

Background

The Business & Human Rights Resource Centre requested that BG Group answer a few questions about its investment in Myanmar as part of their Myanmar Foreign Investment Tracking Project.

The project provides companies the opportunity to share information about their efforts to respect and advance human rights in Myanmar. They hope to be able to highlight good practices, as well as promote informed and constructive dialogue with local groups, who have conveyed a need for better access to information about foreign companies investing in their country. Further information about the project is available [here](#).

The Business & Human Rights Resource Centre (BHRRC) is an independent global non-profit organization that promotes greater awareness and informed discussion about human rights issues relating to business. They learned about BG Group's entry to Myanmar through publicly available information and have included BG Group in their public database of foreign investors, which is constantly updated.

BHRRC's questions, as well as BG Group's response is below. BG Group's answers will be added to the Myanmar Foreign Investment Tracking Project database.

Questions & answers

1. Does your company have investments or operations in Myanmar or is it seriously considering investing or operating there? If so, please provide information on the nature of these investments, and which geographic areas and communities they will affect.

In 2014, BG Group was awarded four blocks of frontier acreage in Myanmar.

Upstream: E&P

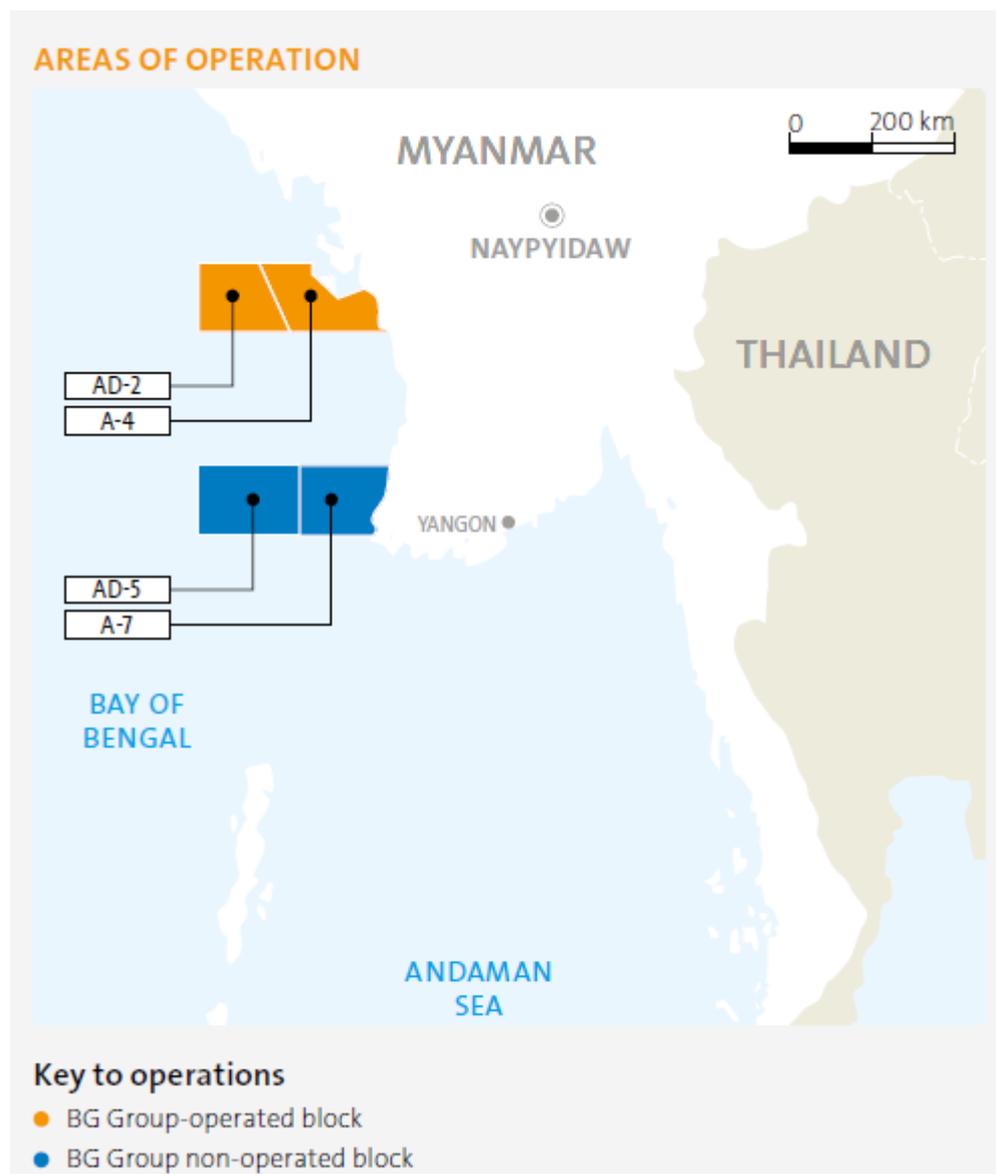
In March 2014, BG Group was awarded, subject to finalisation of the Production Sharing Contracts, exploration acreage in the Bay of Bengal, offshore western Myanmar, as part of the government's 2013 offshore bid round. Total gross acreage awarded to BG Group and partners was more than 34 350 square kilometres in water depths of up to 2 600 metres.

