



Prepared For:

Environmental and Social Monitoring



Niko Resources

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Environmental Resources Management (ERM)

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1.0 INTRODUCTION

1.1.1 Project Overview

Niko Resources Ltd. (Niko or the Company) is a junior company based in Calgary, Canada and listed on the Toronto Stock Exchange. Niko holds majority and minority interests in oil and gas assets, some of which are operated by Niko. Niko's ongoing activities are primarily located in India (e.g., operating Hazira and minority stake in KG-D6) and Bangladesh (e.g., majority interest in Feni, Chattak and Bangora though the latter is non-operating).

In 2013, Niko obtained a financing package from the International Finance Corporation (IFC) and other investors (collectively the "Lenders") for the following corporate purposes and natural gas production capital expenditures in South Asia:

1. Capital expenditure in the KG-D6 block in India, to improve existing wells in the D1-D3 field; develop R-cluster and Satellite fields; and upgrade surface facilities;
2. Capital expenditure in the Block 9 in Bangladesh to develop two wells; upgrade production facility; and install additional compression to improve production; and
3. To restructure the Company's debt by replacing expiring debt instruments.

The two capital expenditures requiring the financing package were for non-operated assets: Block 9 in Bangora, Bangladesh, a majority interest, and KG-D6 Block in India, a minority interest:

- *Block 9, Bangladesh:* Niko owns a 60% working interest of Block 9 while KrisEnergy (Kris) holds a 30% working interest and is the operator. The financing covered Block 9 upgrade work (Phase 3), involving well workovers, conversion from diesel to gas engines and new infrastructure to improve facility safety. Two development wells were planned for 2014-2015, though delayed due to negotiations between Niko and Kris a drill rig has now been mobilized. Niko has reviewed and approved the drill plan and while Niko will receive routine progress reports, they are not overseeing the drilling, a responsibility that falls to Kris.
- *Block KG-D6, India:* Niko owns a minority 10% working interest in Block KG-D6 in the Krishna-Godvari Basin off the east coast in deepwater. This Block comprises the producing D1-D3 gas field, the D-26 oil, gas and condensate field and several other undeveloped satellite reservoirs.

Reliance Industries Limited (RIL), the operator, has 60% interest and BP holds the remaining 30% interest.

At the time of ERM's third monitoring in May 2016, Niko had transferred its onshore licenses in Trinidad to Range Resources, was progressing with decommissioning assets in India and was navigating legal actions related to historic events in Bangladesh.

1.1.2 Scope of Work

As part of IFC's environmental and social due diligence for loan approval, an Environmental and Social Action Plan (ESAP) was developed to establish guidance for IFC compliance requirements. Niko is only expected to implement agreed actions of the ESAP within Niko's managed assets, which, as defined by IFC, also include non-operated majority interest assets.

Pursuant to the conditions of the loan agreement, Environment and Social (E&S) Monitoring is undertaken to verify compliance with and adequate implementation of ESAP items. ERM was commissioned to serve as External Environmental and Social Consultant (EESC) conducting E&S Monitoring, which includes:

- Two (2) reviews, including visits to the corporate headquarters in Calgary, Canada during fiscal year (FY) 2014 (October 2014 and May 2015); and
- One (1) review annually thereafter, including a visit to the managed assets, as defined by IFC and including the majority interest non-operated facilities in Bangladesh and operated facilities in India, until all ESAP actions are satisfactorily completed.

Given that Niko is currently unwinding operations, it was agreed with the IFC and Niko management that this annual review by ERM would be conducted as a desk review rather than as a more expensive and involved site visit. The IFC E&S team plan to subsequently visit Niko assets directly. It has been agreed that ERM will need to conduct a site visit during the decommissioning in India and if additional site visits and/or engagement with the Company are required, these will be coordinated among Niko, IFC and ERM, depending on performance and perceived risks.

1.1.3 Objectives

The specific objectives of the E&S Monitoring conducted by ERM are to:

- Review and report on implementation of the ESAP, including the development and roll-out of the Corporate ESMS;

- Review and report on the level of compliance of Niko’s business activities against the relevant IFC Performance Standards;
- Review and report on performance against applicable WBG EHS guidelines criteria; and
- Assess progress of closure of previous monitoring actions.

The following 2012 IFC Performance Standards and WBG EHS Guidelines were identified as relevant and were reviewed during the E&S Monitoring:

- IFC Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts;
- IFC Performance Standard 2: Labor and Working Conditions; and
- General industry good practice, including World Bank Group Environmental Health and Safety (EHS) General Guidelines (2007) and Guideline for Offshore Oil and Gas Development (2007) and Onshore Oil and Gas Development (2007).

PS 3 through 8 are addressed through the management of E&S risks as covered by PS 1 and through specific ESAP items. Therefore, this review focuses on Niko’s corporate assessment process and its management systems for issues related to the Performance Standards.

Each ESAP item has been clarified, refined, and agreed to by the IFC and Niko. An overview of ERM’s assessment of the compliance status against each item in the ESAP can be found in *Appendix A*. An update of the ESAP has been negotiated between Niko and the IFC and will serve as the basis for future monitoring activities.

1.1.4 Approach

This E&S monitoring is based upon:

1. *Documentation review*: The desktop review includes relevant information provided by the Company as well as other publically available information regarding Niko and its assets. A list of the documents reviewed is included in *Appendix B*.
2. *Interviews*: ERM conducts meetings and interviews with key corporate and asset-level individuals and teams. Given the adjustments in approach for this review, all interviews were conducted by phone. ERM talked with the both Regional VPs, the VP India, Chief Operating Officer (COO), and the Corporate Safety, Health, Environment and Social Responsibility (SHESR) Manager.
3. *Reporting*: ERM prepares a draft report that is circulated for preliminary review to the IFC and the Company to facilitate information sharing and

accuracy during the monitoring process. A final report incorporates comments from IFC and the Company.

Site visits were conducted during the first and second reviews, but not for this annual monitoring. They may be conducted during future reviews as deemed necessary.

1.1.5 Scope of the Third Review

The third E&S Monitoring was conducted in April and May 2016 and covered Niko's progress towards the ESAP actions, the findings of which are presented here. The report is based on a desktop review as well as interviews with Niko management.

This review centers on the progress made since the corporate site visit in May 2015, with an emphasis on the asset-level management system implementation.

Based on an agreement reached between IFC and Niko during the first site visit, ERM has focused its reviews on high-priority issues around the implementation of the Safety, Health, Environmental, and Social Responsibility (SHESR) Management System (MS). Therefore, the report is divided into two main components:

1. *Report*: A summary of notable progress made by Niko and high priority recommendations for SHESR implementation; and
2. *Appendix A*: A review of the compliance status for each ESAP item, including recommendations, to aid in the implementation of the corporate SHESR MS, and a priority action level, to aid in the focus of these recommendations.

The next Environmental and Social Monitoring Report is scheduled for calendar year 2017 or when decommissioning at Hazira has commenced. The status of each key issue and recommendation described in this Environmental and Social Monitoring Report will be updated in the next report.

