AHC WG 3 SOCIAL LICENCE, MEETING #4

AUSTRALIAN HYDROGEN COUNCIL
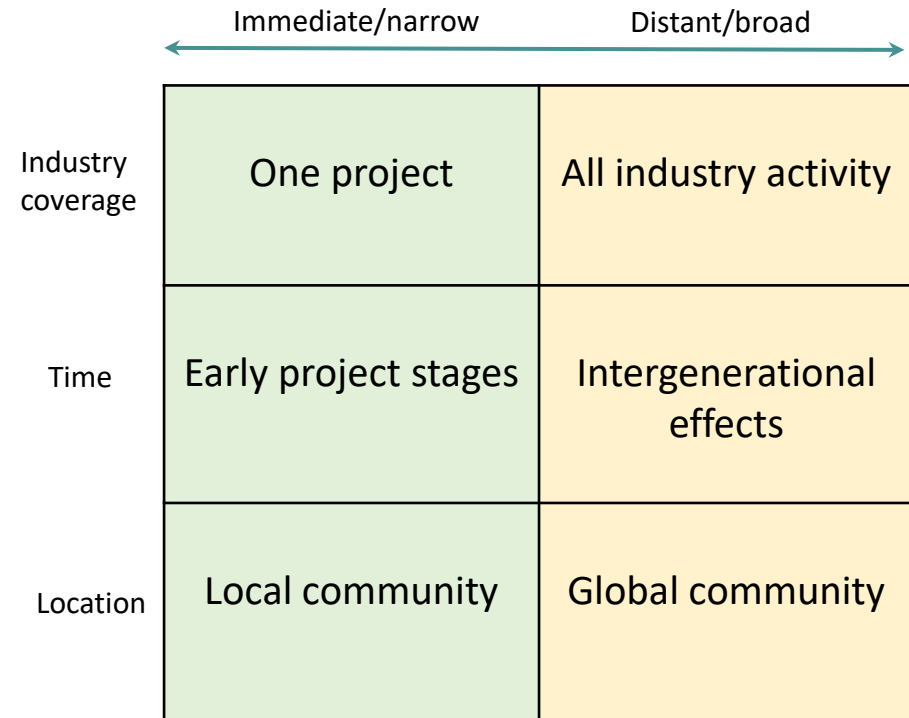
25 AUGUST 2020

AGENDA

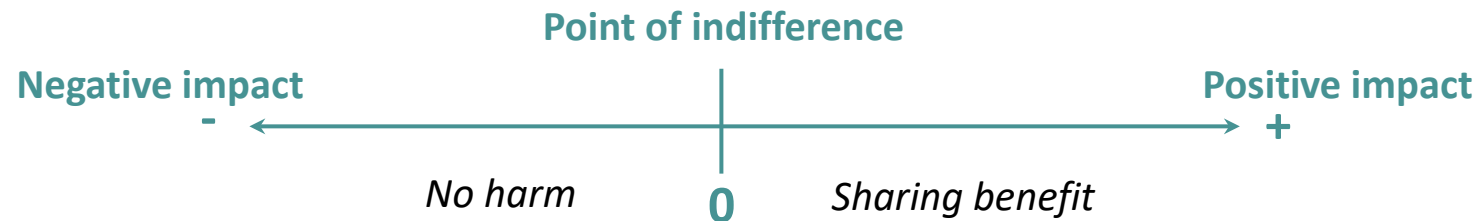| #	Topic	Time
1	Open	1000-1005
2	Discussion on principles	1005-1055
3	Next steps	1055-1100

PHILOSOPHICAL FRAMEWORK

- Where do we start?

- Need to categorise thinking and language in order to progress

  - Clarify whether principles focus on

    - Projects on the ground vs all of industry

    - Near term projects vs long term behaviour of industry

    - Local community vs broader society

	Immediate/narrow	Distant/broad
Industry coverage	One project	All industry activity
Time	Early project stages	Intergenerational effects
Location	Local community	Global community

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PHILOSOPHICAL FRAMEWORK

- And are we focussing on how the industry will avoid causing harm or how it will share the benefit?

