



Oil Search

COMMITMENT
Inspires

2019

SOCIAL RESPONSIBILITY REPORT

CELEBRATING 90 YEARS

A yellow helicopter is flying through a dense, misty forest. The forest is lush green and the mist is thick, creating a serene and atmospheric scene. The helicopter is positioned in the lower-left quadrant of the frame, flying towards the right. The text 'COMMITMENT Inspires' is centered in the upper-middle part of the image.

COMMITMENT *Inspires*

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A young boy in a dark blue school uniform is sitting on a wooden floor, smiling broadly at the camera while holding an open book. The book has a colorful illustration of a crab on the right page. In the background, other students are sitting on the floor, some reading books, in a classroom setting with bookshelves.

OPPORTUNITY

2019 SOCIAL RESPONSIBILITY HIGHLIGHTS



'LEADING'

rating achieved in ACSI ESG reporting review



3RD YEAR

included in Dow Jones Sustainability Index (World and Australia)



US \$6M

value of infrastructure projects delivered by Oil Search under PNG's ITCS



1,600+

Oil Search employees



TOP QUARTILE

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



~290

Alaskans attended basketball and skiing workshops



36%

decrease in high potential incident frequency rate to 0.72



CLIMATE VULNERABILITY ASSESSMENT TOOL

developed for PNG communities



FINAL APPROVAL

for Pikka Unit Development Environmental Impact Statement (EIS)



5%

of our Alaskan workforce are Alaska native



US\$628M

total socio-economic contribution
in PNG and the USA



0

Major non-conformances
in PNG ISO 14001 audit



5

Tier 1/Tier 2 process safety
events in our PNG operations



COMPLETED

Physical Climate Change
Risk Assessment



126

post-earthquake water tanks
installed by OSF in Hela Province



US \$77M

supplier and contractor payments
to PNG Landowner Companies



~3,055

hours of human rights training with our
security providers in PNG and Alaska



SIGNED

Land Use Agreement with Kuukpik,
the Nuiqsut Village Corporation



67%

of leadership roles in PNG
held by PNG citizens



39%

increase in the percentage of women
in senior leadership roles since 2015



ABOUT THIS REPORT

At Oil Search, we are committed to transparently reporting on our approach to, and management of, material social responsibility issues. For this reason, we regularly provide a balanced and timely view on our performance across these areas. This enables stakeholders such as shareholders, investors, project area communities and governments to review our performance, compare it to previous years and that of our industry peers, and provide informed feedback.

This Report provides an update of our performance against three key themes: *Making lives better, Proud of what we do and how we do it and Engaging and empowering our people.*

It presents an update on Oil Search's social responsibility performance relating to projects in Papua New Guinea (PNG) and Alaska under our operational control for the 2019 calendar year, as well as our plans to address broader social responsibility impacts in our supply chain.

Our non-operated equity interests in the [PNG LNG Project](#) and Papua LNG Project are not included.

OUR 2019 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 2019 reporting suite outlines our approach to considering and addressing

environmental, social and economic issues in the countries in which we operate. Representatives from across the business have worked with the Social Responsibility team to compile a summary of our 2019 performance, and it has been reviewed by the Executive Team and the Board Health, Safety and Sustainability Committee (HSSC).

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

Other elements in our reporting suite include:

- ▶ The [2019 Oil Search Annual Report](#) includes a summary of material aspects of our performance in 2019.
- ▶ The [Transparency Report](#) summarises information about payments we made in 2019 to governments of the countries where Oil Search has a presence, as well as other socio-economic contributions. This information also informs our Extractive Industries Transparency Initiative (EITI) submission for PNG.
- ▶ The [Data Centre](#) contains multi-year performance data across a range of environmental, social and governance indicators in accordance with external benchmarks and standards, including the Global Reporting Initiative (GRI) Standards 2016. The data is supported by a detailed [Basis of Preparation](#).
- ▶ The [VPSHR Report](#) outlines Oil Search's progress on implementing the Voluntary Principles on Security and Human Rights (VPSHR) in 2019
- ▶ The [Modern Slavery Statement](#) describes Oil Search's modern slavery readiness plan, with actions for establishing socially responsible business practices in our supply chain.

- ▶ The [Oil Search website](#) describes our overall approach to managing material environmental, social and governance issues.

INDEPENDENT ASSURANCE

To enhance confidence in the integrity of information and underlying processes for this Report, as well as help us identify improvements for future reporting, our social responsibility reporting has been subject to independent assurance since 2011, with the assurance findings presented to the Executive Leadership Team and the HSSC.

For this Report, we obtained independent limited assurance from Deloitte Touche Tohmatsu (Deloitte) over selected social responsibility data in accordance with Australian Standards on Assurance Engagements ASAE 3000. Deloitte's Limited Assurance Statement outlines the scope and basis of the assurance they have provided.

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.

DISCLAIMER

This Report contains some forward-looking statements that are subject to particular risks associated with the oil and gas industry. Actual outcomes could differ materially due to a range of operational, cost and revenue factors and uncertainties including: oil and gas prices, changes in market demand for oil and gas, currency fluctuations, drilling results, field performance, timing of well workovers and field development, reserves depletion and fiscal and other government issues and approvals.



EILEEN DOYLE

MESSAGE FROM OIL SEARCH'S HSS COMMITTEE CHAIR

The Oil Search 2019 Social Responsibility Report reflects our commitment to operating in a socially responsible manner and sets out Oil Search's social and environmental performance during the year.

Our industry faces increasing scrutiny and enquiry and higher expectations for responsible business conduct. Oil Search will of course maintain its focus on health and safety and with our proud history of working closely with local communities in mutually beneficial relationships, we are well placed to effectively embrace evolving sustainability issues as well as broader issues related to the energy transition. These themes will be considered as part of the strategic review to be undertaken during the first half of 2020.

WORKING WITH COMMUNITIES

A key focus area is Oil Search's ongoing engagement with the communities who live in the areas in which we operate, including those closest to our operations in Alaska. In 2019 we worked closely with these local communities to listen to and address their concerns in relation to any potential impacts on the environment, including subsistence. Long-lasting relationships with these communities are vital to the success of our Pikka Unit Development Project and we want future generations to also share in its success. This transparent and meaningful engagement helped to achieve several significant milestones during 2019, including the signing of the Land Use Agreement with Kuukpik (the Nuiqsut Village Corporation).

In PNG we continued to work with local communities, including through the Oil Search Foundation, to understand their needs. In 2019 we

delivered initiatives aimed at improving community access to health services and education opportunities, as well as improving literacy and protecting and empowering women. We applied a similar approach in Alaska, focusing on youth engagement and wellbeing and providing support to local community members and organisations, including protecting and celebrating Nuiqsut's cultural heritage.

CLIMATE CHANGE

We recognise that investor and stakeholder interest in climate change has increased significantly and will continue to grow. Meeting growing demand for energy while ensuring that the supply is reliable, affordable, clean and low emission is both a challenge and an opportunity for our industry. Oil Search supports the Paris Agreement implementation efforts. We are listening to all our stakeholders, including local communities, our shareholders



and our own people. Sustainability, climate change and energy transition are key elements of Oil Search’s 2020 strategic review.

During 2019, we extended our climate resilience work to include communities in PNG. We also improved our methane emissions reporting capability and undertook an assessment of the physical impact of climate change on our assets. In September 2019, Oil Search’s assets were assessed to be within the top quartile of projects with the lowest exposure to climate change transition risk by Carbon Trackers Paris-aligned investment report”, which evaluates oil and gas investment required under different climate change scenarios.

IMPROVING GOVERNANCE

The Company remains committed to ensuring that it has appropriate governance arrangements in place and reports against the ASX Corporate Council’s Corporate Governance

Principles and Recommendations (the ‘ASX Principles’). The fourth edition of the ASX Principles took effect on 1 January 2020. Among other changes, it asks ASX listed companies to consider how they manage social and environmental risks, including climate change. Our 2019 Annual Report reports on exposures to these risks, including climate change and human rights, and details how we manage their potential impact.

The ASX Principles also encourage companies to consider whether they have any material exposure to climate change risk by reference to the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD) and if they do, to consider making the disclosures recommended by the TCFD. The Company released its first Climate Change Resilience Report prepared under the TCFD in 2018 and continues to make disclosures aligned with TCFD recommendations.

To reflect its consideration and oversight of evolving and broader sustainability issues in 2020, the Board’s Health, Safety and Sustainability Committee will be re-named the Sustainability Committee and its charter updated to reflect, amongst other things our increased focus on social responsibility, sustainability and climate change. These changes will assist the Committee to discharge its responsibilities with respect to monitoring current and future environmental, social and governance issues and overseeing Company-wide efforts to ensure we have a long-term, sustainable future.

I hope you find this Social Responsibility Report informative. If you have any feedback, please send it to socialresponsibility@oilsearch.com.

Eileen Doyle
HSS Committee Chair





PETER BOTTEN

MESSAGE FROM OIL SEARCH'S MANAGING DIRECTOR

By engaging collaboratively with communities, Oil Search has achieved mutually beneficial, sustainable outcomes for 90 years. Our commitment has made a substantial long-term contribution that has changed lives.

A key component to achieving sustainable change is our work through the Oil Search Foundation (OSF), with its innovative, integrated and effective approach.

LEADING THE WAY

During 2019, OSF continued supporting the PNG Government's health service delivery. Expanding outreach patrols resulted in a 20% increase in immunisations. They also contributed to keeping malaria rates low and a dramatic increase in family planning services uptake.

Improving literacy and access to quality education has profound long-term social results. Since OSF partnered with Buk bilong Pikinini to create remote early childhood literacy libraries, more than 400 children have received the opportunity to learn to read.

To protect women and families against endemic family and sexual violence (FSV) in PNG, OSF supported FSV training programmes and emergency accommodation initiatives in 2019. Belisi PNG referral rates exceeded annual targets by 25%, and client numbers at Hela Family Support Centre increased 100% from 2018.

SUPPORTING BETTER ENERGY ACCESS

Improving access to clean, affordable energy remained a strategic priority for Oil Search. We successfully completed construction of the natural gas-powered NiuPower Port Moresby power station, which began supplying cleaner, low-cost electricity to the local grid. We also progressed basic engineering work on PNG's first utility-scale biomass power plant and made other preparations for the Final Investment Decision in 2020.

KEEPING PEOPLE SAFE

Ensuring the safety of our people, communities and assets remained our top priority. A post-earthquake programme ensured the safety and reliability of our PNG drilling and production assets before they returned to operation.

While workplace safety performance in PNG was challenged by onshore and offshore exploration and appraisal programmes, there were discrete areas of safety excellence, particularly in Alaska. However, in PNG, high-risk activities impacted our safety performance, so we implemented targeted improvement programmes that led to performance improvement by year end.

FAREWELL

Reading through this Report, I am reminded of another busy and constructive year of building on our proud history. The recognition of Oil Search's unwavering commitment to sustainable development in the SAM Sustainability Yearbook 2020 was a terrific way to end my 26-year leadership. I thank past and present employees, governments, OSF, our partners, our shareholders and the PNG people for their support and encouragement in this area, which is close to my heart, and look forward to continuing my association with PNG as OSF Chairman.

Peter Botten
Managing Director



KEIRAN WULFF

MESSAGE FROM OIL SEARCH'S INCOMING MANAGING DIRECTOR

It is an honour to be selected as Oil Search's next Managing Director. Like Peter Botten, I am passionate about Oil Search's ability to contribute to the wellbeing of local communities, and I want us to remain leaders in responsible project and programme delivery and social responsibility.

As we expand Oil Search's operations and consider our position in the energy transition, we have a great opportunity to make a real contribution by building on our social development expertise and delivering a unique model that continues to set us apart in terms of project delivery and equitable value for all stakeholders.

As always, our actions will continue to be guided by our core values and our commitment to safety and long-term sustainable value creation, in line with the principles of the UN Global Compact.