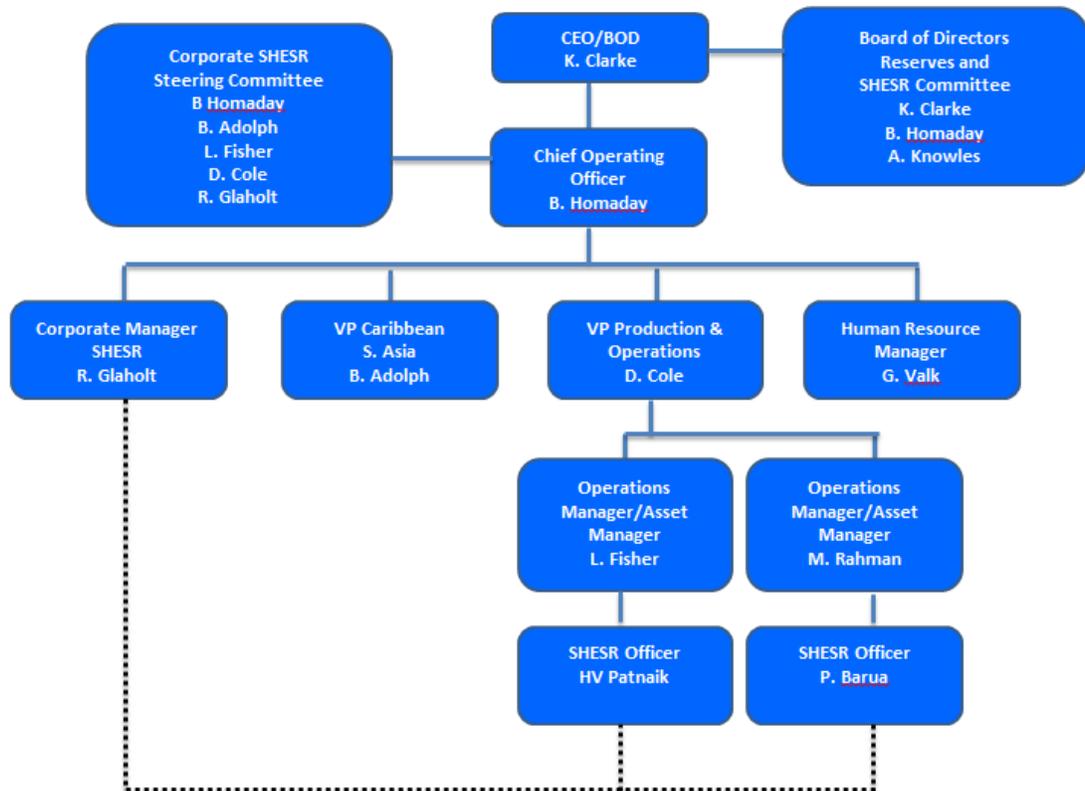
2.0 KEY FINDINGS AND HIGH PRIORITY ACTIONS

This third E&S Monitoring provided an opportunity to review in detail the status of Niko's compliance with and progress towards ESAP requirements, as well as to understand the current status of assets and operations. During this third review, Niko demonstrated commitment and senior-level support towards complying with the required actions. In general, Niko has continued making good progress towards closing out the various ESAP requirements.

2.1.1 Niko's Management Structure

Management of assets is divided between two Regional Vice Presidents (VPs): Brian Adolph for the Caribbean and Doug Cole for Bangladesh and India. In addition, the management team includes the VP India, Larry Fisher and Chief Operating Officer (COO), Bill Hornaday. Niko also has a Corporate Safety, Health, Environment and Social Responsibility (SHESR) Manager, Randal Glaholt (see Figure 1). The executives in the organizational structure have changed since the last review given the winding down of activities and assets.

Figure 1 Niko's Management Structure



Source: Niko, August 2016

2.1.2 *Notable Progress*

Since the second review in May 2015, Niko's operated assets have continued to make progress in developing and implementing management systems locally. The India team conducted another gap analysis of their local procedures versus the corporate expectations and IFC Performance Standards and updated them accordingly. The Niko Bangladesh team has developed draft procedures which mirror the corporate expectations and would apply to the Chattak and Feni assets, assets that Niko maintains operational control over. Reportedly activities are taking place in both countries in line with the policies and procedures documented in their management systems, for example how retrenchment of security contractors was recently handled in India as the operations wind down there. The heat map to identify risks has been completed for India and their progress in closing gaps and strengthening the SHESR management system are documented and shared with the Corporate SHESR manager.

2.1.3 *Priority Recommendations*

At the corporate level, additional actions and support are needed to continue risk management and advance the asset-level implementation of the new corporate standards and management system. In particular, ERM recommends that the applicability of different management system elements be identified for the current and planned activities at different assets. Given that Niko's operated Bangladesh assets are not currently producing, not all components of the SHESR MS are relevant for managing risks though others are, such as HR and Security. Given the range of activities, different assets face different risks that need to be managed:

- *India:* While Hazira has an ongoing implementation of the SHESR MS, the smaller facilities of Surat and Ankleshwar have been decommissioned. Reportedly, Hazira may begin decommissioning in about six months, which is a significant delay from the plans provided during the last monitoring. Decommissioning will entail some activities that are similar to maintenance activities already undertaken by Niko; however, there will be new activities that Niko is planning which have been incorporated into their risk register. Reportedly a contractor is lined up to remove the topsides though there are also three groups interested in acquiring it as-is, so the final course of action is not yet determined. In addition, the decommissioning will result in the remediation of the site, for which a plan is under development, and in the retrenchment of the current workforce, for which there is guidance on communication and compensation, but no timeline has been established given uncertainty of

when the next steps will occur. These activities will need to be executed in line with the corporate and asset level SHESR MS.

- *Bangladesh:* Niko's progress on advancing the ESAP items related to Block 9 in Bangladesh has been slow due to delays in receiving requested information from the operating partner. However, Niko does receive monthly operational reports that provide some insights useful for monitoring. In the reports provided from June 2015 through March 2016, the volume of produced water is stable and one environmental incident (small leak from a hydraulic line) and one safety incident (rain screen falling and hitting an employee) were reported. Niko also receives budgets, which for the upcoming year will reportedly addresses some ESAP items. Despite earlier work by Niko to retroactively study the compensation provided for land acquisition, in coordination with the IFC, no progress has been made since the last monitoring visit. Niko is routinely monitoring gas bubbling to the surface in the areas surrounding the Chattak facility. Reportedly no one has been relocated nor any gas measurements exceeding the lower explosive limit or limits for "hot work," however, it continues to represent an identified risk, which needs to be closely monitored and managed by Niko. Niko is working with the local authorities in assisting with monitoring the situation. The Corporate SHESR Manager receives monthly monitoring reports from the local team who visit approximately 15 locations, a third of which are homes, to observe and measure gas emissions in the community. These activities need to be continued and the local implementation of the applicable elements of the SHESR management system should be advanced.

Appendix A
ESAP Compliance Review

Key	ESAP Issue Status
Complete	ESAP issue completed, though implementation may still be in progress.
On Hold	Progress has been delayed outside of control, typically due to KrisEnergy.
In Progress	Work in progress.
Not Currently Applicable	Given changes in activities, the ESAP issue is no longer applicable.

Key	Priority of Recommendation
High	Immediate action required.
Medium	Short/ medium term action required.
Low	Medium/ long term action required.

