

MESSAGE FROM THE MANAGING DIRECTOR AND HEALTH, SAFETY AND SUSTAINABILITY COMMITTEE CHAIR

In 2018, we faced one of the greatest challenges in the Company's history when a record 7.5 magnitude earthquake hit our operating areas in Papua New Guinea (PNG). You can judge the strength of a corporate culture when it is tested by a crisis and the speed, dedication and generosity of how our people responded to the PNG earthquake is testament to ours.

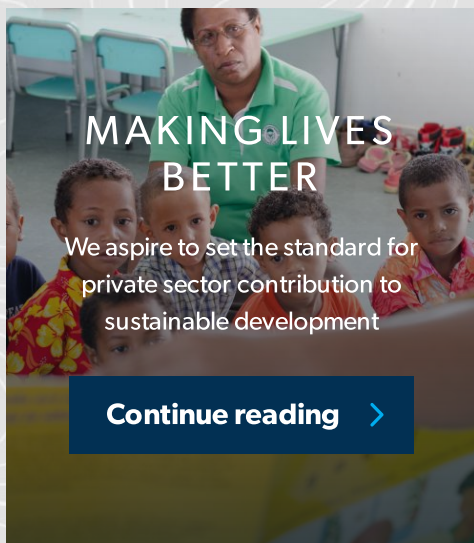


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2018 REPORT

SOCIAL RESPONSIBILITY STRATEGY

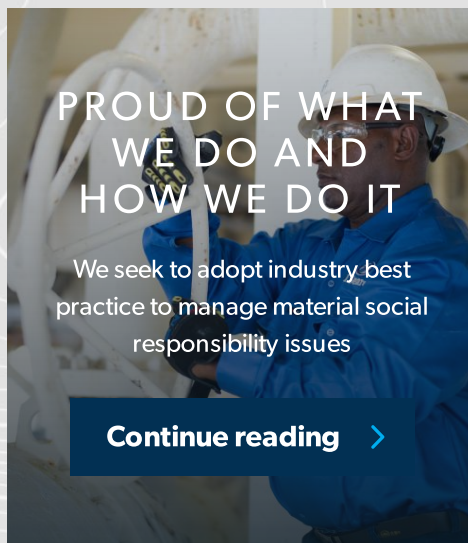
[See the full strategy >](#)



MAKING LIVES BETTER

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

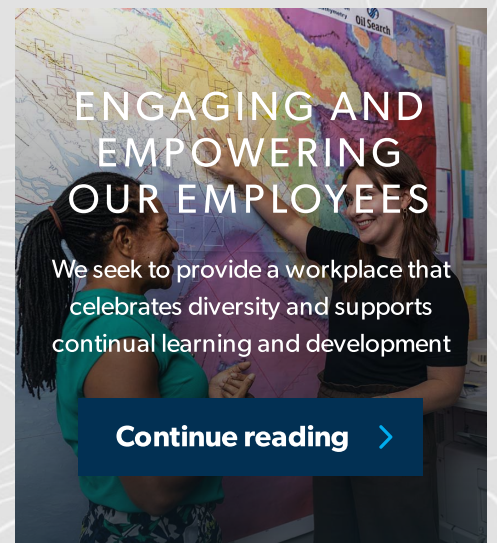
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PROUD OF WHAT WE DO AND HOW WE DO IT

We seek to adopt industry best practice to manage material social responsibility issues

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ENGAGING AND EMPOWERING OUR EMPLOYEES

We seek to provide a workplace that celebrates diversity and supports continual learning and development

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Oil Search's 2020 Social Responsibility Strategy is guided by the principles of our **Social Responsibility Policy** and integrated with the Company's broader strategic objectives and vision. It prioritises initiatives and improvement areas with material business value and provides a framework for optimising the positive impact of our social responsibility activities.

SOCIAL RESPONSIBILITY HIGHLIGHTS

> US\$5M

IN CASH AND KIND

donated by Oil Search to support disaster relief efforts



Innovative Public-Private Partnership initiative by OSF to address family and sexual violence

US\$451M

IN TOTAL

socio-economic contributions in PNG

FIRST

PUBLIC-PRIVATE PARTNERSHIP

on climate resilience with PNG CCDA



Top quartile of Carbon Tracker's climate-resilient oil and gas companies

ZERO

TIER 1

process safety incidents



22% reduction in Total Recordable Injury Rate



No significant spills



1,410 OSL employees



33% female representation on our Board

TOP 200

COMPANY

in Equileap's global Gender Equality Ranking

66%

OF LEADERSHIP ROLES

in PNG held by PNG citizens

Material developments in 2018

Earthquake in PNG highlands

The first half of 2018 was devastating for PNG and one of the most challenging periods in the Company's history. The 7.5 magnitude earthquake in Southern Highlands of PNG in late February and the numerous aftershocks substantially impacted Oil Search's project area communities. There were many deaths and essential infrastructure was destroyed.

Our priority following the initial earthquake was to ensure all our staff, across over 20 work sites in the Highland's Region were safe. Our processing facilities withstood the earthquake well, but our camps and associated facilities were impacted more seriously. As a precautionary measure and to assess any damage to facilities, production was temporarily shut-down at all operated oil fields and ExxonMobil PNG Ltd ceased production from the PNG LNG Project, impacting 2018 production, revenues and profits. Following detailed assessments of our infrastructure to ensure its integrity and to confirm that safe, reliable and sustainable operations could resume, production recommenced at most facilities within two months of the earthquake. Final earthquake-related repairs remain on-going.

As one of the few organisations in PNG able to provide rapid, on-the-ground assistance, Oil Search prioritised **relief, recovery and rehabilitation efforts** within our local communities. As a result, several planned activities and projects were put on hold. This affected some performance indicators for 2018 reporting, including varying data trends (due to production downtimes), data irregularities (due to damaged infrastructure e.g. meters) and reduced resource reporting capacity. We have identified specific examples in this Report.

Alaska North Slope — appraisal drilling phase

In February 2018, the Company completed the acquisition of oil assets in the North Slope of Alaska for US\$400 million and assumed operatorship in March 2018. The acquisition complements the Company's existing top quartile, high-returning PNG gas assets and creates a more balanced portfolio that is less exposed to one commodity and one country.

During the year, we built a highly experienced local management team, based in Anchorage, to develop and operate the Alaskan assets. We also prepared for a two-rig appraisal drilling programme, which commenced in late December 2018 and is progressing well. During the year we engaged with key stakeholders, including governments and local Indigenous landowner groups.

Papua LNG MoU with PNG Government

The Papua LNG joint venture (JV) participants — including Oil Search — entered a Memorandum of Understanding (MoU) in November 2018 with PNG to develop the Papua LNG Project. The agreement is a significant step forward and forms the basis for a Gas Agreement that equitably and appropriately allocates Project benefits and returns to stakeholders. The JV participants expect that the Gas Agreement will be executed in 2019.

About this Report

Oil Search believes that conducting business in a socially responsible manner is a strategic and moral imperative. It protects Company value by supporting operational stability and enabling us to achieve our strategic objectives while fulfilling our corporate social obligation to meet society's expectations.

We encourage and support transparency at a Company, industry and government level, including how we report our approach to, and management of, material social responsibility issues. This Report provides a clear account of our performance against our Social Responsibility Strategy and in relation to the challenges and opportunities that impact our operations and the communities in which we operate. We have presented the information under three key themes: *Making lives better, Proud of what we do and how we do it and Engaging and empowering our people.*

We regularly engage stakeholders and participate in industry forums to ensure the focus and content of our reporting suite remains relevant to our overall Business Strategy and the needs of our stakeholders.

For this Report, we have presented material information on Oil Search's social responsibility performance relating to projects under our operational control for the 2018 calendar year. While it focuses on our operations in Papua New Guinea (PNG), we also touch on our newly-acquired operations in Alaska and our plans to address broader social responsibility impacts in our supply chain. Our non-operated equity interests in PNG LNG and Papua LNG are not included. Social and environmental performance for the PNG LNG Project is available on the [project website](#).

We welcome feedback or questions about any aspect of our social responsibility reporting to socialresponsibility@oilsearch.com.

Our 2018 reporting suite

Oil Search recognises the importance of public disclosure. Being transparent about our social responsibility activities and performance makes us accountable to our stakeholders, supports informed decision-making and provides an opportunity to incorporate stakeholder feedback into our strategic planning.

Our 2018 reporting suite outlines the Company's approach to addressing material issues and creating environmental, social and economic value in the countries in which we operate. Representatives from across the business have worked with the Social Responsibility team to compile it, and it has been reviewed by the Executive Team and the Board Health, Safety and Sustainability Committee (HSSC).

We have compiled the quantitative data for our Report in accordance with Oil Search's Social Responsibility [Basis of Preparation](#) and incorporated indicators from external [benchmarks and standards](#), including:

- Global Reporting Initiative (GRI) Standards 2016.
- IPIECA's Sustainability Reporting Guidelines.
- The objectives of PNG Vision 2050 and the objectives of the United Nations Sustainable Development Goals (SDGs).

As well as being part of our Company reporting suite, this Report serves as Oil Search's required Communication on Progress report as a UN Global Compact (UNGC) member.

Other communications in the reporting suite address key stakeholder interests around our performance.

- The **VPSHR Report** outlines the Company's progress on implementing the Voluntary Principles on Security and Human Rights (VPSHR) in 2018. We have developed this Report in accordance with the VPSHR Verification and Reporting Framework, submitted it to the Voluntary Principles Initiative (VPI) and released it publicly.
- The **Transparency Report** summarises information about socio-economic payments we made in 2018 to countries where Oil Search has a presence. This information also informs our Extractive Industries Transparency Initiative (EITI) submission for PNG.
- A **Preliminary Modern Slavery Statement** is a new addition to our reporting suite. This describes the Company's modern slavery readiness plan, with clear actions for establishing socially responsible business practices in our supply chain. We will prepare a formal statement in accordance with Australian Commonwealth legislation from 2020 onwards.
- The **2018 Oil Search Annual Report** includes a summary of material aspects of our social responsibility performance in 2018.
- The **Oil Search website** describes our overall approach to managing material environmental, social and governance issues.

Independent limited assurance

External assurance enhances the credibility of our social responsibility data and helps us to identify improvements for future reporting. We obtained independent limited assurance over selected social responsibility data in this Report in accordance with Australian Standards on Assurance Engagements ASAE 3000. The **limited Assurance Statement** prepared by Deloitte outlines the scope and basis of the assurance they have provided for this Report.

Our social responsibility reporting has been subject to independent limited assurance since 2011, with the assurance findings presented to the Executive Leadership Team and the Board HSSC. Deloitte is Oil Search's external auditor as well as our social responsibility reporting assurance provider. The Audit and Financial Risk Committee oversees the independence of this relationship and governs the approval processes.

Message from our leaders

In 2018, we faced one of the greatest challenges in the Company's history when a record 7.5 magnitude earthquake hit our operating areas in PNG. You can judge the strength of a corporate culture when it is tested by a crisis and the speed, dedication and generosity of how our people responded to the PNG earthquake is testament to ours.

We were proud of how our employees and partners worked tirelessly together to come to PNG's aid at its time of need. This was a major catastrophe with extensive loss of life and infrastructure damage. Our response was immediate and effective. We ensured the safe shut down of our facilities and prioritised disaster relief for project area communities.

We provided nearly 80% of all First Responder aid to local communities in the first four weeks following the earthquake, before transitioning our attention to recovery and rehabilitation. Our contribution made a significant difference to local communities and we are honoured that it was acknowledged in the S&P Platts Global Energy Awards and through an inaugural Outstanding Humanitarian Award from the PNG Chamber of Mines and Petroleum.

Remarkably, despite the extraordinary circumstances and increased risk, our earthquake recovery and response activities were completed with zero recordable injuries. Our overall Total Recordable Injury Rate decreased by 22% from 2017, which is commendable at a time when we were undertaking more high-risk activities.

In spite of the earthquake, 2018 was a year of exciting opportunities. Entering Alaska in March began a new era of growth that will help support Oil Search's long-term future in a world of constant change.

ACTIVELY WORKING ON SOLUTIONS

During 2018, we continued to protect the stability of our PNG operations by working with stakeholders to address ongoing challenges. These included landowner concerns about the PNG Government's distribution of the financial benefits derived from oil and gas, which led to some unrest in our project areas. We worked with all stakeholders and were pleased that the Department of Petroleum made some progress with landowner beneficiary identification, which



is the cornerstone of benefits distribution. Oil Search's enduring commitment to **payments transparency** and our participation in the EITI is playing a role in progressing this process.

Responding to the global challenge and risks of climate change, we published a **Climate Change Resilience Report** in March that aligned with the Financial Stability Board's Task Force on Climate-related Financial Disclosures. The Report showed that the risk of our low-cost assets being stranded in a carbon-constrained world was low. In July, a Carbon Tracker report backed up our analysis, placing Oil Search in the top quartile of oil and gas producers for resilience to climate transition risk in a range of decarbonisation scenarios, including a 2°C world. We began work on a comprehensive physical risk assessment to help us test the impact of a range of potential physical climate change risks on our assets, supply chains and project area communities. We ended the year by announcing a Public-Private Partnership (PPP) with PNG's Climate Change and Development Authority (CCDA) to collaborate on climate adaptation initiatives that contribute to the resilience of PNG communities.

Human rights risks can be a threat to operational stability if not effectively mitigated and in 2018 we further strengthened Oil Search's approach to managing them. We updated our Company-wide human rights risk review to assess the risks (including modern slavery) across all our businesses and supply chains, including our new Alaskan operations. With the Australian Commonwealth Modern Slavery Act passed in November 2018, we are preparing to release a **Preliminary Modern Slavery Statement** ahead of the requirement to do so, as a signal of our intent and commitment to take steps towards the elimination of this horrid crime.

EXTENDING AND STRENGTHENING PARTNERSHIPS

There is a compelling business and moral case for Oil Search to play an active role in working with communities, governments and other stakeholders in both the social and economic development of countries in which we work. Oil Search does this through innovative private-public partnerships which leverage respective strengths and work to improve sustainability. We believe this is essential for our future success and critical in building trust and support in communities. It is also an important issue in attracting and retaining staff who are committed to making a positive difference in the areas in which we work.

Oil Search and the Oil Search Foundation (OSF) demonstrated throughout 2018 how our sustainable development programmes contribute to the social and economic development of PNG providing tangible examples of the value of leveraging collective interests to achieve sustainable outcomes.

An outstanding example of this principle in action in 2018 is the Bel isi PNG initiative, which Oil Search helped to launch. As a founding partner in this innovative multi-sector model, OSF is partnering with various sectors to address gender-based violence in PNG and providing a valuable resource to our employees and their families.

The power of strategic partnerships was also evident in our health programmes with OSF. By working closely with Hela Provincial Health Authority, OSF has helped Hela Provincial Hospital to become one of PNG's top three performing health facilities and our support kept it operational after the earthquake. Our support will continue to grow in 2019. The new Wok Bung Wantaim ("Working in Partnership") strategy, which OSF and partners launched in May 2018,

aims to improve coordination, planning, innovation and accountability for health programmes in Hela and Southern Highlands Provinces.

As always, Oil Search played a leading role in helping PNG realise ambitious infrastructure projects. When PNG hosted the 2018 Asia-Pacific Economic Cooperation (APEC) Summit, we helped to ensure the event's success by delivering APEC Haus through the National infrastructure Tax Credit Scheme. Another important piece of new infrastructure, the gas-fired Port Moresby power station, delivered by NiuPower (part of Oil Search Power Holdings) will be commissioned in early 2019. It will produce the cheapest power in Port Moresby, contributing to the PNG Government's goal to deliver reliable and competitively priced power to the PNG people in a country that has one of the world's most expensive and least accessible power systems.

One of our first priorities in Alaska was to consult with local communities and take steps to build enduring stakeholder relationships. Through proactive, defined engagement, we aim to create the opportunity for dialogue, demonstrate our willingness to identify and respond to feedback and concerns and establish a positive reputation within the community.

TACKLING THE DIVERSITY CHALLENGE

Strengthening how we engage, develop and empower our employees was a major focus during the year. Based on the results of our 2017 employee engagement survey, we introduced several initiatives to manage our leadership pipeline and develop workforce capability and engagement. These included a new development process, coaching workshops for leaders and standardised guidelines for recognising individual achievement.

We also continued to progress our strategic priority of strengthening our organisational capability by supporting and celebrating diversity in our workforce, with a 2020 Diversity and Inclusion Strategy focused on three areas: gender diversity, PNG citizen development and an inclusive workplace. As a result, we achieved 33% female representation on our Board, increased the percentage of graduate females and expanded our female leadership pipeline. Our gender diversity efforts made Oil Search a top-200 company in the global 2018 Equileap Gender Equality Ranking. We also made major progress in 2018 against our citizen development goals, with 66% of the Company's leadership roles in PNG now held by PNG citizens.

Overall, 2018 was a year of both steady progress against long-term goals and outstanding performance during a crisis. We continue to maintain our commitment to the principles of the UNGC and our efforts were recognised by being awarded the RobecoSAM Bronze Class Sustainability Medal. This puts us in the top 15% of companies worldwide in our industry for sustainability innovation and identifies us as being strongly positioned to create long-term shareholder value — something we can all celebrate.



Earthquake relief, recovery and restoration



On 26 February 2018, a magnitude 7.5 earthquake struck in the PNG highlands and caused substantial damage to Southern Highlands, Hela, Gulf and Western Provinces. Powerful aftershocks continued for several months following the initial earthquake.

The earthquake occurred in one of the most geographically isolated areas of the country and caused unprecedented damage to people and property. As well as multiple deaths, the affected region sustained widespread destruction of homes, gardens, roads and bridges and substantial damage to schools and health facilities. Many communities were left without basic necessities such as food, clean water, shelter and medical support.

RELIEF AND RECOVERY SUPPORT PROVIDED BY OIL SEARCH AND OIL SEARCH FOUNDATION

> 200

TONNES

in relief supplies including food and supplies delivered to affected villages



350,000 in estimated population catchment reached with relief supplies, donations and rebuilding support



200 communities supported across relief and recovery phases with relief and medical supplies

>US\$5M

IN CASH AND KIND

donated by Oil Search to support disaster relief efforts



56 villages provided with health services during recovery phase through OSF clinics

79

HEALTH FACILITIES

supported with emergency supplies

>2,500

MEDICAL TREATMENTS

by Oil Search



Recognised by the S&P Platts Global Energy Awards for our earthquake relief efforts

Earthquake response and relief efforts



Due to the proximity of the earthquake epicentre to our operational and logistical facilities, Oil Search and OSF were uniquely placed to be first responders. We provided essential early village and community damage and need assessments for distribution to Government and aid agencies. As part of this process our Teams delivered urgent medical treatments and emergency supplies to some of most remote and hardest-hit villages. Our Moro base became a coordination point for receiving and

distributing emergency aid, food and supplies contributed by the Company, our partners and other donors, including foreign governments and aid agencies.

Oil Search provided urgent food, water and medical supplies for impacted communities as part of our US\$5 million commitment to support relief efforts. Oil Search and OSF worked closely with the PNG Government's National Disaster Committee and other government agencies, and in partnership with the Australian Government, to coordinate over US\$990,000 in donations and funding leveraged for relief and recovery support. For six weeks, OSF provided the most reliable data available from the region through daily situation reports about the on-the-ground status, enabling targeted support.

More than 200 tonnes of materials were delivered by our helicopters using our logistics facilities across the disaster area and over 2,500 earthquake victims were treated for medical and surgical conditions by Oil Search's Medical and Occupational Health Service team. The PNG Government National Disaster Centre estimates that Oil Search activities were responsible for nearly 80% of urgently-required aid in the region during the first four weeks after the earthquake.

Our rapid response is testament to the Company's culture of caring for our communities and believing we have a responsibility to use our resources to help when needed.

Recovery and restoration phase

As we moved from the response to the recovery phase, Oil Search's engineering and construction resources worked to open the Kopi to Kutubu road as an alternative to the damaged Highlands Highway, making it an important route for the supply of food, fuel and restoration equipment.

OSF's strong relationship with the Hela and Southern Highlands Provincial Health Authorities was invaluable. Foundation staff worked to replace critical medical equipment for both Provincial hospitals and provided logistics support for international humanitarian partners to mobilise in the impacted areas.

Immediate repairs were made to medical staff's houses and water supply at Hela Provincial Hospital, and OSF provided surge funding to relieve impacted hospital staff. This helped the Hela Provincial Health Authority to keep the hospital running when it was in danger of closing.

OSF continued its support for months after the earthquake, deploying 46 mobile health clinics that reached thousands of people in more than 50 communities. The clinics were an important part of the emergency response as they helped to mitigate the outbreak of disease caused by displacement and lack of proper medical support. As part of the recovery phase, they:

- Administered over 5,500 vaccinations to approximately 2,000 children aged under five.
- Undertook nutritional assessments for 1,500 children.
- Provided ante-natal services to over 100 women.
- Provided health awareness to more than 5,000 people about safe water storage, hand-washing, safe cooking and immunisation.
- Provided health assessments and addressed urgent medical needs for adults in all villages.

OSF also funded and supported detailed engineering assessments of 30 health facilities in Hela and 18 health facilities and schools in Southern Highlands to inform costings for either rebuilding or rehabilitation and repairs. With its partners, OSF is working with one of the most severely impacted communities, Yalanda, to support 800 people with their community-initiated relocation to safer land, while ensuring the people have adequate food, safe water and sanitation, access to health services and the right equipment to rebuild homes, schools, and gardens.



