Hiring CLO/CDO	CSR Coordinator to lead	
Stakeholder mapping	CSR Coordinator to lead following SIA	Support and provide observations on local stakeholders
Stakeholder Engagement Plan	<p>CSR Coordinator develops SEP based on findings of SIA and updates from the field.</p> <p>Provide clear roles and responsibilities to CLO, CDO and operations team as required</p>	<p>Communicates with CSR team on field level dynamics and insights so that CSR team can adjust activities as required,</p> <p>Supports/promotes engagement activities by CSR team (ex. Encourages local stakeholders to follow channels created)</p>

3.1.4 Tools and Resources

Name	Purpose	Used by:
Stakeholder Registry	Captures list of key stakeholder groups, key representatives and interest/impact on/by the project	CSR team
Stakeholder engagement log	Concise summary of each engagement which provides overview of engagements to date	Managed by CSR Coordinator
Stakeholder Engagement Report	Template for capturing minutes from each project stakeholder meeting	CSR Coordinator and Field area manager
CDO Terms of Reference	Sample job description for CLO/CDO	
Stakeholder Engagement Brief	Summarizes status of stakeholder engagement for internal communication purposes	Drafted by CSR Coordinator, shared to operation team
Kamati ToR	Terms of Reference for Project Stakeholder Committee	CSR Coordinator and Field Area Manager
Stakeholder mapping and engagement plan	Sample of mapping and engagement plan for Wajir	Led by CSR Coordinator, reviewed/used by all CSR team

3.1.5 Grievance Mechanisms

A Grievance Mechanism is a tool to enable the community to register complaints/concerns about the company's activities and for grievances to be addressed by the company. It offers communities an effective avenue for expressing and achieving resolution for their concerns, promotes a mutually constructive relationship and thereby provides a way to reduce risk for Africa Oil projects and helps in dealing with issues as quickly as possible.

A well-functioning grievance mechanism:

- Provides an equitable and context-specific process which respects the confidentiality of all parties, protects all parties from retaliation and builds trust as an integral component of broader community relations activities;
- Provides a predictable, accessible, transparent, and legitimate process to all parties, resulting in outcomes that are seen as fair, rights compatible effective, and lasting; and
- Enables more systematic identification of emerging issues and trends, facilitating corrective action and pro-active engagement.

The purpose of this document is to define the community grievance management procedure used by Africa Oil on all operations.

Where Africa Oil is a party to a Joint Venture [JV], it is standard practice that a Joint Operating Agreement [JOA] will exist, the objective for which is to regulate the activities of the JV partners. Depending on voting thresholds and choice of Operator, Africa Oil will have greater or lesser control over elements of the JOA and thereby the activities of the JV. However, Africa Oil will, in all circumstances exercise best efforts to comply with IFC requirements in JV Operations.

3.1.5.1 Grievance Mechanism Design Principles

This grievance mechanism is guided by the International Finance Corporation's (IFC) Performance Standards for Environmental and Social Performance which has the following principles:

- **Proportionality:** the mechanism should be scaled in line with the level of risk and adverse impacts on affected communities;
- **Community appropriateness:** taking into account culturally appropriate ways of handling community concerns;
- **Accessibility:** providing a clear and understandable mechanism that is accessible to all segments of the affected communities at no cost;
- **Transparency and accountability:** to project affected stakeholders at field (operational) level; and **Appropriate protection:** prevents retribution and does not impede access to other remedies.

This procedure will be periodically reviewed in order to ensure community feedback is incorporated into the design.

3.1.5.2 Definitions

Grievance/ Complaint

To ensure that all community issues are captured and resolved, this procedure will utilise the terms 'grievance' and 'complaint' interchangeably. Typically, grievances/ complaints are related to a specific and identifiable impact caused by a project activity, which is raised by an affected individual, family, group or community of stakeholders with the intent of bringing the impact to the attention of the company or contractor seeking that the impact be mitigated (e.g. dust, noise or vibration). More specific grievances/ complaints raised by an individual, family, group or community of stakeholders who claim to be affected by real or perceived impacts of a company's operations will require specific, targeted corrective actions, which may include compensation. These complaints will be handled by the Africa Oil Corporate Social Responsibility Team.

Grievant/Complainant

Person having a grievance (or complaint) against Africa Oil or its contractors and sub-contractors.

Grievance Mechanism

A risk management system through which grievances and complaints from local stakeholders resident within the project area of operations (i.e. all Blocks) will be received, acknowledged, registered, reviewed, investigated and resolved following a standard operating procedure (SOP) aligned to other company functions and management systems (e.g. operations, supply chain, national content, EHS, government and public affairs, communication, etc).

