

# **Review of Major Mining, Oil, and Gas Company Policies on Free Prior and Informed Consent and Social License**

A discussion paper prepared by Oxfam America  
September 1, 2009

For additional information, please visit our website at [www.oxfamamerica.org/rights-resources](http://www.oxfamamerica.org/rights-resources) or contact Keith Slack at [kslack@oxfamamerica.org](mailto:kslack@oxfamamerica.org).

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## Foreword

The principle of community consent is one of the most critical issues facing the global oil and mining industries. Around the world, local communities are demanding a meaningful voice in determining whether and under what conditions large scale oil, natural gas and mining projects take place. For indigenous peoples, “free, prior and informed consent” is an increasingly recognized right under international law. International financial institutions such as the World Bank now require their clients to obtain “broad community support” before proceeding with projects. For their part, companies have begun to acknowledge the need to obtain a “social license to operate” from the communities in which they work.

Oxfam America believes that companies in the extractive sectors should seek to obtain the free, prior and informed consent of local communities. The precise definition of that consent and of the communities that provide it will vary from one location to the next. There is no “one size fits all” approach that will be appropriate in every situation. However, at its root the concept of consent implies a relationship with communities that is based on partnership and mutual respect. Companies must not simply treat communities as passive objects of their activities, but as stakeholders with basic rights and real interests in the outcomes of extraction-related decision-making. In addition to being a question of rights and basic fairness, for companies community consent is also increasingly a bottom-line issue. Community opposition can cause delays, closures and even cancelation of projects.

The following document is an attempt to cull publicly available statements concerning community consent by leading oil, gas and mining companies. It is not intended to be exhaustive, but is merely our best effort to compile existing statements by corporations on this issue. In any exercise of this kind, it is almost inevitable that relevant pieces of information will be overlooked. Where that is the case, we welcome feedback from companies or other stakeholders that will supplement the information provided here. We see this as a living document that we will attempt to update on an occasional basis.

Most importantly, this document is intended to promote informed discussion and debate on this issue. Ultimately, we hope that it will contribute to further adoption by extractive companies of community consent as a basic operating principle.

We hope that all stakeholders interested in this topic will find this document useful. We welcome your feedback.

## Summary Matrix

The categories below broadly indicate the range of positions which mining and hydrocarbon companies have assumed publicly with regard to community engagement around resource extraction decision making. These categories are not meant to be all inclusive, but rather to provide a general overview of company positions as stated publicly. Data gathered in this document reflects information accessible online, and does not attempt to represent corporate policies and/or practices that have not been made public.

Stated company-wide commitment to obtaining Free, Prior and Informed Consent	Stated case/country specific commitment to obtaining community consent prior to operations	Stated aim of seeking 'social license' or community acceptance/agreement	Systematic dialogue, consultation, engagement and/or communication with communities	No specific mention of community engagement
Rio Tinto*  Xstrata	Anglo American  BHP Billiton  ConocoPhillips  Pluspetrol  Talisman Energy	AngloGold Ashanti  BP  Freeport McMoran  Goldcorp  Newmont  Occidental Petroleum Corporation  Repsol  Vale	Barrick Gold  Chevron  Chinalco  ExxonMobil  Hunt Oil  Maple Energy  Petrobras  Shell  Statoil Hydro  Total	Grupo Mexico  Perenco  Sapet  Zijin

\* Appears to apply only to indigenous peoples.

## AngloGold Ashanti

### A. Company website review (<http://www.anglogold.com/> )

- **Annual Report reviewed:** Yes ("Annual Financial Statements 07: AngloGold Ashanti," available at [http://www.anglogold.com/subwebs/InformationForInvestors/Reports07/AnnualReport07/files/AGA\\_AFS\\_2007.pdf](http://www.anglogold.com/subwebs/InformationForInvestors/Reports07/AnnualReport07/files/AGA_AFS_2007.pdf))
  - *Findings:* Nothing relevant. The "CEO's Review" (p. 9) does not mention FPIC or social license.
- **Sustainability Report reviewed:** Yes ("Report to Society 07: AngloGold Ashanti," available at [http://www.anglogold.com/subwebs/InformationForInvestors/Reports07/ReportToSociety07/files/AGA\\_RTS2007.pdf](http://www.anglogold.com/subwebs/InformationForInvestors/Reports07/ReportToSociety07/files/AGA_RTS2007.pdf))
  - *Findings:* The report does not name FPIC, though it contains the following language:

In short, it is our responsibility to act with integrity and care in all that we do, so that communities may be better off for our having been there and that any negative impacts of the mining and development process have been mitigated by socio-economic advancement in the best interests of, and with the consent of the relevant communities. (p. 15)
- **Other reports reviewed:** N/A

### B. Google and Google News reviews

- **For social license:**
  - i. **Minutes of the annual general meeting of shareholders,** Johannesburg, May 2007 (available at <http://www.anglogold.com/NR/rdonlyres/49CADCB1-3269-4FE6-8AD7-8AD63671BFA1/0/MinutesofAGM2007May04.pdf>):

All of these growth initiatives, however, in South Africa, in other parts of Africa and elsewhere, were dependent upon AngloGold Ashanti satisfying the people with a stake in its business that management were responsible stewards of their interests – the company's shareholders, the governments of the countries in which AngloGold Ashanti does business, the company's employees and their communities and suppliers and customers. This satisfaction was indicated by the willingness of these parties to grant to AngloGold Ashanti, legal entitlement over natural

resources and what was now commonly referred to as the 'social' license to exploit these resources in ways which will benefit all stakeholders. (p. 2)

- **For informed consent:**

- i. An excerpt from the Transcript of the Annual General Meeting of Anglo American plc held in London on April 25, 2006 (available at <http://www.angloamerican.co.uk/aa/investors/meetings/agm2006/transcript2006/?version=1>):

THE CHAIRMAN: Thank you very much, Mr. Nettleton. We would certainly welcome dialogue with communities. We always welcome dialogue with communities, and I would be surprised if there has not been some dialogue already. The question of free prior and informed consent is always a difficult one in knowing precisely what it means. It is a phrase which slips readily off the tongue, but in, for example, the Extractive Industries Review there was discussion, and I think it was generally agreed, that it did not mean that every single mortal had to agree. But, quite clearly, if there are significant communities who do not agree, this is an issue which needs to be taken into account.

**C. Other/Notes:** N/A

## Anglo American

### A. Company website review (<http://www.angloamerican.co.uk/>)

- **Annual Report reviewed:** Yes ("Anglo American Annual Report 2007: Our Strategy in Action: Engage, Integrate, Perform, Grow," available at <http://ar07.angloamerican.solutions.investis.com/> or [http://ar07.angloamerican.solutions.investis.com/Downloads/AA\\_Rep07\\_web.pdf](http://ar07.angloamerican.solutions.investis.com/Downloads/AA_Rep07_web.pdf))
  - *Findings:* Nothing relevant.
- **Sustainability Report reviewed:** Yes ("Report to Society 2007: Focusing on a Sustainable Future: Engaging, Integrating, Performing," available at [http://www.investis.com/aa/docs/gr\\_2008\\_04\\_15.pdf](http://www.investis.com/aa/docs/gr_2008_04_15.pdf))
  - *Findings:*
    - i. One mention of FPIC:

In the Philippines, we have continued to negotiate access to land for exploration purposes in the Cordillera region. In one area of our Manmanok exploration lease we were unable to secure broad community consent and, as a result, are not exploring there.

However, elsewhere on our lease we were able to secure the free prior and informed consent of 52 out of 54 representatives of the Buaya Tribe and Tega Clan, and the support of the municipality and four districts. We are now working there. (p.41)

ii. Social license:

The Chiispaya project in the Tacna region of Peru is another example of where continued, patient engagement with the local community has resulted in the granting of a social license to conduct exploration activities, despite there being a strong level of anti mining activism in the region." (p. 41)

iii. Business Principles, from "Good Citizenship: Our Business Principles," available at [http://www.angloamerican.co.uk/aa/about/principles/good\\_citizenshp\\_bsnsprincpls.pdf](http://www.angloamerican.co.uk/aa/about/principles/good_citizenshp_bsnsprincpls.pdf):

Whilst the primary responsibility for the protection of human rights lies with governments and international organisations, where it is within our power to do so, we will seek to promote the observance of human rights in the countries where we operate. We support the principles set forth in the Universal Declaration of Human Rights. (p. 3)

• **Other reports reviewed:**

i. "The Anglo Social Way: Management System Standards," p.12, available at <http://www.angloamerican.co.uk/aa/development/approach/policies/>.

**Resettlement.** If poorly executed, resettlements can lead to operational disruption and reputational damage to Anglo as well as to conflict and damage to the social structures and livelihoods of the affected community. All resettlement exercises must be properly resourced and meet or exceed the requirements set out in IFC Performance Standard Number 5 on Land Acquisition and Involuntary Resettlement. Given the perceived power of a company as large as Anglo, all resettlements must be planned as if they are involuntary. Resettlements should lead to a demonstrable improvement in the livelihoods of affected households. To ensure proper oversight of significant or potentially controversial resettlements, a steering group, including suitably qualified and experienced persons, shall be established. Group Government and Social Affairs must be invited to nominate a representative for all such Steering Groups. A Resettlement Action Plan and a participative economic development strategy

must be must be developed for all resettlements and must be signed off by the Group Government and Social Affairs All resettlements must be subject to on-going monitoring and, three years after completion, an independent evaluation.

- ii. “Improving IFC’s and MIGA’s Local Development Impact at the Project Level”, IFC/MIGA Compliance Advisor/Ombudsman, 2008, p. 14. Available at <http://www.cao-ombudsman.org/html-english/documents/improvingifc.pdf>:

“To operate, we need the consent of the people who live in the vicinity of a new mine,” Mark Moody-Stuart, chairman, Anglo American.

## B. Google and Google News reviews

- **For social license:** Nothing relevant
- **For informed consent:** Nothing relevant

C. Other/Notes: N/A

## Barrick Gold

### A. Company website review (<http://www.barrick.com/>)

- **Annual Report reviewed:** Yes (“Annual Report 2007: Strategy, Investment, Execution, Results,” available at [http://www.barrick.com/Theme/Barrick/files/docs\\_annual/2007%20Annual%20Report%20-%20English%20-%203.pdf](http://www.barrick.com/Theme/Barrick/files/docs_annual/2007%20Annual%20Report%20-%20English%20-%203.pdf))
  - *Findings:* Nothing relevant
- **Sustainability Report reviewed:** Yes (“Responsible Mining” section in 2007 annual report, available at [http://www.barrick.com/Theme/Barrick/files/docs\\_annual/2008%20Responsible%20Mining.pdf](http://www.barrick.com/Theme/Barrick/files/docs_annual/2008%20Responsible%20Mining.pdf))
  - *Findings:* Nothing relevant
- **Other reports reviewed:** Nothing on social license or FPIC, but on issue of stakeholder engagement on Barrick website (Available at <http://www.barrick.com/CorporateResponsibility/Community/StakeholderEngagement/default.aspx>)

Comprehensive stakeholder engagement throughout the life of our mines is the cornerstone to establishing and maintaining long term community support for the Company’s operations. We believe that ongoing dialogue with our community stakeholders remains one of the most effective tools we have to

address these aspects of our business. Public meetings and citizen committees provide valuable opportunities for sharing and learning, for both local residents and for Barrick.

## B. Google and Google News reviews

- **For social license:** Nothing relevant
- **For informed consent:** Nothing relevant

## C. Other/Notes: N/A

## BHP Billiton

### A. Company website review (<http://www.bhpbilliton.com>)

- **Annual Report reviewed:** Yes (“Resourcing the Future: Annual Report 2008, BHP Billiton,” available at <http://www.bhpbilliton.com/bbContentRepository/docs/annualReport2008.pdf>)
  - *Findings:* "Our social license to operate depends on our ability to operate all aspects of our business responsibly, including our ability to work effectively with our host communities. Regular, open and honest dialogue is the key to building strong relationships. Our community relations professionals are charged with developing and nurturing relationships with people impacted by, and interested in, our operations so we can understand their concerns, hopes and aspirations." (p. 56)
- **Sustainability Report reviewed:** Yes (“BHP Billiton Sustainability Report: Full Report 2007,” available at <http://www.bhpbilliton.com/bbContentRepository/200710338624/sustainabilityreport.pdf>)
  - *Findings:*
    - i. Free, Prior and Informed Consent (FPIC)
      - BHP Billiton’s approach to community relationships needs to be contextual (i.e. may vary from site to site) and should be negotiated with the community at the outset, including how to resolve disputes and the criteria for determining whether the community supports the project.
      - Ensure that communities have adequate and understandable information in a timely manner, engage and advocate for the community and ideally start the engagement process before exploration takes place. Utilise wherever possible credible third parties that are familiar with the communities, such as

NGOs operating in the area, to assist with the different aspects of community consultations and participation.