  - Even if both, there will be a bias to one or the other and a need to be able to operationalise

Point of indifference

Negative impact
-

Positive impact
+

No harm   0   *Sharing benefit*

- Note also that perspectives of harm and benefit also change over time

  - What may have been fine then is not fine now

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PRINCIPLES PRINCIPLES

- Start with no harm

- What is harm in the hydrogen context?

- For social licence purposes, and for now, it is physical

  - Where hydrogen can be unsafe to handle for workers and/or users

  - Where hydrogen production and/or use can cause environmental harm to land and/or water

- And the social licence risk becomes economic risk for a business and the industry as it affects reputation

<table>
<tr><td colspan="2">Tells us to:</td></tr>
<tr><td colspan="2">✓ Prioritise local communities (because physical effects)</td></tr>
<tr><td colspan="2">✓ Work out who the stakeholders are and what is important to them</td></tr>
<tr><td></td><td>• Clearly establish means of listening and consulting on harm and risk</td></tr>
<tr><td></td><td>• And monitor over time</td></tr>
</table>

OHS/Environmental risk

How do you avoid harm as a business?

- Define the harm

- Understand and articulate the risks of the harm eventuating

- Put in risk management strategies, including reporting, escalation and training

Can give rise to →

Reputational risk

What about *others'* perceptions of harm?

- Know how others/stakeholders define harm now and in the future

- Know how others/stakeholders perceive risk and adequate risk management

- Work to narrow any gap between organisational (internal) and stakeholder (external) perceptions of harm and risk

- Work to internalise the above in operational practices

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- Moving to benefits…

- What are some benefits in the hydrogen context?

- For social licence purposes, and for now, probably also physical

  - Sharing economic benefits

    - Employment

    - Training

    - Regional growth

  - Environmental benefits

    - Improvements to land

    - Improvements to water

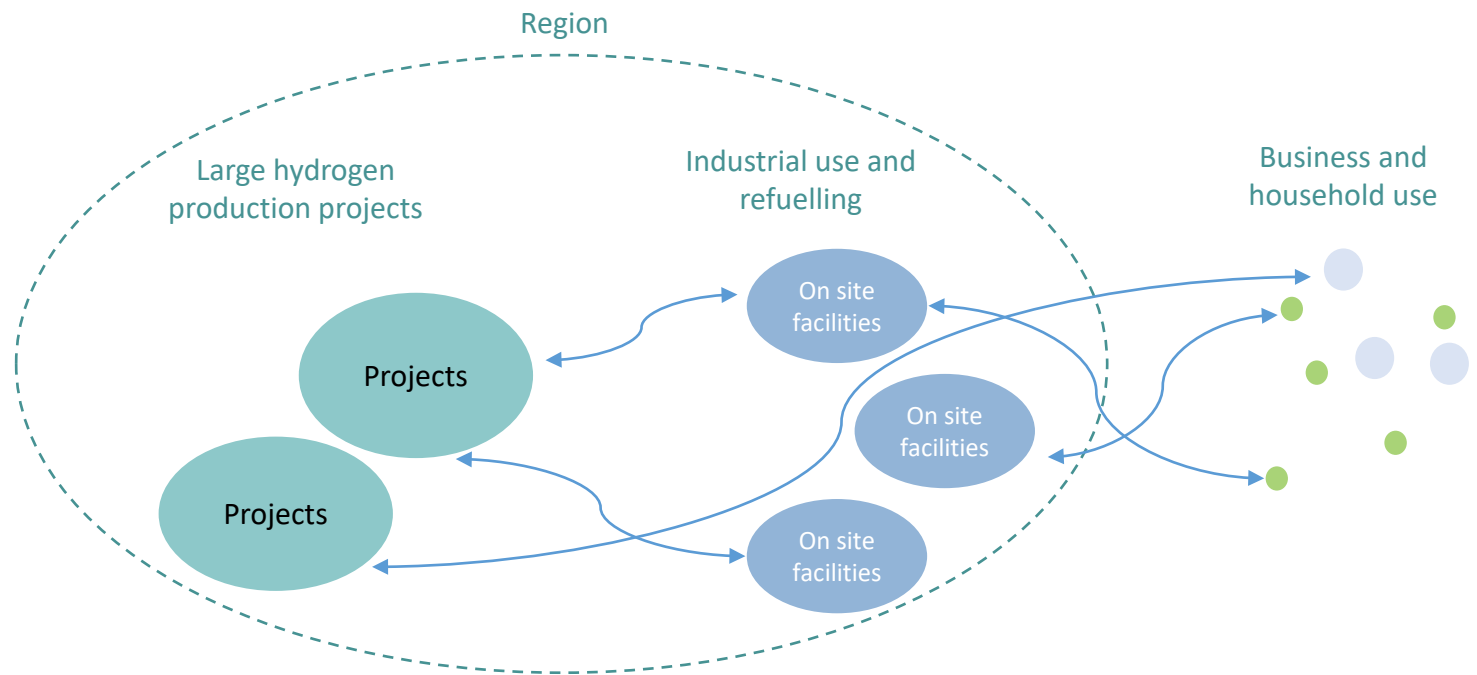- But must be able to deliver on promises made

