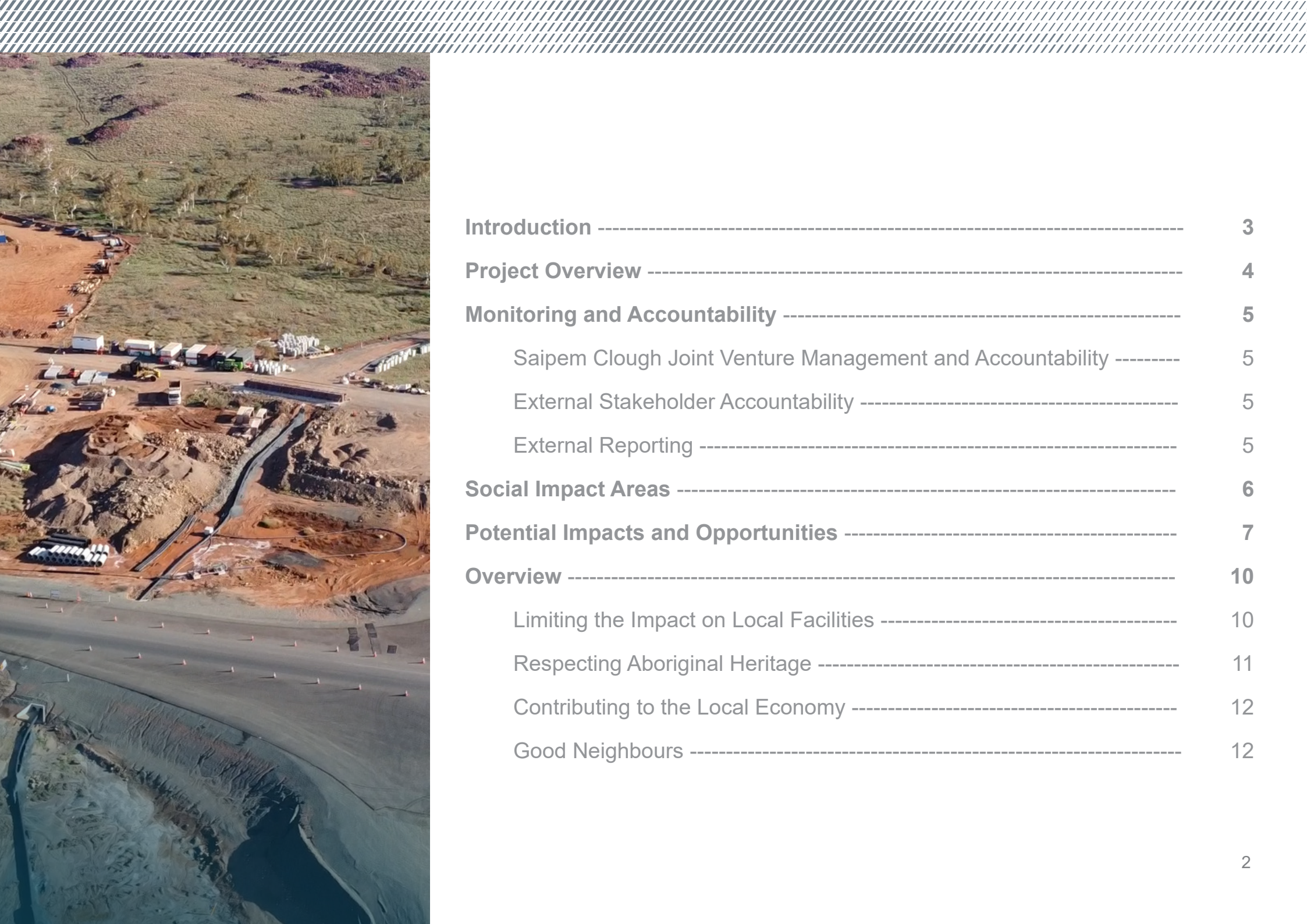




PROJECT CERES

**Social Impact
Assessment Summary**

Construction Phase
2023-2027



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INTRODUCTION

This document is a summary of the Social Impact Assessment (SIA) that identifies the social and Indigenous impacts of the Perdaman Chemical and Fertilisers Pty Ltd (Perdaman) Project Ceres (the Project), located on the Burrup Peninsula in the Pilbara region of Western Australia.