	Issue	Task Title/Description	Anticipated Completion Date	Indicator of Completion*	Status/ Compliance Observations	ESAP Issue Status	Recommendation for SHESR Management System Implementation	Priority
1.	Corporate SHESR Program Manager	Niko will appoint a full-time Corporate SHESR Program Manager. The manager will have authority and adequate budget and resources to effectively implement the SHESR MS with adequate quality assurance and control of the country-level programs.	4/30/2014	a) Corporate SHESR Program Manager appointed by the anticipated completion date or before any drilling operation is carried out at a managed asset, whichever occurs first. b) Scope of work, budget and resources plan for the Corporate SHESR Program Manager submitted and acceptable to IFC.	Previously completed, no significant changes during this monitoring. <u>a) Corporate SHESR Manager: Complete, as of the first monitoring report.</u> <u>b) Scope of work, budget and resources: Complete, as of the first monitoring report.</u> Reportedly the SHESR budget for FY16 is the same budget as the prior year which included a travel budget that is being utilized.	Complete	Previously completed, prior recommendations reinforced. The Corporate SHESR Manager, Randal Glaholt, routinely receives reports from the operated assets in India. . Niko also receives regular monthly monitoring reports for Block 9 which are shared with the SHESR Manager periodically and he also receives a quarterly report regarding the shut-in facilities at Chattak and Feni. There are not scheduled conversations to discuss these reports, rather he follows up if deemed necessary. ERM continues to recommend ensuring that the Corporate SHESR Manager receives routine reports from all operated and non-operated assets, including an update on the implementation of the management system, and that there are standing follow up calls to discuss issues that may or may not be in the reports. As of the second site visit, SHESR was, and continues to be, included in the purview of a Board Committee (Reserves and HSE) led by the COO, which the Corporate SHESR Manager is invited to attend. A review of the SHESR MS is on the agenda for the next committee meeting. ERM continues to recommend that the Corporate SHESR Manager have a standing invitation to this committee's meetings and that these meetings cover management system implementation as well as risk management for current and planned activities.	High

	Issue	Task Title/Description	Anticipated Completion Date	Indicator of Completion*	Status/ Compliance Observations	ESAP Issue Status	Recommendation for SHESR Management System Implementation	Priority
2.	Upgrade SHESR MS	Niko will upgrade the corporate Safety, Health, Environment and Social Responsibility Management System (SHESR MS) to be consistent with good international industry practice and effectively and consistently implemented in all managed assets. Key components of the management system will include the development of specific policy frameworks and plans, to meet IFC Performance Standards. Niko will develop a corporate Stakeholder Engagement Framework including provisions for the development of asset-specific Stakeholder Engagement Plans (SEPs) including grievance mechanisms, in accordance with IFC Performance Standards.	3/31/2015	<p>a) Management system implementation plan and timeline submitted to IFC by June 2014.</p> <p>b) Management system fully submitted and acceptable to IFC per agreed implementation plan, but not later than 6 months after the above.</p> <p>c) Management system implemented on managed assets and audited by external experts.</p>	<p>Previously completed a & b, no significant changes during this monitoring.</p> <p><u>a) Implementation plan: Complete, as of the first monitoring report.</u></p> <p><u>b) Corporate SHESR Management System: Complete as of second monitoring report.</u></p> <p>As of the first monitoring report, Corporate SHESR MS and its associated procedures were drafted and provided for review. At that time the Corporate SHESR MS included at least 20 related documents though not all were provided for review.</p> <p>At the time of the second monitoring report, Niko had revised and refined the management system to 16 core corporate standards which had been reviewed and agreed to with the IFC and then signed by the COO on March 13, 2015.</p> <p>As per the documents reviewed during the third monitoring, these have not been updated since the last monitoring, with the exception of the Hazard Management Process (and the approval of several others that had previously been drafts only). These standards have been delivered to the country leaders who have reviewed the applicability and identified gaps with their existing programs to advance implementation. The corporate standards include:</p> <ul style="list-style-type: none"> • MS 000.00 - Corporate & Asset-Level SHESR Strategic Goals and Objectives • MS 001.00 - Corporate Safety, Health, Environment & Social Responsibility Management System (Master) • MS 001.00 - Legal Register Template • MS 001.01 - Corporate SHESR Resources, Roles, Responsibilities, and Authority • MS 001.02 - Human Resources Policy & Procedures Corporate Guidance • MS 001.03 - Training and Competency Guidelines • MS 001.04 - Corporate Standards Reference • MS 001.05 - Corporate Environmental & Social Risk Screening Procedure • MS 001.06 - Environmental & Social Impact Assessment Procedures and Guidance • MS 001.07 - Corporate Stakeholder Engagement Policy & Procedures • MS 001.08 - Corporate Land Acquisition and Livelihood Restoration Policy and Procedure • MS 001.09 - Corporate Biodiversity & Ecosystem Services Protection and Mitigation Strategy • MS 001.10 - Corporate Indigenous Peoples Policy and Procedure • MS 001.11 - Corporate Cultural Resources Policy and Procedure • MS 001.12 - Corporate Well Planning Process Standard Operating Procedures • MS 001.13 - Corporate Emergency Response Planning Procedures • MS 001.14 - Remedial Investigations, Risk Assessment and Remediation Policy and Procedures • MS 001.15 - Corporate Pollution Prevention, Waste and Hazardous Material Management Planning Guidance • MS 001.16 - Corporate Security Manual 	Complete (a & b)	Previously completed a & b.	High

	Issue	Task Title/Description	Anticipated Completion Date	Indicator of Completion*	Status/ Compliance Observations	ESAP Issue Status	Recommendation for SHESR Management System Implementation	Priority
					<p>c) MS implementation at managed assets: In progress. Given the status of the various assets, the implementation of the SHESR MS is perhaps most important for assets that are operational and less likely to be sold, namely Hazira. Nonetheless, it is important that a robust management system is implemented and audited for the managed assets.</p> <p>The corporate standards and management system were approved prior to the second monitoring report, and were delivered by email with an offer for in-person or remote support regarding implementation. At the time of the second monitoring report, India had commenced implementation by doing a gap assessment of their existing management system vis-a-vis the new corporate standards and had refreshed this gap analysis ahead of the third monitoring. Further, additional stakeholder engagement activities have occurred that indicate further implementation of components of the management system, a summary of these were reviewed during the third monitoring.</p> <p>Bangladesh, which has no active managed operations, has drafted its own SHESR MS standards and procedures though no formal roadmap for implementation of this management system has been developed. However, certain activities, such as tracking stakeholder engagements and routine reporting are occurring.</p>	In progress (c)	c) As discussed in the report itself, ERM recommends a clear and consistent process to ensure that the management system is implemented. Implementing the management system at the asset level and effectively using it is critical to managing operations and risks; though this is still a work in progress for Bangladesh. Given that Bangladesh has no active, managed operations at present, not all elements of the management system are applicable. ERM recommends doing a formal applicability assessment of the developed standards and then developing a roadmap for implementation this is owned, executed and reported on by the local management team.	
3.	Training plan on IFC PS	Niko will develop and implement a training plan for management personnel (corporate and operating companies) on the IFC Performance Standards.	6/30/2014	a) Training plan submitted to IFC by April 2014. b) Training plan implemented.	<p>Previously completed, no significant changes during this monitoring.</p> <p><u>a & b) Training plan implementation: Complete, as of the first monitoring report.</u> Niko had conducted training on the IFC Performance Standards at the time of the first monitoring visit. Since then the training modules were disseminated as a webinar. The Corporate SHESR Manager also developed a quiz on the IFC Performance Standards that was circulated to corporate and country level personnel. This quiz had just been disseminated at the time of the second monitoring visit and only a few responses collected. Niko also provided a draft of the Training and Competency Guidelines, dated December 2014, which state that Niko will ensure contractors have the knowledge, skills, and training needed to comply with IFC Performance Standards, including training on emergency response, stakeholder engagement, and environmental and social monitoring. Niko's due diligence of contractor capabilities is to include at least one of the following: review of contractor policies regarding training and competency, review of the contractor training plan and register, examination of any required certifications, and review of contractor performance. During the third monitoring the Corporate SHESR Manager reported having delivered refresher IFC Performance Standard trainings while doing site visits to the assets during the prior year and that these sessions included the security contractors.</p> <p>India completed this review and identified "key" action items for supplementing the existing management system, which includes training for any new employee or for the roll-out of any significant upgrades.</p>	Complete	<p>Previously completed, prior recommendations reinforced.</p> <p>Continue to ensure that the IFC Performance Standards training is fully implemented and documented at the country level, including for contractors as per the Training and Competency Guidelines, and is provided to new employees as appropriate.</p>	Low
4.	HR Policy	Niko will develop corporate-	8/31/2014	a) Policy and procedures	<u>a) HR Policy: Complete, as of the first monitoring report.</u>	Complete (a)		Medium

