

## Message from Managing Director and HSS Committee Chair

Maintaining a stable operating environment is always a strategic priority for Oil Search. It remained so in 2016 and is likely to become a greater priority in 2017 as fundamental global shifts continue. Changing societal expectations, rising nationalism and technological disruption are driving significant political, economic and social change.

Meanwhile, concerns about climate change are increasing, governance challenges abound and entrenched sustainable development issues remain unchanged. According to the World Economic Forum Global Risks Report 2017, we are at a tipping point, with socio-political and environmental issues now crowding out economic issues.

Papua New Guinea (PNG) is a local reflection of this global phenomenon.

We have a long-held belief that PNG's success is Oil Search's success. Sustainable development, strong and transparent institutions, access to fair justice systems, infrastructure investment and an environmental commitment are fundamental, and Oil Search has an important part to play in helping PNG to achieve these goals.

In 2016, our Board approved a refreshed Social Responsibility Strategy that creates a coherent narrative for the Company's commitment, approach and many ongoing initiatives. The Strategy demonstrates our local response to these important issues and trends. It prioritises where we will focus our efforts, setting two measurable goals that address our deep connection to PNG and reflect our pride in what we do and how we do it.

Importantly, it recognises that we can improve how we measure and communicate the positive impact Oil Search has in PNG, and can continue to lead with the levels of transparency we demonstrate.



One of the Strategy's most important and visible priorities is the work of the Oil Search Foundation, which had a seminal year in 2016.

In March, we signed a Public-Private Partnership agreement with the PNG Government to transform the Hela Provincial Hospital. Oil Search Foundation and our medical administration and engineering staff worked with the hospital management team to recruit specialists, implement key finance and administration systems, train staff and improve governance to ensure local residents could continue to access critical specialist services. The Foundation also provided support for the Family Support Centre in Tari, a facility that manages extremely high levels of sexual violence, providing medical and psychological support for hundreds of women. Through the partnership, we have delivered over US\$2.3 million worth of improvements to the hospital, including upgrades to wards, medical facilities and other critical supporting infrastructure.

The hospital is now better resourced, offers a wide range of critical specialist services and is run more efficiently. The impact has been so dramatic that we have committed a further US\$2.5 million to continue the work in 2017 and are looking for further opportunities to apply the health care partnership model in other PNG provinces.

By supporting improved health care services, we are contributing to community stability in Hela, and operational continuity.

Another Foundation partnership in 2016 continued this theme. Our new Foundation partners, Buk bilong Pikinini, deliver early childhood development and literacy programmes in the Hela Province. We will work with the Foundation on expanding this initiative in 2017 as well as developing a more holistic, targeted approach to improving local education opportunities and leadership capabilities.

Climate change is a significant global issue and Oil Search supports moves towards implementation of an effective global climate agreement. We are responding by supporting government efforts to establish and implement clear stable policy frameworks to support a 2°C trajectory, and ensuring our Company's approach responds to ongoing regulatory, stakeholder and market changes.

In October, the Board endorsed a new Climate Change Strategy. The Strategy responded to recent sector developments and will help prepare our business for future changes. It will be updated at least annually, reflecting the dynamic nature of this issue. Under our policy of open stakeholder communication and transparent reporting, we also improved our disclosures around climate change, in line with the recommendations of the Financial Standards Board Task Force on Climate Related Financial Disclosures (TCFD).

We maintained our commitment to the principles of the UN Global Compact throughout 2016. These informed the Social Responsibility Strategy refresh and are embedded in the new version of our Code of Conduct, which the Board approved in October. In September, we joined other leading global companies in a public statement of support for the Sustainable Development Goals (SDGs) that highlighted the important role private sector organisations are taking in offering solutions to sustainability challenges.

Developing PNG citizen employees and increasing the percentage of women in leadership roles are key social responsibility goals. In September, we appointed a second female Board member and created three new Independent Member roles for PNG citizens, including two women, to advise our Board Committees.

This innovative move provides our Board members with access to local expertise and insights and expands PNG's pool of skilled business leaders. We further increased our commitment to PNG's skills development by continuing to develop our structured Citizen Development Programme (CDP).

As always, ensuring the safety of our people, the environment and host communities was a key priority. After recording an increase in our Total Recordable Injury Rate (TRIR) in the first half of 2016, remedial measures led to a full-year decline in our TRIR (from 1.91 in 2015 to 1.53) for the fourth year running. In addition, several initiatives designed to further improve our process safety management and reporting also resulted in a significant reduction in Tier 1 and Tier 2 process safety events.

In December, we were accepted as a Participant in the Voluntary Principles on Security and Human Rights Initiative, joining peers, civil society and government organisations from around the world in a concerted effort to protect human rights.

It was a fitting end to a year in which Oil Search continued to consolidate our industry leadership position as a socially responsible company.

We plan to maintain this role in 2017 by continually improving personal and process safety performance, finalising our responsible supply chain strategy, working with all stakeholders to ensure benefits are distributed to landowners, and developing a more strategic approach to planning and implementation of our sustainable development activities. In addition, we will keep improving our disclosure around issues that matter to our stakeholders, such as climate change and process safety.

With PNG's national elections taking place during the year, these and other initiatives will play a crucial role in helping our Company to maintain the stable operating environment that is so important for the future of both Oil Search and PNG.

**Keith Spence** – HSS Committee Chair

**Peter Botten** - Managing Director



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## Our social responsibility strategy

In 2016, we reviewed and refreshed our Social Responsibility Strategy to ensure we continue to meet stakeholder expectations and the aspirations set by our Company vision.

### Aspiring to excellence

Our Company vision is to generate top quartile returns for shareholders through excellence in socially responsible oil and gas exploration and production.

#### Making PNG lives better

We aspire to set the standard for private sector contribution to sustainable development in PNG

- Work collaboratively with government, communities and other partners in innovative ways.
- Generate shared value

#### Proud of what we do and how we do it

We seek to adopt industry best practice to manage material social responsibility issues and exceed stakeholder expectations for governance, environmental and social performance wherever we can

- Embed social responsibility considerations into how we work.
- Ensure continued improvement in areas of our performance that are important to stakeholders.
- Be transparent about our priorities, performance and challenges.

and a sustainable positive impact in PNG.

### **Engage and empower our employees**

We seek to provide a workplace that celebrates diversity and supports learning and development and drives high performance

- Actively engage with and listen to employee ideas and perspectives.
- Provide skills management, development and learning opportunities that support continued employability and business needs.

## **Reviewing our strategic priorities**

In 2016, we reviewed and refreshed our Social Responsibility Strategy to ensure we continue to meet stakeholder expectations and the aspirations set by our Company vision.

To successfully deliver the objectives of our Company strategy and create value for shareholders, we identify and respond to social responsibility issues that are important to our stakeholders and our business. We are guided by our Company vision — to deliver ‘excellence in socially responsible oil and gas exploration and production’ — the principles of our Social Responsibility Policy, and our commitments to initiatives such as the United Nations Global Compact.

We reviewed the Strategy against: best practice indicators from several global sources; sustainability and industry-specific frameworks; the results of peer and industry benchmarking; investor questions; emerging issues monitoring and risk assessments; and other stakeholder questions and feedback from the past year.

As well as reviewing external stakeholder trends and expectations, we engaged with our employees to understand internal perceptions of ‘excellence’ in social responsibility and what our people perceived as gaps or opportunities in the existing approach. This engagement included one-on-one interviews with senior managers and workshops with a number of teams, including the Stakeholder Engagement and Oil Search Foundation teams.

We considered these results in the Company strategy refresh, evaluating them in light of our operating context, risk register, existing policies and reporting and other analysis. The analysis confirmed that our existing approach remains relevant and aligned with our Company direction, the current operating environment and stakeholder expectations. It confirmed we were focusing on the right things and that there were opportunities to continuously improve how we measure and communicate our actions and impacts, as well as in specific areas such as climate change, responsible supply chain, diversity and inclusion, and human rights.

## **Roadmap to success**

Our 2020 Social Responsibility Strategy responds to the themes and issues we identified through this process, supports the objectives of our broader Company strategy, and has been endorsed by the Board. Addressing the key themes that we identified during the review, it provides a roadmap that will guide decision making

around our social responsibility priorities over the next four years.

Making a positive contribution to sustainable development in PNG remains a critical part of both our Company and Social Responsibility strategies. We see sustainable development as an important means through which we can manage socio-political stability, and believe the success of PNG underpins the success of Oil Search. Therefore, our business interests are aligned with our commitment to support our progress towards the **2030 Agenda for Sustainable Development**, both generally and in PNG.

This belief was reinforced in our Managing Director's involvement in the CEO's **Statement of Support** for the Sustainable Development Goals, an initiative led by the UN Global Compact Network Australia in 2016.

We intend to prioritise the initiatives and improvement areas that we can influence in the short- and long-term and that have the greatest value for the business and impact on our stakeholders.

In 2017, we will:

- Develop a more strategic and integrated approach to sustainable development planning and implementation in PNG.
- Commence implementation of a new standardised supplier pre-qualification system that considers financial, operational and social responsibility factors.
- Develop a more formal Company-wide employee participation, giving and engagement framework.
- Complete a gender-based pay equity analysis in Australia and PNG and resolve any inequities identified.
- Conduct an employee engagement survey.
- Evaluate and set an internal shadow carbon price.
- Undertake further analysis and planning to identify other opportunities for alignment with the Sustainable Development Goals.
- Roll out human rights training to all employees in high-exposure roles and activities.
- Conduct unconscious bias training for management.
- Review our grievance management system and processes and update them.



## Measuring and reporting on progress

Demonstrating our progress and the positive impact of our commitment to social responsibility is increasingly important, not only for our own people and community partners but for governments, host communities, our shareholders and other stakeholders.

So we can transparently communicate our performance, we publicly report our progress against our Social Responsibility Strategy every year in our Social Responsibility Report and benchmark our performance against a number of leading sustainability indices and surveys.

We publish information on our social responsibility management approach and recent performance in various formats in response to varying stakeholder information needs. Our social responsibility performance for 2016 is also included in the Oil Search Annual Report 2016.