Project Area of Operations

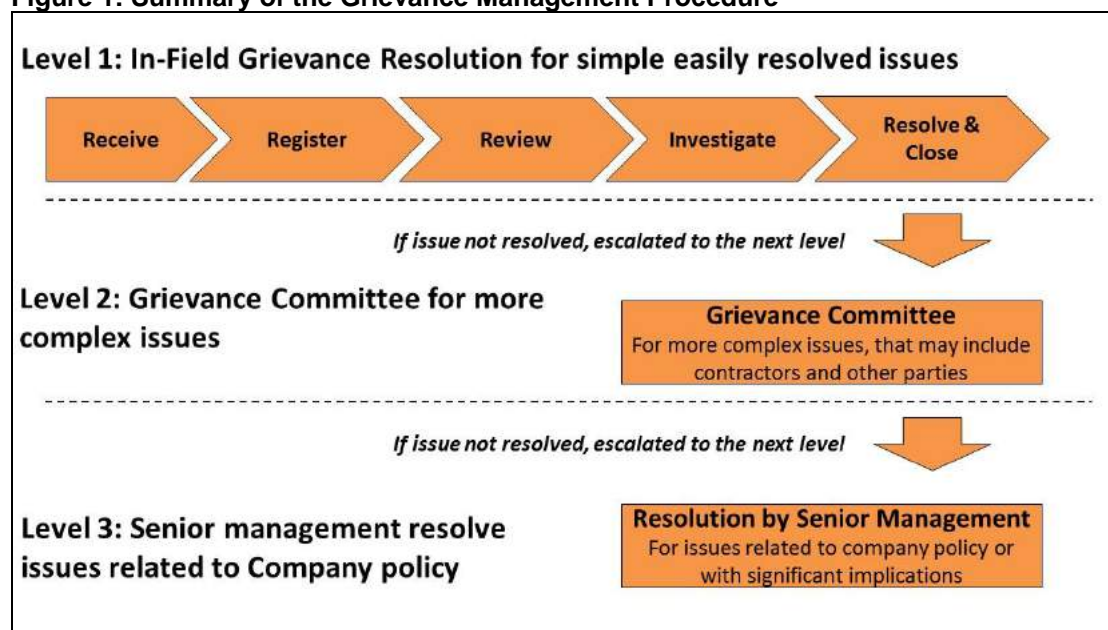
The geographical boundaries of all Blocks where Africa Oil has an operating interest.

3.1.5.3 Grievance Management Procedure

The Africa Oil community grievance management procedure is a step-by-step approach for receiving, acknowledging and registering, reviewing, investigating and resolving complaints and grievances from all project affected stakeholders resident in the area of operations. This procedure is concerned specifically with the first and second levels through which grievances are addressed, aiming to ensure that grievances are addressed at the grassroots level by the Company as and when they arise.

Africa

Figure 1: Summary of the Grievance Management Procedure



3.1.5.4 Level 1 (In Field) Grievance Management

Level 1 of the Community Grievance Management Procedure captures all grievances or complaints at the field (operational) level. Many of the concerns, complaints and grievances raised by individuals, families, groups and/or communities in Africa Oil's area of operations should be able to be resolved directly between the grievant and the staff member registering the grievance, and/or the CSR Coordinator, through a process of direct consultation to seek a mutually agreed resolution.

It is important that all staff are clear about the limits to their ability and authority to make decisions regarding grievance redress, including compensation, which is outlined herein.

Step 1 – Receive

Grievances (and complaints) may be received through a variety of channels which may include:

- Africa Oil Community Liaison Officer, Community Development Officers and the Field Area Manager who hold responsibility for community stakeholder engagement and who visit the communities within the project area of operations on a regular basis; and/or
- The Africa Oil dedicated grievance hotline (in a case-by-case basis) and/or email address;
- Africa Oil community information centres or suggestion boxes (established in a case-by-case basis);
- Any other Africa Oil manager.

All staff assigned to receive grievances (complaints) must have:

- Appropriate training on this Procedure;
- Relevant grievance forms available; and
- Clear and agreed understanding in terms of forwarding grievances to the CSR Coordinator (e.g. within 24 hours, verbally or in writing).

Step 2 - Register

When a grievance or complaint is presented, the following steps shall be taken to register the grievance.

1) The Africa Oil staff member receiving the grievance will carefully note and record the grievance (or complaint) onto the **Grievance Registration and Acknowledgement Form**, and check the content with the grievant/complainant. If appropriate, the Africa Oil personnel registering the grievance will take pictures related to the issue to substantiate the claim. Where relevant, GPS coordinates will also be noted.

2) Once completed, the Africa Oil staff member will read and explain what has been recorded to the grievant to confirm that the facts of his/her grievance are as written. If at all possible grievances should be in writing. However, verbal grievances should also be accepted especially in circumstances where written grievances may be a barrier for some individuals. The form will be signed or thumb printed by the grievant a witness (if necessary) and the Africa Oil staff member.

Each grievant receives a copy of the **Grievance Registration and Acknowledgement Form** (a copy of which shall also be kept with the Company) which acknowledges that the grievance has been received. The Acknowledgement Form has a reference number and includes a commitment from the Company to provide a response within a pre-specified time period (e.g. thirty days) of logging the grievance. Duplicate booklets with pre-printed and numbered forms (using carbon copy paper) will be used for this purpose.

3) If possible, and if within the authority and capacity of the Africa Oil team member to determine, grievances will be addressed immediately through dialogue with the Grievant. As noted above, the details of the grievance will be recorded from respondents and witnesses contacted during the grievance review and will be detailed on the Grievance Registration and Acknowledgment Form. If accepted, the agreed resolution will be documented on the **Grievance Resolution Form**, the latter signed by the complainant, witnesses and/or any other individuals who choose to make comment with regard to the particular grievance.

4) If further review is required, the Africa Oil staff member will describe the process and the timeline for further review to the grievant/complainant.

5) If the grievance is urgent or sensitive and requires immediate attention, the complainant shall be directed to the Africa Oil CSR Coordinator

6) Complex claims – defined by either the scale of the grievance (e.g. scale of event, number of grievants, etc.) and/or related to project aspects that could have adverse impacts on the claimant's livelihood, health and safety, or cultural norms and traditions should be escalated to the Country Manager, via CSR Coordinator

7) It will be the responsibility of the Africa Oil CLO/CDO and the Field Area Manager to record grievance records. All hardcopy records will be kept by the Company, and scanned copies uploaded for digital record keeping.