	Issue	Task Title/Description	Anticipated Completion Date	Indicator of Completion*	Status/ Compliance Observations	ESAP Issue Status	Recommendation for SHESR Management System Implementation	Priority
	and Procedures	wide Human Resources (HR) Policy and procedures, clearly identifying its commitment to Performance Standard 2. Niko will review and revise as appropriate the HR manuals of the operating companies at asset level to fully comply with the corporate HR Policy, including the development of a grievance mechanism. Procedures for compliance audit to their operating companies and managed assets, and to their contractors, will be included.		submitted and acceptable to IFC by June 2014. b) HR Manuals submitted and acceptable to IFC.	<p>b) HR Policy and Plan: Now complete. The corporate HR documentation provided to ERM in advance of the second monitoring visit was the same as for the third monitoring. In March 2014, Niko developed a draft Human Resources Policy & Plan (SHESR 003), which covered the following HR topics: employment conditions (e.g., payroll, overtime), business environment, ethics and business conduct, dress code, IT policies, recruitment, workers engaged by third parties, training and development, probation, various policies including SHESR policy, equal employment, pregnancy at work, leave, exit policy, performance management, misconduct, grievance mechanism, intellectual property and security. Pre-occupational and annual exams to workers were not included in the HR Policy and Plan.</p> <p>An India HR manual was also provided in advance of this monitoring. Both corporate and local staff did a detailed comparison of the local manual versus corporate expectations and the IFC Performance Standards and determined that no additional edits were necessary. The India HR Manual reviewed during the third monitoring does include a retrenchment section and describes its separation policy for different categories of employees and contractors.. Conversations with Niko personnel indicated that retrenchment associated with the decommissioning in India is being done in line with the manual (approximately 30 individuals in the last year) and that efforts are being taken to communicate changes and set expectations around the staffing. As part of this, the workforce has been engaged in the decommissioning planning to ensure they understand the process and timeline.</p> <p>A draft of the Bangladesh HR Manual was also provided that was completed in April 2016 and pending signoff.</p>	Complete (b)	Ensure that Niko Corporate and country level HR Policy and manuals are followed during routine operations and in particular with any retrenchment. The local HR manuals should also include explicit non-discrimination language; consultation with workers and organizations on the retrenchment process; and collection of severance payment documentation. For the decommissioning in India, retrenchment should occur according to the guidance in the HR manual and in compliance with local regulation. Niko should ensure that the decision making process, communication with employees and payments are done in a documented manner that demonstrates compliance with IFC PS 2.	
5.	Stakeholder Engagement for Block 9	Niko will develop and implement a Stakeholder Engagement Plan for Block 9 in Bangladesh to ensure to a comprehensive consultation process involving the active and Informed Consultation and Participation of the Affected Communities.	8/31/2014	Plan submitted and acceptable to IFC.	<p>No significant changes during this monitoring.</p> <p><u>Stakeholder Engagement Plan (SEP): On Hold.</u> As of the first monitoring report, the SEP for Block 9 in the Bangora field, Bangladesh, developed by Kris, included the key elements necessary for implementation; however, at the time of review, the actual records of implementation were not available.</p> <p>Following the first monitoring report, the Corporate SHESR Manager followed up with Kris providing them comments on the SEP from ERM and IFC and asked for an update following the second monitoring visit. ERM understands that because of other internal corporate matters, discussions between Kris and Niko on the SEP itself have been delayed. However, Kris did provide a summary of stakeholder activities conducted in the past year, which was provided to ERM in advance of the third monitoring which indicated ongoing engagement with a diverse group of local stakeholders.</p>	On Hold	<p>Prior recommendations reinforced.</p> <p>When able, Niko should verify that Kris' SEP is being implemented appropriately and effectively including that the grievance mechanism is effective. ERM recommends that the Corporate SHESR Manager provide the Regional VP with a short list of questions in advance of his next semi-annual operating committee meeting with Kris for informal information gathering.</p> <p>Niko should push for a specific requirement in the SEP that monthly reporting is provided to Niko Bangladesh and Corporate, rather than annually, to ensure that Niko receives timely and relevant information. This will assist with providing monitoring of the implementation and effectiveness of the SEP.</p>	Medium

	Issue	Task Title/Description	Anticipated Completion Date	Indicator of Completion*	Status/ Compliance Observations	ESAP Issue Status	Recommendation for SHESR Management System Implementation	Priority
6.	Update Emergency Response Planning	Niko will review and update its corporate Emergency Response Planning procedures, addressing emergency preparedness and response, based on the assessment of risk to the health and safety of affected communities / external receptors from Niko's activities. Niko will implement the corporate procedures at all managed assets and conduct training to employees and contractors.	8/31/2014	Procedures submitted and acceptable to IFC by the anticipated completion date or before any drilling operation is carried out at a managed asset, whichever occurs first.	<p>No significant changes during this monitoring.</p> <p><u>ERP Procedures: Complete as of the first monitoring.</u> At the time of the first monitoring report, the Company had begun updating its Emergency Response Planning Procedures (SHESR 007) to align with the requirements of IFC PSI. Although the document outlined the roles and expectations of corporate and asset level personnel, it was cumbersome and hindered corporate guidance for implementation at an asset level. Moreover, the level of detail in the ERP's Appendices was appropriate for an asset-level ERP but not for a Corporate ERP.</p> <p>Since the first visit, Niko reported that comments on Corporate ERP from IFC had been incorporated and distributed the ERP. To support the emergency response planning, Niko developed a corporate Emergency Response Center which has the corporate and country level ERPs and contact information. To date no drills or tests of the ERP have been conducted though reportedly the first one is schedule for fall 2016.</p> <p>India and Bangladesh have reportedly updated or developed their own ERPs in line with the corporate standard. Niko India completed several emergency response drills with local agencies and other industrial operators to test plans and improve coordination. A PowerPoint summarizing these activities was provided. A draft of the Bangladesh plan was also provided for review which aligns with corporate expectations.</p> <p><u>ERP Plan KrisEnergy Bangladesh: On Hold</u> At the time of the first monitoring report, the ERP for KrisEnergy Bangladesh Ltd., updated in June 2014, was a corporate-level rather than asset-specific document (e.g., no references to Block 9). The same ERP from Kris Energy was provided during this review. It was reported that the drilling contractor, Bapex, will have its own ERP for the upcoming drilling activities though this has not, and it not likely to be, made available to Niko as the non-operating partner.</p>	<p>Complete</p> <p>On Hold</p>	<p>Prior recommendations reinforced.</p> <p>Implementation of the ERP at the country level has been advanced in line with corporate expectations. ERM recommends that the ERP continue to be tested at the country and corporate levels and that there be a working session following testing for staff to debrief and identify lessons learned and areas for improvement.</p> <p>ERM also recommends that during one of the operational committee meetings the Regional VP discuss with Kris the possibility of adapting the existing corporate ERP into an asset-specific ERP and allowing Niko to review and comment on Bapex's ERP for the drilling program. While the Corporate SHESR Manager is likely to not be a part of this conversation, the Regional VP should raise the topic, in particular given its relevance to protecting the assets and operations.</p>	High
7.	Update well proposal/ drilling program review	Niko will review and update its corporate-level procedures for well proposal / drilling program review, including provisions for review by third party competent well design expert.	8/31/2014	Procedures submitted and acceptable to IFC by the anticipated completion date or before any drilling operation is carried out at a managed asset, whichever occurs first.	<p>No significant changes during this monitoring.</p> <p><u>Updated Well Proposal/ Drilling program: Not Currently Applicable.</u> At the time of the first monitoring report, the Well Planning Process SOP (SHESR MS 015.1) was technically complete and provided an appropriate level of detail. However, it did not specify the conditions that would trigger a Third Party review, or whether Third Party review would be necessary in every case, nor did it include roles and responsibilities or reporting requirements to Corporate.</p> <p>A revised version of the Well Drilling Process SOP was made available before the second monitoring report, in order to account for any changes in plans that may have occurred. The document provides detail on specific triggers for a third party review of well design when applicable but does not include a description of the roles and responsibilities as well as the reporting requirements related to approval and review of well proposal and drilling program.</p> <p>Since the second monitoring visit, Niko has not undertaken any drilling and there are no plans for them to do so, though Kris is about to drill two wells associated with Bangora 9, though the planning for that drill program is not under Niko's control.</p>	Not Currently Applicable	<p>Prior recommendations reinforced.</p> <p>If there is a change in plans and Niko intends to undertake drilling, this SOP will need to be adequately implemented in advance at the appropriate level.</p>	Low