Tells us to:
- ✓ Again, prioritise local communities (because physical effects)
- ✓ Again, work out who the stakeholders are and what is important to them
  - Clearly establish means of listening and consulting on opportunities sought
  - And monitor over time
- ✓ Do not overpromise

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PRINCIPLES PRINCIPLES

- What do we mean by 'physical'?

  - Production

  - Use

  - And means of transporting the hydrogen between sites

  - In some cases these may already be joined up through a hub

Tells us to:
- ✓ Consider what is 'local community' very carefully - hydrogen can be transported by road/water and so complicates how we think of large projects and their impacts compared with very localised industries.

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USING PRECEDENTS

- Don't need to start from scratch - what are the precedents we can draw from?
  - CEC
  - ICMM
  - IFC
  - SDGs
- We aligned these according to key themes
  - Engagement and means of engagement
  - Biodiversity/land impact
  - Risk management
  - Local employment
  - Benefit sharing/education and tourism
  - Long term land impact/improvement and decommissioning

AHC Principles Workbook

		Engaging with all	Timely and responsive	Biodiversity	Minimise negative land impact	Risk management	Local employment	Sharing in benefits	Education and tourism possibilities	Long term land impact/improvement	Decommissioning			
CEC		CEC 1	CEC 2	CEC 3	CEC 4	CEC 5	CEC 6	CEC 7	CEC 8	CEC 9	CEC 10			
	Charter	We will engage respectfully with the local community, including Traditional Owners of the land, to seek their views and input before finalising the design of the project and submitting a development application	We will provide timely information, and be accessible and responsive in addressing the local community's feedback and concerns throughout the lifetime of the development.	We will be sensitive to areas of high biodiversity, cultural and landscape value in the design and operation of projects.	We will minimise the impacts on highly productive agricultural land where feasible, and explore opportunities to integrate continued agricultural production into the project.	We will consult the community on the potential visual, noise, traffic and other impacts of the development, and on the mitigation options where relevant.	We will support the local economy by providing local employment and procurement opportunities wherever possible.	We will offer communities the opportunity to share in the benefits of the development, and consult them on the options available, including the relevant governance arrangements.	We commit to using the development to support educational and tourism opportunities where appropriate.	We will demonstrate responsible land stewardship over the life of the development and welcome opportunities to enhance the ecological and cultural value of the land.	At the end of the project's design or permitted life we will engage with the community on plans for the responsible decommissioning, or refurbishment/repowering of the site.			
	Project Tracker													
	Advocacy & Initiatives													
	Resources Hub													
ICMM		ICMM 3	ICMM 10	ICMM 7	ICMM 6	ICMM 4		ICMM 9		ICMM 8	ICMM 1	ICMM 2	ICMM 5	
	Principles	Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities.	Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner, effectively report and independently verify progress and performance.	Contribute to the conservation of biodiversity and integrated approaches to land-use planning.	Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.	Implement effective risk-management strategies and systems based on sound science, and which account for stakeholder perceptions of risk.		Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities.		Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals.	Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.	Integrate sustainable development in corporate strategy and decision-making processes.	Pursue continual improvement in the health and safety performance with the ultimate goal of zero harm.	
