Social Management: Attention towards People/Communities is, at job site, an effective leverage for the Competitive Advantage

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Milano, 19-20 June 2014

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ANIMP- ECI International Conference - Milan 19-20 June 2014

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1. Social Management: a new competence of Project Management Team?

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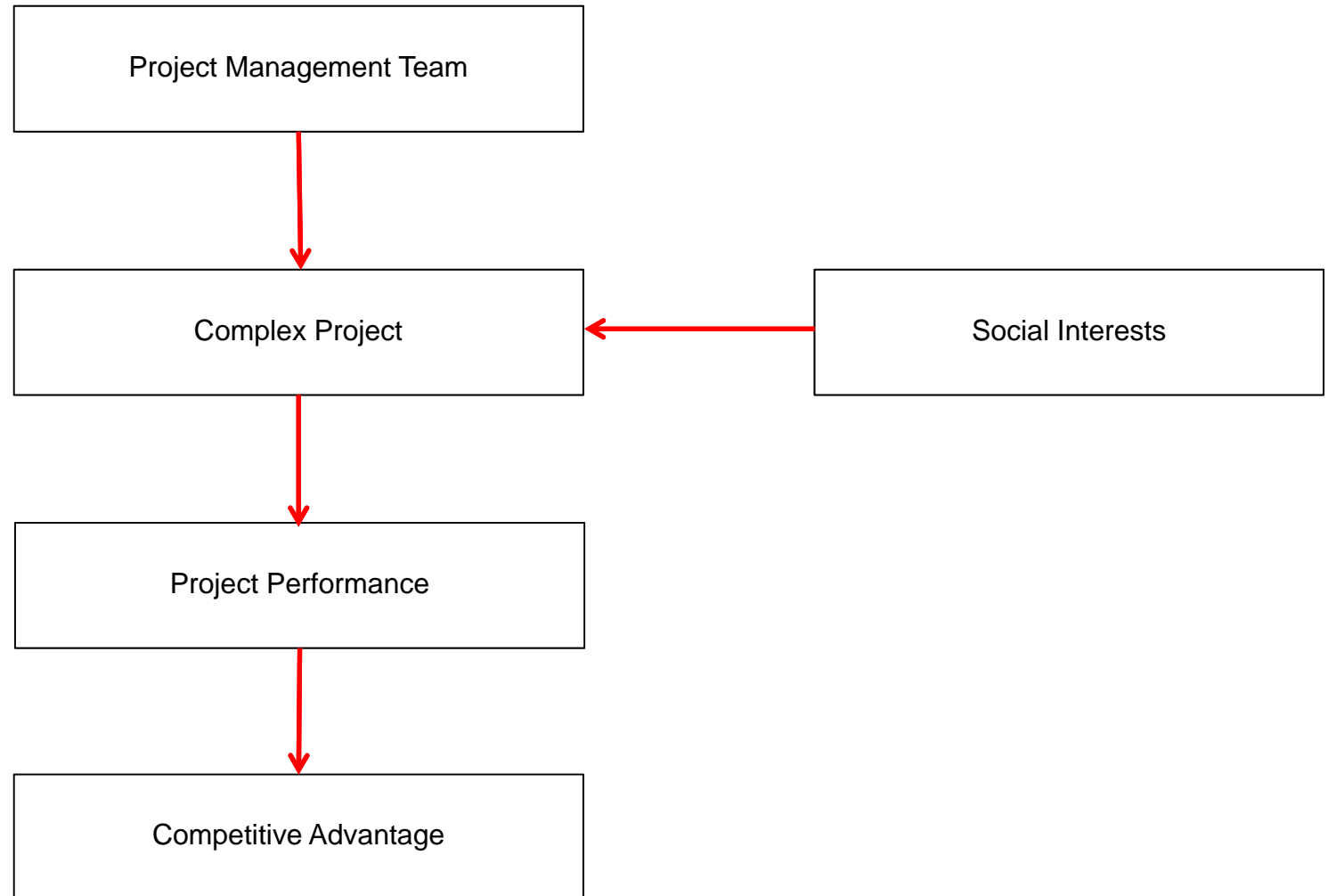
1. Social Management: a new competence of Project Management Team?

