	Guideline
BRAZILIAN NICKEL	**Stakeholder Management Plan**

Doc ID:	Issue Date:	Revision Date:	Status
BRN_GUI_Stakeholder Management Plan	July 2015	January 2020	Released

Introduction

Brazilian Nickel (BRN) is committed to develop all its projects in harmony with the communities where they are located with the aim of creating and maintaining win – win relations and a constructive working atmosphere throughout its businesses.

BRN has studied its operating environment to establish those groups and individuals who can be considered to have a stake in the project. This group includes internal stakeholders such as employees and external stakeholders – the local community villages, neighbours, landowners, local and national government, print and visual media, NGOs, universities and local companies.

BRN believes it is the company's responsibility to build non-dependent relations with the community and all stakeholders in the area, minimise the social effects to the area of the project and to be transparent in the supply of information to the community and media.

BRN started operating in Brazil in November 2015.   Upon until now, the Company has kept low profile in local/national press. During the heap leach demonstration phase, PNM/BRN officers addressed concerns of the surrounding communities regarding environmental management on a continuous basis.

A Community Relations Policy has been applied and PNM/BRN is informing the public about the details of the project on a need to know basis.   So far, and as a result, the Project Team is not aware of any serious issues with the local community that could potentially lead to any negative impact in terms of either cost or schedule.

The objective of the Stakeholder Management Plan is to assure that stakeholders' expectations related to each project are managed and addressed so the projects' goals can be met as planned. The Plan shall define the needs of communication and engagement of the main stakeholders assessed aiming to reduce risks and to maintain healthy relations between stakeholders during the PNP1000 implementation. Through active consultation and engagement with the project stakeholders, PNM will continue to openly inform the wider community about the project, and will also monitor and act according in order to satisfy both the project's and stakeholders' needs. The Health&Safety, Environment and Community relations – HSEC Management Plans are complementary to this Plan and should therefore be implemented and followed together to achieve the goals envisaged here.

The strategy is to build positive, non-dependent relationships between the Project stakeholders. These relationships have already started with the PNM activity in the area during the trial period. This base of strong relationships that have been built up will be further developed during the construction and operational period by:

- Establishing an open and continuous communication with the Project's affected communities and other stakeholders;
- Maximising the project's positive social impacts and prevention or mitigation of any potential negative social and environmental affects;
- Dissemination of information to the public directly or via press conferences, brochures, meetings etc.;
- Implementation of a grievance mechanism that can receive and address both nominated and anonymous complaints and requests related to the project;
- Support local community development through projects based on BRN's CR policy, codes and procedures.

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1   Stakeholder Analysis

The intent is to ensure identification of all stakeholders relevant to the scope of the Project Execution Plan in order to adequately address community relations issues and ensure a smooth project implementation.

Stakeholder Analysis is a methodology used to facilitate institutional and project implementation processes by accounting for and often incorporating the needs of those who have an interest in and power over the project under consideration. With information on stakeholders, their interests, and their capacity to affect the project's goals and results (or be affected by the project), advocates can choose how to best accommodate them, thus assuring that the strategies adopted are realistic and sustainable.

Current models of Stakeholder Analysis apply a variety of tools on both qualitative and quantitative data to understand stakeholders, their positions, influence with other groups, and their interest in a particular area of the project. In addition, it provides an idea of the impact of the project on political and social forces, illuminates the divergent viewpoints towards proposed reforms and the potential power struggles among groups and individuals, and helps identify potential strategies for negotiating with opposing stakeholders.

1.1   Who are Stakeholders?

A stakeholder is any entity with a declared or conceivable interest or stake in the project. The range of stakeholders relevant to consider for analysis varies according to the specific area of the project and, where the stakeholders are not organized, the incentive to include them.

Stakeholders can be of any form, size and capacity. They can be individuals, organizations, or unorganized groups. In most cases, stakeholders fall into one or more of the following categories:

- International actors, national or political actors (e.g. legislators, governors);
- Shareholders;
- Public sector agencies;
- Interest groups (e.g. unions, medical associations, media);
- Commercial/private for-profit, non-profit organizations (NGOs, foundations);
- Civil society, Neighbours and landowners;
- Team members, suppliers, contractors, and customers.

1.2   Why is stakeholder identification and analysis important?

Stakeholder analysis is important because it assists in:

- Identifying stakeholders' interests in, importance to, and influence over an operation;
- Identifying institutions and processes that may be relevant to an operation;
- Providing a foundation and strategy for participation.

Stakeholder identification and analysis is a vital tool for understanding the social, economic, cultural, political and organizational context of an operation. Its findings can provide essential information about:

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- Who will be affected by the project (positively or negatively).

- Who could influence the project (positively or negatively).

