



## **Stakeholder Engagement Procedure**

April 2020

## Table of Contents

<b>1. PROJECT FEASIBILITY</b>	<b>1-1</b>
1.1 STAKEHOLDER IDENTIFICATION	1-1
<b>2. ES IMPACT ASSESSMENT STUDY AND ENGINEERING PREPARATION</b>	<b>2-1</b>
2.1 STAKEHOLDER ANALYSIS AND ENGAGEMENT	2-1
<b>3. OPERATION</b>	<b>3-1</b>
3.1 STAKEHOLDER ENGAGEMENT	3-1
<b>4. APPENDIX</b>	<b>4-1</b>
4.1 ESMS DOCUMENT INDEX	4-1
4.2 STAKEHOLDER MAPPING TOOL / ENGAGEMENT PLAN	4-3

# 1. PROJECT FEASIBILITY

## 1.1 STAKEHOLDER IDENTIFICATION

### *Intent*

To identify all relevant stakeholders within the project scope in order to understand and reflect their interests as input for feasibility analysis.

### *Requirements*

1. Identify and list all potential stakeholder directly influencing or affected by the project development in terms of permitting and accepting the project.  
  
Stakeholders may include those who are able to impact or influence the commencement of the project or stakeholder whom are directly affected by the project whether it is by the land acquisition, effects of the change in environment or socio-economic effects throughout the supply chain.
2. Prioritize the identified stakeholders according to their level of interest and involvement in the project (i.e. stakeholder mapping process). A rating scale, influence diagram, or a chart form to identify the level of power, influence, interest, or impact can be considered for use.
3. Establish a stakeholder engagement plan with associated strategies, this may include: to satisfy, to collaborate, to observe or to communicate. Critical concerns raised by key stakeholders should be satisfied prior further project development.
4. Ensure that results from stakeholder analysis are integrated within the project feasibility study and any other relevant decision-making process.

### *Relevant Document*

- Tool - Stakeholder Analysis and Engagement

## 2. ES IMPACT ASSESSMENT STUDY AND ENGINEERING PREPARATION

### 2.1 STAKEHOLDER ANALYSIS AND ENGAGEMENT

#### *Intent*

To establish a systematic process which allows EGCO to set the direction for efficient stakeholder management, risk and reputation management and transparent stakeholder engagement. Stakeholder Engagement activities associated with a project should continue as Community Engagement through project operation and asset retirement.

#### *Requirements*

1. Identify all potential stakeholders and stakeholder groups in project development area, stakeholder identification process conducted in during the feasibility study can be used as initial input.
2. Prioritize each stakeholder based on their potential influence and impacts on project. Factors to be considered include, but not limited to, followings:
  - Stakeholder that would have the most impact to business operation during preliminary evaluation;
  - Stakeholders whom would be affected environmentally and/ or socially due to operations;
  - Preliminary methods in providing remedies for stakeholders potentially affected; and
  - Stages in the project life-cycle in which would cause impacts on stakeholders;
3. Establish a stakeholder engagement plan taking into account stakeholder engagement risks (i.e. disruptive stakeholders, participation fatigue, capacity of stakeholders) , the level of which is based on the complexity of the project, potential ES impacts, proximity to local communities and prioritization of stakeholders. Objectives of engagement at this stage include:
  - Enable the company to identify significant issues and correctly assess their relative importance
  - Build a sense of support for impact assessment findings and minimize later disputes or disagreements
  - Help identify potential partners (for example, NGOs, academic researchers or government agencies) who may assist in designing and implementing mitigation strategies
  - Lay the groundwork for long-term harmonious relationships with neighbours and other key stakeholders
4. Implement 2-way stakeholder engagement which include
  - Provide affected communities and other stakeholders with access to relevant information
  - Enable affected communities and other stakeholders to express their views on operational and project risks, impacts and mitigation measures

