



# Corporate Social Responsibility Today: *New Expectations of Business Conduct*



P. Jeffery Flood  
General Manager  
Social Responsibility



# How CSR has Evolved



## **Before CSR**

- Companies obtained license from government department
- Project information shared on a “need to know” basis
- A few local jobs

## **The first wave of CSR**

- Permits reviewed by multiple government departments
- One-way communication: “Here is our project”
- Some philanthropy, some local spending

## **Today**

- Social license to operate
- “Free, prior and informed consent”
- Capacity building and business partnerships

- 6 seismic programs; 3 exploration wells
- \$1.4 million in community investment:  
1,500 jobs created; 165 social investment projects; 135,000 people benefited
- Key social responsibility challenges:
  - Security of people, community, assets
  - Managing community expectations
  - Attention of Canadian/international NGOs

- Security issues are key
- Many CSR issues are being 're-labeled' as human rights issues. Examples:
  - Indigenous rights
  - Cultural rights
  - Environmental impacts
  - Consultation
  - Resettlement/compensation
- Multiple business & human rights initiatives:  
UN Special Representative (John Ruggie);  
Voluntary Principles on Security and Human Rights;  
UN Global Compact; Business Leaders' Initiative on Human Rights; IFC Guidelines

# Difference between Progressive and Conservative Companies



- CSR is a cost versus CSR as risk management
- Sole company responsibility to is to pay taxes and generate profit versus accepting partial responsibility for helping to achieve broader social objectives
- “The company knows best” versus open engagement with multiple stakeholders
- Philanthropy versus community development
- Short term view versus long term sustainability

# Nexen Colombia and CSR



## Social Responsibility – Queso Block

Block	Project	Investment Area	Indicators	Executed Investment [US\$]
El Queso	Seismic Program	<ul style="list-style-type: none"> <li>Workshop</li> <li>Environment</li> <li>Education</li> <li>Community well-Being</li> </ul>	Benefited: 12000 people Workshops: 13 Meetings – Attendance: 537 people Inductions: 1400 people Job creation: 283 jobs Social projects: 17	249,000*
	Guaini well	<ul style="list-style-type: none"> <li>Workshop</li> <li>Environment</li> <li>Education</li> <li>Infrastructure</li> </ul>	Benefited: 69,510 people Workshops: 5 Meetings – Attendance: 156 people Inductions: 152 Job creation: 100 jobs Social projects: 9	163,000*

\*Executed investment US\$:

- Nexen's investment on Social Project,
- Job Creation and Goods and Services

Some Examples...



**Before**



**El Neme Creek bridge rebuilding**

Investment : US \$28.000

Benefited Population: 68.000 people

**After**



**Tamarco School improvement and restoration**

Investment : US\$12.450

Benefited Population: 130 people