Step 3 – Review

All Grievance Registration and Acknowledgement Forms must be handed over to the Africa Oil CSR Coordinator within **24 hours of receipt** of the grievance. The CSR Coordinator will review each grievance submitted.

In the case of a complaint, where the complaint has not already been closed out by the recipient and requires a response, the CSR coordinator will provide the complainant with a response from the Company.

In the case of a grievance, the CSR Coordinator will investigate the grievance to determine its validity and where appropriate ensure appropriate redress as part of the process of closing out the grievance (Steps 4 and 5). For grievances, the CSR Coordinator will always provide a response as a matter of procedure.

Step 4 – Investigate

The CSR Coordinator is responsible for determining how to investigate a community grievance. The investigation shall be started as soon as possible but not longer than **within 7 days** after the grievance has been registered. The aims of the investigation are: (i) to determine the validity and truthfulness of the grievance; (ii) to verify the claims made by the Grievant, and evidence provided to substantiate the claims; and (iii) to determine appropriate redress where required.

2) Investigation should seek to examine the event leading to the grievance and to verify the impact thereof. Investigation may involve visiting the location of the event leading to the grievance; photographs of the scene; engagement with other stakeholders in the field (i.e. triangulation) to confirm reliability of the account; and other evidence as appropriate.

3) Potential redress options include an apology, compensation of the aggrieved or any other resolution option within the limits and capacity of the field staff.

4) If investigation and resolution cannot be achieved within 30 days, a letter will be sent to the Grievant informing them that their grievance is being investigated, setting out the reason for the delay and advising the Grievant of anticipated closure date.

Step 5 – Resolve and Close

1) It is the responsibility of the CSR Coordinator to communicate the outcome of the review to the aggrieved person in writing (and/or verbally where literacy may be an issue) and through the **Grievance Resolution Form**. This response will be either:

- a) an outcome of the grievance review; or
- b) a notification that the company needs additional time to examine the issue further.

The final grievance review outcome is communicated both through the **Grievance Resolution Form** as well as through a verbal explanation. The CSR Coordinator shall have two (2) copies of the form; one for the complainant and one signed by the complainant for the company records. The CSR Coordinator will ask the complainant to sign the form at three places: one signature to acknowledge receipt, another signature to acknowledge satisfaction with the outcome, and another signature to acknowledge that the complainant has been respectfully informed about the outcome of the reviews and has no objections.

If the complainant is not satisfied with the outcome of the review, alternative resolutions should be considered and discussed among field operational management and with the complainant before the case is escalated to Level Two (Grievance Committee).

Where resolutions have been approved and agreed upon by the complainant, the CSR Coordinator ensures that the administrative process for redressing the grievance is immediately initiated. The resolution details and target timeframe should be updated in the **Grievance Register**.

In cases where the complainant “walks away” without signing the Grievance Review Outcome Form, the grievance can only be closed out following agreement by site management (depending on nature of

grievance, in consultation with Africa Oil legal advisor) after it is determined that everything reasonable has been done to resolve the case.

In addition to the process outlined above, the CSR Coordinator may use discretion and professional judgement to bring grievances directly to the attention of the site management.

There will be instances where grievance resolution is delayed, or requires escalation through senior management to ensure timely close out. The procedure for escalation will be as follows for all instances where close out is *not achieved within 30 days*:

- Where a remedial action has been allocated to a functional area (e.g. civils, drilling, seismic) and the action has not been implemented within required timelines then notification will be sent to the EHS Manager.
- If no action is taken within a further 14 days then the issue will be escalated to the Country Manager.

3.1.5.5 Level 2 Grievance Management (Grievance Committee)

The Level 2 process is for grievances that cannot be resolved directly between the CSR Coordinator and the complainant and requires involvement by the Grievance Committee, which may also include appropriate external representation to resolve the complaint. In the event that a grievance is escalated from Level 1 to Level 2, the CSR Coordinator should confirm that appropriate measures have been taken to resolve the grievance through the Level 1 (In Field) process.

The Level 2 process is used when Africa Oil and the complainant decide together that the procedures are not acceptable to one or more parties for the situation of concern; there are disputes of fact or conflicts about data; or the parties have been unable to reach a voluntary resolution. In such cases:

- The complainant can contact the CSR Coordinator in the first instance to seek further clarification if for any reason he/she is dissatisfied with the explanation of the review (not for further negotiation);
- The CSR Coordinator points out the next level resource mechanisms available to the complainant (i.e. use of a Grievance Committee to review and offer resolutions for the case; use of a third party);
- In the event that a case is referred to an approved third party or subject specialist, rather than utilising a Grievance Committee, the CSR Coordinator will report on the status of the case on a bi-weekly basis to the Country Manager until closure; and
- To demonstrate good faith, Africa Oil will, within reason, attempt to comply with the requirement of the third party if one is used.

3.1.5.6 Level 3 Grievance Management and Resolution by the Country Manager

The Africa Oil Country Manager and VP Operations shall discuss and resolve grievances that are deemed to be beyond the mandate of the Grievance Committee and which involve matters of Company policy or other significant considerations.