- Reporting to affected communities and other stakeholders as early as possible in project planning regarding project decision which might impact them such as relocation, displacement.
- 5. Establish a grievance mechanism allowing project developers to receive affected communities and other stakeholder's concerns and address issues in a timely manner. Provide feedback to stakeholders to ensure that their concerns were addressed.
- 6. Designate responsible team (e.g. community relations) to implement the stakeholder engagement plan.
- 7. Monitor and track progress of the stakeholder engagement program implementation and perception towards project. In the event that plans are deviated or occurrence of changes, stakeholder analysis and engagement plan shall be reviewed and updated to ensure that the objectives are met.
- 8. Disseminate expectations and needs from conducting the stakeholder engagement to relevant functions.
- 9. Incorporate the views of affected communities and stakeholders into project decision-making and operational planning.

#### *Relevant Document*

- Tool - Stakeholder Analysis and Engagement

### 3. OPERATION

#### 3.1 STAKEHOLDER ENGAGEMENT

##### *Intent*

To identify and prioritize all stakeholders or interest parties whom affects or are affected by EGCO's activities and operation based on the level of interest and ability to influence environmental and social matters.

##### *Requirements*

1. Identify potential external stakeholders whom has interest in EGCO's business operation, environmental and social performance or has the ability to influence the performance. This may include stakeholders such as workers, business partners, governmental authority, industrial associations, customers, financial lenders, non-governmental organizations.
2. Develop a stakeholder analysis procedure in order to formally engage with relevant stakeholders to achieve their support on the operation and activities conducted. This shall specify the frequency and method of engagement, media and contact persons.
3. Communicate to stakeholders' availability of methods to provide constructive dialogue on environmental and social issues/ performance or concerns through the grievance mechanism.
4. Record information disclosed to stakeholders, from stakeholder engagements sessions and inputs provided by stakeholder.
5. Review stakeholder database consisting of stakeholder detail and stakeholder analysis procedure, at least once a year to ensure relevancy.
6. For employees and contractor, engagement plan shall include participation and consultation for management system improvement

##### *Relevant Documents*

- Tool - Stakeholder Analysis & Engagement

## 4. APPENDIX

### 4.1 ESMS DOCUMENT INDEX

ESMS Element	Procedure	Tool
<b>4.1 Project Feasibility</b>		
<i><b>Greren Field Development</b></i>		
4.1.1 ES Risk Screening	-	ES Risk Screening
4.1.2 Stakeholder Identification	Stakeholder Analysis and Engagement	Stakeholder Mapping Tool Engagement Plan Template
4.1.3 ES Obligations and Permit	-	-
<i><b>Brown Field Development</b></i>		
4.1.4 ES Due Diligence	ES Due Diligence	ES Due Diligence
4.1.5 Post Merger and Acquisition	-	-
<b>4.2 ES Impact Assessment And Engineering Preparation</b>		
4.2.1 ES Implace Studies and Management Plans	ES Impact Assessment Study	Outline of Impact Assessment
4.2.2 Bidodiversity Action Plan Development		-
4.2.3 Resettlement Plan Development		Outline of Resettlement Plan
4.2.4 Indigenous People Plan Development		Outline of Indigenous People Plan
4.2.5 Design	-	-
4.2.6 Stakeholder Analysis and Engagement	Stakeholder Analysis and Engagement	Stakeholder Mapping Tool Engagement Plan Template
4.2.7 EPC Bidding (TOR) & Contracting	-	Contract terms – EHS Management Section
<b>4.3 CONSTRUCTION</b>		
4.3.1 Site Preparation	-	-
4.3.2 Induction	-	-
4.3.3 Execution (Construction and Installation)	- Supplier Code of Conduct - ES Management for Construction	Inspection Checklists
4.3.4 Testing & Commissioing	-	-
4.3.5 Operation and Maintenance Manual Development and Training	-	-

