



Policy Name: Human Rights

Policy Number: A105

Policy Owner: VP – Health, Safety, Environment & Social Responsibility

Policy Approver: Chief Legal Officer

Approval Date: February 1, 2013

Policy Statement:

Nexen values and promotes respect for human rights. Nexen supports the United Nations' Universal Declaration of Human Rights and is committed to respecting the internationally recognized human rights of the individuals and communities whose lives we may affect. This policy establishes guidelines to integrate respect for human rights into Nexen's operations and business practices.

1. Definitions:

Aboriginal Peoples: In Canada, Aboriginal Peoples are the First Nations, Métis and Inuit whose rights are recognized and affirmed in the *Constitution Act, 1982*.

Chief Legal Officer: A corporate officer holding the most senior legal position concerning legal affairs in the company and associated with an executive officer position.

Contractor: Means any person or entity, including their employees or sub-contractors that have been contracted, sub-contracted or otherwise engaged to provide services to the Company. The Contractor may be identified by, but not limited to, such terms as third party, direct hire, or independent contractor.

Employee: Means regular full-time, part-time, temporary, casual and fixed-term Employees of the Company.

Human Rights: Refers to the basic rights and freedoms that all people are entitled to regardless of nationality, gender, national or ethnic origin, race, religion, language, or other status. Human Rights include civil and political rights (such as the right to life, liberty and freedom of expression) and social, cultural and economic rights (such as the right to an adequate standard of living and the right to health). Human Rights are protected and upheld by international and national laws and treaties.¹

¹ Adapted from the definition of human rights articulated by Amnesty International and in the *United Nations Universal Declaration of Human Rights*.



Indigenous Peoples: Indigenous Peoples have cultures and ways of life that are distinct from the wider societies in which they live and their use of particular lands precede the presence of other inhabitants. Typically, Indigenous Peoples have a collective attachment to traditional lands and ancestral territories; they are often reliant on the land and its natural resources for their livelihoods; they may also have strong economic, cultural and spiritual ties to such lands. The rights and interests of Indigenous Peoples are expressed in international law, and through national and, in some instances, provincial/state legislation.²

Nexen (or the Company): Refers to Nexen Energy ULC and its majority owned subsidiaries and affiliates for which it has managerial responsibility.

Stakeholders: Any individuals or groups who could be impacted by Company operations or who could, through their own actions, affect Company business. Many people have a 'stake' in Nexen, including internal Stakeholders, such as Employees, and external Stakeholders, such as governments and regulators, customers, community residents and landowners, Indigenous and Aboriginal Peoples, and special interest groups and non-government organizations.

United Nations (UN): The United Nations is an international organization committed to maintaining international peace and security, developing friendly relations among nations and promoting social progress, better living standards and Human Rights.

Universal Declaration of Human Rights (UDHR): The Universal Declaration of Human Rights is generally agreed to be the foundation of international Human Rights law. Adopted in 1948 by the United Nations General Assembly, it declares that basic rights and fundamental freedoms are inherent to all human beings.

2. Objectives:

The objective of this Policy is to ensure all Employees and Contractors have a clear understanding of Nexen's commitment to respect Human Rights and the protocols followed to ensure that Nexen's business is conducted with respect for Human Rights.

3. Persons Affected:

This Policy applies to all Employees and Contractors of the Company.

4. Policy:

Consistent with applicable laws and regulatory requirements, Nexen will take reasonable steps to assess and manage the potential impacts that our plans and operations may have on the rights of affected Stakeholders. These steps may include conducting Human Rights due diligence, delivering appropriate training, and establishing mechanisms for all Stakeholders to raise related concerns with Nexen. Our goal is to ensure we are never directly or indirectly complicit in Human Rights violations.

² Adapted from the *United Nations Declaration on the Rights of Indigenous Peoples*, *International Labour Organization Convention 169*, and *International Financial Corporation Performance Standard 7: Indigenous Peoples*.

