



Business & Human Rights

Mainstreaming Best Practices

MPRL E&P Management Workshop
2012-2013



WHAT ARE HUMAN RIGHTS?

Human rights are basic rights and freedoms that all people are entitled to regardless of nationality, sex, national or ethnic origin, race, religion, language, or other status. Human rights include civil and political rights, such as the right to life, liberty and freedom of expression; and social, cultural and economic rights including the right to participate in culture, the right to food, and the right to work and receive an education. Human rights are protected and upheld by international and national laws and treaties.

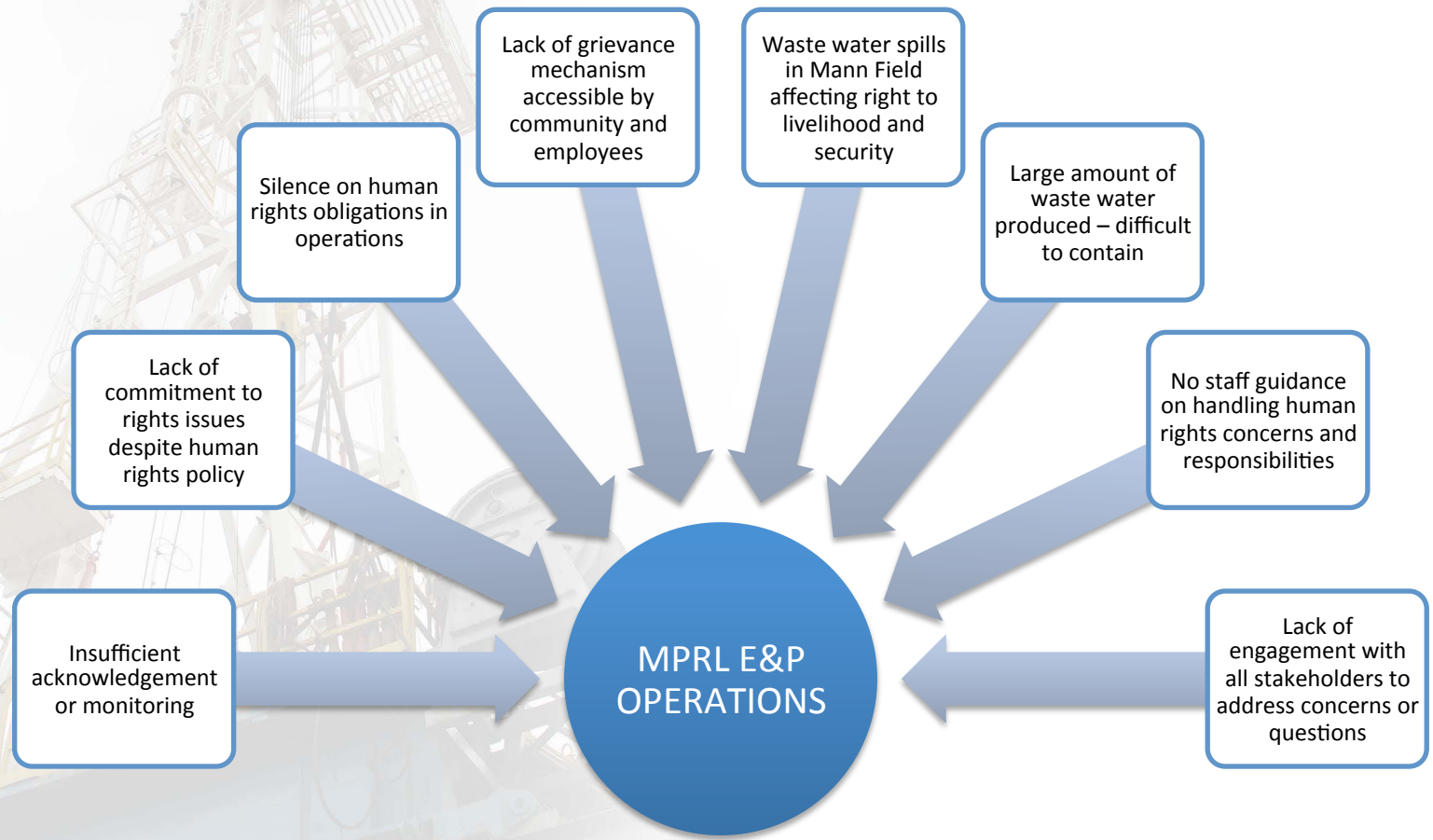
- How is human rights related to CSR?