We map how we have addressed the Global Reporting Initiative's G4 Reporting Guidelines, IPIECA's Oil and gas industry guidance on voluntary sustainability reporting and the UN's Sustainable Development Goals. From 2017, we will also report performance against the Voluntary Principles for Security and Human Rights. See **Reporting Index** for an overview with links.

## Making PNG lives better

We aspire to set the standard for private sector contribution to sustainable development through our activities in PNG.

### Performance summary

- Our Board approved our 2020 Social Responsibility Strategy and our Climate Change Strategy.
- Our total socio-economic contribution in PNG was US\$284 million, consisting of total payments to PNG suppliers, PNG shareholders, the PNG Government, PNG employee expenses and our PNG sustainable development investment.
- We spent US\$32.2 million on infrastructure projects managed on behalf of the PNG Government under the Infrastructure Tax Credit Scheme.
- We paid US\$148 million to local PNG suppliers, 43% of our total supplier contract expenditure in PNG.
- Nine students graduated from tertiary education institutions with support from Oil Search, including three women.
- We constructed 18 kilometres of road between Erave and Samberigi on behalf of the PNG Government under the Infrastructure Tax Credit Scheme.
- We spent US\$2.3 million on upgrades to the Hela Provincial Hospital, coordinated by the Oil Search Foundation.
- We actively participated in the Extractive Industries Transparency Initiative (EITI) PNG Multi-Stakeholder Group, contributing data for PNG's second EITI report, which is due in early 2017.

### Support for education and basic literacy

Improving literacy and access to a quality education is a sustainable development priority for us in PNG because it underpins improvements in other key development areas such as health and women's empowerment. Together with the Oil Search Foundation, we deliver several programmes aimed at improving literacy and education outcomes in our host communities.

In 2016, the Oil Search Foundation partnered with Buk bilong Pikinini to deliver early childhood development and literacy programmes in the Hela Province, including the launch of a new library and Early Childhood Development and Literacy programme at Kuluanda Primary School in Tari. This is the first initiative of this type in the province and we plan to expand into other locations in 2017.

During the year, we also:

- **Partnered with the PNG Government to upgrade secondary school facilities.** We commenced



construction of six classrooms at Waro High School, Southern Highlands Province, and three new classrooms, two dormitories and a staff house at Bimai High School, Simbu Province. These projects were made possible by our partnership with the PNG Department of Education with funding through the Infrastructure Tax Credit Scheme (ITCS).

- **Worked with local communities to upgrade primary school facilities.** We worked with local community members to upgrade school and staff facilities at the Apeawa Primary School in Kikori and Tubo Primary School in the Southern Highlands, including classroom construction and the installation of water tanks.
- **Donated over 4,000 library books to schools.** Through an employee drive and the Buk bilong Pikini partnership, Oil Search staff contributed more than 4,000 new and used books to five schools in Tari and Pimaga.

We are planning to deliver more initiatives in 2017 to improve literacy and education opportunities for high school students. We will also develop a more holistic, targeted approach by Oil Search and the Oil Search Foundation to improving local education opportunities and leadership capabilities.



## Promoting financial literacy and inclusion

Access to banking services and basic savings and bookkeeping skills is limited in host communities due to the remoteness of many villages. This severely inhibits the growth of the local economy and reduces the potential positive development impact of the resource industry royalties and other compensation paid directly to community members.

In 2016, to support the development of PNG Landowner Companies (Lancos) and other enterprises within our host communities, we connected more than 180 interested business owners with representatives from the Bank of the South Pacific (BSP) and the National Development Bank (NDB). In addition, we provided basic bookkeeping training to 15 business owners in host communities.



Our role included providing logistical support for bank representatives to visit our project sites in the Kutubu, Gobe and Hides areas and providing accommodation and transport for local people who needed to travel to attend. This is the second year we have facilitated these sessions and they will continue in 2017.

Over 100 local business owners participated in the 2016 sessions with the NDB. They were introduced to the types of loans available, loan application requirements and forms, and microfinance opportunities.

The loans can make a big difference. For example, a K20,000 loan from NDB in 2015 to a store owner from Erave allowed her to purchase a wider variety of products for sale, including fuel so she could become the village's first fuel provider, and to enlarge and improve her old semi-permanent store building.

Over 85 people, mostly women, attended the sessions with BSP to learn about the importance and benefits of saving. Participants were introduced to cash and cheque accounts, mobile banking, basic budgeting, credit applications and bank accounts for children. Participants opened 168 bank accounts, including some for their children.

### **Working with Lancos to improve compliance**

In 2016, we spent 15% (US\$52 million) of our overall supplier and contractor spend in PNG with Lancos. Many of them struggle to source employees with suitable business experience so they lack robust systems and processes. By assisting them to comply with relevant legislation and practise good governance, we are helping to improve both their resilience and community stability, as Lanco shareholders are local landowners.

To improve their performance in 2016, we continued to facilitate awareness sessions around Lanco superannuation and tax compliance requirements with Nasfund, the largest Lanco superannuation fund in PNG, and the Internal Revenue Commission. The sessions we held in Kutubu were attended by 15 representatives from Lancos and smaller enterprises.

We also worked with 130 host community members to raise awareness of their rights and responsibilities as Lanco shareholders. This included facilitating visits to six villages in the Kutubu and Moran areas by representatives from the Investment Promotion Authority and Southern Highlands Commerce Department.

Our concerted efforts have led to an improvement in Lanco compliance performance and a decrease in complaints and concerns raised by Lanco staff. We plan to continue facilitating these sessions in 2017.



## Helping women to grow sustainable businesses

Since 2012, we have been supporting over 300 Huli, Fasu and Foe women as they create and grow five small sustainable agricultural enterprises. Through their involvement, these women have developed new skills and relationships that are enabling them to earn an income and challenge the dominant perception of men as the only income earners.

Over the years, we have supported them by providing: start-up materials such as seeds and nurseries, technical advice on crop disease, rice and processing machinery, and basic business advice and training.

In 2016, we facilitated training in basic bookkeeping and in food handling standards and safe packaging for eggs. We also supplied building materials for chicken pens, installed solar power for egg incubation (removing the need for smoky fires and someone to watch over them), and assisted with transport to market.

The women have been supplying 40 cartons of eggs every fortnight to a local Lanco since 2015, resulting in revenue of approximately US\$30,000 over the two years.

To help the women share costs and resources and pool their produce to achieve production levels that are attractive to commercial customers, during the year we worked with them to simplify their current structure into one umbrella entity. In 2017, we will continue to work with them to formalise their business structure, help them obtain funding, a vehicle and other assets, and connect them with customers.



## Strengthening hospital services in the Hela Province

During 2016, Oil Search and the Oil Search Foundation played a critical role in transforming the hospital into a provincial level hospital offering a much wider range of critical services to over 300,000 people of the Hela Province.

We have undertaken this work in a way that complements, and helps strengthen, existing Government processes. We have amplified our efforts by drawing on the Oil Search Foundation's networks and on the contributions of peers and other partners, as well as utilising our technical knowledge in areas such as infrastructure delivery and health staff capacity building.

Without our support, it's likely the hospital would have failed after the withdrawal of Médecins Sans Frontières in 2015 and the people of Hela would have been without access to these critical services. This would have led to a significant increase in community members seeking health services directly from us — an unsustainable solution that could have increased local instability.

In March, at the request of the PNG Government, we signed a Health Service Partnership Agreement with the Hela Provincial Hospital. Under this agreement, we worked with the Oil Search Foundation on several key areas to upgrade Hela Provincial Hospital's capabilities, resources and infrastructure during 2016.

In 2016 at Hela Provincial Hospital:

- **40,000** people presented to out-patients, with nearly **6,000** patients admitted.
- **1,000** survivors of family and sexual violence received specialised treatment.
- Almost **100** people were treated for tuberculosis (TB) in the new TB Ward.
- Over **1,000** babies were born under supervision and 70 women underwent emergency caesarean section surgery.
- More than **800** patients had surgery.

- **Sourcing staff:** We worked with relevant Government departments and a range of other international volunteer and health organisations and peers to identify and recruit a team of experts and health professionals in the following crucial areas: clinical service delivery, pharmaceutical management, human resources, financial management, capital works, community engagement, support for survivors of family and sexual violence, and project planning. Since 2016, more than 180 permanent staff, including a new CEO and executive team have commenced work.
- **Strengthening support systems:** To support ongoing service delivery and self-sufficiency, we assisted with the implementation of key systems such as basic Finance and Human Resources functions and drugs and medical supply management.
- **Ensuring service standards:** Clinical specialists from our Medical and Occupational Health Service supported the hospital management team with governance, programme and procedural development, staff training, guidance on clinical management of patients and infrastructure and equipment design and purchase.
- **Improving hospital infrastructure:** Since October 2015, Oil Search has delivered US\$2.3 million worth of improvements to hospital facilities, including upgrades to medical, children's and tuberculosis wards, dental clinics, X-ray and laboratory departments, hospital housing, fencing and water supplies. We have committed a further US\$2.5 million in 2017 to continue this work through the Foundation.
- **Supporting the Family Support Centre (FSC):** We pay the salaries of 10 staff members and have donated a vehicle, to ensure the FSC continues to provide outreach, injury treatment, counselling, pregnancy prevention, vaccinations and HIV prevention services as the Hela Provincial Hospital

management team is established. Staff are supported by a dedicated role in the Foundation team to ensure the service is supported adequately and to facilitate links with other partners to provide better referral pathways.



We already have in place a partnership agreement with the Hela Provincial Government for the work the Foundation does in rural areas. This agreement and the agreement with the Hela Provincial Hospital will be combined in 2017. The partnership model has been so successful in Hela that we are identifying opportunities to replicate the model elsewhere in PNG. In June 2016, through the Oil Search Foundation, we signed a Health Service Partnership Agreement with the Southern Highlands Provincial Health Authority to help strengthen the delivery of effective health services in that province.