❑ The Project execution can become difficult if **Social Interests** are involved:

o The Social Community may be contrary to or supporters of the project. It depends on whether they are perceived adverse effects or opportunities for the social context

o The media usually amplify toward public opinion the negative arguments because in this manner they collect greater interest and audience.

o The resulting attitude of the Public Stakeholders is influenced by a negative or positive Social balance of the Project

❑ What management skills must develop the Project Management Team in such contexts?

Social Management

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Sustainable Development Good and/or Best Practices

1.0 Social

➢ **Increase SD visibility among Company Staff (Locally/Country/Company level)**

1.1 Volunteerism (employee & retirees)
- Issue Best practices
- Involvement in training activities
- Support to disfavored young

1.2 Diversity
- Gender Culture
- Generational
- Disable

1.3 Work/Life Balance
- Life outside/in the office
- Family/maternity/work
- Free-time/relationships

1.4 Welfare
- Human/Relationship Capital
- Time saver actions/services
- Flexibility services
- People care services/actions

2.0 Socio-Economic

➢ **«Project Way» addressing National Content & Local Communities (Local level)**

2.1 Local employment
- i.e. Educational/university partnership
- Involvement of Volunteers
- Issue Best practices

2.2 Purchasing goods & materials/ Services and construction works locally
- Issue Best practices
- Apply on projects locally

2.3 Interactions with Local Communities
- i.e. Health related actions
- Involvement of Volunteers
- Issue Best practices

2.4 Subcontractors involvement

3.0 Environmental

➢ **Promote "Eco-Design", "Sustainability & Innovation"**

3.1 Life Cycle Assessment & Energy Efficient Design of our Clients' facilities to be valued as a key competitive differentiator

3.2 Promote Win–Win deals between Company & Local Communities, i.e.
- Replacement of some Genset by Renewable Energy
- Waste Management

3.3 Promote « Project Way » to manage waste, water, energy consumption, greenhouse gas emissions, biodiversity …
- Issue Best practices

…TPIT Group Sustainable Development Strategy has been assumed as reference fot this Table …

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Social Management Good Practices

SUBJECT	LEADER	CONTRACTOR SKILLS
1. ENVIRONMENT		
1.1 Air quality/water during the construction	Contractor	OK
1.2 Noise	Contractor	OK
1.3 Effects on Flora/Fauna, ecc.	Contractor	May require the preparation of an VIA/SIA on which we need support
1.4 Impact on traffic (linked to the project and to the construction) on environment & on local communities	Contractor/Cliente	OK (?)
2. SOCIO-ECONOMIC FACTORS		
2.1. Relating to construction workers: • Respect of Human Rights - all the CSR requirements: Child Labour, Forced and Compulsory Labour, Freedom of Association, Discrimantion, Disciplinary practices) • Health protection (HSE, health protocols-AIDS/malaria/tuberculosis)	The CUSTOMER it may be in part responsible, but the burden organizational / management is borne by the Contractor	OK through: • Project HSE Manager • Site Doctor • CSR • HR • Site Administrative Manager
2.2 Relating to relationships with local communities: • Increase of Local population & impact on resources (water, waste, medical needs, ecc.) • Potential tensions and conflicts caused by the presence of foreign or non-local resources Need to create opportunities and professional skills in the local community (specialized courses, professional skills) • Long-term environmental impact in the local community • Risk of reputation / image of the Client / Customer • Management of disputes with the local community • Information policy of the local community • enhancement of "National Content"	• CUSTOMER is exposed firsthand about all aspects mentioned, being the investor and having an interest in maintaining long term peaceful relations with the territory; • but the customer calls for the involvement of MC in the organization of various aspects, to cover some positions and to manage directly the operation of many aspects (impact local, specialized training, technical upgrading of local content, etc.). • MC has an interest in acquiring the Social License to the successful completion of the contract	Apart from some specialized aspects related to the typical activities of the Contractor, to which it is possible to give an answer **For the rest are needed skills and expertise usually not available in the Company**

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5. Development of Social Management

02 May 2011

REPORT

ENVIRONMENTAL and SOCIAL IMPACT
ASSESSMENT STUDY for
SOCAR & TURCAS AEGEAN REFINERY
(STAR) PROJECT

ESIA Report

Final

Submitted to:

SOCAR turcas

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Project Number: 1013160211

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✓ **Environmental Social Impact Analysis (ESIA):**
  - This document is normally supplied by the customer to define all the possible impacts of the project on the local environment, natural and social
  - This document must be understood and further elaborated to define and develop the Social Objectives of the Project

Social Management Plan of the Project defines objectives, organization, KPI

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1. Social Management: a new competence of Project Management Team?