Contractor Labour/Industrial Relations Complaints

Labour/Industrial Relations complaints against contracted companies will be received and logged in the grievance register but immediately escalated to the Africa Oil VP Operations for resolution. The CSR Coordinator will not be involved in the resolution process of such labour complaints but shall offer support

if needed. It will be the responsibility of the VP Operations to ensure resolution within the set times. Furthermore, contractors are required to have in place employee grievance mechanisms for their staff.

3.1.5.7 Monitoring, Recording and Reporting

The CSR Coordinator will update the **Complaint/Grievance Register** on a weekly basis to indicate resolved (closed-out) and unresolved cases, those pending on third parties or those that have been passed onto the local judicial system. All complaints and grievances whether deemed legitimate or not, shall be logged into the Register, along with the relevant target resolution dates. In addition:

- All records of grievance settlements should be archived as evidence of resolving the grievances;
- The CSR Coordinator shall ensure that the status of all complaints and grievances is kept current, and shall forward a complaints and grievances summary to the Country Manager on a weekly basis;
- On a monthly basis, the CSR Coordinator shall produce a status report that summarizes the timeliness/effectiveness of grievance resolutions. The content of monthly reports should include: (i) status of grievances received, resolved, pending resolution, and escalated; (ii) analysis of the time required to close grievances; (iii) analysis of number and nature of grievances received by thematic area; (iv) analysis of number and nature of grievance received in relation to geographical area; and (v) analysis of number and nature of grievance received in relation to project activity, and others as required. Reports should be submitted to the Country Manager, VP Operations, VP External Relations; and
- When deemed appropriate the relevant state authorities may also receive a copy for information purposes.

3.1.5.8 Roles and Responsibilities

Promote Awareness & Understanding of the Grievance Procedure	
Africa Oil ESG Manager with the help of CSR coordinator	<ul style="list-style-type: none"> • Develop and implement internal training plan for all Africa Oil staff • Develop and implement training programme for all in-field contractors • Develop communications plan for use during operations to make stakeholder aware of grievance procedure
Community Liaison Officer, Community Development Officer and the Field Area Manager	<ul style="list-style-type: none"> • Promote awareness and understanding of the existence and purpose of the grievance mechanism within the project area of operations
Receive, Acknowledge & Register Grievances	
Community Liaison Officer, Community Development Officer and the Field Area Manager	<ul style="list-style-type: none"> • Holds primary responsibility, by virtue of primary and continuous contact with the communities lying within the project area of operations, to receive, acknowledge and register grievances
Africa Oil CSR coordinator	<ul style="list-style-type: none"> • Primary responsibility is to manage the implementation and management of the community grievance mechanism and resolution procedure but may, from time to time, be required to receive, acknowledge and register grievances
Investigate & Resolve Grievances	
Africa Oil Field Area	<ul style="list-style-type: none"> • Ensures the appropriate allocation of remedial action to

Manager	<p>close out grievances and the timely implementation of these actions. Furthermore, the Field Area Manager chairs the Field Grievance Management Committee</p> <ul style="list-style-type: none"> The Grievance Committee is second-level recourse of the Grievance Management Framework. The committee is used when the Field Staff cannot resolve a grievance at first review and further input is needed. It also plays a key role in ensuring accountability amongst contract holders and by extension contractors
Africa Oil CSR Coordinator	<ul style="list-style-type: none"> Management of grievance process including: collation of all grievances from various registration channels; first level review of grievances; investigation of grievances as required, engaging other functional staff whose department is implied in the complaint or grievance as required; resolution of the grievance
Africa Oil Country Manager	<ul style="list-style-type: none"> Engage Contractors and Sub-Contractors as required
Africa Oil Country Manager and Africa Oil VP Operations	<ul style="list-style-type: none"> Resolve grievances submitted to it by the Field Grievance Committee that are deemed to be beyond the mandate of the Field Grievance Committee. These are grievances with legacy and reputational risks and/or whose resolution require a corporate decision, either because resolution may set a precedent or because the resources required for resolution are of a magnitude that require approval from the highest level of the business leadership
Maintenance of Grievance & Complaint Register	
Africa Oil Administration desk	<ul style="list-style-type: none"> Tracking grievances, and managing the AOC complaint/grievance register.
Reporting and Analysis	
Africa Oil Administration Desk	<ul style="list-style-type: none"> During periods of field operations, generation of monthly reports providing: (i) status of grievances received; resolved; pending resolution; escalated; (ii) analysis of number and nature of grievances received by thematic area; (iii) analysis of number and nature of grievance received in relation to geographical area; (iv) analysis of number and nature of grievance received in relation to project activity and contractor involved, and other as required. Reports should be submitted to Africa Oil management.

4 Community Investment

4.1 Over view of Block level Projects

Community investment is an important pillar of the company's CSR policies as it can provide significant direct benefit to local communities. Community investment projects should fall within the three priority areas of the company's CSR policy: Infrastructure, sustainable livelihoods, Economic Development.

Since the number of possible initiatives to support will outnumber the company's resource availability, it is important to think strategically about each potential project. The following factors should be considered:

- **Impact** – What impact will the project create, who is impacted and how many? How does this project compare with other existing community investment initiatives – funded by the Company or by other existing groups? (I.e. are we duplicating existing activities)
- **Sustainability** – what needs to be in place to ensure that the impact will be sustainable? What will happen when company funding runs out?
- **Factors for success** – what is required to ensure the project will be successful and what influence does the company have over them? If working with an implementation partner, do they have the capacity to implement the project successfully?
- **Timeline** – how long will it take to complete and for impacts to materialise?
- **Business case** – Is there any additional benefit to the company and if so, what?
- **Budget** - how does this fit within the exiting CSR budget?
- **Local ownership** – Has this need been identified by local stakeholders and verified as being important? It is important to have a local champion of investment projects to not only help the implementation, but also support long-term sustainability.