ESMS Element	Procedure	Tools
<b>4.4 OPERATION</b>		
<b>Planning</b>		
4.4.1 Management Leadership and Commitment	-	-
4.4.2 Risk Assessment	ES Risk Assessment	ES Risk Assessment Template
4.4.3 Management of Change	Management of Change	Change Management Request Form
4.4.4 Requirement and Compliance	-	-
4.4.5 Goals and Improvement Plan	-	ES Goals and Action Plan Template
4.4.6 Stakeholder Engagement	Stakeholder Analysis and Engagement	Stakeholder Mapping Tool Engagement Plan Template
<b>Implementation</b>		
4.4.7 Competency, Training and Awareness	-	Training Needs Matrix
4.4.8 Contractors and Suppliers Management	Supplier Code of Conduct	-
4.4.9 Operational Controls	-	-
4.4.10 Emergency Preparedness and Response	Emergency Preparedness and Response	-
4.4.11 Communication and Grievance Mechanism	Grievance Management	Grievance Form
4.4.12 Incident Management	Incident Reporting and Investigation	Incident Investigation Form
<b>Evaluation</b>		
4.4.13 Monitoring and Reporting	-	ES Performance Indicators Template
4.4.14 Assessment and Verification	Internal and External Audit	Compliance Audit Protocol
<b>Improvement</b>		
4.4.15 Handling of Non-conformities	Handling of Non-conformities	Corrective Action Request Form
4.4.16 Management Review	-	-
<b>4.5 ASSET RETIREMENT</b>		



## 4.2 STAKEHOLDER MAPPING TOOL / ENGAGEMENT PLAN



# Stakeholder Analysis Tool

**Objectives:** To determine concerns of key stakeholders who have an ability to impact to and interests in the project/operation.

To analyse and prioritise the identified stakeholders in order to further define appropriate engagement plan.



*Tips: "Stakeholder" is any group, individual or organisation which:*

- are directly and/or indirectly affected by the project/operation (or the company's operations)
- have "interests" in the project/operation or parent company that determine them as stakeholders
- have the potential to influence project/operation outcomes or company operations

**Scope:** Feasibility, All Operation



*To be used in opportunity assessment phase for newly developed project/operations to identify potential key stakeholders that might cause impact to the development of project/operation and their concerns. This will be considered as a factor in decision making process.*

*To be used in project/operation development phase and construction & operation phase, in*

### Guidance for identifying stakeholders

- 1) Click the sheet "**Stakeholder Analysis**"
- 2) Establish stakeholder engagement objectives to support business objectives and needs. The phase of project/operation and social context will indicate more specific issues such as land acquisition, relocation, and managing environmental, social and health concerns.

### Examples of objectives of engagement

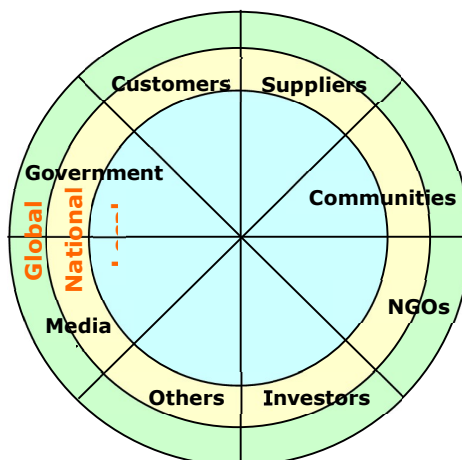
- Develop and foster ongoing positive relationships between EGCO and their stakeholders, particularly those directly affected by our activities. Such relationships may enhance opportunities that arise from the project for stakeholders;
- Provide stakeholders with project information at appropriate times and in accessible forms;
- Communicate planned project phases, developments and changes to all stakeholders in good time (e.g. opening of new operations, closure of operations);
- Involve stakeholders in project decision-making that shall affect/influence their lives, particularly in relation to resettlement and rehabilitation;
- Enhance stakeholders' capacity to identify unanticipated projects impacts, and to be able to communicate these to government such that they can be resolved;
- Assist affected people in adapting to the social and economic changes brought about by the project through information and participation;
- Ensure that stakeholders can report concerns and grievances easily and that EGCO respond promptly;
- Monitor the effectiveness of stakeholder engagement and refine strategies as required; and
- Set targets for continual improvement through identifying key performance indicators that seek to develop partnerships with stakeholders, where possible.