What if I told you that one of MPRL E&Ps suppliers employ children to work in their factories? Would you say this type of practice/behavior is accepted because of the poverty level in the country? What if I told you, the legal age for children working in Myanmar is 18? Would you still use poverty as an excuse? What if I told you, the children in the factories were forced to work because they are considered cheap labor, are succumbed to terrible working conditions, made to handle heavy machinery, and are denied any form of education? Would MPRL E&P accept and condone this practice? Would MPRL E&P continue to associate themselves with a supplier or business partner that promotes child slavery, or human rights abuses to vulnerable groups like women?

As a company, a 'do no harm' approach should be at the center of the business. Protecting the rights of our employees, environment we work in, and communities we work with will make MPRL E&P an ideal partner beyond their technical capabilities.



BRIEF ANALYSIS OF MPRL E&P OPERATIONS



CASE STUDY

BP & Halliburton

- Instead of a transparent and honest representation, the company spent millions of dollars on advertising to create a green image - which later became synonymous with green washing
- Following the oil spill BP shifted blame on contractors and drilling rigs. The question is shouldn't BP be blamed for its lack of responsibility?
- Halliburton recently admitted to destroying evidence related to the oil spill
- BP attempted to save their brand and reputation by spending 93 million on advertising following the spill
- BPs share prices today are still 25% lower

In summary, BP did not promote a proactive approach to their operations. Following the spill, they refused to acknowledge their role in impacting thousands of lives that relied on the environment for security and livelihood. It is evident their lack of CSR in particular stakeholder engagement was non-existent. As a result, allowing the company to become vulnerable to public scrutiny.



Barrick Gold Mining – Largest Gold Producer

- Company operations in PNG is directly and beneficially complicit in human rights violations
- Barrick provides royalties to the national government excluding the local government. 5.6 million is paid towards security which is directly pocketed by the national army
- Barrick has no community investment projects. Funding was provided to a local NGO to build schools. However, that local NGO pocketed the money. The company failed to realize this till after 3 years.
- Employees are being targeted daily by communities, security has shot at protestors, employees are paid very low wages. Rivers nearby are contaminated with mercury killing river ecosystems
- The government or company refuses to acknowledge their violations due to the amount of copper and gold extracted on a yearly basis



Barrick has had difficulty attracting staff to work at their site in PNG including other global operations. A number of complaints have been submitted to the UNHCR to protest against Barrick's security ethics and lack of acknowledgement of rape, violence, and murder associated with their operations. In order to solve the many challenges they are facing, they are now working with Human Rights Watch to perform impact assessments and identify areas that need to be addressed immediately.