- Which individuals, groups or agencies need to be:

  o involved in the project;

  o consulted regarding the project; and

  o involved in decisions regarding aspects of the project.

1.3   When to Conduct the Analysis?

Timing is an important factor in the implementation of the stakeholder management strategy to assure the effectiveness of the results for the project implementation. In most cases, the first assessment should precede the fieldwork start up. During the planning stage, the stakeholder analysis can help gauge the likelihood of acceptance and sustainability of anticipated project impacts. By initiating the stakeholder management prior to the actual commencement of the project execution and continuing to modify the project development plan during the design process, potential obstacles to implementation and results can be avoided.

When used at the right time and in conjunction with other tools such as qualitative social, political and economic analyses and social impact assessments, stakeholder management can inform task team strategies to overcome opposition, build coalitions, and channel information and resources to promote and sustain the project.

1.4   What information should be captured for each stakeholder?

- Description of the stakeholder;

- Primary point of contact if the stakeholder is a group or organization;

- Nature of Company/Project current and previous involvement with the stakeholder;

- Rationale behind why the project is, or should be, involved with the stakeholder;

- Level of contact with the stakeholder;

- Company/Project representative/s who interact with the stakeholder;

- Reference to any published or specially commissioned reports relevant to the stakeholder of the issues involving the stakeholder.

1.5   How often should the stakeholder database be updated?

Stakeholder databases should be a dynamic tool for the process of community relations. They should be revised and adjusted throughout the lifecycle of the project and as strategies are implemented and evaluated.

2   Stakeholders Management

Stakeholder management is the process of gathering and analysing qualitative information to determine whose interests need to be considered during all stages of the project development. Many business initiatives fail because a key stakeholder is not appropriately engaged or because project objectives, outcomes, milestones and impacts are not communicated clearly or targeted by a stakeholder group.

Managing project stakeholders, their influences and relationship within the decision making process is a key part of risk management and a critical path to achieve business goals. Failure to properly manage stakeholders brings unnecessary risk to PNP, its future operation, BRN and its future projects.

The process to manage stakeholders is described next. This process should be reviewed throughout the project life and repeated as many times as required based on the specific circumstances.

Stakeholder management is a key part of the change management process.

2.1   Identify Stakeholders & Grouping

Stakeholder identification should be undertaken via a collaborative brainstorming session preferably after the project charter is approved and available. This will involve establishing a cross-functional team of people from around the Project with previous experience with the asset/country/operation. This cross-functional team should include external stakeholders and/or facilitators at various stages of the process.

Stakeholder analysis is not only a desk study, although reference to other documents and available information should be used where available and reliable. Analysis should also incorporate participatory methods where possible, during:

- Stakeholder workshops

- Local consultations and analysis

- Community interactions

Assess:

- Who might be potential stakeholders

- Who might be adversely or positively impacted by the project

- Who might impact the project positively or negatively

- Whether potentially vulnerable or marginalised groups (e.g. indigenous peoples, ethnic minorities, women, children etc.) have been identified

- Whether supporters of the operation been identified

- What relationships exist among the stakeholders (i.e. ask stakeholders whether there is anyone else that may consider themselves a stakeholder).

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2.2 Analysis & Assessment

This stage is important to proactively identify the potential effects of a particular stakeholder in specific areas of the project.

Initially it can be done using the Project Team assumptions, but it is fundamental to validate those views directly with the stakeholders.

Several methods can be employed to collect data on stakeholders in a comprehensive and efficient manner. Prior to the actual collection, a brief review of background literature and previous studies can provide a useful understanding. One method of collecting data is to conduct interviews directly with the stakeholders involved in the specific project area. The second method is to interview local experts in the field who are knowledgeable about the issue and the important groups and individuals involved in the project area.

Broad, all-inclusive interviews will lead to an effective Stakeholder Analysis process since it will uncover many facets of the current state of the specific area impacted by the project. The content and questions of the interviews should focus on background information on the project implementation process, information that identifies key stakeholders from a variety of groups, and clarifying assumptions about stakeholder's power and interest in the decision-making process. The project team determines the number of interviews, taking into consideration field conditions and logistical constraints (e.g. sensitivity, access, time, budget, etc.).

Assess:

- What are the stakeholder's expectations of the project
- What benefits/impacts are likely for stakeholders
- Whether stakeholder interests will conflict with project goals

2.3 Mapping & Prioritization

The list of stakeholders may be quite long, prioritization is fundamental to ensure the effectiveness of this activity.

During this stage, each stakeholder must be mapped based on their level of influence/power over the project and other stakeholders using the definitions shown in Table 1.