The Group was awarded four blocks:

- AD-2 with 55% equity and operatorship (Woodside Energy 45%);
- A-4 with 45% equity and operatorship (Woodside Energy 45%, Myanmar Petroleum Exploration and Production (MPEP) 10%);
- AD-5 with 45% equity (Woodside Energy 55% and operator); and
- A-7 with 45% equity (Woodside Energy 45% and operator, MPEP 10%).

BG Group and its partners have committed to a 3D seismic acquisition programme in each block, which is expected to begin in 2015 following an Environmental and Social Impact Assessment, with plans beyond that for exploration drilling.

As the planned data acquisition program will be acquired in an area of interest lying at least ~50 km from the mainland, it appears unlikely, from our initial engagement that local fishing communities in Rakhine State will be directly impacted. An Environmental and Social Impact Assessment (ESIA) will be completed prior to the commencement of any operational work. The ESIA will assess and ground-test these assumptions and describe in further detail the nature of local fishing activities and any potential impact our activity might have.



2. Do you have policies and procedures in place to prevent your business activities or investment from contributing to human rights abuse and social conflict in Myanmar (including, for example, human rights due diligence measures)? Please specify whether these policies and procedures apply to your company in general, or specifically to your Myanmar investment. If you have human rights policies and procedures regarding investing or operating in Myanmar, are you willing to share them for posting on our website? If so, please send them as a Word or PDF file, or, if available, as a hyperlink.

BG Group's commitment to human rights is outlined in our [Business Principles](#) and [Human Rights Policy](#). BG Group is also a longstanding member of the Voluntary Principles on Security and Human Rights.

We take a cross functional approach to implementing our Human Rights Policy, in recognition of the cross cutting nature of human rights risks and the fact that these are adequately dealt with through our existing internal control framework and standards. Specifically BG Group's existing functional standards and controls related to Human Resources, Contracts and Procurement, Security, Ethical Conduct, Environment, Safety, Occupational Health and Social Performance are used to manage and

Business and Human Rights Resource Centre
Request for information on for Myanmar Foreign Investment Tracking Project
December 2014

identify human rights risks over and above the other requirements they are designed to address. BG has in place a Human Rights taskforce, made up of senior representatives from the relevant functions listed above, who meet twice yearly to provide active due diligence and assurance that potential human rights risks, impacts and incidents are systematically identified, documented and addressed through internal controls. Relevant functions submit twice-yearly reports tracking compliance with the Human Rights Policy and detailing both key risks and any reported human rights incidents relating to their function, allowing us to demonstrate our integrated, cross-functional approach to human rights due diligence.

Specifically to Myanmar, BG commissioned a third-party human rights impact assessment prior to undertaking any type of activity in Myanmar, to develop a broad understanding of human rights risks in Myanmar and how these risks could play out in the context of an offshore oil and gas development. BG concluded that an enhanced process of human rights due diligence, including the application of the Voluntary Principles on Security and Human Rights, would be needed to manage human rights risks.