MEETING CHALLENGING TIMES

The global energy industry's transition to lower emission technology is clear, although it is happening at an uneven pace. The oil and gas industry faces

multiple challenges in this transition, including evolving stakeholder expectations around responsible behaviour. As we enter our next growth phase, Oil Search is well-placed to meet these expectations as well as to identify opportunities.

I am confident about our future, given that we are building on a strong foundation, for which unique community engagement and operating responsibly are integral parts. Throughout our history, one of our key strengths has been the ability to adapt and evolve, by identifying and moving swiftly on opportunities, and we will continue to do so.

STRATEGIC REVIEW

Positioning ourselves within a changing world requires strategic planning and implementation. In the first half of 2020 we are conducting a comprehensive strategic review, which will re-evaluate Oil Search's long-term vision, strategic focus and path for generating top quartile returns for stakeholders and delivering wide stakeholder value.

With world-class assets and proven capability to create shared value, we are well positioned to thrive in an evolving world and energy transition era where social responsibility and environmental sustainability are key to ongoing success. This review will also ensure our operations and project execution remain environmentally and socially responsible.

Oil Search's unique commitment to social responsibility is an integral part of its DNA. I am committed to building on our social development and to socially and environmentally responsible operations as well as open, transparent stakeholder engagement. Our goal is to not just continue, but to enhance, Oil Search's high standards.

I look forward to sharing the outcomes from this process in the second half of 2020 and to meet and exceed stakeholder expectations.

Keiran Wulff
Managing Director Designate





SOCIAL RESPONSIBILITY

90 YEARS OF COMMITMENT

Maintaining a stable operating environment has been a strategic priority for Oil Search for nine decades, and our longstanding commitment to being socially responsible has played a major role in helping us to achieve it. From supporting sustainable development and institutional transparency to investing in infrastructure and helping community resilience, our social responsibility approach and initiatives promote growth and stability in the countries where we operate.

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

By having a robust strategic social responsibility framework and

committing to open and transparent engagement, Oil Search aspires to meet society's expectations, deliver against our corporate strategy and achieve our vision.

DELIVERING 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 social responsibility approach supports this vision by promoting local stability. We focus on achieving measurable goals as part of our contribution to socio-economic development and reflect our commitment to continuously improving performance while also engaging and empowering employees.

One of the key strengths of Oil Search's sustainable business success is its ability to adapt to evolving market conditions and expectations, which we believe also present new opportunities. In the first half of 2020 we are conducting a comprehensive strategic review which will assess the optimal configuration of our business, the energy transition and Oil Search's role in providing reliable and cleaner energy.





**Community
Affairs**

**DELIVERING STRATEGICALLY
ALIGNED ACTION**



**ENHANCING OUR
ENGAGEMENT APPROACH**

Successful stakeholder management is a key element in Oil Search’s business success. From local communities to government agencies, we have a long track record of building strong, mutually respectful relationships with key stakeholders. Through regular communication and engagement, we keep up with their priorities and concerns, make sure we respond quickly and appropriately, and keep them informed about what we are doing and why we are doing it.

In 2019, we strengthened and articulated more clearly our stakeholder engagement capability and processes.

As part of the changes, a new corporate External Affairs (EA) team was introduced to support the external affairs teams embedded in our PNG and Alaska Business Units. This will help us to maintain a consistent stakeholder engagement philosophy and approach across the business.

We also developed an organisation-wide grievance management procedure and process for external stakeholders, using the results of the 2018 review of our community engagement and grievance management practices and processes. The new procedure outlines the process and mechanisms for capturing, assessing, escalating and responding to a broad range of issues raised by

external stakeholders. Implementation of the new grievance management system has commenced, which will improve the transparency, oversight and consistency of stakeholder issues management from receipt to resolution.



We are committed to helping preserve the local community’s subsistence lifestyle and culture and ensuring all stakeholders benefit from the Pikka Unit Development.

Alaska

With business activity ramping up for our 30-year investment in Alaska, a major focus during 2019 was building stakeholder relationships by working closely with the community to understand their needs.

We are committed to helping preserve the local community’s subsistence lifestyle and culture and ensuring all stakeholders benefit from the Pikka Unit Development.

Expanding local resources

To support these goals, we expanded our Alaska EA team to reflect the variety and depth of project stakeholders. Nine industry professionals joined the team, providing significant government experience and extensive local knowledge of, and connections with, the Nuiqsut community.

A key position was the new full-time Community Liaison Officer, whose role was crucial in facilitating questions and concerns and fostering two-way dialogue between Oil Search and Alaska North Slope communities during the year.

Priorities in 2019

- ▶ Fostering meaningful and lasting community partnerships, maximising cooperation and mutual understanding.
- ▶ Communicating Oil Search’s sincere commitment to working closely with local partners and communities toward positive outcomes and a sustainable impact that lasts beyond the lives of our projects.
- ▶ Engaging with local people and businesses, including area and regional industry operators, to build our collective ability and capacity to fulfil employment opportunities through local and regional hiring.

- ▶ As part of the wider BU team, working closely with local, state and federal governments to secure the required permits for our winter exploratory programmes and progress plans for constructing the Pikka Unit Development. Receiving the United States Army Corps of Engineers (USACE) Record of Decision (ROD) for the project's Environmental Impact Statement and Borough approval for the Master Plan, along with signing the Land Use Agreement with Kuukpik (the Nuiqsut Village Corporation), were key achievements.

Regular communications

In April, we began producing and distributing the monthly *Oil Search Bulletin*. This provides local people with operations updates, community activity information and job and training opportunities. The *Bulletin* is posted on a community Facebook page and printed and mailed to every household.

To further our Alaskan team's understanding of local culture, we printed *Nuiqsut Heritage: A Cultural Plan* — also known as the *Paisanich* — a natural history of the community of Nuiqsut. This was distributed to leaders in our drilling and Alaskan Business Unit teams and to the Oil Search Executive Leadership Team.

PNG

In PNG, the focal point for our EA team was creating a stable operating environment and value for our shareholders in a way that was both socially responsible and accommodated political changes.

Priorities in 2019

- ▶ Actively pursuing key government and stakeholder alignment and support for growth and expansion projects, including those that had been agreed with the previous government. The new PNG Government leadership team validated the terms of the landmark Gas Agreement for the Papua LNG Project in May.

- ▶ Disappointingly, despite lengthy discussions with the PNG Government's State Negotiating Team, agreement on appropriate terms for the P'nyang Gas Agreement was not reached and formal talks were suspended on 31 January 2020. Since that time, both ExxonMobil and Total (as operators of PRL 3 and Papua LNG, respectively) have indicated their continued support for the existing three-train integrated development. The project proponents, including Oil Search, strongly believe that the optimal way of developing both the P'nyang field and the Papua LNG Project is through the integrated development, which creates substantial value for all stakeholders.

- ▶ We are working closely with our partners and the PNG Government, to help facilitate re-engagement on the P'nyang Gas Agreement and ensure that the integrated three-train development proceeds into Front-end Engineering Design (FEED) in a timely manner.
- ▶ Proactively engaging with stakeholders and landowners, including the management and de-escalation of landowner grievances. We progressively addressed a number of outstanding landowner grievances, resulting in the signing of a return-to-service agreement with Moran Oilfield landowners.

We also continued enhancing the stakeholder engagement and community development capability of our PNG Community Affairs staff during the year. Sixteen team members received training that enhanced key strengths:

- ▶ Effective community consultation and engagement.
- ▶ Local community stakeholder mapping and data collection.
- ▶ Planning and measuring community development project impacts.

Three additional workshops of the same training will be convened in 2020, targeting 30 Community Affairs staff.

Industry collaboration

Oil Search collaborates and actively engages with peers to facilitate greater understanding of community engagement and other issues related to the industry.

During 2019, we continued to be active members of IPIECA and the Global Compact Network Australia (GCNA) and to be involved in several task forces and working groups. These forums provide a strong platform for multi-stakeholder dialogue and an opportunity to discuss challenges, tools and guidance.

OIL SEARCH'S STAKEHOLDER INTERACTIONS IN 2019

Oil Search engages with governments, investors, business partners, non-government organisations (NGOs), communities, our people and other stakeholder groups so we can better understand the potential impacts and opportunities of our activities and any stakeholder concerns. By taking part in ongoing engagements and discussions during the year we addressed emerging risks by ensuring our strategy, public reporting and grievance management processes met stakeholder expectations.

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 2019
<ul style="list-style-type: none"> ▶ Permits, agreements and licences ▶ Land access rights ▶ Regulatory policy, compliance and management ▶ Protecting secure and stable operating environment ▶ Effective governance and judicial system ▶ Licence to operate ▶ Investor and partner for development ▶ Fiscal stability 	<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 ▶ Improving governance and transparency 	<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, plan submission, lessee, and permits ▶ Infrastructure Tax Credit Scheme submissions and reviews 	<ul style="list-style-type: none"> ▶ Permits and approvals ▶ Tax policy ▶ Security ▶ Nationalisation of resources ▶ Loans and dividends ▶ Papua LNG Gas Agreement execution and review ▶ PNG foreign exchange issues ▶ Partnership opportunities ▶ Earthquake assistance ▶ Infrastructure delivery ▶ Energy policy and climate change ▶ Benefits distribution

SHAREHOLDERS, ANALYSTS AND THIRD-PARTY BENCHMARKS

WHY THEY ARE IMPORTANT TO US	WHY ENGAGEMENT IS IMPORTANT TO THEM	HOW WE INTERACT	KEY TOPICS IN 2019
<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 in key domestic and international locations ▶ Annual field trips to operations ▶ Responses to reports, questionnaires, benchmarks, rankings and information requests ▶ Annual regulatory and voluntary reports, website and social media 	<ul style="list-style-type: none"> ▶ Papua LNG Project Gas Agreement ▶ P'nyang Gas Agreement ▶ PNG domestic political stability ▶ PNG foreign exchange issues ▶ Organisational restructure ▶ Alaska resource potential, appraisal programme, development path ▶ Oil price ▶ Climate change

BUSINESS PARTNERS, SUPPLIERS AND CONTRACTORS

WHY THEY ARE IMPORTANT TO US	WHY ENGAGEMENT IS IMPORTANT TO THEM	HOW WE INTERACT	KEY TOPICS IN 2019
<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 practice 	<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 Lancos ▶ Contract and procurement management ▶ Compliance reviews 	<ul style="list-style-type: none"> ▶ Local business opportunities ▶ Capability development ▶ Local employment ▶ Potential partnerships ▶ Logistical challenges and solutions ▶ Personnel safety ▶ 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 2019
<ul style="list-style-type: none"> ▶ Directly and indirectly impacted by our activities ▶ Maintain a stable and safe operating environment ▶ Diverse and resilient local economies ▶ Provide employees, suppliers, services and equipment ▶ Risk management ▶ Local knowledge ▶ Influence on regulators, Lancos and NGOs. 	<ul style="list-style-type: none"> ▶ Directly and indirectly impacted by our activities ▶ Business and employment opportunities ▶ Development opportunities and partnering ▶ Community shareholding participation ▶ Economic development ▶ Public-Private Partnerships 	<ul style="list-style-type: none"> ▶ Community/Village Liaison Officer roles, networks and committees ▶ Regular visits to villages/towns ▶ Sponsor community activities and events ▶ 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"> ▶ Access to infrastructure and services ▶ Delivery of community projects ▶ Project development feedback ▶ Land access and compensation ▶ Employment, education, training and business opportunities ▶ PNG benefits distribution ▶ Implementation of PNG Government commitments

OUR PEOPLE

WHY THEY ARE IMPORTANT TO US	WHY ENGAGEMENT IS IMPORTANT TO THEM	HOW WE INTERACT	KEY TOPICS IN 2019
<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 ▶ Organisational restructure ▶ Safety and sustainability ▶ Diversity and inclusion ▶ Citizen development ▶ Employee development opportunities ▶ Workplace flexibility

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 2019
<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 skillsets 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 ▶ Human rights and modern slavery ▶ Sustainable development priorities and partnership opportunities ▶ Climate change ▶ Human rights ▶ Taxation ▶ Women’s empowerment and protection, family and sexual violence



MAKING LIVES BETTER

*COLLABORATIVE, PRACTICAL
AND RESOURCEFUL*

Oil Search aspires to be at the forefront of working with local communities and sustainable development, a responsible corporate citizen and to deliver value to communities, including how we plan, develop and carry out life-changing projects and programmes.