Once completed, the Project will be Australia's largest gas stream ammonia-urea plant with a production capacity of 2.14 MTPA. The plant is located within the Burrup Strategic Industrial Area (BSIA), Burrup Peninsula, approximately 10 km north-east of Dampier and 20 km north-west of Karratha on the north-west coastline of Western Australia. Perdaman has appointed the Saipem Clough Joint Venture as the construction contractor for the Project.

The Social Impact Assessment documents the strategies to mitigate the potentially negative impacts on the community of the construction of the urea plant and identifies the opportunities to deliver positive social outcomes for the community during the operations of the urea plant.

The completion of the Social Impact Assessment, the accompanying Social Impact Management Plan and this summary document are funding requirements under the Equator Principles (EP4).

At the conclusion of the construction phase (expected to be 2027) and prior to the completion of plant commissioning, responsibility for reviewing and updating the Social Impact Assessment and the management of impacts will transition from the Contractor (Saipem Clough Joint Venture) to Perdaman management.

Consultation with key stakeholders has been ongoing since the initial stages of the Project.

Consultation has taken many forms including:

- Targeted presentations and workshops with identified stakeholders
- Internet and media releases
- Open days
- Online feedback mechanism to capture queries
- Interviews
- Industry forums

In early 2024, the Project revisited relevant stakeholders during the development of the Social Impact Assessment to understand the likelihood and severity of adverse impacts.



PROJECT OVERVIEW

The urea plant will be constructed and operated in the Burrup Strategic Industrial Area, approximately 10km from Dampier and 20km north-west of Karratha on the north-west coastline of Western Australia. The project's construction and operational workforce will primarily be accommodated in the Karratha township, with a small percentage sourced from nearby communities.

The Burrup Strategic Industrial Area is located on the Burrup Peninsula, an area set aside by the Western Australian Government for industrial development to leverage the region's abundant natural gas resources. Perdaman's urea plant is likely to be the last of the major industrial developments in the Burrup Strategic Industrial Area and is the second urea plant to be constructed in the area.

Once completed, Perdaman will join the Woodside operated North West Shelf Venture Project, Woodside's Pluto LNG Plant, Yara Pilbara Fertilisers (Urea) Plant, Yara Pilbara Nitrates and supporting services including the Dampier Port and Toll Logistics Hub.

The project infrastructure, including the main production facility (urea plant), administration, maintenance and storage infrastructure, conveyor and port storage, and ship loading facilities, are situated within the Burrup Strategic Industrial Area. The estate's proximity to gas, port and other key infrastructure makes it an ideal location for the Project.

The Project involves piping natural gas from the nearby Woodside operated LNG facility to the project site. Natural gas is converted to urea and the final granulated product is transported by closed conveyor to the Dampier Port where new facilities will include an enclosed stockpile shed and ship loading facilities.

The Burrup Strategic Industrial Area is near the Murujuga National Park, which covers an area of 4,913ha on the Burrup Peninsula. The area hosts one of the largest concentrations of ancient Aboriginal rock art in the world. As such, the Project will apply effective management strategies that minimise, actual or potential impacts on the environment, heritage, and cultural values of the area.

