

Interfaith Center on Corporate Responsibility

Indigenous Peoples Update

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February 5, 2016

New York, NY

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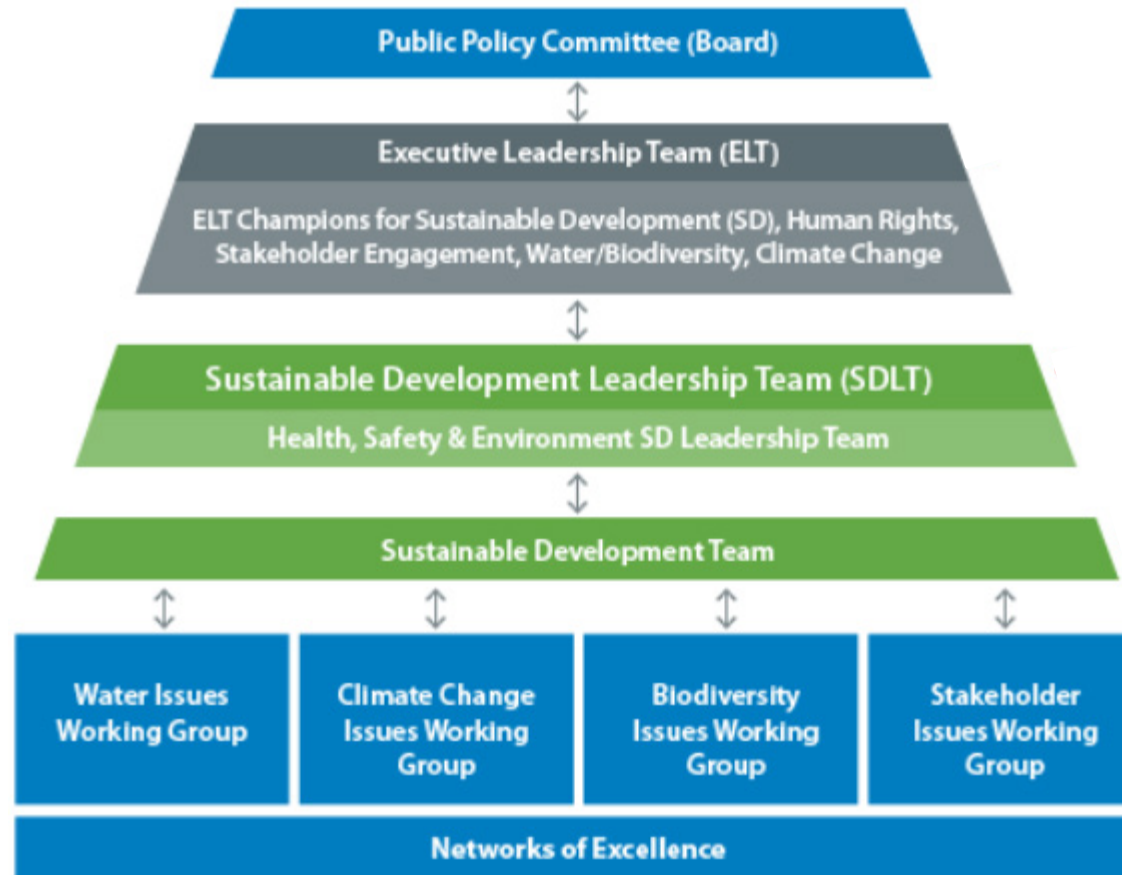
Agenda

- Current State
- Sustainable Development Governance
- Sustainability Approach
- Stakeholder Engagement Action Plan
- Social Indicators Progress
- Business Unit Updates
 - Australia
 - Lower 48
 - Alaska
 - Colombia
- Canada Indigenous Peoples Update—Lloyd Visser, VP Environment & SD
- Summary