BG Group has also been engaging with the Institute for Human Rights and Business (IHRB) and the Myanmar Centre for Responsible Business (MCRB), who have conducted Sector Wide Impact Assessment (SWIA) of the oil & gas industry in Myanmar. We provided input into the SWIA, shared the findings of our initial human rights assessment work to inform the SWIA and participated in a number of workshops and consultations conducted by IHRB and the MCRB, to enhance our own understanding potential human rights related risks and impacts in further depth.

To support our planned offshore seismic operations, BG Group is currently conducting an environmental and social impact assessment (ESIA), as well as an integrated human rights impact assessment (HRIA) to further understand and mitigate potential impacts related to our exploration programme. We continue to engage with the MCRB and other human rights experts to increase our understanding of business and human rights issues in a complex socio-political context.

3. Who in your leadership is responsible for ensuring compliance with the policies and procedures in no. 2?

BG Group's Executive Vice President, Policy and Corporate Affairs has overall accountability for our Human Rights Policy. BG Group's Head of Social Performance is responsible for the setting the Group strategy and implementation of our Human Rights Policy and Social Performance Policy.

The Board Sustainability Committee is one of six committees established by our Board of Directors. The Committee, which is comprised of at least three non-executive directors, oversees and monitors BG Group's compliance with the Group's Policies, particularly the Human Rights Policy, Social Performance Policy, HSSE (Health, Safety, Security and Environment) Policy, Ethical Conduct and Licence to Operate Policy. The Committee makes recommendations to the Board in relation to management processes designed to ensure compliance with our Policies, and ensures the appropriate allocation of resources to support the behaviours required by the Policies.

4. If you do not yet have human rights policies and procedures in place, do you have plans to develop them? If so, what efforts are you currently engaged in or plan to engage in on this regard?

N/A. We have human rights policies and procedures in place.

5. How does your company try to prevent or mitigate conflicts that affect its operations or the surrounding communities (including armed conflict, inter-communal conflict and violence, etc.)? Could you please list your policies, procedures or concrete activities in

Business and Human Rights Resource Centre
Request for information on for Myanmar Foreign Investment Tracking Project
December 2014

this regard, including community engagement and dialogue measures and revenue sharing agreements?

Our Human Rights policy commits us to respecting human rights, which means doing no harm, and taking active steps to prevent or mitigate any human rights impacts related to our activity, including those related to conflict.

Our [Social Performance Standard](#) ensures that prior to commencing any on the ground activity, our businesses assess the socio-economic context of the proposed area of operation followed by a detailed social impact assessment. These assessments are conducted in a participatory manner with ongoing consultation with local communities and other key stakeholders. This enables us to identify what conflict dynamics exist, how we may impact or be impacted by these dynamics, and what measures we can take to mitigate risks related to conflict. Potential mitigation measures could include establishing multiple channels for ongoing community engagement, avoidance and re-design of some our activities including location of sites and infrastructure, timing of when certain activities are conducted, putting in place local workforce and hire policies and practices to minimise triggers for conflict, information distribution, and social investment to help address some of the root causes of conflict.

We are a signatory to the Voluntary Principles on Security and Human Rights (VPSHR) which guide companies in maintaining the safety and security of their operations within an operating framework that supports respect for human rights. Our Security Standard and Social Performance Standard govern how we implement the Voluntary Principles in our business. Where there is credible risk of conflict or human rights abuse by public or private security providers, our businesses must conduct a VPSHR assessment which looks specifically at security and human rights risks. Following a risk assessment, our businesses create VPSHR implementation plans which outline the actions to be taken to manage any identified risk of human rights abuse by public and/or private security providers. We have strong processes in place for monitoring the implementation of our VPSHR plans including a formal process of twice yearly reporting on implementation progress.

6. Who should communities or civil society groups contact if they have questions or concerns about your investment or operations in Myanmar? Please provide their contact information.

BG is represented in Myanmar by our General Manager John Field. Before operations commence later in 2015 we will establish a local contact point for all interested and concerned parties.

7. We further invite you to respond to questions specific to your industry. Does your company have policies and procedures in place to address each of the following areas? If so, please provide details:

a. Freedom of association and collective bargaining

Our Human Rights Policy commits us to respecting rights as outlined in the Universal Declaration of Human Rights, which recognises the right to freedom of peaceful assembly and association. We recognise the right of our employees to join unions or other collective organisations and are committed to working effectively with such bodies when required.

b. Living wages

BG Group's Employee Reward Standard sets out our reward philosophy which aims to provide employees with a clear and competitive reward package in each of the locations in which it operates. Reward packages available to employees in each of its locations are designed to be compliant with all relevant local legislative and regulatory requirements.