We invest in community projects and create social investment programmes that align with local needs and our business activities. As well as maintaining a stable operating environment, this is a powerful way to improve social and economic conditions in countries where we operate and provide sustainable benefits to communities.

We engage with governments, local communities and non-governmental organisations to identify opportunities to do this. Working closely with local people and authorities, we plan and deliver sustainable projects that make life better for individuals and communities. Every day, Oil Search supports local small businesses, enables access to better health and education,

develops skills and provides training to local people, encourages women's empowerment and improves local and national infrastructure.

Partnerships are one reason for our success. As a long-term Operator, we have spent decades building strong, mutually respectful local relationships. By collaborating with governments, land owners, NGOs, development partners and our industry peers, we can pool resources, knowledge and skills and broaden our reach. Together, we have a greater positive social impact than as individual organisations.

This socially responsible approach to doing business is important for Oil Search and its future and has helped to shape our past. After 90 years, we have a proud legacy of sustainable development, particularly in PNG.

From providing Southern Highlands villages with access to power for the first time to rebuilding damaged communal buildings after natural disasters, we are committed to supporting local communities and businesses, building a workforce that draws from local and other PNG communities and working to maximise our social impact while minimising our environmental footprint.





2019 PERFORMANCE SUMMARY



US\$628M

total socio-economic contributions in PNG and the USA



~150

Alaskan young people attended our sponsored basketball camps at the Nuiqsut Trapper School



US\$6M

value of infrastructure projects delivered by Oil Search under PNG's ITCS



PNG'S FIRST GRID-CONNECTED GAS-FIRED POWER STATION

commissioned in Port Moresby by NiuPower, a 50:50 joint venture between Oil Search and Kumul Energy



US\$15M

contributed to the Oil Search Foundation



CLIMATE VULNERABILITY ASSESSMENT TOOL

developed for PNG communities



1,650

survivors of family and sexual violence supported in PNG through OSF partnerships



~150

Children learned to read in three OSF-funded literacy libraries



100

Alaskan children and young people improved their skiing skills through an Oil Search supported programme

BETTER ACCESS TO CLEAN, AFFORDABLE POWER

In PNG, only around 13% of the population is connected to the electricity grid and much of the electricity is generated from diesel.

Oil Search helps to grow the PNG domestic energy supply, which in turn creates jobs, drives economic development and improves quality of life. We have worked on opportunities in PNG for renewable biomass energy, gas-fired power and domestic LNG distribution for power generation, transport and mining.

Our plans also support national development and climate change goals. The PNG Government has committed to providing 70% of households with access to electricity by 2030 and transitioning to 100% renewable energy by 2050.

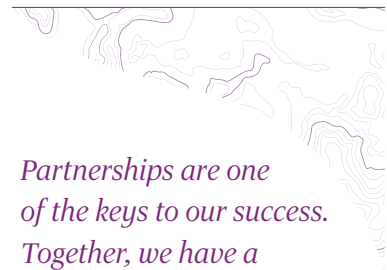
Oil Search’s commitment to making power distribution more efficient and cleaner continued in 2019, when we consolidated our activities to deliver a high-impact power plant project in Port Moresby and progress a renewable, biomass project in the Markham Valley.

NiuPower Port Moresby power station

In March 2019, NiuPower Ltd — which is owned 50:50 by Oil Search Power and Kumul Energy — completed the construction and commissioning of PNG’s first dedicated, grid-connected gas-fired power plant.

Construction of the 58 MW power station at Port Moresby was conducted to stringent environmental and safety standards. No recordable safety or environmental incidents occurred and there were no community disruptions. During the construction phase of the project, the workforce exceeded 300, of which over 80% were PNG citizens. Next to the PNG LNG facility, the power plant is fuelled by gas sourced from the PNG LNG joint venture facilities.

In late 2019, NiuPower was granted a generation licence by the PNG Government and began selling power



Partnerships are one of the keys to our success. Together, we have a greater positive social impact than as individual organisations.

to PNG Power Limited, a national electricity distributor. The Port Moresby power station currently supplies around 32 MW of electricity to the Port Moresby electricity grid, with plans to reach full 58 MW capacity during 2020, now that the new 80 MW transmission line is completed.

At full capacity, the plant can supply about 75% of Port Moresby’s average daily electricity requirements and generates the lowest-cost hydrocarbon fuelled power in the region. As it is powered by natural gas, it provides a much cleaner energy supply than the existing heavy oil and diesel fuels used for the majority of Port Moresby’s power generation needs.

PNG Biomass project

Underway in the Markham Valley in Morobe Province since 2011, this renewable project consists of a 30 MW biomass power plant integrated with dedicated sustainable forestry plantations to provide domestically sourced and generated biomass electricity for the Ramu Grid. In 2019, 750 hectares or approximately 1 million seedlings were planted, bringing the total trees planted since 2011 to 3.5 million. The plantations will be managed following sustainable forestry principles to maintain their full range of environmental, social and economic values in the long-term.

The power plant is designed to provide domestic low-emission renewable energy while providing local rural communities with substantial economic growth opportunities, so it supports our sustainable development and climate change goals.

Basic engineering work commenced in May 2019, and the layout and design is currently being updated. The project is in the process of validation and registration under the [Gold Standard of the Global Goals](#) and has the potential to generate approximately four million tonnes of carbon offsets over its life.



We expect to make a Financial Investment Decision on the PNG Biomass project mid-2020.

STRONGER HEALTH SERVICES

Most of Oil Search’s PNG operating locations are in rural and remote areas with challenged public health care services and infrastructure. Since 1992, we have directly provided or worked through the Oil Search Foundation (OSF) and their networks and partnerships to improve the health programmes and hospital services available to members of our local communities.

We do this work in a way that complements and helps to strengthen the public system. We also draw on Oil Search’s technical knowledge in areas such as infrastructure development and capacity building.

Partnering with PHAs to strengthen health governance

OSF supports government health service delivery through strong partnerships with Provincial Health Authorities (PHAs) in Hela, Gulf and Southern Highlands provinces. These partnerships succeed because they are built on transparency and collaboration and because we align our health service goals with those of the PNG Government.

Oil Search and OSF Board Directors hold chairperson positions on the governance bodies of the Hela and Southern Highlands PHAs. When the Gulf PHA was launched in July 2019, another OSF Board Director was appointed to its Board so OSF now chairs all three PHAs, which together are responsible for health service delivery for around 1 million people.

OSF’s close involvement in governance provides a strong foundation for helping the three PHAs and their respective health facilities to improve some of the worst health indicators in PNG by providing sustainable health service delivery in Oil Search project areas.

Among other activities, OSF:

- ▶ Supported financial governance reforms, leading to an increase in government funding flowing to health services
- ▶ Provided supplementary funding for doctors’ salaries to retain doctors in remote areas
- ▶ Managed and supported health facility infrastructure upgrades, including major work at Hela Provincial Hospital and Nipa-Kutubu-District Hospital
- ▶ Provided medical equipment
- ▶ Supported advisory and logistical support for improving public health and clinical governance
- ▶ Leveraged funding from other donors and government to support improvements in health.

Immunisation

In October, the Gulf PHA launched a three-year donor-funded Accelerated Immunisation and System Strengthening project in partnership with OSF, WHO and UNICEF. OSF will manage the grant funding for this project, working with the Gulf PHA to achieve routine immunisation programmes by 2022 for children aged under five years to increase immunisation coverage to 80% by 2022. This support will be extended to the Southern Highlands Province in 2020.

Wok Bung Wantaim

OSF’s partnership with the PNG Government, Australian Government and other donors working through the Wok Bung Wantaim (‘Working together in Partnership’) approach continued to improve health outcomes. In 2019, the partners:

- ▶ Supported Hela and Southern Highlands PHAs to meet national targets for delivering polio and measles vaccinations in both locations.
- ▶ Helped Hela PHA to implement service level agreements with all church-managed health services for the first time – 70% of Hela health facilities are managed by churches – by setting new targets and improving accountability for the use of health services funding.
- ▶ Mobilised clinical governance and executive management training for Hela PHA senior executives and middle managers under the Health Sector Services Development Program, which is funded by the Asian Development Bank.
- ▶ Leveraged US\$1 million from Open Members (of PNG Parliament) through District Development Authorities (DDAs) to support 17 health facility upgrades across Hela.

Improving outreach and service delivery

Around 85% of PNG’s population lives in remote areas such as the Southern Highlands and Hela, where the nearest health facilities can take days to reach by foot. OSF works with PHAs to plan and facilitate extended and integrated outreach patrols into very remote areas. In 2019, 15 extended patrols were conducted with partners, reaching over 40 communities and delivering 5,716 services.

Oil Search also provides medical support directly to members of the community in PNG by providing access to on-site clinics inclusive of emergency medivacs or patient transfer to primary

health care facilities if required. These services are a critical lifeline to isolated communities. In 2019, 3,651 community members, including members of employee’s families, were treated at an Oil Search clinic and 96 medical evacuations or transfers occurred.

Malaria

The Foundation continued to partner with Rotarians Against Malaria (RAM), which assists in keeping malaria rates low. Logistical support to RAM enabled delivery of bed nets, training for PHA staff, distribution of testing kits and treatment drugs to communities in Hela, Southern Highlands and Gulf provinces and keeping RAM informed of potential outbreaks in high-risk areas. These services helped to maintain low malaria rates in Oil Search project area communities and consequently in OSF sites.

Family planning

OSF’s partnership with, and funding for, Marie Stopes PNG, which commenced in 2017, has proved an outstanding success. Marie Stopes PNG provided 3,241 Couple Years Protection (CYP) through 1,087 family planning interventions in 2019.

CYP is the internationally accepted family planning measure used to estimate years of protection provided by different family planning interventions. It estimates the protection provided by contraceptive methods during a one-year period, based on the volume of all contraceptives sold or distributed free of charge to clients during that period.

The outcomes exceeded targets for family planning services in all three provinces by over 100%. Take-up rates in Hela Province exceeded expectations in the first six months of service delivery for the year, with over 90% of couples choosing extended protection, which was achieved through implants.

Expanding health infrastructure

Through our participation in the PNG Infrastructure Tax Credit Scheme (ITCS), Oil Search supports the PNG Government’s development, rehabilitation and maintenance of health care facilities in our project area communities.



15
remote outreach patrols facilitated delivering 5,716 services to over 40 communities

343
people completed six-month TB treatment courses

11,948
immunisations delivered to children under 1 year of age

During 2019, we continued to deliver critical health infrastructure in Hela Province. This included building new nurses’ accommodation and a hospital kitchen, installing new X-ray units in two hospitals, and renovating earthquake-damaged major health facilities. See page 29 for further information on Oil Search’s rehabilitation efforts following the 2018 earthquake.

Infrastructure improvements were also made to three health facilities in Kikori District, including renovations of Aid Posts that have been closed for nearly two decades.

Through OSF, Oil Search also supported the refurbishment of Basic Management Units for treating Tuberculosis (TB) in three health facilities in Hela and Kikori. This increased local people's access to diagnosis and treatment of what is becoming a major public health issue for many parts of PNG. Altogether, 343 people completed six-month TB treatment courses, a 37% increase from 2018.

MORE OPPORTUNITIES FOR LIFELONG EDUCATION

Access to education improves people's employment prospects and health outcomes. It also helps women to become more empowered. For communities, improving access to education promotes local stability and helps to provide Oil Search with a diverse and skilled workforce.