For further information on the health care work of the Oil Search Foundation, visit [Oil Search Foundation](#).

### **Improving women's protection services and awareness**

In September, as part of our Women's Protection and Empowerment programme, the Oil Search Foundation introduced a Small Grants Scheme that empowers our staff and other community members to combat local social problems.

Grants of between US\$700 and US\$1,300 were approved in 2016. They facilitated four community groups and six individuals to deliver training, awareness and education initiatives focused on issues such as the legal rights of women affected by domestic violence. The delivery of these grant-sponsored initiatives commenced in 2016 and will continue in 2017. The sessions targeted both men and women throughout our host communities



and elsewhere in PNG. The scheme will be run again in 2017.

In August, the Foundation signed a two-year partnership agreement with **Marie Stopes PNG** to work with the Provincial Health Administrations of Gulf, Hela and Southern Highlands Provinces to provide sexual and reproductive healthcare and family planning services. The partnership will provide an estimated 5,200 family planning services to men and women and training and mentorship for 30 frontline clinical staff in the three districts. Through the partnership, the Foundation aims to improve living conditions in target communities. The anticipated outcomes include improved child health, better education for women and children, increased employment opportunities for women and reduced family costs due to a smaller number of children. Already in 2016, over 130 men and women in Kikori and Kutubu have taken advantage of the services supported by this partnership in remote regions such as Mount Bosavi, Foroba and Turama.

Also during the year, more than 360 Oil Search employees participated in the 2016 Ending Violence Against Women Health Challenge for a shared prize of US\$6,000. To take part, they had to monitor their activity and weight and achieve a minimum activity level. The most successful were then tested for their awareness of women's protection. Over 20 weeks, participants walked a total of 101,390,881 steps, the equivalent to more than 77,000 kilometres – or twice around the planet. The winners, a team of five women and one man, recorded 3,605,053 steps and scored 100% on the women's protection test. The initiative increased employee engagement, particularly in field locations, and achieved health and women's protection awareness outcomes.



## Consolidating our power business

PNG has one of the world's lowest levels of access to power, with only approximately 13% of the population

connected to the electricity grid. Those who are connected pay very high prices.

The multiple economic, health and educational benefits mean that energy supply improvements are essential if PNG is to achieve its development goals. The PNG Government has set a goal of connecting 70% of the population to the power grid by 2030, using multiple power solutions.

Our power strategy will help the PNG Government to meet this goal and its renewable energy target and commitments under the Paris Agreement. PNG has committed to transitioning to 100% renewable energy by 2030, if funding is available. Scalable renewable energy solutions will need to be rapidly introduced, with gas as a transition fuel.

To bolster our efforts, we consolidated our power-related activities into a new subsidiary, Oil Search Power Holdings, in mid-2016. Through our power business, we are working with PNG's major energy companies and other stakeholders to build partnerships across the power value chain.

In May, we signed a Strategic Alliance agreement with PNG Power Limited (PPL) to work together to identify power solutions that support the PNG Government's plans. One of the Alliance's objectives is to provide gas for power generation to support the expansion of the Tari grid, providing power for many thousands of people in the Hela Province.

Under the terms of our agreement with PPL, we committed to:

- Continue to supply low-cost diesel to PPL to increase Tari Power Station generation volumes and expand operating hours.
- Be responsible for operational management of the appointed Tari Power Station maintenance contractor.
- Support connection roll-out planning, connection efficiency and optimised household connection costings as part of a hook-up trial with new customers.
- Work with PPL to develop a Highlands Power Strategy and implementation plan to provide low-cost connections to rural households in the Hela and Southern Highlands Provinces. This strategy will focus on connecting best available sources of fuel for power generation.

During the year, we acquired full ownership of the PNG Biomass Power project in Markham Valley, Morobe Province and entered the Front End Engineering and Design (FEED) phase in September. During the FEED study period, we will undertake the necessary technical and commercial work to allow consideration of a Final Investment Decision in the second half of 2017. During 2016, we completed a social mapping and environmental and social impact assessment of the proposed plantation and processing facility area, supporting our commitment to applying World Bank and Forestry Stewardship Council standards to the project.

Also in 2016, we progressed power initiatives for the Highlands, Lae and coastal areas and investigated potential domestic uses of LNG and other domestically produced fuels. These included shipping LNG to Lae and Lihir, with further small load distribution to regional coastal areas. We expect to decide on the potential commercialisation of this project in 2017. In addition, we signed a Study Agreement with Kumul Petroleum Holdings Limited in December, under which we will work with Kumul across a range of potential power projects in PNG, including domestic LNG.

## **Contributing to tax and other legislative reform**

In May, the PNG Treasury sought industry contributions to help it prioritise the tax reform measures identified in 2015 to inform development of the 2017 National Budget. We designed our recommendations to improve productivity and competitiveness and sought to group the tax reforms into short-, medium- and long-term priorities.

Our recommendations were to:



Continue, rather than close, the Infrastructure Tax Credit Scheme (ITCS) while a review of scheme governance and administration is conducted.

Defer amendments to concessions that attract and retain skilled labour and conduct a holistic review of effective tax rate effectiveness, the implementation of capital gains taxes and the abolition of stamp duty. Retain fiscal stability agreements for high-value, long-life, capital-intensive projects.

Maintain zero Goods and Services Tax rating for oil and gas exports.

Defer thin capitalisation settings for resource projects such that an arm's length debt test can be developed.

Following the 2017 PNG Budget announcements in November 2016, we have provided recommendations to address the unintended consequences of proposed changes to tax laws in PNG.

We also participated in a review of the ITCS Guidelines and attended an industry workshop in July. Our recommendations included: amending the distribution of ITCS projects to include inside and outside host community areas; aligning ITCS project approvals with National, Provincial and District Development Plans; improving hand-over at project completion; emphasising greater ownership by the end user for ongoing maintenance; and increasing the regularity and visibility of Department of National Planning and Monitoring visits during construction.

Through our involvement with the PNG Chamber of Mines and Petroleum, we also contributed to joint submissions on the National Energy Bill, **Protected Areas Bill** and the **Conservation and Environment Protection Authority** policy discussions paper on environmental bonds. Copies of the joint submissions are available from the PNG Chamber of Mines and Petroleum on request.

## Working with PNG Government on national infrastructure projects

In 2016, we managed a US\$226 million portfolio of infrastructure projects on behalf of the PNG Government, funded under various Infrastructure Tax Credit Schemes (ITCS).

We spent US\$32.2 million to progress 12 projects for the Government, all of which are planned to reach Practical Completion in 2017. This included road infrastructure, hospital and school redevelopments in the Hela and Southern Highlands Provinces and housing for the Nipa Constabulary in the Southern Highlands.

Following their Practical Completion in late 2015, we finalised and handed over two key ITCS projects in 2016: Sir Manasupe Haus and the National Football Stadium. In February, the Department of the Prime Minister and National Executive Council moved into Sir Manasupe Haus, allowing them to centralise personnel and reduce their reliance on multiple leased spaces.



For the opening event at the National Football Stadium in February, the Australian Penrith Panthers played the PNG Hunters. During the year, the Stadium was the home ground for the Hunters throughout the Queensland Cup competition, as well as hosting the FIFA Women's Under-21s World Cup and some Digicel Cup Games. It's the only venue in PNG with the level of amenity and security to meet Australian National Rugby League standards. The Stadium is helping promote the pursuit of sporting achievement in PNG and is an excellent international showcase for the country. In 2017, it will host several matches during the Rugby League World Cup.

Also in 2017, construction will commence for APEC Haus in Port Moresby, a new function centre that will house the Asia-Pacific Economic Cooperation (APEC) Summit in 2018.

## Helping to connect the north and south coast of PNG

In April, construction commenced on the Erave Samberigi Road Infrastructure Tax Credit Scheme (ITCS) project in the Southern Highlands, with 18 kilometres out of 44 kilometres completed by the end of the year. This project is important for PNG because it supplies the missing link in the national road infrastructure. When it's completed, the road will allow continuous travel between the north and south coasts of PNG for the first time. This is likely to be a catalyst for infrastructure development in the south of PNG, including the development of a major port facility that will facilitate greater imports and exports from the Highlands regions.

As work on the road progressed, instead of bringing or building our own facilities, we refurbished existing facilities for community benefit once construction is completed, including:

- Refurbishing the Samberigi Health Centre, installing new water and sanitation facilities and an on-site electricity generator, and donating medical supplies. The Centre services over 10,000 people.
- Installing new water, sanitation and electricity generation facilities at the Samberigi Mission Station and Samberigi High School.
- Refurbishing CDI Haus, an office, conference and accommodation training centre used by local not-for-profit organisations.
- Constructing a small adjoining road to improve access from Pukuapeke.

During the project's peak period of July-December, more than 120 workers from two Lancos were engaged in construction, 85% of them from the immediate area.

## Proud of what we do and how we do it

We seek to adopt industry best practice when managing material social responsibility issues, exceeding stakeholder expectations for governance, environmental and social performance wherever we can.

### Performance summary

20% reduction in our Total Recordable Injury Rate to 1.53 from 1.91 in 2015.

14 High Potential Incidents were recorded in 2016, compared to seven in 2015, due largely to an improved understanding of how these events are defined in both the personal and process safety environments.

31 instances of safe working behavior were recognised through our safety awards programme.

Zero Tier 1 and two Tier 2 process safety events occurred, down from three and five respectively in 2015.

We became a participant in the Voluntary Principles on Security and Human Rights.

Zero significant spills occurred.

We outperformed our emissions intensity target by achieving a 50% reduction in emissions intensity from 93 ktCO<sub>2</sub>-e/mmboe in 2009 to 46 ktCO<sub>2</sub>-e/mmboe in 2016.

3-5 cubic metres of compost per day generated from food waste was distributed for re-use internally or within host communities.

99% of our employees and on-site consultants have completed corruption prevention training.

Human rights training materials were developed for personnel in high-risk roles, along with employee induction materials that will be rolled out in 2017.