Current State

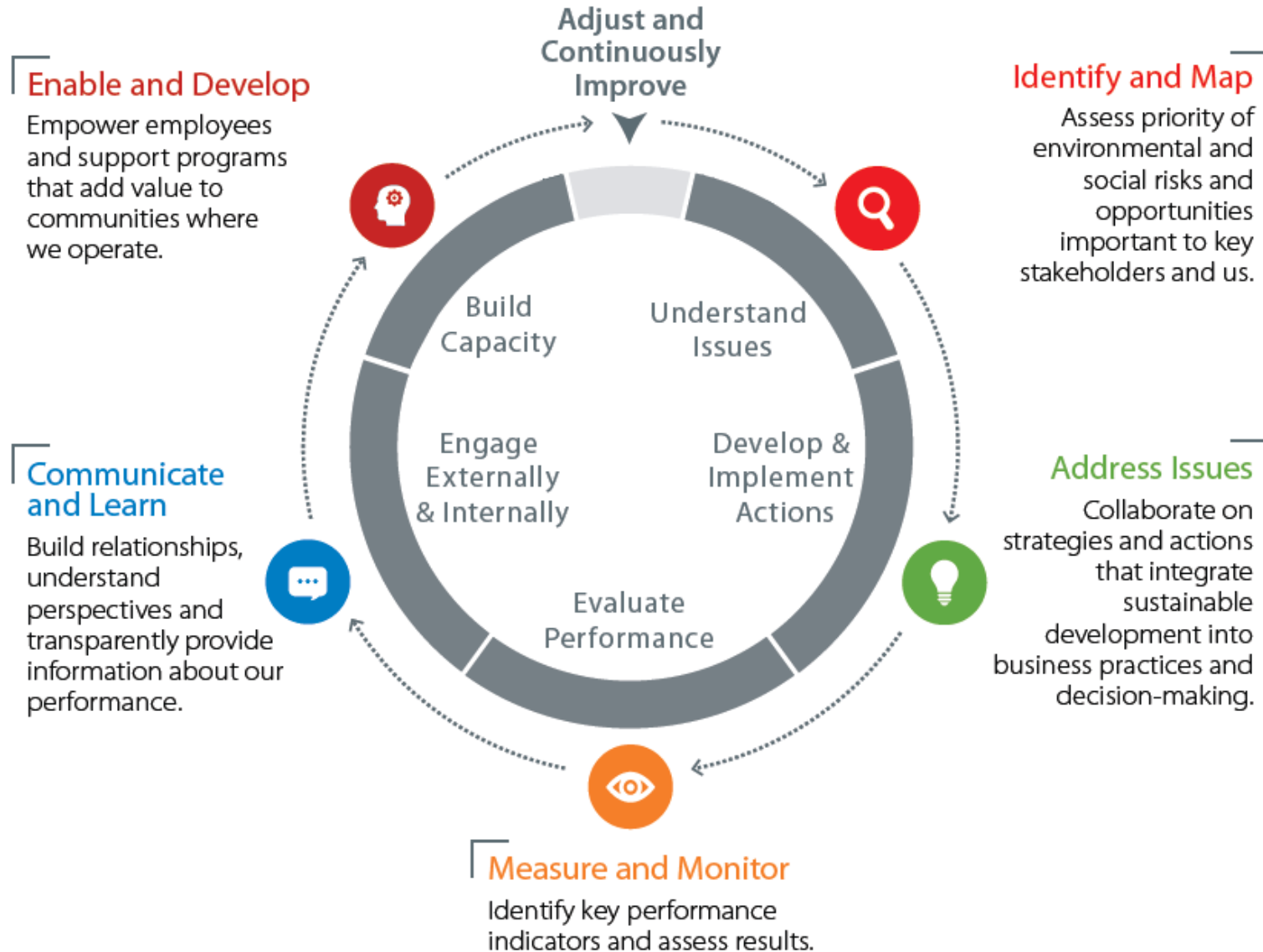
- Accountability & Performance
- ConocoPhillips delivering results during challenging times
- Sustainable Development is a priority for ConocoPhillips
- Continued engagement with stakeholders
- Downturn of oil and gas development impacts local communities

Sustainable Development Governance



<http://www.conocophillips.com/sustainable-development/our-approach/accountability-for-sustainability-issues/Pages/default.aspx>

Our Sustainability Approach



Stakeholder Engagement/Social Responsibility Action Plan

Progress*

Understanding Footprint	
Improve existing data and mapping of communities and other stakeholders	
Improve tracking and reporting of stakeholder engagement actions and related results	
Improve tracking and reporting of actions to manage human rights and related results	
Managing Operations and Projects	
Incorporate social and human rights issues and impacts in risk assessments and plans	
Focus social investment and local content plans for optimal community and business benefit	
Implement high quality community and stakeholder engagement plans	
Utilize SD and HSE tools to promote due diligence and social issues risk assessment	
Managing Risks and Opportunities	
Monitor activism and plan for selective NGO/SRI engagement	
Plan for emerging policy and regulatory developments	
Maintain and revise Business Unit Stakeholder and Social Issues Plans	
Plan for social issues risks in New Country Entry and New Ventures	
Engaging Externally	
Engage selectively with pre-identified SRIs and NGOs	
Engage with industry organizations on social issues work and guidance development	
Building Capacity	
Business units and functions share best practices through the Stakeholder Engagement Issues Working Group and Network of Excellence	
New company-wide guidance is available for Integrated Stakeholder Mapping and Planning, and training on human rights has been launched	