4.2 Putting into practice – Block Level Community Investment Initiatives

1. **Social Impact Assessment results** – the SIA may provide some insight into potential areas which may require investment
2. **Community Consultation and Scoping** – Local stakeholders should be consulted on potential areas for community investment projects, as local identification of the need is critical for long-term sustainability. The initial consultation can generate a pipeline of possible projects to support. The CDO and CLO may provide additional scoping information to help define the project in greater detail. On-going consultation and communication with local stakeholders will be useful to ensuring the project is relevant and appropriate.

Be sure to communicate to the local community clear criteria for eligible projects and process for deciding on which projects will be supported, which is based on local need and agreement from company.

3. **Draft Concept Note** –Where possible, proposals detailing the merits of a potential project should be submitted. However, it is acknowledge that due to literacy rates, local stakeholders may not submit formal proposals. In this case, CSR team should draft concept notes of shortlisted projects (template available) and populate template of potential projects; this process will help CSR team analyse the potential projects to determine the most appropriate project to support. Concept notes can be used during the internal review and decision-making process.
4. **Document Community investment Agreements** – Once the community has agreed a project and approved by the company, draft a contribution agreement to outline clear roles and responsibilities between the company and community. This document should be made available to ensure transparency on investment, and also encourage accountability among local stakeholders.

5. **On-going monitoring** –CDO should provide progress updates on the implementation of the project, and also report back on impact of projects as determined at the outset of the project.

Monitoring should take place every quarter.

6. **Database** - All CD projects will be tracked in the master CD data base that details the location nature, budget and nature of projects.

The database should be updated as part of the month end reporting.

4.3 Roles and Responsibilities

Activity	CSR team	Operations Team
Community Consultation	CDO/CLO and CSR team consult local communities on potential projects, generates short list of potential projects.	n/a
Concept note	CSR team refines potential project	
Project selection	Proposes potential projects to operations manager	Operations manager approves projects
Community confirmation and agreement	Final selection decision is articulated to community Agreement is drafted	
Implementation and on-going monitoring	CLO/CDO is responsible for overseeing field level implementation project	Provides feedback on community level activities as required
Documentation	CSR Nairobi support to collate database at the end of the month.	

4.4 Tools and Resources

Tool Number	Name	Purpose	Used by:
1	Concept Note	Structure potential projects for review	CSR team
2	AOC Community Investment Database (block level)	Summarizes active projects and provides monitoring template	CSR team
3	Master AOC Community Investment Database	Database of all projects within Africa Oil.	CSR team, to update Senior Management

5 Local Content/Hiring

5.1 Overview

While the Operations Team leads the management of contractors and operational activities, local employment or business contracts is a common expectation among stakeholders. The CSR team will need to support Operations team in organising the hiring and sourcing of local labour and coordinate closely with Operations team throughout the process.

5.2 Putting into practice

The following activities can help guide the local hiring and sourcing of contractors:

1. **Understand the needs** and timeline of Operations
2. **Manage Expectations and ensure Transparency** - Articulate employment and business opportunities to stakeholders in a transparent, specific and objective manner. For example: say the expected number of people hired will be 20, rather than, 'a large number of people will be hired'.
Clearly communicate decision-making criteria and process to stakeholders to ensure transparency and accountability
3. **Understand local context** and norms on employment, gender issues, or decisions on hiring, consult local stakeholders on appropriate process
4. **Supporting Operations Team** - as required in the drafting and signing of contracts.
5. **Sequence of Local Sourcing** – The Company (in Kenya) will seek suppliers in the following order: **from location surrounding drill site, then county level and then national level**. This will ensure that local suppliers have opportunity to supply, and that additional economic benefit can be realised in the communities most impacted by operations. It is important to note that this process will require advanced planning and coordination between operations team and CSR team, and contractors overseeing the supply of foodstuffs or other supplies.

5.3 Processes

5.3.1 Local hire

- ✚ All unskilled labour is to come from the locality.
- ✚ The CSR team must also be conscious of the administrative and tribal boundaries to ensure that labour reflects the local community make up – this is particularly the case if/as crews move across the tribal/administrative boundaries.
- ✚ Contractors are expected to provide AOK with required labour levels 2-3 weeks in advance of requiring the labour.
- ✚ AOK has agreed with local *Kamati* that job advertisements will be issued 2 weeks before interviews are held
- ✚ CSR coordinator /CLOs work with *Kamati* to ensure that the number of jobs are appropriately shared /representative of community demographics
- ✚ CSR coordinator leads the hiring process, publicly communicating the date of interviews through *Kamati* and CLOs but CONTRACTOR conducts the actual hiring, as they need to verify their personnel.
- ✚ Medical clearance – CSR coordinator should also organise for selected candidates to have a medical exam clearing them fit for service from the approved medical facility. AOK needs to identify an appropriate local facility qualified to undertake necessary test. Again, the CSR Coordinator facilitates the process, but the contractors must have their hiring manager accompany and lead the group of selected candidates to the medical exam.
- ✚ The CSR coordinator must see the medical clearance document and sign off on all candidates cleared for work prior to their entrance to the job site. AOK should have a copy of the medical certificate and a log indicating the labourer, date of medical exam, medical examiner and signoff by CSR coordinator.