	Issue	Task Title/Description	Anticipated Completion Date	Indicator of Completion*	Status/ Compliance Observations	ESAP Issue Status	Recommendation for SHESR Management System Implementation	Priority
8.	Upgrade site specific drilling emergency preparedness plans	Niko will upgrade its site-specific drilling emergency preparedness plans, based on environmental sensitivity area mapping and high value biodiversity habitats, for their managed assets, especially exploration activities in the Coral Triangle (offshore Indonesia). Other actions will include definition of seasonal or distance-based restrictions and best practice measures to prevent / minimize impacts related to underwater noise during exploration / development activities, and engagement with conservation organizations.	9/30/2014	Plans submitted and acceptable to IFC by completion date or before further exploration activities are carried out, whichever occurs first.	<p>No significant changes during this monitoring.</p> <p><u>Site specific drilling EPR plans: Not Currently Applicable.</u> This ESAP item was originally included to manage the risks associated with the Indonesia assets offshore, which at the time of the first monitoring review had been actively farmed-down. However, because of the drilling program contemplated in Trinidad with Range Resources at the time of the first monitoring report, this ESAP item was refocused. However, now the blocks in Trinidad that were to be drilled have been transferred to Range so this ESAP item is not currently applicable.</p> <p>As well, it should be noted that Kris Energy is the operator responsible for the drilling occurring in India. It was reported that Kris, along with the drilling contractor Bapex, is responsible will be responsible for developing an ERP before drilling commences though none was provided for review at the time of the third monitoring report.</p>	Not Currently Applicable	<p>Prior recommendations reinforced.</p> <p>Should plans change, site specific drilling emergency preparedness plan be developed, reviewed and implemented by Niko in line with the corporate expectations and the IFC Performance Standards.</p>	Low
9.	Corporate procedure on remedial investigation and action	Niko will develop and implement a corporate procedure on remedial investigation, risk assessment and remediation actions for managed assets, including assets at the end of production life and/or to be relinquished. The procedure will be consistent with good international practice and World Bank Group EHS Guidelines.	10/31/2014	Procedure submitted and acceptable to IFC by the anticipated completion date or before any managed asset is relinquished, whichever occurs first.	<p>Previously completed, updates during this monitoring due to decommissioning activities.</p> <p><u>Corporate Procedure on Remedial Investigation, Risk Assessment and Remediation Actions: Complete</u> At the first monitoring review, the Environmental and Social Responsibility Management Plan (SHESR 005) included scattered sections that listed high-level expectations but did not cover a number of key topics and elements. A specific corporate document on remedial investigation and action was under preparation by Niko. A draft was received by IFC following the first site visit, and initial comments were provided.</p> <p>In advance of the second monitoring site visit, Niko submitted a corporate procedure (MS 001.14) on remedial investigation, risk assessment and remediation action in relation to decommissioning and closure of facilities. The document provided guidance on community health and safety and environmental considerations that were deemed likely to occur during decommissioning and abandonment of facilities, important for the decommissioning activities that were scheduled to begin. This corporate standard, which incorporated the World Bank Group EHS Guidelines., had been reviewed and approved by the IFC and signed by Niko's COO.</p> <p>The risk profile for the decommissioning and closure activities in India continues to be high because these are expected to be the first operations to undergo decommissioning and closure in the country. There are no specific regulations in the country around such decommissioning and both the Government authorities and Niko are entering this new phase with no prior reference in-country.</p> <p>As of the third monitoring, decommissioning activities in India have commenced. A PowerPoint presentation prepared by Niko and interviews with Niko management provided an update on the decommissioning of Surat and Ankleshwar. The Ankleshwar facility was decommissioned and reclaimed at the end of 2015 and reportedly all of the No Objection Certificates (NOC) are in place. Some of the reclaimed soil was used for fill on a nearby highway construction project. At Surat, all but one of the landowners have given Niko a NOC closing out the legal formality of returning the land. The last NOC is expected to be obtained shortly. Reportedly the 24 abandoned well sites were sampled and no hydrocarbons were found.</p>	Complete	<p>Previously completed, recommendations updated.</p> <p>Implementation of the remedial investigation procedure at the country level needs to be advanced in line with corporate expectations and the IFC Performance Standards</p> <p>Given the presence of Asbestos and soil contamination documented in the studies provided and that this is the first, precedent setting decommissioning of an oil & gas facility, the remediation approach may come under significant scrutiny. It is important that any plans developed are in line with corporate expectations, good international industry practice. To ensure this, the Corporate SHESR Manager and the VP India should coordinate before engaging regulators.</p>	High

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					<p>For the Hazira facility, soil and groundwater sampling for contamination and an asbestos containing material (ACM) Type 1 and Type 2 survey have been undertaken to understand the current condition. The soil and groundwater sampling returned elevated levels of hydrocarbons and certain metals that were above background levels onshore at the facility. Asbestos was detected in 10 samples taken from site, including from roof sheets, gaskets, insulation. Reportedly Niko and its independent consultant are developing a plan to manage these and remediate as appropriate. Sampling of offshore sediments around the topsides was also conducted. The decommissioning planning has included doing due diligence on a local vendor who would be responsible for removing the topsides, including a site visit to their dismantling facility.</p> <p>Niko reports they have had good engagement with the applicable regulators though some approvals and decisions have taken longer than expected for completion.</p> <p>Niko India has developed extensive individual decommissioning plans for the differing pieces of equipment at the Hazira facility in coordination with an consultant who incorporated industry good practice and consultation with regulators. While ERM cannot comment on the adequacy or appropriateness of the plan, it appears that the plan considers the full range of the Hazira assets and was developed with 3rd party support for the offshore assets. It should be noted that there are three parties reportedly interested in taking the offshore topsides as is.</p>			
10.	Develop Corporate ESIA procedure	Niko will develop a corporate Environmental & Social Impact Assessment (ESIA) procedure to ensure a consistent and comprehensive identification of environmental and social risks and impacts for its managed assets. The ESIA procedure will detail minimum corporate requirements for primary and secondary data collection and analysis, risk and impact identification and assessment, mitigation, development of project-specific environmental and social management plans, public consultation, local and international disclosure, and stakeholder engagement.	12/31/2014	Procedure submitted and acceptable to IFC by the anticipated completion date or before any ESIA is prepared for a prospective managed asset, whichever occurs first.	<p>Previously completed, no significant changes during this monitoring.</p> <p><u>Corporate ESIA Procedure: Complete as of the second monitoring.</u> At the time of the first monitoring report, the Environmental and Social Responsibility Management Plan (SHESR 005), Section 4.0 included the corporate ESIA procedure (~100 pg.). The ESIA development section lacked detail on elements of importance, such as socio-cultural baselines. Moreover, some key elements expected in a corporate procedure were not included, such as expectations for the assets, permitting road map for all countries, applicability of the ESIA process, roles and responsibilities for procuring and reviewing the ESIA, minimum requirements for procuring ESIA's, triggers for Corporate review of ESIA, etc.</p> <p>In advance of the second monitoring visit Niko provided the new corporate procedure (MS 001.06) on Environmental & Social Impact Assessment Procedures and Guidance. The document provides guidance on international environmental and social screening process. It identifies the baseline data required to describe the socio-economic, physical and ecological characteristics of the project. It outlines that as part of initial screening of proposed projects, Niko asset managers and SHESR management are responsible for identifying the legal requirements and develop a permitting road map in relation to the location of the project. It includes a process diagram and references to other corporate standards. This corporate standard was reviewed and approved by the IFC and subsequently signed off by the COO. No changes or updates were provided for the third monitoring.</p> <p><u>Corporate ESIA before any ESIA is prepared: Complete as of the second monitoring.</u> It appears an ESIA will not be required as part of the decommissioning process for Hazira.</p> <p>An ESIA was prepared for the drilling program in Trinidad, which is no longer planned to occur under Niko's operatorship. While Corporate SHESR was not</p>	Complete	<p>Previously completed, prior recommendations reinforced.</p> <p>Implementation of the corporate ESIA procedure at the country level needs to be advanced in line with corporate expectations and the IFC Performance Standards where and when applicable.</p>	Medium