## **A targeted plan toward improved safety performance**

In 2016, our Total Recordable Injury Rate (TRIR) declined 20%, from 1.91 in 2015 to 1.53. This is our best performance since 2009 and is the fourth consecutive year-on-year improvement. Of the 12 recordable incidents during the year, there were two Lost Work Day cases, four Restricted Work Day cases and six cases requiring medical treatment.

Our TRIR in the first half of the year was 65% higher than in the second half of 2015. In June 2016, we conducted a workshop for operational and senior management to review our performance and try to understand and address the root causes behind the increase in injuries. The review identified a small number of activities and locations that were contributing to the trend.

Our response included:

- An increase in senior leadership presence in operational areas.
- A 'Small Stuff Matters' awareness campaign, aimed at improving awareness to reduce the number of minor incidents such as cuts and bruises.
- A renewed focus on pre-start planning, especially for new activities.
- Continued implementation of engineering projects designed to reduce incidents through equipment modifications.

The result was a significant reduction in recordable injuries, from 10 injuries during the first six months of the year to two in the second.

In contrast to the improvements in recordable incident performance, we experienced an increase in High Potential Incidents reported during the year, from seven in 2015 to 14 in 2016. The increase was largely related to the inclusion of potential Major Accident Events (MAEs) as High Potential incidents during 2016. We had reviewed our facilities to improve our understanding of potential MAE scenarios, leading to an increase in the number of near miss incidents classified as MAEs. In turn, this resulted in an increase in the number of incidents we now classify as High Potential. Eight out of the 14 High Potential Incidents related to process safety, and of those eight, six were linked to potential MAEs.

In 2016, as part of our ongoing monitoring of Lanco performance, we saw an opportunity to engage with one of our land transport providers to determine how we could work together to improve their safety performance. When we reviewed their performance data, we identified several incidents involving lost loads. None involved injury, but many resulted in minor spills and equipment damage. We worked with the Lanco to implement a safety improvement plan that included load lashing training, driver assessments and pre-departure checks. The safety improvement plan delivered a 50% reduction in lost loads during the second half of the year.



## Maintaining high process safety standards

Process safety in the oil and gas industry focuses on the major hazards typically associated with drilling and production activities. Left uncontrolled, these hazards can lead to loss of life, environmental damage and loss of assets as a result of toxic releases, fires or explosions. The goal of process safety management is to ensure that proper systems and procedures are in place to control the hazards. Demonstrating that effective preventative and mitigating controls are in place provides assurance that process safety is being properly managed.

In 2016, we concluded our Process Safety Improvement Plan (PSIP). Launched in 2013, the PSIP was designed to accelerate process safety improvements across the Company. The Plan resulted in substantial improvements to risk management relating to our production and drilling activities in PNG.

The key process safety initiatives that we undertook during 2016 included:

- ▶ Conducting technical safety studies to support risk management efforts and identify risk reduction options at all facilities.
- ▶ Executing engineered risk reduction projects to improve how we manage the interface between high-pressure and low-pressure systems.
- ▶ Introducing tools to assist operators with isolating and temporarily removing safety-critical equipment from service during maintenance.
- ▶ Installing software to enable real time monitoring of system parameters and excursions outside the design operating envelopes.
- ▶ Completing an alarm rationalisation programme at two facilities to reduce panel alarms to a manageable level and ensure an appropriate response by panel operators.
- ▶ Preparing a Basis for Safe Operations for the Central Processing Facility that formally documents our compliance with accepted risk levels.

As a result of these and other measures, we witnessed a substantial improvement in process safety event (PSE) performance, from three Tier 1 and five Tier 2 PSEs in 2015 to zero Tier 1 and two Tier 2 PSEs in 2016.

With our PSIP successfully concluded in 2016, the Process Safety Management Framework will guide ongoing process safety management.

In 2017, we will continue to work with our field operators to build their understanding and management of process safety and work towards further reducing our Tier 2 PSEs.

## Demobilising from our Kurdistan operations

Due to disappointing results from our appraisal drilling programme in Taza in the Kurdistan Region of Iraq, in 2016 we made the decision to relinquish our interest in the Taza licence and withdraw from the country. This required us to permanently abandon the three wells drilled, remove all traces of the operation, rehabilitate the land where our well pads were located, and wind down our office in Sulaymaniyah.

Although our Taza operations were only in the exploratory phase, departing from a project can have a significant impact on the lives of host communities, so we attempted to do so in a considerate and transparent manner.

We took the following steps:

- **Awareness and consultation** – We conducted a Town Hall meeting and many smaller consultations to notify local government representatives and host community members of our intention to exit. Compensation for land used during the operations has been finalised according to government rates and will be fully paid early in 2017.
- **Rehabilitation** – We cleared sites of all introduced materials and other features such as roads and levelled work sites were removed, re-contoured or left as is, depending on the landowner's preference. We received acceptance and consent forms from all landowners, indicating their satisfaction with our rehabilitation activities and the compensation we provided. These were signed on-site, providing them with an opportunity to ask any questions or raise and resolve any concerns. The lands have now been formally handed back through the relevant authorities.
- **Waste removal** – Drill cuttings, which include traces of drilling mud chemicals and hydrocarbons from the well, were chemically fixed and buried in lined and sealed pits, in accordance with local regulations. We transported other hazardous and non-hazardous waste to certified landfill sites.
- **Recycling and repurposing** – Wherever possible, we donated items such as fencing and reusable building materials to local landowners or police. We handed our water supply wells and pumps to the local water authority for use in water delivery to local villages.

Throughout the demobilisation process, members of Oil Search's Community Affairs team were on call to talk with local landowners. Local suppliers were engaged throughout the demobilisation process. There have been site visits by government representatives and they have accepted Abandonment and Reclamation Reports outlining the steps we took. A stakeholder engagement employee remains present in Sulaymaniah as a point of contact for government and community members.

## Waste treatment improvements

Due to the lack of waste processing facilities in PNG, incineration is our largest waste disposal method. In November 2016, we commissioned a new high-temperature incinerator at the Kutubu Waste Management Area that has improved the performance and efficiency of our waste management. Its benefits include:

- Reduced health, safety and environmental risks, due to a reduction in air emissions and the amount of time that waste is stored.
- Increased waste handling capacity, including the volume and type of waste that can be treated.
- Improved ability to dispose of redundant liquid chemicals onsite.
- Reduced maintenance costs.

We established designated waste metals management areas and consolidated scrap metal stockpiles at various facilities, allowing for better management and treatment.



In 2015, we commenced a bio-remediation trial to investigate the viability of processing hydrocarbon-contaminated sand organically onsite. During 2016, we identified the optimum combination of additives such as bacteria and compost for the effective degradation of hydrocarbons. This was challenging due to the high levels of rainfall and humidity in our operational areas in the Southern Highlands. However, the trial was successful and we have now established a dedicated bioremediation facility.



## Developing a strategic biodiversity approach

We are currently developing a more strategic approach to managing the biodiversity impacts and opportunities presented by our operations. This approach aligns with our continuous performance improvement commitment, as outlined in our Social Responsibility Policy and Strategy, and will ensure we comply with current and future environmental regulations in PNG.

In 2016, we conducted a biodiversity risk assessment for all licence and adjoining areas, drawing on the results of environmental impact assessments, revegetation surveys and aquatic surveys. It identified areas as being of high, medium or low biodiversity value by assessing the prevalence of:

- intact, remnant and untouched forests,
- threatened flora and fauna,
- endemic species.

In 2017, we will combine this information with the results of an assessment of the residual impacts arising from our activities. Our intention is to identify any gaps or opportunities and put in place a plan to manage our impacts on biodiversity. We will continue to engage with the PNG Government over the implications of proposed changes to environment legislation, which require resource companies to invest in biodiversity offsets for future projects.

During the year, we continued to work with the Lake Kutubu Wildlife Management Authority (WMA), supporting their work in managing and protecting the lake's biodiversity. We conducted a net swap programme to enable villagers to swap their existing small diameter nets for larger diameter nets which are more likely to target introduced tilapia fish and allow smaller endemic species to escape. In addition, we continued to explore scientific methods for the reduction and elimination of tilapia from the lake. Towards the end of the year, we commenced consultation with the Conservation and Environmental Protection Agency (CEPA), National Fisheries Authority and the WMA Committee to develop a solution. Further planning and evaluation will be undertaken in 2017.

Consultation and engagement continues with the WMA Committee and CEPA to establish a community-led Lake Management Plan. At various workshops throughout the year, community representatives contributed ideas and views on culturally appropriate outcomes that will help meet their socio-economic and conservation

priorities. These are being evaluated by technical experts for their conservation merit and application under a sustainable governance and management model.

We will explore further opportunities to partner and collaborate with our peers and other organisations on biodiversity outcomes during 2017.

## Strengthening our climate change understanding

2016 marked the final year of our five-year operational emissions reduction target. Our emissions in 2016 were 941 ktCO<sub>2</sub>-e and our emissions intensity 46 ktCO<sub>2</sub>-e/mmboe. Compared to an emissions intensity of 93 ktCO<sub>2</sub>-e/mmboe in 2009, this represents a 50% reduction and out-performs our target level of a 12% reduction in emissions intensity by 2016 against a 2009 baseline. This achievement was predominantly due to ongoing flare reduction initiatives and, to a lesser extent, the shift in composition of production from largely oil to oil and gas during the period.

Over the last few years, there have been many developments in our sector relating to climate change, so we conducted a robust situation analysis during 2016. The analysis informed our new Climate Change Strategy, ensuring we remain prepared for future carbon constraints.

The analysis included:

- ▶ Consideration of the role of oil and gas in the energy outlook to 2035.
- ▶ Benchmarking peer strategies and initiatives in response to climate change.
- ▶ Evaluating opportunities to continue reducing emissions from existing assets.
- ▶ Evaluating and considering investor and stakeholder concerns and information requests.
- ▶ Evaluating PNG climate change commitments and opportunities.

Given the smaller scale of our activities and operations compared to our peers, we considered a combination of the scenario analyses conducted by leading energy authorities, including the International Energy Agency and Wood Mackenzie, and major oil and gas peers. Our outlook and strategic response reflects a consensus view obtained from these sources.