3) Identify all stakeholders (include individual/group/organisation) who have ability to impact and/or who are likely to have interests in the project/operation into **Column B** and their identification numbers into **Column A** for reference. Use the following questions for identification of stakeholders:

- Who is influential in the project/operation area, community and/ or organisation?
- Who will be affected by the project/operation (individuals/ organisation)?
- Who might have relevant interests in the project/operation?
- Who can obstruct a project/operation development if not engaged?
- Who has been involved in protesting or going against the project/operation development in the past?
- Who has not been involved but should have been?

**Tips:** Stakeholder should be identified the most specific as possible and not too broad e.g. identify "TV Channel A" instead of a group of stakeholder "Media". Stakeholders should be applicable to plant/ project level hence, are different stakeholders to corporate level.

The following chart, indicating group of stakeholders in different sectors, should be used as guidance in this process to prevent overlooking of some stakeholders.



4) Determine concerns/ issues that may be associated with the identified stakeholder into **Column C**. Identification of the concerns/ issues may gain from:

- Knowledge of the in-charge personnel of the project/operation team;
- Knowledge of the people who are familiar with local situations; and/ or
- Survey or interview with those identified stakeholders.

**Tips:** Refer to Sheet "Example of Issues"

#### Guidance for prioritizing stakeholders

5) Prioritize stakeholders based on level of their influence to the project/operation and level of interest.

- Level of influence to the project/operation (4 – extreme, 3-high, 2-medium, 1-low) is assessed by considering the following factors: Authority, Urgency, Legitimacy, and Proximity.
- Level of interest (4 – extreme, 3-high, 2-medium, 1-low) is assessed by considering the following factors: Likelihood, Vulnerability, Duration, and Scale. This aspect may

be considered both in terms of Importance of Stakeholder to the project/operation and Importance of the project/operation to the Stakeholder & Stakeholder Expectations.

6) Stance refers to the position/ point of view that a stakeholder takes towards the project/operation. Stakeholder groups are ranked as have a Positive (+), Neutral (0) or Negative (-) stance.

7) Differentiate stakeholders by using the Influence /Impact Grid (from high to low score) in order to determine appropriate communication channels.

**Tips:** The stakeholders located in the upper-right corner of the chart is the high priority stakeholders whereas the stakeholders located in the lower-left corner is the low priority stakeholders.

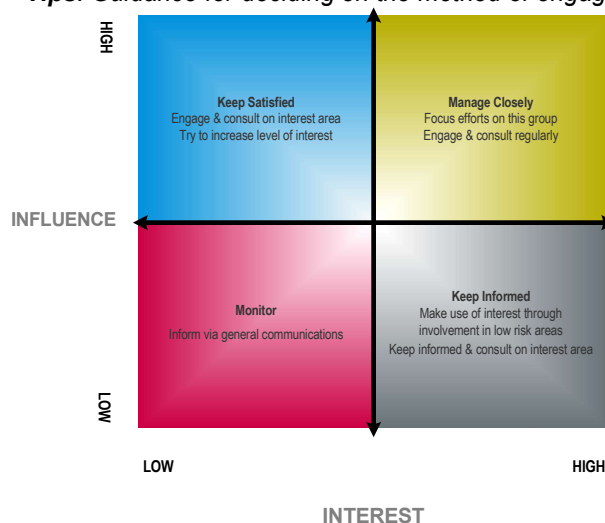
8) Click the Sheet "**Stakeholder Map**".

**Tips:** Stakeholders are auto-plotted onto the stakeholder map.

### Guidance for deciding on the method of engagement

9) Stakeholder Analysis and Map and are to be used in development of Stakeholder Engagement Plan.

**Tips:** Guidance for deciding on the method of engagement



10) Click the sheet "**Engagement Strategy**"

Develop stakeholder engagement approach/technique based on the results of stakeholder analysis (taking into account priorities of the stakeholder). Stakeholder engagement can be divided into three main strategies.