- The processes of FPIC should be viewed as integral to building relationships, and the costs involved should be considered as an investment.
- Overall, there is a lack of information and a wide diversity of views about FPIC, particularly in relation to whether it constituted a power of veto. Greater discussion between all stakeholders is needed to reach a common understanding about the principles and how these could be implemented. Host governments particularly must be engaged as only they can grant FPIC.

- ii. "Are some groups too scared to speak out? How do you know you've captured everyone's views? Each case is so individual that broad-brush policy/tests for FPIC are impossible."

Andrew Hamilton (Portfolio Partners)

These views were taken into consideration in the development of our internal position on FPIC. (p. 89)

- iii. Also, the section of the 2007 Annual Report called "Sustainability Report" (available at <http://www.bhpbilliton.com/bbContentRepository/bhpb sustainreport07.pdf> ) says,

"As a resources company, our social license to operate and grow depends on the responsible operation of all aspects of our business, including our ability to work effectively with the communities in which we operate. Responsible social performance also has the potential to create competitive advantage and reduce business costs. Community goodwill can mitigate the risk of interruptions to our business, facilitate regulatory approvals, enhance our reputation as a responsible and caring employer, and help to position us as the company of choice, even in areas where we may not have previously operated." (p. 116)

- **Other reports reviewed:**

BHP Billiton has made agreements with communities including residents of Tintaya, Peru that included language regarding Free, Prior and Informed Consent. Specifically, in the case of Tintaya this language stated, "Currently the Company is implementing activities in the zone and proposes to continue these exploration and development activities. All activities that the company realizes on lands belonging to other people will be pursued with the prior consent of community or individual land owners in conformity with the criteria of the corporate charter;

health, safety, and environmental policies; and the principles of the Dialogue Roundtable (Agreement for Consolidation of Advances of the Dialogue Roundtable Process, Tintaya Dialogue Roundtable, December 21, 2004).

More generally, BHP Billiton's website includes the following statement on community engagement:

Community engagement is a multifaceted process founded on the idea of open, transparent and meaningful communication between two or more parties.

Without effective community engagement strategies and programs, our operations may be left vulnerable to project approval delays, business disruptions and increased costs that can result from mistrust, disempowerment and a lack of information within local communities and other stakeholder groups.

For BHP Billiton, community engagement is viewed as the communication, consultation, collaboration and empowerment that occurs with its key stakeholders throughout the complete life cycle of a project.

The engagement process should be culturally appropriate and encourage active and meaningful participation by providing communities with opportunities to provide input into the project's decision-making processes. Available at <http://www.bhpbilliton.com/bb/sustainableDevelopment/socialResponsibility/workingWithCommunities.jsp>

## **B. Google and Google News reviews**

- **For social license:** No statements from the company, just references to current controversy regarding the Philippines.
- **For informed consent:**
  - i. Some discussion of FPIC at BHP Billiton annual general meeting, Oct 2007 (see <http://www.colombiasolidarity.org.uk/content/view/130/31/>)
  - ii. The Sierra Club cites BHP respect of FPIC in Peru (2004) in letter to Nestle: [http://www.sierraclub.org/committees/cac/water/nestle\\_letter.PDF](http://www.sierraclub.org/committees/cac/water/nestle_letter.PDF)

**C. Other/Notes:** There are several different versions of the Sustainability Report on BHP Billiton's website.

## **BP**

### **A. Company Website**

- **Annual Report reviewed:** Yes (“BP Annual Report and Accounts 2007,” available at [http://www.bp.com/liveassets/bp\\_internet/globalbp/globalbp\\_uk\\_english/set\\_branch/STAGING/common\\_assets/downloads/pdf/ara\\_2007\\_annual\\_report\\_and\\_accounts.pdf](http://www.bp.com/liveassets/bp_internet/globalbp/globalbp_uk_english/set_branch/STAGING/common_assets/downloads/pdf/ara_2007_annual_report_and_accounts.pdf))
  - *Findings:* Nothing relevant
- **Sustainability Report reviewed:** Yes (“BP Sustainability Report 2007,” available at [http://www.bp.com/liveassets/bp\\_internet/globalbp/STAGING/global\\_assets/e\\_s\\_assets/downloads/bp\\_sustainability\\_report\\_2007.pdf](http://www.bp.com/liveassets/bp_internet/globalbp/STAGING/global_assets/e_s_assets/downloads/bp_sustainability_report_2007.pdf))
  - *Findings:*

We always aim to gain broad acceptance of our presence in any community where we operate, although our aspiration of full agreement with all community members on all topics at all times is difficult to achieve in practice.

We use many different means of engaging with communities. We hold open days, neighbourhood meetings and information events to explain our work and use support for arts and cultural events to help build links with communities. We also have more structured processes for engagement to understand our impact and response to community needs. For example, we are working to develop a consistent framework for identifying and managing social issues. (p. 17)

## B. Google news review

- **For social license:**
  - i. “BP's North Slope: De Facto Policy At Work” by Bart Mongoven (September 2006 from “Philosophy for Business,” available at <http://www.isfp.co.uk/businesspathways/issue32.html>)

We long have argued that globalization is helping to shape a new framework for corporate decision-making: Brand protection and brand promotion are becoming even more important than regulators in dictating corporate policies. BP, with its Beyond Petroleum campaign, launched in 1999, was among the first to anticipate that globalization would move this sphere of public policy (what we have called the *de facto* sphere) forward. For the oil majors, the goal was maintaining their ability to drill in new and potentially sensitive environments -- yet without alienating employees and recruits, upsetting consumers, reinforcing industry stereotypes or actually harming communities near the operations.

BP Chairman Sir John Browne described this effort in 1999 as maintaining a 'social license to operate.'

The notion that business needs a social license to operate -- distinct from government sanction -- is still seeping into the corporate cultures of many businesses. But it has already changed public policymaking at the global level, and it looks to be a permanent feature of the business landscape. (Section II)

- ii. "Breaking the Oil Curse: Community Based Security in West Papua, Indonesia" (Engineers Against Poverty, June 2004, available at [http://www.engineersagainstopoverty.org/news.cfm?cit\\_id=3946](http://www.engineersagainstopoverty.org/news.cfm?cit_id=3946))

A BP led consortium is now in the early stages of developing oil and gas fields in Tangguh, West Papua. Acutely aware of the dangers of the resource curse, BP is seeking to adopt a very different approach to managing security issues. They are developing community based policing methods and linking security issues to a strong social license to operate.

- **For informed consent:** Nothing relevant

**C. Other/Notes:** N/A

## Chevron

### A. Company website review

- **Annual Report reviewed:** Yes ("Energy/Ingenuity: Chevron 2007 Annual Report," available at <http://www.chevron.com/annualreport/2007/> or [http://media.corporate-ir.net/media\\_files/irol/13/130102/reports/CVX\\_AR2007.pdf](http://media.corporate-ir.net/media_files/irol/13/130102/reports/CVX_AR2007.pdf))
  - *Findings:*

At Chevron, we are convinced that partnerships based on mutual benefit are the best way to build strong, self-sufficient communities and a stable business environment. Wherever we operate, we invest in and collaborate with governments, local communities, nongovernmental organizations and academic institutions to help contribute to economic and social progress. (p. 20)
- **Sustainability Report reviewed:** Yes ("2006 Corporate Responsibility Report," available at <http://www.chevron.com/GlobalIssues/CorporateResponsibility/2006/environment/>)

- *Findings:* Nothing on social license or informed consent, describes projects sponsored to benefit local communities.

## B. Google news review

- **For social license:**

April 2007 Letter from Executive Director of Rainforest Action Network (RAN) to Chevron CEO (available at [http://ran.org/who\\_we\\_are/reports\\_publications/letter\\_to\\_chevrontexaco/letter\\_to\\_chevron\\_corp/](http://ran.org/who_we_are/reports_publications/letter_to_chevrontexaco/letter_to_chevron_corp/))

On the eve of your company's annual shareholder meeting, I am extending an invitation for your company to join the growing family of American corporations that align their business interests with strong environmental and social principles...We know that Chevron has the potential to be a good neighbor, but it will lose its social license to operate around the world if it continues to ignore the concerns of local communities.

- **For informed consent:** Nothing relevant

## C. Other/Notes: N/A

## Chinalco

### A. Company website review

- **Annual Report reviewed:** Not publicly available
  - *Findings:* N/A
- **Sustainability Report reviewed:** Not publicly available
  - *Findings:* N/A
- **Other reports reviewed:**

Chinalco works closely with local communities and participates in various social activities, realizing its mission "to serve the host country, to reward stakeholders, and to benefit staff and all of the society".

In recent years, Chinalco has donated over RMB100 million to improve education and living conditions for residents in disaster-stricken areas and poverty areas.

Chinalco's member enterprises across 22 regions in China are significant contributors to local economic development, as well as active participants in improving community welfare (<http://www.chinalco.com/chinalco/responsibility/benefits/>).

### B. Google news review

- **For social license:**

- i. “Regional Government Allows Chinalco to Take Away Water,” February 4, 2009 (Available at <http://noticiashuancayo.blogspot.com/2009/02/chinalco-se-lleva-el-agua-y-gobierno.html>)

Chinese company will use 50% of the water from the Kinsmill Tunnel in addition to subterranean and nearby lake water sources for the Toromocho project...

The Mayor of Morococha Marcial Salomé criticized Chinalco for abandoning its social commitments and working without a social license. “It is not true that Chinalco has a social license to operate,” said Mayor Salomé, upset by the abandonment of the suffering population to the challenges of resettlement and a lack of interest in continuing diverse social support programs to the poorest and least protected sectors. These comments were made in a meeting which included representatives from the Peruvian Ombudsman Office, the regional president, and Pedro Barreto...

- ii. “270 Mining Projects in Peru are in the Exploration Phase, Affirms SNMPE,” May 5, 2008 (Available at [http://www.aminera.cl/index.php?option=com\\_content&task=view&id=9806&Itemid=2](http://www.aminera.cl/index.php?option=com_content&task=view&id=9806&Itemid=2))

Mining company investments will total US\$15 billion by 2013. At present 270 mining projects in Peru are in the exploration or investigation phase with possibilities for new discoveries of copper, gold, lead, zinc and silver, according to the National Society for Mining, Petroleum and Energy (SNMPE for its Spanish acronym).

“Of these 270 projects, some are in advanced exploration, others in initial exploration and others in the phase of prefeasibility or feasibility studies, which are the steps prior to initiating production,” said SNMPE President Ysaac Cruz...

He added that the projects which have more advanced feasibility studies include Toromocho (Peru Copper – Chinalco) in Junin, Majaz (Rio Blanco Copper) in Piura, Galeno (Northern Peru Copper – China Minmetals) in Cajamarca and Tia Maria (Southern Copper Corporation) in Arequipa.

“All these projects should finish their feasibility studies this year, and next year begin the process of obtaining permits and licenses to begin construction,” he stated.

He noted that the operators of all of these projects have already secured social license agreements from the communities around their

respective mines, so should not have trouble initiating mine construction and operation...

- **For informed consent:** Nothing relevant

### C. Other/Notes:

“Chinese Mining Company Chinalco Conducts First Informative Workshop to Develop Environmental Impact Assessment for Toromocho Project,” August 17, 2007 (Available at <http://www.muniyauli.gob.pe/index.php?site=detallenoticia&idnoti=14>)

With respect to the social implications of the Toromocho Project, the Community Relations Manager for the project, Arnaldo Huanca, explained broadly the relocation proposal for the Morococha district, which will improve the quality of life of local residents, providing them with access to housing constructed of cement, basic services, and recreational areas. The workshop also included presentations from the consultants Knight Piesold and Social Capital Group, who explained the results of their studies to date pertaining to environmental and social impacts, which will be considered for the development of the Toromocho Project Environmental Impact Assessment. Once their presentations were complete, participants had the opportunity to ask questions, either in writing or verbally.