	Position Statements	Indigenous Peoples		Water Stewardship	Climate Change			Partnership with Communities		Protected Areas				
IFC		IFC 7	IFC 4	IFC 6		IFC 1	IFC 2			IFC 3	IFC 5	IFC 8		
	Performance Standards	PS7 seeks to ensure that business activities minimize negative impacts, foster respect for human rights, dignity and culture of indigenous populations, and promote development benefits in culturally appropriate ways. Informed consultation and participation with IPs throughout the project process is a core requirement and may include Free, Prior and Informed Consent under certain circumstances.	Business activities and infrastructure projects may expose local communities to increased risks and adverse impacts related to worksite accidents, hazardous materials, spread of diseases, or interactions with private security personnel. PS4 helps companies adopt responsible practices to reduce such risks including through emergency preparedness and response, security force management, and design safety measures.	Biodiversity loss can result in critical reductions in the resources provided by the earth's ecosystems, which contribute to economic prosperity and human development. This is especially relevant in developing countries where natural resource-based livelihoods are often prevalent. PS6 recognizes that protecting and conserving biodiversity, maintaining ecosystem services, and managing living natural resources adequately are fundamental to sustainable development.		Environmental and social responsibility is critically important in today's global economy. An environmental and social management system (ESMS) helps companies integrate plans and standards into their core operations—so they can anticipate environmental and social risks posed by their business activities and avoid, minimize, and compensate for such impacts as necessary.	PS2 asks that companies treat their workers fairly, provide safe and healthy working conditions, avoid the use of child or forced labor, and identify risks in their primary supply chain.			Industrial activity and urbanization can increase levels of pollution that may threaten people's health and the environment. PS3 guides companies to integrate practices and technologies that promote energy efficiency, use resources—including energy and water—sustainably, and reduce greenhouse gas emissions.	PS5 advises companies to avoid involuntary resettlement wherever possible and to minimize its impact on those displaced through mitigation measures such as fair compensation and improvements to and living conditions. Active community engagement throughout the process is essential.	Cultural heritage encompasses properties and sites of archaeological, historical, cultural, artistic, and religious significance. It also refers to unique environmental features and cultural knowledge, as well as intangible forms of culture embodying traditional lifestyles that should be preserved for current and future generations. PS8 aims to guide companies in protecting cultural heritage from adverse impacts of project activities and supporting its preservation. It also promotes the equitable sharing of benefits from the use of cultural heritage.		
	Global Map - Agriculture													
SDGs		Goal 16: Peace, Justice, Strong Institutions			Goal 15: Life on Land		Goal 8: Decent work and Economic Growth	Goal 17: Partnerships	Goal 4: Quality Education	Goal 13: Climate Action	Goal 12: Responsible Consumption and Production	Goal 9: Industry, Innovation, Infrastructure	Goal 7: Affordable and Clean Energy	
	SDG 2030 Agenda	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels			Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss		Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Strengthen the means of implementation and revitalize the global partnership for sustainable development	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Take urgent action to combat climate change and its impacts	Ensure sustainable consumption and production patterns	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Ensure access to affordable, reliable, sustainable and modern energy for all	