1) **Proactive Engagement** - in which EGCO go out to stakeholders to elicit their involvement and to share information in order to address issues that may be of concern prior to their arising. This process is ongoing. Proactive engagement forms a key component of this Stakeholder Engagement Strategy.

2) **Mitigation Measures** - reactive, responding to concerns or grievances raised by stakeholders in a coherent and predetermined manner. This approach is facilitated through the establishment of a Grievance Resolution Procedure

3) **Social Investment Program** - using Social Investment Program as an enabler to the Stakeholder Engagement Plan.

### ***Guidance for ensuring the stakeholders have sufficient capacity to engage***

11) Assess capacity for Social Investment Program implementation and any time or budget constraints.

**Tips:** During engagement some stakeholders find it difficult to articulate needs. Hence, extra effort should be made to contact groups (women for example) whose needs may be less likely to be voiced by the majority, using specialists experienced in obtaining this type of information.

**Tips:** It is important to assess the capacity of internal capacity and potential project partners and to understand their strengths, weaknesses and capabilities. Often project fails as there is not enough internal resources to implement the project; or after the Company exits, as the communities do not have the knowledge and capability to maintain the project on their own.

### ***Guidance for handling Stakeholder Engagement risks***

12) Assess potential engagement risks such as.

- Stakeholders are not obliged to co-operate
- Stakeholders can be acting out of self interest
- They are giving their time and therefore determine how long they wish to spend in consultation
- They have the right to confidentiality
- They have a right to receive information in return
- Need to clearly set out the use of information and commitment to acting on results

### ***Guidance for communicating the results of your Stakeholder Engagement***

13) Monitor the engagement level of their stakeholders against established milestones by developing a set of indicators which shall include at least the following items (but not limited to):

- Number of communications
- Type of communications
- Frequency of communications
- Number of complaints
- Type of complaints
- Sources of complaints
- Number of resolved complaints
- Average time for resolution of complaints
- Number of mass media articles and/or announcements
- Number of stakeholders involved per action/program
- Number of trainings and workshops
- Number of visitors on the websites
- Number of requests for information via websites.

14) Review and update Stakeholder Engagement Plan on an annual basis. Any additional stakeholders identified during the period of the Project/ Operation shall be added to the database and communicated with through the appropriate methods.

### ***Guidance for stakeholder engagement review***

15) Compile lesson learned and identified good practices in order to apply for future cases and business plan. Communicate and record good practices to Group Level.

***Tips:***

- Integrate knowledge and lesson learned sharing into monthly CSR function meeting at all level to identify good practice.
- Standardized debriefing process: Ensure at the close of all CSR projects a lesson learnt session is undertaken.
- Internal conference where local plant managers meet and share best practices:
  - Record conclusion and share with other colleagues and managers
- Training modules
  - Identify key relevant seminars and training sessions for CSR personnel to attend
  - Encourage employees to research up-to-date thinking and the issues of new standards and best practice materials
  - Sign up to online CSR communities to hear current thinking and initiatives
  - Partner with innovate CSR organisations to develop new ideas.
  - Provide incentives to CSR employees to 'think outside the box' when designing new CSR activities
- Dedicated interactive intranet site: store in a place where it is utilized and accessible
- Road shows to local operating units to share best practices from other operating units