## ConocoPhillips

### A. Company website review

- **Annual Report reviewed:** Yes (“ConocoPhillips 2007 Annual Report,” available at <http://wh.conocophillips.com/about/reports/ar07/index.html>)
  - *Findings:* Nothing relevant
- **Sustainability Report reviewed:** Yes [“2007 Performance Metrics,” <http://wh.conocophillips.com/about/reports/ar07/index.html> , & “2006 Sustainable Development Report: Global Values, Local Action, Sustainable Approach,” [http://www.conocophillips.com/NR/rdonlyres/B19C00AC-6154-4729-9AE1-EBDEF19262A/0/2006\\_CoP\\_Sustain.pdf](http://www.conocophillips.com/NR/rdonlyres/B19C00AC-6154-4729-9AE1-EBDEF19262A/0/2006_CoP_Sustain.pdf))]
  - *Findings:*

We partner with indigenous communities to diminish the negative aspects of our operations and maximize the social and economic benefits we can bring. In doing so, we recognize and respect the knowledge they have in managing their local environment and conserving biodiversity. When engaging with indigenous people, we seek first to understand their social hierarchy, culture and traditions, as well as their priorities, expectations and preferences for dialogue (p. 50, “2006 Sustainable Development Report”).

- **Other reports reviewed:** 2007 ConocoPhillips Canada Sustainable Development Report (<http://www.conocophillips.ca/NR/ronlyres/EF3DCB64-762E-4A43-898C-DAB46D99ED47/16758/CPC2007SustainableDevelopmentReport.pdf>), no results

## B. Google news review

- **For social license:** Nothing relevant
- **For informed consent:**
  - i. Amazon Watch statement demanding ConocoPhillips respect FPIC for Ecuadoran communities (Available at [http://www.amazonwatch.org/amazon/EC/burling/index.php?page\\_number=99](http://www.amazonwatch.org/amazon/EC/burling/index.php?page_number=99))
  - ii. Comments by Steven Heim (Boston Common Asset Management) in presenting shareholder resolution at ConocoPhillips 2008 Shareholders Meeting in May 2008 (Available at <http://www.conocophillips.com/NR/ronlyres/38324FD3-A77C-43E8-B48A-DDACA607C95E/0/COPTranscript20080514T1430.pdf>)

We commend ConocoPhillips for suspending its on-ground operations in Ecuador for the past year. We understand this has led to a sense of peace for the first time in many years for the indigenous people in the Southern Ecuadorian Amazon, who have strongly opposed oil development in their territories. We also commend ConocoPhillips for returning to the government of Peru, in 2007, the far southern part of its oil concession in Block 104 in the Achuar territory near the Corrientes River. The Achuar have suffered from pollution resulting from over 30 years of oil production, first by Occidental Petroleum and then by Suez Petrol. They adamantly oppose new oil development in their territory...

We are most troubled by our company's involvement in Block 39, located in the Northern Peruvian Amazon. Substantial evidence indicates the presence in Block 39 of four groups of uncontacted indigenous people living in voluntary isolation. Their names are the Abijiras, Aushiris, the Taromenane, the Arabela and the Pananujuri. Because they lack immunological defenses, they are susceptible to epidemics and mass death. Contact through oil exploration could lead to their extinction. While Repsol YPF is the operator of Block 39 and ConocoPhillips owns the remaining 45%, we believe that this does not absolve ConocoPhillips of responsibility if a conflict occurred or if these people die off from diseases...

We believe that our company should adopt and publish transparent verifiable policies and procedures for its relations with indigenous people. These should explicitly recognize the human right to free and prior informed consent for activities that will disturb their territories and

cultures as detailed in the ILO Convention 169, the recently adopted UN Declaration of Rights of Indigenous People.

- iii. Boston Common Asset Management LLC, Second Quarter Active Investor Social Update, 2008:  
<http://www.bostoncommonasset.com/socialmemo/ActiveInvestorSocialUpdate2Q08.pdf>

ConocoPhillips stated it would not proceed with oil exploration in its Peruvian oil concessions unless it received majority approval from those in affected communities. The company's representatives stated that because ConocoPhillips is only the minority partner in Block 39, the operator, Repsol YPF, maintains discretion as to operations in this territory. Boston Common will continue to advocate that ConocoPhillips adopt explicit global policies and procedures for obtaining consent from Indigenous Peoples.

**C. Other/Notes:** N/A

## ExxonMobil

### A. Company website review (<http://www.exxonmobil.com/corporate/>)

- **Annual Report reviewed:** Yes (ExxonMobil 2007 Summary Annual Report," available at [http://www.exxonmobil.com/corporate/files/news\\_pub\\_sar\\_2007.pdf](http://www.exxonmobil.com/corporate/files/news_pub_sar_2007.pdf))
  - *Findings:* Nothing relevant
- **Sustainability Report reviewed:** Yes ("2007 Corporate Citizenship Report," released May 2008; available [http://www.exxonmobil.com/corporate/community\\_ccr.aspx](http://www.exxonmobil.com/corporate/community_ccr.aspx) or [http://www.exxonmobil.com/Corporate/files/Corporate/community\\_ccr\\_2007.pdf](http://www.exxonmobil.com/Corporate/files/Corporate/community_ccr_2007.pdf))
  - *Findings:*

#### **Public Consultations**

Because understanding and respecting local customs is critical for our continued presence in communities, we meet with community leaders and associations to exchange information and better address local issues. We conduct large-scale public consultations during our Environmental, Social, and Health Impact Assessment (ESHIA) process and encourage interested parties to ask questions about potential impacts to their communities and environment. We respond by providing additional information, incorporating mitigation plans in our project planning, and in some cases, modifying aspects of the project design. We engage with nongovernmental organizations (NGOs) to help ensure that our public consultation initiatives are as effective as possible.

### **Indigenous Communities**

Because of their ethnic isolation from mainstream society, indigenous communities can be especially vulnerable to development. ExxonMobil conducts frequent consultations to help address the special needs of indigenous communities in areas where we operate. We mediate and resolve community concerns in a timely manner, and we follow the principles of the International Labor Organization (ILO) Convention 169 concerning Indigenous and Tribal Peoples in Independent Countries, the United Nations *Declaration on the Rights of Indigenous Peoples*, and the World Bank *Operational Policy and Bank Procedure on Indigenous Peoples*. Our programs for indigenous communities provide both short- and long-term improvements to living standards, with initiatives that address health care, skills development, and housing.

### **Property Rights and Resettlement**

We respect property rights in the nations in which we operate. Only with free, prior, and informed consultation of impacted communities will we implement new operations. Direct compensation programs and community programs that provide micro-development projects are incorporated into our projects. In rare cases where our projects may require the resettlement of affected persons, we compensate people fairly and justly, and follow the World Bank *Operational Policy and Bank Procedure on Involuntary Resettlement* (p. 45-46).

- **Other reports reviewed:** “Worldwide Giving Report” (available at [http://www.exxonmobil.com/Corporate/community\\_contributions\\_report.aspx](http://www.exxonmobil.com/Corporate/community_contributions_report.aspx))
  - *Findings:* Nothing relevant

#### **B. Google and Google News reviews**

- **For social license:** Nothing relevant
- **For informed consent:** Nothing relevant

#### **C. Other/Notes:** N/A

## **Freeport McMoran**

#### **A. Company website review** (<http://www.fcx.com/>)

- **Annual Report reviewed:** Yes (“A World of Assets, A World of Opportunities: Freeport-McMoran Copper & Gold Inc. 2007 Annual Report,” available at [http://www.fcx.com/ir/AR/2007/FCX\\_AR\\_2007.pdf](http://www.fcx.com/ir/AR/2007/FCX_AR_2007.pdf))
  - *Findings:* Nothing relevant
- **Sustainability Report reviewed:** Yes (“A World of Commitments: Working Toward Sustainable Development: Freeport-McMoRan Copper & Gold Inc. 2007 Working

Toward Sustainable Development Report,” available at <http://www.fcx.com/envir/wtsd/pdf-wtsd/2007/wtsd2007.pdf>)

- *Findings:* The sustainability report mentions "social license" once.

We recognize that success in our global operations and development projects is dependent on attaining a “social license” – our ability to earn and maintain the goodwill of local communities wherever we operate. To accomplish this, we engage with local communities to identify their needs and concerns and commit to programs to help address them. Some of these commitments are site-specific, while others are global. For that reason, we have titled this report, “A World of Commitments.” (p. 1)

- **Other reports reviewed:**

Freeport-McMoRan Copper & Gold Inc. (FCX) has a range of procedures and programs that address the needs of the indigenous people (where applicable), including community outreach and development programs. The Company also has a Social, Employment, and Human Rights Policy.

Freeport’s community consultation policy follows:

We strive to continuously maintain dialogues with local communities – providing avenues for us to provide information and explain the implications of issues regarding our operations and for local residents to be able to ask questions and express their views so we can achieve mutual understanding. Available at [http://www.fcx.com/envir/stake\\_engage.htm](http://www.fcx.com/envir/stake_engage.htm))

## **B. Google and Google News reviews**

- **For social license:** Nothing relevant
- **For informed consent:** Nothing relevant

**C. Other/Notes:** Has a page on website called "stakeholder engagement and public consultation" ([http://www.fcx.com/envir/stake\\_engage.htm](http://www.fcx.com/envir/stake_engage.htm)), which does not mention FPIC or social license.

There are two versions of the 2007 Sustainability Report. The shorter, “printable” version mentions social license, the other does not.

## **Goldcorp**

### **A. Company website review (<http://www.goldcorp.com/>)**

- **Annual Report reviewed:** Yes (“Delivering Growth: Goldcorp 2007 Annual Report,” available at [http://www.goldcorp.com/resources/financials/annuals/Goldcorp\\_AnnualReport\\_2007.pdf](http://www.goldcorp.com/resources/financials/annuals/Goldcorp_AnnualReport_2007.pdf))
  - *Findings:* Nothing relevant

- **Sustainability Report reviewed:** Yes (“Goldcorp Sustainability Report 2007,” available at [http://www.goldcorp.com/resources/Goldcorp-SR\\_07\\_finalforweb.pdf](http://www.goldcorp.com/resources/Goldcorp-SR_07_finalforweb.pdf) and “2008 Goldcorp Sustainability Report” available at <http://www.goldcorp.com/>).

- *Findings:*

- i. The 2007 Sustainability Report mentions "social license" in two places:

- a. The CEO's message at the beginning of the Sustainability Report says:

“With the rise of new production technologies and in response to heightened environmental awareness, mining companies have restructured their operations recognizing the need for a ‘social license’ to operate successfully.” (p.2)

- b. Page 3 contains the following language:

“For Goldcorp, effectively managing these challenges ensures that:

- the health, safety and wellbeing of employees and the public is not compromised;
- the financial performance of the Company is protected;
- the Company's social license to operate is justified in the eyes of local communities, regulators and other stakeholders, based on performance; and
- the reputation of the Company is strengthened.”

- ii. On indigenous communities in particular, the 2008 Sustainability Report notes:

Goldcorp is an integral part of the communities in which we operate. We respect human rights, cultures, customs and values in dealings with others who are affected by our activities. We strive to ensure community engagement and community involvement through community consultation, special events and partnering with various organizations for a range of community development programs. Community engagement is a priority, and we will continue to collaborate with local communities and their official representatives...

Indigenous peoples are a key community group at a number of our operations. We acknowledge the traditional culture and knowledge which exist in indigenous communities, and we seek partnerships with these communities to improve economic, environmental and social opportunities.

