



Standard Operating Procedure Stakeholder Engagement

Creation date: 15/03/2017
Communicated: 15/03/2017
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Version: 01
Company: Presco Plc
Confidentiality: External
Archiving: CRO; 3 years

SUPPLY CHAIN CERTIFICATION SYSTEM

PRE-STAK-505 \ CRO-SOP- 10

Objective / Purpose

The purpose of this procedure is to define how and why PRESCO engages with internal and external stakeholders for all PRESCO operations.

Application Domain / Scope

This procedure applies to all stakeholders associated with PRESCO Plc.

Definitions

Stakeholders are individuals and groups that are directly or indirectly affected by PRESCO activities, in addition to those that may have interests in or influence over PRESCO. This interest or influence can affect projects, activities, products or the performance, either positively or negatively, of PRESCO. Stakeholders include local communities (host communities) or individuals within PRESCO's operational areas, their representatives, national or local government authorities, politicians, religious leaders, civil society organizations and groups with special interests.

Stakeholder engagement is a broad term used to describe all activities and interactions between PRESCO and its stakeholders. Stakeholder engagement helps build trusting relationships and opens up lines of communication between PRESCO and its stakeholders. Communication reduces risks to PRESCO by identifying and dealing with issues as they arrive, thus improving the reputation of PRESCO in the eyes of all stakeholders. It spans all phases of the project and operation lifecycle, with different stakeholders able to influence each activity.

Grievance: is a concern or complaint raised by an individual, group, or community in relation to activities undertaken by PRESCO.

Collective Grievance: is a complaint raised by two or more employees in a unionized workplace.

Internal Stakeholders: Board of directors, Employees and Union.

Internal Grievance mechanism: internal dispute resolution by which an employee may have his or her grievances addressed.

External Stakeholders: includes: host communities, Government organizations/institutions, NGOs, shareholders, contractors, suppliers and customers that are affected by or have an interest in PRESCO activities, products and/or performance.

Engagement: actions taken by PRESCO to communicate understand and involve stakeholders in the decision-making processes when appropriate.

Stakeholder Engagement Plan (SEP): system used to identify stakeholders and manage engagement based on the level of interest and influence an individual or group has on company operations.

Socioeconomic Indicator: A tool used to understand an individual or a group's status within their local environment which can include GDP, life expectancy, literacy and levels of employment, in addition to freedom of expression, personal safety and participation in civil society.

Partnership: Agreement between PRESCO and a third party to develop projects or engagement activities through shared interests and/or resources.

Vulnerable Groups/Individuals: Vulnerable individuals and groups are potentially more susceptible to negative impacts or have a limited ability to take advantage of positive impacts.

Union: A body under the Nigerian legislation responsible for workers within PRESCO.

Abbreviations:

MD	Managing Director	HOD	Head of Department
COO	Chief Operating Officer	SO	Socio Economics Officer
ARM	Admin/Relations Manager	IMS	Integrated Management System
HRM	Human Resources Manager	HRD	Human Resources Department
HSE	Health Safety & Environment	NGO	Non-governmental organization



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Responsibilities / Authorities

ARM/HRM/HSEM are responsible for ensuring that this procedure is implemented and monitored.
 ARM assisted by SO will communicate with community leaders within PRESCO’s jurisdiction and prepare minutes of meetings and photos if applicable, of all meetings with the communities for documentation purpose.
 ARM/HRM will maintain constant open communication with all stakeholders and ensure that all relevant information pertaining to PRESCO is communicated.
 MD and HODs will ensure constant communication with all stakeholders.
 HRD will Receive /document internal grievances will also ensure communication and relations with internal stakeholders specifically.
 Respective Managers in each department and sections will ensure all PRESCO approved projects are done according to plan and provide updates to the MD/COO and the HSE department on at least a quarterly basis to keep them abreast of developments with projects, and for documentation purpose.
 Company Secretary will provide relevant information to Security and Exchange Commission and monitor the Company’s legal compliance with relevant applicable International, National and Local Laws.
 Sales /marketing Department will receive and deals with customers related complaints.