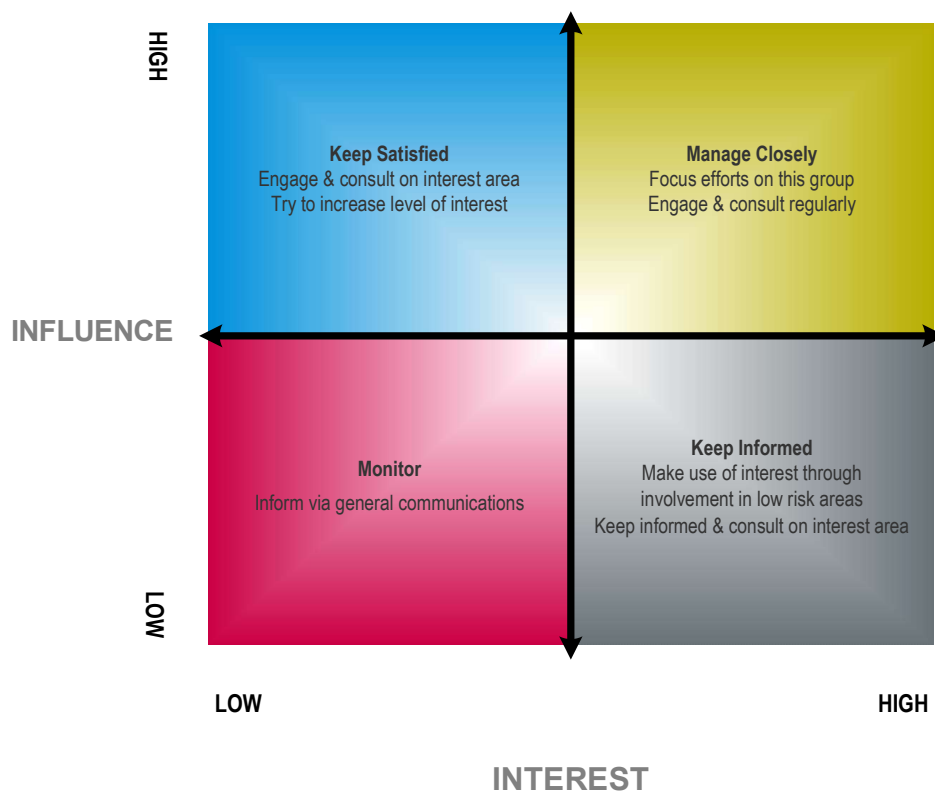
## Stakeholders Analysis

Engagement Objectives

ID	Stakeholders	Issues	Level of interest of stakeholders (X)	Level of influence (Y)	Stance of Stakeholder / Relationship/ position towards project	Priority
			(4 – extreme, 3-high, 2-medium, 1-low)		Positive (+), Neutral (0) or Negative (-) stance.	(Influence x Interest)
S01			3	3		
S02			2	1		
S03			1	1		
S04			1	2		
S05			1	1		
S06			1	1		
S07			1	1		
S08			1	1		
S09			1	1		
S10			1	1		
S11			1	1		
S12			1	1		
S13			1	1		
S14			1	1		
S15			1	1		
S16			1	1		
S17			1	1		
S18			1	1		
S19			1	1		
S20			1	1		
S21			1	1		
S22			1	1		
S23			1	1		
S24			1	1		
S25			1	1		
S26			1	1		
S27			1	1		
S28			1	1		
S29			1	1		
S30			0	0		



## Stakeholder Map





## Engagement Strategy

ID	Stakeholder	Issue	Objectives of Engagement	Method of Engagement	Measuring & Reporting	Responsible Person L: Lead S: Support
				<ul style="list-style-type: none"> <li>- Engagement and communication schedule linked to business activities.</li> <li>- Alignment with the social investment and community development.</li> <li>- Where applicable, the Stakeholder Engagement plan may be linked with EIA, SIA plans, advocacy and communications plans.</li> <li>- Part of engagement should ensure stakeholders have sufficient capacity to engage. (e.g. capacity building measures)</li> <li>- Consider Stakeholder Engagement risks (e.g. disruptive stakeholders, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>- Describe any plans to involve stakeholders (including affected communities) or third-party in the monitoring of project impacts and mitigation programs.</li> <li>- Describe how and when the results of stakeholder engagement activities will be communicated back to affected stakeholders as well as broader stakeholder groups?</li> <li>- KPIs</li> </ul>	Roles and responsibilities, including those of management and executives across functions, for engagement activities.





Environmental and Social  
Management System Manual

---