

Timor Resources - Internal/ External Grievance and Redress Procedure

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Figure 1. Map of the Project Location

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Acronyms

EMP	Environmental Management Plan
HSE	Health Safety Environment
IFC	International Finance Corporation
PPE	Personal Protective Equipment
EIS	Environmental Impact Statement
TG	TIMOR GAP
TR	Timor Resources
ED	Eastern Drilling

1. INTRODUCTION

1.1 Context

Timor Resources (TR) is a privately-owned Australian oil and gas company that is in joint venture with TIMOR GAP (TG), a national oil company of the Timor-Leste (TL) Government. On 7 April 2017, TR signed an agreement with the TL Government (Onshore PSC TL OT-17-08) allowing the company with its partners, to commence the process of exploration, development and exploitation of petroleum resources in the contract area, identified as Block A. TR will run a drilling campaign near Camenasa, Labarai, Debos, Matai, Belecasac, Tashilin, and Raimea directionally under Suai, Zumalai and Maucatar Post- Administrative (Figure 1)

1.2 Objective

This project was determined to require a Category A Licence under Decree Law No. 5/2011. TR were required to submit an Environmental Impact Statement (EIS) and Environmental Management Plan (EMP). A risk assessment determined the potential impacts from the project and various management plans have been developed to supplement the EIS and EMP. TR is committed to implementing appropriate controls to avoid, manage, mitigate and remediate any negative impacts whilst maximising positive impacts. TR will establish positive, co-operative relationships with relevant government agencies and surrounding communities with the aim of ensuring key stakeholders are informed of TR performance.

The objectives of this procedure are:

- To help TR understand the community's or stakeholder groups' perception of the environmental and social risks and impacts of its project.
- To ensure that formal grievances from the communities or others are promptly heard, analyzed, handled and answered in order to take preventative actions and detect causes before they can have significant implications for business performance.
- To have a transparent and fair process for affected communities and other stakeholder groups seeking to have their grievances resolved.

1.3 Scope

This report provides a complaints and grievance procedure for Block A Drilling Campaign only. The grievance procedure will cover or apply from the beginning of the social and

environmental assessment process and exist throughout construction and operations through to the end of project life for TR. This procedure does not cover or apply to Human Resources issues. This procedure will help provide a transparent and consistent process for resolving complaints and grievances against TR.

1.4 Principles of Process

Grievance – An issue, concern, problem, or claim (perceived or actual) that an individual or community group wants a company or contractor to address and resolve.

Senior Management will provide active and sustained support to this procedure in order for it to be effective and gain legitimacy. The Health, Safety and Environment (HSE) Officer and Project Manager will be responsible for the implementation of the procedure and tracking of grievances received by TR. The Community Affairs (CA) Manager and Officers will assist the HSE Officer and Project Manager in most aspects of the negotiations.

The HSE Officer is responsible for coordinating this procedure.

The following principles will be applied to this process:

- All complaints and grievances will be treated seriously and entered into the grievance register kept by Timor Resources
- Strict confidentiality will be upheld
- The guiding principles of negotiation, mediation and conciliation will be applied
- All complaints and grievances will be dealt with a specified timeframe
- No form of persecution, harassment or discrimination will be tolerated
- Clear and appropriate communication is to occur throughout the process

A report will be filed at the completion of the complaints and grievances process