- **Other reports reviewed:**

- "CSR Factsheet: Global, Responsible, Sustainable" ([http://www.goldcorp.com/resources/csr/goldcorp\\_csr\\_booklet.pdf](http://www.goldcorp.com/resources/csr/goldcorp_csr_booklet.pdf)) was reviewed; there is no mention of FPIC or social license.
- The company's "Corporate Responsibility" page on its website states, "Goldcorp is committed to building strong, open and transparent relationships with the communities in which it operates" and mentions "community consultation" and the "voluntary principles on security and human rights." (available at [http://www.goldcorp.com/corporate\\_responsibility/](http://www.goldcorp.com/corporate_responsibility/))

**B. Google and Google News reviews**

- **For social license:** Nothing relevant
- **For informed consent:** Nothing relevant

**C. Other/Notes:** N/A

## Grupo Mexico

**A. Company website review** (<http://www.grupomexico.com>)

- **Annual Report reviewed:** Yes ("07 Trust Annual Report," available at <http://www.gmexico.com/Modulos/Finacial/Publicaciones/Annual/Grupo%20Mexico%20Annual%20Report%202007.pdf>)
  - *Findings:* Nothing relevant
- **Sustainability Report reviewed:** Not publicly available
  - *Findings:* N/A
- **Other reports reviewed:** N/A

**B. Google and Google News reviews**

- **For social license:** Nothing relevant
- **For informed consent:** Nothing relevant

**C. Other/Notes:** N/A

## Hunt Oil Company

**A. Company website review**

- **Annual Report reviewed:** Not publicly available
  - *Findings:* N/A
- **Sustainability Report reviewed:** Not publicly available
  - *Findings:* N/A
- **Other reports reviewed:** “Peru LNG Stakeholder Engagement Plan” available at <http://www.ifc.org/ifcext/spiwebsite1.nsf/1ca07340e47a35cd85256efb00700cee/98C159A5B919D2CA8525738A007B8EBF>

This document is a Stakeholder Engagement Plan (SEP) for COMPANY Projects. Although separate ESIA's were prepared for each component of COMPANY Projects, the stakeholder engagement process has been combined as far as possible to ensure a consistent and coordinated approach to stakeholders. The SEP is designed to outline a plan for stakeholder engagement through public consultation and disclosure (PC&D) which will: provide timely information about COMPANY Projects and their potential impacts on affected communities and other stakeholders; provide opportunities to those groups to voice their opinions and concerns in a way which is most appropriate to their circumstances; and provide an opportunity for feedback to, and discussion with, those communities concerning measures proposed.

The SEP presents the plan for stakeholder engagement through the project planning, construction, operation and decommissioning stages of COMPANY Projects. The SEP is a 'living' document and may be revised over time to reflect information gained through the stakeholder engagement process. This draft has been developed following the public disclosure of the ESIA's.

## B. Google news review

- **For social license:** Amazon Watch letter to CEO Ray Hunt asking for respect for social license in block 143 in Peru (“Amazon Watch letter to Hunt Oil Regarding New Oil Block on Achuar Territory,” available at [http://www.amazonwatch.org/newsroom/view\\_news.php?id=1423](http://www.amazonwatch.org/newsroom/view_news.php?id=1423))
- **For informed consent:** Nothing relevant

## C. Other/Notes: N/A

## Maple Energy

### A. Company website review (<http://www.maple-energy.com/>)

- **Annual Report reviewed:** Yes (“Maple Energy Annual Report 2007: Integrated Energy Solutions,” available at [http://www.maple-energy.com/downloads/Annual\\_Report\\_2007\\_19\\_May\\_2008.pdf](http://www.maple-energy.com/downloads/Annual_Report_2007_19_May_2008.pdf))
  - *Findings:* Corporate Social Responsibility section (pp.26-28), but nothing relevant

- **Sustainability Report reviewed:** Not publicly available
- **Other reports reviewed:** CSR Section of Website (<http://www.maple-energy.com/Community.htm>), small section on community relations/communication:

Since the beginning of its operations in Peru, Maple has demonstrated its commitment to making positive contributions to the communities in the areas of its operations by establishing a variety of programs focused mainly on education, health and economic development support programs that benefit the community as a whole. Maple emphasizes on-going communication with the communities and stakeholders to maintain public trust. (Available at <http://www.mapleenergy.com/Community.htm>)

Maple Energy has a corporate level public relations manager with community relations and communication personnel to better communicate and collaborate with communities and stakeholders. This team's primary responsibility is to obtain any concerns and suggestions from the community and to establish a yearly community relations program previously discussed and agreed between the community and Maple. (Available at <http://www.mapleenergy.com/CommunityRelations.htm>)

#### **B. Google and Google News reviews**

- **For social license:** Nothing relevant
- **For informed consent:** Nothing relevant

#### **C. Other/Notes:** N/A

### **Newmont**

#### **A. Company website review** (<http://www.newmont.com/>)

- **Annual Report reviewed:** Yes (“2007 Annual Report: Newmont ...A New Day Dawning,” available at [http://www.newmont.com/en/investor/releases/media/newmont/2007\\_Annual\\_Report.pdf](http://www.newmont.com/en/investor/releases/media/newmont/2007_Annual_Report.pdf))
  - *Findings:* Nothing relevant
- **Sustainability Report reviewed:** Yes (“Newmont Sustainability Report 2007,” available at <http://www.beyondthemine.com/2007/>)
  - *Findings:* Nothing relevant
- **Other reports reviewed:**
  - CRR (Community Relationships Review) Report, which was published as a result of a shareholder resolution calling for better relationships with communities. (Available at [http://www.beyondthemine.com/2008/pdf/CRR\\_Final\\_Global\\_Summary\\_Report\\_March\\_2009.pdf](http://www.beyondthemine.com/2008/pdf/CRR_Final_Global_Summary_Report_March_2009.pdf))

Report states that Newmont's community and external relations standards are "notably progressive and demonstrate industry leadership in many respects, including their commitment to the principle of free, prior and informed consent ('FPIC'). (p. 24)

Report also states that "the term 'free, prior and informed consent' has been used since 2004 in Newmont standards with regard to Newmont's relationships with landholders to indicate that it will access and acquire land based on negotiated agreement. In jurisdictions where title and use rights are subject to disagreement between government and traditional owners, Newmont seeks agreement with both parties. Newmont also participates in the many forums in which FPIC is debated as a broader concept." (footnote 25, p. 24)<sup>1</sup>

- Newmont Community and External Relations Standards (Available at <http://www.beyondthemine.com/2007/?l=3&pid=2&pt=81&parent=12&id=413>)

#### Resettlement

Standard's Intent: To assist Newmont operations to develop and implement resettlement plans that offset the short and long term adverse cultural and socio-economic impacts, and honor the principles of prior informed consultation, mutual respect, integrity, and transparency. If resettlement is required, Newmont's aim is voluntary resettlement, thus the participation of external stakeholders is of paramount importance, and is used to inform all resettlement decisions and plans.

## B. Google and Google News reviews

- **For social license:**

- i. Lawrence T. Kurlander, Newmont's senior vice president and chief administrative officer (in 2001) wrote a paper entitled "*Newmont Mining: The social license to operate*" for an executives' forum. (Available at <http://www.cudenver.edu/International/CIBER/Documents/Newmont%20Mining%20The%20Social%20License%20to%20operate.pdf>)
- ii. On Newmont in Peru: "Tangled Strands in Fight Over Peru Gold Mine," by J. Perez and L. Bergman, October 25, 2005, in the NY Times (available at <http://www.nytimes.com/2005/10/25/international/americas/25GOLD.html>):

Newmont's Peruvian partner, Mr. Benavides, argued that exploration of Quilish had not been abandoned, simply suspended.

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<sup>1</sup> However, to date Newmont has not publicly confirmed a commitment to FPIC.

"We have the concession, and we have the land," he said. He added: "I do not understand what social license means. I expect a license from the authorities, from the minister of mines. I expect a license from the regional government. I don't expect a license from the whole community." Still, the idea of social license is at the heart of the agreement that ended the siege: If Newmont hopes ever to mine Quilish, it first must win the community's consent.

- **For informed consent:** Nothing relevant

### C. Other/Notes:

The "Safety" page of Newmont's website says: "Safety is about efficiencies, rates of return on investment, ensuring sustainability, contributing to the protection of our Social License – the science of safety to achieve Continuous Improvement in productivity and exceptional commercial outcomes." (Available at <http://www.newmont.com/en/social/HSLP/excellence/index.asp>)

## Occidental Petroleum Corporation

### A. Company website

- **Annual report reviewed:** Yes ("Oxy Annual Report 2007," available at [http://www.oxy.com/SiteCollectionDocuments/annual\\_reports/oxy2007\\_annual\\_report.pdf](http://www.oxy.com/SiteCollectionDocuments/annual_reports/oxy2007_annual_report.pdf))
  - *Findings:* Nothing relevant
- **Sustainability report reviewed:** Yes ("Oxy Social Responsibility Report 2007," available at [http://www.oxy.com/SiteCollectionDocuments/hes\\_annual\\_reports/2007\\_hes\\_sr.pdf](http://www.oxy.com/SiteCollectionDocuments/hes_annual_reports/2007_hes_sr.pdf))
  - *Findings:* Nothing on social license or informed consent, but the following regarding consultation:

We promote positive engagement with stakeholders in the communities where Oxy operates. Stakeholder engagement covers a wide range of activities, from discussion of potential project impacts, to interaction with civic organizations to address concerns about the environment or human rights. Environmental and social impact assessments are important foundations for early engagement, and town meetings, surveys and consultations help us understand local issues and expectations. Consistent with our Human Rights Policy, these assessments and consultations are a standard requirement for Oxy's international operations.

- **Other documents reviewed:**

Code of Business Conduct (December 12, 2007, available at [http://www.oxy.com/Investor\\_Relations/governance/Pages/code\\_of\\_business\\_conduct.aspx](http://www.oxy.com/Investor_Relations/governance/Pages/code_of_business_conduct.aspx) or [http://www.oxy.com/SiteCollectionDocuments/code\\_of\\_business\\_conduct.pdf](http://www.oxy.com/SiteCollectionDocuments/code_of_business_conduct.pdf)):

- *Findings:* Nothing relevant

Human Rights Policy (available at [http://www.oxy.com/Social\\_Responsibility/social\\_performance/Pages/human\\_rights\\_policy.aspx](http://www.oxy.com/Social_Responsibility/social_performance/Pages/human_rights_policy.aspx))

- *Findings:*

Communities – Occidental is committed to observing the laws in the countries in which it operates, to respecting the cultural values of the communities in which it operates including the indigenous peoples recognized by the laws of the applicable jurisdiction, to giving appropriate regard to the self-sufficiency, sustainability, health, safety and the environment of such communities and to conducting business as a responsible corporate member of society. To the extent consistent with the laws of the applicable jurisdiction, Occidental is also committed to consulting with, and seeking the pre-approval of, any legitimate local communities affected by its business operations in order to minimize potential negative impacts on such communities as well as its operations.

Engagement – Occidental is committed to being attentive to concerns raised by Stakeholders, including with respect to the needs of the communities in which it operates, and to working with Stakeholders to support Human Rights within the spheres of Occidental's activity and influence.

## **B. Google news review**

- **For social license:** Nothing relevant
- **For informed consent:**
  - “Petroleum and Ecuadors [sic] Indigenous Peoples...Sustained but Unsustainable Development,” by Judith Kimerling, with Chris Shuey (available <http://www.sric.org/voices/2002/v3n1/ecuador.html>)

A study of one TNC [transnational corporation] operating in the Amazon Rainforest of eastern Ecuador, Occidental Petroleum, reveals that the company's practices do not consistently match its promises to local communities and the public. Visits to indigenous Quichua communities that are featured in the company's promotional materials show that, from the perspective of the local residents, Occidental's initiatives are characterized by serious political and environmental problems. Native communities remain either locked out of decision-making, or are only superficially engaged, usually on the company's terms. Access to even the most rudimentary information about Occidental's operations is lacking among the affected indigenous communities. Quichuan and other native communities remain legally powerless to stop oil development approved by the Ecuadorian government.

**C. Other/Notes:** N/A

**Perenco**

**A. Company website**

- **Annual report reviewed:** Not publicly available
  - *Findings:* N/A
- **Sustainability report reviewed:** Not publicly available
  - *Findings:* N/A

**B. Google news review**

- **For social license:**
  - “British Company will endanger Uncontacted Tribes,” January 9, 2009 (available at [http://www.sourceuk.net/article/12/12766/british\\_company\\_will\\_endanger\\_uncontacted\\_tribes.html](http://www.sourceuk.net/article/12/12766/british_company_will_endanger_uncontacted_tribes.html))

An Anglo-French oil company is poised to send more than 800 workers into a remote part of the Peruvian Amazon inhabited by uncontacted Indians...

Perenco denies the existence of uncontacted tribes in the area, despite confirmation of their existence by Peru’s government, Ecuador’s government, the company that used to work in the area (Barrett Resources), and Peru’s indigenous organizations.

Ecuador’s government has even allocated US\$38,000 to protect the tribes and Barrett admitted contact with them was ‘probable.’

Peru’s national indigenous organization, AIDSEP, is opposed to Perenco’s plans. It has appealed to Latin America’s top human rights body, the Inter-American Commission on Human Rights, urging it to help prevent Perenco working in the region.