As part of the PNG Government's recovery efforts, OSF is collaborating with the Emergency Controller's Office to deliver and install 650 water tanks for health facilities, schools and communities across Southern Highlands and Hela Provinces between 2018 and 2019. Oil Search's emergency response teams also delivered restoration kits with basic tools such as saws, hammers and nails so villagers could begin rebuilding their homes.

The work by Oil Search staff to safely shut down our facilities, address the challenges of re-establishing water, power and sanitation facilities, and support recovery efforts was exceptional. Under the stress of continued aftershocks and challenged support services, they demonstrated unrelenting dedication, professionalism and teamwork.

We are continuing to work with governments, partners, donors and communities to support recovery in PNG, concentrating our efforts on: rebuilding remote villages, homes and livelihoods; re-establishing schools and small businesses; and restoring water supplies. Our work has been recognised by the PNG Chamber of Mines and Petroleum through an inaugural Outstanding Humanitarian Award, and by the S&P Platts Global Energy Awards as the winner in the Corporate Social Responsibility category.

A robust strategic framework and commitment to open and transparent engagement ensure we continue to meet societal expectations and deliver against our corporate strategy and the aspirations set by our Company vision.

Our roadmap for strategically-aligned action

Oil Search's vision is to generate top quartile returns for shareholders through excellence in socially responsible oil and gas exploration and production.

Our 2020 Social Responsibility Strategy supports this vision and the associated strategic objectives by promoting a stable operating environment and positioning Oil Search as a leader in socially responsible oil and gas exploration and production.

The Strategy focuses on achieving measurable goals that address our contribution to socio-economic development and reflect our commitment to continuous performance improvement, while also engaging and empowering our employees.

We continued to deliver on the Strategy's key objectives in 2018.

MAKING LIVES BETTER

We aspire to set the standard for private sector contribution to sustainable development. [Read more.](#)

PROUD OF WHAT WE DO AND HOW WE DO IT

We seek to adopt industry best practice to manage material social responsibility issues, exceeding stakeholder expectations for governance, environmental and social performance wherever we can. [Read more.](#)

ENGAGING AND EMPOWERING OUR EMPLOYEES

We seek to provide a workplace that celebrates diversity, supports learning and development and drives high performance. [Read more.](#)

In 2019, we will:

- Review our Corporate Social Responsibility Strategy and objectives.
- Detail our commitment to human rights in a standalone Human Rights Policy.
- Begin implementing the recommendations of our grievance management review.
- Map our supply chain and commence supplier engagement in responsible supply chain practices.
- Complete a physical climate risk assessment and progress its implementation.

Engaging with our stakeholders

Oil Search's stakeholder engagement approach recognises the importance of strong, mutually-respectful stakeholder relationships and the role they play in achieving business success and our vision.



In late 2018, we began a process to more effectively articulate and document our stakeholder engagement philosophy and approach. The aim was to capture Oil Search's inherent behaviours and stakeholder engagement beliefs so we could transfer this knowledge and practice to our growing stakeholder engagement teams in PNG and Alaska.



We also strengthened stakeholder relationships in 2018 by supporting the PNG Government's efforts to respond to or engage with communities, particularly in times of unrest. These are often the result of ongoing inter-tribal conflict or related to perceived or unfulfilled government commitments. As in previous years, we provided logistical support to facilitate dialogue and ensured government representatives and agencies were aware of their obligations.

In Alaska, during 2018 we concentrated on laying the foundations for enduring relationships and partnerships. We commenced negotiations on a land access agreement and obtained a Letter of Non-Objection for our appraisal drilling programme. We also outlined our Alaskan stakeholder engagement priorities which aim to create opportunity for dialogue, demonstrate our willingness to identify and understand suggestions and concerns, and establish a positive reputation within the community. In 2018, the focus was on developing local, State and Federal awareness of the project and sharing information with regulators, industry and the community.


Oil Search hosted multiple community meetings and workshops in Nuiqsut – the community closest to our project area – that focused on creating project awareness and gathering feedback on our proposed development activities. Appointing a local community liaison person was another important step as it provides a visible local access point to the Company. We also participated in local cultural, social, industry and government events across the state.

We are nearing the final stages in the development permitting process, with the Environmental Impact Statement (EIS) for the proposed Pikka Unit Development issued in November 2018. During this process, we were able to build on the considerable stakeholder engagement experience we gained in PNG by working collaboratively with local communities.

While the USA has well-defined State and Federal regulations, Oil Search chose to carry out these activities in addition to our regulatory obligations, reflecting the importance we place on establishing strong stakeholder relationships from the outset.

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PARTNERSHIPS
FOR THE GOALS



Our stakeholder engagement process builds on the experiences we have gained and enables us to promote effective public, private and civil society partnerships.

[View the SDG table](#)

Oil Search’s stakeholder interactions in 2018

Oil Search has identified a range of current and emerging risks and opportunities that have the potential to impact our business and our stakeholders. The tables show the types of engagement we have with governments, investors, business partners, non-government organisations (NGOs), communities, our people and related stakeholder groups. Engaging with them helps us to understand the potential impacts and opportunities of our activities and any concerns stakeholders have about the Company, so we can ensure our strategy and public reporting meet their expectations. We anticipate these issues will evolve over time, so we engage in ongoing dialogue.

Host governments (PNG, State of Alaska, Australia)

Why they are important to us	Why engagement is important to them	How we interact	Key topics in 2018
<ul style="list-style-type: none"> Permits and licences Land access rights Regulatory policy, compliance and management Protecting secure and stable operating environment Effective governance and judicial system Licence to operate 	<ul style="list-style-type: none"> Revenue from resources Development partners Skills and experience in project delivery Subject matter expertise Land access Local employment, business development and training 	<ul style="list-style-type: none"> Participating in meetings, workshops, initiatives and working groups Supporting the government health sector and service delivery Supporting with logistics, information and advice when requested Licence applications and permits 	<ul style="list-style-type: none"> Earthquake assistance Infrastructure delivery Domestic power supply Energy policy and climate change Climate adaptation Biodiversity protection Benefits distribution

<ul style="list-style-type: none"> Investor, and partner for development 	<ul style="list-style-type: none"> Improving governance and transparency 	<ul style="list-style-type: none"> Infrastructure Tax Credit Scheme submissions and reviews 	<ul style="list-style-type: none"> Permits and approvals Tax policy Security Nationalisation of resources APEC PNG foreign exchange issues Partnership opportunities
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Shareholders, investors, analysts and third-party benchmarks

Why they are important to us	Why engagement is important to them	How we interact	Key topics in 2018
<ul style="list-style-type: none"> Provide capital Rate and compare our performance Influence public and investor perception Reflect societal sentiment and expectations 	<ul style="list-style-type: none"> Provision of accurate information for informed investment decisions Open, effective and transparent communication 	<ul style="list-style-type: none"> Regular results announcements, media releases, presentations and webcasts One-on-one telephone calls, meetings and briefings with investors and broking analysts Investor roadshows to key domestic and international cities Annual field trips to operations Responses to reports, questionnaires, benchmarks, rankings and information requests Annual regulatory and voluntary reports, 	<ul style="list-style-type: none"> Impact of the earthquake on operations, production and subsequent recovery New LNG developments in PNG PNG LNG benefits distribution PNG domestic political stability PNG foreign exchange issues Alaska strategic rationale, resource potential, appraisal programme, development path Oil price Climate change disclosure

		website and social media	<ul style="list-style-type: none"> • Human rights • Process safety
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Business partners, suppliers and contractors

Why they are important to us	Why engagement is important to them	How we interact	Key topics in 2018
<ul style="list-style-type: none"> • Provide expertise, goods, services and equipment • Share resources and capability • Raise industry standards • Performance and risk management • Foster relationships • Reputation and responsible supply chain management 	<ul style="list-style-type: none"> • Business development and local employment • Economic development • Responsible supply chain management • Performance and risk management • Compliance with contract requirements, regulations and statutes • Application of local knowledge and best practices 	<ul style="list-style-type: none"> • Pre-qualification and screening • Site visits and audits • One-on-one meetings • Contractor induction, ongoing training and awareness • Business development, governance and safety • Support for PNG landowner companies • Contract and procurement management • Compliance reviews 	<ul style="list-style-type: none"> • Local business opportunities • Capability development • Local content • Potential partnerships • Logistical challenges and solutions • PNG foreign exchange shortages

Project area communities

Why they are important to us	Why engagement is important to them	How we interact	Key topics in 2018
<ul style="list-style-type: none"> • Directly and indirectly impacted by our activities 	<ul style="list-style-type: none"> • Directly and indirectly impacted by our activities 	<ul style="list-style-type: none"> • Community/Village Liaison Officer roles, networks and committees 	<ul style="list-style-type: none"> • PNG benefits distribution • Implementation of PNG Government

<ul style="list-style-type: none"> • Maintain a stable and safe operating environment • Diverse and resilient local economies • Provide employees, suppliers, services and equipment • Risk management • Local knowledge 	<ul style="list-style-type: none"> • Business and employment opportunities • Development opportunities and partnering • Community shareholding participation • Economic development • Public-private partnerships 	<ul style="list-style-type: none"> • Regular visits to villages/towns • Meetings/workshops with community leaders and representatives • Sustainable development programmes/investment • Grievance management process • Socio-economic surveys • Community newsletters • Annual reports, website and social media 	<ul style="list-style-type: none"> • commitments • Access to social infrastructure and services • Land access and compensation • Employment and business opportunities • Delivery of community projects • Project development feedback
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Our people

Why they are important to us	Why engagement is important to them	How we interact	Key topics in 2018
<ul style="list-style-type: none"> • Key asset for delivering our Business Strategy • Technical expertise • Advocate in the community • Source of local knowledge and expertise • Organisational culture 	<ul style="list-style-type: none"> • Learning and development opportunities • Career progression • Succession planning • Values alignment 	<ul style="list-style-type: none"> • Town Hall sessions • Annual career development, training and performance processes • Employee engagement survey • Employee newsletters and intranet communications • Presentations, webcasts and direct meetings • Q&A sessions 	<ul style="list-style-type: none"> • Business Strategy and changes • Safety and sustainability • Diversity and inclusion • Citizen development • Employee development opportunities • Recognition • Employee engagement • Workplace flexibility • Alaska recruitment

Civil society, non-government and industry organisations

Why they are important to us	Why engagement is important to them	How we interact	Key topics in 2018
<ul style="list-style-type: none"> • Specialist skills and expertise • Local networks and experience • Resources • Knowledge-sharing • Ability to influence other stakeholders • Reflect societal expectations 	<ul style="list-style-type: none"> • Partners for sustainable development investment and initiatives • Complementary skill-set and experience • Contribute industry or third-party perspective • Organisational performance • Subject matter expertise 	<ul style="list-style-type: none"> • One-on-one briefings/meetings • Respond to information requests • Membership of industry associations • Participation in multi-stakeholder forums and conferences • Representation on governance bodies • Contribution to submissions • Sponsorship and presentations • Partnership opportunities • Support for industry submissions on relevant legislation and policy initiatives 	<ul style="list-style-type: none"> • Benefits and payments transparency • Supplier development • Sustainable development priorities and partnership opportunities • Climate change • Human rights • Modern slavery • Women's empowerment and protection, family and sexual violence

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

PERFORMANCE SUMMARY

US\$451M

IN TOTAL

socio-economic contributions
in PNG



> 366,700 immunisations
delivered including measles,
polio and pentavalent.

US\$39M

IN VALUE

spent on infrastructure
projects



Wok Bung Wantaim - a new
OSF-supported strategy in
health service delivery



105 students sponsored by
Oil Search for enrolment in
tertiary education



Innovative Public-Private
Partnership initiative by OSF
to address family and sexual
violence (Bel isi PNG)

FIRST

**PUBLIC-PRIVATE
PARTNERSHIP**

on climate resilience with PNG
CCDA

1,930

OUTREACH PATROLS

and clinics supported in Hela,
Southern Highlands and Gulf
Provinces

Strategic sustainable development

Shared value creation is a powerful way to achieve local social and economic development outcomes and achieve our strategic objective to maintain a stable operating environment. Oil Search's strategic local partnerships play an important role in our success while strengthening relationships, sharing knowledge and expertise, providing practical solutions to development challenges and broadening our reach.

The Company applies a partnership model to collaboratively address several business and social development challenges in PNG. Our priority areas are underpinned by Oil Search's commitment to women's empowerment,

community health, literacy and education, local enterprise and business development and climate change adaptation. We are working with the PNG Government to support PNG's capability in these areas.

Building capability

During the year, we progressed work towards enhancing the stakeholder engagement and community development capability of our Community Affairs staff by developing training modules for roll-out in 2019. The aim is to promote a proactive approach to community development by better equipping staff to effectively consult with community members and implement community development programmes with clearly-defined measurable outcomes. This initiative will make a meaningful contribution towards improving the lives of people in our host communities while strengthening community relationships.

Strengthening government health services

Most of Oil Search's operating locations in PNG are in rural and remote areas that can lack adequate public health care services and infrastructure, so since 1992, we have provided project area communities with support to access health services. More detail about our approach is on our [website](#).

Working with PNG Provincial Health Authorities

During the year, OSF supported government health service delivery by strengthening partnerships with provincial health services in three project impact areas. By focusing on maternal and child health and addressing tuberculosis (TB), the Foundation increased its support for Provincial Health Authorities (PHAs) in Hela and Southern Highlands Provinces.



Through the continued support of OSF, Hela Provincial Hospital is in the top three of the highest-performing health facilities in PNG. In 2018, we supported the Foundation with a US\$6.1 million contribution to assist them in supporting the PHA's financial management functions, providing funding for doctors' salaries, managing the Hospital's infrastructure upgrades, providing medical equipment and supplying mentors for public health and clinical governance. OSF is using this model to provide support to Southern Highlands Province which currently experiences some of the poorest health indicators in PNG.

In September 2018, OSF supported the opening by the Southern Highlands PHA of a "waiting village" for pregnant women, located next to one of the best-performing rural hospitals. The village enables women from very remote parts

of the Highlands to temporarily reside closer to the hospital in the lead up to birth, increasing the number of women having supervised and safe deliveries.

In Gulf Province, OSF worked with the Southern Highlands and Gulf Provincial Health teams to improve diagnostics for TB, with the aim of increasing treatment completion rates. This will reduce the risk of drug-resistant TB as well as the number of resulting deaths.

Wok Bung Wantaim

In May, OSF partnered with the Australian Department of Foreign Affairs and Trade (DFAT), the PNG Government and other donors on Wok Bung Wantaim (“Working in Partnership”) — a new strategy for working collaboratively on public and community health in Hela and Southern Highlands Provinces.



This strategy has four components:

- Improved coordination and planning between the PNG Government and donors regarding health funding.
- More effective financing at a provincial level.
- Fostering partnerships and alternative service delivery models.
- Engaging with communities on stronger accountability for service delivery and use of public funds.

Wok Bung Wantaim is a working example of the shared value that comes from PPPs. Its success relies on a combination of Oil Search needing a stable and secure operating environment, communities wishing to realise benefits from resource projects, and the PNG Government wanting to provide better services to communities.

Providing on-site health care

The Oil Search Medical and Occupational Health Service (MOHS) consists of multiple on-site clinics and medical resources across our operations. Through the MOHS, we provide health care services for our workforce and local communities. During 2018, Oil Search’s MOHS:

- Treated more than 21,800 patients at its clinics in PNG and Australia.
- Assisted with 58 medical evacuations of community members and 25 members of the workforce.

The MOHS team continues to support the work of OSF by providing clinical specialists at Hela Provincial Hospital to support day-to-day decision-making and help staff improve their clinical competence.



Our work with the PHAs and through our Wok Bung Wantaim strategy, we contribute to strengthening the capacity of health services in PNG.

[View the SDG table](#)

Health services outreach



By working closely with local and District partners and PHAs, OSF continued to facilitate extended outreach patrols to some of the most remote parts of PNG. During 2018, it conducted 13 patrols in 30 villages and provided access to services for approximately 65,000 people.

The Foundation supported 1,930 mobile health clinics to deliver over 366,700 vaccinations. A total of 250 people completed TB treatment courses, a 27% increase from 2017. OSF also partnered with

Marie Stopes PNG, providing 1,489 couple years of protection (a family planning measurement) through 543 family planning interventions.

OSF partnered with Rotarians Against Malaria in 2018 to address malaria outbreaks in PNG, which are estimated by the World Health Organisation to have increased by as much as 400% in some areas during the past four years. OSF delivers bed-nets, anti-malarial drugs and other services to communities in Southern Highlands and Gulf Provinces. These services have helped maintain low malaria rates in our project impact communities.

Water, sanitation and hygiene

A large portion of PNG's rural population lacks access to safe, clean drinking water or basic sanitation. This creates health problems and places women and girls at a disadvantage as they are responsible for water collection and face specific hygiene challenges. The water, sanitation and hygiene (WaSH) programme is essential for reducing waterborne diseases, increasing school attendance by girls and addressing women's safety. In 2018, OSF worked with the PNG Emergency Controller's Office to restore water supplies damaged by the earthquake and will continue to build on these efforts with Oil Search and key non-government partners as part of a broader WaSH strategy in 2019.

Providing education opportunities

Improving literacy and access to quality education in PNG is a sustainable development priority for the PNG Government and Oil Search. Working with OSF, we deliver programmes in areas around our operations that improve education and literacy outcomes. More information about our approach is [here](#).

OSF's first two Tari literacy libraries — launched in partnership with Buk bilong Pikinini— were damaged significantly by the February earthquake and subsequent tribal fighting. The first library was dismantled while a replacement site is being negotiated, and the second is continuing at a local church until rebuilding is complete. In response to local demand, OSF is building another library in Kikori that is due for completion in early 2019. This project has strong community ownership, with 43 children enrolled and learning in makeshift community infrastructure until building is complete.



In 2018, OSF also funded a three-week induction for seven new literacy librarians to increase the capacity for teaching basic early childhood literacy skills. Three of the librarians are teaching at the makeshift Kikori library and will continue at the new library once it is open.

OSF's new scholarship programme was launched during the year. It will contribute to the development of effective and ethical Papua New Guinean leaders. The programme offers opportunities to develop leadership skills through structured training, mentoring and work placements and in 2018, 14 students completed their academic year in medicine, nursing and business studies. In partnership with Oil Search, the Foundation will further expand the scholarship programme in 2019 to support the Company's [Citizen Development Programme](#).

During the year, Oil Search also:

- Increased access to tertiary education by sponsoring 105 students to attend tertiary institutions; and
- Supported 13 teachers upgrade their primary education qualifications from certificate to diploma level. The teachers represent 12 schools across Kutubu, Moran, Kagua, Erave and Kikori in Gulf and Southern Highland Provinces.

CASE STUDY

Delivering vital education infrastructure in Chimbu Province

Built in 1992, Bimai High School in Chimbu Province needed substantial infrastructure improvements to accommodate a growing number of students and teachers. In 2018, Oil Search delivered US\$1.1 million worth of upgrades to the school's infrastructure as part of the PNG Government's Infrastructure Tax Credit Scheme.

Chimbu Province is remote, and many students travel long distances to school. Students now have access to improved learning opportunities with the addition of a double classroom, two dormitories and two teachers' houses. The teachers' housing encourages staff retention and the dormitories will be used by female students to help improve their attendance and completion rates by reducing the risks to their safety and wellbeing posed by their trips to and from school.



Strengthening community resilience

Oil Search has the resources to make a significant difference in PNG by improving community resilience and contributing to natural disaster management. We primarily do this through PPPs that use a multi-faceted, multi-disciplinary approach to providing access to resources, expertise, emergency response, redevelopment and in-kind donations.

Climate adaptation

More than 90% of households in our host communities depend on income from traditional subsistence living. These communities can be vulnerable to natural disasters, or incremental changes caused by climate change.

In November 2018, Oil Search and PNG's CCDA's first PPP on climate resilience. Its objective is to develop and demonstrate climate adaptation initiatives that contribute to the resilience of PNG communities.

Cooperation through this PPP will explore areas of mutual interest regarding climate change adaptation, share and leverage knowledge, and contribute to PNG's National Determined Contributions adaptation targets. The initial focus areas will include data-sharing, agriculture, livelihoods, food security, and water and sanitation. See the [Climate section](#) of this Report for more information.

Drought relief

Oil Search's Drought Relief Support (DRS) was established in 2015 in response to the 2015-16 drought in PNG. DRS works to improve access to clean water and sanitation, food security and nutrition for communities impacted by the drought and the 2018 earthquake.



In 2018, we initiated a frost-mapping project to aid communities in PNG affected by years of drought and frost conditions. The project identified areas that are vulnerable to extreme weather conditions by analysing satellite imagery over time. We shared the analysis and historical weather and climate data with the PNG National Agricultural Research Institute (NARI) to help identify the type of interventions local farmers need to make to manage such climatic changes.

Building local enterprises and opportunity

Oil Search aims to maximise the involvement of local businesses in opportunities that arise from our operations. Our PNG business development specialists support local enterprise development in host communities by helping them to form organisational structures to maximise their effectiveness and to establish and maintain effective management and governance systems as well as providing other specialist advice and support as required.

In Alaska the local economy is vastly different to PNG, but our priorities around supporting Alaskan businesses are the same. During the year, the Company progressed the development of a local business strategy which will aim to maximise the value and opportunities for local suppliers in Alaska. It will include investing in supplier development, including developing and procuring supplies and services locally.