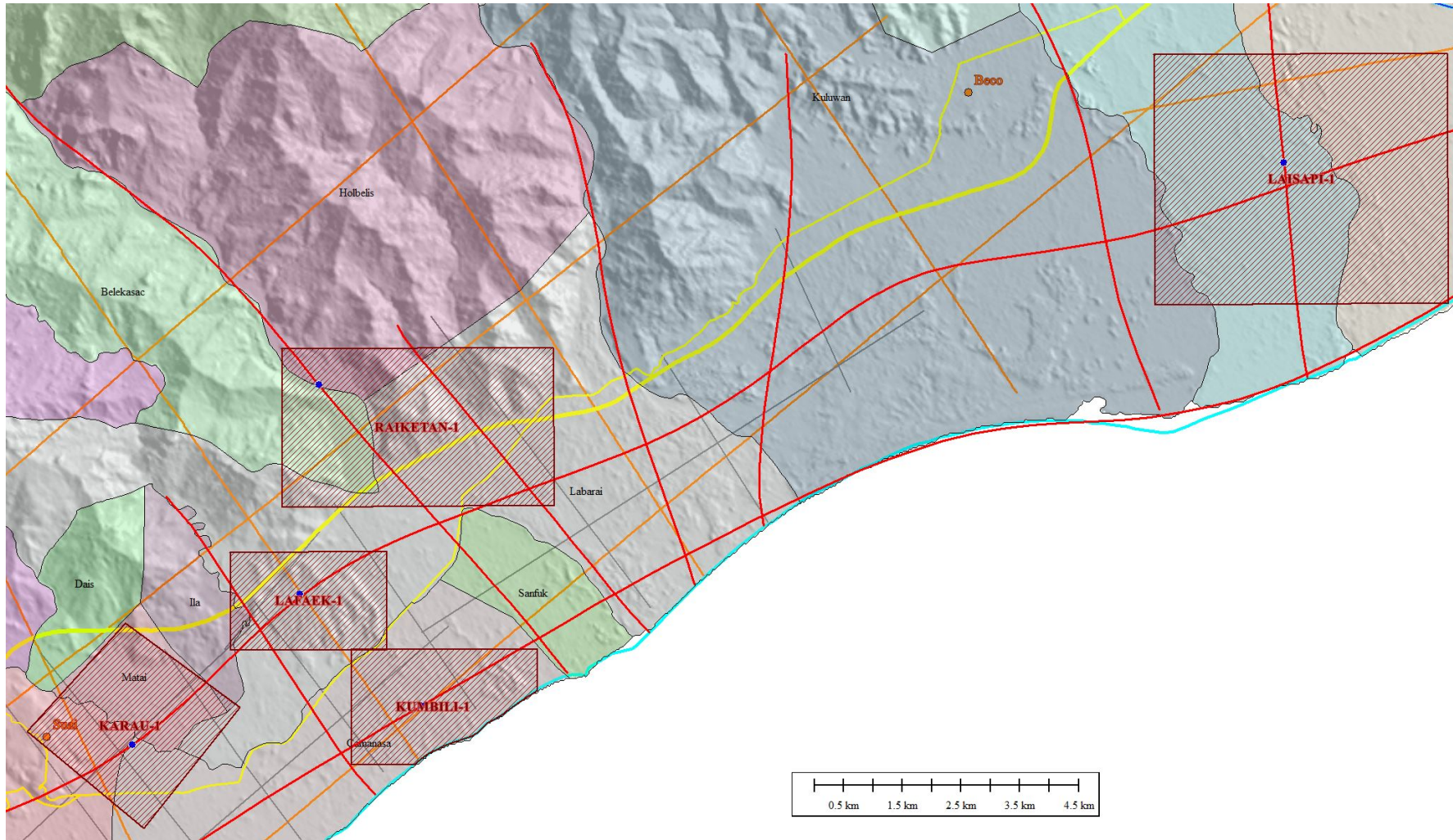


Figure 1 Map of Project Location (Source: Timor Resources,2019)

2. PROCEDURE

2.1 Receiving and Registering a Grievance

2.1.1 Grievance Registration

The procedure for resolving grievances is initiated by formally registering a grievance with TR directly and, if necessary, anonymously or through third parties.

To formally register a grievance, the Grievance Form (see Appendix A) is to be filled out. TR staff and contractors will assist community members who are not able to fill out the form by themselves. TR will not consider any grievance that has not been submitted on a Grievance Form in accordance with this procedure. The Grievant will be given a copy of the completed Grievance Form for his/her records, and will be notified of the date on which the Grievance Form was registered in the Grievance Log/Database

2.1.2 Recording the Grievance into the Grievance Log/Database

TR will establish a log or database in Excel of all grievances received. To enable this all completed Grievance Forms must be forwarded to the HSE Officer or Project Manager, depending on whether it is social or environmental. Forms must be provided within 72 hours of receiving the completed forms from the Grievant, unless circumstances make this impossible, in which case the forms must be submitted as soon as possible.