Despite this, Perenco intends to construct 14 oil wells and transport between 700 and 840 workers into the area. Contact between them and uncontacted Indians could end in violent conflict or the decimation of the Indians by disease.

- **For informed consent:**
  - Journal of the Indigenous Policy Network (IPN), Vol. XVIV, No. 3., Fall 2008 (available at <http://www.indigenouspolicy.org/xviv-3/xviv-3-ongoing.htm>)

To mark the UN Day for Indigenous Peoples, on August 9, Survival International named its 'unholy trinity' - the three worst companies abusing tribal peoples' rights...2. PERENCO. A Franco-British oil company, Perenco is pushing ahead with drilling in the northern Peruvian Amazon, despite being warned that its operations risk the lives of uncontacted Indian groups. The company's plans have attracted two lawsuits from Peru's Amazon Indians, but it has vowed to carry on. There have already been reports of contact between the oil workers and the isolated Indians...

**C. Other/Notes:** N/A

## Petrobras

**A. Company website**

- **Annual report reviewed:** Yes (BR Petrobras 2007 Annual Report, available at [http://www2.petrobras.com.br/ri/ing/ConhecaPetrobras/RelatorioAnual/pdf/RelatorioAnual\\_2007\\_ing.pdf](http://www2.petrobras.com.br/ri/ing/ConhecaPetrobras/RelatorioAnual/pdf/RelatorioAnual_2007_ing.pdf))
  - *Findings:* Nothing relevant
- **Sustainability report reviewed:** Yes (BR Petrobras 2007 Environmental and Social Responsibility Report, available at [http://www2.petrobras.com.br/ResponsabilidadeSocial/ingles/pdf/BSA2007\\_ing.pdf](http://www2.petrobras.com.br/ResponsabilidadeSocial/ingles/pdf/BSA2007_ing.pdf))
  - *Findings:* Nothing on social license or informed consent, but the following regarding general engagement:

Petrobras intends to reduce risks, prevent negative impacts and generate positive results through relationship programs in communities where it operates. It adopts ethical standards with its different stakeholders by means of permanent communication and dialogue systems with local leaders, to identify and register the impacts of its activities. The Company increases its knowledge of local scenarios to assure the process of social inclusion and improve the quality of community life.

The Company undertakes cultural, social and sports projects, respecting the communities living around its units. According to the Petrobras code of ethics, it works with community leaders and in accordance with local characteristics. The Company is committed to its relationship with the community based on respect for diversity, considering its demands and expectations. Petrobras analyses the strong and weak points of each place, helping to strengthen neighboring communities with poor social inclusion. Its projects and operations are designed to minimize interference in the natural and ethno-cultural processes and promote social inclusion. . . .

In 2005, Petrobras encountered setbacks in its operations in Ecuador from criticism by Ecuadorian social movements on the Company's plans

to start activities in block 31 in the Yasuni National Park, Ecuadorian Amazon. The park occupies 70% of the most diverse biomes on Earth and is the home of the Huaorani people. Petrobras settled the issue by dialoguing with the stakeholders. The Company undertook community projects, infrastructure works and actions to preserve the indigenous groups belonging to the cultural heritage of humanity. All Petrobras activities in Ecuador conform to its social responsibility policy. (pp. 24-25)

## B. Google news review

- **For social license:** Nothing relevant
- **For informed consent:**
  - Letter to Ecuador's President and Minister on the Environment from NGO consortium (Save Americas Forests, Amazon Watch, Environmental Defense, etc., September 29, 2006, available at <http://www.saveamericasforests.org/Yasuni/News/Articles/2006/Petrobras-EIS-cmmnts-NGO-9.06-Eng.pdf>)

Ecuador's Yasuní National Park and adjacent Waorani Ethnic Reserve, located in the Western Amazon near its intersection with the Equator and Andes Mountains, is one the most biodiverse parts of the entire Amazon basin. . . .Although we applaud the Environment Ministry's decision to prohibit Petrobras from building an access road into the heart of the Park, the new Environmental Impact Study clearly indicates that the construction and operation of the processing facility, drilling platforms, flow lines, and pipeline will all have significant negative social and environmental impacts. . . .

Given that the drilling platforms and flow lines are located on ancestral Waorani territory, Prior Informed Consent must be obtained from the Waorani people. The right of Prior Informed Consent from indigenous peoples for activities that will impact their land and resources is enshrined in international law, namely ILO Convention 169 (which Ecuador has ratified). The Convention states that the consultations must be carried out in "good faith" and with the aim of "achieving consent."

Prior Informed Consent must be obtained from both the impacted communities and the representative organizations. Instead, Petrobras has only consulted the single Waorani community located within Block 31 (Kawymeno), and ONHAE and AMWAE have not even been consulted. This violates the Ecuadorian Constitution, international law, and Waorani bylaws. The Ecuadorian Constitution guarantees the collective right of indigenous peoples to be consulted about oil projects on their lands. Thus, the representative organizations must be part of the process. Internationally, ILO Convention 169 states that governments should consult indigenous peoples in an appropriate manner and "in particular through their representative organizations." And the Waorani bylaws

declare that ONHAE is the only legal entity able to sign agreements in the name of the Waorani. We request, therefore, that the government extend the comment period for at least another month to allow ONHAE and AMWAE adequate time to be consulted and deliver comments. (pp. 1-3)

- "ECUADOR: Hidden Indigenous Communities Fight Extinction with Spears" (July 13, 2006, by Milagros Aguirre, available at <http://www.ecoearth.info/shared/reader/welcome.aspx?linkid=58300&keybold=Amazon%20AND%20%20missionaries>)

Under persistent harassment by oil, logging and tourist operations, Ecuador's indigenous Tagaeri and Taromenani peoples, who shun all outside contact, have been launched into the public eye following several deaths in their territory deep in Yasuní National Park. . . .

Leaders of the Organisation of the Waorani Nationality (ONHAE) have focused their actions on oil issues.

Vicente Enomenga, president of the organisation, speaking before the U.N. Permanent Forum on Indigenous Issues May 18, said the operations of Brazil's Petrobras company in the Block 31 oil field is threatening the life of isolated communities, but did not mention the logging issue.

"Petrobras has breached international regulations by conducting operations in an off-limits region, and has violated indigenous rights, as the Waorani people were not consulted about the project, nor have they given their free, prior and informed consent," said Enomenga.

"Even though the project has been temporarily suspended, Petrobras could resume operations at any time, putting the isolated Taromenani and Tagaeri people at risk," he added.

### C. Other/Notes: N/A

## Pluspetrol

### A. Company website

- **Annual report reviewed:** Not publicly available
  - *Findings:* N/A, but on the following was found at <http://www.pluspetrol.net/medioamb/medioamb.php?id=eng/> regarding consultation:

For Grupo Pluspetrol, sustainable development implies more than the identification of impacts and the outlining of mitigation plans. It involves the

protection of native cultures, dialogue and permanent consultation with their members, the development of training and local employment programs, and the establishment of agreements and compensation measures.

- **Sustainability report reviewed:** Not publicly available.
  - *Findings:* N/A

## B. Google news review

- **For social license:**
  - The Last Commons: Drilling in the Peruvian Amazon (Virginia Quarterly Review, Fall 2007, pp. 202-223, available at <http://www.vqronline.org/articles/2007/fall/hearn-last-commons/>)

Pluspetrol's Sandra Martínez said oil companies have a "social responsibility" to get a "social license" from natives.

- **For informed consent:**
  - OIL-PERU: "The Ashaninka People Will Not Allow These Abuses," September 2, 2008, by Milagros Salazar (Available at <http://ipsnews.net/news.asp?idnews=43763>)

SATIPO, Peru, Sep 2 2008 (IPS) - "We will not allow the company to come in because it will bring pollution and we will suffer," said Medaly Pancho, a member of the Ashaninka community in the central Peruvian province of Junín. "We hunt and fish, we live our peaceful lives, and we don't want that to change."

Junín is the scenario of yet another conflict between indigenous people and extractive industry companies in Peru's Amazon jungle region.

Pancho was addressing a congress of the Central Ashaninka People of the Río Ene Region (CARE), an organisation that groups 18 local communities, which decided in mid-July to mount determined opposition to oil industry activity in a jungle area labelled Lot 108, that overlaps four different provinces...

The area was granted in concession to Pluspetrol Peru by the government of then president Alejandro Toledo in December 2005. But the authorities did not start offering informational workshops in the Ene river basin until Aug. 29, even though it is an obligatory step in the process of obtaining the informed consent of local indigenous communities for economic and productive activities in the areas where they live. . .

The 18 indigenous communities of the Ene river basin are unanimously opposed to the operations of Pluspetrol Peru, and are questioning why the authorities did not consult them before the state-run Perupetro signed the concession over to Pluspetrol, disregarding International Labour Organisation (ILO) Convention 169,

which stipulates that governments must consult indigenous communities prior to undertaking any activity that affects them or their land. . . .

On Mar. 27, the company called the CARE council to an informational meeting, in an effort to press ahead with its operations. In response, the indigenous organisation decided to invite delegates of Pluspetrol Peru to the July congress, asking the company to inform the communities of the details of the oil exploration project for Lot 108.

One of the company's representatives, José Palomares, said at the congress that if "the organisation does not want the company to come in to the area, it won't do so."

A few days later, on Jul. 18, the Ministry of Energy and Mines informed CARE of the schedule of workshops to be held in the communities, to provide information on the environmental impact studies on Pluspetrol Peru's operations.

"The government is doing whatever it wants, without respecting our agreements or the international conventions that protect us. It is used to merely holding informational workshops, as if that calmed people's worries," said Rosa Buendía...

- "Achuar Block 39 New Oil Wells on their Territory: Communities Celebrate Major Victory in Battle to Protect Ancestral Lands," by Maria Lya Ramos, August 29, 2007 (Available at [http://www.amazonwatch.org/newsroom/view\\_news.php?id=1442](http://www.amazonwatch.org/newsroom/view_news.php?id=1442))

San Francisco, CA – Achuar indigenous communities in the northern Peruvian Amazon were celebrating a major victory over the oil industry after the Argentine company Pluspetrol agreed to forego drilling 39 proposed new wells on Achuar land.

The decision, which was not made public until yesterday, was announced by Pluspetrol's General Manager in Peru, Roberto Ramallo, at a meeting on August 20th with members of the Achuar representative organization FECONACO and in front of senior government officials including Iris Cardenas, the Director of the environmental department of Peru's Ministry of Energy and Mines. He said no new drilling would take place without Achuar consent.

It came after the Achuar informed Mr. Ramallo that the Achuar would not permit any new drilling on a concession known as "Block 1AB", located on a vast swath of primary tropical rainforest near the Corrientes River and which the Achuar have inhabited for centuries.

**C. Other/Notes:** N/A

## Repsol YPF

**A. Company Website**

- **Annual Report reviewed:** Yes (“Repsol YPF Annual Report 2007,” available at [http://www.repsol.com/imagenes/es\\_en/Rey\\_AnnualReport07\\_tcm11-473595.pdf](http://www.repsol.com/imagenes/es_en/Rey_AnnualReport07_tcm11-473595.pdf))

- *Findings:* Nothing on social license or informed consent, but the following regarding community relations:

In addition, a process of defining a new community relations policy began, this policy will establish standards for the entire company, and will be formally approved in 2008 following a consultation process with the main stakeholders. Similarly, to complement this, in 2008, Repsol YPF aims to draw up and approve its indigenous community relations policy. (p. 65)

- **Sustainability Report reviewed:** Yes (“Corporate Responsibility Annual Report 2007,” available at [http://www.repsol.com/imagenes/es\\_en/Repsol%20RC\\_07\\_ENG\\_1-99\\_tcm11-473558.pdf](http://www.repsol.com/imagenes/es_en/Repsol%20RC_07_ENG_1-99_tcm11-473558.pdf))

- *Findings:*

Repsol YPF bases its approach to indigenous community relations on knowledge of the customs and traditions of local populations and sensitivity towards their unique features, as well as respect for their rights. Clearly defined action protocols relating to indigenous communities serve to reduce the risks associated with operations and provide opportunities to lay foundations for the social license to operate. These action standards also provide opportunities to access capital, land and new mining fields, amongst others.