CASE STUDY

Supporting Lanco development

We restructured our PNG catering service requirements in 2015 by consolidating multiple small catering services into a single contractor with the capability to service all Company project sites in PNG. As part of this process, Oil Search helped five existing PNG landowner companies (Lancos) to establish an umbrella Lanco and JV company, PNG Mining & Petroleum Hospitality Services (PNGMPHS), and awarded them the contract.

PNGMPHS employs 400 staff, 97% of whom are PNG nationals who were retained from the smaller catering contractors. It has grown its core business areas of catering and hospitality and is accredited to international quality standards.

The Lanco also works with Oil Search to support our Women in Sustainable Agriculture Programme by buying eggs, produce and materials for its catering services. This supports our commitment to enterprise development and provides the women with market access.

During the PNGMPHS's growth, Oil Search provided advice and expertise to build its governance capabilities. We also provided opportunities for ongoing business — 90% of its current contracts are with the Company. It is one of our flagship Lancos, with 100% statutory and business compliance.

Now fully established, PNGMPHS is seeking to grow and diversify its business locally and internationally by investing in a food-crop fertiliser business.



Empowering and protecting women

Oil Search works with OSF to implement women's protection and empowerment initiatives. This ensures families have access to information and support that help them address gender-based violence and leads to positive change within

their communities. Our approach to women's protection is detailed [here](#).

Bel isi PNG

Bel isi PNG ("Peaceful PNG") is a new PPP initiative conceived and facilitated by OSF. Launched at a leadership forum for private sector CEOs in September 2018, it provides case management services and emergency accommodation for people who experience family and/or sexual violence (FSV) using an innovative multi-sector model.



The initiative brings together businesses, the Australian and PNG governments, service providers, local and international NGOs and technical advisors. The partners will work collaboratively over the next five years to create awareness and deliver programmes that address challenges and empower women to lead productive lives in a safe environment.

Bel isi PNG partners include Oil Search, Bank South Pacific, Steamships Trading Company, the Business Coalition for Women, the National Capital District Commission and Femili PNG. Involving all sectors has increased the resources available, improved services and strengthened efforts in PNG to address violence.

There are two service components to Bel isi PNG:

- A safe house funded by business subscriptions.
- A case management centre operated by Femili PNG.

Participating companies can provide support to staff needing assistance as a result of violence such as medical care, counselling, legal resources and shelter. Participating companies also gain access to a private leadership group that offers events with internationally-recognised guest speakers, regular newsletters, and professional advice on how to address FSV in a way that supports staff while mitigating its business impact.

To raise awareness in the community about FSV, the project engaged women's rugby teams the PNG Orchids, the Brisbane Broncos and the Matildas.

5 GENDER
EQUALITY



As a founding partner of the Bel isi initiative, we aim to address and potentially eliminate all forms of violence against all women.

[View the SDG table](#)

Champions of change

Oil Search aims to create positive change through the Champions of Change initiative, which was launched in PNG and Australia in 2018. This programme is aimed at enabling Oil Search and OSF employees and contractors to identify an idea or need in their community and apply their skills and knowledge to achieve a better outcome. Developed and driven by OSF, the programme targets women's empowerment and protection, health and safety, water supply and sanitation, and leadership. Employees have access to information, training and toolkits.

They can also apply for small grant funding. In 2018, 18 small grants were awarded to Oil Search employees in nine provinces to support Champions of Change activities, including:

- Helping young men's sporting clubs to become champions for peace and non-violence.
- Improving community access to safe sanitation.
- Training employees to address local family and sexual violence.
- Enabling leaders to address longstanding drug and alcohol issues in their communities.

Read a case study on this initiative [here](#).

Contributing to infrastructure development

Oil Search contributes to the socio-economic development of PNG by supporting regional infrastructure development such as roads, hospital and school redevelopments and other projects in line with the PNG Government's national development priorities. These developments are provided by the PNG Government's Infrastructure Tax Credit Scheme (ITCS) and National Infrastructure Tax Credit Scheme (NITCS). These schemes facilitate more timely delivery of infrastructure than what might otherwise occur.



In November 2018, PNG hosted 21 Pacific Rim member economies for the Asia-Pacific Economic Cooperation (APEC) Summit. Under the NITCS, Oil Search delivered APEC Haus, a world-class, iconic venue for the APEC Leaders

meetings. The building showcased PNG on the world stage and will continue to provide a legacy for the economy as a museum and conference centre that highlights PNG culture.

During the year, the PNG Government reviewed its ITCS legislation to align with other government infrastructure priorities, expand its scope to all provinces, and increase the amount that is eligible to be claimed as a tax credit from 0.75% to 2%. Oil Search participated in the consultation process and made submissions on project governance, use of funds and effective administration.

Although the changes have been approved by Parliament, we are waiting for implementation guidelines and the review's findings, which have not yet been released. Several projects are therefore on hold until the changes are formalised.

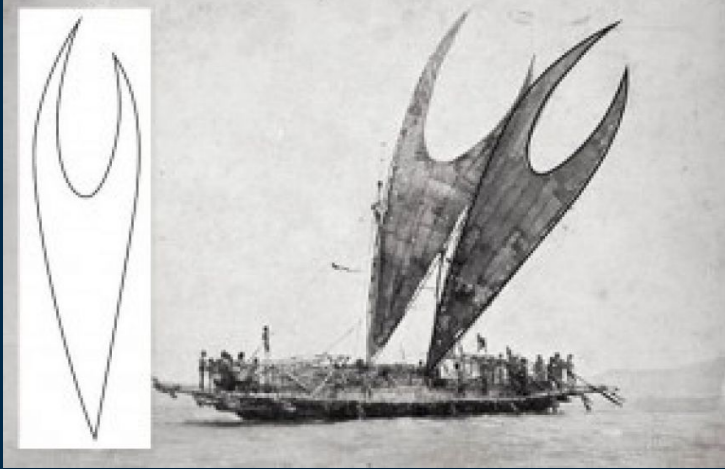
Project delivery timelines during the year were also impacted by the earthquake, community unrest and local clan disputes. In 2018, we completed:

- The construction of APEC Haus
- Upgrades to **Bimai High School facility**, including new classrooms, dormitories and staff houses.
- Stage one works at Kupiano Hospital, including an administration building and an outpatients' ward. Work on stage two is scheduled for completion in late 2019.
- Completed phase one of the Erave to Samberigi Road, a total of 32 kilometres
- One of the two planned bridges on the Komo Adjakaiba road project and completed several significant culverts on this National Road.

CASE STUDY

Preserving the culture of PNG through APEC Haus

The building and its public art represent PNG's economic and civic ambitions and symbolise the country's trading history. The form of the dominant sculptural roof makes contemporary references to the unique crab-claw shape sails found on traditional Motuan lagatoi boats used during trade journeys. A mix of traditional and modern artworks adorn the walls and the Leaders' meeting room tables are made from sustainably and locally-sourced teak, red rosewood and queen ebony. The frigate bird tattoo motif at the entry is also symbolic of the Hiri trade.



Enabling access to power

In PNG, access to power remains a significant developmental issue. During the year, Oil Search Power Holdings continued to focus on gas-powered generation, domestic gas and energy distribution, and renewable energy generation. The scope of this portfolio aligns with the PNG Government's strategic priorities, including its goal of 70% electricity connectivity by 2030 and the country's transition to 100% renewable energy by 2050.

In October 2018, four power producers — NiuPower, PNG Biomass, PNG Forest Products and Posco Daewoo Power — started the **IP3 Industry Group** to promote their collective interests in PNG. The group will contribute to public policy development, disseminate information about the energy sector and promote competition in the generation sector. This initiative creates a level playing field for all industry players to participate in, and help achieve, affordable and sustainable power generation in PNG.

Port Moresby power station

In 2018, NiuPower progressed the construction of the gas-fired Port Moresby power station. The power station is expected to produce the cheapest power in Port Moresby, resulting in substantial savings for the electricity supplier - PNG Power. The station will be commissioned in early 2019 and will have the capacity to supply 57.8MW of electricity to the Port Moresby grid. This represents approximately 75% of the 80MW average daily load of the grid and 45% of the daily peak.

Over 90% of the workforce involved in the plant's development are PNG citizens. The project also extensively used PNG Lancos, service providers and suppliers.

PNG Biomass



Oil Search's PNG Biomass project will be the first utility-scale renewable biomass power generation project in PNG. It comprises a 30MW biomass power plant using integrated and dedicated sustainable forestry plantations to provide domestically sourced and generated biomass electricity for the Ramu Grid.

Since its commencement in 2011 in the Markham Valley, the project has enhanced the livelihoods of local communities by establishing plantations that provide employment and business development opportunities. Today, landowners receive commercial rent for their lands and are involved in forestry activities. Communities are also creating additional income streams by practising intercropping in fertile soils between trees encouraging food security and enterprise development.

PNG Biomass operates in line with the [Equator Principles](#) for environmental and social risk through the application of the International Finance

Corporation's Performance Standards as well as the Roundtable on Sustainable Biomaterials. It is also working toward certification under the Forest Stewardship Council (FSC) National Forest Management Standards for PNG and the Gold Standard for the Global Goals. In 2018, the project:

- Used the local Lanco Zif Faring Business Group to contract 69 additional employees.
- Was granted an environmental permit and a generation licence.
- Progressed certification under the FSC and Gold Standard standards into the audit phase. Independent auditors assessed the project in December 2018 against the respective requirements.
- Formalised a community grievance mechanism and created fundamental principles for the project to respect land rights.
- Developed a Gender Impact Management Plan (GIMP) defining the project's approach to women's empowerment. GIMP is a strategic approach to ensuring the rights of socially-vulnerable groups are respected and positive outcomes are enhanced.

During the year, progress towards a final investment decision faced two key challenges - changes to the power tariff agreed in the Power Purchasing Agreement (PPA) signed in 2015 and prolonged decision-making by the regulators who are progressing the PPA.

7 AFFORDABLE AND CLEAN ENERGY



Through the POM Power Station and the PNG Biomass Project, we contribute to ensuring access to affordable, reliable and modern energy services.

[View the SDG table](#)

CASE STUDY

Switpela Bi Hani

Native sugarbag bees, which are stingless and only make and store small quantities of honey, are endemic to the Markham Valley. Their honey is highly prized for its medicinal qualities and its antioxidant, anti-microbial and anti-inflammatory qualities make it similar to manuka honey, creating strong demand.

There are potential opportunities of honey production as an income stream for communities and to improve crop yield in its plantation seed orchards. The Switpela Bi Hani programme developed by PNG Biomass works with communities to build beehives, provide training from experts, support honey production and sales, and monitor the hives and community benefit streams. By December 2018, the programme had five beehives populated with native bees in the Markham Valley, with the roll-out of 30 more hives planned for 2019.

PNG Biomass benefits from the programme as the flowers of the plantation's eucalyptus trees are a good source of pollen and nectar, leading to improved pollination and genetic diversity in its plantations.



Assisting with effective distribution of benefits

Distribution of revenues from the oil and gas industry in PNG is governed by the Oil and Gas Act. If this distribution does not meet community and national expectations, it can threaten the stability of our operating environment. For this reason, we actively assist the PNG Government to meet its obligations. Read more [here](#).



The landowner identification process is a highly complex clan-vetting exercise conducted by the PNG Government that is integral to understanding and determining the allocation and value of benefits to be distributed. With approximately 35,000 landowners undergoing this exercise, in 2018, this process experienced delays due to inter-clan and inter-generational disputes over land ownership and/or legitimacy and slower than anticipated government processes.

During the year, despite these delays and the significant work required for the earthquake and APEC, the PNG Department of Petroleum focused on resuming the landowner identification process and made significant progress in completing phase one, which involved mapping, identifying and vetting various clans. Phase two will involve a process of 'no-objection' to ensure landowners agree with the clan-vetting process carried out in phase one. Once complete, the Government will work towards opening bank accounts so payments to vetted, impacted beneficiaries can be facilitated.

Oil Search continues to support the PNG Government to facilitate the release of landowner benefits pending the completion of landowner identification and verification. As a participant in the EITI, Oil Search's commitment to transparency plays an important role in establishing and maintaining our credibility and supporting strong and effective relationships.

As in previous years, we have voluntarily disclosed our 2018 payments to governments in [this Report](#), our contributions to the PNG EITI report, and our [Transparency Report](#).

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



22% reduction in Total Recordable Injury Rate



Top quartile of Carbon Tracker's climate-resilient oil and gas companies

US\$52M
IN SUPPLIER OR CONTRACTOR

payments to Lancos

RELEASED

our Preliminary Modern Slavery Statement



Six consecutive years with no major ISO 14001 non-conformances

ZERO
TIER 1

process safety incidents



Commenced an update of our Human Rights Impact Assessment



No significant spills

Understanding climate impacts and opportunities

Building understanding of our transition risks

In 2018, Oil Search published a [Climate Change Resilience Report](#) that is aligned with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures. The Report assessed the financial risks of climate change by examining our existing and future projects and their resilience in a range of decarbonisation scenarios, including a 2°C world. The analysis showed there is a low risk of our low-cost assets being stranded in a

carbon-constrained world. The Report also published a cost curve showing Oil Search's LNG Expansion Project as one of the lowest-cost projects on a 2°C pathway.

During 2018, Oil Search undertook direct engagement with key investors and stakeholders to discuss our approach to climate change scenario analysis. Oil Search has continued engaging with lenders and our industry peers to share knowledge, experience gained, and lessons learned. In 2019, Oil Search will build on our experiences and knowledge by leading an IPIECA taskforce on climate change scenarios.



Search will build on our experiences and knowledge by leading an IPIECA taskforce on climate change scenarios.

CASE STUDY

Oil Search's climate efforts recognised

Carbon Tracker is an independent financial think tank that analyses the impact of the energy transition on capital markets and publishes reports on the financial risks of climate change.

In July 2018, Carbon Tracker published its *2 Degrees of Separation* report, which estimated the relative climate change transition risk of major oil and gas producers, from the point of view of potential capital expenditure committed to high-cost projects outside a 2°C pathway. The Report placed Oil Search in the top quartile for resilience to financial transition risk and found all our planned projects would be required in both a 2°C pathway and a 1.75°C pathway.

Carbon Tracker's assessment is consistent with Oil Search's own analysis and demonstrates to our shareholders, communities, employees and other stakeholders that our climate change risk processes are robust, and our assets have long-term resilience and value-generation in a 2°C world.

Physical Climate Change Scenario and Risk Assessment

Over time, there is the potential for Oil Search's long-life assets to experience climate change impacts that are different to the impact of current or past climate extremes. To minimise the physical risk of climate change to our assets, we consider climate risks when developing new projects and in our planning procedures.

In 2018, Oil Search began a Physical Climate Change Scenario and Risk Assessment (PSRA) to understand and quantify the range of possible scenarios that may pose direct and indirect physical climate risks to our assets, supply chains and project area communities. The PSRA comprises three phases.

	PHASE 1		PHASE 2		PHASE 3
Objective	Identify reputable climate change data to conduct a robust PSRA Identify and assess material physical climate risks for each geographic region under a range of scenarios		Quantify physical climate change risks to Oil Search's existing assets, supply chains and communities Develop a methodology for assessing and quantifying these risks for new assets and exploration areas		Embed PSRA into Oil Search's existing management and decision-making processes
Task	Climate model and data assessment	Geographic risk-screening	Risk and consequences for existing assets, supply chains and communities	Methodology for assessing new assets and exploration areas	Implement findings and embed physical risk assessment outcomes into existing business processes

In 2018 we commenced implementation of phase one of the PSRA. We partnered with a specialist advisory and analytics company with world-class expertise in climate change risk management to:

- Assess available physical climate change models and review them based on a set of Oil Search criteria so we could identify the most suitable models and data for each geographic region.
- Assess, identify and categorise material physical climate change risks in Oil Search's operational geographies.

Phase two of the PSRA will commence in early 2019. Our plan is to input the assessment findings into Oil Search's engineering and asset development plans for future assets. They will also help inform decisions about major capital expenditure design and future investments.

Strengthening methane emissions reporting accuracy

During 2018, Oil Search focused on improving our methane reporting methodology and emissions data accuracy. We conducted an extensive review of our existing reporting methodology with the support of our Production and Engineering teams. The improvements identified were used to develop a revised methodology that is now the basis for 2018 and future emissions reporting.

With the new methodology, approximately 100% of methane-venting emissions are based on measured data, compared to 20% in 2017. Using measured data improves the accuracy and robustness of Oil Search's Green House

Gas (GHG) emissions and the accuracy of our methane emissions. This improvement in accuracy resulted in a lower emissions intensity of 44 ktCO₂e/mmboe in 2018 compared to 50 ktCO₂e/mmboe in 2017.

Oil Search's operated-fields GHG emissions declined by 41% in 2018, largely resulting from production shut-downs due to the earthquake. As production recovers in 2019, Oil Search's operated GHG emissions are expected to return to pre-earthquake levels.



We also assessed the Climate and Clean Air Coalition (CCAC) [Methane Guiding Principles](#) during 2018 so we could better understand the initiative and evaluate opportunities to implement the principles. Although we are not currently a signatory, Oil Search has advanced several principles and is strongly aligned with the intent of the initiative. We will continue to evaluate options to strengthen our position with some of the other principles, including the cost and practicality of conducting fugitive methane leak detection, and options for investing in the research and development of innovative technologies and approaches.

Partnering to achieve climate outcomes

Oil Search is an active member of IPIECA's Climate Change Working Group and is involved in several task forces and working groups. We are part of an IPIECA Adaptation Working Group that is developing a physical climate change risk methodology for the oil and gas industry; we will participate in IPIECA's 2019 Methane Working Group, which is monitoring developments in methane reporting and learning good practice for reducing methane emissions; and we are leading the taskforce on climate change scenarios.


In November 2018, we signed a historic MoU with the PNG CCDA on collaboration for climate adaptation projects in PNG. The first project is expected to begin in early 2019 and will focus on aspects of community resilience. The findings from Oil Search's PSRA will increase our understanding of how communities may be impacted by climate change and the material risks we need to manage.

During the year, we undertook a preliminary review of the stated climate policy positions of our member organisations and confirmed they do not conflict with our Company position.

Reinforcing climate commitments through executive remuneration

Reflecting the Company's commitment to managing climate-related risks, Oil Search included the use of an internal carbon price as a component of its 2018 Short-Term Incentive (STI) scheme. Oil Search achieved 100% compliance in

2018. The internal carbon price STI will remain in 2019 and will be bolstered with a STI component focused on proactively managing methane emissions in our operating assets.



Our PSRA work will help us understand and contribute to strengthening the resilience and adaptative capacity of communities to climate change impacts.

[View the SDG table](#)

Strengthening our human rights processes

Respect for human rights and the desire to do no harm underpin Oil Search's commitment to sustainable development and our [approach](#) to operating responsibly. They help to build the mutual trust and respect within our communities that we need to maintain our social licence to operate and provide a stable operating environment.



Human Rights Impact Assessment updated

To confirm Oil Search remains focused on our most important human rights issues, in 2018 we commenced an update of our organisation-wide Human Rights Impact Assessment. This due diligence work examines the human rights risks and impacts associated with each type of Company and supply chain activity, including those associated with our power business and public infrastructure work in PNG and current and planned Alaskan activities. The work is expected to be finalised in early 2019.

The assessment includes a review of the human rights risks associated with modern slavery. This highlighted risk factors and other considerations around the potential modern slavery risks in our operations and supply chain. For more information on our approach to addressing modern slavery, see our [2018 Preliminary Modern Slavery Statement](#) and the responsible [supply chain management](#) section of this Report.

The review results will inform several concurrent initiatives, including reviews of our grievance management system, development of human rights training, responsible supply chain management and readiness preparations for disclosures under the new Australian Modern Slavery Act.

Grievance management review commenced

A defined, scalable and culturally appropriate mechanism that implements a process of identification, evaluation and remedy for human rights grievances is a core principle of the [UN Guiding Principles](#) for Business and Human Rights and fundamental to Oil Search's approach to [stakeholder engagement](#) and human rights risk management.

In 2018, we engaged human rights specialists to help us review our community engagement and grievance management practices and update our business requirements for the assessment, escalation, investigation and remedy of community grievances, as well as our needs for resources, training and tools. These will be progressively addressed as a part of our human rights plan.

Human rights and security

During the year, we conducted an internal review of our performance against the requirements of our MoU with the Royal PNG Constabulary (RPNGC) and our commitments under the VPSHR. We also worked with a range of key stakeholders, including the Australian and PNG governments, peers and civil society to promote understanding, respect for and implementation of the Voluntary Principles.

In 2018, Oil Search reported three incidents related to security and human rights to relevant authorities in PNG. They all involved alleged assaults by RPNGC Officers against contractors working with us or community members in our project areas. As a result of the incidents, Oil Search requested the Police command to redeploy the Police officers, which was agreed.

During the year, Oil Search's operations in one licence area were interrupted due to community unrest resulting, in part, from the non-payment of funds committed by the PNG Government to landowners. The unrest escalated when community members unlawfully entered a well pad and involuntarily detained members of our staff. As a result of extensive negotiations, the detainees were released unharmed in less than 24 hours. The incident is the subject of an ongoing Police investigation.

More information on our approach and performance regarding human rights and security providers can be found in our [2018 VPSHR Report](#).

Responsible supply chain management

In June 2018, the Board HSSC endorsed a high-level responsible supply chain strategy that included readiness for the requirements of the Australian Modern Slavery Act, which passed in November 2018. This strategy encompasses the risks and impacts relating to human rights including modern slavery, health and safety, bribery and corruption, and the environment for the supply of goods and services. From 2019, progress against the strategy workplan will be



overseen by a responsible supply chain governance structure, including an executive Steering Group and subject matter expert working groups.