Business and Human Rights Resource Centre
Request for information on for Myanmar Foreign Investment Tracking Project
December 2014

c. Workplace health and safety

Safety is BG Group's highest priority. Our HSSE policy sets out our approach to safety and our belief that all injuries are preventable. Our goal is to deliver our business with zero injuries to people. Our HSSE policy is mandatory for both employees and contractors – who are both part of One Team. Our HSSE Management System Framework (MSF) establishes our approach for systematically managing HSSE risk in compliance with our standards and with applicable law, and is mandatory for employees and contractors working for BG Group. All our businesses must develop a risk register to identify key risks and describe how they are managed. These are reviewed quarterly to ensure they are robust and up to date. Our Safety and Asset Integrity function is responsible for auditing and assuring safety performance across the Group.

We set a number of key performance indicators (KPIs) to assess and measure safety performance, both in terms of personal safety and asset integrity – the safe design, operation and maintenance of our facilities. Our safety standards reflect internationally accepted standards in the oil and gas industry, such as those set by the International Association of Oil and Gas Producers and the American Petroleum Institute.

d.& e. Child labour & Forced labour

BG Group's Employee Support Standard states that BG Group shall not tolerate inhumane treatment of employees, including any form of child labour, forced or bonded labour.

We are signatories to the UN Global Compact, principle 5 of which relates to the effective abolition of child labour.

Forced or child labour has been identified as a low-risk issue in BG Group's direct workforce. There remains, however, a potential for risk within the supply chain. Our Human Rights Policy requires the assessment of human rights risk in our supply chain and the requirement to work with contractors and suppliers in risk management. Under BG Group guidelines, contracts where there is risk of forced or child labour are designated as 'key contracts,' and additional requirements for managing any identified issues are put in place.

f. Anti-discrimination (whether based on race, gender, religion, nationality, etc.)

Our Human Resources Policy and Employee Support Standard promote an environment where employees are able to conduct business without discrimination any kind. Our Unacceptable Behaviour Standard makes clear to all our employees that we do not tolerate or condone harassment, bullying or victimisation and encourages people to raise concerns if they believe they have experienced or witnessed others being subjected to unacceptable behaviour.

All employees and contractors have access to a confidential, independently operated grievance mechanism where they can seek resolution for any complaints.

g. Environment

BG Group's Environment and Climate Change Standard provides the policy framework for environmental management in the Group. Key elements are:

- Using environmental impact assessments to assess environmental risks or impacts from our operations
- Using environmental management plans to manage and mitigate impacts

Business and Human Rights Resource Centre
Request for information on for Myanmar Foreign Investment Tracking Project
December 2014

- Using best available techniques (BAT) to ensure our decisions take account of what is best from an environmental perspective ('best' is defined to include environmental impact as well as commercial or financial considerations).

The standard sets out a framework for managing our key environmental impacts, including GHG emissions, other air emissions, waste, biodiversity, and water. A number of guidelines flow from this standard, including the Environmental Quality Standard, Environmental Issues Identification, Climate Risk and Water Risk Management Guidelines.

h.& i. Land rights & Relocation

Our [Social Performance Standard and supporting guidelines](#) outlines our process for managing issues related to land acquisition and relocation. Where our activities may require land acquisition and involuntary resettlement (either physical displacement or economic displacement through loss of livelihood or access to resources), we commit to following international standards, specifically IFC Performance Standard 5 on Land Acquisition and Involuntary Resettlement. BG Group commits to avoiding, or if unavoidable, minimising involuntary resettlement wherever possible. Where involuntary resettlement is unavoidable, a Resettlement Action Plan (RAP) is developed, managed and independently reviewed by internationally recognised RAP experts who have been approved by the BG Group Social Performance team. The RAP is informed by largely through participatory methodology including a detailed census and asset inventory process and outlines an inbuilt project specific mechanism for monitoring, evaluation and reporting performance during and after the resettlement.

ENDS