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					involved in drafting this ESIA, ERM understands that this ESIA was prepared well before the corporate standard was finalized.			
11.	Develop corporate Pollution Prevention, Waste and Hazardous Material Management Plan	Niko will develop a corporate-level Pollution Prevention, Waste and Hazardous Material Management Plan. Niko will implement the corporate plan at all managed assets.	12/31/2014	Plan submitted and acceptable to IFC.	<p>Previously completed, no significant changes during this monitoring.</p> <p><u>Pollution Prevention, Waste and Hazardous Material Management Plan: Complete as of the second monitoring.</u></p> <p>At the time of the first monitoring report there was no standalone Pollution Prevention, Waste and Hazardous Material Management Plan within the SHESR Management Plan (SHESR 005). This corporate guidance did not outline the minimum expectations for the assets, such as the expectations around compliance with local regulations, and it was unclear if these were being effectively conveyed to subcontractors and service providers, in particular drilling and waste disposal contractors. The procedure also did not indicate the minimum reporting requirements to Corporate SHESR and frequency of reporting.</p> <p>In advance of the second monitoring visit, Niko provided a Pollution Prevention, Waste and Hazardous Material Management plan (MS 001.15), which provides guidance on issues and concerns relating to Niko's operations in drilling, pipeline, production and offshore areas. This Pollution Prevention, Waste and Hazardous Material Management has been reviewed and approved by the IFC and subsequently signed by the COO. There were no updates to it at the time of the third monitoring. While this document does not address the issue with respect to establishing minimum requirements for contractor selection, screening new partners is included in the E&S Risk Screening Standard. It was reported that contracts with contractors include requirements that they have a health, safety and environment management system in place. The screening and monitoring of contractors is of particular importance given the ongoing decommissioning of Hazira, which requires a substantial contractor workforce, including specialized contractors to remove the offshore platform.</p>	Complete	<p>Previously completed, prior recommendations reinforced.</p> <p>Implementation of the pollution prevention, waste and hazardous materials plan at the asset level needs to be advanced in line with corporate expectations and the IFC Performance Standards, this is particularly relevant at Hazira as compared to the assets which are either not producing or not under Niko's operational control.</p>	Medium
12.	Action at Bangora Facility	Niko will ensure that pollution prevention and control corrective actions identified at Bangora facility are implemented and monitoring is carried out on potential contamination receptors.	12/31/2014	Corrective actions implemented and monitoring ongoing.	<p>Change in budget for 2016 reported during this monitoring.</p> <p><u>Implementation of Corrective Actions: On Hold.</u></p> <p>As of the first monitoring report, many actions of the Phase 3 Upgrade Program for Block 9 had been completed including the facility upgrade to improve safety of the operations (e.g., installation of gas detectors), new condensate truck loading facility, protection wall at the control center, etc. The existing Production Water Management System was effective and met water quality standards at the discharge point. However, if the gas production from wells were to encounter an increase in produced water, the capacity of the water treatment system would reportedly not be enough.</p> <p>Included in the monthly Bangora Production Facility Reports provided by Kris to the Niko Regional VP is a summary of the month's total produced water and daily average volumes for the trailing twelve months. This data provides Niko with an ability to monitor the situation and the capacity of the system to handle these volumes. At the time of the third monitoring visit, the produced water volumes had not changed significantly and were still well within the capacity of the treatment process.</p> <p>During the third monitoring, it was reported that there is a line item in the FY2016 budget to address the historic cutting disposal pits though no documentation was provided. It was also reported that the drill cuttings from the upcoming program will be managed in line with good industry practice by Bapex, the drilling contractor, though Niko will have no oversight and limited leverage.</p>	On Hold	<p>Prior recommendations reinforced.</p> <p>ERM recommends discussing the water quality of the treated produced water with Kris during one of the operational committee meetings as only the volumes are reported in the monthly updates. This may require some additional reporting from Kris to confirm via monitoring and sampling that the quality of the water discharge is in compliance and aligned with WB EHS Guidelines for Onshore Oil and Gas Development (Table 1 has parameter limits for effluents), which should be a topic included in production reports.</p>	High

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13.	ES Risk Screening Procedure	Niko will develop an environmental and social risk screening procedure, which considers the capacity of the operators of prospective assets to manage risks and impacts and the role of third parties in meeting Niko's corporate policy objectives. This procedure will provide inputs to the decision whether to pursue the opportunity. The corporate SHESR MS will include monitoring of the existing portfolio of minority stake non-managed interests	12/31/2014	Procedures submitted and acceptable to IFC by the anticipated completion date or before any prospective asset is assessed, whichever occurs first.	<p>Previously completed, no significant changes during this monitoring.</p> <p><u>Environmental and Social Risk Screening Procedure and Risk Management: Complete as of the second monitoring.</u></p> <p>At the time of the first monitoring visit, an Environmental and Social Risk Screening procedure at the corporate level had not yet been developed, although Niko's Senior Management was aware and involved with SHESR MS as evidenced by the participation of the COO and Country VPs during the EESC review.</p> <p>At that time SHESR 005, Section 3.0 offered a level of detail not expected in a Corporate SHESR MS or for the risk screening procedure. In addition Niko had developed both draft Environmental and Social Aspect Registers (SHESR 011) and a draft Hazard Management Process (SHESR 006). While the guidance noted this is to also manage social impacts, there is no guidance, definition or example provided that directs the sites to consider the broader social impacts. Rather, the generic hazards provided as examples were very focused on traditional occupational health and safety.</p> <p>In advance of the second monitoring visit, Niko provided a new standard that provided guidance on environmental and social risk screening in relation to potential acquisitions and partnership opportunities, which included the responsibilities of senior management team and the corporate SHESR team in the review of environmental and social risks. The language used in the document follows the IFC Performance Standards and was reviewed and approved by IFC before the COO signed it.</p> <p>The risk screening has been transferred to the asset level as well. Prior to the third monitoring report, a revised environment aspect register was submitted that includes risks associated with decommissioning. As well, routine and non-routine risk registers for Hazira were provided at this time and gaps were addressed with the development of additional JSAs and other controls. Further a risk screening procedure was developed for Bangladesh though it has not yet been completed.</p>	Complete	<p>Previously completed, prior recommendations reinforced.</p> <p>Implementation of the E&S risk screening procedure at both the corporate and country level has been advanced. While India has a risk register and routinely updates a risk heat map, Niko's operated Bangladesh asset has a risk screening procedure, but it needs to be advanced, for example, by completing a risk register. It is important these are undertaken rigorously to continue to advance the culture around risk management.</p> <p>ERM emphasizes the importance of screening potential partners and contractors based on their past performance and management system to ensure that compliance is maintained and risks managed through those relationships. This is particularly important for the decommissioning in Hazira which will be a new set of contractors and activities for the facility, following India's standards procedures</p>	High
14.	Revise Security Manual and Code of Conduct	Niko will revise the corporate Security Manual and develop a Code of Conduct for security personnel consistent with the requirements of IFC Performance Standard 4 and incorporating the relevant guidelines of the Voluntary Principles on Security and Human Rights. Niko will apply the corporate manual and code of conduct at all managed assets.	12/31/2014	Manual and Code of Conduct submitted and acceptable to IFC.	<p>Previously completed, no significant changes during this monitoring.</p> <p><u>Manual and Code of Conduct: Complete.</u></p> <p>At the time of the first monitoring report, a Security Manual or Code of Conduct was not provided for review; however, the Occupation and Public Health and Industrial Hygiene Manual (SHESR 004), Section 4.13 Security personnel, which outlined Niko's high level commitments, was made available. It did not, however, provide any guidance around which assets/countries require implementation.</p> <p>At the time of the second monitoring report, a Security Manual and Code of Conduct, dated February 2014 and signed by the COO, was provided to ERM for review. The document provides guidance on security needs assessment and establishes general requirements related to training, communication and other site specific provisions. It provides a general recommendation on developing a Country Security Risk Profile, and if needed, a Security Needs Assessment. For the third monitoring, Niko provided country level materials, including a Security Manual for Bangladesh. The only incident involving Niko security that was recounted to ERM was of a guard in Bangladesh who was manhandled by the security detail of a visiting official while in plainclothes and subsequently needed medical attention.</p>	Complete	<p>Previously completed, recommendation updated to focus on implementation.</p> <p>Prior to the third monitoring report, Niko submitted country-specific documentation for their security personnel (employees and contractors) that was in line with corporate expectations and the IFC Performance Standards. Niko should ensure that the security personnel are adequately trained on such expectations in a documented manner.</p>	Low