The resulting Climate Change Strategy was approved by the Oil Search Board in October. It formalises several existing initiatives already underway, and will be reviewed annually. We will explore further new initiatives in 2017. These include: greater collaboration with our peers and industry bodies; evaluating and setting an internal carbon price; adding climate-related KPIs for members of our senior management team; and other measures to ensure we adequately understand and consider the risks associated with climate change.

During the year, we participated in a REDD+ workshop organised by the PNG Climate Change Development Authority (CCDA) that covered topics such as the National Forest Monitoring System Action Plan, Greenhouse Gas Inventory and Forest Reference Level. We also attended a post-Paris Agreement update and ratification workshop organised by the CCDA.

We continue to monitor our global and local response and actions to ensure we are playing an appropriate role in our industry's climate change actions. See [Climate Change](#) for further information on our climate change position, governance, strategy and implementation.

### **Aligning our occupational health system with best practice**

In 2016, we reviewed our occupational health systems and procedures against best practice across eight key areas, including: health risk management, control of workplace exposures, medical emergency management, fitness-for-work, health reporting and public health.

While we performed well in all areas, we have identified opportunities to improve how we control workplace exposures. To address this, we have scheduled the implementation of a dedicated programme in 2017 that will involve greater collaboration between our health and safety departments.

Also during the year, we re-aligned our disease collation process with the World Health Organisation International Classification of Diseases and cross-checked the requirements with those of the PNG Government. We are now amending our database to ensure we align with these standards.

### **Stronger focus on embedding human rights**

In December, our application to become a Corporate Pillar Participant in the Voluntary Principles on Security and Human Rights (VPSHS) was approved. This is a visible demonstration of our commitment to human rights and to reducing the risk of our potential involvement in a human rights abuse. As signatories, we are required to implement the principles of the VPSHS in our business activities.

We'd already integrated implementation of many aspects of the Principles in our way of operating. For



example, our security personnel contracts address unacceptable behaviours such as sexual violence, forced evictions and arbitrary arrest or detention.



We have also started working towards a Memorandum of Understanding with the Royal PNG Constabulary to promote and agree our shared expectations for the behaviour of public security forces. This will underpin our compliance with the Voluntary Principles, and efforts to reach agreement will continue in 2017.

During the year, we strengthened the integration of human rights into our business. We developed a human rights training programme for high-exposure roles and an induction training module for roll-out in 2017. Human rights elements were also integrated into stakeholder engagement and consultation, compensation, risk assessments, and as indicators in baseline studies. We also drafted and trialed a land access and resettlement procedure and a social impact assessment and management procedure which integrate core human rights principles.

These procedures were vital to informing the process of our first resettlement at Kobalu during the Muruk drilling campaign. The temporary resettlement of Kobalu was completed in 2016 in accordance with the Temporary Resettlement and Livelihood Restoration Plan agreed with the community. Unfortunately, conflict in the area, which was unrelated to the drilling project, meant that most villagers were unwilling to rebuild their homes at the originally selected site. We subsequently agreed with the community that the cash compensation proposed for reinstatement of homes, gardens and pig houses could be utilised at the discretion of each home-owner to re-establish livelihood elsewhere.

## **Responding to instability in the Hela Province**

The Hela Province of PNG is home to the country's largest natural gas project, the PNG LNG Project, which is operated by ExxonMobil PNG Limited on behalf of six partners, including Oil Search.

We have a long history of activity in the province, which is known for its strong culture and proud traditions. Like other parts of rural PNG, it experiences high levels of tribal-related fighting and lacks public services and development. Ongoing legal issues between local landowners themselves and with the PNG Government regarding unpaid PNG LNG Project royalties, are adding to community unrest.

In August, Hela landowners began protesting the lack of royalty payments outside PNG LNG gates, blocking access to project wellheads and roads. PNG LNG operations continued as normal and Oil Search's operations were not impacted. The PNG Department of Petroleum & Energy (DPE) responded with a mediation meeting with local landowners to discuss their grievances. As a trusted Operator in PNG, we used our strong community relationships to facilitate communication between the groups so an agreement could be reached.

The protests ended 10 days later after all parties agreed to a Memorandum of Understanding (MOU). This included the payment of a US\$11 million Infrastructure Development Grant (IDG) by the PNG Government to the

Hides Special Purpose Authority within a week of the agreement's date of 18 August.

At the time of writing, payment of the IDG had not occurred due to legal action by other landowners in the region against the PNG Government.

Towards the end of 2016, tribal-related violence and the number of illegal firearms increased in Hela. In December, the PNG Government declared a State of Emergency and deployed 300 police and PNG Defence Force personnel to help restore law and order. The Government is likely to maintain security in the region until the 2017 election is completed. These events did not disrupt PNG LNG or Oil Search operations.

In 2017, we will continue to support efforts towards a resolution and stability in the region, including our ongoing contribution to sustainable development and facilitating opportunities for communication between parties.

## **Engaging and empowering our people**

We seek to provide a workplace that celebrates diversity, supports learning and development and drives high performance.

### **Performance summary**

Five employees received an Oil Search Value and Behaviour Award.

Three PNG citizens were appointed as Independent Members on Oil Search Board Committees.

117 frontline supervisors in PNG completed the first module of the Supervising Our Way programme.

Two employee diversity and inclusion focus groups were held, attended by 31 staff.

80 employees attended unconscious bias training.

PNG citizens made up 83% of our workforce and 23% of the senior management team in PNG.

The Oil Search Code of Conduct was revised.

### **Ensuring leadership pathways for local employees**

Having local representation strengthens our workforce and is an important element of our socio-economic contribution to PNG. We are committed to taking a strategic approach to increasing the number of PNG citizen employees at all levels of the Company.

In late 2015, we identified the potential benefits of a more targeted approach to ensuring our current and future PNG citizen leaders get the appropriate support they need to step into leadership positions. We now have a structured Citizen Development Programme (CDP), with the objective of increasing the number of PNG citizens in leadership roles.





During the year, we undertook several steps as part of the CDP. These included:

- ▶ Commencing the set-up of a dedicated citizen development team, headed by a citizen General Manager and supported by local and expatriate organisational development specialists.
- ▶ Defining the programme objectives and a multi-year plan, backed by an annual budget of US\$2 million.
- ▶ Integrating the programme with other workforce planning objectives — including the Company-wide succession planning and talent review to identify potential participants — and aligning programme goals with our broader diversity and inclusion objectives.
- ▶ Conducting an internal awareness campaign on the objectives and impacts of the CDP and developing supporting resources for managers of local staff so they can provide appropriate support and coaching.

As part of the CDP, we are exploring new ways of ensuring the right skills and knowledge are transferred on the job. One example is altering the shift roster of field-based staff so participants can work alongside and learn from employees in more senior positions. We are also exploring training opportunities with our joint venture partners and some suppliers.

In early 2017, each CDP participant will have a customised development plan. These plans will ensure the right balance of on-the-job experiences, exposure, coaching and education to develop each person's leadership capability. The CDP team will work with the business to identify new positions, training requirements and any other support that participants require.

### **Strengthening our succession planning**

During 2016, we simplified and broadened our talent and succession process. Our goal was to get more information about more employees so our leadership team would have deeper insights into the health of the Company talent pool. This has helped them to make more informed, holistic decisions about our people — for example, the process played a key role in identifying participants for the CDP.

We created several new positions in late 2015 as a result of the Business Optimisation Programme, and some positions were vacated when we closed the Brisbane office. Filling these positions in 2016 enabled us to enhance our talent pool by recruiting external talent, including at senior management level.

Reviewing our talent and succession process also helped us to identify key talent gaps and to use external recruitment to fill them.

During the year, the representation of females and PNG citizens in our leadership and management succession plans increased from 27% and 22% in 2015, to 33% and 38% respectively.

## Employees demonstrating Oil Search values and behaviours

In 2016, our employees actively displayed our values and behaviours and their commitment to improving the lives of people in PNG.

- Nine employees and members of their families raised over US\$680 by running a sausage sizzle to support Cheshire DisAbility Services in Port Moresby, which provides meals and health care supplies for residents.
- Donating enough rice, noodles, biscuits, tinned food, cooking oil and laundry detergent to ensure 160 patients could complete their tuberculosis treatment at Kikori Hospital in the Gulf Province. This meant 100% of patients admitted from January to September could remain in hospital for the duration of their treatment.
- 36 employees donated 31 litres of blood to the Port Moresby General Hospital Blood Bank.

During the year, we also launched an awards programme to recognise employees who demonstrate the Oil Search behaviours in their job. Over 18 employees were nominated and we selected five winners.

In 2017, we plan to develop a more formal, Company-wide employee participation, giving and engagement programme that makes our employee volunteering and giving activities more effective.

## Code of Conduct revised

In October, our Board approved a revised Code of Conduct. The updated version is embedded with four key principles that inform our employees' decision-making, actions and behaviour.

The Code also includes new guidance around our relationships with contractors and other stakeholders. It reinforces our commitment to upholding the principles of the UN Global Compact and the UN Voluntary Principles for Security and Human Rights and outlines how to ensure a safe, incident-free workplace that values and promotes diversity.

As part of the Code of Conduct refresh, in 2017 we will commence an annual employee training programme, including scenario-based sessions, workshops and an assessment.

During the year, Oil Search investigated all reported and suspected breaches of our Code of Conduct. After investigation, two written warnings were issued and four terminations occurred as a result of breaches relating to drugs and alcohol, harassment and bullying, and health, safety, environment and security. There were zero instances of discrimination reported and no calls were made to our Whistle-blower Hotline.



Also during the year, we collated our expectations on whistle-blower protection, the giving and receiving of gifts and entertainment, conflicts of interest, selection of business partners and political donations into one

Corruption Prevention Procedure. We will run associated refresher training for all employees and contractors in 2017 and every two years thereafter.