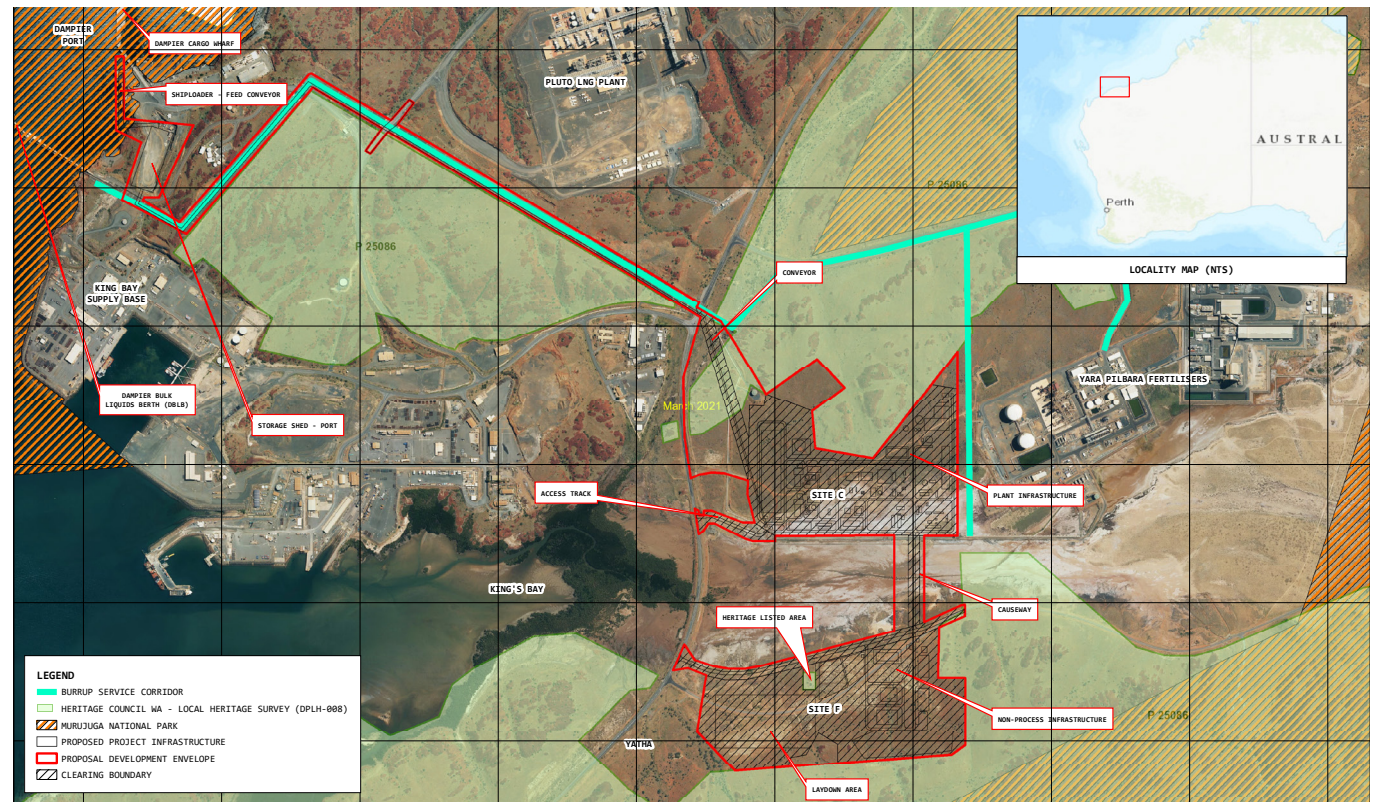


Figure 1: Project Ceres Site Location map

MONITORING AND ACCOUNTABILITY

A robust and transparent project accountability framework has been created to deliver stakeholder confidence in the Project's delivery of its commitments and management of its impact and human rights risks.

The accountability framework also demonstrates a mature and strategic approach to the management of impacts that is focused on delivering outcomes that are consistent with ALARP (as-low-as-reasonably-practicable) principles.

Using three key accountability mechanisms, the framework facilitates a pathway for additional opportunities, human rights risks and impacts (that could not have been foreseen) to be incorporated into future project decision making.

The accountability mechanisms include:

Saipem Clough Joint Venture Management and Accountability

A group of key project decision makers and discipline leads will participate in the Project Impact Management Working Group to manage the collection of project data and monitor the Project's performance in meeting its impact management and human rights commitments.



External Stakeholder Accountability

To create a formal engagement feedback process, accountability and build trust in the local community, the Saipem Clough Joint Venture will establish the Perdaman Urea Liaison Stakeholder Committee and will include local representatives from businesses and residents, City of Karratha, and Karratha Districts Chamber of Commerce. A full list of members will be published on the project website, together with the minutes of each meeting.

External Reporting

In addition to publishing the minutes of Perdaman Urea Liaison Stakeholder Committee meetings, the Saipem Clough Joint Venture will produce a six-monthly Social Impact Accountability Report that will be available from the project website. This report will publicly track the Project's progress in meeting its impact and human rights commitments, including the management of modern slavery in the international supply chain.

SOCIAL IMPACT AREAS

Forty-two potential social impacts were identified in the Social Impact Assessment and classified under one of the following eight impact areas. In the pages that follow, these potential impacts and associated opportunities have been summarised under each heading.

The (+) symbol represents an opportunity and the (-) symbol represents an impact that has been identified in the assessment.