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15.	Land acquisition policies and procedures	Niko will develop corporate-level land acquisition and livelihood restoration policies and procedures in line with IFC Performance Standard 5 and ensure implementation of these for all assets with majority working interest.	12/31/2014	<p>a) Competent professional's assessment of compensation rates for Block 9, as compared to Performance Standard 5 requirements, submitted to IFC by June 2014.</p> <p>b) Corrective actions implemented per agreed timeline.</p> <p>c) Corporate policy and procedure framework submitted and acceptable to IFC.</p>	<p>No significant changes in during this monitoring.</p> <p><u>a) Assessment of compensation rates for Block 9: On Hold</u> For the first monitoring report, ERM reviewed a report dated September 2014, produced by Kris and requested by IFC. The report, which reviewed past land requisition and compensation conducted by the Government, included comments from IFC that had not been addressed at our time of writing. While the report provided numbers of landowners affected under requisition and acquisition and total amounts of cash compensation, it did not individually list landowners or payments received.</p> <p>No additional information or reporting has been provided by Kris since the first monitoring report.</p> <p><u>Assessment of compensation rates for Chattak & Feni</u> A similar retrospective process was conducted for Niko's Chattak & Feni Gas Fields, described in a report dated October 2014. IFC provided detailed comments to this report.</p> <p>Prior to the second monitoring, ERM received a report dated December 2014 on Land Acquisition and Compensation in the Chattak & Feni Gas Fields. This report states that Niko has not received any complaints regarding difficulty resuming agrarian practices, from either deeded or undeeded land occupants. It also states that undeeded landowners were advised that they would receive compensation if they were to acquire a land deed. Thus far, one of these landowners has obtained a formal deed, and compensation has been provided. IFC has provided its own detailed review of this report. There has been no advancement reported since the second monitoring report.</p> <p><u>b) Corrective actions implemented: On Hold.</u> At the time of the second monitoring report, Niko and the IFC were discussing the appropriate next steps for the corrective actions associated with the Block 9 land acquisition compensation process, though any action has been delayed in part due to the relationship with Kris. No updates to this status have occurred since the second monitoring report.</p>	<p>On Hold (a & b)</p>	<p>Prior recommendations reinforced.</p> <p>Niko in coordination with the IFC need to agree to the corrective actions regarding these holding that are appropriate at this time given the lack of information from Kris and restrictions on payments to undeeded land owners in Bangladesh. Niko should work with Kris in order to progress on how to address the gap. These actions, and those going forward, should be done in alignment with Niko's corporate standards. ERM understands that it is highly unlikely that Niko will be acquiring any additional land.</p>	High
16.	Biodiversity protection and mitigation strategy	Niko will develop a corporate-level biodiversity protection and mitigation strategy in line with IFC Performance Standard 6 which commits the company to identify and assess habitats according to Performance Standard criteria, and to adopt the principle of 'no net loss' in natural habitats and 'net positive gain' in critical habitats.	12/31/2014	Biodiversity strategy submitted and acceptable to IFC.	<p>Previously completed, no significant changes during this monitoring.</p> <p><u>Biodiversity Strategy: Complete as of second monitoring.</u> At the time of the first monitoring report, the Environmental and Social Responsibility Management Plan (SHESR 005) included a brief subsection on assessing impacts on biodiversity and ecosystem services. It was not tailored to settings where Niko operates nor did it provide distinctions for onshore vs. offshore expectations.</p> <p>Niko provided SHESR - MS 001.09 procedure on biodiversity protection and mitigation strategy for review before the second visit. No changes or updates were provided as part of this third monitoring report.</p> <p>The document establishes requirements related to protection of critical habitats and measures to be taken to reduce impact on modified habitats. The document includes a requirement to appoint local experts with knowledge of biodiversity</p>	Complete	<p>Previously completed, prior recommendations reinforced.</p> <p>Implementation of the Biodiversity procedure at the country level needs to be advanced in line with corporate expectations and the Performance Standards.</p> <p>ERM recommends that the Corporate SHESR Manager discuss with the India country team the provisions for biodiversity and restoration as part of the decommissioning plans for both the onshore facility and offshore platform at Hazira.</p>	Low

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					<p>and natural habitat. This procedure was reviewed and approved by the IFC and then signed by the COO. ERM understands this became an active corporate standard after any EIAs had been commissioned at the country level. However, the India country team did a self-assessment at the time of the second monitoring and reported that it believes that the original EIA for the Hazira facility met the corporate standards, though the team is uncertain about the expectations established at that time for the condition of the site condition when returned to the original land owners following decommissioning. Neither the original EIA for Hazira nor the current supplementary EIA for Hazira, which ERM understands also covers the offshore platform, was provided for review either at the time of the second or third monitoring. While the site management currently believes that the site will revert to industrial use, a forest is adjacent to part of the property and mangroves were previously planted as a form of compensation for the original habitat conversion.</p>			
17.	Indigenous Peoples policy and procedures	Niko will develop corporate policies and procedures in line with IFC Performance Standard 7 to assess whether exploration activities affect Indigenous Peoples (IP) communities and ensure implementation of these for all assets with majority working interest. If affected IP communities are identified within the area of influence of a managed asset, Niko will comply with the requirement of Performance Standard 7.	12/31/2014	Policies and procedures submitted and acceptable to IFC.	<p>Previously completed, no significant changes during this monitoring</p> <p><u>Indigenous People Policy and Procedures: Complete as of second monitoring.</u> At the time of the first monitoring report, the Environmental and Social Responsibility Management Plan (SHESR 005), Section 5.3, Guidance on Indigenous People was pulled directly from the IFC Performance Standards and had not been tailored to the countries or locations where Niko operates. The policy and procedures had not been rolled out or implemented in countries.</p> <p>However, in advance of the second monitoring visit, Niko provided SHESR MS 001.10 procedure on Indigenous Peoples Policy and Procedure, which had been reviewed and approved by the IFC and Niko. The standard establishes requirements related to participation and obtaining consent from Indigenous Peoples groups who are affected by the project and is aligned with the IFC Performance Standard 7.</p> <p>Indigenous Peoples were not discussed in the Guayaguayare EIA covering the onshore blocks in Trinidad, which was completed in 2012 before the Indigenous Peoples standard was implemented. Reportedly, there are no such communities in the areas of Niko's activities that would be subject to this standard, which aligned with ERM's research.</p> <p>Niko also reported no Indigenous Peoples are associated with the Hazira Facility. The draft Bangladesh Stakeholder Manual does include language acknowledging how to engage IP, including the principles of Free, Prior and Informed Consent (FPIC).</p>	Complete	Previously completed, prior recommendations reinforced.	Low