During 2018, we focused on risk and impact identification to underpin the workplan for 2019. This included conducting a preliminary assessment of the potential risks and impacts inherent in the Company's use of PNG landowner companies, as well as working with a human and labour rights specialist to develop a supply chain mapping

approach for 2019. The results of the Human Rights Impact Assessment and Modern Slavery Review conducted during the year will also inform this process.

The Company's transition during the year to a new enterprise management system will help facilitate several responsible supply chain management objectives by improving controls, governance and oversight of key elements of supplier and contractor management, including supplier pre-qualification and performance.

Under the Australian Modern Slavery Act, in 2020, Oil Search will be required to issue a Modern Slavery Statement that covers our supply chain. In anticipation of this requirement, and to signal our commitment and intent, we have prepared a [Preliminary Modern Slavery Statement](#) to provide an overview of our planned approach.

Prioritising safety

The remote nature of much of Oil Search's areas of operation and factors such as dense, steep jungle terrain and Arctic environments, present unique challenges for safety management. Our complex supply chain involves multiple contractors who transport personnel and equipment using rivers, bush tracks, ice roads and helicopters. Occasionally, these challenges are compounded by the risk of natural disasters, including landslips, flooding and earthquakes.



The devastating PNG earthquake in February 2018 is one example. It required Oil Search to rapidly transition from planned production, drilling and exploration activities into emergency response, recovery and remediation as well as a return to safe and reliable operations. Thanks to the

consistent use of safety processes and procedures, our earthquake recovery and response was completed with zero recordable injuries, despite having limited access to IT systems and communication mechanisms. Prioritising the safety of our people and the community, Oil Search deployed geotechnical experts to earthquake-affected areas to assess structural stability and develop geotechnical risk profiles so we could confirm safe access before commencing remediation construction works.



The earthquake response and recovery operation was one of several high-risk activities in 2018, along with two extensive heli-portable seismic acquisition programmes, two exploration drilling campaigns, two well workover programmes, an offshore surface diving campaign and the commencement of Alaskan ice road construction.

Despite the high level of significantly risky activity, our Total Recordable Injury Rate (TRIR) decreased from 1.93 in 2017 to 1.58 in 2018. There were no fatalities and two lost time injuries recorded across our global activities, so the Lost Time Injury Rate (LTIR) decreased from 0.34 in 2017 to 0.19 in 2018.

The decrease in injury rates was mostly due to:

- An improved performance from our PNG production operations, which experienced two recordable injuries during the year compared to six in 2017.
- The implementation of a safety intervention and improvement plan in response to an early spike in recordable incidents with PNG frontier exploration projects.
- Comprehensive preparations for our Alaskan ice road construction and drilling readiness activities.

While the injury frequency rate improved, Oil Search experienced an increase in the High Potential (HiPo) incident frequency rate, which rose from 0.68 in 2017 to 1.11 in 2018. This was due to several near-miss incidents with the potential to result in serious injury or fatal consequence. All HiPo incidents are subject to detailed incident investigation and analysis and the development of associated corrective action and prevention programmes.

The Oil Search safety management approach focuses on the cornerstone principles of strong safety leadership, planning and risk management. In PNG we implemented the Plan, Do, Check (PDC) programme in 2018. This emphasises planning work and managing and measuring its execution, while continually monitoring work quality in accordance with the plan. PDC uses the 10 Oil Search Life Saving Rules as the foundation for identifying and managing risks. Due to the success of this programme, in 2019 it will be strengthened within PNG's production and

operations support and extended to seismic, exploration and drilling safety management plans. We will also develop a global safety management system that supports both our PNG and Alaskan activities.

Process safety

Process safety at Oil Search focuses on managing the hydrocarbon loss of containment hazards that are associated with drilling and production activities. These can lead to loss of life, environmental damage and asset destruction. We have a Process Safety Framework to manage the hazards, ensuring that robust controls are in place to mitigate them.

Our key process safety focus in 2018 was a safe and sustainable return to service after the earthquake. This required initial shut-in of all facilities, followed by detailed inspection, assessment and fit-for-service testing for wells, pipelines and production facilities before the assets were brought back online.

Despite the significant potential impact of the earthquake, we experienced no Tier 1 process safety events (PSEs). There were three Tier 2 PSEs, none of which were directly related to the earthquake.

During 2018, Oil Search introduced measures to continually improve process-safety-related systems and reduce risks related to major hazards. They included:

- Development and approval of our Basis for Safe Operations for all production facilities.
- A third-party well control audit and subsequent well blowout contingency planning emergency response exercise for PNG drilling.
- A third-party Permit to Work audit.
- A focus on process alarm management, with significant reduction in alarm counts at all facilities. The net benefits of alarm reduction include improved process stability and lower demands on safety systems.
- Improved compliance with the safety-critical equipment preventative maintenance schedule.
- Continued improvement of our training and competency assurance processes.

Emergency preparedness and crisis management

Oil Search's goal is to create a controlled work environment where people and assets are safe and our impacts on the environment and project area communities are minimised. Contingency measures become critically important during unplanned events and having a robust emergency and crisis response plan helps to ensure we will be able to minimise their impact.

The PNG earthquake was a major test for our crisis and emergency preparedness. We learned a valuable lesson regarding the importance of having communication mechanisms such as mobile phones available during a country-

wide crisis. We have responded by strengthening our emergency management communications capability and will conduct regular earthquake response drills for our key project sites.

To prepare for the 2018/19 ice season in Alaska, in line with our emergency preparedness and crisis management prevention plans, we conducted a critical incident response training exercise with relevant authorities in Anchorage during November 2018. This exercise was monitored by local and State Authorities, who approved Oil Search's preparedness and capability to conduct the 2019 ice season drilling programme.

Managing resources responsibly

Our oil and gas operations take place in some of the most remote and environmentally sensitive regions in the world. Extracting and processing hydrocarbons can pose a risk to the natural environment, so our facilities and management systems have been designed to manage these risks to the lowest level reasonably possible. More information on our environmental management approach is on our [website](#).



Managing our environmental impacts

Our facilities in PNG were impacted significantly by the 2018 earthquake. Inspection of production assets indicated the integrity of our infrastructure had been maintained and there was no loss of containment of hydrocarbons. Inspection of our drilling operations identified an unintended release of chemicals stored in a tank (benign saline solution) as a result of a landslide. This resulted in a release of 67,407L and was low impact and within the

permitted discharge limit and material type prescribed by the Company's environment permit.

The number of spills (>1bbl) that reached the environment in 2018 increased to nine, compared to five in 2017. Three of these incidents were attributed to damage caused by the earthquake in our non-production facilities and the remainder were due to increased transportation activity involving the movement of liquids and mechanical faults. A performance improvement plan was developed in late 2018 to monitor our spills performance and implement actions to minimise reoccurrences.

After the earthquake, we strengthened governance around managing the environmental impacts associated with our activities by re-introducing a High Priority Tracker. The Tracker consolidates and prioritises requirements from our environmental permit, our operational plan and findings from periodic ISO 14001 audits, and act as a consistent and effective management tool for prioritising and managing actions. The Tracker was commended by independent

external auditors during our most recent environmental management system audit (ISO 14001:2015), which was completed in November 2018 with no major non-conformances reported.

In 2018, we signed a waste management facility-sharing agreement with ExxonMobil that facilitates shared access to waste-processing facilities. The agreement will achieve efficiency gains through increased capacity, improved waste management and reduced maintenance and transportation costs.

During the year, the PNG Chamber of Mines and Petroleum established an Environmental Committee, and Oil Search is an active participant. Comprised of environmental managers from a number of resources companies in PNG, the Committee acts as a local industry body for environmental matters and facilitates collaboration between peers to review issues and provide technical feedback.

In Alaska, we conducted numerous field-based environmental studies on water, air and fauna to ensure our ice roads had a minimal impact on the environment. We also initiated an air monitoring programme to develop a baseline to ensure that air emissions associated with the winter drilling season were minimised and did not impact local communities. As part of the programme, air emissions reduction initiatives were implemented, including one on drilling rig generators, to limit air emissions from both generators and testing equipment.



Strategic biodiversity management

Oil Search actively works to mitigate our impacts on biodiversity by recognising that these ecosystems support a variety of species and contribute to the sustenance of local communities.

In 2018, we continued bringing together our initiatives under a Biodiversity Strategy that is currently being developed. This will provide a strategic framework for preserving biodiversity value

in our operational areas. Once finalised, the Strategy will focus our efforts on ensuring biodiversity values are adequately identified and considered through the implementation of a management hierarchy of 'avoid, minimise, mitigate and offset'.

During the year, Oil Search's Eastern Fold Belt seismic programme completed phase one of its activities in the protected Crater Mountain Wildlife Management Area of PNG. We actively engaged local communities and obtained permission from the Crater Mountain Wildlife Management Area Committee for this activity. An evaluation of the implications of working within this protected area was undertaken, and our seismic work was determined to be a low biodiversity risk. A site-specific Environmental Management Plan with stringent environmental requirements applies to this programme and is supported by ongoing risk assessments.

Engaging over our Alaskan footprint

As part of the requirements of Oil Search's proposed development in Alaska, the U.S. Army Corps of Engineers prepared an **Environmental Impact Statement (EIS)** that evaluated potential environmental and social impacts associated with the Nanushuk Oil Development project in accordance with relevant regulatory requirements. Oil Search actively participated in the EIS by providing detailed information and commissioning background environmental studies. These included an analysis of potential environmental impacts and the proposed avoidance and mitigation measures that have been incorporated into our project design.

Developing the EIS created opportunities for North Slope Alaska Natives and the wider community to provide information on local resources, voice concerns, and understand potential impacts. The EIS was completed in early November 2018 and a decision on the permit approval is anticipated to be made by the regulator in early 2019.

In 2018, Oil Search began acquiring all the necessary permits and approvals for conducting a multi-well winter appraisal drilling campaign in the Pikka Unit. This included approximately 50 different permits/approvals from a range of different State and Federal regulators, including those responsible for environment, natural resources and conservation and fauna.

Since the drilling locations were located on land owned by traditional Indigenous owners, Oil Search proactively engaged with the recognised local village corporation (Kuukpik Corporation), to secure appropriate levels of approval from the recognised landowner.

Operating with integrity

Code of Conduct

The Oil Search **Code of Conduct** represents our commitment to upholding ethical business practices that meet or exceed applicable legal requirements. We believe a consistent and principled approach to conduct builds trust and generates stakeholder support.

In June 2018, we strengthened our Code of Conduct to include new guidance around personal relationships within the organisation. This reinforces our approach to managing conflicts of interest and ensures that all decisions regarding a person's work, entitlements or position/standing in Oil Search are made without bias or discrimination.

During the year, Oil Search investigated all reported and suspected breaches of the Code of Conduct. After appropriate investigations, 11 records of discussion or written warnings were issued, one termination occurred, and one employee resigned. The breaches related to harassment and bullying; policy or procedures; and health, safety, environment and security. No instances of discrimination were reported.

One call was made to our Whistle-blower Hotline during the year relating to conflict of interest. The issue was investigated, found to be unsubstantiated and closed out via our whistle-blower process.


Payments transparency

Oil Search supports and advocates for improved transparency of payments made to governments by extractive companies, and we voluntarily disclose our payments.

Our [2018 Transparency Report](#) and [Data Centre](#) summarise information about socio-economic payments we made in 2018 to countries where Oil Search has a presence. This information also informs our Extractive Industries Transparency Initiative (EITI) submission for PNG.



We are long-time supporters of PNG's journey towards compliance with the EITI, and in 2018, continued to work with the PNG Government, civil society and industry peers to support its implementation in PNG.



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Our approach to transparency contributes to developing effective, accountable and transparent disclosures.

[View the SDG table](#)

Measuring our social performance



Understanding the actual and potential social impacts of our operations and sustainable development projects is essential. It underpins our approach to social responsibility, helping us realise opportunities and mitigate impacts.

Based on current assessments, production of oil and gas in Oil Search's Gobe oilfields is expected to reach its end-of-life over the medium-term, requiring some assets to be decommissioned. The potential transition represents the first of its kind in the oil and

gas sector in PNG. To effectively manage it and ensure we set a positive precedent for the asset-planning process, Oil Search developed a detailed Gobe Social Performance Framework in 2018 for long lead-time implementation.

The Framework provides an overview of the key social performance deliverables for the transition, along with operating principles and practices for managing stakeholder and social outcomes. It is based around socio-economic baseline studies and a socio-economic impact assessment; encompasses plans to engage with local communities; Lancos and the PNG Government in transition planning; provides genuine opportunities for consultation; and aims to establish local ownership and acceptance of project outcomes.

A Sustainable Development Plan will address aspects such as health, education, livelihoods, access to energy, infrastructure planning, and water and sanitation. It will also identify appropriate partners to deliver each development priority and involve an extensive stakeholder engagement process that ensures strong community ownership and acceptance of outcomes. The plan will be implemented and rolled out over the next five years, starting in 2019.

Engaging and empowering our employees



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

PERFORMANCE SUMMARY



1,410 OSL employees

84%

PNG CITIZENS

in our PNG workforce



33% female representation on our Board

66%

OF LEADERSHIP ROLES

in PNG held by PNG citizens

192

CRITICAL ROLES

assessed for talent succession



29% increase in the number of women in senior leadership roles since 2015



161 participants in our Coaching Our Way programme

TOP 200

COMPANY

in Equileap's global Gender Equality Ranking

Oil Search's approach to employee engagement and empowerment is guided by one of the Company's strategic objectives: to enhance our organisational capability to deliver. We work to create an environment for our employees that enables them to do their best within high-performing and diverse teams.

We also seek to provide a workplace that celebrates diversity and creates opportunities for learning and growth. Employees receive valuable opportunities to gain experience, skills and vocational qualifications, and this investment enables us to attract and retain a high-performing team to achieve our business and growth objectives.

For more detail about Oil Search's approach to engaging and empowering our employees, see our [website](#).

Building organisational competency and capacity

Employee development was a key focus for Oil Search in 2018, with several initiatives underway to develop workforce capability, foster employee engagement and manage our pipeline of people with the capability to move into leadership roles.

Oil Search conducted the Company's first employee engagement survey in 2017 to establish a baseline understanding of engagement across a range of measures and explore perceptions of inclusion and belonging at work. The results from this survey were overlaid with the Company's 2020 Employee Development Strategy to prioritise areas of focus in 2018.

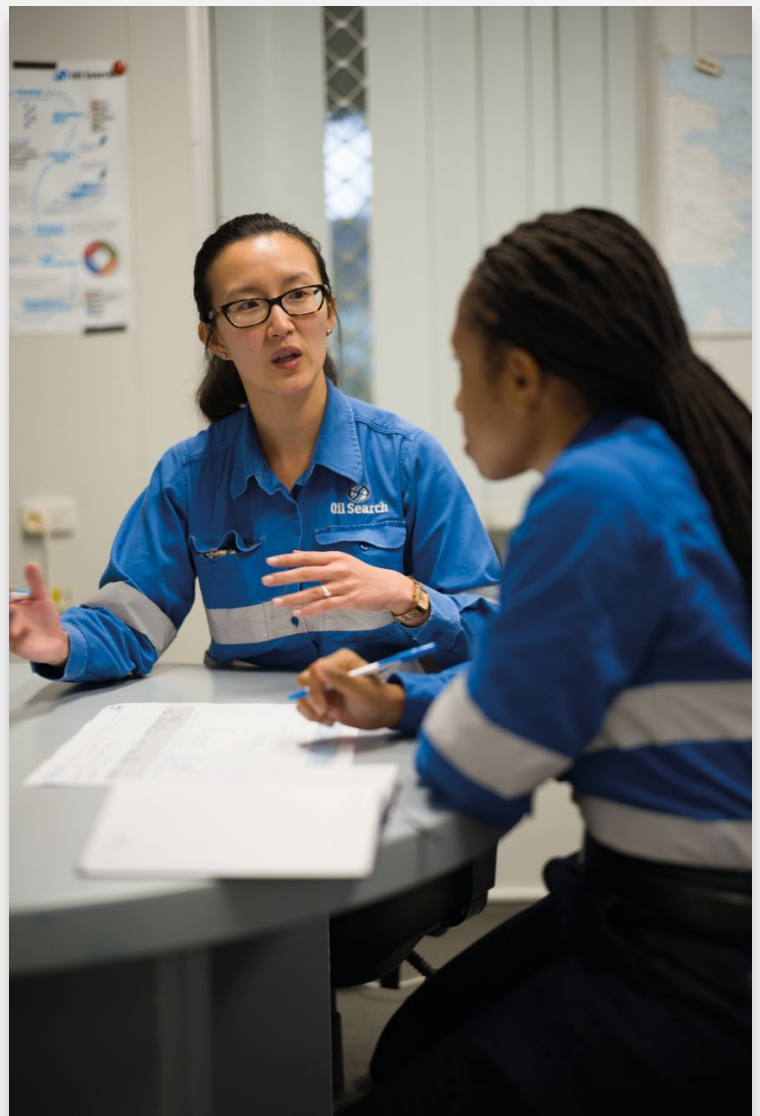
Leadership development programmes

Oil Search's leaders have a significant impact and influence on the workforce. During the year, we expanded the Company's leadership development curriculum in support of our goal to build a highly capable, committed and diverse workforce.

We introduced the Coaching Our Way programme, which aims to equip leaders to create an engaging work environment, making people feel valued and fostering employee development. Fifteen Coaching Our Way workshops were held during the year for 161 senior managers, managers, and supervisors in Sydney and Port Moresby. The programme will extend to Alaska and the PNG field in 2019.

Several leadership development programmes are also in place to build leadership capacity throughout the organisation and improve our pipeline of talent across different organisational levels. These include the:

- Graduate Development Programme.
- Accelerated Development Programme - our flagship offering for high potential employees.
- Senior Leader Development Process.



- Targeted diversity and inclusion initiatives, including the Leading Our Way for Women programme and the Citizen Development Programme.

The Senior Leader Development Process was introduced in 2018 to build a highly capable, committed and diverse leadership group that is well-equipped to execute Oil Search's Business Strategy. It enables General Managers and senior functional leaders expand their leadership capability by engaging in different development pathways within the Company. Six participants were selected across Port Moresby, Sydney and Anchorage, and the programme will be extended in 2019. The process includes a rigorous upfront assessment and individual development strategies deployed over 12 months ranging from executive education, to coaching, mentoring, and involvement in business projects.

Performance and development refresh

In 2018, we conducted a performance and development refresh to enhance employee engagement through more constructive and frequent conversations and planning. The refreshed process will be implemented in 2019 enabled by a new HR Information System and a comprehensive launch strategy that includes employee and leader workshops.

Recognition Guidelines

Oil Search developed and implemented Recognition Guidelines in 2018. The aim was to support and encourage managers to recognise (formally and informally) their team members more frequently, and ensure formal recognition is delivered in a proportionate and consistent way. The Guidelines clarify when and how we recognise people at Oil Search and provide guidance on ensuring recognition is authentic, meaningful and motivating. These were used extensively during the year to provide meaningful recognition to employees and contractors who led and participated in Oil Search's response to the devastating earthquake.

Developing our talent pipeline

We continue to invest in and improve the depth and diversity of talent across the Company through our extensive leadership development curriculum. Our annual Talent and Succession Review, which was completed between July and September 2018, assessed 192 critical roles for succession, with the following results:

- 86 employees were evaluated as being high potential (i.e. capable of progressing to leadership or executive levels).



- 15 individuals were assessed as successor candidates to Executive General Manager roles.
- 44% of individuals on succession plans were PNG citizens and 31% were female

Focusing on diversity and inclusion



Having a diverse and inclusive workforce that reflects the areas where we operate strengthens Oil Search's capability and resilience. We aim to provide an equal opportunity work environment that is free from harassment and promotes decision-making that is free of discrimination.

In 2018, Oil Search remained focused on improving diversity through our 2020 Diversity and Inclusion Strategy, which addresses gender diversity, PNG citizen development and an inclusive workplace.



We improved our Board's gender diversity with the addition of a new female director, increasing the percentage of women directors from 25% in 2017 to 33% in 2018.

The percentage of females in senior management increased from 22% in 2017 to 23% in 2018. We aim to further increase this through programmes and actions identified as part of our 2020 Strategy. We are also working to address the gap in women pursuing technical roles across all levels of the

organisation through initiatives such as scholarships to support careers in science, technology, engineering and maths (STEM). In our Graduate Development Programme, we increased the percentage of female graduates from 36% in the 2017 intake to 46% in 2018.

Oil Search's Leading Our Way for Women programme continued in 2018 for 17 participants across the organisation to support the development of a pipeline of female leaders. Participants benefited from an intensive development experience, with their managers also involved to promote greater understanding and empathy for the various development barriers women face and how best to address them. Since completing the programme, five participants have been promoted and another three have had the opportunity to change roles within the business.

As part of our 2020 Diversity and Inclusion Strategy, Oil Search measures progress against an inclusion index derived from the results of our 2017 employee engagement survey. While a 2017 baseline has been established, progress will be reported once the results of our next employee engagement survey have been reviewed.

An organisation-wide employee engagement plan has been implemented to promote an inclusive and positive work environment, with initiatives focused on:

- Enabling managers to create a safe and trusting environment where people feel valued and can work to their potential.
- Equipping managers through the Coaching Our Way programme to have engaging conversations and bring out the best in their staff.
- Recognition Guidelines that support more frequent and consistent manager recognition.