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DRAFT PRINCIPLE DEVELOPMENT: STAGE 1

	Engaging with all	Proactive Local Consultation	Timely and responsive	Biodiversity	Minimise negative land impact	Risk management	Local employment	Sharing in benefits	Education and tourism possibilities	Long term land impact/improvement	Decommissioning
Undertaking Part I - avoiding bad behaviour *Do no harm*	We will engage respectfully with affected communities, including Traditional Owners of the land, to seek their views and input before submitting development applications.	We will consult the community on the potential visual, noise, traffic and other impacts of the development, and on the mitigation options where relevant.	We will provide clear community access to project decisionmakers and respond to community issues in a timely way.	We will be sensitive to areas of high biodiversity and to maintaining cultural and landscape value in the design and operation of projects.	We will minimise the impacts on highly productive agricultural land where feasible.	We will implement effective risk-management strategies and systems based on sound science, and which account for stakeholder perceptions of risk.	We will treat workers fairly by providing safe and healthy working conditions.			We will demonstrate responsible land and water stewardship over the life of the development.	We will engage proactively with the community to appropriately plan and budget for the end of the project's design or permitted life.
Undertaking Part II - positive; accountable framework to contribute to the social, economic and institutional development of host countries and communities *Sharing benefit*					We will look for opportunities to integrate continued agricultural production into the project.		We will support the local economy by providing local training, employment and procurement opportunities wherever possible.	We will provide communities and workers with the opportunity to share benefits using an appropriate governance mechanism.	We commit to using hydrogen development to support educational, cultural and tourism opportunities where appropriate.	We will seek to enhance the ecological and cultural value of land and water within host communities.	We will involve the community to maximise benefits resulting from the responsible decommissioning or refurbishment/repowering of the project site.

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DRAFT PRINCIPLE DEVELOPMENT: STAGE 2