On receipt of the Grievance Form, the HSE Officer or Project Manager will record the details of the Grievance Form into the Grievance Log/Database and ensure that the appropriate responsible Manager/s and Senior Management have received copies of the Grievance Form.

2.1.3 Grievance Screening and Assessing

Determine whether a complaint is eligible for inclusion in the grievance mechanism by screening based upon a few simple eligibility criteria that do not involve judging the substantive merit of the complaint.

Eligible grievances may include those where:

The grievance pertains to the project

The issues raised in the complaint fall within the scope of issues the grievance mechanism is authorised to address

The Grievant has standing to file.

Ineligible grievances may include those where:

The grievance is clearly not project-related

The nature of the issue is outside the mandate of the grievance mechanism

The Grievant has no standing to file

Other company or community procedures are more appropriate to address the issue.

If the grievance is rejected, the Grievant is informed of the decision and the reasons for the rejection.

The responsible manager/s or designated grievance resolution staff will review all Grievance Forms eligible for inclusion in the grievance mechanism for completeness of information and make preliminary recommendations for resolving each grievance. The Grievant(s) will be invited, where necessary, to discuss the grievance in an attempt to propose a solution acceptable to both TR and the Grievant. If need be, further meetings will be held.

2.2 Formulating a response

2.2.1 Grievance Response Consideration

TR will develop a formal response (verbal or written) within 14 days of the date on which the Grievance Form was recorded in the Grievance Log/Database.

In some cases, feedback will be provided by either the HSE Officer or the Project Manager, depending upon the seriousness of the grievance. The HSE Officer, CA Manager or the Project Manager may also prepare the response. The response will take into consideration TR policy, past experience, current issues and potential outcomes. The response may suggest an approach on how to settle the issues, or it may offer a preliminary settlement.

To present and discuss the response, a meeting will be held between the Grievant and TR HSE Officer, CA Officer, relevant Supervisor or Project Manager as appropriate. If a direct meeting is not possible, a meeting with a neutral third party serving as facilitator will be held. The group will also discuss appropriate next steps during this meeting. If the proposal is accepted, the grievance is resolved successfully and there is no need to proceed to the next step of selecting a resolution approach. If the Grievant does not agree with the response of a resolution process or the substance of settlement, the group will try to reach an agreement that would be mutually acceptable.

If the case is complex and a resolution time frame cannot be met, an interim response will be provided that informs the person of the delay, explains the reasons, and offers a revised date for next steps.

2.2.2 Selecting a resolution approach

The grievance mechanism offers a variety of grievance resolution approaches to accommodate differences in personal and cultural preferences. Where possible, customary ways of grievance resolution will be evaluated and incorporated into the system. The Grievant will have influence in the way a problem will be handled.

In general, there are four basic approaches that TR will consider when evaluating what array of resolution approaches to offer:

1. The company proposes a solution.
2. The community and company decide together.
3. The company and community defer to a third party to decide.
4. The company and community utilise traditional or customary practices.

2.2.3 The Formal Written Response

Both verbal and written formal responses will be recorded into the Grievance log/database.

(a) Formal Written Response Not Requiring Action: If the written formal grievance response developed by the HSE Officer or the Project Manager does not require action by TR, this decision and the supporting rationale will be documented and recorded into the Grievance Log/Database by the HSE Officer.

(b) Formal Written Response Requiring Action: If the formal grievance response developed by the HSE Officer or the Project Manager requires action by TR in order to resolve the grievance, the HSE Officer will record the formal response, action required to implement the response, and the consideration leading to the response and agreed action into the Grievance Log/Database

2.3 Communicating back to all parties

The verbal and written grievance response will be communicated to the Grievant and the reasons for the response will be explained. If the Grievant accepts TR's formal response, this decision will be documented. In this case, the Grievance Response Form will be returned to the HSE Officer for recording into the Grievance Log/Database.