Our focus on diversity and our efforts to achieve progress earned Oil Search a spot in the top 200 companies globally for gender balance and equality in the 2018 Equileap Gender Equality Ranking.

Progress against Oil Search's diversity and inclusion goals

Focus area	2020 goal	2018 results	Status
Gender diversity	At least 30% female Executive General Managers on the Executive Leadership Team by 2020	11%	Progressing, action plans in place.
	30% female representation at Senior Manager level by 2020	23%	Progressing, action plans in place.
	50% female representation in graduate intakes 2018-2020	46%	Progressing, action plans in place
Citizen development	Increase percentage of PNG citizens in leadership roles in the PNG workforce to 73% by 2020	66%	Progressing, action plans in place.
Inclusive workplace	Consistently improve results on the Inclusion Index on the 2017 baseline	NA	Action plans in place; results available in August 2019.



Through our diversity and inclusion strategy, we contribute to ensuring full and effective participation and equal opportunities for women at all leadership levels.

[View the SDG table](#)

Citizen Development Programme



Oil Search's capability and resilience are strengthened by having a diverse and inclusive workforce that reflects the areas in which we operate. Our Citizen Development Programme (CDP) was established in 2016 and provides clear development and employment opportunities for high-performing PNG citizens.

During 2018, 17 CDP participants were successfully placed in roles within the business, more than our target of 11. Cumulatively, 66% of our leadership

roles in PNG are held by PNG citizens, so we are progressing towards our 2020 goal of 73%.

During 2018, 70 individuals attended the annual CDP residential workshop, and all participants have development actions underway with the support of a coach. The workshop was tailored to be culturally sensitive and focused on developing self-confidence, leadership presence, people leadership skills and individual accountability. Seventeen participants progressed into leadership roles during 2018 and eight were provided with a secondment opportunity to Sydney. We also started building a local coaching team with the appointment of a PNG citizen coach, responsible for supporting the development of programme participants. This will continue in 2019.

One of our key citizen development initiatives in 2018 was the introduction of a scholarship programme for young PNG citizens with demonstrated potential. The programme takes a planned, consolidated approach to educational scholarships and support. There is a focus on early identification and attraction of technical and leadership talent, with education opportunities at both secondary school and university levels in skills shortage areas such as STEM. Oil Search has partnered with the OSF to develop this programme and it will be implemented in 2019.

The Company continues to review and refresh citizen development approaches in support of our commitment to local leadership and 2020 targets.



Through our CDP, we contribute to increasing the number of PNG citizens who have the relevant skills, including technical and vocational skills for employment.

[View the SDG table](#)

CASE STUDY

Our first female Production Supervisor

Gas from the Hides gas field supplies the Hides Gas-to-Electricity Project, which is operated by Oil Search. A fully-trained Oil Search process technician, Wendy Bart, was given the opportunity through CDP to be responsible for the high-value Hides gas

production facility when she became the Company's first female Production Supervisor. We understand this is a first, not just for us, but for PNG.

Wendy comes from East Sepik Province and joined Oil Search in 2006 through the Company's Apprenticeship Programme. She went on to participate in the Oil Search Accelerated Development Programme and the CDP.

In addition, she underwent extensive on and off-the-job development to prepare for her new role, including leadership coaching.

"I am honoured to work for a company that undoubtedly stands for gender equality right down to the floor and is giving me every support, from training and coaching to exposure to all areas of the business. On top of all that, my children receive education and medical care, and I get time off work to spend with my family" she said.





Oil Search is committed to protecting and improving the health and wellbeing of our employees and contractors. We are active in a range of multi-stakeholder forums, including the International Association of Oil and Gas Producers (IOGP) and IPIECA's Health Committee. Participation supports our efforts to access and share good industry practice and knowledge.

In 2018, the Company's wellbeing programme was rebranded and refreshed then reintroduced as

Lifestyle Connect, which builds on the existing platform to deliver a renewed focus on managing the impact of lifestyle diseases.

The core programme includes education, health checks, occupational health, and professional support for employees and their families. Lifestyle Connect helps employees to actively manage specific issues related to occupational health by promoting a proactive and positive approach to health management that includes:

- Working at altitude, heat or extreme cold.
- Fatigue.
- Health impacts of fly-in fly-out working.
- Mental health and wellbeing.
- Drugs and alcohol in the workplace.

There is increased awareness regarding mental health conditions globally, so Oil Search is acting to create a psychologically healthy workplace by helping to protect our employees' mental health. During 2018, Better Mental Health training was conducted by industry experts across the business to:

- Help staff recognise common mental health problems and offer appropriate support.
- Provide practical tips for looking after their personal mental health.
- Help de-stigmatise mental health.
- Facilitate common dialogue from the top down.

The training was delivered in 42 sessions covering 691 participants (nearly 50% of our employees).

Engaging employees on social responsibility priorities

Oil Search invests in community organisations to help build their capacity and effectiveness. Our investment allows us to extend our reach through partnerships and to leverage our partners' local expertise and knowledge, so we can make greater progress towards shared development outcomes. Also, championing causes that are meaningful to employees improves their engagement with the Company.

During 2018, Oil Search employees once again demonstrated their commitment to social responsibility.

- They were at the forefront of the earthquake relief and response campaign, providing ongoing support as helping hands and through donations. Our employees donated more than US\$19,500 in cash and coordinated the collection and delivery of 170 boxes of goods and supplies from staff and their families.
- The Sydney Social Club supported a Champions of Change initiative to support **Bel isi PNG**, raising approximately US\$4,500. As well as receiving cash donations, the Club sold cards and wrapping paper based on drawings from children in the Kikori Literacy Library around the theme of 'happy homes' and 'what Christmas means to me'.
- Nearly 2,000 people, including Oil Search employees, walked in support of the 2018 International Day for the Elimination of Violence Against Women in Port Moresby. The walk was led by the Governor of the National Capital District, a strong advocate of speaking out against violence.
- From August to December 2018, Sydney and Port Moresby employees participated in Oil Search's Caring for Kids Corporate Fitness Challenge to raise funds for the Children's Ward at Port Moresby General Hospital. This initiative raised funds while improving health and fitness, with people running, cycling and rowing to raise more than US\$17,400.
- Oil Search has sponsored the Daffodil Corporate Golf Challenge since 2003, and in 2018 this event helped to raise US\$30,000. All the money will go towards bringing cancer education and awareness programmes to



communities and schools throughout PNG in 2019.

- 27 employees and contractors in Port Moresby participated in our corporate blood drive in support of the Port Moresby General Hospital Blood Bank.

CASE STUDY

Championing change in the community

Oil Search employee Dinah Gaudi, a member of our Finance team in Port Moresby, worked with 25 families and more than 100 community members in rural Port Moresby to lead the building and installation of four septic toilets to replace pit latrines. The initiative was funded through OSF's **Champions of Change** small grants programme.



The grant acted as a catalyst for establishing a community planning committee, created awareness and engaged local people as volunteers in the construction. The community appreciated the process of developing committee skills, having women engaged as representatives, and being encouraged to talk about sanitation and safety needs.

The toilets are well used and cared for by the community, which is now planning to build water tanks to address the ongoing challenge of sourcing an adequate water supply.

Global Reporting Initiative and IPIECA reporting index

This material references GRI Standards 2016. The Standards or sections of the Standards referenced are noted in our GRI Content Index.

General disclosures

Organisation profile			
GRI number(2016)	GRI Standard - Indicator description	Page number/link	IPIECA Reference
GRI 102-1	Name of the organisation	Oil Search Limited	
GRI 102-2	Activities, brands, products, and services	Website – What we do	
GRI 102-3	Location of headquarters	Port Moresby, Papua New Guinea	
GRI 102-4	Location of operations	Website – What we do	
		Social Responsibility Report 2018 – About this Report	
GRI 102-5	Ownership and legal form	Website – Who we are	
		Annual Report 2018 – Shareholder information	
GRI 102-6	Markets served	Most of the crude oil and natural gas we produce is sold into the Asia Pacific region. Our customers include	

		integrated oil companies, refiners and commodity trading organisations.	
GRI 102-7	Scale of the organisation	Annual Report 2018 – Overview of Operations	
		Annual Report 2018 – Ten-year summary	
		Annual Report 2018 – Highlights	
GRI 102-8	Information on employees and other workers	Data Centre – People and organisation – Workforce	
GRI 102-9	Supply chain	Website – What we do	
		Website – Human rights	
		Social Responsibility Report 2018 – Responsible supply chain management	
GRI 102-10	Significant changes to the organisation and its supply chain	Social Responsibility Report 2018 – Message from our leaders	
		2018 Annual Report – Update from Peter Botten	
GRI 102-11	Precautionary Principle or approach	Social Responsibility Policy	
		Website – Responsible operator	
GRI 102-12	External initiatives	Website – Memberships and commitments	
GRI 102-13	Membership of associations	Website – Memberships and commitments	
Strategy			

GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPECA Reference
GRI 102-14	Statement from senior decision-maker	Social Responsibility Report 2018 – Message from our leaders	
GRI 102-15	Key impacts, risks, and opportunities	Annual Report 2018 – Directors' Report: Material business risks	
		Climate Change Resilience Report 2018	
		Social Responsibility Report 2018 – Engaging with our stakeholders	

Ethics and integrity

GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPECA Reference
GRI 102-16	Values, principles, standards, and norms of behaviour	Website – Oil Search leadership behaviours	Business ethics and transparency
		Oil Search Code of Conduct	
		Website – Policies and standards	
GRI 102-17	Mechanisms for advice and concerns about ethics	Website – Corruption Prevention Policy	Business ethics and transparency
		Website – Integrity and transparency	

Governance

GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPECA Reference
GRI 102-18	Governance structure	Website – The Board	
		Website - Board Committees	

GRI 102-19	Delegating authority	Website – Health Safety and Sustainability Committee	
GRI 102-20	Executive-level responsibility for economic, environmental and social topics	Website – Board Committees	
GRI 102-21	Consulting stakeholders on economic, environmental and social topics	Website - Corporate governance	
		Website – Stakeholder engagement	
		Social Responsibility Report 2018 – Engaging with our stakeholders	
GRI 102-22	Composition of the highest governance body and its committees	Corporate Governance Statement 2018	
GRI 102-23	Chair of the highest governance body	The Chair of the Board is a Non-Executive Director. As per the Oil Search Board Charter, 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.	
GRI 102-24	Nominating and selecting the highest governance body	Website – Selection, appointment or election of Directors	
GRI 102-25	Conflicts of interest	Website – Corruption Prevention Policy	
		Website – Director independence and other appointments	
GRI 102-26	Role of highest governance body in	Website – Roles and responsibilities of the Board	

	setting purpose, values and strategy		
GRI 102-27	Collective knowledge of highest governance body	Corporate Governance Statement 2018	
GRI 102-28	Evaluating the highest governance body's performance	Website – Board performance evaluation	
		Corporate Governance Statement 2018	
GRI 102-29	Identifying and managing economic, environmental and social impacts	Corporate Governance Statement 2018	
		Website – Health, Safety and Sustainability Committee	
		Website – Risk and assurance	
GRI 102-30	Effectiveness of risk management processes	Website – Roles and responsibilities of the Board	
		Website - Risk and assurance	
GRI 102-31	Review of economic, environmental and social topics	Website – Health, Safety and Sustainability Committee Charter	
GRI 102-32	Highest governance body's role in sustainability reporting	Board Health, Safety and Sustainability Committee	
GRI 102-33	Communicating critical concerns	Corporate Governance Statement 2018	
GRI 102-35	Remuneration policies	Annual Report 2018 – Remuneration Report	
GRI 102-36	Process for determining	Annual Report 2018 – Remuneration	

	remuneration	Report	
		Website – Remuneration for Non-Executive Directors	

Stakeholder engagement

GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference
GRI 102-40	List of stakeholder groups	Website - Stakeholder engagement	
		Social Responsibility Report 2018 – Engaging with our stakeholders	
GRI 102-41	Collective bargaining agreements	Website – Workforce management	
GRI 102-42	Identifying and selecting stakeholders	Website – Stakeholder engagement	
GRI 102-43	Approach to stakeholder engagement	Website – Stakeholder engagement	
GRI 102-44	Key topics and concerns raised	Social Responsibility Report 2018 – Engaging with our stakeholders	
GRI 102-45	Entities included in the consolidated financial statements	Annual Report 2018 – Subsidiaries and interests in joint arrangements	

Reporting practice

GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference
GRI 102-46	Defining Report content and topic Boundaries	Social Responsibility Report 2018 – About this Report	

GRI 102-47	List of material topics	Social Responsibility Report 2018 – Social Responsibility Strategy	
		Social Responsibility Report 2018 – Engaging with our stakeholders	
GRI 102-48	Restatements of information	Changes and restatements, where made, are indicated as footnotes in the Data Centre	
GRI 102-49	Changes in reporting	Social Responsibility Report 2018 – Material developments in 2018	
GRI 102-50	Reporting period	The 2018 Social Responsibility Report covers performance between 1 January and 31 December 2018.	
GRI 102-51	Date of most recent Report	The previous Social Responsibility Report was released in March 2018 and covered the period 1 January to 31 December 2017.	
GRI 102-52	Reporting cycle	Annual	
GRI 102-53	Contact point for questions regarding the Report	SocialResponsibility@oilsearch.com	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	GRI-referenced Report	
GRI 102-55	GRI content index	Social Responsibility Report 2018 – Reporting Index	
GRI 102-56	External assurance	Social Responsibility Report 2018 – Independent limited assurance	
Management approach			
GRI number(2016)	GRI Standard -	Page number/Link	IPIECA Reference

	Indicator Description		
GRI 103-1	Explanation of the material topic and its Boundary	Social Responsibility Report 2018	SE1; SE2; SE9; SE18
		Website – How we work	
		Social Responsibility Report 2018 – About this Report	
GRI 103-2	The management approach and its components	Website – How we work	SE1; SE2; SE9; SE18

Economic indicators

Economic performance			
GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference
GRI 201-1	Direct economic value generated and distributed	Data Centre – Integrity and transparency - Sustainable development	SE4; SE13
		Social Responsibility Report 2018 – Making lives better	
		Transparency Report 2018	
		Annual Report 2018 – Ten-year summary	
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Resilience Report 2018	
		Website – Climate change	

		Annual Report 2018 – Directors' Report - Material business risks	
GRI 201-3	Defined benefit plan obligations and other retirement plans	No Oil Search employees are in a defined benefit fund	
GRI 201-4	Financial assistance received from government	Social Responsibility Report 2018 - Contributing to infrastructure development	SE13
		No other significant financial assistance has been received from governments at any of our operational areas.	

Market presence

GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference
GRI 202-2	Proportion of senior management hired from the local community	Social Responsibility Report 2018 – Citizen Development Programme	SE6
		Data Centre – People and organisation - Workforce and senior management diversity	
		Annual Report 2018 – Organisational Capability	

Indirect economic impacts

GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference

GRI 203-1	Infrastructure investments and services supported	Social Responsibility Report 2018 - Contributing to infrastructure development	SE4
GRI 203-2	Significant indirect economic impacts	Social Responsibility Report 2018 – Making lives better	SE4; SE6
OG1	Volume and type of estimated proved reserves and production	Annual Report 2018 – Reserves and resources	
Procurement practices			
GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference
GRI 204-1	Proportion of spending on local suppliers	Data Centre – Sustainable development - Supplier and contractor payments	SE5; SE7
		Social Responsibility Report 2018 - Responsible supply chain management	
Anti-corruption			
GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference
GRI 205-2	Communication and training about anti-corruption policies and procedures	Website – Integrity and transparency	SE11
		Social Responsibility Report 2018 – Operating with integrity	
GRI 205-3	Confirmed incidents of corruption and actions taken	Social Responsibility Report 2018 – Operating with integrity	SE11

Environmental indicators

Energy			
GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference
GRI 302-1	Energy consumption within the organisation	Data Centre – Responsible operator - Energy	E2
GRI 302-3	Energy intensity	Data Centre – Responsible operator - Energy	E2
OG2	Total amount invested in renewable energy	Data Centre – Responsible operator - Energy	E3
Water			
GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference
GRI 303-1	Water withdrawal by source	Data Centre – Responsible operator – Water use	E6
Emissions			
GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference
GRI 305-1	Direct (Scope 1) GHG emissions	Data Centre – Responsible operator - Climate change	E1
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Data Centre – Responsible operator - Climate change	E1
GRI 305-3	Other indirect (Scope 3) GHG emissions	Data Centre – Responsible operator - Climate change	E1

GRI 305-4	GHG emissions intensity	Data Centre – Responsible operator - Climate change	E1
		Climate Change Resilience Report 2018	
GRI 305-5	Reduction of GHG emissions	Social Responsibility Report 2018 – Physical climate change scenario and risk assessment	E1

Effluents and waste

GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference
GRI 306-1	Water discharge by quality and destination	Data Centre – Responsible operator - Water use	E7
GRI 306-2	Waste by type and disposal method	Data Centre – Responsible operator - Waste	E10
GRI 306-3	Significant spills	Data Centre – Responsible operator - Spills that reach the environment	E9
OG5	Volume and disposal of formation or produced water	Data Centre – Responsible operator - Water use	E7

Environmental compliance

GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference
GRI 307-1	Non-compliance with environmental laws and regulations	Oil Search has had no sanctions or fines for non-compliance with any environmental laws and regulations	

Social indicators

Employment			
GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference
GRI 401-1	New employee hires and employee turnover	Data Centre – People and organisation	SE15
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Website – Performance and remuneration	
GRI 401-3	Parental leave	Data Centre – People and organisation	
Occupational Health and Safety			
GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference
GRI 403-1	Workers representation in formal joint management-worker health and safety committees	Website – Personal safety	HS1
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Social Responsibility Report 2018 – Prioritising safety	HS3
		Data Centre – Responsible operator	
OG13	Number of process safety events by business activity	Social Responsibility Report 2018 – Prioritising safety	HS5
		Data Centre – Responsible operator	

Training and education			
GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPECA Reference
GRI 404-1	Average hours of training per year per employee	Data Centre – People and organisation	SE17
GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes	Website – Training and development	SE17
		Social Responsibility Report 2018 – Building organisational competency and capacity	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Data Centre – People and organisation	SE17
Diversity and equal opportunity			
GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPECA Reference
GRI 405-1	Diversity of governance bodies and employees	Data Centre – People and organisation	SE15
GRI 405-2	Ratio of basic salary and remuneration of women to men	Data Centre – People and organisation	SE15
Non-discrimination			
GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPECA Reference
GRI 406-1	Incidents of discrimination and corrective actions	Social Responsibility Report 2018 – Operating with	SE8; SE18

taken

integrity

Security practices

GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference
GRI 410-1	Security personnel trained in human rights policies or procedures	VPSHR Annual Report 2018	SE10
		Social Responsibility Report 2018 – Strengthening our human rights processes	

Human rights


GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	Social Responsibility Report 2018 – Strengthening our human rights processes	SE8
		VPSHR Annual Report 2018	
GRI 412-2	Employee training on human rights policies or procedures	VPSHR Annual Report 2018	SE8
GRI 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	VPSHR Annual Report 2018	SE8
OG12	Operations where involuntary resettlement took place, number of households resettled and how livelihoods were affected	Nil	SE3

Local communities			
GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference
GRI 413-1	Operations with local community engagement, impact assessments and development programmes	Website – Society	SE1
		Website – Sustainable development	
		Social Responsibility Report 2018 – Making lives better	
		Social Responsibility Report 2018 – Proud of what we do and how we do it	
Public policy			
GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference
GRI 415-1	Political contributions	We are politically neutral and do not make financial contributions to any government official, political party, political party official, election committee or political candidate. We prohibit payment of bribes, kickbacks, inducements or illegal payments of any kind that might influence a government official to obtain a business advantage for us.	SE13; SE14
Socio-economic compliance			
GRI number(2016)	GRI Standard - Indicator Description	Page number/Link	IPIECA Reference

<p>GRI 419-1</p>	<p>Non-compliance with laws and regulations in the social and economic area</p>	<p>Oil Search has had no non-monetary sanctions or fines issued for non-compliance with laws and regulations. There have been no fines issued against us for non-compliance with laws and regulations concerning the provision and use of products and services.</p>	
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Contribution to PNG Vision 2050 and the SDGs















Making lives better

SR REPORT SECTIONS	PNG VISION 2050	SDG Direct Impact	SDG Indirect Impact
<p>Strategic sustainable development</p>	<p>19.15 Sustainable development policies</p>		
<p>Strengthening government health services</p>	<p>1.17.3 Health</p>		   
<p>Providing education opportunities</p>	<p>1.17.2 Education</p>		  
<p>Strengthening community resilience</p>	<p>1.17.7.3 Infrastructure and Utilities</p>	 	  




<p>Building local enterprises and opportunity</p>	<p>1.17.4.1.2 Agriculture; 1.17.6.14 Robust Economic Growth; 1.17.9 Environmental Sustainability and Climate Change</p>		
<p>Empowering and protecting women</p>	<p>1.7.2 Equality and Participation</p>		
<p>Contributing to infrastructure development</p>	<p>1.17.7.3 Infrastructure and Utilities; 1.17.1 Human Development; 1.23.1 Infrastructure</p>		
<p>Enabling access to power</p>	<p>1.17.7.3 Infrastructure and Utilities; 1.17.9 Environmental Sustainability and Climate Change</p>		
<p>Assisting with effective distribution of benefits</p>	<p>1.7.2 Equality and Participation</p>		

Proud of what we do and how we do it

<p>SR REPORT SECTIONS</p>	<p>PNG VISION 2050</p>	<p>SDG Direct Impact</p>	<p>SDG Indirect Impact</p>
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Understanding climate impacts and opportunities	1.17.9 Environmental Sustainability and Climate Change		 
Strengthening our human rights processes	1.17.1 Human Development		
Responsible supply chain management	1.17.6 Robust Economic Growth		
Prioritising safety	1.17.3 Health		
Managing resources responsibly	1.17.9 Environmental Sustainability and Climate Change	 	
Operating with integrity	1.7.1 Integral Human Development		
Measuring our social performance	1.17.7.2.10 Establish an appropriate policy and legislative framework for good governance.		 