A real case:

☞ **THE HIGH-SPEED RAIL TURIN-LYON**

- Project, with large social objectives, planned by European Community

- Little initial communication on the social benefits of the project?

- The predictable opposition of local communities that have not been adequately involved in the objectives of the project?

- The attention of Media toward the Project?

The result: a «war game» of «black blocks» and anarchists in Project Sites!

CONSEQUENCES: impact on program and costs, public disorder, social objectives are no longer perceived

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1. Social Management: a new competence of Project Management Team?

Social Objectives of Project are not perceived & the Project Execution is greatly compromised

1. Social Management: a new competence of Project Management Team?

A Real case:

☞ **The Project Etileno XXI in Mexico**
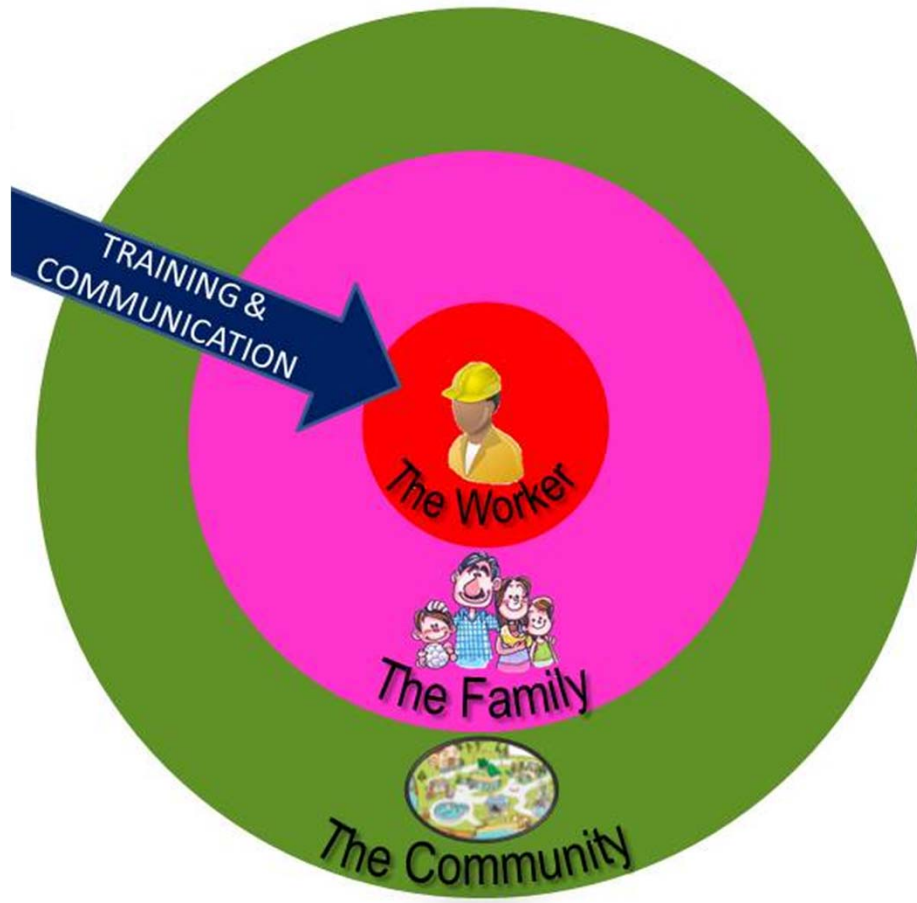
A big project (2,700 M$)
In the Coatzacoalcos territory

- In a local multicultural context
- The first industrial project in the area
- Strong presence of Trade Unions
- Few Skilled workers

The Project has initiated an extensive Social Management Plan!

Consequences: the project is perceived by local workers, their families and the local communities as an opportunity for improvement of the social context.

TRAINING & COMMUNICATION

The Worker

The Family

The Community

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1. Social Management: a new competence of Project Management Team?