Education therefore plays a critical role in sustainable development and improving literacy and access to quality education in PNG remains a priority.

Our development activities help to increase awareness within project area communities of how important education is for adults and children. Together, Oil Search and OSF deliver many programmes that improve literacy, support education delivery and increase participation by children, young people and adults.

Building literacy libraries

Launched in partnership with Buk bilong Pikinini, the number of OSF-funded early childhood literacy libraries grew to three in 2019, with 148 children learning to read during the year. OSF are planning two more new libraries, in Samberigi and Pimaga in 2020.

Focused on empowering children through literacy, the library programme has provided the opportunity for more than 400 children to learn to read since it began.



The newest library is in Fugwa, a remote community in Hela Province. It is a joint venture between the Open Member of Parliament for Koroba/Kopiago and OSF and was completed in October 2019. The new literacy library building in Kikori which was completed in 2019, enrolled 112 children in early 2019 and 76 children completed a full year of classes. In Habare library in Hela, 78 children completed a full year of literacy classes.

Providing student scholarships

OSF completed the full implementation of its scholarship programme during the year. The scholarships focus on students studying medicine, nursing, community health, midwifery, education and business and financial management. They also offer opportunities to develop leadership skills through structured training, mentoring and work placements.

In 2019, 25 students completed their academic year through these scholarships including nine funded by the Australian Government. Nine 2018 scholarship recipients who graduated as medical doctors in early 2019 took up residencies in Provincial Hospitals across PNG. Three 2019 scholarship recipients who will graduate as medical doctors in early 2020 have been assigned to Hela Provincial Hospital as residents.

In addition to the new OSF programme, Oil Search continued its scholarship programme for young people from project area communities. Throughout 2019, we supported 111 young people to continue with their tertiary education in a range of disciplines.

Supporting the education system

During the year, OSF finalised a Memorandum of Understanding (MoU) with the National Department of Education to enhance the sustainability of its education programmes, support development of the 2020-2030 Education Plan and introduce a new education policy.

The Foundation also commenced discussions with the National Research Institute on establishing a school readiness research project and a baseline study of early childhood literacy.

Oil Search's Community Affairs team continued to support teachers from schools within the project impact area who must upgrade their training qualifications from certificate holder to diploma level to meet PNG Education Department qualification standards. In 2019, we supported 12 teachers to ensure that they could continue working in their communities.

EXPANDED SUPPORT FOR ALASKAN COMMUNITIES

As part of our sustainable development and community engagement programme for our Alaskan project area communities, Oil Search is promoting and supporting safety, health and wellness initiatives and contributing to community organisations.

Promoting healthier lifestyles

Throughout 2019, we worked to promote the need for young people and families in Nuiqsut (the community closest to our North Slope operations) to make informed and healthier choices.

Cycling

In August, we partnered with the Nuiqsut Fire Station to host the inaugural Kids’ Bike Safety and Tune Up Day, during which Oil Search employees and Fire Station staff:

- ▶ Ruffled bicycles.
- ▶ Provided free accessories such as helmets, locks, bells, streamers and water bottles.
- ▶ Worked directly with budding local bicycle mechanics to repair more than 40 bicycles.
- ▶ Built a cycling obstacle course and presented a helmet safety demonstration.
- ▶ Hosted a tour of the fire station.

Basketball

Challenge for Life is a North Slope organisation focused on helping Alaskans make positive life choices, such as through participation in various outdoor, family friendly sport programmes. In March and September, we partnered with Challenge for Life to host basketball camps at the Nuiqsut Trapper School. Altogether, these multi-day events featured 16 coaching clinics and two family tournaments. Around 150 young people and 40 adults attended. Given that the total population of Nuiqsut is about 430 people and 170 children and young people attend the school, these are significant figures.

Skiing

Many Alaskan children look forward to winter and spring as they love skiing. In April, Oil Search was the Nuiqsut sponsor for Skiku, an organisation that aims to get Alaskans healthy and active by skiing.

Skiku’s world-class Olympic athlete staff and volunteers provided cross-country ski clinics during and after school hours in April for around 100 students of all ages from the Nuiqsut Trapper School.

Supporting community organisations

Staffed by people with deep knowledge of local needs and wants, community-facing organisations provided an effective conduit for Oil Search’s support in 2019.

Local schools

We supported the Nuiqsut Early Learning Center (NELC) in its quest for state licensing by buying and delivering furniture, educational toys, computers, software and first aid kits. Once it is licensed, the NELC will be able to offer quality early learning opportunities to local families. We also provided first aid supplies to the Nuiqsut Trapper School.

Search and Rescue

Working with Nuiqsut Search and Rescue (SAR) to upscale, support and maintain their wider operations is a unique opportunity for Oil Search. Our support and investment will provide tangible benefits to the whole community and strengthen our relationship with community members.

After extensive discussion and collaboration with the Nuiqsut SAR team, our initiatives and support through 2019 included:

- ▶ Providing two outboard motors for their riverine and ocean rescue craft to replace defective or problematic motors.
- ▶ Delivering first responder medical kits.
- ▶ Commissioning and delivering two sled-based emergency shelters to Nuiqsut for key subsistence areas south and west of the village. The shelters have been equipped to meet Arctic conditions and include an emergency beacon, heating, sleeping fittings and anti-intrusion devices.



Respecting traditional and cultural celebrations

Oil Search worked with several community organisations to support cultural and traditional community celebrations throughout the year. Some focused on nationally and globally recognised holidays such as Christmas, Halloween and US Independence Day, while others were unique to Inupiat ties to the land and subsistence way of life.

They included those related to whaling. Oil Search respects the Inupiat whaling tradition. It is conducted in accordance with management practices defined by the International Whaling Commission — the global authority and leading research body on cetaceans as well as the regulation of whaling — and the Alaska Eskimo Whaling Commission, whose mission is to safeguard the bowhead whale and its habitat and to support the whaling activities and culture of its member communities.

During 2019, we supported whaling crews during their seasonal hunts by providing food, supplies, trauma kits and safety equipment to Whaling Captains in Nuiqsut and other North Slope communities. Oil Search was honoured to support and participate in multiple Nalukataqs (also known as the whaling festival or blanket toss) to celebrate the success of the whaling crew and Captain during the previous year's hunt and prepare for success ahead of their 2019 whaling season.

BUILDING CLIMATE RESILIENCE IN PNG COMMUNITIES

More than 90% of households in our PNG project area communities depend on income and nutrition from traditional subsistence living. They can be vulnerable to natural disasters or incremental changes caused by climate change, such as droughts and floods.

They are not alone. Around the world, the changing nature, size and frequency of natural disasters is affecting communities and changing how they manage the impact.

To support our climate change and sustainable development priorities, we are helping communities in our project area communities to become more resilient to the impact of climate change and to manage natural disasters.

We do this through Public-Private Partnerships that provide them with access to a range of resources, skilled services, emergency response and redevelopment, and in-kind donations.

Partnering with experts

Since 2018, Oil Search has partnered with PNG's Climate Change and Development Authority (CCDA) under a Memorandum of Understanding (MoU). Together, we are developing and demonstrating climate adaptation initiatives that contribute to the resilience of PNG communities. We are collaborating over climate change adaptation, sharing and leveraging knowledge, and contributing to PNG's National Determined Contributions adaptation targets.

In 2019, we began assessing and planning our first joint project. It is a small-scale community agriculture, food and water security programme designed to adapt Southern Highlands Province communities to climate extremities. Due to the Pacific Monsoon and El Niño Southern Oscillation, climate and weather extremes such as drought, frost, increased surface temperatures and heavy rainfall need to be considered for these and other communities.

We are working with the CCDA to develop a climate vulnerability assessment tool to help identify critical climate change risks impacting these communities and the potential adaptation opportunities. We will conduct a climate change vulnerability and adaptation assessment using the findings in early 2020 for one pilot community in the Southern Highlands.

What we learn from this assessment will help to inform a community climate change adaptation plan that identifies, conceptualises and designs potential

options for on-the-ground adaptation initiatives that align with our existing community development projects. In future, we plan to use the vulnerability and adaptation tool as part of our community assessment programmes.

Sharing our research

In early 2019, OSF held a summit with PNG agriculture experts so both groups could better understand the risks and opportunities for agriculture programmes in PNG and how OSF and Oil Search can best contribute.

Oil Search presented preliminary findings from our Physical Climate Change Risk Assessment project (see page 34) and discussed different climate change scenarios and the associated projected climate change risks.

This new climate change information will enable the experts to develop agriculture options that are robust under a range of climate change pathways.

IMPROVED LOCAL BUSINESS OPPORTUNITIES

Oil Search is committed to creating job opportunities and growing local businesses in the rural and remote communities in which we operate. In these communities, there are often just a handful of employers and limited opportunities for locals to build a meaningful business or enjoy good employment prospects. We aim to maximise the involvement of local businesses in opportunities that arise from our operations.

This approach has several benefits, including:

- ▶ Contributes to host communities' economic development.
- ▶ Supports our operational stability.
- ▶ Helps to mitigate landowner-related conflict.
- ▶ Helps small-to-medium enterprise development.

We continued working with local business owners throughout 2019 to mutually explore the opportunities and expectations when working together.

PNG Landowner Company workshops

During 2019, Oil Search conducted two workshops with the senior managers of 16 PNG Landowner Company (Lancos) that currently service our operating areas. We shared experiences and challenges associated with working in remote environments and identified opportunities for efficiencies and improvement

Some Lanco representatives described how they had successfully diversified into new business activities. For example, Trans Wonderland — a transportation, logistics and technical services company — has branched out into shipping, aerial imaging and data gathering services and expanded its reach into the Asia-Pacific region. Its success meant it was able to pay US\$886,000 in dividends to shareholders on its 10-year anniversary.

Alaskan strategy development

Oil Search continued developing a local business strategy to maximise the value and opportunities for local suppliers and support our commitment

to providing opportunities for Kuukpik shareholders, subsidiaries and partner companies and residents of Nuiqsut and the North Slope.

As part of the strategy development, we conducted contractor workshops and facility visits to discuss our values, charters, planning processes, mobility efforts, contracting processes and lessons learned. Our aim was to manage any business opportunities and Oil Search’s processes collaboratively.

ENHANCED PROTECTION FOR WOMEN AND FAMILIES

PNG experiences high levels of gender-based violence, especially family and sexual violence (FSV) directed against women and children. An estimated two-thirds of women across both rural and urban areas experience sexual violence at some time.

FSV has a big impact on many women in our host communities and within our workforce. It threatens the stabilising role women perform in PNG communities and is one of the biggest obstacles to women’s empowerment and economic advancement.

During 2019, OSF and its partners ensured more women and families received information and support to help them address this violence and lead positive change within their communities.

Employee survey

A gender baseline survey conducted by OSF among our PNG employees during 2019 received a 33% response rate. It showed a high level of awareness of FSV and a high interest in improving knowledge of how to seek help and address violence. This analysis will assist us in tailoring training and awareness programmes for our employees, supervisors and managers.

FSV training and awareness

In 2019, OSF supported multiple FSV training and awareness programmes in PNG:

- ▶ Supported training by the Department of Justice and Attorney General and the National Family and Sexual Violence Action Committee on the Family Protection Act for Police from Southern Highlands and Village Court Officials from Kutubu and Kikori.

SUPPORTING LOCAL FOOD PRODUCERS

Obtaining enough quality fresh fruit and vegetables from local communities in remote areas can be difficult, leading to supply inconsistencies. Therefore, most of the produce used by Oil Search’s catering services is sourced from provinces outside our project areas.

In 2019, we signed a tripartite Memorandum of Understanding (MoU) between PNG Mining and Petroleum Hospitality Services (PNGMPHS) and the Fresh Produce Development Agency (FPDA) to establish a consistent supply of good-quality produce from local entrepreneurs. The agreement will provide employment opportunities and income streams for local community members, particularly women.

The FPDA is conducting a scoping study to obtain baseline information that will inform the interventions needed to support local farmers, enhance their capabilities and increase their fresh produce production income.