Engaging and empowering our people

SR REPORT SECTIONS	PNG VISION 2050	SDG Direct Impact	SDG Indirect Impact
Building organisational	1.7.1 Integral Human Development	 	

competency and capacity

Focusing on diversity and inclusion

1.7.2 Equality and Participation



Citizen Development Programme

1.2.5 Citizen Participation



Encouraging employee wellbeing

1.17.3 Health



Engaging employees on social responsibility priorities

1.7.2 Equality and Participation



Data tables

Integrity and Transparency

PAYMENTS TO GOVERNMENTS BY COUNTRY (US\$ '000)

Indicator	2018	2017	2016
PAPUA NEW GUINEA			
Direct payments			
Royalties	5,885	8,360	8,403
Development levies	2,222	2,461	2,371
Oil Search Directors' tax	636	660	637
Petroleum Tax	22,121	1,191	11,829
Payments to the PNG Police	1,357	701	n/a
Other Govt. fees & charges	540	616	809
Indirect payments			
Salary & Wages Tax	27,911	28,108	26,860

PAYMENTS TO GOVERNMENTS BY COUNTRY (US\$'000)

Indicator	2018	2017	2016
Other Govt. taxes	14,730	14,654	9,900
Other			
Oil Search Share Dividend	0	5,976	7,470
Pre-payment of tax for Infrastructure Tax Credit Scheme projects*	39,311	60,689	32,209
Total paid to PNG Government	114,714	62,728	68,279
*Included in 'total paid to the PNG Government' figure from 2018 onward. Previous year's numbers were not classified as a payment to government and therefore have not been readjusted to include this figure.	n/a	n/a	n/a
UNITED STATES OF AMERICA			
Total paid to Alaska Department of Environmental Conservation	22	n/a	n/a
Total paid to Alaska Geological and Geophysical	284	n/a	n/a
Total paid to Alaska Waste	0	n/a	n/a
Total paid to City of Nuiqsut	5	n/a	n/a
Total paid to North Slope Borough	4	n/a	n/a
Total paid to Department of Natural Resource	3,913	n/a	n/a
Total paid to Native Village of Nuiqsut	4	n/a	n/a
Total paid to Resource Development Council	2	n/a	n/a

PAYMENTS TO GOVERNMENTS BY COUNTRY (US\$'000)

Indicator	2018	2017	2016
Payroll Tax	2,273	n/a	n/a
Total paid to USA Government	6,506	n/a	n/a
AUSTRALIA			
Total paid to Australian Taxation Office	27,985	23,855	22,513
Total paid to NSW Office of State Revenue	4,057	2,967	2,825
Total paid to other Australian Government entities	4	4	5
Total paid to Australian Government	32,046	26,826	25,343
TUNISIA			
ETAP (State Oil Company)	0	0	0
Ministry of Finance	10	0	89
Total paid to Tunisian Government	10	0	89
IRAQ - KURDISTAN REGIONAL GOVERNMENT			
Total paid to KRG Ministry of Natural Resources	0	0	0
Total paid to KRG Ministry of Finance and Economy	2	12	91
Total paid to Kurdistan Government	2	12	91
YEMEN			

PAYMENTS TO GOVERNMENTS BY COUNTRY (US\$ '000)

Indicator	2018	2017	2016
Total paid to the Ministry of Oil & Minerals	0	0	0
Total paid to the Ministry of Finance and Social Security Organisation	0	0	0
Total paid to Yemeni Government	0	0	0

PAYMENTS TO GOVERNMENTS (US\$ '000)

Indicator	2018	2017	2016
Total payments to governments	153,278	89,566	93,802

FINES PAID FOR NON-COMPLIANCE (US\$ '000)

Indicator	2018	2017	2016
Fines paid for non-compliance with laws and regulations			
Anti-competitive	0	0	0
Environmental	0	0	0
Corruption	0	0	0
Total fines paid	0	0	0

PAYMENTS TO ASSOCIATIONS AND NETWORKS (US\$ '000)

Indicator	2018	2017	2016
Payments made to associations and networks			
PNG Chamber of Mines and Petroleum	78	88	73

PAYMENTS TO GOVERNMENTS BY COUNTRY (US\$'000)

Indicator	2018	2017	2016
Business Council of PNG	2	14	4
Extractives Industries Transparency Initiative (EITI)	40	40	25
Transparency International PNG	5	1	1
Australian Petroleum Production and Exploration Association	33	-	32
Institute of National Affairs PNG	3	-	3
International Association of Oil & Gas Producers (IOGP)	30	122	n/a
United Nations Global Compact	12	21	n/a
Carbon Disclosure Project	2	3	n/a
IPIECA	45	17	n/a
PNG Business Coalition for Women	0	-	n/a
Voluntary Principles Initiative	27	35	n/a
Total payments made to associations and networks	278	342	138

CONDUCT

Indicator	2018	2017	2016
Number of code of conduct breaches by type			
Business ethics	2	3	n/a

PAYMENTS TO GOVERNMENTS BY COUNTRY (US\$'000)

Indicator	2018	2017	2016
Conflict of interest	0	6	n/a
Computer usage	0	0	0
Drugs and alcohol	1	1	1
Fraud	1	2	0
Harassment and bullying	2	3	2
Health, Safety, Environment & Security	2	3	3
Outside employment	4	0	0
Share trading	0	8	0
Respect confidentiality, privacy & property	1	2	n/a
Discrimination	0	0	0
Number of employee Code of Conduct breaches	13	28	6
Oil Search Whistle-blower Hotline calls			
Number of calls to Oil Search's Whistle-blower Hotline	1	5	0

People and Organisation

INDICATOR	2018	2017	2016
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INDICATOR	2018		2017		2016	
WORKFORCE						
Total workforce						
Total employees	1,410		1,286		1,206	
Total workforce by employment type	M	F	M	F	M	F
Permanent full-time	838	287	788	231	783	224
Permanent part-time	1	17	1	11	2	15
Fixed-term contract	77	33	60	45	43	33
Casual	7	3	9	5	3	3
Contractors	128	19	121	15	85	15
Total workforce by location	M	F	M	F	M	F
Total employees in PNG	676	201	678	189	669	181
Total employees in Australia	204	113	176	101	155	92
Total employees in MENA	1	2	4	2	7	2
Total employees in USA	40	23	n/a		n/a	
Total employees in Japan	2	1	n/a		n/a	
Total workforce by age	M	F	M	F	M	F
<30	87	64	76	52	92	57

INDICATOR	2018		2017		2016	
30-50	597	236	544	204	526	187
>50	239	40	238	36	213	31
Total workforce by category	M	F	M	F	M	F
Graduates and apprentices	15	12	27	15	47	19
Employees	179	101	188	96	170	92
Supervisors/professional or technical	317	99	298	79	297	80
Managers or technical specialists	326	102	280	84	256	68
Senior managers or technical experts	79	25	56	17	52	16
Executive management	7	1	9	1	9	0

WORKFORCE AND SENIOR MANAGEMENT DIVERSITY

Diversity in the total workforce

Number of female employees	340	292	275
% women in the total workforce	27%	25%	25%
Number of PNG citizens	736	731	709
% PNG citizens in the total workforce	58%	64%	64%

Diversity in the PNG workforce

Number of female employees	201	189	173
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INDICATOR	2018	2017	2016
% women in the PNG workforce	23%	22%	20%
Number of PNG citizens	734	721	709
% PNG Citizens in the PNG workforce	84%	83%	83%
Diversity in the USA workforce			
Number of female employees	23	n/a	n/a
% women in the US workforce	37%	n/a	n/a
Diversity in management roles			
Number of females in senior leadership roles	26	18	16
Number of PNG citizens in senior leadership roles	22	19	18
Total number employees in senior leadership roles	112	83	77
% PNG citizens in senior leadership roles	20%	23%	23%
% Women in senior leadership roles	23%	22%	21%
% women in junior management positions	24%	23%	21%
Board diversity			
Number of Board members	9	8	9
% female	33%	25%	11%
% PNG citizens	11%	25%	22%

INDICATOR	2018		2017		2016	
	M	F	M	F	M	F
% PNG citizens in PNG workforce by gender and category	M	F	M	F	M	F
Graduates and apprentices	2%	1%	4%	2%	6%	2%
Employees	21%	8%	23%	8%	22%	7%
Supervisors/professional or technical	29%	8%	28%	7%	29%	8%
Managers or technical specialists	20%	8%	19%	7%	17%	5%
Senior managers or technical experts	2%	1%	1%	1%	1%	1%
Executive management	0%	0%	0%	0%	0%	0%
Total	74%	26%	75%	25%	76%	24%
% female and male employees by category	M	F	M	F	M	F
Graduates and apprentices	1%	1%	2%	1%	4%	2%
Employees	14%	8%	16%	8%	15%	8%
Supervisors/professional or technical	25%	8%	26%	7%	27%	7%
Managers or technical specialists	26%	8%	24%	7%	23%	6%
Senior managers or technical experts	6%	2%	5%	1%	5%	1%
Executive management	1%	0%	1%	0%	1%	0%
Total	73%	27%	75%	25%	75%	25%

REMUNERATION

INDICATOR	2018		2017		2016	
	M	F	M	F	M	F
Ratio of basic salary by gender and employee category – PNG	M	F	M	F	M	F
Graduates and apprentices	1.00	1.09	1.00	1.08	1	0.94
Employees	1.00	0.92	1.00	0.99	1	0.99
Supervisors/professional or technical	1.00	0.96	1.00	0.98	1	1.03
Managers or technical specialists	1.00	1.09	1.00	1.09	1	1.12
Senior managers or technical experts	1.00	0.74	1.00	0.81	1	0.87
Executive management	n/a	n/a	n/a	n/a	n/a	n/a
Total remuneration ratio PNG	1.00	1.02	1.00	1.01	1	1.05
Ratio of basic salary by gender and employee category – USA	M	F	M	F	M	F
Graduates and apprentices	n/a	n/a	n/a		n/a	
Employees	n/a	n/a	n/a		n/a	
Supervisors/professional or technical	1.00	1.07	n/a		n/a	
Managers or technical specialists	1.00	1.02	n/a		n/a	
Senior managers or technical experts	n/a	n/a	n/a		n/a	
Executive management	n/a	n/a	n/a		n/a	
Total remuneration ratio USA	1.00	1.05	n/a		n/a	

INDICATOR	2018		2017		2016	
Senior managers or technical experts	100%	100%	100%	100%	100%	100%
Executive management	100%	100%	100%	100%	100%	n/a
Average training and development hours and spend by gender	M	F	M	F	M	F
Average hours of training and development per employee	29.20	28.50	34.46	30.53	37.48	16.52
Average amount spent per employee on training and development (US\$)	2,794		2,414		589	
Average training and development hours by employee category						
Graduates and apprentices	7.36		6.75		6.41	
Employees	7.55		6.49		3.97	
Supervisors/professional or technical	9.19		6.67		20.51	
Managers or technical specialists	7.64		5.52		3.54	
Senior managers or technical experts	7.67		4.62		3.32	
Executive management	9.50		6.1		4.5	
Development programme participation (% of workforce involved)						
Accelerated Development Programme	0%		1%		1%	
Citizen Development Programme	5%		5%		7%	
Graduate Development Programme	1%		2%		3%	

INDICATOR	2018	2017	2016
Apprentice Programme	2%	2%	3%
Supervisor Development Programme	13%	13%	11%
Leading our Way for Women Programme	1%	1%	n/a
Coaching our Way Programme	11%	n/a	n/a
Senior Leadership Pathway Programme	0%	n/a	n/a
PAYMENTS TO EMPLOYEES			
PNG			
Wages and salaries	21,473	n/a	n/a
Benefits and other employee expenses and support	0	n/a	n/a
Total payments to employees in PNG	21,473	n/a	n/a
USA			
Wages and salaries	4,409	n/a	n/a
Benefits and other employee expenses and support	9,216	n/a	n/a
Total payments to employees in USA	13,626	n/a	n/a
AUS			
Wages and salaries	88,063	n/a	n/a
Benefits and other employee expenses and support	17,644	n/a	n/a

INDICATOR	2018		2017		2016	
Total payments to employees in AUS	105,707		n/a		n/a	
RECRUITMENT AND RETENTION						
12-month turnover rate (%)						
Voluntary turnover rate	7%		6%		6%	
Involuntary turnover rate	2%		4%		9%	
Total annual turnover rate (%)	9%		10%		15%	
12-month turnover rate by age (%)	M	F	M	F	M	F
<30	8%	8%	9%	15%	9%	11%
30-50	8%	11%	9%	13%	15%	10%
>50	10%	15%	7%	6%	18%	16%
Total Company turnover	8%	11%	9%	12%	15%	11%
Return to work and retention rates after parental leave						
Number of employees entitled to parental leave	991		960		902	
Number of employees who took parental leave	53		14		24	
Number of employees who returned after parental leave	46		10		23	
Retention rate of employees who returned to work after parental leave ended (%)	87%		83%		96%	

INDICATOR	2018	2017	2016
Percent of eligible employees entitled to paid superannuation on parental leave	100%	100%	100%
Internal movement and opportunities			
% of open positions filled by internal candidates	61%	52%	62%
Number of employees promoted	54	58	35
Collective bargaining agreements			
% of employees in collective bargaining agreements	0%	0%	1%

Responsible Operator

CLIMATE CHANGE			
Indicator	2018	2017	2016
GREENHOUSE GAS EMISSIONS UNDER OPERATIONAL CONTROL			
Total greenhouse gas emissions (ktCO₂-e)			
GHG total (Sc 1 & 2)	570	962	941
Greenhouse gas emissions by scope (ktCO₂-e)			
Total Scope 1 emissions	566	957	937
Total Scope 2 emissions	3	5	5
Total Scope 3 emissions	9,213	11,074	11,406

CLIMATE CHANGE

Indicator	2018	2017	2016
Greenhouse gas emissions at significant areas of operation (ktCO₂-e)			
Gobe	156	186	186
Kutubu Refinery	8	39	32
Central Processing Facility (CPF)	245	381	365
Agogo Processing Facility (APF)	88	256	278
Hides	44	82	61
Kumul	8	12	12
Kopi and Moro	21	6	8
Greenhouse gas emissions by type (ktCO₂ - e)			
Combustion	319	407	438
Flaring	82	107	114
Liquid fuels	33	41	40
Venting	64	301	261
Fugitives	69	102	84
Electricity	3	5	5
Scope 3 GHG emissions by category (ktCO₂ - e)			

CLIMATE CHANGE

Indicator	2018	2017	2016
Category 3 - Fuel and energy	2	1	1
Category 10 - Processing of sold products	468	525	543
Category 11- Use of sold products	8,417	10,298	10,612
Category 15 - Investments	327	250	251
Emission composition			
Methane (ktCH ₄)	5	12	13
Carbon dioxide (ktCO ₂)	438	615	679
Production greenhouse gas emission intensity			
Gross annual production (mmboe)	13	19	20
GHG emissions intensity (ktCO ₂ -e / mmboe)	44	50	46
Flaring intensity (ktCO ₂ -e / mmboe)	6	6	6
Venting intensity (ktCO ₂ -e / mmboe)	5	16	13
ENERGY			
Direct energy consumption (GJ)			
Total direct energy produced	86,173,367	125,596,368	135,005,512
Total direct energy purchased	392,817	245,004	264,010

CLIMATE CHANGE

Indicator	2018	2017	2016
Total direct energy sold	79,051,495	116,148,819	124,285,468
Total energy consumed	6,215,376	8,005,749	8,553,579
Direct energy consumption by source (GJ)			
Associated gas used as fuel	5,771,280	7,449,651	8,032,283
Liquid fuel	444,096	556,098	521,296
Indirect energy (GJ)			
Total electricity purchased and consumed	15,950	24,698	23,700
Energy intensity (GJ/'000 boe)			
Energy intensity of oil and gas production	502	445	469
Investment in renewable energy (US\$'000)			
Total amount invested in biomass	4,182	9,800	12,317

ENVIRONMENT

Indicator	2018	2017	2016
WASTE DATA BY COUNTRY (tonnes)*			
Total waste data			
Total waste generated	6,877	9,507	12,790

CLIMATE CHANGE

Indicator	2018	2017	2016
Total waste disposed	6,877	9,507	12,790
Waste generated (PNG)			
Hazardous	667	535	860
Non-hazardous	6,104	8,972	11,930
Waste by disposal method (PNG)			
Incineration (mass burn)	4,615	8,499	9,744
On-site storage	1,114	304	1,132
Landfill	1,042	486	1,705
Recycling	0	218	210
Other	0	n/a	n/a
Waste generated (USA)			
Hazardous	0	n/a	n/a
Non-hazardous	106	n/a	n/a
Waste by disposal method (USA)			
Incineration (mass burn)	0	n/a	n/a
On-site storage	0	n/a	n/a

CLIMATE CHANGE

Indicator	2018	2017	2016
Landfill	24	n/a	n/a
Recycling	0	n/a	n/a
Underground Injection Control	82	n/a	n/a
Other	0	n/a	n/a
*Data for previous years have been converted to tonnes for comparability	n/a	n/a	n/a

SPILLS THAT REACH THE ENVIRONMENT

PNG

Number of spills > 1 bbl. that reached the environment	9	5	4
Volume of spills hydrocarbon spills (L)	3,530	159	900
Volume of non-hydrocarbon spills (L)	84,586	2,105	1,790
Number of significant spills	0	0	0
Number of significant spills from third parties under contractual obligations	0	0	0

USA

Number of spills > 1 bbl. that reached the environment	0	n/a	n/a
Volume of hydrocarbon spilt	0	n/a	n/a

CLIMATE CHANGE

Indicator	2018	2017	2016
Volume of non-hydrocarbon spilt	0	n/a	n/a
Number of significant spills	0	n/a	n/a
Number of significant spills from third parties under contractual obligations	0	n/a	n/a
WATER USE BY COUNTRY (mega litres)			
Total water use			
Total water withdrawn	552	690	612
Total water discharged	315	188	178
Produced water (PNG)			
Volume of produced water	766	882	864
Volume of produced water re-injected	806	887	860
% produced water re-injected	100%	100%	100%
Water withdrawals (PNG)			
Surface water	152	240	144
Groundwater (renewable)	299	451	468
Water discharges (PNG)			
Surface water	58	71	47

CLIMATE CHANGE

Indicator	2018	2017	2016
Seawater	0	0	13
Groundwater	157	117	118
Total water discharges	n/a	188	178
Water withdrawals (USA)			
Surface water	100	n/a	n/a
Tanker water	0	n/a	n/a
Water discharges (USA)			
Surface water	100	n/a	n/a
Other	0	n/a	n/a

HEALTH AND SAFETY

Indicator	2018		2017		2016	
RECORDABLE INJURIES AND INJURY RATES						
Total recordable injuries						
Total number of recordable injuries	17		17		12	
Total employee recordable injuries by gender	M	F	M	F	M	F
Fatalities	0	0	0	0	0	0

CLIMATE CHANGE

Indicator	2018		2017		2016	
Lost Work Day Cases	0	0	1	0	0	0
Medical Treatment Cases or Restricted Work Day Cases	0	0	2	0	0	0
Total contractor recordable injuries by gender	M	F	M	F	M	F
Fatalities	0	0	0	0	0	0
Lost Work Day Cases	2	0	2	0	2	0
Medical Treatment Cases or Restricted Work Day Cases	15	0	12	0	9	1
Recordable injuries by region and gender	M	F	M	F	M	F
Papua New Guinea	17	0	16	0	10	1
USA	0	0	n/a		n/a	
Middle East & North Africa	0	0	0	0	1	0
Australia	0	0	1	0	0	0
Japan	0	0	n/a		n/a	
Hours worked						
Oil Search employees	2,281,100		2,371,822		2,304,181	
Contractors	8,501,628		6,424,156		5,530,252	
Total hours worked	10,782,728		8,795,978		7,834,433	

CLIMATE CHANGE

Indicator	2018	2017	2016			
Injury frequency rates						
Total Recordable Injury Rate (TRIR)	1.58	1.93	1.53			
Lost Time Injury Rate (LTIR)	0.19	0.34	0.26			
Oil Search employees Lost Time Injury Rate (LTIR)	0.00	0.42	0			
Contractors Lost Time Injury Rate (LTIR)	0.24	0.31	0.36			
PROCESS SAFETY						
Tier 1 and 2 process safety events by business activity	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2
Total events	0	3	1	0	0	2
Exploration	0	0	0	0	0	0
Drilling	0	0	0	0	0	0
Production	0	3	1	0	0	2
HIGH POTENTIAL INCIDENTS AND RATES						
High Potential Incident rate (HIPO)	1.11	0.68	1.79			
Total number of High Potential Incidents	12	6	14			
MEDICAL EVACUATIONS (PNG)						
Number of community members evacuated	58	69	109			