Public Participation
* Ongoing Community Meetings

1. Social Management: a new competence of Project Management Team?

Community Workshops

- Workshops provided by the State Ministry of Health in coordination with local health committees

  - Reproductive health

  - Alcoholism and addiction prevention

- To be provided for all the communities

1. Social Management: a new competence of Project Management Team?

Work with Schools

- **H&S Training is provided in local schools**
  - Road signs training for students
  - Pedestrian precaution workshops
  - Traffic accident prevention for students and parents

1. Social Management: a new competence of Project Management Team?

Mitigation Activities

Repair of road signs, water irrigation to mitigate dust dispersion, cleaning teams, among other actions

Social Management Good Practices

2.0 Socio-Economic

➢ **«Project Way» addressing National Content & Local Communities**
(Local level)

2.1 Local employment
- i.e. Educational/university partnership
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- i.e. Health related actions
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- Issue Best practices

2.4 Subcontractors involvement

…TPIT Group Sustainable Development Strategy has been assumed as reference fot this Table …

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2.0 – Socio-Economic: «Project Way» addressing National Content & Local Communities

- **Increasing the National content of our projects**

  - **Establish a long-term presence in the countries where we operate**

  - **Promote local employement and foster skills transfer**

- **Supporting better local communities with UNDP involvement**

  - **More pertinent SD projects selected local increasing our impact within the local Communities and energizing national economies**

  - **Promote and engage the Project workforce as volunteers**

- **Making the best use of Company Relief & Development Fund, if available**

UNDP: United Nations Development Programme

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Example of Community Involvement:
Local Community

- Develop the skills of Local young unemployed people &/or Technical School students (of both Client, Project Partners);

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CONTENTS AND DURATION

- Welding Campus project will last 2 months (april/may) and will consist of 300 hours of activities, with an alternation between theory (1/3) and practice (2/3).
- DEVELOPMENT
- THEORY (in a technical school):
- Work organization in plant construction and illustration of the H-OIL project;
- Health and safety protection
- Understanding technical drawings
- Basics of metallurgy
- Welding methods and their characteristics
- Quality in welding: WPS, PQR and WPQ; materials and welding defects; tests and examinations on welds.
- PRACTICE (in well equipped labs and/or in Burgas workshop):
- Practical training in manual welding (Electrode, TIG, wire welding)
- At the end of the training course, a certificate will be issued by the authorized Institute

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- СЪДЪРЖАНИЕ И ПРОДЪЛЖИТЕЛНОСТ
- Продължителността на заваръчното училище е 2 месеца (от април / май) за общо 300 часа дейност и с редуване на теория (третия) и практика (2/3).
- ПРОВЕЖДАНЕ
- Теория (в техническият институт):
- Организация на работата в областта на дейността на заводите и предтавяне на проекта на Лукойл;
- Защита на здравето и безопасността
- Тълкуване на техническо чертане
- Основи на металургията
- Видове заваряване и функции
- Качество при заваряване: WPS, PQR и WPQ дефекти в материалите и заваръчни тестове , инспекции и контрол на заварки.
- ПРАКТИКА (оборудвани лаборатории и / или цеховете Бургас):
- Практически упражнения за ръчно заваряване (Електроди, TIG, финно заваряване)
- В края на курса обучаваните ще получат лиценз от сертифициран институт.

OBJECTIVES AND TARGET AUDIENCE

- Welding campus project is addressed to about 30 young unemployed people and/or technical school students and has the following objectives:

- Valorization of local resources
- Offer a work opportunity within the H-OIL project
- Promote stable and long-duration professional skills development

ЦЕЛИ И ЗАДАЧИ

- Проектът за училището по заваряване е насочен към около 30 млади безработни и / или професионално-технически ученици и има за цел:
- Да оползотвори местните ресурси

- Даде възможност възможност за работа по проекта в "Лукойл"

- Да създаде стабилна и трайна професионалност

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Develop commitments to the advantages of school community

SD commitment also means commitment to the advantage of the school communities

Donation of Computer equipment for the Professional High School of Mechanics and Electronics (Bourgas)

The initiative foresees:

The donation to the Professional High School of Mechanics and Electronics, by Technip Italy, of 20 PC complete with printer and video.

The initiative is part of the development program of Local Content within the project Lukoil Neftochim Burgas.

