

COMPANY CASE STUDY- TOTAL MYANMAR

GENERAL INFORMATION

SECTOR: Oil and gas

ORGANISATIONAL DESCRIPTION:

Total S.A. is a global enterprise with more than 100.000 employees worldwide. Total S.A. is committed to growing its business based on shared values and common principles that clearly assert ethical standards and accountability for all its businesses. The Total S.A. Code of Conduct and Ethics Charter are therefore based on the Universal Declaration of Human Rights, the core labour conventions of the International Labour Organization, the OECD Guidelines for Multinational Enterprises and the UN Global Compact.

CASE STUDY

APPLICATION OF HRCA: Total Exploration and Production Myanmar

In order to verify the effective application of Total S.A. values and principles contained in the Code of Conduct, a questionnaire was developed in 2002 with GoodCorporation, a British firm specialised in assessing the social and ethical performance of businesses. Based on 87 indicators, this ethical assessment evaluates the implementation of the Total Code of Conduct, to enable subsidiaries to continuously improve local policies, procedures and performance.

In 2011, GoodCorporation, Total S.A. and the Danish Institute for Human Rights collaborated to elaborate the human rights aspects of the GoodCorporation ethical assessment methodology. Developing the integrated methodology included a comparative analysis of the ethical assessment and human rights compliance assessment templates, and based on this the revision and addition of some assessment questions to ensure greater coverage of human rights. In addition, the integrated ethical and human rights assessment is conducted by a joint GoodCorporation-DIHR assessment team, to ensure the effective implementation of an ethics and human rights focus in practice.

The integrated ethics and human rights assessment methodology was piloted in 2011 with Total Exploration and Production Myanmar (TEPM). TEPM is a subsidiary with more than 250 employees that has an off-shore gas field which produces gas sold to both the Myanmar State for distribution in Yangon and to the Thai State for distribution in Bangkok.

Ethics and human rights assessment methodology

The assessment is based on a two-week site visit where assessors conduct document review and stakeholder interviews to address each of the assessment indicators. The stakeholders are selected independently by the assessment team and typically include employees, customers, suppliers, contractors, local NGOs, joint venture and other business partners. The revised 108 indicators for a joint GoodCorporation-DIHR assessment focus on the following core areas:

- Management commitment: 3 indicators
- Shareholders: 9 indicators
- Employees: 29 indicators
- Customers: 14 indicators
- Suppliers: 15 indicators

- Industry partners: 9 indicators
- Host-countries and communities: 29 indicators.

For each question, the assessors evaluate whether:

- A policy exists
- A system is in place to implement the policy
- Records exist that the system works in practice, and
- Relevant stakeholders, when asked, consider that the system works and is fair.

Example findings from the Total E&P Myanmar assessment

The following are some examples of the good practices or areas for improvement that were identified in the TEPM assessment, in the areas of management commitment, working conditions, supply chains, and host-countries and communities. The examples are illustrative, to indicate what types of issues are addressed in the assessment, and do not constitute a comprehensive report of the assessment's findings.

Management commitment

The responsibility for adhering to the principles of the Code of Conduct is clear and rests with the General Manager of the subsidiary. The Group's Code of Conduct has been translated into a local ethics charter and it has been widely promoted and discussed among the employees.

TEPM has a written security policy and procedure for assessing and responding to security risks to facilities, staff and host communities. The process appears to be well implemented in the gas-pipeline area. Training material, procedures and assessment interviews indicate integration of key human rights consideration, in line with the Voluntary Principles on Security and Human Rights (VPSHR), in security management. The assessors recommended, however, that TEPM should refer more explicitly to the VPSHRs, including in engagement with other companies operating in the area.

Working conditions

Good practices were identified for Total employees (terms of employment, annual performance evaluation, training opportunities, communication and speak-up procedures etc.). Assessors observed that contracted employees often do not have access to similar standards through their manpower agencies.

Employees reported that TEPM has established a working environment which is free from harassment. This is particularly noticeable given the challenging environment of working offshore where people have to work long hours for a four-week period. In addition it is clear from the company's communications to employees and efforts at consultation that there is a genuine commitment to building a good working atmosphere and dealing with any problems that might arise.

The recruitment policy sets out clearly the policy on non-discrimination. The terms and conditions also clearly reference the Code of Conduct and the company's stance against harassment. However, more progress could be made with regard to women in the workplace, especially offshore. For example, TEPM does not have formalised targets in place for the employment of women.

TEPM also has a national representative system whereby employees are elected to represent their colleagues on each site. The national representatives meet with management to discuss the concerns raised by employees. Some employees reported that they would appreciate more feedback from these meetings.

The safety systems in TEPM are working extremely well. The feedback from employees and contracted employees is that the company puts a genuine focus on safety and procedures are clearly set out to make sure that all operations can be conducted safely.

Suppliers

TEPM has strong systems to promote and ensure respect of its health and safety standards by its suppliers,

particularly its contracted workers. For example, TEPM has implemented systematic quarterly reviews of the main contracting agencies' ethical, environmental, and health and safety standards. The assessors recommended that this could be extended to other suppliers. Another recommendation to TEPM was that it should consider devising a system for the more systematic auditing of contracting agencies.

Host-countries and local communities

TEPM has a number of engagement and consultation processes in place as well as a strong socio-economic programme.

This includes the Village Communication Committees and Banking Committees through which local community members can put forward suggestions and requests. Committees are formed through election by villages in a secret ballot process. Meetings are held monthly and minuted. An updated grievance procedure is in place through which local community members can raise concerns about TEPM related activities and/or impacts, including human rights issues related to third parties' potential misconduct.

The procedure for the management of complaints and comments from stakeholders was identified as a good practice in the Group as it is structured to be: accessible, transparent and staff roles are well-defined and allocated to individuals. Assessors observed that there is a very positive attitude in TEPM's senior management to be open to stakeholder concerns and to responding. However, it was recommended that the grievance procedure be more widely publicised to ensure accessibility in practice. It was also recommended that the specific views of women and vulnerable groups be more proactively and comprehensively included in consultation and engagement processes.

Concluding observations on the integrated ethics and human rights assessment methodology

Based on the TEPM pilot of the integrated assessment methodology GoodCorporation, Total and the Danish Institute for Human Rights identified a number of strengths in the methodology, as well as areas for improvement going forward. Since TEPM, the integrated ethics and human rights assessment methodology was also applied at Total E&P Bolivia and Total E&P Uganda.