5.3.2 Local Sourcing

- ✦ The agreement in Kenya to date is to source products from communities in the following priority:
 - Locality – locality in which the drill site/operations is located
 - County
 - National
- ✦ There will be some obvious products that local suppliers will have a capacity to supply (vehicles, water and foodstuffs). Large equipment or industrial products will most likely only be available at the national level.
- ✦ Contractor forwards the list of supplies and date of requirement to AOK. This should include **Quality and Quantity requirements**.
- ✦ To expedite the process, AOK may conduct simultaneous Supplier Forums at both locality and County in order to gather a clear picture of possible suppliers.
- ✦ CSR Coordinator will help distribute the tender requirements to the communication channels, through CLOs and public notices to ensure transparent communication of in business opportunities
- ✦ CSR Coordinator facilitates supplier forums as needed. These will clearly outline the process,
- ✦ Tenders are received at the local AOK office
- ✦ CSR coordinator, CLO and the *Kamati* meet to open all of the received bids confirming receipt, locality of the supplier and to promote a transparent process. The list of suppliers are then forwarded to the contracting company who makes the final decision on local suppliers.
- ✦ Once contracts are awarded, the CLO/ CSR communicates the news through postings at the AOK office, kamati, public message boards and directly to suppliers.

5.3.3 Tracking/reporting

It is important that we keep track of the amount of local hire and local sourcing as it is a key aspect of our impact/benefits to local communities.

Total hires and employment to date should be included as part of the month end reporting. It is the responsibility of the CSR coordinator to ensure that this is kept up to date.

5.4 Roles and responsibilities

- a) **AOK role** – AOK's role in local hiring and sourcing is **to facilitate a transparent process** for the community and potential suppliers to understand the job or supplier requirement. AOK CSR team does not make hiring or supplier decisions, this is left to the contractor.
- b) **Contractors**
 - i. Include specific details on AOK's local content policies and processes with new contracts. AOK's expectations on timeline, information required. Those arranging contracts must commit the contractor to abide by AOK's local sourcing processes.
 - ii. Meet with contractors to review AOK processes for hiring and sourcing and explain rationale behind the process. Key messages:
 - A. Ensure they are aware that AOK facilitates a process that enables them to be able to source from local communities and also hire in an equitable manner, which is acceptable to the community.

- B. AOK to communicate clear processes, timelines and requirements.
- iii. The contractor is ultimately responsible for the final hiring decisions and awarding of tender.
 - iv. AOK to monitor contracts, ensuring they are drafted with suppliers and hired labour to protect both sides.
- c) CSR Coordinator –**
- i. Is responsible for engaging with Contractors to communicate supply needs
 - ii. Ensuring that the local sourcing data base (which captures amount of products sourced from local communities is up to date at the end of every month).
- d) CSR coordinator and CLOs**
- i. **Host a suppliers forum**
 - a. This will provide an opportunity to communicate AOK's sourcing policies to the local business community.
 - b. Invite the local contractor to help them understand the needs/nature of communities.
 - c. Please see the related leaflet used in Kenya for public awareness.
 - ii. **Supplier database**
 - a) If there is no local chamber of commerce or business association, the company may need to collect information on what is available. CLOs will be responsible for collecting information to build AOK's supplier database.
 - b) The supplier data base will be updated with new entrants upon each new round of tendering
 - iii. **Supplier Selection process**
 - a) CSR coordinator and CLOs facilitate a transparent supplier selection process (detailed bellow)
 - b) If additional works is required by potential suppliers to revise tenders, CLOs and CSR coordinator will facilitate the process.
 - iv. **Communication**
 - A. Once tenders are awarded, the CSR team will make the information public and post onto relevant message boards and communicate to the Kamati.

Activity	CSR team	Operations Team
Understand need	Coordinates with Operations such that information can be communicated to community	Provides timeline and needs (skills, number of people)
Consult with community and communicate needs and selection process/criteria	CSR field team to work with local stakeholders to communicate the hiring and sourcing process. If hiring large numbers of local labourers, coordination with <i>Kamati</i> and/DCC may be required to ensure distribution of jobs are in line with community distribution).	Support CSR team with aligning the activities of the contractors with the timeline requirements of CSR team.
On-going support	Provide operations team with on-going support on understanding local dynamics and issues of local	Communicates to CSR team on local hiring needs and status of community relations/potential

Activity	CSR team	Operations Team
	labourers	issues/risks that may arise
Local sourcing	CSR coordinator works with contractors and facilitators to ensure an open, transparent and inclusive process to sourcing products locally.	Ensure all contractors are channeling sourcing through the established channels

5.5 Tools and Resources

Name	Purpose	Use
Local sourcing Template	For collection of information on business capabilities.	To feed into tendering and procurement processes.
AOK Sourcing Guideline	Distributed at Suppliers Forum to communicate company expectation and procedures for sourcing	To help advice and inform local businesses.

6 Management Systems and Reporting

CSR work covers a wide range of activities and the context is constantly evolving. It is important to have a set of management systems at the country level to manage the performance of various CSR activities and ensure they are on-schedule and within budget. This includes, but is not limited to:

6.1 Planning

- **Quarterly plans** – this includes stakeholder engagement visits, community consultations
- **Budget** – it is important to update the community investment budget on a monthly basis as this informs potential projects available for funding.
- Include comments on how /where budgets come from
- **Coordination with Operations team** – since CSR is intended to enable operations, it is important to understand the timeline and needs of the operations team

6.2 Internal Reporting, Management system, and Communication

Strong back office documentation and communication of our work is part of a strong management system that ensures that we are managing key issues and processes to a high quality.