This Policy provides guidance in four areas:

4.1 Indigenous/Aboriginal Peoples, Communities and Human Rights

Nexen is committed to respecting the unique rights and culture of Indigenous and Aboriginal Peoples. We will honour recognized national or international agreements regarding the rights of these peoples.

For all major projects, we will assess the potential social impacts of our activities on Stakeholders, including communities in proximity to our operations. This assessment will include a review of potential Human Rights impacts. Nexen acknowledges the importance of transparent and timely consultation in advance of new projects and throughout the lifecycle of our operations. We will provide avenues for Stakeholders to raise concerns related to Nexen's operations and we will establish processes to document and address those concerns.

4.2 Employees and Human Rights

Nexen will take reasonable steps to ensure its Human Resources policies and practices respect the fundamental rights of employees. These include, but are not limited to:

- a respectful, inclusive and harassment-free workplace;
- safe and healthy working conditions;
- a commitment to equality and diversity, including prevention of discrimination; and
- recognition of the principle of freedom of association.

Employees' rights are more fully articulated in Nexen's Employee Relations Policy (HR 217) and Respectful Workplace Policy (HR 257).

4.3 Security and Human Rights

Our operations require appropriate arrangements to safeguard the security of our Employees, our assets and host communities. We will assess security-related Human Rights risks, especially in areas with a history of conflict. Our goal is to provide security in a manner consistent with UN guidelines and conventions on the use of force. Depending on the degree of risk assessed, we may undertake the following measures:

- introduce specific Human Rights related clauses into our contracts with security personnel detailing Nexen's expectations and the contents of this Policy;
- screen security personnel employed or contracted by Nexen for past Human Rights violations;
- train security personnel to recognize and avoid violations of Human Rights in the conduct of their work; and
- in circumstances where host governments provide some portion of our security, review security-related Human Rights issues and concerns with appropriate officials.

4.4 Third Parties and Human Rights

Nexen will communicate its expectations regarding ethical business conduct – including respect for Human Rights – to its Contractors and selected third parties. Based on the potential for Human Rights risk, Nexen may provide targeted training or include specific contractual requirements with Contractors and selected third parties.

4.5 Monitoring

We will document and address Stakeholder concerns – including those related to Human Rights -- raised through operations-specific grievance mechanisms and Nexen's Integrity Resource Centre. We will provide an overview of Human Rights performance at Nexen updated annually in our Sustainability Report and/or external website.

5. Roles and Responsibilities:

The Vice President, Health, Safety, Environment & Social Responsibility is responsible for establishing and maintaining the practices, guidelines and internal controls regarding this Policy.

Employees, Contractors and other external Stakeholders who have concerns regarding Nexen's compliance with this Policy are encouraged to raise them in accordance with Section 4 of the Company's Speaking Up Policy (A163).

6. Guiding Principles / Related Policies:

This policy is informed by the principles contained in:

- Universal Declaration of Human Rights
- UN Human Rights Council Guiding Principles for Business and Human Rights
- UN Declaration on the Rights of Indigenous Peoples
- Voluntary Principles on Security and Human Rights

For further guidance, the following Nexen policies should also be consulted:

- Employee Relations (HR 217)
- Health, Safety, Environment & Social Responsibility (A136)
- How We Work: Our Integrity Guide (A099)
- How We Work – Our Integrity Guide for Suppliers (A098)
- Indigenous Peoples (A173)
- Respectful Workplace (HR 257)
- Corporate Security (A140)
- Speaking Up (A163)

7. Revision History:

DATE	REVISION #	DESCRIPTION OF CHANGE
June 18 2013	3 rd Revision	- Administrative changes relating to name change to Nexen Energy ULC, board and executive title changes and dissolution of Board Committees where applicable.
February 1 2013	2 nd Revision	- Updates to reflect evolving Business and Human Rights standards - Content adapted to standardized policy format
March 28 2003	1 st Revision	- Miscellaneous updates to content
July 4 2001	Policy Creation	- New Policy created and approved