## Diversifying the Board

In October, our Board announced the creation of new roles at the Board Committee level through the appointment of suitably qualified PNG citizens as our first Independent Members. These appointments reflect our continued investment in PNG's future and align with our aim of enhancing the local pool of capable, well-rounded business leaders.

Richard Kuna, Mary Johns and Serena Sasinian have considerable senior management experience in PNG and will strengthen the Board through their experience, local knowledge and well-established local networks. In return, they will gain the experience and knowledge that go with working with the Board and management team of one of PNG's largest listed companies.

In early 2017, our new Independent Members will join key members of our senior management team at a series of workshops on good governance practices, to be delivered by an independent training provider.

Two new Directors, Dr Eileen Doyle and Mel Togolo CBE joined our Board in 2016, following the temporary departure of Fiona Harris and retirement of Bart Philemon. In December, Dr Ziggy Switkowski also retired and was replaced by Fiona Harris, whose return will be effective January 2017. This means that, for the first time, there will be two women on the Oil Search Board of nine Directors, and four women on the various Board Committees.

## Understanding and addressing barriers to women in the workplace

In April, we conducted internal diversity focus groups in PNG and Sydney so our staff could voice their views on diversity and inclusivity and discuss opportunities for improvement. The groups were attended by more than 30 staff from all levels and resulted in several ideas that were presented to the Board as part of a diversity and inclusion workshop. A number of quick wins resulted, including ensuring female-specific personal protective equipment is available to all women in the field, and paying superannuation to staff who take unpaid parental leave. The latter was introduced in July as a new employee benefit that sets our Company apart in both Australia and PNG.



In May, we participated in a pilot training programme coordinated by the [PNG Business Coalition for Women \(BCFW\)](#) in partnership with the International Monetary Fund. Its purpose was to identify ways

companies could increase awareness of, and improve the safety of, women who work in remote locations. The pilot included a training programme that provided the skills and tools required to carry out audits that help improve women's workplace safety. As well as receiving training, our Company's participants contributed to discussions on gender safety awareness, recommended policies and KPIs, and provided feedback on pilot tools. The tools will be available to all members of PNG BCFW in 2017.

In September, unconscious bias training was held with members of the senior management team in Sydney, Port Moresby and at Ridge Camp, and an unconscious bias awareness session was held with the executive team and participants of the Accelerated Development Programme. The training provided tools to help participants identify how bias may affect their decision-making and the impact that it can have on our ability to provide a diverse and inclusive workplace. The rest of the workforce will receive similar training throughout 2017.

Also In 2017, we will complete a gender-based pay equity analysis, conduct a staff diversity and inclusion survey, and identify opportunities to improve how technical roles are advertised to better attract female applicants.

## Progress against Oil Search's Diversity and Inclusion Goals

#	Objectives	Status	Results in 2016
1	Increase percentage of females in leadership roles by 2017	🎯 On track	The number of females in leadership roles increased from 18% in 2015 to 21% in 2016
2	Increase percentage of PNG citizens in leadership roles by 2017	🎯 On track	The percentage of PNG citizens in leadership roles increased from 21% in 2015 to 23% in 2016
3	Increase percentage of female graduates and apprentices by 2017	🎯 On track	The percentage of female graduates and apprentices decreased from 38% and 36% in 2015 to 26% and 34% respectively. This was due to the Business Optimisation Programme in late 2015. We remain on track to meet our overall target in 2017
4	Increase representation of females and PNG citizens in succession plans for leadership and management roles	🎯 On track	The representation of females and PNG citizens in succession plans has increased from 27% and 22% in 2015, to 33% and 38% respectively in 2016

## Reporting Index

### Standard Disclosures

#	GLOBAL REPORTING INITIATIVE (G4) INDICATOR DESCRIPTION	PAGE NUMBER/LINK	IPIECAREFERENCE	SUSTAINABLE DEVELOPMENT GOALS
STRATEGY AND ANALYSIS				
G4-1	Statement from the most	Social Responsibility Report 2016 - <a href="#">Message from</a>	n/a	n/a

	senior decision-maker of the organisation	<a href="#">the Managing Director and Health, Safety and Sustainability Committee Chair</a>		
G4-2	Description of key impacts, risks and opportunities	Social Responsibility Report 2016 - <a href="#">Message from the Managing Director and Health, Safety and Sustainability Committee Chair</a>  Social Responsibility Report 2016 - <a href="#">Reviewing our strategic priorities</a>  Annual Report 2016 - <a href="#">Business strategy, outlook and risk, pp73-77</a>	n/a	n/a
<b>ORGANISATIONAL PROFILE</b>				
G4-3	Name of the organisation	Oil Search Limited	n/a	n/a
G4-4	Primary brands, products and services	Website - <a href="#">What we do</a>	n/a	n/a
G4-5	Location of the organisation's headquarters	Port Moresby, Papua New Guinea	n/a	n/a
G4-6	Number and names of countries where the organisation operates	Website - <a href="#">What we do</a>  Website - <a href="#">Licence interests</a>	n/a	n/a
G4-7	Nature of ownership and legal form	Annual Report 2016 - <a href="#">About Oil Search, p148</a>  Annual Report 2016 - <a href="#">Shareholder information, pp140-141</a>	n/a	n/a
G4-8	Markets served (including geographic breakdown, sectors served and types of customers and beneficiaries)	Most of the crude oil and natural gas produced is sold into the Asia Pacific region. Our customers include integrated oil companies, refiners and commodity trading organisations.	n/a	n/a
G4-9	Scale of the organisation	Data Centre - <a href="#">People and organisation</a>  Annual Report 2016 - <a href="#">Highlights, pp10-11</a>	n/a	n/a
G4-10	Workforce data	Data Centre - <a href="#">People and organisation</a>	n/a	Goal 8: Decent work and economic growth
G4-12	The organisation's supply chain	Website - <a href="#">Workforce management</a>  Website - <a href="#">Risk, compliance and assurance</a>	n/a	n/a
G4-13	Significant changes during the reporting period	Social Responsibility Report 2016 - <a href="#">Message from the Managing Director and Health, Safety and Sustainability Committee Chair</a>  Annual Report 2016 - <a href="#">Update from Peter Botten, pp14-17</a>	n/a	n/a
G4-14	Whether and how the precautionary approach or principle is addressed by the organisation	Website - <a href="#">Social Responsibility Policy</a>  Website - <a href="#">Responsible operator</a>	n/a	Goal 2: Zero hunger
G4-15	External charters, principles or other initiatives to which the organisation subscribes or which it endorses	Website - <a href="#">Memberships and commitments</a>	n/a	n/a
G4-16	Memberships of associations and national or international advocacy organisations	Website - <a href="#">Memberships and commitments</a>	n/a	n/a
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>				
G4-17	Entities included in the organisation's consolidated financial statements or equivalent documents	Annual Report 2016 - <a href="#">Subsidiaries and interests in joint arrangements pp107-108</a>	n/a	n/a
G4-18	Process for defining the report content and the Aspect boundaries and how the organisation has implemented the reporting principles for defining report content	Social Responsibility Report 2016 - <a href="#">Measuring and reporting on our progress</a>  Website - <a href="#">Reporting our performance</a>	n/a	n/a



G4-19	Material Aspects identified in the process for defining report content	Website- <a href="#">Stakeholder engagement</a> Social Responsibility Report 2016 - <a href="#">Our Social Responsibility Strategy</a>	n/a	n/a
G4-22	The effect of and reasons for any restatements of information provided in previous reports, and the reason for such restatements	There have been no significant re-statements of information provided in earlier reports.	n/a	n/a
G4-23	Significant changes from previous reporting periods in the scope and Aspect boundaries	There have been no significant changes in the scope or boundary of this year's social responsibility reporting to that applied in prior reports.	n/a	n/a
<b>STAKEHOLDER ENGAGEMENT</b>				
G4-24	List of stakeholder groups engaged by the organisation	Website - <a href="#">Stakeholder engagement</a>	n/a	n/a
G4-25	The basis for identification and selection of stakeholders	Website - <a href="#">Stakeholder engagement</a>	n/a	n/a
G4-26	The organisation's approach to stakeholder engagement	Website - <a href="#">Stakeholder engagement</a>	n/a	n/a
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics	Website - <a href="#">Stakeholder engagement</a>	n/a	n/a
<b>REPORT PROFILE</b>				
G4-28	Reporting period	The latest <a href="#">Social Responsibility Report</a> covers performance between 1 <sup>st</sup> January and 31 <sup>st</sup> December 2016	n/a	n/a
G4-29	Date of most recent previous report	The previous <a href="#">Social Responsibility Report</a> was released in April 2016 and covered the period 1st January to 31st December 2015	n/a	n/a
G4-30	Reporting cycle	Annual	n/a	n/a
G4-31	Provide the contact point for questions regarding the report or its contents	<a href="mailto:socialresponsibility@oilsearch.com">socialresponsibility@oilsearch.com</a>	n/a	n/a
G4-32	Report the 'in accordance' option the organisation has chosen, the GRI Content Index for the chosen option and reference to external assurance	Core This Reporting Index represents the GRI Content Index Website - <a href="#">Independent assurance</a>	n/a	n/a
G4-33	Policy and current practice with regard to seeking external assurance for the report	Website - <a href="#">Independent assurance</a>	n/a	n/a
<b>GOVERNANCE</b>				
G4-34	Governance structure of the organisation	Website - <a href="#">Board Committees</a>	n/a	n/a
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	Website - <a href="#">Board Committees</a>	n/a	n/a
G4-36	Whether the organisation has appointed an executive-level position or positions with responsibility for economic, environmental and social topics	Website - <a href="#">Board Committees</a>	n/a	n/a
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental	Website - <a href="#">Corporate Governance</a> There are a number of informal mechanisms through which employees are able to directly access Board	n/a	Goal 16: Peace, justice and strong institutions