CSR/SD
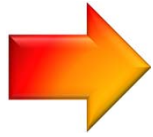
Comunicazione interna

Risorse Umane
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Develop commitments to the preservation of Health

Commitment to Sustainability also means commitment to the preservation of health

Campaign for the prevention of congenital eye malformations for children of Bourgas (BG)

I'm a Baby, but I want to see CLEARLY.

The Campaing foresees:

- The donation, by Technip Italy, to the Virgin Mary Hospital (Bourgas) of a pediatric tonometer to prevent, in children, cases of congenital glaucoma which leads to blindness, and a direct ophthalmoscope to detect eye diseases such as retinoblastoma and retinopathy and related assistance for the use of this equipment.

- The execution, by the Virgin Mary Hospital, of such tests, on 100 children each year, coming from the poorest parts of the population.

CSR/SD
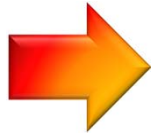
Comunicazione interna

Risorse Umane

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🔵 **Develop commitments to the advantages of school community**

Commitment to sustainability also means cultural commitment

Campaign to collect books to increase the Italian library of the Language High School Rakovski (Bourgas)

The initiative of books collecting, launched by the CSR function of Technip in Italy, to enrich the library of the "Language High School Rakovski (Burgas)", has achieved a great success.
During the days 29 and 30 January 2013 were collected about 300 books, many of which are representatives of the Italian culture, which will be, in the coming days, delivered to the School, that so will be able to increase its library of books in Italian.
We thank all those who have contributed to the success of this initiative.

- **CSR staff Representatives and Subcontractors Camp Committee at Site: important tools for a more serene Company atmosphere and greater effectiveness to work commitment.**

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- **A Suggestion/Improvement Plan has been issued by TPIT (as part of Site Management Procedures): a political big signal that show how there is a growing sensitivity to human rights and social expectation.**

Implementation by subcontractors & Follow Up by TP CSR
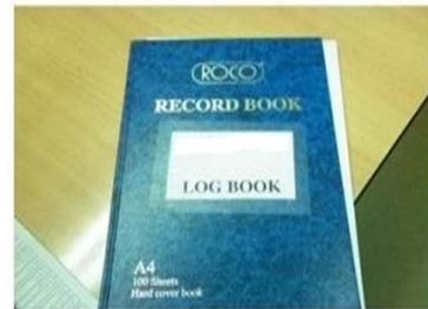
Dedicated compliant boxes were installed by subcontractors along with a log book. This log book was made available in each camp boss office. Regular verification is done by TP CSR.

3   CSR/ Grievance Management

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Social Management Good Practices

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2.4 - Involving further our Subcontractors & Suppliers towards sustainable development

- **Include SD as part of our pre-qualification process:**

  - Review also the most critical subcontractors & suppliers of our partners (level n-2)

- **Better quantify the measurement of SD compliance of our partners including level n-2:**

  - Add to the Inspection Process of our suppliers, a list of SD KPI

  - SD questionnaires

  - Audit reviews

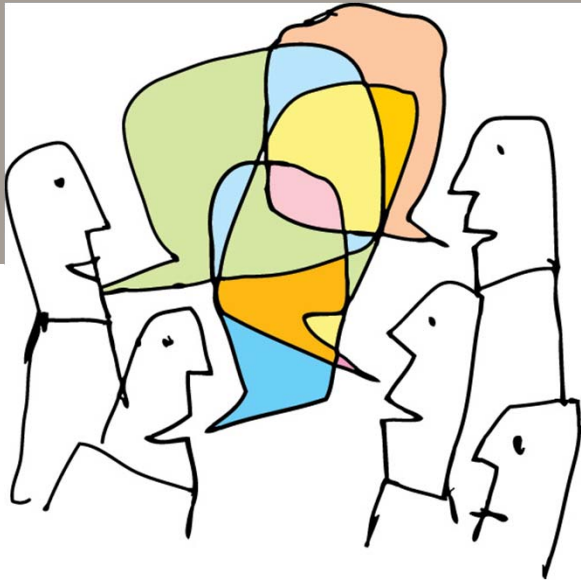 - Regular meetings organised by Procurement at Regional/Country level

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6. Conclusion

Project Management Team → **Social Management** → **Superior Performance**

C o m p a n y   C o m p e t i t i v e   A d v a n t a g e ?

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by David Pells, Managing Editor

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Thank you

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