Procedure / Instruction

PRESKO uses this procedure to engage with stakeholders and it is driven by a commitment to openness and transparency and a respect for the views of stakeholders. This procedure and strategy aims to harmonize stakeholder engagement procedures across all operations, opening communication channels and improving working relationships with all stakeholders.

Stakeholder identification

Stakeholder identification is the first stage of the engagement process. This will include those both directly affected, such as host communities within PRESCO’s operations, and those indirectly affected such as national or international NGOs. For details of PRESCO stakeholders see the PRESCO Stakeholder List

Stakeholder Category	Stakeholders
Internal Stakeholders	<ul style="list-style-type: none"> - Board of Directors - Shareholders - Employees (Management staff, Senior/Junior staffs, Contract) - Unions/ other seasonal employees
Industry Stakeholders	<ul style="list-style-type: none"> - Suppliers / Contractors - Customers - Industry associations - Consultants - Service providers
Government Regulators	<ul style="list-style-type: none"> - Local agencies/officials - Regional/state agencies/officials - National agencies/officials - International organizations
Communities	<ul style="list-style-type: none"> - Host communities within Presco Estates - Community leaders/traditional rulers
Development partners	<ul style="list-style-type: none"> - Bankers / financial institutions - Certification bodies - Media houses - Security services / security agencies



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| Civic Organizations | <ul style="list-style-type: none"> - Places of worship - Local trade or labour unions - Educational or health organizations - Charitable organizations - Organizations supporting vulnerable groups |
| Non-governmental Organizations | <ul style="list-style-type: none"> - Local/regional/state groups - National/international groups - Environmental groups |

The full list of stakeholder and stakeholder category is available on the document: "**Stakeholder list**"

Stakeholder prioritization and mapping

Not every stakeholder group will require the same level of engagement in terms of frequency or method of communication. Once a stakeholder identification exercise has been performed, it is therefore important to prioritize and map groups based on who they are and the level of risk they pose to PRESCO operations.

Method of engagement

Once stakeholder groups have been prioritized in terms of their level of influence and/or operations, a different method of engagement should be developed for each stakeholder. The reason for this is that individual stakeholders and groups have different requirements in terms of language, communication materials or methods necessary to share and receive information.

Engagement can include:

- information sharing, where PRESCO informs stakeholders about its performance or any changes;
- response (action), where PRESCO responds to stakeholder requests or complaints;
- consultation, whereby communication with stakeholders is two-way and information gathered can be used to influence changes in operations.

Each stakeholder group may require different forms of engagement such as:

- Local Communities: Consultative engagement may require written communications in the local languages, allowing communities to respond in the language they operate in. Some members of the community may also require assistance with submitting or reading written materials. Communities may require engagement with several subgroups separately including leaders and vulnerable groups.
- Government Officials: Informative engagement is often required, such as sharing of written materials in the national language. Meetings may also be held where communication is verbal, but minutes and attendance should be taken and signed by all parties, where applicable and necessary.
- International NGOs: Responsive engagement in the form of written reports and media communications aimed at assisting the building of relationships with international NGOs.

The examples provided above are simplified for the purpose of this procedure and it is pertinent to note that some stakeholder groups will require a range of engagement methods. Choosing an appropriate method of engagement for each stakeholder group, depending on their need, will ensure that communication is well received and understood, and can be responded to effectively.

Information disclosure

Disclosure means making information accessible to stakeholders and communicating in a manner that is understandable. All types of engagement, from consultation to the resolution of grievances, will be more productive if stakeholders, including affected communities, have accurate and timely information about PRESCO's activities, impacts, and any other aspects that may have an effect on them. The type and level of information disclosed is dependent on the priority of each stakeholder, though PRESCO will strive to be as transparent as possible as per PRESCO code of ethics policy. Information disclosure is based on the following key principles:



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- **Disclosure Timing:** if feedback is required, it is important to share information as early as possible to allow stakeholders adequate time to review and process what is presented and decide appropriately.
- **Meaningful Information:** the information will need to be culturally appropriate in a format and language that is easily understandable by the stakeholder.
- **Accessibility:** stakeholders will require information during engagement, but also acknowledge on how they can access further information, if required.
- **Information Sensitivity:** it is important to share risks and impacts with affected stakeholders, but how this information is presented can influence their reaction to developments. When information is sensitive, it is important to present just the facts and leave out any uncertainties.