International standards such as Performance Standard 7 of the International Finance Corporation, Operating Policy on Indigenous Peoples of the Inter-American Development Bank (IDB), Convention No. 169 of the International Labour Organization (ILO) and publications from sector organizations such as IPIECA have been taken into consideration for the preparation of this new policy. (p. 106)

The company considers that early participation and consultation with its main stakeholders improves knowledge of local conditions and boosts public support for projects in the long term. Repsol YPF makes its environmental impact assessments (EIAs) publicly available through official bodies in each country in which it operates. The company has also established participative consultation processes with stakeholders in the BAPs that are being developed in Peru and Trinidad and Tobago (p. 164).

- **Indigenous Community Relations Policy** (Available at [http://www.repsol.com/es\\_es/todo\\_sobre\\_repsol\\_ypf/responsabilidad\\_corporativa/medio\\_ambiente\\_seguridad\\_y\\_calidad/politicas/politica-comunidades-indigenas.aspx](http://www.repsol.com/es_es/todo_sobre_repsol_ypf/responsabilidad_corporativa/medio_ambiente_seguridad_y_calidad/politicas/politica-comunidades-indigenas.aspx))

Repsol YPF implements operations in geographic areas where indigenous communities are present. The company is committed to respecting and observing the rights of indigenous communities in compliance with existing values, commitments and voluntary principles, such as legislation, treaties and international agreements, whether incorporated or not in national legislation where the company operates, in particular the obligations established by states that have signed Indigenous and Tribal Peoples Convention 169 of the International Labor Organization (1989) and United Nations Declaration on the Rights of Indigenous Peoples (2007).

The Company recognizes:

- That indigenous communities have different cultures, and the need to respect and promote human rights and fundamental liberties and, in particular, recognize their organizational, economic, and social structures;
- The right to maintain their customs and social practices;
- The right to property and possession of the lands they traditionally occupy as recognized in current laws;
- The right to free, prior, and informed consultation realized in good faith and in a manner appropriate to the circumstances, with the aim of reaching an agreement or achieving consent regarding the proposed measures;
- The right to participate when possible in benefits generated by hydrocarbon resource exploitation activities on their lands;
- The right to fair compensation for damages suffered as a result of these activities, and finally,
- The right to choose their own model of development in accordance with the legal framework of their country.

## **B. Google news review**

- **For social license:**

“Repsol Accused of Human Rights Violations” (August 2007, from the Corporate Social Responsibility Newswire, available at <http://www.csrwire.com/PressRelease.php?id=9295>)

International aid agency Oxfam has accused Repsol YPF of violating the human rights of South American indigenous tribes. The company said in a statement it rejected the accusations, outlining compliance with international best practice.

In a report Oxfam said Repsol (currently rated BBB by Innovest) was failing to consult indigenous people or gain consent before starting projects, abused workers’ rights and failed to compensate local people for damage to communities and the local environment.

In the past year Repsol has allocated significant resources to formally evaluating what corporate responsibility (CR) means to its business and identifying the principal non-financial risks associated with its activities. This has culminated in

the development of a CR Master Plan 2007-2009, and similar to leaders in the sector the company references relevant human rights guidelines and principles. However, local communities have threatened Repsol's South American operations in recent years.

In September 2006, a 24-hour shutdown occurred at one of Repsol's eastern Bolivian gas field after protesters occupied installations demanding additional royalties for the extraction of hydrocarbons. Furthermore, in August 2006, members of the Guarani indigenous communities have threatened to take control of fields, including those operated by Repsol, for failure to meet promises to invest adequately in development projects in the area. In response, the company announced a USD 13.5 million, four-year investment program for the region.

Since a number of South American countries have announced efforts to nationalize their hydrocarbon deposits foreign oil companies' relationships with governments have been tense. Last year Bolivian authorities accused Repsol of tax avoidance and alleged illegal contracts, and whilst relationships have improved over recent months, negative community relations could impact future contracts as well as the company's social license to operate.

- **For informed consent:** Nothing relevant

**C. Other/Notes:** N/A

## Rio Tinto

**A. Company website review** (<http://www.riotinto.com/>)

- **Annual Report reviewed:** Yes ("Rio Tinto Annual Report 2007: Keeping the World Moving," available at <http://www.riotinto.com/annualreport2007/> or [http://www.riotinto.com/documents/ReportsPublications/2007\\_Annual\\_report.pdf](http://www.riotinto.com/documents/ReportsPublications/2007_Annual_report.pdf))
  - *Findings:* Nothing relevant
- **Sustainability Report reviewed:** Yes ("Sustainable Development Review" section of the Rio Tinto 2007 Annual Report, available at [http://www.riotinto.com/annualreport2007/PDFs/p83\\_95SustainableDevelReview.pdf](http://www.riotinto.com/annualreport2007/PDFs/p83_95SustainableDevelReview.pdf))
  - *Findings:*

Rio Tinto has 27 different sustainability reports because each affiliate publishes its own. One, Richards Bay Minerals from South Africa, mentions 'free and informed consent' in its sustainability report ("2007 Sustainable Development Report," p. 16, available at [http://www.riotinto.com/documents/ReportsPublications/2007\\_Richards\\_Bay\\_Minerals\\_sustainable\\_development.pdf](http://www.riotinto.com/documents/ReportsPublications/2007_Richards_Bay_Minerals_sustainable_development.pdf)). None of the others do.

“We create awareness among employees of the perspectives of local people, engage regularly with local communities in a sensitive and open process and strive to achieve the free and informed consent of local people to proceed with development.”

- Jabu Kubheka, General Manager, Public and Community Relations (p. 16)

- **Other reports reviewed:**

- “Rio Tinto Human Rights Guidance” October 2003 (Available at [http://www.riotinto.com/documents/ReportsPublications/corpPub\\_HumanRights.pdf](http://www.riotinto.com/documents/ReportsPublications/corpPub_HumanRights.pdf))

Our communities policy is based on mutual respect and hence respect for the rights of all people, including indigenous groups, living near our operations. Acknowledgement of human rights forms a central part of our work on community relations. In particular we:

- 1.1 create awareness among employees of the perspectives of local people.
- 1.2 consult regularly with local communities in a sensitive and open process.
- 1.3 strive to achieve the free and informed consent of indigenous people to proceed with developments. (p.2)

- “The way we work: Our statement on business practice” September 2005 (Available at [http://www.riotinto.com/library/reports/PDFs/corpPub\\_BusPract\\_English.pdf](http://www.riotinto.com/library/reports/PDFs/corpPub_BusPract_English.pdf))

We access and use land, rehabilitate unavoidable impacts and work with local communities to help with their needs in the most efficient and effective manner we can. In all cases, this involves ongoing consultation with local people, public authorities and others affected. We accept that this may sometimes result in our not exploring land or developing operations, even if legally permitted to do so. (p. 10)

## **B. Google and Google News reviews**

- **For social license:** Nothing relevant

- **For informed consent:**

- Article titled “Rio Tinto pledges to wait for Traditional Owners' consent on Jabiluka mine,” July 27, 2007 (available at <http://www.wise-uranium.org/upjab.html>)

Rio Tinto's new chief executive, Tom Albanese, has reassured the Mirarr people the mining giant will not pressure them to give Rio's uranium subsidiary, Energy Resources of Australia, development approval for the \$50 billion Jabiluka deposit in the Northern Territory. "We have for a long time made the commitment that further development would be subject to the prior informed consent of the traditional landowners," London-based Mr Albanese said. He said Rio had made that commitment several years ago and was standing by it.

### C. Other/Notes: N/A

## Sapet

Sapet is a subsidiary of the China National Petroleum Corporation (CNPC Limited).

### A. Company Website

- **Annual Report reviewed:** No Sapet annual report, but reviewed China National Petroleum Corporation (CNPC) 2007 Annual Report (available at <http://www.cnpc.com.cn/Resource/eng/img/07AnnualReport/2007PDF.pdf>).
- *Findings:* No mention of social license, informed consent, or community consultation.
- **Sustainability Report reviewed:** No Sapet annual report, but reviewed CNPC Corporate Social Responsibility Report 2007: Caring for Energy, Caring for You (available at <http://www.cnpc.com.cn/Resource/eng/img/07%20CSR%20Report/CNPC%20CSR%20Report%202007.pdf>)
- *Findings:* No mention of social license, informed consent, or community consultation.

### B. Google news review

- **For social license:**

“PERU: Oil company 'won't drill on isolated Indians' land” (Survival International, October 19, 2006, available at <http://www.business-humanrights.org/Links/Repository/440581/jump>)

An oil company exploring for oil in the Peruvian Amazon has announced that it will not enter the territory of isolated Indians, even though the land was inside its concession... Lot 113 was super-imposed over an existing reserve for uncontacted Indians. After pressure from local Indian organisations, SAPET [part

of China National Petroleum Corporation (CNPC)] asked for the boundary of Lot 113 to be modified to exclude the uncontacted Indians' reserve. The Peruvian government has now complied with this request. This kind of action by an oil company...shows how local and international campaigns have forced the rights of tribal peoples into the forefront of multinational firms' thinking.

- **For informed consent:** Nothing relevant

C. **Other/Notes:** N/A

## Shell

### A. Company website review (<http://www.shell.com/>)

- **Annual Report reviewed:** Yes (“Delivery and Growth: Royal Dutch plc Annual Review and Summary Financial Statements 2007,” available at [http://www-static.shell.com/static/investor/downloads/financial\\_information/reports/2007/2007\\_annual\\_review.pdf](http://www-static.shell.com/static/investor/downloads/financial_information/reports/2007/2007_annual_review.pdf))
  - *Findings:* Nothing directly related to FPIC or social license, but a small section called “A Good Neighbor”:

We are committed to being a good neighbour. This means not only running our facilities cleanly and safely but working with local people to help them benefit from our activities, as well as supporting wider development in the country. Our company-wide approach is based on social performance plans which are in place at all our major manufacturing sites and chemicals facilities, and at all our upstream operations where social impacts could be high. We run social investment programmes and we encourage governments to spend the taxes and royalties we pay them to support development and reduce poverty. (p. 35)

- **Sustainability Report reviewed:** Yes (“Responsible Energy: The Shell Sustainability Report 2007,” available at [http://www-static.shell.com/static/responsible\\_energy/downloads/sustainability\\_reports/shell\\_sustainability\\_report\\_2007.pdf](http://www-static.shell.com/static/responsible_energy/downloads/sustainability_reports/shell_sustainability_report_2007.pdf))
  - *Findings:*

- i. Relations with indigenous Alaskans:

#### **Exploring for Oil off Alaska’s Northern Coast**

The ground below the Beaufort and Chukchi seas off Alaska’s northern coast may contain a large amount of oil and natural gas. The seas are also home to the whales and seals that are central to the way of life of the local Inupiat people. We respect their unique heritage and recognise the challenge of balancing cultural traditions and economic development, including the development

of energy resources that the region desperately needs. I know that this is a complicated issue for local communities. We are committed to working with them, using their knowledge of the land and sea, and addressing their concerns in our planning to find ways of operating that respect their traditional hunting practices.

Since we were first awarded exploration licences in 2005, we have moved with caution. For example, we hired local Inupiat observers so we could benefit from their traditional knowledge of the behaviours of the bowhead whales. We signed a conflict avoidance agreement with the Alaska Eskimo Whaling Commission, agreeing not to drill during the 2007 bowhead whale hunt. For our first exploratory drilling, originally planned for summer 2007 in the Beaufort Sea, we put 14 specialist ships on standby, ready to react in the unlikely event of an oil spill...

In 2007, we carried out seismic work in the Beaufort and Chukchi Seas and, in early 2008, were the highest bidder for 275 exploration leases. We will only drill in the Chukchi after completing environmental assessments. My colleagues and I are determined to listen to and work better with the local communities, so that together we can find ways to responsibly develop the offshore energy while respecting the region's native culture. (p. 21)

ii. Relationships with Neighbouring Communities

Earning the trust of our neighbours starts with listening to the different points of view in a community. We typically use contributions from community panels, open days, surveys and local governments to understand what our impacts are, and what matters most to the community. We then aim to work closely with communities to reduce the negative impacts from our operations and produce local economic benefits through our business activities and social investment. We have a structured company-wide approach to working with our neighbours. (p. 26)

iii. Human Rights

"Communities: help at a local level with issues like standards used when relocating people, respecting cultural identity, encouraging access to education and avoiding negative health impacts from our facilities." (p. 30)

- **Other reports reviewed:** Financial and Operational Information 2003-2007 (available at [http://www.faoi.shell.com/2007/servicepages/downloads/files/entire\\_shell\\_faoi07.pdf](http://www.faoi.shell.com/2007/servicepages/downloads/files/entire_shell_faoi07.pdf))
  - *Findings:* Nothing relevant

## B. Google and Google News reviews

- **For social license:**

“Shell’s Intimacy Issues” (available at <http://www.ethicalcorp.com/content.asp?ContentID=2753>)

### **You can be sure of Shell**

These governance and responsibility problems share a common feature: a reluctance to be influenced by outsiders. The governance review process itself has been dogged by complaints of insufficient shareholder involvement. Shell’s attack, through the International Chamber of Commerce, of the UN draft Norms echoes this resistance to external interference.