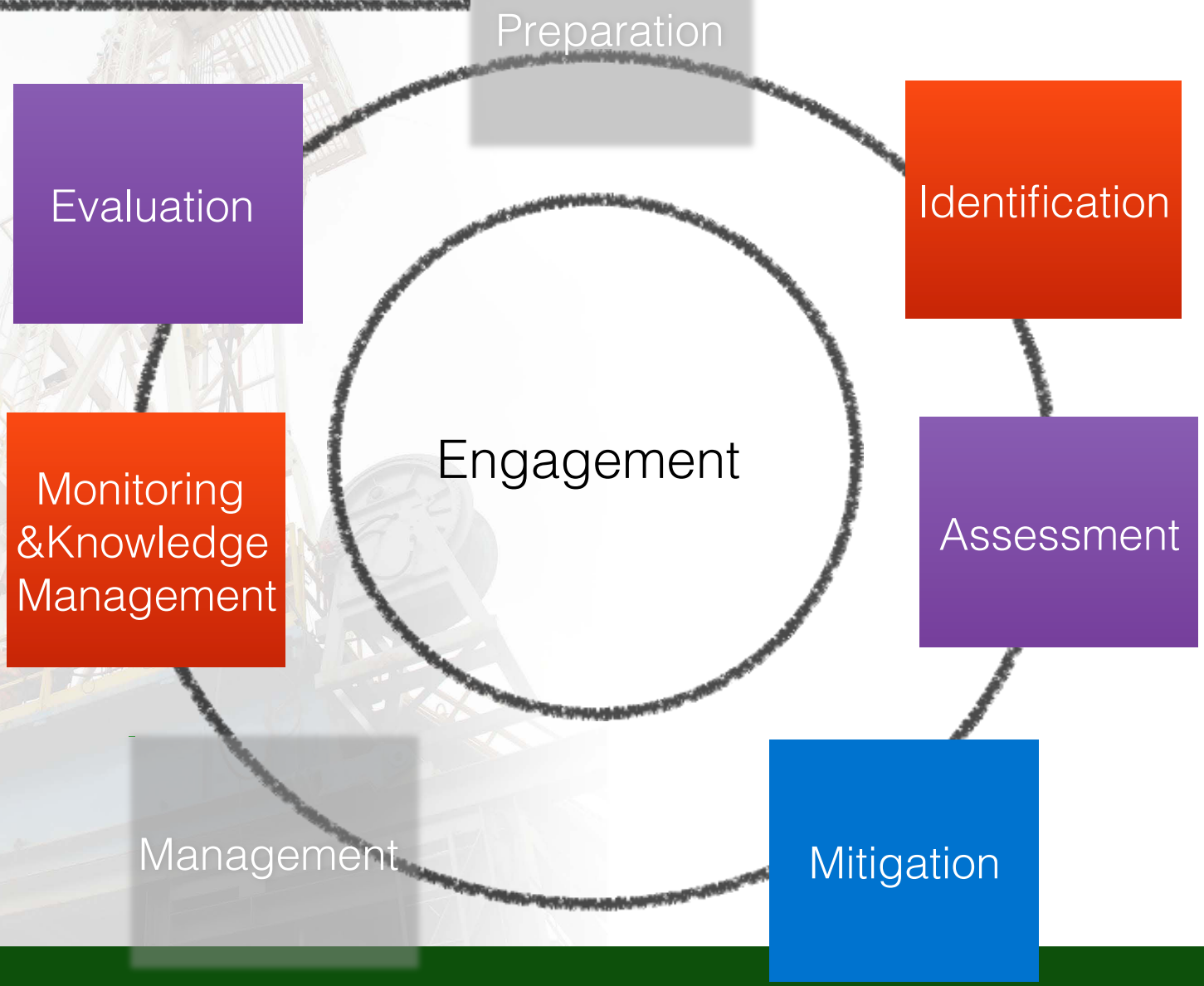
HOW SHOULD MPRL E&P ADOPT A 'Do no harm' APPROACH?

- Objective: Develop due diligence measures and processes to identify and manage human rights risks related to operations or business partnerships
- Impact Gained: Accessibility, Accountability, Responsiveness, Transparency of the company
- Approach: Internal & External review of operations that is modeled on standards adopted by the IFC
- Requirements: Coordination meeting with department heads to discuss process and measures. Identify types of information required to assess. Discuss steps forward to address gaps and risks. Monitor and review progress.