Appendix B
Documentation Review

Document Title	Date
Corporate Emergency Response Contacts, Organization, Roles & Responsibilities	11/11/2015
Hazira Monthly SHESR Report	11/2015
Hazira Monthly SHESR Report	01/2016
Hazira Monthly SHESR Report	03/2016
Hazira Monthly SHESR Report	04/2016
Minutes of Management Review Meeting (ISO 14001 & OHSAS 18001)	03/02/2016
Niko Provides Corporate Update	04/25/2016
Bangora Production Facility Report	04/2016
Bangora Production Facility Report	02/2016
Bangora Production Facility Report	07/2015
Bangora Production Facility Report	08/2015
Bangora Production Facility Report	09/2015
Bangora Production Facility Report	10/2015
Bangora Production Facility Report	11/2015
Bangora Production Facility Report	12/2015
Bangora Production Facility Report	01/2016
Drilling Project B 'F' and B 'G' Monthly Report	12/2015
Drilling Project B 'F' and B 'G' Monthly Report	01/2016
Field Visit to Tengratila (West Chatak)	09/14/2015
Environmental & Social Monitoring Report	06/2015
Environmental & Social Monitoring Report	09/2015
Summary of issues raised by community at Feni Gas Plant	05/2015
Summary of issues raised by community at Feni Gas Plant	06/2015
Summary of issues raised by community at Feni Gas Plant	07/2015
Summary of issues raised by community at Feni Gas Plant	08/2015
Kris Emergency Response Plan	05/2014
Request for Waiver of Final Post-Drilling Sediment Quality Survey (Condition 7.2) of Certificate of Environmental Clearance (CEC)	03/03/2016
Chattak Gas Field Monthly SHESR report	09/2015
Chattak Gas Field Monthly SHESR report	10/2015
Chattak Gas Field Monthly SHESR report	11/2015
Chattak Gas Field Monthly SHESR report	12/2015
Chattak Gas Field Monthly SHESR report	01/2016
Chattak Gas Field Monthly SHESR report	02/2016
Chattak Gas Field Monthly SHESR report	03/2016
Chattak Gas Field Monthly SHESR report	04/2016
Permanent Abandonment End of Well Report for NS # 13	12/2015
Present Site Restoration Status	05/04/2016
List of MOCs Raised in the Year of 2016-16	2016

SHEMS 1 Year Improvement Plan - Hazira Asset	2016
Surant-Block No.CB-ONN-2000/2 Closure Report of Well No.NS#3	2016
Security Guard Training Proficiency Checklist - Hazira (Surat)	06/17/2014
Summary of Findings Decommissioning, Restoration and After Care Environmental Management Plan (D-EMP)	04/2016
List of Trainings Provided in FY 2015-16	2016
(Draft) Summary of Findings Limited Soil and Groundwater Sampling	04/2016
Stakeholder communication/Grievance register	04/2016
LEVEL-1, 2 & 3 Inspection Analysis Summary	04/31/2016
Incident Investigation Recommendation FY-2015-16 Follow-Up	04/31/2016
Regulatory Compliance Sheet	03/2016
ACM Confirmatory Report [Type 1 & Type 2]	08/04/2015
Human Resources Policy & Procedure India Guidance	02/03/2015
Retirement of Hazira Asset - Decommissioning Study	02/24/2014
Niko Alpha Bob Well Head and Process Platform Certification Log of Findings for Annual Survey	11/2015
SHE-111 Attachment Table-1 (Internal Training) & Table-2 (External Training)	2016
Hazira Safety, Health, Environment and Social Responsibility 2014-15 Six Monthly Performance Summary	2015
Safety, Health, Environment and Social Responsibility, 2015-16 Six Monthly Performance Summary	2016
SHEMS Corporate Standards Reference	01/06/2015
SHERS MS Master Safety Health Environment & Social Responsibility Management System	01/08/2016
SHEMS Occupational Health & Industrial Hygiene Manual	01/06/2015
SHERS MS Environment Management Plan	01/11/2016
SHERS MS Hazards Management Process (HMP)	01/05/2016
SHEMS Emergency Response Plan (Hazira / Ankleshwar / Offshore)	09/18/2015
SHEMS Accident / Incident Reporting & Investigation	10/07/2014
SHEMS Road Safety Manual	01/06/2015
SHERS MS Training and Competency Manual	10/08/2015
SHEMS Standard Safety Practices Manual	01/06/2015
SHEMS Production Safe Work Procedures Manual	02/18/2014
SHEMS Production Safe Work Procedures Manual	02/18/2014
SHEMS Drilling & Workover SWP Manual	01/06/2015
SHEMS Maintenance Safe Work Practices Manual	02/18/2014
SHEMS Maintenance Safe Work Practices Manual	02/18/2014
SHEMS Ground Disturbance Manual - Environmental Management Plan	01/06/2015
SHEMS Asset Integrity Manual	11/21/2014
SHEMS Pipeline Operations	01/06/2015
SHERS Legal Register	04/12/2016
SHEMS Environment Aspect Register	02/24/2015
SHEMS Risk Register (Non-Routine)	02/24/2015

SHEMS Risk Register (Routine Activity)	02/24/2015
Niko Resources (Bangladesh) Ltd Land Acquisition and Likelihood Restoration Policy and Procedure	04/25/2016
Niko Resources (Bangladesh) Ltd Safety, Health, Environment & Social Responsibility Management System	04/25/2016
Niko Resources (Bangladesh) Ltd SHESR MS Training & Competency Manual	04/25/2016
Niko Resources (Bangladesh) Ltd Environmental & Social Risk Screening Procedure	04/25/2016
Niko Resources (Bangladesh) Ltd Environmental & Social Impact Assessment Procedures and Guidance	04/25/2016
Niko Resources (Bangladesh) Ltd Stakeholder Engagement Policy & Procedures	04/25/2016
Niko Resources (Bangladesh) Ltd SHESR MS Remedial Investigation, Risk Assessment, Remediation & Reclamation Policy & Procedures	04/25/2016
Niko Resources (Bangladesh) Ltd Pollution Prevention, Waste and Hazardous Material Management Planning Guidance	04/25/2016
Niko Resources (Bangladesh) Ltd Occupational Health, Public Health and Industrial Hygiene Manual	04/25/2016
Niko Resources (Bangladesh) Ltd SHESR MS Hazard Management Process (HMP)	04/25/2016
Niko Resources (Bangladesh) Ltd Contractor Management Procedures	04/25/2016
Niko Resources (Bangladesh) Ltd SHESR MS SHESR Risk Register	04/25/2016
Niko Resources (Bangladesh) Emergency Response Planning & Procedures	04/25/2016
Niko Resources (Bangladesh) Ltd Security Manual & Code of Conduct	04/25/2016