2016 Priorities

- Computer based human rights training

- BUs and functions to selectively complete

- Sustainable sourcing training and tools including labor standards

- Roll out to business units

- Human rights in Environmental/Social Impact Assessments
- Complaint/Grievance Mechanisms

- Develop guidance and roll out to businesses

* Progress on 2014-2016 multi-year action plan

Social Indicators Implementation- Human Rights & Indigenous Peoples

Human Rights and Indigenous Peoples	
Risk Assessment and Tracking	Number BUs, assets or projects that track human rights issues and how they are addressed in risk evaluation processes (may include risk registers, emerging issues processes, SD scorecard - updated within the last 3 years)
Communication & Training	Number of employees engaged in human rights trainings (human rights elements might include any of the following: indigenous peoples issues; cultural awareness; evaluating labor standards risks e.g. prohibition of child or labor and non-discrimination, rights to freedom of association & collective bargaining; risk of security & human rights violations)
Consultation & Engagement	Number of engagements or consultations with indigenous communities
Agreement	Number of agreements (specify written or other form) with indigenous communities
Relocation	Number of projects (if any) that involved government mandated or involuntary relocation and how these were managed

- *Business units have continued implementation and are compiling data*
- *Human rights training has been rolled out in Colombia consistent with new country entry process*
- *Other exploration and development activities have slowed*

Social Indicators Implementation- Supply Chain

Supply Chain	
Supplier Engagement	Number of suppliers that participated in workshops or other training
	Amount of training or direct assistance to local suppliers to help build their capacity to work with COP
Supplier Code of Conduct	Number/percentage of suppliers who acknowledge / demonstrate their Code of Conduct covers the elements of COP's Code of Business Ethics and Supplier Expectations
Supplier Inclusion	Details of spend and capacity building & engagement with diverse suppliers, local suppliers or indigenous owned supplier

- Company commitment to supplier inclusion
- L48- In 2014, U.S. Supplier Diversity program spend >\$800MM with minority and women owned suppliers & >\$300MM with small businesses
- Building capacity

➡ Australia

- [Fire With Fire](#) Video (5 minutes)

➡ Lower 48

➡ Alaska

➡ Colombia

➡ Canada

Australia BU East: Indigenous Content & Engagement Strategy

- Key elements:
 - Engaging with Traditional Owners
 - Identifying and realizing internal opportunities (employment, training & business)
 - Driving opportunities through the supply chain (employment, training & business)
 - Mentoring local Indigenous businesses
 - Cultural Awareness training (internal) – starting in 2016
- Support by NANA Australia
- Long-term, sustainable focus. Employment, training & business opportunities follow a staged approach:



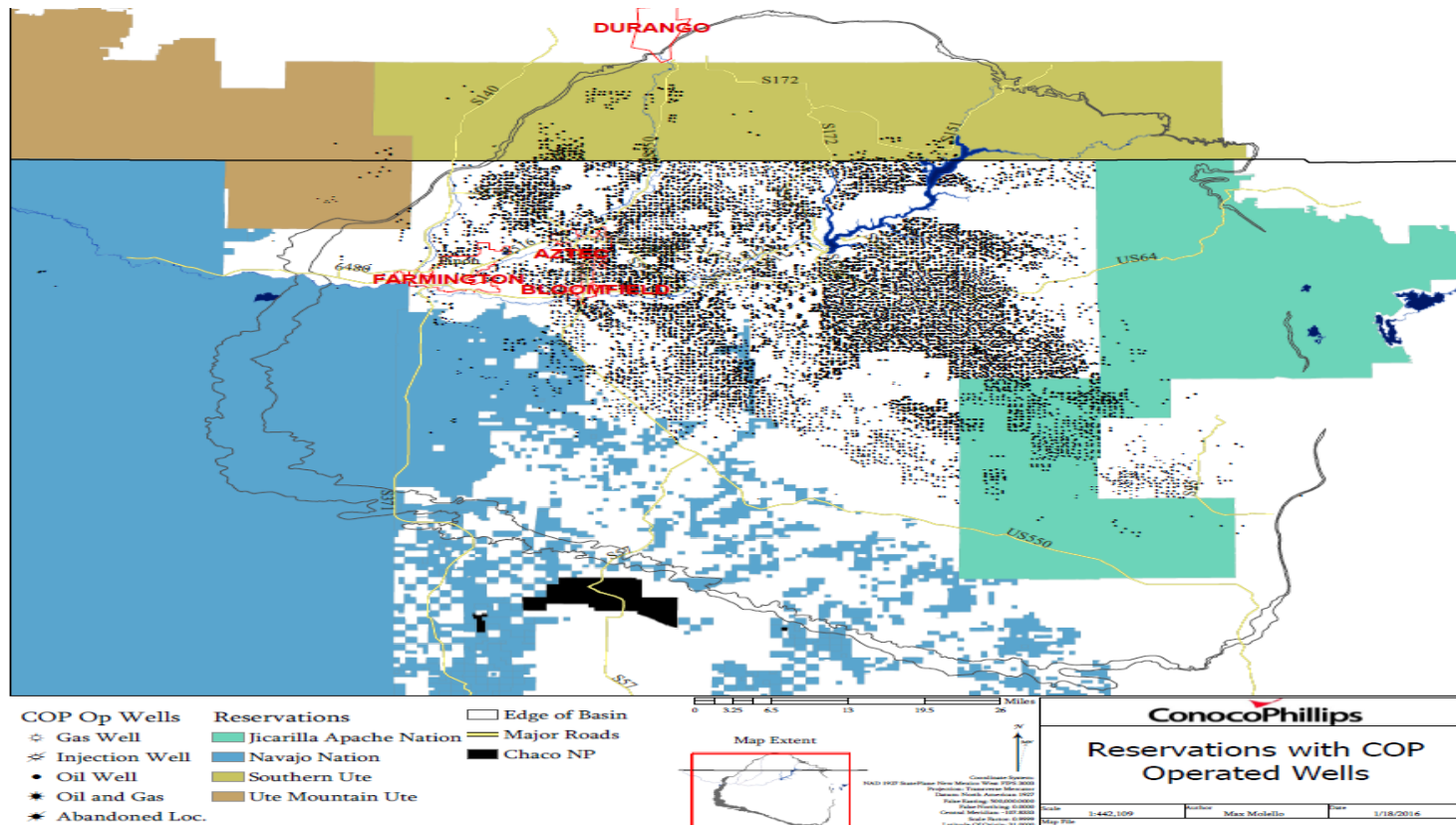
Australia BU East: Indigenous Content & Engagement Strategy

- Early results include:
 - Start-up of a 100% indigenous-owned business, employing 14 local indigenous people serving CoP and other local suppliers
 - 16 contracts and sub-contracts to Indigenous businesses
 - 25 new jobs for indigenous workers, through the supply chain
 - 11 new Indigenous trainee roles, including a warehouse traineeship program developed by CoP
- Comprehensive tracking of commitments and outcomes, over the long term
- Strong collaboration within CoP (supply chain, external affairs, operations, management, engineering, HSE, HR functions), as well as suppliers and contractors



Lower 48 Indigenous Peoples Update

- ▶ <5% of active wells on tribal lands, nearly all in San Juan
 - San Juan: Standing engagement with Jicarilla Apache (662), Southern Ute (320), and Navajo Nation (226)*
- ▶ Included in annual review of asset Stakeholder Engagement Plans