Stakeholder consultation

Listening and understanding stakeholder concerns and feedback is a valuable source of information, which can help improve PRESCO operations, in addition to helping to identify and address potential risks.

Once stakeholders have been identified and prioritized, and the method and frequency of engagement determined, consultation requirements of each stakeholder should be determined. Consultation with stakeholders will build trust with communities within PRESCO operations and raise awareness.

- **Gender-inclusive:** men and women often have different views and in some cultures it is not acceptable for women to be heard in public. Allowing women the time and space to participate is crucial.
- **Free:** consultation should not be manipulated or coerced.
- **Documented:** tracking of consultation is important to ensuring key issues are recorded and addressed
- **Report back:** those consulted will require information on time frame and when they will receive feedback, further information/consultation.
- **Consultation, participation and communication** is achieved through one or more of the following documents: minutes of meetings, management reviews, internal office meetings, circulars, memos, letters, emails, newsletter and board meeting.
- **Ongoing:** consultation is to be undertaken throughout the project lifecycle.

Vulnerable groups and gender considerations

Vulnerability is determined by the ability of an individual or group to cope or adapt to change and can be affected by the social, economic, technological, institutional and cultural resources available. Vulnerable individuals and groups are potentially more susceptible to negative impacts or have a limited ability to take advantage of positive impacts. Vulnerability is often a pre-existing status that is independent of PRESCO and may be reflected in an existing low level of access to key socioeconomic or environmental resources or a low status within certain socioeconomic indicators (low or no education, poor health, low status within the community etc.).

Vulnerability varies from location to location and PRESCO will determine who is considered vulnerable within their cultural context and consult with them on an ad hoc basis. Generally there are some groups that are more likely to be vulnerable than others due to their status within society and their ability to access resources. This includes women, elderly, disabled, indigenous groups and the poor.

In many instances vulnerable groups will require special consideration in terms of engagement, as they may not be able to participate in community wide consultation or engagement activities. This will often require separate meetings for vulnerable groups and consideration of whether they are fully represented by community leaders.

Establishing partnerships

In many instances, PRESCO can benefit from strategic partnerships with communities, companies, government, NGOs or other stakeholders. This can involve joint activities and collaborative efforts based on a common interest. This is based on:

- Common objectives or strategic interests
- The pooling of cash or in-kind resources from all parties
- Sharing information, transparency and joint fact-finding
- Drawing in on core and complementary competencies
- Sharing risks and benefits, both financial and reputational.



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GRIEVANCE MANAGEMENT

Grievance are managed through the "**Grievances Complains Management**" procedure under community relation department authority for external grievance and through the "**Worker Complain and Grievance**" procedure under HR responsibility for internal grievance.

Documents / Files / Appendices




Documentation of grievances (reports, minutes of meetings, letters etc.)
Stakeholders complaint form
Stakeholders complaint procedure
PRE-CR-515\CRO-SOP-04 (Grievance & Complaints Management)

Filing

HR File archive, HSE File archive , Marketing / sales archive

References

- RSPO Criteria 6.3, 1.3
- RSPO SCCS – 5.12.1.
- IFC (2007) Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets.
- IFC (2012) Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
- IFC (2009) Good Practice Note: Addressing Grievances from Project-Affected Communities: Guidance for Projects and Companies on Designing Grievance Mechanisms.
- Compliance Advisor/Ombudsman (CAO) 2008: A Guide to Designing and Implementing Grievance Mechanisms for Development Projects. www.cao-ombudsman.org, Office of the Compliance Advisor/Ombudsman, for the International Finance Corporation and Multilateral Investment Guarantee Agency,
- Corporate Social Responsibility Initiatives. 2008 "Right-compatible grievance mechanisms: a guidance tool for companies and their stakeholders". Corporate Social Responsibility Initiatives working paper No. 41. Cambridge, MA: John F Kennedy School of government Harvard University. www.hks.harvard.edu\m-rcbg\CSRI\

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