Due Diligence Process



Due Diligence Process – *In detail*

PHASES	INTERNAL	EXTERNAL
PREPARATION	Open dialogue with department heads and senior management	Open dialogue with communities, MOGE, local authority
IDENTIFICATION	Revise policies/code of conduct	Provision of code conduct
ASSESSMENT	Risk assessment and mapping, identify acceptable risk parameters	Risk assessment, participatory approach identified and implemented
MITIGATION	Develop mitigation plan - existing projects, future projects (adverse and potential impacts)	Government engagement on developing mitigation action plan on anticipated risks
MANAGEMENT	Staff training - rights based approach (incentive structure), identify diversity of skill set and capacities required,	Training for government and communities, implementation of grievance mechanism
MONITORING & KNOWLEDGE MANAGEMENT	Grievance mechanism integrated Engagement of department heads in impact learning's Lessons learned, best practices mainstreamed	Training on knowledge management Invite civil societies to review and assess projects, lessons learned best practices mainstreamed
EVALUATION	Publish information on website on a timely basis Publicly disclose reports and information	Regular Q&A session with civil society, publicly disclose reports and information



PARAMETERS THAT REQUIRE REGULAR MONITORING & REVIEW

TOOLS	EMPLOYEE CONSIDERATIONS	COMMUNITY CONSIDERATIONS	ENVIRONMENTAL CONSIDERATIONS
<p>Policies & Procedures</p> <p>Human Rights Policy</p> <p>Due Diligence Process</p> <p>Identify Risks/ Mapping</p>	<p>Fair Wages</p> <p>Safe Working Conditions</p> <p>Equal Opportunity</p> <p>Training & Development</p> <p>Grievance Mechanisms</p>	<p>Community Safety</p> <p>Livelihood</p> <p>Access to Water, Education, Information</p> <p>Consent</p> <p>Protect Children, Women and Other Marginalized Groups</p>	<p>Safety</p> <p>Access to Water, Livelihood</p> <p>Security</p> <p>Access to Information</p>



ADDITIONAL CONSIDERATIONS

In addition to the due diligence process described in earlier slides, the company will need to increase accessibility to the following activities and mechanisms:

1. Training: Mandatory training for department heads on how to identify and address human rights impact associated with current and future operations
2. Grievance Mechanism: Employees and communities have to right to voice their concerns and complaints. An accessible and private mechanism should be developed that can be managed internally and externally. This is an important risk management tool that can minimize occurrence of articles published in the newspaper, Internet etc. At present, there is no such tool in place. There have been discussions about hosting town halls. However, in a Myanmar context this is not accessible or culturally appropriate in the current situation.



To integrate a 'do no harm approach' at the center of the business, the company will need to place CSR at the center of its business. All departments need to understand that CSR has many layers. Complying to standards and minimizing risk is one layer that all employees must understand.

Finance

HR

Admin &
Logistics

CSR
do no harm
approach

Health,
Safety &
Environment

Business
Dev

Geology &
Engineering



BUSINESS CASE & VALUE

- Viewed As a Proactive Company especially in a country where there is environmental, social, and political risks
- Risk Management – This will be relevant to companies establishing themselves on the exchange market. By 2015 sustainability reporting on environmental and social impacts will be mandatory. It is in the company's best interest to establish appropriate assessments and reporting/communication procedures
- Attract Future Investment
- Reputation & Image - It will be important for the CEO and senior management to identify what type of image they want to portray. What values and principles do they want their employees to uphold? This will affect the organizational culture of the company.
- Attract & Retain Staff – Attracting the right type of employee is challenging in Myanmar. A company with a positive image, training package, community program, encouraging environment are examples of benefits that attract the right type of people. A competitive salary may be a big attraction but it is not the only attraction.



SUMMARY

John Ruggie Framework for Human Rights

- **John Ruggie a professor of Human Rights who also developed the Ruggie Framework to assist businesses to:**
- **RESPECT Human Rights:** In order for MPRL to become a proactive business it needs to recognize and respect that its operations can have negative impact on the rights of employees and communities
- **PROTECT Human Rights:** Ensuring safeguard policies are in place followed by a risk mitigating action plan will provide MPRL E&P with the means to protect their business including the rights of their employees and communities - a 'do no harm approach' must be at the center of the business strategy and part of the organizational culture
- **Access to REMEDY:** Training opportunities for staff to understand the negative and positive impact of the company operations will provide employees the ability to recognize and address risks. Implementing grievance mechanisms will provide employees and communities with the opportunity to voice concerns and complaints.