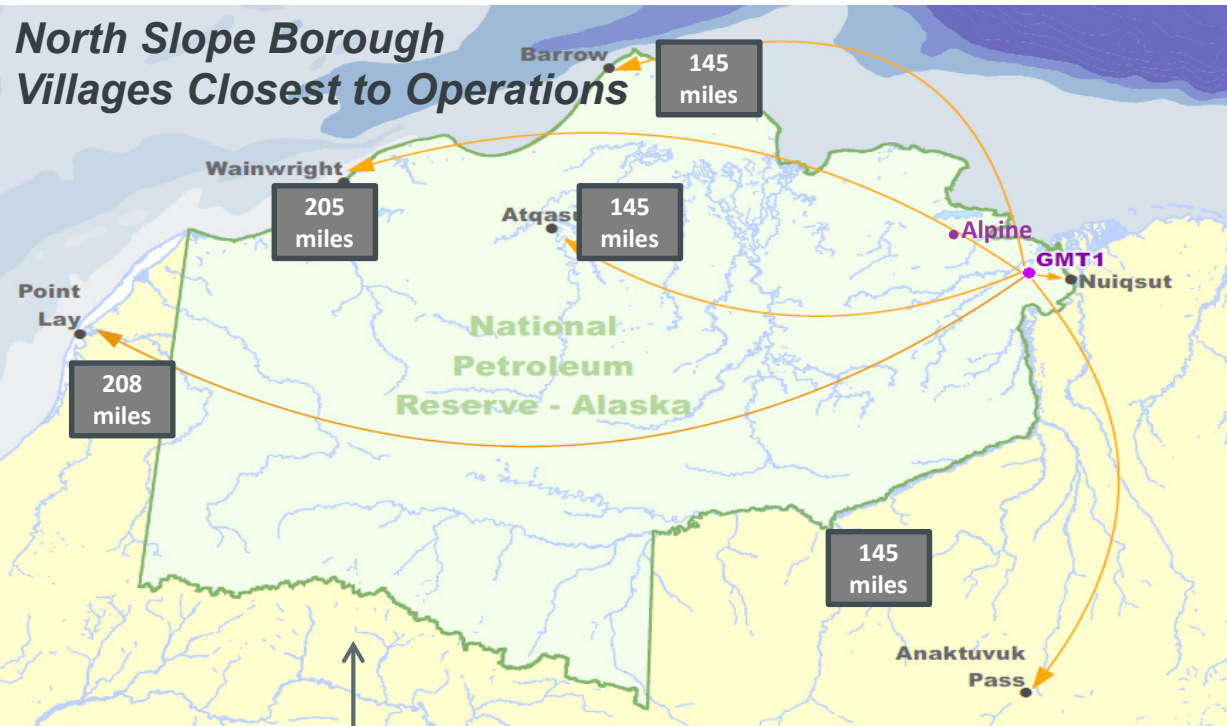


* Number of wells out of 10,000 in San Juan



Alaska Update - Alpine Stakeholder Engagement

North Slope Borough Villages Closest to Operations



Nuiqsut

Village of Nuiqsut - 7 miles from Alpine

- Subsistence Community
- ~450 residents, 98% Alaska Native
- Alpine provides natural gas to Nuiqsut

Alpine Oilfield

- Part of North Slope Borough - Local government formed by indigenous residents (Population ~8,000 in 8 villages)

Only North Slope Oil Field on Alaska Native Owned Land

- Significant contracts with Alaska Native Corporation owned companies (ASRC Energy Services for Operations and Maintenance support largest contract in company)



Nuiqsut and Alpine Engagement

Communication

- Over 40 engagements with North Slope Inupiat villages per year
- Employment of subsistence representatives
- Newsletter and use of local social media

Local Employment and Training

- Career Quest Program
- Internships
- Scholarships funded jointly with Kuukpik Corporation
- Seasonal employment opportunities to fit subsistence lifestyle