If the Grievant rejects the TR response, the process moves to Section 2.3.1 of this procedure.

2.3.1 If a Response is rejected

If the Grievant rejects TR's formal response, the HSE Officer or the Project Manager will review the merits of the rejection and determine whether other avenues could be approached by TR together

with the Grievant, such as third party conciliation or consultation with community or other stakeholder group.

The outcomes of this meeting will be recorded, and if agreement is reached between TR and the Grievant, the agreement will be captured on the Grievance Form with signature of the Grievant.

If no agreement can be reached, then the Grievant can pursue other avenues (such as administrative or legal) at his/her discretion

2.4 Tracking Action and Grievance Closeout

Following the completion of action specified in the Grievance Form, photos and/or other documentary evidence will be collected by the HSE Officer to form a comprehensive record of the grievance and how it was resolved. Where the formal written response identified action that needed to be taken to resolve the grievance, the Grievant will confirm the work has been completed by signing the Grievance Form. The HSE Officer will record the completion of the actions and the date of the signature of the Grievant into the Grievance Log/Database. If no agreement can be reached with the Grievant, the Grievance Form will include the rationale for close-out. The HSE Officer will record the rationale and close-out decision into the Grievance Log/Database.

For a summary of the flow of a grievance once received, see Appendix B

2.5 Evaluating the Grievance Process

Grievances will be tracked and monitored as they proceed through the system. Effective tracking and documentation accomplishes several goals:

Document the severity of a complaint (high, medium, low) according to specific criteria. The level of severity guides requirements for alerting senior management and determines the seniority of management oversight needed.

Provide assurance that a specific person is responsible for overseeing each grievance—from receipt and registration to implementation.

Promote timely resolution.

Regularly inform all concerned (the Grievant and appropriate company personnel) about the status of the case and progress being made toward resolution.

Document the company's response and outcome(s) to promote fairness and consistency

Record stakeholders' response(s) and whether additional research or consultation is needed.

Provide a record of settlements and help develop standards and criteria for use in the resolution of comparable issues in the future.

Monitor the implementation of any settlement to ensure that it is timely and comprehensive.

Provide data needed for quality control measures, to assess the effectiveness of the process and action(s) to resolve complaints.

2.5.1 Performance Indicators

Identify learning from specific cases to be used later to assess the effectiveness of the mechanism or address systemic issues that may require changes in company policies or performance.

TR Senior Management will review on a monthly basis a summary grievance report prepared by the HSE Officer to determine if there are any recurring grievances that point to a need for changes in TR policies, procedures or activities and the adequacy of the grievance process procedure.

2.5.2 Government Reporting

TR will provide a Monthly Summary of Grievances, Status and outcomes of the resolution. TR will also provide, if requested, further information related to any or all of the grievances recorded.

If a grievance is considered by TR to have the potential for significant impact on the project, it will be reported to ANPM in a timely manner in accordance with relevant requirements noted in the EMP.

APPENDIX A GRIEVANCE FORM

Grievance Number				
Name of Recorder				
Date Received				
Date Recorded				
Information about Grievance				
Define the Grievance:				
Information about the Grievant (if willing to provide)				
Name				
Telephone Number				
Address				
Define immediate Action Required:				
Corrective Action	Parties Consulted (where relevant)	Due Date	Responsible Person	Verification of Corrective Action and Sign Off
Define long term action required (if necessary)				
Corrective Action	Parties Consulted (where relevant)	Due Date	Responsible Person	Verification of Corrective Action and Sign Off
Grievance Closeout				
	Date	Signature		
Date Verbal Response Provided to Grievant				
Date Written Response Provided to Grievant				
Confirm Receipt of Response				
Confirm Closeout				

All informal and formal resolution processes must be recorded and a report made by the manager overseeing the process. Any outcome report is to be signed and dated by all parties involved and then filed with senior management

APPENDIX B ENVIRONMENTAL GRIEVANCE PROCEDURE FLOW CHART AT TR (COPIED FROM EMP)