It is essential that all systems and tools are kept up to date. This helps the company institutionalize information, making it easy bring on new staff, manage turnover, and also ensure that we are understanding impacts of our activities and addressing them accordingly. It also helps ensure all internal stakeholders are aware of key issues and can assist as necessary.

The following processes are minimum requirements to be sure that community issues are systematically addressed on an on-going basis.

The CSR team should ensure:

- **Daily status meetings** – CSR coordinator should provide CSR COORDINATOR with update on priority issues being addressed by CSR field team

- **Daily status meetings** – CSR coordinator to provide FSA with updates on community issues and address any needs by Operations.
- **Weekly Field Reports** – CSR coordinator, CDO and CLO should provide weekly summaries of stakeholder issues, meetings or grievances, and updates on community development projects.
- **Weekly CSR briefs** – CSR COORDINATOR to draft brief updates on key CSR priorities to Operations team and review them on Monday morning operations meetings.
- **Summarize stakeholder engagement status** and issues and share with management on a monthly basis or more frequently as required – CSR team Nairobi
- Monthly update of tools and databases
- **Month end reporting** - 5th day after month end.
 - **CSR coordinator** will be responsible for consolidating a monthly report on CSR in the following format:
 - Key achievements
 - Next month's priorities
 - Emerging stakeholder issues to be monitored and mitigation strategies
 - Data on local sourcing, employment, community development projects
 - Review of grievances (number received, number resolved)
 - Documents and files will be managed by CSR coordinator and stored in both hard and soft copy in
- **Update all tools**
 - Update all tools – stakeholder registry, log, grievance mechanism logs, community development database
 - **CSR coordinator is** responsible for ensuring the management systems are up to date

6.2.1.1 Induction Training

The induction of new staff is essential to ensure their long-term success. All new CSR staff will receive the following induction training:

a) Nairobi induction which will cover:

- Overview of AOK
- Overview of CSR commitment, processes – The CSR COORDINATOR will review the operations manual to ensure that all aspects of their role is covered
- Review key stakeholders (provide stakeholder engagement plan)
- Review all relevant tools they are expected to use (stakeholder log, registry, grievance mechanism)
- Review key knowledge, skills required for their success
- Review deliverables and specific performance expectations
- Review the CLO/CDO's learning plan for the first month on the job – given that this will likely be a new field for most, it is important to guide their understanding of key issues and to develop necessary skills for success. The learning plan should ensure that the new hire demonstrates that he/she is developing the required knowledge and skills required (ex. Understands key stakeholders, able to address/resolve issues as they arise).
- Meet key staff – General manager, operations team, administrative staff
- Administrative issues (contracts, expensing etc)

The CSR COORDINATOR, as line manager will lead this induction and ensure the responsibilities and performance expectations of the CLOs is well structured and defined.

b) Field induction

The CSR coordinator will lead this

- Review key practices
- Introduce to stakeholders
- Provide feedback on performance

The CSR COORDINATOR should prepare the CSR with adequate information on expectations and key areas to coach and provide support to the CLO/CDO.

The CSR should provide weekly updates on how the CLO/CDO is performing against the learning plan and expectations.

c) 2 week, One month and three month performance feedback

Following the completion of first two weeks of deliverables, the CSR coordinator and the CSR COORDINATOR should meet with the new hire to provide specific feedback on performance to date. This should include what has gone well, areas for improvement and/or development.

While the CSR Coordinator and CSR COORDINATOR should provide weekly feedback on progress based on expected deliverables, it is also useful to have specific discussion on overall performance. Set the expectation that this will take place at the one month and three month mark so that there are no surprises and that it offers an opportunity for open feedback.

d) Job descriptions/responsibilities to operations team

It will be useful, especially for the CLO embedded on operational sites to understand the roles/responsibilities of the CLO.

- CSR COORDINATOR to share job description and responsibility with Operations team

6.2.1.2 Strategic Planning

It is important for the CSR team to have a 'big picture' understanding of coming milestones in order to ensure all activities are progressing as planned and CSR is in support of planned drilling scheduled.

- Quarterly plan** - At the beginning of each quarter, CSR COORDINATOR will draft a quarterly plan and milestones that outlines key milestones and timelines (ex. CD projects, engagement, barazas) and issues to be addressed. The General Manager will approve this. Given the uncertainty of exploration activities, the quarterly plan is not meant to be extensive as much can happen in the matter of a few months, however, setting milestones will ensure key items are on track.

The quarterly plan should also be shared with all of the CSR team.

- **Monthly priorities** Based on the quarterly milestones and emerging needs arising from the field, the CSR COORDINATOR will define additional set of monthly priorities for the team to focus on. Again, these will be larger milestones (ex. Road safety campaign, baraza etc.) and the key areas can be assigned to relevant CSR team member.

6.2.1.3 Weekly progress monitoring

- **Weekly deliverables** – The CSR COORDINATOR will then ensure that all field teams have an understanding of the weekly deliverables they are responsible for, and consult with the field team to ensure the deliverable are achievable. This is the key area that performance should be assessed against.