The FoE report asserts that Shell carefully controls to which local people it will give voice in decision-making through Community Advisory Panels.

Even the company’s own report on its Nigerian operations criticised its lack of transparency with Delta communities about decisions that affected them.

Although certain executives may yet prove individually culpable for their role in the reserves misstatement, Shell more broadly is viewed as having a strong culture of public service.

In the aftermath of the dual crises in 1995 of the Brent Spar environmental controversy and Shell’s handling of the Nigerian government’s execution of Delta activist Ken Saro-Wiwa, the group’s leadership admitted to a “technological arrogance” that isolated it from society.

The level of openness it achieved subsequently stands in marked contrast to its more recent behaviour.

These other developments thus point less to a broad ethical crisis than a pathological reversion towards an unquestioning faith by Shell executives in their own judgement about what is for the general good, and a refusal to cede through genuine engagement even a semblance of influence to those outside with a legitimate interest in the group’s decisions.

- **For informed consent:** Nothing relevant

## C. Other/Notes: N/A

## Statoil Hydro

### A. Company website review (<http://www.statoilhydro.com>)

- **Annual Report reviewed:** Yes, Annual Report on form 20-F 2007

- *Findings*: Nothing relevant
- **Sustainability Report reviewed**: Yes (“Going North: Sustainable Development 2007,” available at <http://www.statoilhydro.com/en/EnvironmentSociety/Sustainability/Downloads/Paper%20report.pdf>). Nothing on FPIC or social license.

i. *Findings*: Brief section on society.

We have a fundamental responsibility to work with host countries in helping to manage these challenges in a way which reduces risks and maximises value creation both for the host countries and for our shareholders. This is not only an ethical imperative but also necessary to ensure long-term profitability and successful execution in complex environments. We are therefore committed to contributing to sustainable development on the basis of our core activities in the countries in which we work through various means.

- Making decisions based on how they affect our interests and those of the societies around us. We identify needs, expectations, development opportunities and mitigating actions based on thoroughgoing processes of stakeholder dialogue and risk and impact assessments.
- Ensuring transparency, combating corruption, and respecting human rights and labour standards. We pursue openness and fight corruption by publishing our revenues and investments as well as the taxes we pay. We respect human rights and labour standards by ensuring that these are well protected both in our corporate policies and procedures and in our operations.
- Generating positive spin-offs from our core activities to help meet the aspirations of the societies in which we operate.

Our policy is to create local content wherever we have an active presence. We are proactive in recruiting locally, promoting and developing local sourcing, and supporting the build-up of skills in the local community and among our suppliers and contractors in order to create lasting capacity. (p. 30)

- **Other reports reviewed**: Policies and Principles page on website (available at <http://www.statoilhydro.com/en/EnvironmentSociety/Sustainability/2007/Society/Pages/PoliciesAndPrinciples.aspx>):

We are committed to:

- Making decisions based on how they affect our interests and the interests of society around us

- Ensuring transparency, combating corruption and respecting human rights and labour standards
- Generating positive spin-offs from our core activities to help meet the aspirations of the societies in which we operate

How we work:

We identify needs, expectations, development opportunities and mitigating actions based on stakeholder dialogue and risk and impact assessments

- We ensure that our social responsibility activities are professionally planned and we integrate them into our business planning
- We follow up the execution of our social responsibility activities and measure the effects of our actions, both internally and externally
- We engage in the promotion of human rights, good governance and anti-corruption projects in countries in which we do business
- We respect the rights of indigenous people
- We hire and offer development opportunities to local people and promote local sourcing
- We ensure that local suppliers comply with legislation and meet our expectations
- We work with others to help establish sustainable local enterprises and support the efforts of our suppliers to close gaps and meet our standards
- We exchange experience with national partners and support education and skills-building in oil and gas-related disciplines to build lasting capability
- We undertake sustainable social investment projects in affected communities in order to enable participation in socio-economic development
- We work with non-governmental organisations (NGOs) and other partners to increase the effectiveness of our social responsibility activities.

## B. Google and Google News reviews

- **For social license:** Nothing relevant
- **For informed consent:** Nothing relevant

C. **Other/Notes:** N/A

## Talisman Energy

### A. Company website review

- **Annual Report reviewed:** Yes (“Talisman Energy Online Annual Report 2008: Strategy, People, Portfolio,” available at <http://ar.talisman-energy.com/2008/> or [http://www.talisman-energy.com/upload/ir\\_briefcase/120/02/talismanannualreportsummary.pdf](http://www.talisman-energy.com/upload/ir_briefcase/120/02/talismanannualreportsummary.pdf))
  - *Findings:*

The Company actively translates its commitment to Corporate Responsibility into action throughout its global interests. This is not only the right thing to do, it also creates long-term value for our shareholders. Corporate Responsibility is a way of doing business that helps us manage risks, maintain our social license to operate and recruit and retain employees. (p. 32)

- **Sustainability Report reviewed:** Yes (“Talisman Energy 2008 Corporate Responsibility Report: Integrate Connect Respect,” available at [http://www.talisman-energy.com/upload/report\\_link/17/02/talismancrreport.pdf](http://www.talisman-energy.com/upload/report_link/17/02/talismancrreport.pdf))

- *Findings:*

In December 2007, Talisman became the new operator of Block 64 and immediately initiated consultation and dialogue with the communities impacted by the Company’s proposed 2008-2009 exploratory drilling program. Seven communities, represented by the indigenous Achuar Federation of Situche and Anas of Morona (FASAM), were identified as being directly or indirectly impacted by the project. This consultation led to a four-month negotiation process whereby land access, compensation and bilateral code of conduct agreements signed with the previous operator were renegotiated. The agreements were ultimately ratified by a two-thirds majority by each community in June 2008. These same communities have permitted access to their lands and received compensation for oil exploration activity since 2003.

Talisman continues to engage with a number of organizations in North and South America regarding its activities in Peru to understand issues and receive feedback on how to improve its operations and practices. Representatives of Amazon Watch met with Talisman’s President and CEO in Calgary in April 2008. As a direct result of this meeting, Talisman committed in writing that the Company will not work in Peru in areas in which it does not have an agreement with the community. The Company is living by this commitment and has the full support of the communities impacted by its operations.

In response to feedback from stakeholders that the Company’s consultation efforts were too narrowly focused, Talisman expanded its process by hosting informative workshops and face-to-face meetings in broader indigenous communities and surrounding centres. In August 2008, Talisman invited a wide range of stakeholders including NGOs and representatives from the Roman Catholic Church, the Peruvian Regional Government and the Canadian Embassy to visit Block 64 to see the management of impacts first-hand. (p. 28 -9)

- **Other reports reviewed:**
  - “Policy on Business Conduct and Ethics” (available at [http://www.talisman-energy.com/responsibility/policies\\_management\\_systems/policy\\_on\\_business\\_conduct\\_and\\_ethics.html](http://www.talisman-energy.com/responsibility/policies_management_systems/policy_on_business_conduct_and_ethics.html))

Talisman will liaise with stakeholders at an early stage of business activities to identify such issues. (p. 11)

Talisman believes that being a responsible and welcome member of the communities in which we operate is an essential part of our business strategy. Strong and transparent relationships with communities, based on trust and respect, allow the Company to effectively and efficiently carry out operations to the mutual benefit of the Company and our neighbours. (p. 12)

Ongoing dialogue helps create mutual understanding of the interests of the community and the Company and facilitates constructive approaches to solving shared concerns. (p. 12)

Talisman will comply with all applicable laws, rules and regulations as locally interpreted and administered in all jurisdictions in which we conduct business. (p. 4)

- In an April 30, 2008, letter from Talisman President & CEO John Manzoni to Amazon Watch (“Talisman Commits to Only Operate with Community Consent in Peruvian Amazon,” available at [http://www.amazonwatch.org/newsroom/view\\_news.php?id=1566](http://www.amazonwatch.org/newsroom/view_news.php?id=1566)):

“Talisman will not work in Peru in areas in which it does not have an agreement with the community. We consider an agreement allowing Talisman to work would require a General Assembly with a positive vote of no less than two thirds of all the members of the community.”

- Spring 2008 Amazon Watch newsletter:

In the case of Block 64, communities have turned against the company when the promised benefits of the company’s activities failed to materialize. Leaders of several indigenous federations, including AIM, OSHDEM, and FESHAM convened a special meeting in mid-February of 2008, in which they proclaimed, “With the majority backing of 18 communities Achuar, Wampis, and Shapra of our three organizations, we reject the continuation of oil investments in our region.” In addition, communities have proclaimed: “Talisman representatives: We ask that you listen to our outcry and respect our rights...we won’t allow you to work within our territory.” (“The Achuar People and Canada’s Talisman Energy,” available at [http://www.amazonwatch.org/amazon/PE/achuar/AW\\_Issue\\_Brief\\_Talisman\\_Achuar.pdf](http://www.amazonwatch.org/amazon/PE/achuar/AW_Issue_Brief_Talisman_Achuar.pdf))

## **B. Google news review**

- **For social license:**

- Amazon Watch’s Statement on Talisman’s Oil Project in the Peruvian Amazon (November 2008) (Available at [http://www.amazonwatch.org/newsroom/view\\_news.php?id=1681](http://www.amazonwatch.org/newsroom/view_news.php?id=1681))

(San Francisco, CA)—Amazon Watch issues this statement following a telephone meeting yesterday with officials from the Calgary-based Talisman Energy. The meeting was held to discuss the growing controversy surrounding the company's activities in Achuar peoples' territory in Northern Peruvian Amazon, in an area known as block 64.

During the meeting with Talisman officials, Amazon Watch raised concern about a recent ultimatum issued by Achuar and neighboring indigenous communities demanding that the company leave their territory by November 15 or face blockades and work stoppages. Amazon Watch called on Talisman to suspend its plans to drill a new well in December as a good faith gesture to diffuse current tensions and to demonstrate that it is truly concerned about obtaining the consent from all the communities within block 64. Amazon Watch reminded the company officials of the commitment Talisman CEO John Manzoni made publicly to the Achuar in April at the company's annual meeting that it would only operate in areas where it had the consent of the communities (view letter from CEO John Manzoni).

Amazon Watch conveyed to the company that its activities are fomenting divisions among indigenous communities and even within families. Talisman's current practice of narrowly defining which affected communities it will engage with and using savvy community relations tactics to get "buy in" from a handful of communities fails constitute meaningful engagement for obtaining a social license to operate. The vast majority of the indigenous communities within block 64 representing more than 80 percent of the block are strongly opposed to the entry of the company including the communities that will be directly affected by the new wells.

For Talisman to be in compliance with international law and industry best practices, the company should strive to obtain free, prior, and informed consent of all of indigenous peoples whose territories, resources, culture, and way of life are adversely affected by the company's operations. To be genuine, the process must meet the benchmarks stipulated in international legal instruments such as UN Convention ILO 169 and the UN Declaration on the Rights of Indigenous Peoples.

Amazon Watch warned Talisman of the potential risk the company's plans pose in provoking violence between security forces and the communities as well as among community members. Talisman officials were urged to conduct a risk assessment of the situation given their adherence to the "Voluntary Principles on Security and Human Rights" and asked to provide a response within the next few days to Amazon Watch's request for a suspension of its drilling plans.

- **For informed consent:**

- Talisman takes socially responsible step (April 2009)  
<http://srimonitor.blogspot.com/2009/04/talisman-takes-socially-responsible.html>

Canadian mining company Talisman has agreed to prepare a report on how its operations affect indigenous peoples around the world, focused on the concepts of free, prior and informed consent.

The agreement was reached following discussions with Bâtirente, a Quebec-based non-profit organization created by the Confederation of National Trade Unions and Regroupement pour la responsabilité sociale et l'équité (RRSE), a network of religious communities, NGOs, private foundations and individuals which aims to promote corporate social responsibility through shareholder engagement. Bâtirente and RRSE members hold shares of Talisman Energy.