- Input received
- Principles reworked

AHC Draft Principles

		1. Engaging with all	2. Proactive Local Consultation	3. Timely and responsive	4. Biodiversity	5. Minimise negative land impact	6. Risk management	7. Local employment	8. Sharing in benefits	9. Education and tourism possibilities	10. Long term land impact/improvement	11. Decommissioning
AHC **Original**	Undertaking Part I - avoiding bad behaviour *do no harm*	We will engage respectfully with affected communities, including Traditional Owners of the land, to seek their views and input before submitting development applications.	We will consult the community on the potential visual, noise, traffic and other impacts of the development, and on the mitigation options where relevant.	We will provide clear community access to project decisionmakers and respond to community issues in a timely way.	We will be sensitive to areas of high biodiversity and to maintaining cultural and landscape value in the design and operation of projects.	We will minimise the impacts on highly productive agricultural land where feasible.	We will implement effective risk-management strategies and systems based on sound science, and which account for stakeholder perceptions of risk.	We will treat workers fairly by providing safe and healthy working conditions.			We will demonstrate responsible land and water stewardship over the life of the development	We will engage proactively with the community to appropriately plan and budget for the end of the project's design or permitted life
	Undertaking Part II - positive; accountable framework to contribute to the social, economic and institutional development of host countries and communities *sharing benefit*					We will look for opportunities to integrate continued agricultural production into the project.		We will support the local economy by providing local training, employment, and procurement opportunities wherever possible.	We will provide communities and workers with the opportunity to share benefits using an appropriate governance mechanism.	We commit to using hydrogen development to support educational, cultural and tourism opportunities where appropriate	We will seek to enhance the ecological and cultural value of land and water within host communities.	We will involve the community to maximise benefits resulting from the responsible decommissioning or refurbishment/ repowering of the project site.
REVISED	Undertaking Part I - avoiding bad behaviour *do no harm*	We will engage respectfully with affected communities, including Traditional Owners of the land, to seek their views and input.	We will consult the community on the potential visual, noise, traffic and other impacts of the development, and on the mitigation options where relevant.	We will provide clear community access to project decisionmakers and respond to community issues in a timely way.		We will minimise the impacts on highly productive agricultural land where feasible.		We will treat workers fairly by providing safe and healthy working conditions.			We will work with existing land users and demonstrate responsible land and water stewardship over the life of the development	We will engage proactively with the community to appropriately plan and budget for the end of the project's design or permitted life
	Undertaking Part II - positive; accountable framework to contribute to the social, economic and institutional development of host countries and communities *sharing benefit*					We will look for opportunities to integrate continued agricultural production into the project.		We will support the local economy by providing local training, employment, and procurement opportunities wherever possible.	We will work with communities to help inform and educate about how hydrogen can benefit regional economy, and will put mechanisms in place that share the benefits responsibly.	We commit to using hydrogen development to support employment, manufacturing and educational opportunities where appropriate.	We will demonstrate responsible resource management and seek to enhance the ecological and cultural value of land and water within host communities.	We will involve the community to maximise benefits resulting from the responsible decommissioning or refurbishment/ repowering of the project site.
Sarah Ticknell		Not every project will have a development application. I think finish the sentence on "input" for now.	I think this should include safety. H2 is different to renewable projects in it's safety profile.		While this talks to agricultural land impacts (because it was based on CEC's principles), I wonder how real that is for the H2 industry? This industry is not the same as solar and wind, with large footprints in mainly agricultural areas. I think water is a more important impact than ag land for this industry. While land management is important, it could be framed as 'aim to work with existing land users' and could be incorporated into the 'Long term land impact/improvement' section.			Implement an 'education and training' based principle. The focus could be on providing opportunities to trainees, apprenticeships and cadettes.	We will work with communities to identify and implement shared benefits using an appropriate governance mechanism.	I think rather than tourism, manufacturing is an opportunity for H2 that is not as obvious with other renewables development. I know manufacturing came up in the discussion we had, so maybe something along the lines of "We commit to using hydrogen development to support educational and cultural opportunities where appropriate" in the column		
Nicholas Barda					"We will minimise impacts, compensate or deliver a net benefit to the host environment". I like the concept of responsible stewardship, so this should be retained.			It would be beneficial to include a principle about promoting the benefits of hydrogen, whether it is the safety, decarbonisation, energy systems, establishing a new industry etc	Remove the cultural / tourism element Include something about supporting the local manufacturing sector		
Mendo Kundevski	Overall, I support the themes conveyed by Sarah and Nick: 1.Safety is paramount and more critical to this sector than others; hence the aim could be on 'implementing world best/class safety' practices 2.Bocal employment and industry development should be emphasised; export without domestic economic benefits won't cut it with the broader community 3.Tourism seems out of place 4.Bould focus on 'sustainable resource management' (e.g. water) rather than a land bias 5.Eleaner, renewable energy is not currently explicitly referenced as a benefit/aspiration.	(2) overlaps with (1); they could sit together; "Proactive community engagement"; then the second part of (2) could be merged with other principles that deal with impacts. Overall, 'proactive community engagement' should be the modus operandi throughout eg it is referenced as a reminder in (11)		This (3) then complemnts the above merged 1/2 as it is about Effective, timeley	It is more than biodiversity; culture is referenced; but indigenous culture I assume is implied; want to avoid Rio Tinto destruction of indigenous sites in WA; biodiversity has a somewhat lighter touch ie sensitive to = no real action versus 'maintaining' for cultural and landscape value.		Risk manamgement' is not community minded; it is reactionary and industry jargon. Use proactive, reassuring terms: eg. " (Practicing) world class saftey. Thi will make or break the sector and a key success measure in the NHS.	7 and 8 coud be merged; eg 'promoting local employment and industry development'	appropriate governance mechanism' feels vague; could delete; and benefits are mainly employment and local business development	Agree wth others this coud go; focus more on local jobs and manufacturing.	Resources in general and rather than just land e eg water management is a big issue H2. Overall, its about "(Adhering to) sustainable resource practices"	
Daniel Roberts	I like the feedback that I've seen so far and there's nothing I disagree with, and Mendo's summary below is spot on.