The CSR COORDINATOR should consult with field teams on their priorities and discuss/review the achievement of the past week and set upcoming priorities. This is **essential** to help empower the field team.

Collectively, this planning and goal setting should ensure that all CSR team members will understand the 'big picture' vision, and how their individual and collective efforts will contribute to this.

A. Roles and responsibilities

Activity	CSR team	Operations Team
Field meetings and performance management	CSR COORDINATOR to lead	
Monthly reporting	CSR COORDINATOR to lead	
Updating all tools	CSR COORDINATOR to ensure it is done by the 5 th of every month	
Quarterly, monthly planning	CSR COORDINATOR	
Weekly planning	CSR COORDINATOR and SEM/CLOs/CDOs	
Hiring of CLO	CSR COORDINATOR leads	n/a
Nairobi induction	CSR COORDINATOR leads	Meet the team
CLO job expectations	CSR COORDINATOR leads and shares with Operations team	
Field induction	SEM leads	
Performance management	CSR COORDINATOR leads overall performance management of CSR team	

B. Tools and Resources

Name	Purpose
CSR Operations manual	Overall guidance
AOK presentation	Present guidance within context
CLO Knowledge and Skills	To help all team members understand expectations
CLO deliverables and	To align performance expectations

expectations	
CLO/CDO job descriptions	To help, among others Operation team to understand the expectations of CLO/CLO and SEM

Africa Oil

7 CSR and Operations team:

The CSR and Operations team must work together closely in support of a successful drilling operation. The CSR team focuses on ensuring strong community relationships through specific processes that address stakeholder interests. There are current practices in place to ensure smooth and open communication:

a) **Monday Morning 9am Nairobi meeting** –this meeting is an opportunity for Operations and CSR management to share key issues, planned activities and support required from each other.

b) **Drilling Manager and Drilling Supervisor induction** – Prior to going into the field, new drilling managers and supervisors will meet with CSR team in Nairobi to review the processes in place, and to understand the key issues on hand. While the CSR team takes the lead on addressing all community issues, building common understanding between both parties can ensure efficient resolution of any issues. The induction will cover:

- CSR responsibilities, people and team structure
- CSR processes – purpose and specific activities
- Stakeholder issues – if there are any stakeholder issues that may be arising at the communities. While the operations team does not need to address it, it is useful for them to be aware for additional context.
- Outline any information/feedback that we require from them to support our work
- Outline upcoming priorities (ex. Hiring, sourcing etc).
- Provide Operations team with a copy of the operations manual

c) **Communication** – Open communication between both teams is essential. It has been agreed that if there are community related issues on site, the Drilling Supervisor emails SEM and copies the following individuals in Nairobi (General Manager, Corporate Affairs Officer), along with the Drilling manager and other operational staff as needed.

At this time email is the best communication as phone network between site and Laisamis may not be reliable.

d) **Forward all community issues to CSR team** – for Drilling supervisors, this is either the CLO on site, or the SEM in Laisamis. Due to the often complex nature of community dynamics and sensitive perceptions the CSR team kindly requests operations personnel to refer all issues to the team to address.

e) **Grievance Mechanisms** – as noted in the manual, there is a clear process in place for communities to register grievances and ensure they are addressed appropriately. If Operations personnel receive a grievance, please refer the individual to:

1. CLO on site, or other CLO, or SEM
2. Their Kamati Representative
3. District County Commissioner / Assistant County Commissioner

8 CSR and Health, Safety and Environment

The following section outlines CSR team's responsibilities related to General HSE issues:

- All CLOs or CSR personnel active on operational site will go through HSE induction and abide by all HSE rules, applicable procedures and Kenyan government regulations
- All CLOs or CSR personnel will following HSE's reporting requirements as needed if safety incidents arise

The HSE department has developed clear operational procedures to manage domestic waste and hazardous waste; these are to be followed at all times.

Please note that NO industrial containers or contaminated materials will be allowed off site unless being transported for recycling by an approved waste management contractor. While these containers may be useful for local communities they may present a hazard to the receiver.

CLO and CSR personnel are to **report any incidents of this taking place immediately** to the Drilling Supervisor at site and copy any report to the Drilling Manager.

Community Sensitization

The CSR field team will sensitize communities -- through community barazas, kamati meetings, and public notices – to recognise the dangers of industrial chemicals, safety symbols and to ensure that community members know to avoid contact with the materials.

Frequency: This should be one of the initial engagements and reviewed on a 6 monthly basis to ensure on-going awareness.

Emergency Procedure

In the event that hazardous material does exit the site and pose a risk to local communities, the following procedures will be followed:

- HSE team shall provide the CSR team with the facts of the exposure including a brief to update CSR team on the following:
 - Nature of the breach (theft, accident etc)
 - Potential impact of exposure to hazardous chemicals including:
 - Name of the chemical
 - Nature of potential harm
 - Potential scale of exposure (Amount, timeline etc)
 - Details of the containers including photo if possible
 - Copies of material handling documents
 - Recommendation on potential risk of exposure
- CSR team will require this information to formulate appropriate community response
- CSR COORDINATOR will lead the engagement and, with HSE and Operations staff, develop a plan that is approved by Country manager
- Company response will uphold our commitment to be responsible corporate citizens
- CSR department will log the incident within our community incident log
- CSR COORDINATOR will provide Senior management with regular updates until the incident is resolved.

- Once the resolution has been completed, a final report on the extent of impact, community response and any residual impact will be documented.

Africa Oil