As part of the MoU, a Fresh Produce Development project has been established to build on existing sustainable agriculture programmes within Oil Search. It will be supported by FPDA training in vegetable and fruit production, harvesting, packaging and marketing.

PNGMPHS will provide the quality control and set food quality standards, and its catering services will buy eggs, produce and materials from Oil Search’s Women in Sustainable Agriculture Programme participants.

- ▶ Conducted awareness sessions for over 2,000 employees of 13 companies subscribing to Bel isi PNG.

Family Support Centres

Hela PHAs’ Family Support Centre (FSC) provides emergency medical and psychosocial care for women and children experiencing FSV. OSF provides additional funding support to the FSC to employ a counsellor and a Health Extension Officer to provide medical assessments. It also funds two Public Health Officers to run community awareness and training sessions on FSV in communities across Hela.

During 2019, there was a 100% increase in new clients at the Hela FSC from 2018. Altogether, there were 1,250 new clients and a total of 2,720 services provided. This reflects an increase in the Centre’s capacity and ability to provide essential support to survivors of family and sexual violence.

OSF is supporting Southern Highlands and Hela PHAs to expand the FSC network into District Hospitals in Hela and Southern Highlands Provinces in 2020.

Case management support and safe house accommodation

The Bel isi PNG (‘Peaceful PNG’) initiative was launched in 2018 to provide case management services and emergency accommodation for survivors of family

and sexual violence. Bel isi PNG is a public, private, civil society partnership jointly funded by OSF, the Australian Government, Bank of South Pacific, Steamships and subscriptions from large employers.

During 2019, referrals to Bel isi PNG continued to grow, exceeding annual targets by 25%, with around 25% of referrals from subscribing companies. Thirteen companies have subscribed to Bel isi PNG since its inception and over 400 people have accessed Bel isi PNG services since October 2018.

OSF supported renovations to two local and longstanding safe houses in Port Moresby leveraging funding from partners and fund-raising efforts. These were the first renovations in nearly two decades.

Champions of Change

Developed and driven by OSF, the Champions of Change initiative aims to create positive change. It offers small grant funding, information and toolkits to our employees so they can drive change in their communities.

In 2019, 34 PNG employees participated, an 89% increase on 2018. They used the funding for projects addressing access to clean water, solar power, small scale agriculture, family violence, community education and health promotion, and drug and alcohol issues.

EXPANDED INFRASTRUCTURE

Oil Search further supported the socio-economic development of PNG in 2019 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 were funded under the ITCS and the National Infrastructure Tax Credit Scheme (NITCS). During the year, the PNG Government continued reviewing the ITCS legislation to:

- ▶ Align it with other government infrastructure priorities.
- ▶ Expand its scope to all provinces.
- ▶ Increase the eligible tax credit percentage from 0.75% to 2%.

Implementation guidelines and review findings are under discussion within PNG Government. Some ITCS projects are on hold until this process is completed.

Major projects progressed

In 2019, we progressed infrastructure projects worth an estimated US\$6 million, including:

- ▶ **Kupiano Hospital redevelopment**
Completed an administration and a power generation building, laundry and shower blocks. We also began building general, maternity, outpatient and emergency wards.



REBUILDING A COMMUNITY

Yalanda, a small Southern Highlands village with a population of 1,300 people, was severely impacted by the earthquake. Six villagers died, many were injured and more than 600 were relocated.

While the people of Yalanda are now spread across three different locations, the community is determining its future with support from OSF and assistance from NGO and government partners.

In 2019, they all worked together to ensure there was enough food, safe water and sanitation, access to health services and the right equipment for rebuilding homes, schools, and gardens by:

- ▶ Conducting health and environmental assessments and delivering basic health services.
- ▶ Installing four water tanks, constructing four rainwater catchments, repairing eight pit latrines and addressing hygiene practices in the communities.

- ▶ Distributing food supplies, including nutritional supplements for children and pregnant women.
- ▶ Providing temporary shelter kits and building tools, solar lights and female hygiene kits.
- ▶ Training community members in rebuilding safely.
- ▶ Conducting awareness campaigns on hygiene, family planning, malaria, HIV and TB prevention.
- ▶ Working with the Provincial Government and PHA to restore education and health services.

The partners are currently collaborating with the National Agricultural Research Institute (NARI) and the Department of Agriculture and Livestock to assist with enterprise development within the community. They are also helping to restore Yalanda's school classrooms and footbridge.

- ▶ **Komo-Ajakaiba road and bridges** Completed five river crossings, including two bridges, two culverts and one causeway. We expect this project to be completed in early 2020.
- ▶ **Mendi police housing** Began working on Police housing in Mendi, Southern Highlands Province, which includes 20 houses and two single-person barracks. This project is scheduled for completion in 2020.

Outside of the ITCS, Oil Search supported OSF in delivering over US\$4.5 million of infrastructure. This included completing nurses' accommodation and a kitchen mess at Hela Hospital, starting work on an Accident and Emergency Building at Hela, and constructing the Kikori Literacy Library.

REHABILITATION EFFORTS FOLLOWING THE 2018 EARTHQUAKE

On 26 February 2018, an earthquake measuring 7.5 on the Richter scale struck the PNG Highlands causing substantial damage to Southern Highlands, Hela, Gulf and Western provinces with some consequential impact of debris on rivers in Gulf Province.

With 90 years of experience in helping our project area communities after natural disasters, Oil Search was well-placed to support the PNG Government and local authorities as they dealt with the results. Alongside OSF, we provided comprehensive earthquake recovery support, accounting for nearly 80% of all first responder and follow-up aid to local communities in the following weeks and months across 2018.

In 2019, we turned our attention to rehabilitation by working closely with governments, partners, donors and communities. We concentrated on rebuilding homes, re-establishing schools and small businesses and restoring water supplies.

Together with OSF, Oil Search:

- ▶ Began work at Koroba and Kopiago health facilities to undertake extensive renovations and construction of new buildings following a detailed earthquake damage engineering assessment of all health facilities in Hela Province.
- ▶ Delivered and installed containerised Aid Posts for the remote Huiya, Dodomona and Mologu communities, which were severely affected. This work was completed with support from the Australian Government and PNG Emergency Controller's Office.
- ▶ Delivered and installed 126 water tanks in health facilities, schools and churches in Hela Province, exceeding the target agreed with the Emergency Controller's Office.
- ▶ Supported the rebuilding of Kutubu Secondary School so 700 students could return to classes after more than ten months without schooling.



PROUD OF WHAT WE DO AND HOW WE DO IT

*PARTNERSHIP, COLLABORATION
AND CONTINUOUS IMPROVEMENT*

When managing our most important social responsibility issues, Oil Search believes in consulting and collaborating with stakeholders, measuring outcomes and analysing lessons learned. Our years of experience have shown that this is the best way to deliver effective, pragmatic projects and programmes and keep improving our performance. We take this approach whether we are focused on safety, human rights, the environment or climate change.

By seeking to adopt industry best practice, we aim to exceed stakeholder expectations for environmental and social performance wherever we can.

PRIORITISING SAFETY

The diverse and sometimes extreme nature and location of our operations means Oil Search faces unique safety challenges. We generally operate in remote areas, many of which are affected by environmental factors such as dense, steep jungle and Arctic terrain.

Our complex supply chain involves multiple contractors who transport personnel and equipment using rivers, bush tracks, ice roads and helicopters. Occasionally, natural disasters such as landslips, flooding and earthquakes impact our operations, such as the 2018 earthquake in PNG.

Mitigating and managing the related risks to the safety of our workforce and local communities is an ongoing challenge.





Mitigating and managing the related risks to the safety of our workforce and local communities is an ongoing challenge.

2019 PERFORMANCE SUMMARY



COMPLETED
Physical Climate
Change Risk
Assessment



TOP QUARTILE
of Carbon Tracker's
climate-resilient oil
and gas companies



US\$77M
in supplier and contractor
payments to PNG
Landowner Companies



0
Major non-conformances
in ISO 14001 audit



1.7
Total Recordable
Injury Rate (TRIR)



FINAL APPROVAL
for Nanushuk (Pikka Unit
Development) Project
Environmental Impact
Statement (EIS)



36%
decrease in high
potential incident
frequency rate
to 0.72



UPDATED
our Human Rights
Impact Assessment



5
Tier 1/Tier 2 process
safety events in our
PNG operations



Workplace safety

In 2019 in PNG, we continued to recover from the 2018 earthquake while simultaneously conducting several activities in operationally challenging regions, including the second phase of the Eastern Foldbelt heli-supported seismic programme, the Muruk 2 well drilling completion and offshore diving works. In Alaska, during our inaugural season of winter activities, we successfully constructed 42 km of ice roads to provide winter access and drilled two appraisal wells with no recordable injuries and no high potential (HiPo) incidents.

While we are aware of the risks associated with operating and exploring in challenging terrains, it is our goal to achieve zero recordable injuries, focusing on the safety of our staff and contractors across all our operations. Despite pockets of safety excellence across the business, our 2019 Company safety performance was below expectations. Our Total Recordable Injury Rate (TRIR) increased to 1.7 in 2019 from 1.58 in 2018. There were no fatalities and three lost time injuries recorded across our global activities, so the Lost Time Injury Rate (LTIR) increased to 0.27 in 2019 from 0.19 in 2018.

Our safety performance was challenged due to:

- ▶ Eight recordable injuries experienced on a remote jungle seismic programme. Our investigation analysis identified heat stress and fatigue as contributing to these incidents. We implemented a targeted improvement programme that focused on applying lessons learned from incident investigations. This resulted in an improvement in performance over the course of the campaign.
- ▶ Three marine-related incidents that prompted a review of our marine vessel selection and contractor pre-qualification processes for offshore works.
- ▶ Several incidents related to contractor management and supervision. In PNG we held a Safety Summit in July 2019 that was attended by Oil Search representatives and our service partners to reset and refocus for the second half of the year, with positive results such as fewer HiPo incidents.

While the injury frequency rate increased, the HiPo incident frequency rate decreased, falling to 0.72 in 2019 from 1.11 in 2018. This reflects our

commitment to minimising exposure to high risk activities — those with the potential to result in serious injury or fatal consequences. All HiPo incidents are subject to detailed incident investigation and analysis and we develop 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 2019, we:

- ▶ Revised our Company Life Saving Rules to align with International Association of Oil and Gas Producers (IOGP) industry best practice guidelines.
- ▶ Developed improved governance processes for land transportation, marine and aviation activities.
- ▶ Revised our approach to learning from incidents.

Our key focus areas for 2020 include:

- ▶ Visible and proactive safety leadership.
- ▶ Using data-driven insights to prioritise controlling our highest risks.

- ▶ Applying our recently implemented HSES Event Reporting and Investigation Procedure to improve the quality of incident investigations and learnings.

Process safety

Oil Search’s approach to process safety focuses on managing the hydrocarbon loss of containment hazards that are associated with drilling and production activities. Our Process Safety Framework for managing these hazards ensures robust controls are in place to mitigate them.

Our key process safety focus areas in 2019 were maintaining safe and reliable production from our PNG operating assets after return to service from the 2018 earthquake; well control during PNG and Alaska drilling activities; and the well integrity of PNG operating wells.

During the year, we recorded one Tier 1 PSE and four Tier 2 process safety events (PSEs) in our PNG production operations. Two of the Tier 2 PSEs related to ‘return to service’ activities

in the production facilities following the earthquake. To lead a step-change improvement in process safety management, we established a Process Safety Taskforce. The taskforce revised the Process Safety Steering Committee Charter and developed a targeted set of key performance indicators to support performance improvement. No PSEs were recorded in Alaska.

Our focus in 2020 will be the Process Safety Framework review and its application to both our existing operations in PNG and our new development projects in Alaska and PNG.

Emergency preparedness and crisis management

Oil Search’s goal is to create a controlled work environment where our people and assets are safe and our operations have minimal impact on the environment and project area communities.