I get the feeling that these principles are heavily aimed at the local communities involved in and affected by projects, which is absolutely understandable. Having said that, I think there's a broader aspect to SLO here and that's the wider community, the media, etc. That's why I like Nick's comment around promotion of the benefits of hydrogen energy systems, and would extend that to include the diversity of industry sectors that can benefit. If commentators and Saturday-afternoon-BBQ-thought-leaders get the 'why' then we're well on our way.

I'm not sure, though, how that would translate to a 'principle' … it's possibly part of #10 in the slides, which possibly could include communication of the benefits? | | | | | | | | | | |

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DRAFT PRINCIPLES

1. Supporting and developing people

a) We will support the local economy by providing local training, employment, and manufacturing/procurement opportunities wherever possible.

b) We will design and manage projects using best practice in safety standards and will provide workers with safe and healthy working conditions.

2. Community engagement

a) We will engage respectfully with affected communities, including Traditional Owners of the land, to seek their views and input on projects.

b) We will prioritise consultation on the potential safety, visual, noise, traffic and other impacts of projects, and on the mitigation options where relevant.

c) We will provide clear community access to project decisionmakers and will respond to community issues in a timely way.

3. Resource management

a) We will demonstrate responsible resource management and seek to maintain and enhance the ecological and cultural value of land and water within host communities.

b) We will engage proactively with the community to appropriately plan and budget for the end of a project's design or permitted life and will seek to maximise local benefits resulting from the responsible decommissioning or refurbishment/repowering of a site.

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NEXT STEPS

- Need to test the philosophy

- Need to consider how we would advise industry to operationalise

  - How to implement

  - How to measure

  - While not locking in what might not work or setting unrealistic expectations

- Need to wordsmith in light of above

- Then consult more broadly...

WG3 Social licence	Wednesday, 15 July 2020	Sunday, 14 March 2021	242
Framework drafting (3 components)	Wednesday, 15 July 2020	Tuesday, 21 July 2020	6
WG consultation	Tuesday, 21 July 2020	Tuesday, 4 August 2020	14
First draft	Tuesday, 4 August 2020	Wednesday, 9 September 2020	36
Research and prelim drafting	*Tuesday, 4 August 2020*	*Wednesday, 19 August 2020*	*15*
Targeted consultation	*Wednesday, 19 August 2020*	*Wednesday, 2 September 2020*	*14*
Final drafting	*Wednesday, 2 September 2020*	*Wednesday, 9 September 2020*	*7*
Public consultation	Thursday, 10 September 2020	Friday, 9 October 2020	29
Second draft	Friday, 9 October 2020	Friday, 13 November 2020	35
Drafting	*Friday, 9 October 2020*	*Friday, 16 October 2020*	*7*
Targeted consultation	*Friday, 16 October 2020*	*Friday, 6 November 2020*	*21*
Drafting	*Friday, 6 November 2020*	*Friday, 13 November 2020*	*7*
Public consultation	Friday, 13 November 2020	Thursday, 11 February 2021	90
Final draft	Thursday, 11 February 2021	Thursday, 11 March 2021	28
Drafting	*Thursday, 11 February 2021*	*Thursday, 18 February 2021*	*7*
Targeted consultation	*Thursday, 18 February 2021*	*Thursday, 4 March 2021*	*14*
Drafting	*Thursday, 4 March 2021*	*Thursday, 11 March 2021*	*7*
Publication	Thursday, 11 March 2021	Sunday, 14 March 2021	3
Communications	Sunday, 14 March 2021	Wednesday, 11 August 2021	150

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