Defining Social Performance

Social Performance is how a company contributes to society.

A company or project can contribute positively or negatively through interactions and activities.

When a company commits to social performance, it commits to taking responsibility for its interactions and activities to ensure a positive contribution to the societies and communities it operates in.

Achieving excellence in social performance requires strong leadership, integrated management systems, building of capability throughout the project lifecycle, proactive risk and impact management, and an ability to foster meaningful relationships with one's stakeholders.

Aims of Social Performance Management

Avoid harm to people and communities from company activities throughout the project life cycle.

Ensure **respect for human rights.**

Contribute to the **social and economic development** of affected people and engage society more widely on key issues.

Establish and maintain **relationships of trust** between companies and stakeholders for mutual benefit.

Key Activities in Social Performance

- Baseline studies to understand your local context;
- Identifying and assessing social risks and impacts;
- Developing management response to social risks and impacts;
- Monitoring and evaluating projects, programmes and interventions;
- Engaging with affected and interested stakeholders, including providing access to remedy (grievance mechanism);
- Socio-economic benefit delivery (which is different from impact management!);
- Integrating social performance within relevant departments and activities of the company/ operation/ project.

Other activities will also arise depending on the local context and associated requirements (e.g. resettlement, cultural heritage, etc).

Social performance needs to support and align with international standards, national legislation and locally negotiated commitments.

Economic Development vs Social Performance

Economic Development

COMPLIANCE

Ensures Project Company (SPV) **compliance** with various IA Obligations

- Ownership
- Management Control
- Job Creation
- Local Content
- Preferential Procurement
- Socio-Economic Development (SED)
- Enterprise Development (EnD)

From Compliance to Implementation

Social Performance

IMPLEMENTATION

Responsible for **implementation** of IA requirements and **Social License to Operate**

- Social Risk and Impact Management
- Stakeholder Engagement
- Socio-Economic Development (SED)
- Enterprise Development (EnD)

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ESG and Social Performance

- **ESG is the management of environmental, social and governance aspects of a business, essentially how a company takes responsibility for their actions and impacts on the environment and society, including its own employees and customers**

Environment	The impact of a company's or project's activities on the environment. Includes eg pollution control, waste management, resource efficiency, biodiversity conservation, and climate change
Social	A company or project's interactions with, and impacts on, its employees, customers, communities, and other stakeholders. Includes eg labour practices, human rights, community engagement, social inclusion and benefit sharing
Governance	The systems, processes, and practices that ensure a company or project is managed responsibly, ethically, and transparently. This includes corporate governance structures, risk management, accountability, and compliance with laws and regulations

- **Social Performance** covers the social aspect of ESG, including respectful, effective and appropriate engagement with affected stakeholders