**Policy Name:** Indigenous Peoples  
**Policy Number:** A173  
**Policy Owner:** VP -- Health, Safety, Environment & Social Responsibility  
**Policy Approver:** Chief Legal Officer  
**Approval Date:** February 1, 2013

**Policy Statement:**

Nexen recognizes the value of building enduring and trusting relationships with Indigenous Peoples whose legally recognized lands and traditional territories are within or in close proximity to the areas where we operate. The intent of the Indigenous Peoples Policy is to guide the development of mutually beneficial relationships over the lifecycle of our projects, while building business value from our engagement activities.

Our approach to developing such relationships is guided by the laws and regulatory requirements recognizing and respecting the rights of Indigenous Peoples in the countries where we operate, and Nexen’s commitment to responsible development and respect for Human Rights, as well as our corporate values and policies.

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

**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.

**Social Licence:** Refers to the level of acceptance or approval continually granted to our company’s operations or projects by the local Indigenous or non-indigenous community and other Stakeholders.

**Social Responsibility:** Refers to earning and maintaining Nexen’s Social Licence to operate by interacting openly and respectfully with Stakeholders and Indigenous communities, and by assessing and managing the social risks and impacts of our activities.

**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, First Nations 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 objectives of this Policy and associated Guidelines are to:

- Establish and build mutually beneficial long-term relationships with Indigenous Peoples and communities based on respect, transparency, inclusiveness, shared understanding and open communication.

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

• Ensure our engagement with Indigenous Peoples respects their rights and interests as governed by the national and provincial/state laws and regulations of the countries where we operate, as well as Nexen’s commitment to responsible development, Human Rights and our corporate values.

• Foster opportunities for Indigenous Peoples to participate in the economic and social benefits of Nexen’s energy developments.

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 work with Indigenous Peoples and communities in proximity to its operations to develop relationships based on mutual respect and trust, a shared understanding of the issues, and collaborative problem-solving to attain mutually satisfactory outcomes. To accomplish this effectively, Nexen is committed to engaging and communicating with Indigenous Peoples about matters of shared interest.

This Policy provides guidance in four focus areas. Guidelines reflecting these focus areas will be developed for each country where Nexen’s operations have interaction with Indigenous Peoples.

4.1 **Community Engagement/Consultation**

Nexen will engage with Indigenous Peoples and communities early and conduct consultation in a timely and culturally appropriate manner.

Nexen will strive to minimize negative impacts of existing and future development on lands used by Indigenous Peoples for traditional activities. In this regard, Nexen will engage with and develop open and transparent two-way dialogue with Indigenous Peoples.

4.2 **Business Development and Capacity Building**

Nexen will work with Indigenous Peoples and communities with the intent to identify and provide opportunities to participate in our industry, and share in the benefits of Nexen’s energy developments, where we operate.

Nexen will promote business and workforce development, when possible, for Indigenous Peoples in close proximity to where we operate.

4.3 **Community Investment**

In keeping with Nexen’s philosophy of contributing to the well-being of local communities, Nexen will invest in targeted initiatives and development programs.
4.4 Indigenous Employment

Where possible, Nexen will take steps to work with educational and training institutions to develop initiatives that support knowledge building and skills development to help prepare Indigenous Peoples for employment in the oil and gas industry.

5. Guidelines:

To implement this Policy, Guidelines will be developed for each country where Nexen does business and its project(s) or operations have an impact on Indigenous Peoples and their communities. The Guidelines will help to ensure the Policy is adapted and applied appropriately across Nexen’s operations.

6. 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.

The Aboriginal Relations group will guide and support corporate departments and divisions with the development, implementation, monitoring, and evaluation of policies, guidelines, programs and strategies related to Indigenous Peoples and issues, as they relate to Nexen’s activities and operations.

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).

7. Related Nexen Policies:

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

- Community Investment (A104)
- Guide to Community Investment at Nexen (A404)
- Health, Safety, Environment & Social Responsibility (A136)
- How We Work: Our Integrity Guide (A099)
- How We Work: Our Integrity Guide for Suppliers (A098)
- Human Rights (A105)
- Speaking Up (A163)

8. Related International Declarations and Standards:

The following international declaration and standards should also be referenced:

- United Nations Declaration on the Rights of Indigenous Peoples
- International Financial Corporation Performance Standard 7: Indigenous Peoples
- International Labour Organization Convention 169
9. Revision History:

<table>
<thead>
<tr>
<th>DATE</th>
<th>REVISION #</th>
<th>DESCRIPTION OF CHANGE</th>
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<tbody>
<tr>
<td>June 18 2013</td>
<td>1st Revision</td>
<td>Administrative changes relating to name change to Nexen Energy ULC, board and executive title changes and dissolution of Board Committees where applicable.</td>
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<tr>
<td>February 1 2013</td>
<td>Policy Creation</td>
<td>New Policy created and approved</td>
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