Community Investment

- Emergency response
- Village projects



Alaska Social Indicators—Human Rights and Indigenous Peoples

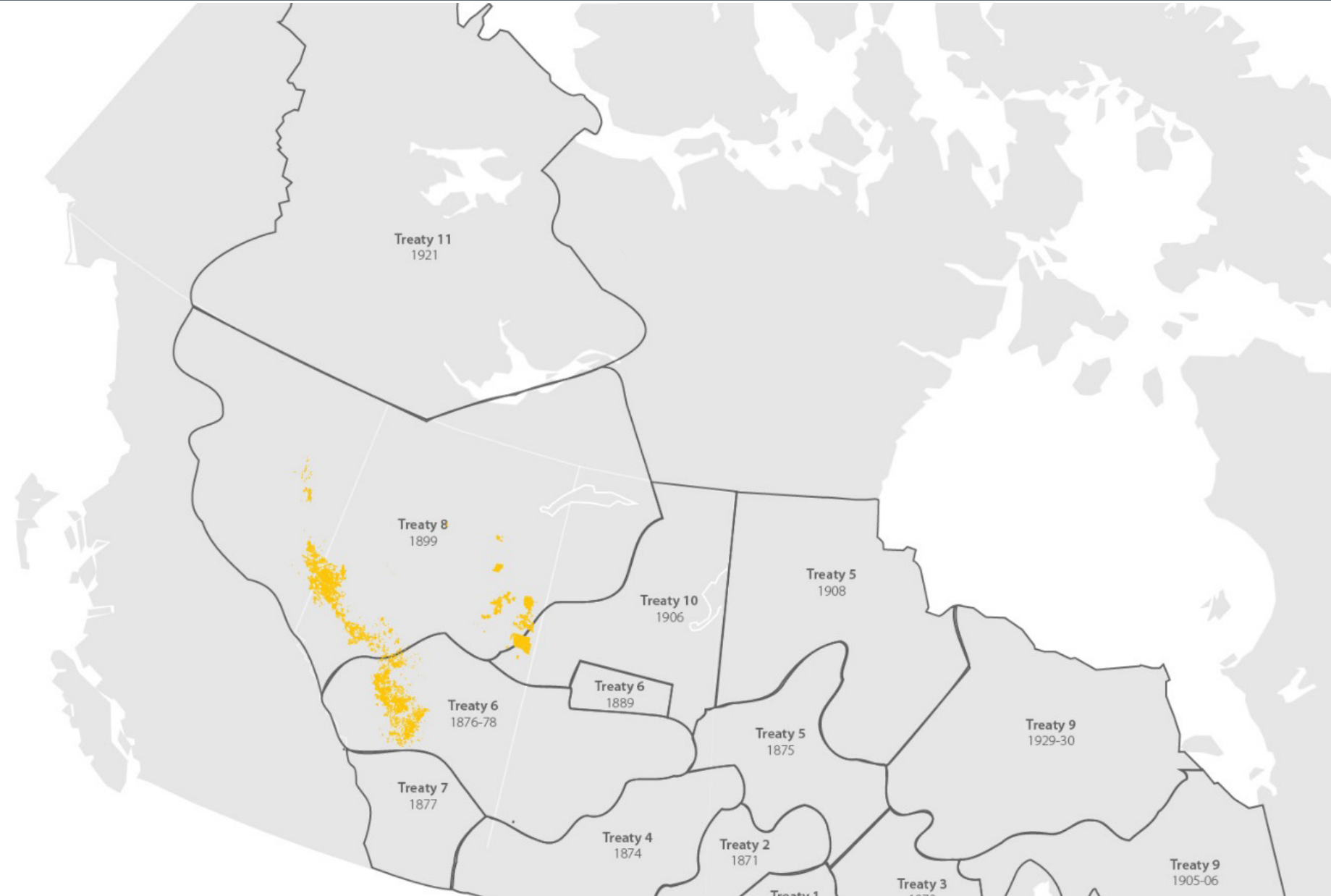
Human Rights and Indigenous Peoples	
Risk Assessment and Tracking	<ul style="list-style-type: none">Scorecard and tracking done for <u>5</u> major projects in Alaska in past 3 yrs.
Communication & Training	<ul style="list-style-type: none">Cultural awareness is part of New Employee OrientationWorking with local indigenous communities we have a high school Career Quest program, scholarships program, internships, ANSEP college interns, and support Ilisagvik (tribal college in Barrow)
Consultation & Engagement	<ul style="list-style-type: none">Over 40 consultation and engagement activities with Alaska native communities each year
Agreement	<ul style="list-style-type: none">Surface use agreement with the local village corporation in Nuiqsut for the Alpine Field which includes community benefits such as providing natural gas to the village.Numerous contracts with companies owned by Alaska Native Corporations
Relocation	<ul style="list-style-type: none">No project in Alaska required government mandated relocation.

Colombia Engagement Update

- ▶ Extractive Industries Transparency Initiative (EITI)- Candidate country
- ▶ Voluntary Principles on Security and Human Rights- Member country
 - COP member company
 - Human rights and SD training for workforce
- ▶ Community Engagement per regulatory socialization requirements