During unplanned events, contingency measures such a robust emergency

and crisis response planning become critically important as they mean we can act quickly and effectively to minimise any impact. Keeping the associated plans up-to-date and providing the dedicated personnel with regular training are essential.

During 2019, our crisis and emergency preparedness teams were updated and several training exercises were held in PNG, Alaska and our corporate headquarters.

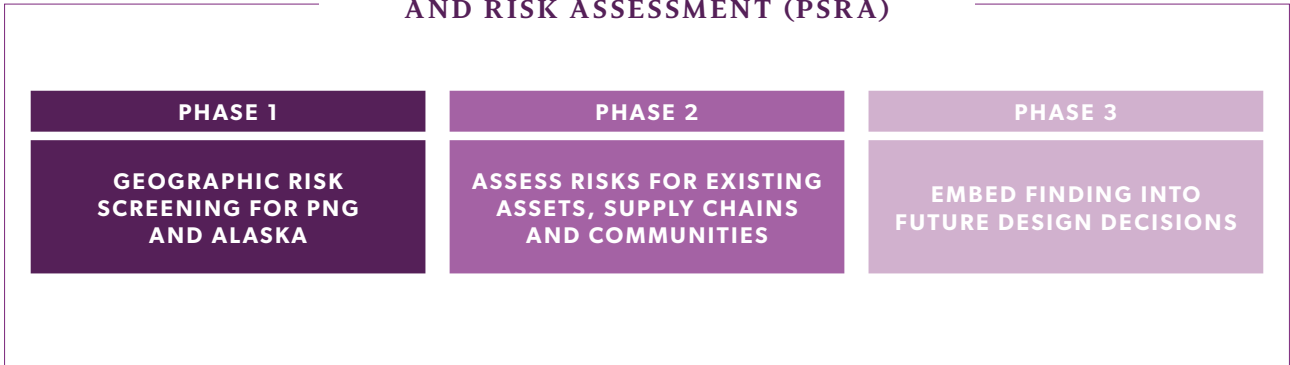
UNDERSTANDING PHYSICAL CLIMATE CHANGE RISKS

Oil Search’s assets, supply chains and project area communities in PNG and Alaska are exposed to the future physical impacts of climate change such as floods, landslides and drought. Understanding the location, nature and scale of these potential impacts is important if we are to help mitigate their impact.

We committed to completing a physical climate change risk assessment in our 2017 Climate Change Resilience Report.



PHYSICAL CLIMATE CHANGE SCENARIO AND RISK ASSESSMENT (PSRA)



To help assess and quantify the risks, we have begun a Physical Climate Change Scenario and Risk Assessment (PSRA) covering three elements.

Phase 1: Geographic risk screening

In 2019, we partnered with a specialist advisory and analytics company with expertise in climate change risk to complete Phase 1 of the PSRA.

Firstly, research was conducted on the availability of existing information sources. They found there are already reputable and useful climate change models and data for PNG and Alaska, particularly high-quality climate change data around climate change impacts to Alaska’s Arctic environment.

While there are fewer sources of climate data for PNG, they include the latest Intergovernmental Panel on Climate Change (IPCC) projections, which are provided by world-leading climate change institutions with strong scientific credentials.

In Phase 1, we also addressed the issue of the uncertainty inherent in all climate change models and studies. These models are continually improving but cannot predict future climate change conditions because:

- ▶ The scale of future greenhouse gas (GHG) emission reductions is unknown.
- ▶ Technology may change faster than currently anticipated.

- ▶ Scientific knowledge on how components of the climate system interact is continuing to improve.

While acknowledging this unavoidable uncertainty, Oil Search’s study focused on using the best available climate change information to assess the range of potential climate change futures and identify and implement adaptation actions that perform well under current and possible future climatic conditions.

For our analysis, we used a range of climate change scenarios to assess physical risk. They included the IPCC’s Representative Concentration Pathway (RCP) 8.5 ‘High Emission’ scenario and the RCP 6.0, RCP 4.5 and RCP 2.6 scenarios. The RCPs predict how GHG concentrations will change in the future.

Phase 1 of the project also identified the key geographic climate change risks for PNG and the North Slope of Alaska.

- ▶ The North Slope has already experienced temperatures increases more than twice the global average and is expected to face more warming under all climate change scenarios. Its key future climate change risks include temperature increases, melting permafrost and coastal erosion.
- ▶ Climate change impacts in PNG are less compared to Alaska. However, PNG is likely to experience increasing temperatures, more extreme weather and episodes of drought triggered by El Niño-Southern Oscillation events.

Phase 2: Assessing climate risks for existing assets, supply chains and communities

Phase 2 of the PSRA involved testing the identified geographic climate change risks with key internal stakeholders. These included representatives from our Drilling, Production, Safety, Community Affairs and Environment teams at corporate and Business Unit level. Our goal was to assess potential impacts on our assets, supply chains and communities.

The analysis demonstrated that under a high emission scenario, climate change is unlikely to have a material impact on Oil Search’s PNG assets or production. In Alaska, it will be considered as a part of asset design.

While our physical assets may be resilient, the communities surrounding them may be more exposed to climate change risk. For example, as temperatures increase, we expect incidences of malaria to increase in already at-risk areas and to expand into previously risk-free areas such as the Central Highlands. By 2050, PNG may experience malaria outbreaks in Highland areas at elevations below 2,100 metres.

The increasing frequency and magnitude of extreme events (e.g. floods and landslides) is likely to increase the hazard posed to human settlements and the ecosystems and infrastructure they depend on. Such events can damage water, sanitation and health-related infrastructure,



increasing indirect risk to human health wherever communities lack clean water, safe food or basic health care. The risk of vector-borne diseases and pests increases during wetter periods and droughts caused by El Niño events (such as occurred in 2012) can lead to disease outbreaks and ill-health, especially in areas with poor water, sanitation and health care services. See page 26, for information on the progress Oil Search made in this area in 2019.

Phase 3: Embedding physical climate risk considerations into design decisions

To ensure future projects consider physical climate change risk, all new Oil Search projects must identify and assess potential impacts from climate variability on new facilities and infrastructure as part of the engineering risk management process. Phase 3 of the PSRA supported this process by starting to embed PSRA findings into future design decisions.

During 2019, senior representatives from Alaska considered the potential physical climate change risks under different climate change scenarios, discussed the findings of the risk assessment and

included potential future climate change impacts in the Pikka Unit Development Project design.

We plan to further embed physical climate findings into our existing business processes in 2020. This will help ensure we manage physical climate change risk in the same way as other material business risks.

ADDRESSING OPERATING EMISSIONS PERFORMANCE

Oil Search is committed to protecting air quality by managing emissions from our operations and contributing to improvements.

Incentivising proactive management

As a further component of Oil Search’s commitment to managing climate-related risks, we included a new metric in our executive Short-Term Incentive (STI) scheme in 2019 to encourage proactive management of methane emissions in our PNG operating assets.

Methane Assessment Project

We initiated a Methane Assessment Project that included:

- ▶ Developing a new, externally assured methane venting reporting methodology to improve our methane emissions reporting and accuracy.
- ▶ A desktop review of our PNG operating assets, including examining the asset equipment and plant design to identify other potential sources of methane emissions.
- ▶ Site visits to all PNG operated facilities to confirm our desktop findings and workshop methane assessment and reduction opportunities with site superintendents.

As a result of this work, we identified short- and medium-term opportunities to reduce methane emissions and developed a work plan to assess and evaluate their implementation in 2020.

Measuring emissions

Oil Search’s operated greenhouse gas (GHG) emissions intensity in 2019 of 44.8 ktCO₂e/mmboe was similar to our performance in 2018 of 44.0 ktCO₂e/mmboe. Total GHG emissions

increased 5% in 2019 from 570,000 Tonnes CO₂e in 2018 to 598,000 in 2019. The increase in GHG emissions expected for 2019 as a result of a return to full production after the earthquake in 2018 was less than expected due to the production impacts associated with issues with the mooring buoy at the Kumul Marine Terminal.

In 2019 we expanded our air emissions reporting to include nitrogen dioxide (NO₂), sulphur dioxide (SO₂), and volatile organic compounds (VOCs).

Collaborating with our peers

Oil Search is an active member of IPIECA's Climate Change Working Group and is involved in several initiatives:

- ▶ The Adaptation Working Group, which is developing a physical climate change risk methodology for the oil and gas industry.
- ▶ The Methane Working Group, which is monitoring developments in methane reporting and learning good practice for reducing methane emissions.
- ▶ The Taskforce on Climate Change Scenarios, which we are leading.

WORKING WITH PARTNERS TO PROMOTE AND PROTECT HUMAN RIGHTS

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. We have been formally committed to the Voluntary Principles on Security and Human Rights (VPSHR) since being accepted as a corporate participant in the global Voluntary Principles in 2017.

Combatting human rights issues is an ongoing and evolving challenge. We completed an organisation-wide Human Rights Risk Assessment (HRA) in 2019. This examined the human rights risks and impacts associated with each type of our operational, corporate and supply chain activity. The results of HRA will inform the initiatives

being progressively addressed in our human rights plan. A summary of the key findings was presented to the Board in April.

Using the results of the 2018 review of our community engagement and grievance management practices and processes, we commenced implementation of a new organisation-wide grievance management procedure and process for external stakeholders. The new procedure outlines the process and mechanisms for capturing, assessing, escalating and responding to a broad range of issues raised by external stakeholders.

The development of a Human Rights Policy is scheduled for 2020, as a part of a broader Oil Search Company Policy refresh.

Responsible supply chain management

Responsible supply chain (RSC) management forms a key part of Oil Search's commitment to operating in alignment with the UN Guiding Principles on Business and Human Rights and our response to the Australian Government's Modern Slavery Act.

By adopting and improving RSC management processes, we aim to promote and protect the wellbeing of supply chain workers, local communities and the environment. This approach mitigates our business risks and builds trust with stakeholders.

During 2019, we focused on improving internal alignment, awareness and ownership of key RSC management objectives and progressing the development of the core elements of our RSC approach by:

- ▶ Identifying key internal stakeholders and convening the business-wide Responsible Sourcing Steering and Working Groups.
- ▶ Drafting and commencing internal consultation on our RSC expectations and performance standards.

- ▶ Developing an RSC supplier risk framework that considers key worker, community, environmental and ethical aspects, as identified in the HRA and other sources, such as the Global Slavery and Environmental Performance Indices.
- ▶ Analysing and preparing Oil Search supplier data and other materials, including a supplier self-assessment questionnaire, so we can conduct supply chain mapping.

In 2020, we will focus on mapping suppliers against the supplier risk framework and finalising the Oil Search responsible sourcing performance standards and procedures.

For more information on our approach to addressing modern slavery, see our [2019 Modern Slavery Statement](#).

Human rights training for security providers

During the year, we conducted 3,055 hours of training or induction sessions covering the Voluntary Principles and Oil Search Code of Conduct expectations with security personnel. This included 204 public, 201 contract, and 12 Oil Search security personnel in PNG and Alaska.

In 2019, Oil Search reported zero security related human rights incidents.

For more information on our approach and performance regarding human rights and security providers, see our [2019 VPSHR Report](#).

Throughout 2019, Oil Search again participated in the GCNA's Modern Slavery Community of Practice and the IPIECA Social Responsibility, Human Rights and Supply Chain Working Groups. These forums provide us with valuable opportunities to discuss human rights, modern slavery and supply chain challenges with our peers and others, as well as to contribute to tools and guidance.

STRENGTHENING ENVIRONMENTAL PROTECTION MEASURES

Extracting and processing hydrocarbons can pose a risk to the natural environment, so Oil Search’s facilities and management systems have been designed to mitigate and manage these risks.

High Priority Tracker

In 2019, we strengthened our governance around managing the environmental impacts of the 2018 earthquake by using a High Priority Tracker. This consolidated and prioritised requirements from our environmental permit, our Operational Plan, and findings from periodic ISO 14001 audits.