Table 1 Stakeholder Influence/Power

Type	Description	Influence/Power
Patrons	Who retains power of decision through all stages of the project	High
Controllers	Who influence positively or negatively the controllers and patrons during the decision making process	High
Approver	Who have major influence and significant power during the approval process from BRN perspective	High
Legal & Regulatory	Who have major influence and significant power during the approval process from the Legal stand point	High
Influencer	Who influences positively or negatively the approvers, controllers and patrons during the decision making process	Medium

Landowners	Who can significantly loss or gain from the project outcomes and can influence the project development	Medium
Potentially Affected Party	Who can significantly loss or gain from the project outcomes but can't influence the project ability to succeed	Low
Observer	Who don't lose or gain from the project outcomes but may have an opinion that may influence other stakeholders either positively or negatively	Low

Each identified stakeholder shall be qualified based on the information available in regards to his/hers current state (interest) related to the project according to the Table 2.

Table 2 Stakeholder' Current State (Interest)

Strongly Against
Moderately Against
Neutral
Moderately Supportive
Strongly Supportive
Unknown

All identified stakeholders can be grouped if that makes easier the follow up and definition of management and communication actions. For each stakeholder group assess its:

- Influence and status (political, social, economic)

- Degree of organisation

- Control of strategic resources

- Informal influence

- Power relations with other stakeholders

- Other relevant background

The outcome of this mapping will help to prioritize and plan the best way to engage, manage and communicate to these stakeholders or groups according to the future statement that is targeted for each stakeholder.

2.4   Strategy & Action Plans

The previous steps should provide the management teams with the information required to define the most effective strategy and actions to manage the individual or group of stakeholders that present more influence/power and stronger interests over the project.

The definition of such action must consider the criticality and priority of the stakeholder, the available resources and the overall project plan to ensure that all commitments are materialized as planned.

Direct communication with the stakeholders is an effective way to manage them.

It is critical that the following checks are completed before a communication action is materialized:

- The message includes only the information that is relevant and important to the issue;

- The message is clear, honest and simple, avoid confusion or additional questions is fundamental;

- The context is sufficiently explained without assuming that important facts are known;

- Sensitive communication that may create a significant impact to the project must be tested prior to its actual submission;

- Make sure that the timing and sequence of communication for larger groups are well defined to avoid surprises and new conflicts;

- Consistency along the project life and when using different channels, scenarios or tools to communicate the same message is fundamental;

- Ensure that each communication allows the receivers to provide feedback or seek additional information. This will enhance the engagement process;

- After each communication process is done, it is also crucial to check the message was properly delivered and also it was correctly and fully understood by the stakeholders that received it, to avoid any misunderstandings or any unwanted/negative side effects to the project´s goals and/or any other stakeholder.

2.5 Continuous Review & Follow-up

The stakeholder management is an ongoing activity during the project life. Regardless the fact that it is a fundamental piece of the Change Management process, the stakeholder management and register must be frequently reviewed to ensure that all associated risks are under control.

The Stakeholder Register & Action tracking contains the PNP' identified stakeholders grouped by different categories, the relationship manager from BRN/PNP, their role and current assessment of their influence/power and interest in the project and in the decision-making processes, the detailed management actions to mitigate or enhance their impact on the project, and the documentation of the relevant interactions.

3 PNP's Stakeholders Management current status

Considering the current status of the Piaui Nickel Project being of standby of the Demo Plant's operations, and the ongoing environmental permitting process of the PNP Full Scale still in the feasibility stage, the current actions have been developed so far:

- Stakeholder Register filled based on company's previous and ongoing knowledge and relationships stablished in the past 3 years, that is updated whenever new events and inputs occur;
- Communication of PNP's developments have been done locally and institutionally either through meetings, emails, phone calls or visits, whenever updates and significant events take place or when PNM's staff is contacted;

- A continuous open communication channel stablished by the community relations supervisor, who is engaged and a trusted person among the local communities. No critical complaints registered so far.
- Several social actions implemented to engage and support local communities, such as road maintenance, lectures on health, safety and environment in schools, along with other good neighbourly practices.

Currently the majority of stakeholders related to PNP are strongly supportive for the project's implementation considering the social economic benefits it will bring to the region (increments in local economic activity and income taxes, and increase in population's financial income and employment rates). This evaluation is backed up by the results presented in PNP's Environmental and Social Impact Assessment – EIA/RIMA submitted to apply for the project's feasibility permit (called *Licença Prévia)*, which presented that 90% of the stakeholders interviewed consider PNP's implementation great or good. It was also evidenced during the successful public hearing developed in June 2019 as part of the *Licença Prévia's* permitting process, with some 300 people present (including key local authorities and stakeholders), where the audience showed strong project support, with no attacks nor conflictual pronouncements against the project's concept and development, and had all questions effectively addressed.

Further detail of this Plan shall be done for PNM's projects when funds are confirmed, along with scope, schedule, and budget's restrictions and allowances confirmations.