CLIMATE CHANGE

Indicator	2018	2017	2016
Number of workforce members (employee & contractor) evacuated	25	14	33

CLINIC VISITS

Total number of patients treated (PNG)

Community	8,089	4,983	3,992
Workforce (employee & contractor)	13,061	14,135	14,794

Total number of patients treated (AUS)

Workforce (employee & contractor)	701	635	350
Total patients treated	21,851	19,753	19,136

EMPLOYEE HEALTH AND WELLBEING

Total number of employee staff medicals conducted	357	414	592
Personalised health assessments conducted (PNG)	300	392	440

SOCIETY

Indicator	2018	2017	2016
COMMUNITY ENGAGEMENT AND COMPENSATION (PNG)			
Contacts			
# of community meetings held	151	181	231

CLIMATE CHANGE

Indicator	2018	2017	2016
# of field visits conducted	786	1,007	860
# of community Oil Search contacts (interactions)	32,224	1,619	1,170
Issues management			
# of landowner issues raised	78	88	90
# of landowner issues closed	56	74	68
Involuntary resettlement			
Number of sites where involuntary resettlement took place	0	0	n/a
Total direct cash payments to the community (US\$'000)			
Land rental cash payments to community	266	705	254
Land compensation cash payments to community	13	10	339
COMMUNITY ENGAGEMENT AND COMPENSATION (ALASKA)			
Contacts			
# of community meetings held	3	n/a	n/a
# of field visits conducted	10	n/a	n/a
Involuntary resettlement			
Number of sites where involuntary resettlement took place	0	n/a	n/a

CLIMATE CHANGE

Indicator	2018	2017	2016
Total direct cash payments to the community (US\$'000)			
Land rental cash payments to community	0	n/a	n/a
Land compensation cash payments to community	0	n/a	n/a

Sustainable Development

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018	2017	2016
SOCIO-ECONOMIC CONTRIBUTION IN PNG*			
Socio-economic contribution by stakeholder			
Total paid to suppliers	247,703	208,182	148,393
Total paid to shareholders	21,473	6,836	7,604
Total paid to PNG-based employees	1,083	23,048	21,110
Total community investment	65,838	88,828	46,143
Total payments to PNG government	114,714	56,752	60,808
Total socio-economic contribution to PNG	450,810	383,647	284,058
*New methodology used in 2018. Refer 2018 Basis of Preparation.	n/a	n/a	n/a

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018	2017	2016
COMMUNITY INVESTMENT			
Cash Contributions			
Oil Search Foundation donation	14,242	13,207	12,294
Brand-based sponsorships	242	n/a	n/a
Partnerships	873	512	503
Other donations	49	387	321
Costs associated with delivering/running community development projects			
Community education support	404	359	236
Infrastructure development (non-tax credit)	0	n/a	n/a
Community health programmes	3,110	n/a	n/a
Water, sanitation and hygiene programmes	0	n/a	n/a
Local business and enterprise development	126	n/a	n/a
Women's empowerment programmes	0	n/a	n/a
Disaster and drought relief programmes	5,049	n/a	n/a
Total investment in power projects	41,653	20,031	16,687
Other community development projects	91	509	580

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018	2017	2016
Total sustainable development investment by region			
PNG	65,838	14,933	13,855
USA	179	n/a	n/a
Middle East & North Africa	0	41	79
Total paid to the community	66,017	14,974	13,934

SUSTAINABLE DEVELOPMENT PERFORMANCE

Indicator	2018		2017		2016	
PAPUA NEW GUINEA						
Infrastructure Tax Credit Scheme						
Infrastructure Tax Credit Scheme projects completed	3		0		0	
Oil Search community assistance projects						
Community Assistance Projects (CAP) completed	0		15		14	
Tertiary sponsorships						
	M	F	M	F	M	F
Students enrolled in a tertiary education facility receiving Oil Search's support	73	32	52	25	30	16
PNG students who received support from Oil Search whilst studying who graduated during the year	24	12	23	12	6	3
Diploma in Education Primary In-Service (DEPI)						
	M	F	M	F	M	F

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018		2017		2016	
	M	F	M	F	M	F
Teachers who completed DEPI qualification with Oil Search support	12	1	0	0	11	1
Compliance training	M	F	M	F	M	F
Landowner companies that completed NASFUND compliance training	9	3	9	4	n/a	
Landowner companies that completed tax compliance training	3	0	7	4	n/a	
Landowner companies that completed Investment Promotion Authority (IPA) compliance training	4	2	8	2	n/a	
Business skills training	M	F	M	F	M	F
Attendees who completed financial literacy/basic business skills training sessions	0	0	60	38	0	68
Attendees who completed Lanco Directors' training	0	0	0	0	22	0
Attendees who complete basic bookkeeping training	0	0	0	0	3	11
Agricultural training	M	F	M	F	M	F
Attendees who completed agriculture training	10	2	0	0	0	0
Attendees who completed life skills training sessions	0	0	0	0	0	0
Number of agricultural co-operatives supported during the year	0		5		n/a	

SUPPLIER AND CONTRACTOR PAYMENTS

Indicator	2018		2017		2016	
	M	F	M	F	M	F
PAPUA NEW GUINEA						

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018	2017	2016
Total payments to suppliers and contractors in PNG (USD '000)			
PNG owned and operated suppliers and contractors	184,532	143,090	83,947
State Owned Enterprises	11,361	13,148	12,158
Lancos	51,810	51,944	52,289
Total paid to PNG suppliers and contractors	247,703	208,182	148,394
Payments to PNG Lancos, by company			
Eurest Gigira Limited	0	0	0
Eurest Kikori Oil Limited	0	0	0
Gigira Development Corporation	4,042	4,123	3,957
Gobe Catering Limited	0	0	0
Gobe Field Engineering Limited	2,226	4,122	4,036
Gobe Freight Services Limited	6,982	5,155	3,378
Kawaso Limited	1,399	1,602	1,374
Kikori Oil Investments	0	0	0
Kutubu Catering Limited	0	0	0
Kutubu Security Services	2,189	2,057	1,894

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018	2017	2016
Kutmor Limited	8,628	8,934	8,093
Maka Investment Corporation	903	1,453	1,938
Mananda Umbrella JV	348	1,173	1,228
Moran Ina Naga Limited	163	984	1,184
Trans Wonderland Limited	13,198	11,171	11,894
Yasuku Oil & Gas Investment	0	0	0
PNG Mining and Petroleum Hospitality Services	11,732	11,170	13,313
Wel Gris Fuel Distributers Ltd	0	n/a	n/a
Tari Pori Development Corporation Ltd	0	n/a	n/a
Total paid to PNG Lancos	51,810	51,944	52,289

USA

Total payments to suppliers and contractors in USA (USD '000)

USA owned and operated suppliers and contractors	48,942	n/a	n/a
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OIL SEARCH FOUNDATION

Indicator	2018	2017	2016
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CONTRIBUTORS TO THE OIL SEARCH FOUNDATION (\$US'000)

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018	2017	2016
Global Fund to Fight AIDS, Tuberculosis and Malaria	-527	5,120	5,611
DFAT Aid Programme (previously AusAID)	2,946	3,000	485
Oil Search Limited	14,242	13,207	12,294
Other	1,297	885	226
Total contribution to the Oil Search Foundation	17,958	22,211	18,616
HEALTH PROGRAMME PERFORMANCE INDICATORS			
Coverage			
Total number of clinics supported by OSF	70	67	49
Number of outreach patrols and clinics delivered by OSF supported health facilities	1,930	1,364	1,277
Number of extended outreach patrols/clinics supported by OSF to remote villages	13	n/a	n/a
Number of health facility support visits conducted by OSF staff	84	465	585
Immunisations			
Number of children under 1 who are immunised against measles at OSF supported health facilities	4,156	3,662	2,841
Number of children under 1 who received pentavalent vaccinations at OSF supported health facilities	5,250	n/a	n/a
Total number of vaccination across all OSF supported health facilities	366,750	68,386	60,000

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018	2017	2016
HIV			
Number of condoms distributed to OSF supported facilities	24,924	295,332	131,800
Number of people who received an HIV test in the last 12 months and who know their results	877	7,126	14,101
Number of pregnant women who were tested for HIV and who know their results	345	2,414	4,532
Percentage of HIV negative infants born to HIV infected mothers from OSF supported facilities	88%	100%	98%
Number of infants born to HIV-infected mothers who are infected in OSF supported programme areas	1	0	1
Malaria			
Percentage of slides or rapid diagnostic tests found positive among all slides and rapid diagnostic tests	26%	7%	3%
Number of confirmed community positive malaria cases from OSF supported health facilities	21	6	13
Tuberculosis (TB)			
Number of community members who completed 6 months TB treatment	250	197	n/a
Water, Sanitation and Hygiene (WaSH)			
Number of water tanks distributed to installation site	86	n/a	n/a
Number of site assessments of schools and health facilities	45	n/a	n/a

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018	2017	2016
Combined capacity of water tanks distributed and installed (L)	1,423,350	n/a	n/a
EDUCATION AND LITERACY PERFORMANCE INDICATORS			
Literacy and education			
Number of Buk Bilong Pikinini libraries established	3	1	0
Number of children attending the OSF-supported Buk Bilong Pikinini literacy library	85	80	80
Number of scholarships awarded	14	n/a	n/a
Training			
Occasions of capacity building training for community health workers by OSF	294	371	1,972
WOMEN'S PROTECTION AND EMPOWERMENT PERFORMANCE INDICATORS			
Support			
Number of new clients attending at Tari Family Support Centre	542	n/a	n/a
Total occasions of service delivered through Tari Family Support Centre	930	1,440	1,174
Number of family planning interventions	543	n/a	n/a
Couple Years Protection (CYP) provided through family planning interventions	1,489	3,374	n/a
Maternal and Child Health (MCH)			

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018	2017	2016
Number of women receiving antenatal care at OSF-supported health facilities	4,489	4,819	5,626
Number of children below five years of age who attended MCH clinics, who are below 80% weight for age	8,847	6,339	8,333
Number of supervised deliveries attended by skilled personnel at OSF-supported health facilities	2,945	3,306	3,754
Percentage of OSF supported health facilities that have running water to the delivery room	84%	84%	87%

Financial

INDICATOR	2018	2017	2016
Revenue (US\$ 000)	1,535,800	1,446,001	1,235,908
Total net annual production (mmboe)	25.21	30.31	30.24
EBIT (US\$ 000)	717,242	635,602	381,031
EBITDAX (US\$ 000)	1,109,999	1,052,101	852,203
Profit before income tax (US\$ 000)	507,392	440,874	185,032
Net profit after tax (US\$ 000)	341,202	302,092	89,795
Core profit (US\$ 000)	341,202	302,092	106,701
Average realised oil and condensate price (US\$/bbl)	70.65	55.68	45.04

INDICATOR	2018	2017	2016
Average realised LNG and gas price (US\$/mmBtu)	10.06	7.67	6.36

Data tables

Integrity and Transparency

PAYMENTS TO GOVERNMENTS BY COUNTRY (US\$ '000)			
Indicator	2018	2017	2016
PAPUA NEW GUINEA			
Direct payments			
Royalties	5,885	8,360	8,403
Development levies	2,222	2,461	2,371
Oil Search Directors' tax	636	660	637
Petroleum Tax	22,121	1,191	11,829
Payments to the PNG Police	1,357	701	n/a
Other Govt. fees & charges	540	616	809
Indirect payments			
Salary & Wages Tax	27,911	28,108	26,860
Other Govt. taxes	14,730	14,654	9,900
Other			

PAYMENTS TO GOVERNMENTS BY COUNTRY (US\$'000)

Indicator	2018	2017	2016
Oil Search Share Dividend	0	5,976	7,470
Pre-payment of tax for Infrastructure Tax Credit Scheme projects*	39,311	60,689	32,209
Total paid to PNG Government	114,714	62,728	68,279
*Included in 'total paid to the PNG Government' figure from 2018 onward. Previous year's numbers were not classified as a payment to government and therefore have not been readjusted to include this figure.	n/a	n/a	n/a
UNITED STATES OF AMERICA			
Total paid to Alaska Department of Environmental Conservation	22	n/a	n/a
Total paid to Alaska Geological and Geophysical	284	n/a	n/a
Total paid to Alaska Waste	0	n/a	n/a
Total paid to City of Nuiqsut	5	n/a	n/a
Total paid to North Slope Borough	4	n/a	n/a
Total paid to Department of Natural Resource	3,913	n/a	n/a
Total paid to Native Village of Nuiqsut	4	n/a	n/a
Total paid to Resource Development Council	2	n/a	n/a
Payroll Tax	2,273	n/a	n/a
Total paid to USA Government	6,506	n/a	n/a

PAYMENTS TO GOVERNMENTS BY COUNTRY (US\$'000)

Indicator	2018	2017	2016
AUSTRALIA			
Total paid to Australian Taxation Office	27,985	23,855	22,513
Total paid to NSW Office of State Revenue	4,057	2,967	2,825
Total paid to other Australian Government entities	4	4	5
Total paid to Australian Government	32,046	26,826	25,343
TUNISIA			
ETAP (State Oil Company)	0	0	0
Ministry of Finance	10	0	89
Total paid to Tunisian Government	10	0	89
IRAQ - KURDISTAN REGIONAL GOVERNMENT			
Total paid to KRG Ministry of Natural Resources	0	0	0
Total paid to KRG Ministry of Finance and Economy	2	12	91
Total paid to Kurdistan Government	2	12	91
YEMEN			
Total paid to the Ministry of Oil & Minerals	0	0	0
Total paid to the Ministry of Finance and Social Security Organisation	0	0	0

PAYMENTS TO GOVERNMENTS BY COUNTRY (US\$ '000)

Indicator	2018	2017	2016
Total paid to Yemeni Government	0	0	0

PAYMENTS TO GOVERNMENTS (US\$ '000)

Indicator	2018	2017	2016
Total payments to governments	153,278	89,566	93,802

FINES PAID FOR NON-COMPLIANCE (US\$ '000)

Indicator	2018	2017	2016
Fines paid for non-compliance with laws and regulations			
Anti-competitive	0	0	0
Environmental	0	0	0
Corruption	0	0	0
Total fines paid	0	0	0

PAYMENTS TO ASSOCIATIONS AND NETWORKS (US\$ '000)

Indicator	2018	2017	2016
Payments made to associations and networks			
PNG Chamber of Mines and Petroleum	78	88	73
Business Council of PNG	2	14	4
Extractives Industries Transparency Initiative (EITI)	40	40	25

PAYMENTS TO GOVERNMENTS BY COUNTRY (US\$'000)

Indicator	2018	2017	2016
Transparency International PNG	5	1	1
Australian Petroleum Production and Exploration Association	33	-	32
Institute of National Affairs PNG	3	-	3
International Association of Oil & Gas Producers (IOGP)	30	122	n/a
United Nations Global Compact	12	21	n/a
Carbon Disclosure Project	2	3	n/a
IPIECA	45	17	n/a
PNG Business Coalition for Women	0	-	n/a
Voluntary Principles Initiative	27	35	n/a
Total payments made to associations and networks	278	342	138

CONDUCT

Indicator	2018	2017	2016
Number of code of conduct breaches by type			
Business ethics	2	3	n/a
Conflict of interest	0	6	n/a
Computer usage	0	0	0

PAYMENTS TO GOVERNMENTS BY COUNTRY (US\$'000)

Indicator	2018	2017	2016
Drugs and alcohol	1	1	1
Fraud	1	2	0
Harassment and bullying	2	3	2
Health, Safety, Environment & Security	2	3	3
Outside employment	4	0	0
Share trading	0	8	0
Respect confidentiality, privacy & property	1	2	n/a
Discrimination	0	0	0
Number of employee Code of Conduct breaches	13	28	6
Oil Search Whistle-blower Hotline calls			
Number of calls to Oil Search's Whistle-blower Hotline	1	5	0

Data tables

People and Organisation

INDICATOR	2018		2017		2016	
WORKFORCE						
Total workforce						
Total employees	1,410		1,286		1,206	
Total workforce by employment type	M	F	M	F	M	F
Permanent full-time	838	287	788	231	783	224
Permanent part-time	1	17	1	11	2	15
Fixed-term contract	77	33	60	45	43	33
Casual	7	3	9	5	3	3
Contractors	128	19	121	15	85	15
Total workforce by location	M	F	M	F	M	F
Total employees in PNG	676	201	678	189	669	181
Total employees in Australia	204	113	176	101	155	92
Total employees in MENA	1	2	4	2	7	2

INDICATOR	2018		2017		2016	
Total employees in USA	40	23	n/a		n/a	
Total employees in Japan	2	1	n/a		n/a	
Total workforce by age	M	F	M	F	M	F
<30	87	64	76	52	92	57
30-50	597	236	544	204	526	187
>50	239	40	238	36	213	31
Total workforce by category	M	F	M	F	M	F
Graduates and apprentices	15	12	27	15	47	19
Employees	179	101	188	96	170	92
Supervisors/professional or technical	317	99	298	79	297	80
Managers or technical specialists	326	102	280	84	256	68
Senior managers or technical experts	79	25	56	17	52	16
Executive management	7	1	9	1	9	0
WORKFORCE AND SENIOR MANAGEMENT DIVERSITY						
Diversity in the total workforce						
Number of female employees	340		292		275	
% women in the total workforce	27%		25%		25%	

INDICATOR	2018	2017	2016
Number of PNG citizens	736	731	709
% PNG citizens in the total workforce	58%	64%	64%
Diversity in the PNG workforce			
Number of female employees	201	189	173
% women in the PNG workforce	23%	22%	20%
Number of PNG citizens	734	721	709
% PNG Citizens in the PNG workforce	84%	83%	83%
Diversity in the USA workforce			
Number of female employees	23	n/a	n/a
% women in the US workforce	37%	n/a	n/a
Diversity in management roles			
Number of females in senior leadership roles	26	18	16
Number of PNG citizens in senior leadership roles	22	19	18
Total number employees in senior leadership roles	112	83	77
% PNG citizens in senior leadership roles	20%	23%	23%
% Women in senior leadership roles	23%	22%	21%
% women in junior management positions	24%	23%	21%

INDICATOR	2018		2017		2016	
Board diversity						
Number of Board members	9		8		9	
% female	33%		25%		11%	
% PNG citizens	11%		25%		22%	
% PNG citizens in PNG workforce by gender and category	M	F	M	F	M	F
Graduates and apprentices	2%	1%	4%	2%	6%	2%
Employees	21%	8%	23%	8%	22%	7%
Supervisors/professional or technical	29%	8%	28%	7%	29%	8%
Managers or technical specialists	20%	8%	19%	7%	17%	5%
Senior managers or technical experts	2%	1%	1%	1%	1%	1%
Executive management	0%	0%	0%	0%	0%	0%
Total	74%	26%	75%	25%	76%	24%
% female and male employees by category	M	F	M	F	M	F
Graduates and apprentices	1%	1%	2%	1%	4%	2%
Employees	14%	8%	16%	8%	15%	8%
Supervisors/professional or technical	25%	8%	26%	7%	27%	7%
Managers or technical specialists	26%	8%	24%	7%	23%	6%

INDICATOR	2018		2017		2016	
Senior managers or technical experts	6%	2%	5%	1%	5%	1%
Executive management	1%	0%	1%	0%	1%	0%
Total	73%	27%	75%	25%	75%	25%
REMUNERATION						
Ratio of basic salary by gender and employee category – PNG	M	F	M	F	M	F
Graduates and apprentices	1.00	1.09	1.00	1.08	1	0.94
Employees	1.00	0.92	1.00	0.99	1	0.99
Supervisors/professional or technical	1.00	0.96	1.00	0.98	1	1.03
Managers or technical specialists	1.00	1.09	1.00	1.09	1	1.12
Senior managers or technical experts	1.00	0.74	1.00	0.81	1	0.87
Executive management	n/a	n/a	n/a	n/a	n/a	n/a
Total remuneration ratio PNG	1.00	1.02	1.00	1.01	1	1.05
Ratio of basic salary by gender and employee category – USA	M	F	M	F	M	F
Graduates and apprentices	n/a	n/a	n/a		n/a	
Employees	n/a	n/a	n/a		n/a	
Supervisors/professional or technical	1.00	1.07	n/a		n/a	

INDICATOR	2018		2017		2016	
Managers or technical specialists	1.00	1.02	n/a		n/a	
Senior managers or technical experts	n/a	n/a	n/a		n/a	
Executive management	n/a	n/a	n/a		n/a	
Total remuneration ratio USA	1.00	1.05	n/a		n/a	
Ratio of basic salary by gender and employee category – Australia	M	F	M	F	M	F
Senior managers or technical experts	1.00	0.93	1.00	0.96	1	1.18
Graduates and apprentices	n/a	n/a	n/a	n/a	n/a	n/a
Employees	1.00	1.09	1.00	1.08	1	1.14
Supervisors/professional or technical	1.00	1.00	1.00	1.02	1	1.06
Managers or technical specialists	1.00	0.96	1.00	1.01	1	0.91
Executive management	n/a	n/a	n/a	n/a	n/a	n/a
Total remuneration ratio AUS	1.00	0.98	1.00	1.00	1	1.02
TRAINING AND DEVELOPMENT						
% of workforce who received a performance review	M	F	M	F	M	F
% of workforce who received a performance review	100%	100%	100%	100%	100%	99%
% of workforce who received a performance review by employee category	M	F	M	F	M	F