A Human Rights Risk Assessment for the Project was completed by an independent consultant. The Project's response to managing its salient human rights risks is cross referenced to the Social Impact Assessment and the project's Social Impact Management Plan. This is designed to promote consistency in management, monitoring, and reporting.

Except for modern slavery risk in the international supply chain, the thirteen human rights risks identified in the Human Rights Assessment, are captured in the Social Impact Assessment.



Community

Including composition, cohesion, character, how the community functions, resilience, and people's sense of place.



Livelihoods

Including people's capacity to sustain themselves through employment or business.



Way of Life

Including how people live, how they get around, how they work, how they play, and how they interact each day.



Culture

Both Aboriginal and non-Aboriginal, including shared beliefs, customs, practices, obligations, values and stories, and connections to Country, land, waterways, places, and buildings.



Surroundings

Including ecosystem services such as shade, pollution control, erosion control, public safety and security, access to and use of the natural and built environment, and aesthetic value and amenity.



Health and Wellbeing

Including physical and mental health especially for people vulnerable to social exclusion or substantial change, psychological stress resulting from financial or other pressures, access to open space and effects on public health.



Accessibility

Including how people access and use infrastructure, services, and facilities, whether provided by a public, private, or not-for-profit organisation.



Decision-making system

Including the extent to which people can have a say in decisions that affect their lives, and have access to complain.

POTENTIAL IMPACTS AND OPPORTUNITIES

COMMUNITY

Including composition, cohesion, character, how the community functions, resilience, and people's sense of place.

- + Enhance the appreciation of the cultural diversity of the Karratha region.
- + Create a safe workplace environment for all project personnel.
- + Be an exemplar FIFO workforce and encourage a culture where personnel report sexual harassment and management responds appropriately
- + Paid and long-term employment opportunities for local Indigenous population to break the cycle of poverty and intergenerational unemployment.
- + Provide individuals with multiple barriers to employment the opportunity to overcome these barriers.
- + Build robust and meaningful relationships and communications channels with the local community, businesses, and service providers.

- Workforce does not respect multicultural elements of the local community.
- Workforce creates concerns in the town in relation to public intoxication, sexual assault, and harassment.
- Exploitative sexual relationships develop within between construction workers and members of the local community.
- Demand generated by project workforce results in an increase in illicit drug availability and use in the community.
- Social and racial tolerance is undermined by conflict over inequitable distribution of the economic benefits from the project and supporters of the project and those opposed to it.

LIVELIHOODS

Including people's capacity to sustain themselves through employment or business.

- + Increase the diversity of local employment opportunities for the local labour force.
- + Create supported and meaningful employment opportunities for local Indigenous community members, expanding the total size of the local skilled workforce.
- + Increase workforce retention and reduce the harm caused by mental health challenges.

- The project fails to deliver indirect local employment opportunities through the purchasing of local services and goods.
- Local employment opportunities on the Project add to an overheated local labour market.
- Mental health impact on FIFO / BIBO workers and their families.



WAY OF LIFE

Including how people live, how they get around, how they work, how they play, and how they interact each day.

- + Create demand for tourism and local services in the region.
- + Increase the number of skilled Indigenous workers in the Pilbara.
- + Improve Indigenous community and individual wellbeing.
- + Opportunities for new Indigenous business start-ups.
- + Opportunities for existing Indigenous businesses to grow and offer a full range of positions to staff.

- Construction workforce increases the recreational fishing effort leading to a reduction in the local catch.
- Insufficient Indigenous workers to meet project employment targets due to competition and work readiness.
- The Project's employment conditions have the unintended effect of precluding the employment of Indigenous people.
- Indigenous employees are over-represented in roles that are low in status and relatively low in pay

POTENTIAL IMPACTS AND OPPORTUNITIES

CULTURE

Both Aboriginal and non-Aboriginal, including shared beliefs, customs, practices, obligations, values and stories, and connections to Country, land, waterways, places, and buildings.

- + Local employment opportunities for heritage monitors and rangers.
 - + For local Indigenous communities to share their culture and for non-Indigenous employees to appreciate and value this culture.
- Introduction of weed species adversely impacts habitats and species of cultural significance.
 - Significant aspects of Indigenous and natural heritage are lost including habitats and species of ethno-biological significance.
 - Impacts to areas of known Indigenous heritage including cultural practices related to the song line.



SURROUNDINGS

Including ecosystem services such as shade, pollution control, erosion control, public safety and security, access to and use of the natural and built environment, and aesthetic value and amenity.

