

# Stakeholder Engagement and Community Development Policy

WE ARE DEDICATED TO SEEKING TO CREATE VALUE AND OPPORTUNITIES FOR ALL OUR STAKEHOLDERS SO AS TO ADVANCE THE SOCIETIES IN WHICH WE WORK. WHILE OUR LEGAL LICENSE TO OPERATE IS GRANTED BY NATIONAL GOVERNMENTS, WE ALSO SEEK TO OBTAIN THE BROAD SUPPORT OF, AND BRING SUSTAINABLE BENEFITS TO, THE COMMUNITIES DIRECTLY ASSOCIATED WITH OUR OPERATIONS.

## 1. GOVERNANCE

Large-scale oil and gas production can have significant implications for host societies. Responsibly undertaken, such investment can be transformative and support wider development. Kosmos is not a development agency but, in countries where we discover commercially viable resources, we may become a contributor to development.

We recognise the importance of good governance in regulating our industry transparently and consistently, and of government capacity in delivering the core public services which should be enabled by the flow of resource revenues.

We support the Extractive Industries Transparency Initiative (EITI) as a means of promoting trust and dialogue and greater accountability around payments to governments and the use of resource revenues. We will report and publish annually material payments to governments.

Where this is acceptable to our host government, we prefer to make the material terms of our investment and production agreements with governments publicly available.

We believe in the power of collaborative relationships. We welcome opportunities to work with national, regional and local governments, civil society groups and communities so as to mobilise the resources, talents and expertise of each in the pursuit of achieving better development outcomes.

## 2. STAKEHOLDERS AND CONSULTATION

We will only proceed with material activities once we have assessed and, where necessary and practicable, sought to put in place measures to avoid or mitigate adverse environmental or social impacts. In undertaking consultation with communities about a material development it may be necessary to facilitate their access to expert advice so that they feel empowered and to build trust.

We believe that an open and responsive dialogue with stakeholders and the building of strong and constructive relationships are essential to successful project development and subsequent operations. We will identify relevant stakeholders in each country and community and seek to consult with them, as needed, through the project cycle on matters that affect them so as to understand their perspectives and any concerns. We will inform them of our plans and seek to ensure that they are engaged and kept informed through accessible and culturally appropriate methods of communication.

We are committed to understanding the direct and indirect effects that our activities have on the people and communities associated with our activities. This can only be done through regular consultation and engagement, especially in the case of on-shore activities.

In the case of offshore operations, we need to monitor and handle with particular care any material impacts upon fishing fleets and related communities. The identification of any other affected communities will be guided by legislation and by host governments and by our potential to cause adverse impacts on them.

Our employees and contractors are required to behave in a way which is respectful of people and their cultures. When undertaking consultation we will seek to adopt an inclusive approach so as to enable the views of any traditionally marginalized groups, such as women, young people and indigenous groups, to be heard. We will aim to maintain a written record of any commitment made by the company to authorities or affected communities so as to ensure that there is a common understanding of the commitment and that it is followed through.

### **3. MANAGING IMPACTS**

We will seek to maximize the positive aspects of our presence and to avoid or mitigate negative impacts. To do this, our operations will utilise suitably qualified people or organizations to understand and manage their social, economic and environmental impacts. Professional and rigorous management of such impacts is a minimum expectation, on a par with other core functions within the company.

We recognize that the arrival of an industrial activity may have implications for other users of constrained natural resources, such as land, water and biodiversity. Therefore, we will seek to maximize the efficiency of our resource use and work with others in designing solutions to such competition for resources.

We will seek to prevent or minimize risks to community health, safety and security. We will seek to avoid or minimize the transmission of communicable diseases that may be associated with an influx of permanent or temporary project workers.

### **4. SOCIAL INVESTMENT PRIORITIES**

One of our key objectives is to build human capacity and to create economic opportunity both through our core business and our social investment programs. In designing social programs we will consult widely. We will aim to create widely-shared benefits and to be sensitive as between the sometimes competing interests of stakeholder groups.

We will select projects that have the potential to be sustainable, that avoid creating dependency and that build local capacity including through education and training programs. Where it has the potential to increase the impact or sustainability of our programs, we will seek to work collaboratively with public authorities, NGOs or community groups. We will endeavour to avoid undermining their proper roles. Where appropriate, we will seek to align our social investment programs with wider regional development strategies.

We will establish clear success criteria for the projects that we support. We will focus on the delivery of defined outcomes and seek to measure the effectiveness and impact of our investments.

We will insist on high standards of governance and accountability in our social investment programs. We will exercise due diligence on the integrity and competence of potential collaborators before selecting who to work with. We will establish systems to avoid corruption risk. We will not back projects which support a particular political party, candidate or official or which might be seen as seeking an improper advantage for Kosmos.

Where possible, we will seek alignment between our core business activities and our social investment programs so as to ensure their relevance to each other and to maximize the benefits for communities associated with our activities and other relevant stakeholders.

### **5. SUPPLIER PERFORMANCE AND LOCAL CONTENT**

We will require our suppliers to adhere to the standards set out in our Business Principles and supporting policies in their dealings with their employees, relevant public authorities and communities. We recognize that contractors will often be perceived as representing Kosmos to external stakeholders. Where relevant, therefore, we will include safety, social and environmental performance standards in our contracts with them.

Our aim is to maximize the participation of capable local suppliers so as to increase the linkages between our business and our host economies. This is a significant way in which we can contribute to economic and social development in the countries where we work. We recognise that this may require a pro-active approach both to building the skills and capacities of local people in those countries where we have a continuing and established presence and to helping suppliers to become competitive. We will establish procurement processes intended to give local suppliers a fair chance to compete for contracts.

### **6. COMPLAINTS AND GRIEVANCES**

Complaints and incidents involving a breach of this policy, or potential or actual damage or injury to stakeholders, will be recorded and reported for review by senior management.

We will ensure that our established operations have in place a grievance process to enable stakeholders to raise issues of concern and to address them through an accessible, predictable, fair and timely process. Where

remedial action is agreed this should be clearly noted, implementation will be tracked and any material lessons will be captured so as to prevent recurrences (see also Human Rights Policy).

## **7. ACCOUNTABILITY, MONITORING AND REVIEW**

Each relevant department/country unit will identify a member of management who is accountable for the implementation of this policy and whose performance will, in part, be assessed against it.

We will put in place arrangements for monitoring implementation of this policy, report periodically on our progress and review the terms of the policy as appropriate.



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