INDICATOR	2018		2017		2016	
Graduates and apprentices	100%	100%	100%	100%	100%	100%
Employees	100%	100%	100%	99%	99%	98%
Supervisors/professional or technical	100%	100%	99%	100%	100%	100%
Managers or technical specialists	100%	100%	100%	100%	100%	100%
Senior managers or technical experts	100%	100%	100%	100%	100%	100%
Executive management	100%	100%	100%	100%	100%	n/a
Average training and development hours and spend by gender	M	F	M	F	M	F
Average hours of training and development per employee	29.20	28.50	34.46	30.53	37.48	16.52
Average amount spent per employee on training and development (US\$)	2,794		2,414		589	
Average training and development hours by employee category						
Graduates and apprentices	7.36		6.75		6.41	
Employees	7.55		6.49		3.97	
Supervisors/professional or technical	9.19		6.67		20.51	
Managers or technical specialists	7.64		5.52		3.54	
Senior managers or technical experts	7.67		4.62		3.32	
Executive management	9.50		6.1		4.5	

INDICATOR	2018	2017	2016
Development programme participation (% of workforce involved)			
Accelerated Development Programme	0%	1%	1%
Citizen Development Programme	5%	5%	7%
Graduate Development Programme	1%	2%	3%
Apprentice Programme	2%	2%	3%
Supervisor Development Programme	13%	13%	11%
Leading our Way for Women Programme	1%	1%	n/a
Coaching our Way Programme	11%	n/a	n/a
Senior Leadership Pathway Programme	0%	n/a	n/a
PAYMENTS TO EMPLOYEES			
PNG			
Wages and salaries	21,473	n/a	n/a
Benefits and other employee expenses and support	0	n/a	n/a
Total payments to employees in PNG	21,473	n/a	n/a
USA			
Wages and salaries	4,409	n/a	n/a
Benefits and other employee expenses and support	9,216	n/a	n/a

INDICATOR	2018		2017		2016	
Total payments to employees in USA	13,626		n/a		n/a	
AUS						
Wages and salaries	88,063		n/a		n/a	
Benefits and other employee expenses and support	17,644		n/a		n/a	
Total payments to employees in AUS	105,707		n/a		n/a	
RECRUITMENT AND RETENTION						
12-month turnover rate (%)						
Voluntary turnover rate	7%		6%		6%	
Involuntary turnover rate	2%		4%		9%	
Total annual turnover rate (%)	9%		10%		15%	
12-month turnover rate by age (%)	M	F	M	F	M	F
<30	8%	8%	9%	15%	9%	11%
30-50	8%	11%	9%	13%	15%	10%
>50	10%	15%	7%	6%	18%	16%
Total Company turnover	8%	11%	9%	12%	15%	11%
Return to work and retention rates after parental leave						
Number of employees entitled to parental leave	991		960		902	

INDICATOR	2018	2017	2016
Number of employees who took parental leave	53	14	24
Number of employees who returned after parental leave	46	10	23
Retention rate of employees who returned to work after parental leave ended (%)	87%	83%	96%
Percent of eligible employees entitled to paid superannuation on parental leave	100%	100%	100%
Internal movement and opportunities			
% of open positions filled by internal candidates	61%	52%	62%
Number of employees promoted	54	58	35
Collective bargaining agreements			
% of employees in collective bargaining agreements	0%	0%	1%

Data tables

Responsible Operator

CLIMATE CHANGE			
Indicator	2018	2017	2016
GREENHOUSE GAS EMISSIONS UNDER OPERATIONAL CONTROL			
Total greenhouse gas emissions (ktCO₂-e)			
GHG total (Sc 1 & 2)	570	962	941
Greenhouse gas emissions by scope (ktCO₂-e)			
Total Scope 1 emissions	566	957	937
Total Scope 2 emissions	3	5	5
Total Scope 3 emissions	9,213	11,074	11,406
Greenhouse gas emissions at significant areas of operation (ktCO₂-e)			
Gobe	156	186	186
Kutubu Refinery	8	39	32
Central Processing Facility (CPF)	245	381	365
Agogo Processing Facility (APF)	88	256	278

CLIMATE CHANGE

Indicator	2018	2017	2016
Hides	44	82	61
Kumul	8	12	12
Kopi and Moro	21	6	8
Greenhouse gas emissions by type (ktCO2 - e)			
Combustion	319	407	438
Flaring	82	107	114
Liquid fuels	33	41	40
Venting	64	301	261
Fugitives	69	102	84
Electricity	3	5	5
Scope 3 GHG emissions by category (ktCO2 - e)			
Category 3 - Fuel and energy	2	1	1
Category 10 - Processing of sold products	468	525	543
Category 11- Use of sold products	8,417	10,298	10,612
Category 15 - Investments	327	250	251
Emission composition			

CLIMATE CHANGE

Indicator	2018	2017	2016
Methane (ktCH ₄)	5	12	13
Carbon dioxide (ktCO ₂)	438	615	679
Production greenhouse gas emission intensity			
Gross annual production (mmboe)	13	19	20
GHG emissions intensity (ktCO ₂ -e /mmboe)	44	50	46
Flaring intensity (ktCO ₂ -e /mmboe)	6	6	6
Venting intensity (ktCO ₂ -e /mmboe)	5	16	13
ENERGY			
Direct energy consumption (Gj)			
Total direct energy produced	86,173,367	125,596,368	135,005,512
Total direct energy purchased	392,817	245,004	264,010
Total direct energy sold	79,051,495	116,148,819	124,285,468
Total energy consumed	6,215,376	8,005,749	8,553,579
Direct energy consumption by source (Gj)			
Associated gas used as fuel	5,771,280	7,449,651	8,032,283
Liquid fuel	444,096	556,098	521,296

CLIMATE CHANGE

Indicator	2018	2017	2016
Indirect energy (GJ)			
Total electricity purchased and consumed	15,950	24,698	23,700
Energy intensity (GJ/'000 boe)			
Energy intensity of oil and gas production	502	445	469
Investment in renewable energy (US\$'000)			
Total amount invested in biomass	4,182	9,800	12,317

ENVIRONMENT

Indicator	2018	2017	2016
WASTE DATA BY COUNTRY (tonnes)*			
Total waste data			
Total waste generated	6,877	9,507	12,790
Total waste disposed	6,877	9,507	12,790
Waste generated (PNG)			
Hazardous	667	535	860
Non-hazardous	6,104	8,972	11,930
Waste by disposal method (PNG)			

CLIMATE CHANGE

Indicator	2018	2017	2016
Incineration (mass burn)	4,615	8,499	9,744
On-site storage	1,114	304	1,132
Landfill	1,042	486	1,705
Recycling	0	218	210
Other	0	n/a	n/a
Waste generated (USA)			
Hazardous	0	n/a	n/a
Non-hazardous	106	n/a	n/a
Waste by disposal method (USA)			
Incineration (mass burn)	0	n/a	n/a
On-site storage	0	n/a	n/a
Landfill	24	n/a	n/a
Recycling	0	n/a	n/a
Underground Injection Control	82	n/a	n/a
Other	0	n/a	n/a
*Data for previous years have been converted to tonnes for comparability	n/a	n/a	n/a

CLIMATE CHANGE

Indicator	2018	2017	2016
SPILLS THAT REACH THE ENVIRONMENT			
PNG			
Number of spills > 1 bbl. that reached the environment	9	5	4
Volume of spills hydrocarbon spills (L)	3,530	159	900
Volume of non-hydrocarbon spills (L)	84,586	2,105	1,790
Number of significant spills	0	0	0
Number of significant spills from third parties under contractual obligations	0	0	0
USA			
Number of spills > 1 bbl. that reached the environment	0	n/a	n/a
Volume of hydrocarbon spilt	0	n/a	n/a
Volume of non-hydrocarbon spilt	0	n/a	n/a
Number of significant spills	0	n/a	n/a
Number of significant spills from third parties under contractual obligations	0	n/a	n/a
WATER USE BY COUNTRY (mega litres)			
Total water use			

CLIMATE CHANGE

Indicator	2018	2017	2016
Total water withdrawn	552	690	612
Total water discharged	315	188	178
Produced water (PNG)			
Volume of produced water	766	882	864
Volume of produced water re-injected	806	887	860
% produced water re-injected	100%	100%	100%
Water withdrawals (PNG)			
Surface water	152	240	144
Groundwater (renewable)	299	451	468
Water discharges (PNG)			
Surface water	58	71	47
Seawater	0	0	13
Groundwater	157	117	118
Total water discharges	n/a	188	178
Water withdrawals (USA)			
Surface water	100	n/a	n/a

CLIMATE CHANGE

Indicator	2018	2017	2016
Tanker water	0	n/a	n/a
Water discharges (USA)			
Surface water	100	n/a	n/a
Other	0	n/a	n/a

HEALTH AND SAFETY

Indicator	2018		2017		2016	
RECORDABLE INJURIES AND INJURY RATES						
Total recordable injuries						
Total number of recordable injuries	17		17		12	
Total employee recordable injuries by gender	M	F	M	F	M	F
Fatalities	0	0	0	0	0	0
Lost Work Day Cases	0	0	1	0	0	0
Medical Treatment Cases or Restricted Work Day Cases	0	0	2	0	0	0
Total contractor recordable injuries by gender	M	F	M	F	M	F
Fatalities	0	0	0	0	0	0
Lost Work Day Cases	2	0	2	0	2	0

CLIMATE CHANGE

Indicator	2018		2017		2016	
Medical Treatment Cases or Restricted Work Day Cases	15	0	12	0	9	1
Recordable injuries by region and gender	M	F	M	F	M	F
Papua New Guinea	17	0	16	0	10	1
USA	0	0	n/a		n/a	
Middle East & North Africa	0	0	0	0	1	0
Australia	0	0	1	0	0	0
Japan	0	0	n/a		n/a	
Hours worked						
Oil Search employees	2,281,100		2,371,822		2,304,181	
Contractors	8,501,628		6,424,156		5,530,252	
Total hours worked	10,782,728		8,795,978		7,834,433	
Injury frequency rates						
Total Recordable Injury Rate (TRIR)	1.58		1.93		1.53	
Lost Time Injury Rate (LTIR)	0.19		0.34		0.26	
Oil Search employees Lost Time Injury Rate (LTIR)	0.00		0.42		0	
Contractors Lost Time Injury Rate (LTIR)	0.24		0.31		0.36	

CLIMATE CHANGE

Indicator	2018		2017		2016	
PROCESS SAFETY						
Tier 1 and 2 process safety events by business activity	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2
Total events	0	3	1	0	0	2
Exploration	0	0	0	0	0	0
Drilling	0	0	0	0	0	0
Production	0	3	1	0	0	2
HIGH POTENTIAL INCIDENTS AND RATES						
High Potential Incident rate (HIPO)	1.11		0.68		1.79	
Total number of High Potential Incidents	12		6		14	
MEDICAL EVACUATIONS (PNG)						
Number of community members evacuated	58		69		109	
Number of workforce members (employee & contractor) evacuated	25		14		33	
CLINIC VISITS						
Total number of patients treated (PNG)						
Community	8,089		4,983		3,992	
Workforce (employee & contractor)	13,061		14,135		14,794	

CLIMATE CHANGE

Indicator	2018	2017	2016
Total number of patients treated (AUS)			
Workforce (employee & contractor)	701	635	350
Total patients treated	21,851	19,753	19,136

EMPLOYEE HEALTH AND WELLBEING

Total number of employee staff medicals conducted	357	414	592
Personalised health assessments conducted (PNG)	300	392	440

SOCIETY

Indicator	2018	2017	2016
COMMUNITY ENGAGEMENT AND COMPENSATION (PNG)			
Contacts			
# of community meetings held	151	181	231
# of field visits conducted	786	1,007	860
# of community Oil Search contacts (interactions)	32,224	1,619	1,170
Issues management			
# of landowner issues raised	78	88	90
# of landowner issues closed	56	74	68

CLIMATE CHANGE

Indicator	2018	2017	2016
Involuntary resettlement			
Number of sites where involuntary resettlement took place	0	0	n/a
Total direct cash payments to the community (US\$'000)			
Land rental cash payments to community	266	705	254
Land compensation cash payments to community	13	10	339
COMMUNITY ENGAGEMENT AND COMPENSATION (ALASKA)			
Contacts			
# of community meetings held	3	n/a	n/a
# of field visits conducted	10	n/a	n/a
Involuntary resettlement			
Number of sites where involuntary resettlement took place	0	n/a	n/a
Total direct cash payments to the community (US\$'000)			
Land rental cash payments to community	0	n/a	n/a
Land compensation cash payments to community	0	n/a	n/a

Data tables

Sustainable Development

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)			
Indicator	2018	2017	2016
SOCIO-ECONOMIC CONTRIBUTION IN PNG*			
Socio-economic contribution by stakeholder			
Total paid to suppliers	247,703	208,182	148,393
Total paid to shareholders	21,473	6,836	7,604
Total paid to PNG-based employees	1,083	23,048	21,110
Total community investment	65,838	88,828	46,143
Total payments to PNG government	114,714	56,752	60,808
Total socio-economic contribution to PNG	450,810	383,647	284,058
*New methodology used in 2018. Refer 2018 Basis of Preparation.	n/a	n/a	n/a
COMMUNITY INVESTMENT			
Cash Contributions			
Oil Search Foundation donation	14,242	13,207	12,294

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018	2017	2016
Brand-based sponsorships	242	n/a	n/a
Partnerships	873	512	503
Other donations	49	387	321
Costs associated with delivering/running community development projects			
Community education support	404	359	236
Infrastructure development (non-tax credit)	0	n/a	n/a
Community health programmes	3,110	n/a	n/a
Water, sanitation and hygiene programmes	0	n/a	n/a
Local business and enterprise development	126	n/a	n/a
Women's empowerment programmes	0	n/a	n/a
Disaster and drought relief programmes	5,049	n/a	n/a
Total investment in power projects	41,653	20,031	16,687
Other community development projects	91	509	580
Total sustainable development investment by region			
PNG	65,838	14,933	13,855
USA	179	n/a	n/a

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018	2017	2016
Middle East & North Africa	0	41	79
Total paid to the community	66,017	14,974	13,934

SUSTAINABLE DEVELOPMENT PERFORMANCE

Indicator	2018		2017		2016	
PAPUA NEW GUINEA						
Infrastructure Tax Credit Scheme						
Infrastructure Tax Credit Scheme projects completed	3		0		0	
Oil Search community assistance projects						
Community Assistance Projects (CAP) completed	0		15		14	
Tertiary sponsorships	M	F	M	F	M	F
Students enrolled in a tertiary education facility receiving Oil Search's support	73	32	52	25	30	16
PNG students who received support from Oil Search whilst studying who graduated during the year	24	12	23	12	6	3
Diploma in Education Primary In-Service (DEPI)	M	F	M	F	M	F
Teachers who completed DEPI qualification with Oil Search support	12	1	0	0	11	1
Compliance training	M	F	M	F	M	F
Landowner companies that completed NASFUND compliance training	9	3	9	4	n/a	

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018		2017		2016	
Landowner companies that completed tax compliance training	3	0	7	4	n/a	
Landowner companies that completed Investment Promotion Authority (IPA) compliance training	4	2	8	2	n/a	
Business skills training	M	F	M	F	M	F
Attendees who completed financial literacy/basic business skills training sessions	0	0	60	38	0	68
Attendees who completed Lanco Directors' training	0	0	0	0	22	0
Attendees who complete basic bookkeeping training	0	0	0	0	3	11
Agricultural training	M	F	M	F	M	F
Attendees who completed agriculture training	10	2	0	0	0	0
Attendees who completed life skills training sessions	0	0	0	0	0	0
Number of agricultural co-operatives supported during the year	0		5		n/a	

SUPPLIER AND CONTRACTOR PAYMENTS

Indicator	2018		2017		2016	
PAPUA NEW GUINEA						
Total payments to suppliers and contractors in PNG (USD '000)						
PNG owned and operated suppliers and contractors	184,532		143,090		83,947	
State Owned Enterprises	11,361		13,148		12,158	

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018	2017	2016
Lancos	51,810	51,944	52,289
Total paid to PNG suppliers and contractors	247,703	208,182	148,394
Payments to PNG Lancos, by company			
Eurest Gigira Limited	0	0	0
Eurest Kikori Oil Limited	0	0	0
Gigira Development Corporation	4,042	4,123	3,957
Gobe Catering Limited	0	0	0
Gobe Field Engineering Limited	2,226	4,122	4,036
Gobe Freight Services Limited	6,982	5,155	3,378
Kawaso Limited	1,399	1,602	1,374
Kikori Oil Investments	0	0	0
Kutubu Catering Limited	0	0	0
Kutubu Security Services	2,189	2,057	1,894
Kutmor Limited	8,628	8,934	8,093
Maka Investment Corporation	903	1,453	1,938
Mananda Umbrella JV	348	1,173	1,228

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018	2017	2016
Moran Ina Naga Limited	163	984	1,184
Trans Wonderland Limited	13,198	11,171	11,894
Yasuku Oil & Gas Investment	0	0	0
PNG Mining and Petroleum Hospitality Services	11,732	11,170	13,313
Wel Gris Fuel Distributers Ltd	0	n/a	n/a
Tari Pori Development Corporation Ltd	0	n/a	n/a
Total paid to PNG Lancos	51,810	51,944	52,289

USA

Total payments to suppliers and contractors in USA (USD '000)

USA owned and operated suppliers and contractors	48,942	n/a	n/a
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OIL SEARCH FOUNDATION

Indicator	2018	2017	2016
CONTRIBUTORS TO THE OIL SEARCH FOUNDATION (\$US'000)			
Global Fund to Fight AIDS, Tuberculosis and Malaria	-527	5,120	5,611
DFAT Aid Programme (previously AusAID)	2,946	3,000	485
Oil Search Limited	14,242	13,207	12,294

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018	2017	2016
Other	1,297	885	226
Total contribution to the Oil Search Foundation	17,958	22,211	18,616
HEALTH PROGRAMME PERFORMANCE INDICATORS			
Coverage			
Total number of clinics supported by OSF	70	67	49
Number of outreach patrols and clinics delivered by OSF supported health facilities	1,930	1,364	1,277
Number of extended outreach patrols/clinics supported by OSF to remote villages	13	n/a	n/a
Number of health facility support visits conducted by OSF staff	84	465	585
Immunisations			
Number of children under 1 who are immunised against measles at OSF supported health facilities	4,156	3,662	2,841
Number of children under 1 who received pentavalent vaccinations at OSF supported health facilities	5,250	n/a	n/a
Total number of vaccination across all OSF supported health facilities	366,750	68,386	60,000
HIV			
Number of condoms distributed to OSF supported facilities	24,924	295,332	131,800

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018	2017	2016
Number of people who received an HIV test in the last 12 months and who know their results	877	7,126	14,101
Number of pregnant women who were tested for HIV and who know their results	345	2,414	4,532
Percentage of HIV negative infants born to HIV infected mothers from OSF supported facilities	88%	100%	98%
Number of infants born to HIV-infected mothers who are infected in OSF supported programme areas	1	0	1
Malaria			
Percentage of slides or rapid diagnostic tests found positive among all slides and rapid diagnostic tests	26%	7%	3%
Number of confirmed community positive malaria cases from OSF supported health facilities	21	6	13
Tuberculosis (TB)			
Number of community members who completed 6 months TB treatment	250	197	n/a
Water, Sanitation and Hygiene (WaSH)			
Number of water tanks distributed to installation site	86	n/a	n/a
Number of site assessments of schools and health facilities	45	n/a	n/a
Combined capacity of water tanks distributed and installed (L)	1,423,350	n/a	n/a

EDUCATION AND LITERACY PERFORMANCE INDICATORS

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018	2017	2016
Literacy and education			
Number of Buk Bilong Pikinini libraries established	3	1	0
Number of children attending the OSF-supported Buk Bilong Pikinini literacy library	85	80	80
Number of scholarships awarded	14	n/a	n/a
Training			
Occasions of capacity building training for community health workers by OSF	294	371	1,972
WOMEN'S PROTECTION AND EMPOWERMENT PERFORMANCE INDICATORS			
Support			
Number of new clients attending at Tari Family Support Centre	542	n/a	n/a
Total occasions of service delivered through Tari Family Support Centre	930	1,440	1,174
Number of family planning interventions	543	n/a	n/a
Couple Years Protection (CYP) provided through family planning interventions	1,489	3,374	n/a
Maternal and Child Health (MCH)			
Number of women receiving antenatal care at OSF-supported health facilities	4,489	4,819	5,626

SUSTAINABLE DEVELOPMENT INVESTMENT (US\$ '000)

Indicator	2018	2017	2016
Number of children below five years of age who attended MCH clinics, who are below 80% weight for age	8,847	6,339	8,333
Number of supervised deliveries attended by skilled personnel at OSF-supported health facilities	2,945	3,306	3,754
Percentage of OSF supported health facilities that have running water to the delivery room	84%	84%	87%

Data tables

Financial

INDICATOR	2018	2017	2016
Revenue (US\$ 000)	1,535,800	1,446,001	1,235,908
Total net annual production (mmboe)	25.21	30.31	30.24
EBIT (US\$ 000)	717,242	635,602	381,031
EBITDAX (US\$ 000)	1,109,999	1,052,101	852,203
Profit before income tax (US\$ 000)	507,392	440,874	185,032
Net profit after tax (US\$ 000)	341,202	302,092	89,795
Core profit (US\$ 000)	341,202	302,092	106,701
Average realised oil and condensate price (US\$/bbl)	70.65	55.68	45.04
Average realised LNG and gas price (US\$/mmBtu)	10.06	7.67	6.36