	and social topics	members, including visits by Board members to areas of operation. In addition, there are regular forums through which Senior Management meet with all or some Board members and are able to raise issues directly.		
G4-38	Composition of the highest governance body and its committees	Website - <a href="#">Statement of Compliance</a> Website - <a href="#">The Board</a>	n/a	Goal 16: Peace, justice and strong institutions
G4-39	Whether the Chair of the highest governance body is also an executive officer	The Chair of the Board is not an executive officer. As per the <a href="#">Oil Search Board Charter</a> , the Board will elect one of the Directors to act as Chair who: (a) is a Non-Executive Director; and (b) has not previously served as Managing Director of the Company.	n/a	Goal 16: Peace, justice and strong institutions
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	Website - <a href="#">Selection, appointment or election of Directors</a>	n/a	Goal 16: Peace, justice and strong institutions
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed	Website - <a href="#">Corruption prevention</a> Website - <a href="#">Director independence and other appointments</a>	n/a	Goal 16: Peace, justice and strong institutions
G4-42	Highest governance body roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies and goals related to economic, environmental and social impacts	Website - <a href="#">Roles and responsibilities of the Board</a>	n/a	n/a
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	Website - <a href="#">Statement of Compliance</a> Website - <a href="#">Selection, appointment or election of Directors</a>	n/a	Goal 4: Quality education
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics and actions taken in response	Website - <a href="#">Board performance evaluation</a>	n/a	n/a
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities and whether stakeholder consultation is used to support it	Website - <a href="#">Board Committees</a> Website - <a href="#">Risk, compliance and assurance</a>	n/a	Goal 16: Peace, justice and strong institutions
G4-46	Highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics	Website - <a href="#">Roles and responsibilities of the Board</a>	n/a	n/a
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities	Annual Report 2016 - <a href="#">Commitment to good governance, pp58-62</a>	n/a	n/a
G4-48	Highest committee or position that formally reviews and	Board Health, Safety and Sustainability Committee	n/a	n/a

	approves the organisation's Sustainability Report and ensures that all material aspects are covered			
G4-49	Process for communicating critical concerns to the highest governance body	Website - <a href="#">Board Committees</a> Website - <a href="#">Statement of Compliance</a>	n/a	n/a
G4-51	Remuneration policies for the highest governance body and senior executives	Annual Report 2016 - <a href="#">Remuneration Report, pp79-100</a> Website - <a href="#">Remuneration for Non-Executive Directors</a>	n/a	n/a
G4-52	Process for determining remuneration	Annual Report 2016 - <a href="#">Remuneration Report, pp79-100</a> Website - <a href="#">Remuneration for Non-Executive Directors</a>	n/a	n/a
<b>ETHICS AND INTEGRITY</b>				
G4-56	The organisation's values, principles, standards, and norms of behaviour such as codes of conduct and codes of ethics	Website - <a href="#">People and organisation Code of Conduct</a> Website - <a href="#">Policies, procedures and guidance</a> Website - <a href="#">Strategy</a>	n/a	Goal 16: Peace, justice and strong institutions
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behaviour and matters related to organisational integrity, such as helplines or advice lines	Website - <a href="#">Corruption prevention</a>	n/a	Goal 16: Peace, justice and strong institutions
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity	Website - <a href="#">Speaking out</a>	n/a	Goal 16: Peace, justice and strong institutions

## Specific Standard Disclosures: Economic

#	GLOBAL REPORTING INITIATIVE (G4) INDICATOR DESCRIPTION	PAGE NUMBER/LINK	IPIECAREFERENCE	SUSTAINABLE DEVELOPMENT GOALS
<b>MATERIAL ASPECT: ECONOMIC PERFORMANCE</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Social Responsibility Report 2016 - <a href="#">Message from the Managing Director and Health, Safety and Sustainability Committee Chair</a> Annual Report 2016 - <a href="#">Financial Report, pp18-19</a>	Community and society Business ethics and transparency	n/a
G4-EC1	Direct economic value generated and distributed	Social Responsibility Report 2016 - <a href="#">Performance summary</a> Social Responsibility Report 2016 - <a href="#">Performance summary</a> Data Centre - <a href="#">Sustainable development</a> Annual Report 2016 - <a href="#">10-year summary, pp144-145</a> Annual Report 2016 - <a href="#">Financial</a>	SE4 Social investment SE13 Transparency of payments to host governments	Goal 2: Zero hunger Goal 7: Affordable and clean energy Goal 8: Decent

Statements, pp102-107

work and economic growth  
Goal 9: Industry, innovation and infrastructure

G4-EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	Website - <a href="#">Risk and governance</a> Oil Search's CDP submission ( <a href="#">submission 1</a> , <a href="#">submission 2</a> )	n/a	Goal 13: Climate action
G4-EC3	Coverage of the organisation's defined benefit plan obligations	None of our employees are in a defined benefit fund	n/a	n/a
G4-EC4	Financial assistance received from government	Annual Report 2016 - <a href="#">Shareholder Information, pp140-141</a>  Social Responsibility Report 2016 - <a href="#">Working with PNG Government on national infrastructure projects</a>  No other significant financial assistance has been received from government at any of our areas of operation	n/a	Goal 17: Partnering for the goals

**MATERIAL ASPECT: MARKET PRESENCE**

G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Livelihoods and local enterprise development</a>  Social Responsibility Report 2016 - <a href="#">Performance summary</a>  Website - <a href="#">Training and development</a>  Social Responsibility Report 2016 - <a href="#">Ensuring leadership pathways for local employees</a>	Local content  Labour practices	n/a
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	Social Responsibility Report 2016 - <a href="#">Ensuring leadership pathways for local employees</a>  Data Centre - <a href="#">People and organisation</a>  Annual Report 2016 - <a href="#">People and organisation, pp44-47</a>	SE6 Local hiring practices	Goal 7: Affordable and clean energy  Goal 8: Decent work and economic growth

**MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS**

G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Supporting effective benefits distribution</a>	Community and society	n/a
G4-EC7	Development and impact of infrastructure investments and services supported	Website - <a href="#">Supporting effective benefits distribution</a>  Social Responsibility Report 2016 - <a href="#">Working with PNG Government on national infrastructure projects</a>  Social Responsibility Report 2016 - <a href="#">Helping connect the north and south coast of PNG</a>	SE4 Social investment	Goal 2: Zero hunger  Goal 7: Affordable and clean energy  Goal 9: Industry, innovation and infrastructure  Goal 11: Sustainable cities and communities
OG1	Volume and type of estimated proved reserves and production	Annual Report 2016 - <a href="#">Reserves and resources, pp48-55</a>	n/a	Goal 8: Decent work and economic growth

**MATERIAL ASPECT: PROCUREMENT PRACTICES**

G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Livelihoods and local enterprise development</a>	Local content	Goal 1: No poverty  Goal 5: Gender
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				equality Goal 8: Decent work and economic growth
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Social Responsibility Report 2016 - <a href="#">Performance summary</a>	SE5 Local content practices SE7 Local procurement and supplier development	Goal 12: Responsible consumption and production
		Social Responsibility Report 2016 - <a href="#">Working with Lancos to improve compliance</a>	SE7 Local procurement and supplier development	

## Specific Standard Disclosures: Environmental

#	GLOBAL REPORTING INITIATIVE (G4) INDICATOR DESCRIPTION	PAGE NUMBER/LINK	IPIECAREFFERENCE	SUSTAINABLE DEVELOPMENT GOALS
<b>MATERIAL ASPECT: ENERGY</b>				
OG2	Total amount invested in renewable energy	Data Centre - <a href="#">Energy</a>	E3 Alternative energy sources	Goal 7: Affordable and clean energy Goal 9: Industry, innovation and infrastructure Goal 17: Partnerships for the goals
G4-EN3	Energy consumption within the organisation	Data Centre - <a href="#">Energy</a>	E2 Energy use	Goal 7: Affordable and clean energy Goal 8: Decent work and economic growth Goal 12: Responsible consumption and production Goal 13: Climate action
G4-EN5	Energy intensity	Data Centre - <a href="#">Energy</a>	E2 Energy use	Goal 7: Affordable and clean energy Goal 8: Decent work and economic growth Goal 12: Responsible consumption and production Goal 13: Climate action
<b>MATERIAL ASPECT: WATER</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Water use and extraction</a>	Biodiversity and ecosystem services Water	n/a
G4-EN8	Total water withdrawal by source	Data Centre - <a href="#">Water</a>	E6 Fresh water	Goal 6: Clean water and sanitation
<b>MATERIAL ASPECT: BIODIVERSITY</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management	Website - <a href="#">Biodiversity protection and site</a>	Biodiversity and ecosystem	n/a



	and evaluation of the management approach	rehabilitation	services	
<b>MATERIAL ASPECT: EMISSIONS</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <b>Climate change</b>	Climate change and energy Local environmental impact	n/a
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Data Centre - <b>Climate change</b>	E1 GHG emissions	Goal 3: Good health and wellbeing Goal 12: Responsible consumption and production Goal 13: Climate action Goal 14: Life below water Goal 15: Life on land
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Data Centre - <b>Climate change</b>	E1 GHG emissions	Goal 3: Good health and wellbeing Goal 12: Responsible consumption and production Goal 13: Climate action Goal 14: Life below water Goal 15: Life on land
G4-EN18	Greenhouse gas (GHG) emissions intensity	Social Responsibility Report 2016 - <b>Strengthening our climate change understanding</b> Data Centre - <b>Climate change</b>	E1 GHG emissions	Goal 13: Climate action Goal 14: Life below water Goal 15: Life on land
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Social Responsibility Report 2016 - <b>Strengthening our climate change understanding.</b>	E1 GHG emissions	Goal 13: Climate action Goal 14: Life below water Goal 15: Life on land.
<b>MATERIAL ASPECT: EFFLUENTS AND WASTE</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <b>Waste, effluents and spills management</b>	Water Local environmental impact	n/a
OG5	Volume and disposal of formation or produced water	Data Centre - <b>Water use</b>	E7 Discharges to water	Goal 3: Good health and wellbeing Goal 6: Clean water and sanitation Goal 8: Decent work and economic growth Goal 12: Responsible consumption and production Goal 14: Life below water
OG6	Volume of flared and vented hydrocarbon	Data Centre - <b>Climate change</b>	E4 Flared gas	Goal 3: Good health and wellbeing Goal 7: Affordable and clean energy Goal 8: Decent work and

				economic growth
				Goal 12: Responsible consumption and production
				Goal 13: Climate action
				Goal 14: Life below water
G4-EN23	Total weight of waste by type and disposal method	Data Centre - <b>Waste</b>	E10 Waste	Goal 3: Good health and wellbeing Goal 6: Clean water and sanitation Goal 12: Responsible consumption and production
G4-EN24	Total number and volume of significant spills	Data Centre - <b>Spills that reach the environment</b>	E9 Spills to the environment	Goal 3: Good health and wellbeing Goal 6: Clean water and sanitation Goal 12: Responsible consumption and production Goal 14: Life below water Goal 15: Life on land
<b>MATERIAL ASPECT: COMPLIANCE</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <b>Environment</b>	n/a	n/a
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Oil Search has had no sanctions or fines for non-compliance with any environmental laws and regulations	n/a	Goal 16: Peace, justice and strong institutions
<b>MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <b>Risk, compliance and assurance</b>	n/a	n/a
<b>MATERIAL ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <b>Grievance management</b> Website - <b>Speaking out</b>	n/a	n/a