This process included reviewing and testing secondary containment structures (bunds) to determine their integrity following the earthquake and prioritising repairs for the bunds that were deemed critical to protect the environment.

Incinerator repairs

We rectified earthquake damage to one incinerator and began repairing the other. In late 2019, works on the main incinerator at Kutubu were

completed after additional burners were installed so it could be fuelled by diesel. In December 2019, this incinerator was back online. The waste-sharing agreement with Exxon Mobil, which was signed in 2018, was suspended for most of 2019, but was re-established after the incinerators were returned to operation.

Inspections, reviews and audits

A series of site inspections identified issues related to waste chemical management, hydrocarbon handling and housekeeping. Work is underway to reduce the inventory of waste chemicals stored onsite and to implement enhanced hazardous waste management disposal process.

We also conducted significant inspections and reviews to assess Oil Search’s environmental processes across our PNG drilling activities and logistics areas. These ensured we were prepared for the external ISO 14001 audit. This was completed in October, and no major non-conformances were reported.

Environmental compliance was part of our internal audit program in 2019. We carried out a compliance assessment for small construction projects within our operational areas. This identified

areas for improvement and better communication between our project teams and HSES teams.

Spills performance

In 2019 there were five spills greater than one barrel that reached the environment. Of these, all occurred in our PNG operations and were attributed to transportation activities or equipment damage. In Alaska, four spills totalling 80 litres were reported to the state and local governments, as per state law and permit conditions.

In October our Alaskan operations successfully conducted their second annual spill drill. The drill was witnessed by local, state and federal officials, and demonstrated Oil Search Alaska has appropriate spill response plans in place and is capable of executing those plans.

BUILDING STRONG ENVIRONMENTAL AND SOCIAL BASELINES

Oil Search is committed to ensuring we collect and understand the information we need to create a baseline from which to effectively manage and mitigate the potential social and environmental impact of our operations. This requires effective consultation, engagement and input from many stakeholders, including members of the local community prior to any project work commencing as well as throughout the life of our assets.

Laying the foundations in Alaska

During the year, we focused our efforts on:

- ▶ Ensuring the Alaskan Environmental Management System was ready to support our 2019-2020 winter activities.
- ▶ Identifying our resource requirements.
- ▶ Preparing the required Environmental Management Plans.
- ▶ Consulting with local stakeholders.

The year was characterised by a number of significant achievements that advanced the development of our Alaskan assets. So far, Oil Search has received approximately 100 local, State



and Federal permits primarily focused on the environment, supporting the Pikka Unit development project as well as two winter exploration seasons.

All the permits, agreements and approvals we obtained during 2019 were the result of focused and direct consultation and collaboration with local communities and extensive environmental and cultural studies and monitoring in the Pikka Unit project area. These have established baseline data and reinforced Oil Search's commitment to ensuring our Alaskan activities are conducted responsibly so that our presence has lasting benefits for local people and communities.

Collecting baseline data

In PNG, we undertook initial hydrogeological groundwater studies for Gobe and Kopi and a second-year groundwater assessment in the Kutubu area. These studies helped us to identify areas of potential risk to groundwater resources from our operations. We also completed environmental impact assessments for seismic activities and proposed construction activities.

Socio-economic baseline studies covering elements such as ecosystem services, health, and cultural heritage were completed in 2019 with 14



communities in the Kutubu area. This socio-economic data will be used by Oil Search in future project works planning to ensure projects are implemented in a manner that minimises negative impacts and optimises positive outcomes for communities. The in-depth demographic data gathered

will allow Oil Search to understand its neighbouring communities' makeup and infrastructure on the ground to inform planning of future community assistance programmes.

All these assessments are adding to our existing baseline data and helping us

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 2019, we supported biodiversity initiatives and offset programmes in PNG that included:

- ▶ Sponsoring the Yumi Kikori 2019 Invasive Tilapia Fishing Competition in October 2019. This biodiversity offset programme supports endemic fish in Lake Kutubu that are threatened by non-native tilapia fish.

- ▶ Participating in the Ramsar Advisory Mission, which was organised by the PNG Conservation and Environment Protection Agency to review and develop recommendations for improved management of the Lake Kutubu Wildlife Management Area.

During the year, we continued to participate in the Chamber of Mines and Petroleum Environmental Committee and IPIECA and IOGP environmental working groups to review biodiversity and other environmental issues and provide technical feedback.



KEY MILESTONES ACHIEVED IN ALASKA IN 2019

- ▶ *Federal Record of Decision:* We received the United States Army Corps of Engineers (USACE Record of Decision (ROD) for the Nanushuk (Pikka Unit Development) Project Environmental Impact Statement (EIS) in May, which allowed USACE to issue a permit for the Project. During the initial phase of the EIS process, USACE invited, and NVN accepted the invitation offer to become a cooperating agency. For more information about this cooperation and the related landowner consultation process, see Sections 3 and 5 of [Nanushuk Project Final EIS](#).
- ▶ *Kuukpik Corporation Land Use Agreement:* In October, we signed the final collaborative Land Use Agreement (LUA) with Kuukpik Corporation, the Village Corporation for Nuiqsut and surface land owner of nearly 14,000 acres of the Pikka Unit Development area. Nuiqsut is

the community located nearest to the development. An unprecedented agreement, the LUA ensures mutual benefits to Kuukpik and Oil Search, with a focus on protecting the land for subsistence use by residents of Nuiqsut and other North Slope communities so they can continue their traditional subsistence lifestyle.

- ▶ *North Slope Borough approval:* in December, the North Slope Borough Assembly (all the local government authorities of the Alaskan North Slope) unanimously approved the Master Plan for the development. This process also resulted in an amendment to the Borough zoning map to re-zone the land to a Resource Development District, which allows construction of the infrastructure we need to support the Pikka Unit Development.

minimise the disruption caused by our PNG operations to local communities and the environment.

In Alaska, we undertook a significant summer field work programme in May consisting of archaeology, bathymetry, fish and water quality studies. More than 60 regulatory-driven environmental studies were conducted to ensure our activities have a minimal environmental impact.

We also coordinated with local agencies over long-term studies regarding caribou, water birds, fish and subsistence, which are scheduled to begin in summer 2020.

Extensive stakeholder consultation

We engaged with multiple stakeholder groups throughout 2019 as part of the regulatory processes required to obtain the necessary permits, agreements and approvals in Alaska. They included:

- ▶ Project area landowners who are Alaska Native Corporations — both surface owners (Kuukpik Village Corporation) and subsurface owners (the State of Alaska and the Arctic Slope Regional Corporation).
- ▶ The Federally recognised tribe of the community closest to the project area, the Native Village of Nuiqsut (NVN).
- ▶ The City of Nuiqsut, whose population is around 90% Indigenous. Most Nuiqsut residents are also shareholder members of one or both of the landowner corporations.

Altogether, a four-year consultative process was undertaken with these and other stakeholders to create a development plan that minimises the project’s environmental footprint and optimises the benefits for local communities. The process involved developing and issuing the Environmental Impact Statement (EIS) and included numerous public comment periods and solicitation of feedback from Federal, State and local agencies. Overall, this consultative approach ensured the project would

be well planned, environmentally responsible and address stakeholder issues and concerns.

As part of the process, we changed our project plans in multiple ways in response to feedback from the local community, including:

- ▶ Adopting alternative gravel road alignments, which reduced the amount of proposed gravel road within the Colville River floodplain to potentially reduce the impact on subsistence resources (migrating caribou) and users.
- ▶ Relocating the proposed oil and gas processing facility and operations centre (camps, storage, maintenance shops and warehousing) away from the Colville River and the mouth of the Miluveach River, both subsistence use areas.
- ▶ Adding a boat ramp and parking area to the planned project infrastructure. This will give community members closer access to the year-round gravel road network, improving safety and reducing the cost and time of travel during open water season. The additions could also improve access to traditional use and subsistence hunting areas.

SUPPORTING SUBSISTENCE ON ALASKA’S NORTH SLOPE

Hunting, fishing, living off the land and other subsistence activities remain an integral way of life on the North Slope and in Nuiqsut. The Colville River Delta is a place where traditional values and lifestyles can be combined with modern technology to create a healthy, satisfying and family-friendly quality of life.

The Pikka Unit Development is 10 km from the village of Nuiqsut and Oil Search is constructing roads, pipelines, and facilities nearby. Oil Search is committed to operating in a socially responsible way to ensure minimal disruption to subsistence hunting.

The LUA with Kuukpik Corporation sets the standard for how Oil Search

will conduct work on Kuukpik and neighbouring lands. It also outlines how we will collaborate with the community to protect their subsistence lifestyle beyond our time on their land and help them achieve their long-term goals.

Subsistence representatives and ice road monitors

2019 was Oil Search’s first year of integrating subsistence representatives and ice road monitors from the local community into our daily operations. This collaborative and interactive arrangement is a good example of Oil Search listening to, engaging with and respecting local land rights, usage, access and impacts.

Subsistence Representatives and Ice Road Monitors were first established during the early days of oil exploration and development on Kuukpik lands and are managed through the Kuukpik Subsistence Oversight Panel (KSOP).

The programme embeds local Nuiqsut (Inupiat) people with our daily North Slope operations to provide guidance, mitigation strategies and impact assessments on the way we operate. Between them, Subsistence Representatives and Ice Road Monitors monitor ice road construction and maintenance activities, assist with spill impact assessments, help with village liaison issues and provide general guidance to our operational staff. They work closely with the Oil Search Environmental and External Affairs teams, who liaise directly with KSOP to ensure we comply with land use expectations relating to operations on native land.

Supporting ties to the land

Identifying and protecting historical sites is part of Oil Search’s commitment to responsible development.

In 2019, Oil Search arranged for a Nuiqsut representative to visit one of our operational sites to talk to rig crews in the field at the start of drilling operations. Rig crew personnel heard first-hand from an Elder who



Under the collaboration, Oil Search provided advance notification of our summer activities programme through regular community meetings and monthly bulletins outlining programme elements, locations, timelines and helicopter identification detail. During the programme, we coordinated daily with the key stakeholders, assisted by the Nuiqsut-based Oil Search Community Liaison Officer (CLO), who provided real-time community feedback. This helped all the Operators conducting helicopter operations around Nuiqsut to ensure subsistence activities were not interrupted, especially the caribou harvest. This approach reduced industry disruption to subsistence activities.



Hunting, fishing, living off the land and other subsistence activities remain an integral way of life on the North Slope and in Nuiqsut.

is a Kuukpik shareholder and KSOP Board member about his bonds to the land and subsistence lifestyle, cultural site histories and the importance of respecting the land. The Elder encouraged the rig crew to maintain clean operations, respect all residents, and respect the environment that the community depends on.

Also during the year, we hosted a Nuiqsut Elder and her son at historic sites near Oil Search's planned development. The trip included the site of their family's 1943 sod house, where the Elder was

raised, and the family observed artefacts there. They also visited the mouth of the Itqiliqpaa River (or Itkillik River), where the gravesites of Elder's younger siblings are located.

Helicopter mitigation plan

In 2019, Oil Search participated in an annual summer collaboration between Operators and KSOP to mitigate helicopter activities in and around Kuukpik lands and associated subsistence areas.

Improving subsistence fisheries access and aquatic health

During the year, Oil Search committed to providing the Nuiqsut community with a boat ramp on the lower Kachemach River and an associated parking area on the east side of the Colville River at the project site.

In April, we met the Nuiqsut Whaling Captains to gather their input for the early planning stages of the boat ramp. We then responded to requests to change the location to improve access during periods of low water. After visiting potential sites, we agreed on the new location then completed additional surveys and worked with regulators to accommodate the change.

We also began designing improvements to the Boat Ramp Access Road in Nuiqsut to re-establish natural hydrologic drainage patterns and fish passages. This compensatory mitigation project will increase consistency of access to the existing community boat ramp and reduce annual maintenance costs. The project will also improve the local stream channel and connected waterbodies, which are important to subsistence fisheries.