Aboriginal Rights



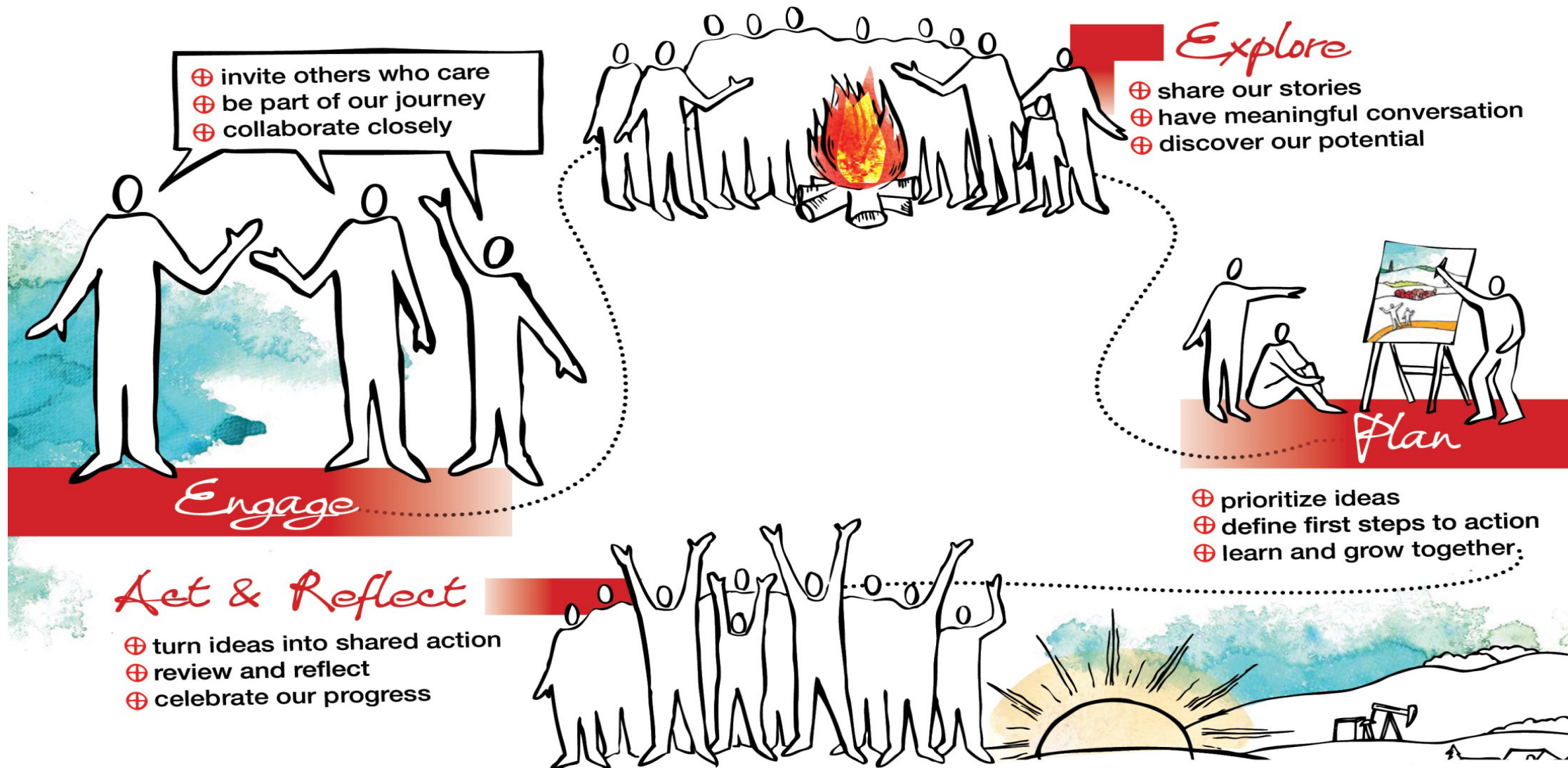
- **Changing context**
 - New governments at Federal and Alberta level
 - “Nation to Nation” relationship with Canada’s Indigenous Peoples
 - United Nations Declaration on the Rights of Indigenous Peoples
 - Truth and Reconciliation Report released in 2015
 - Cumulative effects on environment and culture
 - Economic challenges

ConocoPhillips Canada's Approach to Aboriginal Engagement

- **Engagement practice alignment**
 - COP & CPC principles & policies
 - Respect the unique history, culture and rights of Indigenous peoples
 - Supports process to reconcile the interests of Indigenous peoples in resource development
- **Engagement Practice Guided by:**
 - Dedicated resources and expertise to facilitate engagement
 - Community Framework and Values and Interest Approach (VIA)