## Specific Standard Disclosures: Social

#	GLOBAL REPORTING INITIATIVE (G4) INDICATOR DESCRIPTION	PAGE NUMBER/LINK	IPIECAREFERENCE	SUSTAINABLE DEVELOPMENT GOALS
<b>SUB-CATEGORY: LABOUR PRACTICES AND DECENT WORK</b>				
<b>MATERIAL ASPECT: EMPLOYMENT</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <b>Workforce Management</b>	Labour practices	n/a

G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Data Centre - <a href="#">People and organisation</a>	SE15 Workforce diversity and inclusion	Goal 8: Decent work and economic growth
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Website - <a href="#">Performance and remuneration</a>	n/a	Goal 8: Decent work and economic growth
G4-LA3	Return to work and retention rates after parental leave, by gender	Data Centre - <a href="#">People and organisation</a>	n/a	Goal 8: Decent work and economic growth
<b>MATERIAL ASPECT: LABOUR/MANAGEMENT RELATIONS</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Workforce Management</a>	Labour practices	n/a
<b>MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Health and safety</a>	Workforce protection Labour practices	n/a
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees	Website - <a href="#">Personal safety</a>	HS1 Workforce participation	Goal 8: Decent work and economic growth
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender	Social Responsibility Report 2016 - <a href="#">A targeted plan toward improved safety performance</a>	HS3 Occupational injury and illness	Goal 3: Good health and wellbeing Goal 8: Decent work and economic growth
<b>MATERIAL ASPECT: TRAINING AND EDUCATION</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Training and development</a>	Labour practices	n/a
G4-LA9	Average hours of training per year per employee by gender and by employee category	Data Centre - <a href="#">Training and development</a>	SE17 Workforce training and development	Goal 4: Quality education Goal 8: Decent work and economic growth
G4-LA10	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Website - <a href="#">Training and development</a>	SE17 Workforce training and development	Goal 8: Decent work and economic growth
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Data Centre - <a href="#">Training and development</a>	SE17 Workforce training and development	Goal 8: Decent work and economic growth
<b>MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Diversity and inclusion</a>	Labour practices	n/a
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	Data Centre - <a href="#">Workforce and senior management diversity</a>	SE15 Workforce diversity and inclusion	Goal 8: : Decent work and economic growth
<b>MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Diversity and inclusion</a> Website - <a href="#">Performance and remuneration</a>	Labour practices	n/a

G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Data Centre - <a href="#">Remuneration</a>	SE15 Workforce diversity and inclusion	Goal 8: : Decent work and economic growth  Goal 10: Reduced inequalities
<b>MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOUR PRACTICES</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Risk, compliance and assurance.</a>  Website - <a href="#">Workforce Management</a>	n/a	n/a
<b>MATERIAL ASPECT: LABOUR PRACTICES GRIEVANCE MECHANISMS</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Workforce Management</a>  Website - <a href="#">Speaking out</a>	Labour practices	n/a
<b>SUB-CATEGORY: HUMAN RIGHTS</b>				
<b>MATERIAL ASPECT: INVESTMENT</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Human rights</a>	Human rights	n/a
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Social Responsibility Report 2016 - <a href="#">Stronger focus on embedding human rights</a>	SE8 Human rights due diligence	n/a
<b>MATERIAL ASPECT: NON-DISCRIMINATION</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Diversity and inclusion</a>	Human rights	n/a
G4-HR3	Total number of incidents of discrimination and corrective actions taken	Social Responsibility Report 2016 - <a href="#">Code of Conduct revised</a>	SE8 Human rights due diligence  SE18 Non-retaliation and grievance systems	Goal 8: Decent work and economic growth  Goal 16: Peace, justice and strong institutions.
<b>MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Workforce Management</a>  Website - <a href="#">Human rights</a>	Human rights	n/a
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Website - <a href="#">Workforce Management</a>	SE8 Human rights due diligence  SE9 Human rights and suppliers	Goal 8: Decent work and economic growth
<b>MATERIAL ASPECT: CHILD LABOUR</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Workforce Management</a>  Website - <a href="#">Human rights</a>	Human rights	n/a
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	Website - <a href="#">Workforce Management</a>	SE8 Human rights due diligence  SE9 Human rights and suppliers	Goal 8: Decent work and economic growth  Goal 16: Peace, justice and strong institutions.

<b>MATERIAL ASPECT: FORCED OR COMPULSORY LABOUR</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Workforce Management</a>	Human rights	n/a
		Website - <a href="#">Human rights</a>		
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	Website - <a href="#">Workforce Management</a>	SEB Human rights due diligence	Goal 8: Decent work and economic growth
<b>MATERIAL ASPECT: SECURITY PRACTICES</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Security</a>	Human rights	n/a
		Social Responsibility Report 2016 - <a href="#">Stronger focus on embedding human rights</a>		
<b>MATERIAL ASPECT: INDIGENOUS RIGHTS</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Society</a>	Community and society	n/a
<b>MATERIAL ASPECT: ASSESSMENT</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Human rights</a>	n/a	n/a
		Social Responsibility Report 2016 - <a href="#">Stronger focus on embedding human rights</a>		
		Website - <a href="#">Impact management</a>		
<b>MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Workforce Management</a>	Human rights	n/a
<b>MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Grievance management</a>	n/a	n/a
		Social Responsibility Report 2016 - <a href="#">Stronger focus on embedding human rights</a>		
		Website - <a href="#">Speaking out</a>		
<b>SUB-CATEGORY: SOCIETY</b>				
<b>MATERIAL ASPECT: LOCAL COMMUNITIES</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Society</a>	Community and society	n/a
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments and development programmes	Website - <a href="#">Society</a>	SE1 Local community impacts and engagement	n/a
		Website - <a href="#">Sustainable development</a>		
<b>MATERIAL ASPECT: ANTI-CORRUPTION</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <a href="#">Corruption prevention</a>	Business ethics and transparency	n/a
G4-SO4	Communication and training on anti-corruption policies and procedures	Website - <a href="#">Corruption prevention</a>	SE11 Preventing corruption	Goal 16: Peace, justice and strong institutions.
		Social Responsibility Report 2016 - <a href="#">Code of Conduct revised</a>		
		Social Responsibility Report 2016 -- <a href="#">Corruption prevention training</a>		
G4-SO5	Confirmed incidents of corruption and actions taken	Social Responsibility Report 2016 - <a href="#">Code of Conduct revised</a>	SE11 Preventing corruption	Goal 16: Peace, justice and strong institutions
<b>MATERIAL ASPECT: PUBLIC POLICY</b>				



G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <b>Public policy engagement</b> Social Responsibility Report 2016 - <b>Contributing to tax and other legislative reform</b>	Business ethics and transparency SE14 Public advocacy and lobbying	n/a
<b>MATERIAL ASPECT: COMPLIANCE</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <b>Code of Conduct</b> Website - <b>Risk, assurance and compliance</b>	n/a	n/a
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Oil Search has had no non-monetary sanctions or fines issued for non-compliance with laws and regulations	n/a	Goal 16: Peace, justice and strong institutions
<b>SECTOR SPECIFIC ASPECT: EMERGENCY PREPAREDNESS</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <b>Emergency preparedness and crisis management</b>	n/a	n/a
<b>SECTOR SPECIFIC ASPECT: INVOLUNTARY RESETTLEMENT</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <b>Land access and resettlement</b>	Community and society	n/a
OG12	Operations where involuntary resettlement took place, number of households resettled and how livelihoods were affected	Social Responsibility Report 2016 - <b>Stronger focus on embedding human rights</b>	SE3 Involuntary resettlement	Goal 1: No poverty Goal 2: Zero hunger Goal 11: Sustainable cities and communities
<b>SECTOR SPECIFIC ASPECT: ASSET INTEGRITY AND PROCESS SAFETY</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <b>Process safety</b>	Process safety and asset integrity	n/a
OG13	Number of process safety events by business activity	Social Responsibility Report 2016 - <b>A targeted plan towards improved safety performance</b> Data Centre - <b>Health and safety</b>	HS5 Process safety	Goal 3: Good health and wellbeing Goal 8: Decent work and economic growth Goal 11: Sustainable cities and communities
<b>MATERIAL ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY</b>				
G4-DMA	Why an Aspect is material, impacts that make the Aspect material and management and evaluation of the management approach	Website - <b>Grievance management</b> Website - <b>Speaking out</b>	n/a	n/a
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	Social Responsibility Report 2016 - <b>Stronger focus on embedding human rights</b> Data Centre - <b>Society</b>	n/a	n/a
<b>SUB-CATEGORY: PRODUCT RESPONSIBILITY</b>				
<b>MATERIAL ASPECT: COMPLIANCE</b>				
G4-PF9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	There have been no fines issued against us for non-compliance with laws and regulations concerning the provision and use of products and services	n/a	Goal 16: Peace, justice and strong institutions