"Talisman will conduct research and develop a report that will define and assess the benefits of adopting and implementing policies and procedures for securing and maintaining free, prior, and informed consent (FPIC) of indigenous communities impacted by Talisman's operations," Bâtirente said in a news release.

The report will focus on the concept of FPIC as it pertains to corporations engaging with indigenous communities in the various parts of the world where Talisman operates and will also examine current best practices in this area...

- Peruvians Oppose Talisman Exploration (December 2008)  
<http://www.ffwdweekly.com/article/news-views/news/peruvians-oppose-talisman-exploration-3059/>

Regional indigenous foundations in the Northern Peruvian Amazon had set an ultimatum for Talisman, announcing that the Alberta-based company was to have abandoned its oil explorations by November 15 or face "other measures." As yet, no actions have been taken. Talisman has not abandoned its plans for oil exploration in the area, and the company is claiming that it has gathered all the necessary consent.

According to Talisman spokesperson Barry Nelson, the company has "the consent and the enthusiastic support of the people who live there," and it went through the required steps to gather support for the project. "We spent a great deal of time talking to people in these communities," says Nelson. "We have their consent, and it's not just one or two people, we needed a two-thirds majority, and we got it in every case."

Andrew Miller, environmental and human rights campaigner for Amazon Watch, says the environmental group has been working to gather information on Talisman's process to discover if it has met the standards of free, prior and informed consent. "'Trust us' is not a credible posture for an oil company in a region where oil continues to be highly conflictive," says Miller.

- "Talisman Says No Plans to Leave Peru Over Protests" (Oct. 22, 2008)  
(Available at <http://www.forbes.com/feeds/afx/2008/10/22/afx5591692.html>)

LIMA, Oct 22 (Reuters) - Talisman Energy, Canada's No. 3 independent oil explorer, said on Wednesday it had no plans to pull out of Peru, after local media reports said community leaders had given the company an ultimatum to leave. The Calgary-based group, which is looking for oil in Peru, has two lots in the northern Amazon jungle. Several indigenous groups live in the area, including the Achuar people, whose leader has said protesters will throw the company out if it does not stop work by Nov. 15.

'We are not planning on leaving Peru any time soon,' David Mann, a Talisman official, said. 'My understanding is we have all the agreements and consents we require from communities in the areas where we're operating. There may be other groups that are outside our area of operation who are asking for something different.' Talisman's chief executive met with a small delegation of Achuar leaders in April and said the company would not operate without their consent.

Protesters say oil work harms the environment and sows seeds of conflict. 'We, as indigenous people, reject the Canadian company Talisman. We do not want them working in our territory. We want the Peruvian state to respect us, and the armed forces to stop helping the company,' Cesar Zuniga, president of the Achuar indigenous group FENAP, said on local radio.

Talisman, which operates in some 20 countries, was criticized by human rights groups for its activities in Sudan in the late 1990s and earlier this decade. Conflict over oil exacerbated Sudan's civil war, which lasted from 1983 to 2005.

### C. Other/Notes: N/A

## Total

### A. Company website review (<http://www.total.com/>)

- **Annual Report reviewed:** Yes ("Total in 2007," available at [http://www.total.com/static/en/medias/topic2346/Total\\_2007\\_total\\_in\\_2007.pdf](http://www.total.com/static/en/medias/topic2346/Total_2007_total_in_2007.pdf))
  - *Findings:*

Brief section on relationships with local communities; nothing directly related to FPIC or social license:

TOTAL support economic development through our purchasing, hiring and small business support policies (in 2007 TOTAL signed le pact PME which to increase orders of these businesses), in particular promoting the emergence of a world-class oil services industry and taking part take part in vocational training and university programs (see inset on Angola).

In addition to meeting our recruiting needs, we want to nurture local talent and create high-level jobs in host countries. Education and training have therefore become a major thrust of our social and community policies, in response to host country expectations. (p. 67)

- **Sustainability Report reviewed:** Yes (“Environment & Society: Our Corporate Responsibilities,” available at [http://www.total.com/static/en/medias/topic1606/TOTAL\\_csr\\_en\\_2007.pdf](http://www.total.com/static/en/medias/topic1606/TOTAL_csr_en_2007.pdf))

- *Findings:* A section on Total’s operations (EPNL) in the Niger Delta, speaks about community input:

EPNL and local communities are engaged in partnership development agreements that negotiate mutually approved four-year roadmaps that are jointly implemented. EPNL’s ultimate objective is to forge partnerships with national and state governments, specialized agencies and NGOs to become a facilitator, just one stakeholder among many, so that communities take responsibility for the programs and implement them sustainably and independently. (p. 49)

- **Other reports reviewed:**

- “Registration Document 2007” (available at [http://www.total.com/static/en/medias/topic2346/Total\\_2007\\_document\\_reference\\_va.pdf](http://www.total.com/static/en/medias/topic2346/Total_2007_document_reference_va.pdf))

- *Findings:* Nothing relevant

## B. Google and Google News reviews

- **For social license:** Nothing relevant
- **For informed consent:** Nothing relevant

## C. Notes/Other: N/A

## Vale

### A. Company website review (For English: [http://www.vale.com/vale\\_us/cgi/cgilua.exe/sys/start.htm?tpl=home](http://www.vale.com/vale_us/cgi/cgilua.exe/sys/start.htm?tpl=home))

- **Annual Report reviewed:** Yes (“Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended: December 31, 2007, Companhia Vale do Rio Doce,” available at [http://www.vale.com/vale\\_us/media/20F\\_2007\\_i.pdf](http://www.vale.com/vale_us/media/20F_2007_i.pdf))
  - *Findings:* Nothing relevant
- **Sustainability Report reviewed:** Yes (“Sustainability Report 2006, Companhia Vale do Rio Doce,” available at [http://www.vale.com/vale\\_us/media/CVRD\\_RA06%20ing.pdf](http://www.vale.com/vale_us/media/CVRD_RA06%20ing.pdf))

- *Findings:* A section of Vale's 2006 Sustainability report is dedicated to "social performance" but there is no mention of FPIC.
  - i. "CVRD holds dialogues with communities and carries out studies to guide its projects and operations in each region." (p. 78)
  - ii. Social license is mentioned once: "The Bayovar project, in Peru, is another example of the respect involved in CVRD's approach. Although mining activity faces resistance from the population, due to its history in the country, CVRD has established a participative relationship, maintaining a good understanding with the community and obtaining a "social license" for its operation that will enable it to produce phosphate, a mineral that is used in farming." (p. 81.)
  - iii. Vale's 2007 Sustainability Report does not mention FPIC or social license.
- **Other reports reviewed:** N/A

## B. Google and Google News reviews

- **For social license:** Nothing relevant
- **For informed consent:** Nothing relevant

**C. Other/Notes:** Note the difference in 2006 versus 2007 Sustainability Reports (above).

## Xstrata

### A. Company website review (<http://www.xstrata.com/>)

- **Annual Report reviewed:** Yes ("Xstrata Annual Report 2007," available at <http://www.xstrata.com/annualreport/2007/page1> or [http://www.xstrata.com/assets/pdf/xta-ar2007\\_en.pdf](http://www.xstrata.com/assets/pdf/xta-ar2007_en.pdf))
  - *Findings:* nothing
- **Sustainability Report reviewed:** Yes ("Xstrata Sustainability Report 2007," available at [http://www.xstrata.com/sustainability/assets/pdf/x\\_sustainability\\_2007.pdf](http://www.xstrata.com/sustainability/assets/pdf/x_sustainability_2007.pdf))
  - *Findings:* nothing, but see below for information on Xstrata Copper
- **Other reports reviewed:** On Sustainable Development page of website (Available at [http://www.xstrata.com/sustainability/sustainable\\_development/12/](http://www.xstrata.com/sustainability/sustainable_development/12/))

### Requirements and Expectations

Identified community concerns, needs, opportunities, and the risks and impacts of site and project operations and activities are prioritised – in close consultation with the communities concerned – and addressed via community strategies and social involvement plans as an

integral part of our risk management and business planning processes. Where appropriate, this includes:

- Community mapping
- Institutional analysis – the evaluation of the variety, strength and linkages of institutions within and around the relevant community
- Problem census – the identification of community concerns through direct consultation with a broad range of community groups
- Opportunity ranking
- Identification of goals and assumptions
- Identification of key performance indicators and measures of success.

## **B. Google and Google News reviews**

- **For social license:** Nothing relevant
- **For informed consent:** Nothing relevant

## **C. Other/Notes:**

- Xstrata website dedicates space to stakeholder engagement but does not mention FPIC. The Xstrata Copper website (<http://www.xstrata.com/corporate/commodities/copper>), however, mentions FPIC: “We seek to maintain broad-based ongoing community support for our activities throughout our operations' life cycle. We consult with communities as early as possible and establish appropriate mechanisms for ongoing consultation, feedback and grievance resolution. This includes fair and equitable processes for engagement with indigenous and local communities including, where relevant, free prior informed consent.”
- Xstrata Copper's 2005 Sustainability Report (available at [http://www.xstrata.com/assets/pdf/xcu\\_nqld\\_sus\\_2005.pdf](http://www.xstrata.com/assets/pdf/xcu_nqld_sus_2005.pdf)) mentions social license:  
"Xstrata Copper believes that the wellbeing of our employees, their families and the communities in which we operate is crucial to maintaining our social license to operate our business." (p. 20)
- When Xstrata acquired the Tintaya copper mine in Peru from BHP Billiton in 2006, they signed a public legal document stating that they would assume all of BHP Billiton's 2004 commitments made in the Tintaya Dialogue Roundtable, including the need to secure Free Prior and Informed Consent from local communities.

## **Zijin**

### **A. Company website review (<http://www.zjky.cn>)**

- **Annual Report reviewed:** Not publicly available
  - *Findings:* N/A
- **Sustainability Report reviewed:** Not publicly available
  - *Findings:* N/A
- **Other reports reviewed:** N/A

## **B. Google and Google News reviews**

- **For social license:** Nothing relevant
- **For informed consent:** Nothing relevant

## **C. Other/Notes:**

- Website says: "While developing to be larger and stronger, the Company attaches great importance to the security, environment protection and harmony of community based on the belief of 'harmony helps making [sic] profits,' and the value of 'coordinated development of the enterprise, staff and society;' the Company pays great respect for the interest of cooperative side [sic] on the basis of Management Philosophy of "Providing branded product and striving for all-win [sic]."" (available at <http://www.zjky.cn/tabid/209/Default.aspx>)
- **Zijin unit says Peru mine project might be delayed**

LIMA, Jan 12 (Reuters) - A unit of China's Zijin said on Monday it is reevaluating the timetable for developing its Rio Blanco copper project in Peru after tumbling prices and protests. Monterrico Metals (MNA.L), which is controlled by China's second-largest gold miner, Zijin Mining Group Co Ltd (2899.HK), previously said it would start production in 2011.

But like many global miners, hit by the collapse in commodity prices and a tough financing environment, it is reevaluating its plans. "Essentially that's under review and a revised chronogram for investment and development will be published in due course -- fairly shortly. I suggest this quarter," said Andrew Bristow, investor relations manager at Monterrico. The \$1.4 billion copper-molybdenum project, which is located in the northern district of Piura, is expected to produce some 200,000 tons of copper concentrate a year.

Many community members near Rio Blanco oppose the project. They worry the mine will wreck the environment and damage agricultural lands. In a 2007 popular vote, nearby communities overwhelmingly said they did not want Rio Blanco developed. (Reporting by Dana Ford; Editing by Marguerita Choy) (Available at <http://www.reuters.com/article/rbssMiningMetalsSpecialty/idUSN1234678320090112>).

### **Other/General items relating to FPIC**

ICMM [International Council on Mining & Metals] - IUCN [International Union for Conservation of Nature] Indigenous Peoples Roundtable held in Sydney (May 2, 2008) (available at <http://www.icmm.com/page/2119/icmm-iucn-indigenous-peoples-roundtable-held-in-sydney>)

“The two days of discussion focused on implementation issues relating to: consultation and engagement; achieving broad community support; seeking agreement on programs to achieve net social benefits; and operationalizing free, prior and informed consent (FPIC). Overall, the feedback from Roundtable participants was very positive with many highlighting the importance of such a dialogue continuing.”