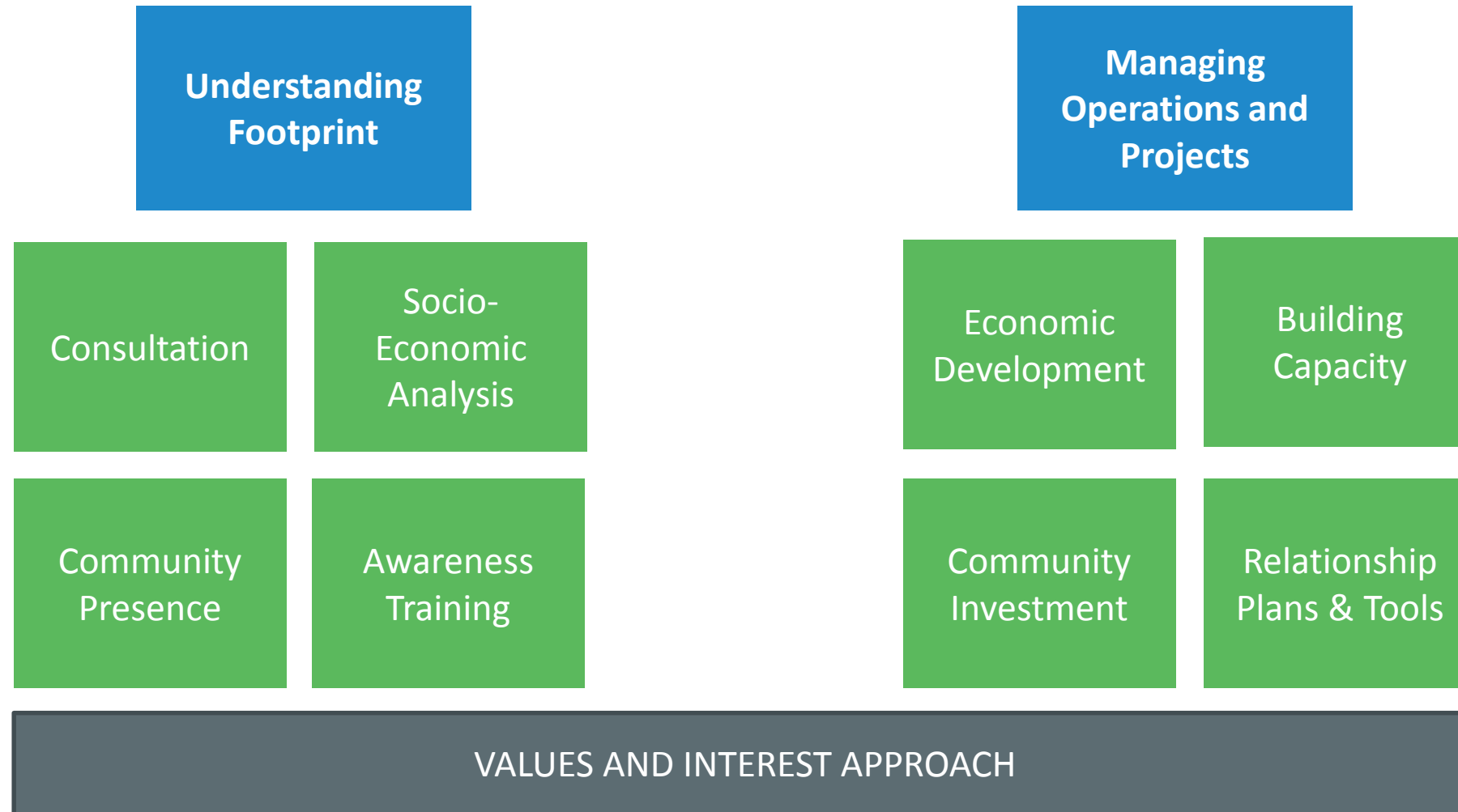


Values and Interest Approach



Stakeholder Engagement in Action

- **ConocoPhillips Canada (COPC) Stakeholder Engagement Action Plan Elements**



Key Social Indicators

Relationships

- # of community agreements
- # of consultation meetings
- # of community events
- Quality of Relationship

Economic Development

- # of Aboriginal contractors
- \$ value of Aboriginal contracts
- # of Aboriginal employees

Capacity Building

- # Trainee programs sponsored
- # of participants
- % of CPC employees who took awareness training

Community Investment

- Total Aboriginal Community Investment Spend



Employee Awareness and Understanding



Level 1

- All employees
- Web-based video series (7 x 10 min)



Level 2

- Employees who deal with indigenous affairs
- 1 day classroom
- Aboriginal led



Level 3

- Cultural Immersion
- Front-line and leadership
- 3 day immersion camp

Summary: COP Accomplishments and Priorities

► Accomplishments for 2015

- Business units continued to progress action plans
- Implemented stakeholder engagement guidance document
- Launched Human Rights training

► Priorities for 2016

- Update Stakeholder Engagement and Social Responsibility Action Plan and social indicators
- Broaden Human Rights training
- Roll-out stakeholder engagement training
- Reunite practitioners worldwide following business changes