- + To reduce net greenhouse gas emissions to minimise the risk of environmental harm associated with climate change.
 - + Adoption of renewables (up to 5MW of solar) to reduce reliance on fossil fuels.
 - + Engage Traditional Owners to identify and implement initiatives to reduce and or offset emission intensity.
 - + Enhanced local dust suppression capability.
- Additional carbon emissions have a cumulative impact towards higher temperatures and more frequent and extreme weather events impacting the liveability of Karratha and Dampier.
 - The project's carbon footprint adversely impacts State and Australia wide carbon reduction efforts.
 - Land transport results in increased roadkill detracting from the tourist experience and local amenity.
 - Dust plumes result from land clearing, vegetation disturbance, and vehicle movements impacting health and heritage.

HEALTH AND WELLBEING

Including how people live, how they get around, how they work, how they play, and how they interact each day.

- + Create demand for tourism and local services in the region.
 - + Increase the number of skilled Indigenous workers in the Pilbara.
 - + Improve Indigenous community and individual wellbeing.
 - + Opportunities for new Indigenous business start-ups.
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- Construction workforce increases the recreational fishing effort leading to a reduction in the local catch.
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 - The Project's employment conditions have the unintended effect of precluding the employment of Indigenous people.
 - Indigenous employees are over-represented in roles that are low in status and relatively low in pay

POTENTIAL IMPACTS AND OPPORTUNITIES

ACCESSIBILITY

Including how people access and use infrastructure, services, and facilities, whether provided by a public, private, or not-for-profit organisation.

- + Improve capacity of existing common use infrastructure including road upgrades.
- + Engage local bus contractors and provide opportunities for DIDO / BIBO workers from neighbouring communities to reside in project accommodation.
- + Participation in the Local Emergency Management Committee to coordinate planning and responses resulting in an overall increase in the disaster response capability in the City of Karratha.
- + Include seats for sale to the public on charter flights and generate demand for local aviation services that justifies further investment by commercial airlines and the City of Karratha.
- + Collaborate with the City and industry partners to support an industrial tourism offering.



- Waste from camp, construction site and operating plant impacts adversely on the health of the local population and environment.
- Use of the roads, airport, taxi. and port facilities degrade the standard of existing infrastructure and service provision to the point where it negatively impacts other users.
- Project demand for airline seats raises ticket costs to a level that impacts the local industry and tourism sector.
- The design of the project's emergency facilities and services prevent or discourage a coordinated response with local emergency service providers.
- Construction works interfere with the movement of local and tourist traffic, leads to congestion on local roads requiring road modification and temporary traffic management creating inconvenience and confusion for local road and path users.
- Competition for accommodation and housing crowds out local population and places additional demands on tourism accommodation particularly during the tourism season.

DECISION-MAKING SYSTEM

Including the extent to which people can have a say in decisions that affect their lives, and have access to complain.

- + Develop constructive and professional relationships with regulators to increase their understanding of the Project.
- + Engage with Traditional Owners prior to and during works that impact areas of significance.
- Management of environmental, heritage, and health incidents is not open, transparent, or accountable to the community and government authorities resulting in a loss of trust and social licence.
- Failure to adequately engage Traditional Owners on heritage and cultural related issues and incidents results in loss of trust and social licence.





OVERVIEW

Limiting the Impact on Local Facilities

The combination of a fast-growing population and large transient workforces supporting industrial development and operations in the BSIA have created capacity constraints in Karratha.

The main community facilities that the Project will use are the Karratha Airport and the City's waste management services. The City's waste management services are currently operating well below designed capacity and the Project is not expected to adversely impact the functioning of these facilities.

Karratha airport is also currently operating well below its designed capacity, with significant existing capacity to expand the number of flights, terminal area, and car parking. The Project is not expected to significantly impact the functioning of the airport.

As 90% of the construction workforce is fly-in-fly-out, the Project is not expected to have a significant impact on community services such as education, aged care, childcare, recreational facilities, and libraries. In contrast to the construction workforce, the operational workforce will be integrated into the community (up to one hundred houses will be constructed) and these families will access local services in a similar manner to other long term community members.

The majority of the project's construction workforce will be a temporary blue-collar transient workforce, accommodated in local transient worker accommodation. The Project has a commitment to promoting employment for Aboriginal people which should strengthen local workforce capability. We do not anticipate any long-term impact on community demographics or population.

Given the utilisation of local transient workforce accommodation and the limited project demand for residential dwellings, it is anticipated the project workforce will have minimal adverse impact on the supply of local accommodation and housing.

The capacity constraints of local health services are well understood. The Project will maintain in-house and remote health services to support the workforce and limit the use of local health facilities. The Project has a commitment to Zero Harm with management plans and contracts in place with external providers to support the mental and physical health needs of its workforce. The Project has also identified and created strategies to manage broader community health risks. This includes interactions with heavy vehicles, outbreaks of pathogens and responding to emergency incidents and cyclones.



**Petroglyphs Boomerangs on Rock, Burrup Peninsula,
Porter Images**

Respecting Aboriginal Heritage

The BSIA has one of the world's largest concentrations of Aboriginal rock art. Traditional Aboriginal belief is that the rock art is the work of creation spirit-beings known as Marrga (creation spirits) who, during the Dreaming times, formulated the rules of social conduct for humans to follow.

The Marrga left the rock art behind as permanent visual reminders of how the lore should be followed and they are places of continuing spiritual power. The rock art has deep meaning for Ngarda-Ngarli, providing a tangible link to stories, customs and knowledge of their land and resources and connecting them to the events and people of the past and their beliefs today.

Protecting rock art has been included in the Social Impact Assessment and the project's Environmental Impact Assessment. Due to its cultural significance, the potential for destruction of rock art is also considered a human rights risk and is included in the project's Human Rights Risk Assessment.

The economic and health profile of the local Indigenous communities captured in the 2021 census corresponds with the poorer outcomes at a national level for Aboriginal and Torres Strait Islander people. Opportunities to address the significant wealth disparities and disadvantage experienced by the region's Aboriginal communities have also been included in the project's Social Impact Assessment.



Contributing to the Local Economy

There is potential for the project's workforce to positively contribute to priority economic sectors, including tourism, through structured and pre-planned leisure activities with local tourism operators that reduce the risk of exacerbating existing capacity constraints.

The Project also has the potential to grow local businesses and support local training initiatives and has already created a register of local businesses. Where possible, procurement packages will also be broken down into sizes that allow local companies to actively compete. The Project has already hosted several well attended local industry briefings.

Over the course of a roster, the project's construction workforce will have a rostered day off during their swing before returning to Perth. While this offers relatively limited opportunity for the workforce to financially support retail, food & beverage outlets, and tourist attractions, there will be some benefit to businesses in these sectors.

While the region enjoys high levels of socio-economic advantage this is not evenly spread across the community. The Project has also entered into a commercial agreement with the Murujuga Aboriginal Corporation and agreed to support the Traditional Owners in their commercial endeavours, building individual skills and providing meaningful employment so Traditional Owners can also share in the region's economic prosperity.

Good Neighbours

The City of Karratha undertakes an annual survey of its residents to assess its performance and identify the community's priorities. In 2023 and 2024, four elements were identified as performing well below community expectations.

These include:

- Safety, security, and policing
- Access of health services
- Housing
- Cost of living

Three of the four elements are community priority areas that were also considered in the Social Impact Assessment.

The Project has very little influence over the cost of living in Karratha which is determined by local and national economic factors. The Project does however acknowledge that cost of living can also be related to local capacity constraints and has mapped these capacity constraints and identified mitigations to limit the risk of exacerbating these constraints.

The Project has put in place policies, procedures, and programs to encourage all project workers to respect the local values, identity and positively contribute to building vibrancy and a sense of pride.

This includes structured and pre-planned leisure activities for personnel during time-off and the inclusion of local community values and history in workforce inductions. There is no tolerance for behaviour that is inconsistent with community values and a breach of the project's behavioural standards can result in disciplinary action, including termination of employment.

The presence of large temporary transient workforces can create safety, security, and policing issues in the local community if they are not appropriately managed. The Project has identified and implemented measures to manage the risk of individuals adversely impacting local public safety and these are reflected in the Social Impact Assessment.

The Project has also identified and created plans to respond to known areas of concern including discrimination, illicit drug use, public intoxication, and harassment. The Project enforces strict behavioural codes which include zero tolerance of anti-social behaviour both on-site and in the community. The requirements of the code of conduct are included in employment contracts and reinforced during the site induction and in management practice.