In addition, we began working with the North Slope Borough and the City of Nuiqsut to design and implement improvements to wastewater handling and treatment in Nuiqsut, sanitation within the community and water quality conditions in aquatic resources surrounding the community.

PLANNING FOR SUSTAINABLE DEVELOPMENT AFTER ASSET END-OF-LIFE

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 to realise opportunities and mitigate impacts.

Based on current assessments, we expect production of oil and gas in Oil Search’s Gobe oil fields 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 this and ensure we set a positive precedent for the asset planning process, we are developing a Sustainable Development Plan based on impact assessments and baseline studies.

The Plan will address aspects such as developing alternative livelihoods outside the resource sector and health, education and infrastructure planning. 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. We will roll out the Plan over the next five years.

In 2019, our priorities for advancing the Plan included:

- ▶ Developing and establishing agricultural enterprises in Gobe that focus on the complete value chain, from farmers to consumers. A scoping study conducted by the FPDA in October 2019 (see page 27) assessed suitable crop and growing conditions. This will form the foundation for developing local enterprises and creating market access.
- ▶ Collaborating with OSF’s early childhood learning literacy library initiative, which is due for completion in 2020. The library will provide early childhood education opportunities for children in Samberigi Valley and the local community will participate in constructing a new building.
- ▶ Taking part in the ITCS legislation review, which will further advance works on the economically important Erave to Samberigi road that links the south coast road to the Highlands highway and will improve market access for Gobe communities.

SUPPORTING THE WORLD BANK IN DEVELOPING INFRASTRUCTURE IN PNG

In May 2019, the World Bank undertook a scoping mission to evaluate the possibility of developing an efficient land and sea transport route from the Highlands to Port Moresby through the Gulf Province.

Given the challenges presented by the remote nature of the area and the lack of commercial providers, Oil Search supported the World Bank’s efforts with logistics and

support, and our Community Affairs officers provided briefings and guidance.

Following the visit, the World Bank decided to conduct a feasibility study of the proposed route to define investment costs, identify environmental and social impacts, determine the status of land ownership along the corridor and model the economic benefits.



ENGAGING AND EMPOWERING OUR EMPLOYEES

VALUES, DIVERSITY AND LEARNING

Everyone who works for Oil Search is guided by our core values: **Responsibility, Diversity, Respect, Caring, Excellence, Integrity and Passion**. Our commitment to these values provides continuity, keeps our business competitive and strengthens how we work by enabling each person to contribute to the business's success.

Our people support our strategic objectives of enhancing our organisational capability to deliver and provide an enjoyable, safe and productive work environment that celebrates diversity, supports learning and development and drives high performance through engagement and empowerment.

BUILDING ORGANISATIONAL COMPETENCY AND CAPACITY

Employee development is a key focus for Oil Search. We have several initiatives underway to develop workforce capability, foster employee engagement and manage a pipeline of people we have identified for career progression.

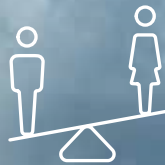
The business continually invests in valuable opportunities for our employees to gain experience, skills and vocational qualifications throughout their careers with us, enabling us to attract and retain the best people for achieving our business and growth objectives.



2019 PERFORMANCE SUMMARY



1,600+
Oil Search employees



33%
female representation
on the Board



39%
increase in the percentage of
women in senior leadership
roles since 2015



35
participants in Leading our
Way for Women programme
since 2018



>800
Employees attended
men's and women's health
awareness sessions



85%
PNG citizens in
PNG workforce



67%
of leadership roles in PNG
held by PNG citizens



32
graduates and apprentices
hired in 2019



334
participants in the
Coaching Our Way
programme since 2018

Leadership development programmes

Oil Search’s leaders are responsible for ensuring their teams operate in a way that supports the business’s strategic direction and reflects our Company values.

During 2019, we continued to deliver our leadership development curriculum, which provides the support and tools that leaders at all levels need so they and their teams can excel.

Coaching Our Way

This programme equips leaders to create an engaging and inclusive work environment and enhance the employee experience through recognition, development, learning and growth. The programme, which is designed to align with Oil Search values and behaviours, is based on the principles of psychological safety and having a growth mindset.

Following its success in Sydney and Port Moresby, in 2019 we expanded Coaching Our Way into our Anchorage and PNG field teams. It has now been delivered to 334 senior managers, managers and supervisors.

Senior Leadership development process

This enables Senior Vice Presidents and functional leaders to expand their leadership capabilities by engaging in different development pathways within the business. The process includes a rigorous, external upfront assessment and individual development strategies ranging from executive education, to coaching, mentoring and involvement in business projects. Six leaders participated during 2019.

External development

In 2019, a gender-balanced group of Oil Search emerging leaders from Alaska, PNG and Australia participated in the McKinsey Young

Leaders Forum with about 240 peers from different industries. This unique learning experience gave participants the opportunity to explore diverse thinking and approaches in an open, non-judgemental environment.

Growth, empowerment and engagement in Alaska

Since assuming Operatorship of our Alaskan assets in March 2018, Oil Search has built a highly experienced in-country leadership team and workforce. The total Alaskan workforce has grown to a combined total of 166 employees, contractors and expatriates, up from 86 at the end of 2018.

Ten employees from Australia have received expatriate opportunities in Alaska, providing them with development opportunities and supporting the Alaskan team with organisational knowledge and understanding of the Oil Search values and behaviours.



Our leaders in Alaska model the Company values and possess the deep technical and commercial capability required to deliver success in a greenfield, Arctic environment. A culture of interdependency is being intentionally fostered across the leadership team, creating cohesive, unified and sustainable leadership.

We have also invested in development and stretch assignments to accelerate the progression of individuals with the potential to develop and take on roles of increasing seniority.

Three cross-functional empowerment teams were launched in 2019 to promote team spirit, empowerment and innovation across our Alaskan business. These teams are focused on three key areas: technology and innovation; employee wellbeing; and broad-based community and stakeholder engagement. They are helping to provide leadership development to our high-potential employees

and support our goal of achieving consistent behaviour and actions across the business.

During 2019, we nurtured engagement in the Alaska Business Unit through a range of initiatives.

- ▶ Every new team member participated in a half-day induction that included our values and behaviours together with cultural sensitivity training so everyone understood our commitment of partnering with communities in the areas where we operate and what it meant in real terms.
- ▶ Broad cross-team participation, to support our goal of achieving consistent behaviour and actions across the business. These creative development opportunities are essential for developing future talent.
- ▶ To help keep our people informed and engaged and foster a sense of community, the Alaskan Business Unit worked with the corporate

External Affairs function to develop a monthly newsletter for Oil Search Alaska’s workforce. Launched in April, *Alaska Connection* provides a fun and consistent way of sharing information from our leaders, the wider Oil Search business and the Anchorage and North Slope communities, and includes safety information, celebrations and successes.

- ▶ Based on a recommendation from the Oil Search Wellbeing Empowerment Team, we implemented a peer-to-peer recognition programme in June. This gives every Alaskan team member the ability to recognise a colleague for demonstrating the Oil Search values and behaviours. The programme is enabled by an electronic nomination, recognition and tracking system.

PEAK Performance

In late 2019, we introduced PEAK Performance, a new, simplified approach to employee performance and development. PEAK Performance recognises that the focus and performance of teams are lifted when each employee understands how they contribute to and share in the success of the business. This approach emphasises empowerment and accountability through constructive and frequent conversations. It is supported by a new human resource information system and a comprehensive launch strategy.

Technical development and competency

Attracting and retaining the best technical employees globally in areas such as exploration, drilling, production and engineering remain critical to our future success.

During 2019, we began working on a refreshed technical career framework in core technical disciplines. The framework seeks to build and enhance Oil Search’s technical capability and provide opportunities for development across the business. Implementation





JOURNEY TO OPERATIONAL EXCELLENCE



A collaboration between Oil Search and specialist consultants, Nambawan Operational Excellence is an Oil Search PNG transformation initiative that is building deep operational excellence capability, reducing risk and improving process efficiency and productivity. Overseen by the Nambawan Steering Committee, the overall aim is to ensure the PNG BU is safer and more productive.

Since early 2019, a dedicated Nambawan team has been working with the PNG business to focus on actions that will realise high-value opportunities in 2020 and beyond.

These include improving compressor availability to increase production and revenue, and deploying robust business process frameworks that support achieving Oil Search's short- and long-term goals and enable sustainable business improvement.

The Nambawan initiative has identified several high-gain opportunities, including:

- ▶ Building leadership capabilities through senior leader and area transformation.
- ▶ Creating and implementing integrated business management processes with a rolling 24-month plan.
- ▶ Strengthening process safety management.

- ▶ Developing and deploying a clear Maintenance and Reliability Strategy.
- ▶ Making project processes more robust.
- ▶ Developing supply chain management capabilities.

The Nambawan foundational leadership practices and competencies underpin the business transformation.

The leadership training modules deliver a shared understanding of what operations excellence looks like and the leadership practices required to achieve it, including leading and managing change, managing business performance, courageous conversations, coaching and feedback and Oil Search values and behaviours. The intention is these practices become leadership norms, supporting a culture of operational excellence.

Participants are also provided with additional, ongoing, on-the-job coaching based on their specific needs and existing competency levels.

is planned for 2020 and will include a competency assessment and development process supported by our new human resource information system.

We also continued to deliver Oil Search's Competence Assurance Programme (CAP), which complements the technical career framework and develops the technical capability of our facility operations workforce. Under this programme, competency profiles and an assessment approach underpin all stages of technician development. There were 434 members of our facility operations workforce covered by CAP in 2019, an increase from 385 in 2018.



Having a diverse and inclusive workforce that reflects the areas where we operate strengthens Oil Search's capability and resilience.

FOCUS AREA	2020 GOAL	2019	STATUS
	At least 30% female Executive Vice Presidents on the Executive Leadership Team by 2020	14%	Progressing, action plans in place
Gender diversity	30% female representation at Senior Manager level by 2020	25%	Progressing, action plans in place
	50% female representation in graduate intakes 2018-2020	83%	Progressing, action plans in place
Citizen development	73% PNG citizens in leadership roles in PNG by 2020	67%	Progressing, action plans in place
Inclusive workplace	Consistently improve Inclusion Index results compared to the 2017 baseline	NA*	Progressing, action plans in place

* Employee survey to be undertaken in 2020.

UNCONSCIOUS BIAS: PROMOTING AWARENESS AND UNDERSTANDING

Despite their best intentions, many people unconsciously judge others based on past experiences and stereotypes around characteristics such as race, age and gender.

During 2019, we conducted a series of workshops in Sydney and PNG to help our people leaders recognise and manage how these unconscious biases can influence their assessment of other people. The workshops supported Oil Search's Diversity and Inclusion Strategy by focusing on gender diversity, citizen development and creating an inclusive workplace.

Participants received tips on how to be mindful and inclusive in their communication, decision-making, team leadership, recruitment and performance evaluation.

Altogether, 77 employees participated in the workshops, describing them as engaging and timely with practical strategies for addressing biases and supporting inclusive leadership.



In 2019, we focused on selecting and developing high-performing apprentice technicians, using a changed selection methodology to identify 19 apprentices. They went on to complete the first 12 months of their development overseas at a world-class oil and gas training facility.

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 discrimination and promotes unbiased decision-making.

We employ and develop people based on merit and our systems, processes and practices are designed to empower fair treatment. We undertake an annual remuneration benchmarking assessment to ensure there is equitable remuneration for like-roles, independent of gender. The results of the review are reported to our Board People & Nominations Committee annually.

During 2019, we remained focused on improving diversity through our 2020 Diversity and Inclusion Strategy, which prioritises gender diversity, PNG citizen development and an inclusive workplace. We also refreshed our Diversity and Inclusion Policy.

We are proud that at the end of 2019, our female employment rate reached 27%, with 25% of senior management roles held by women. We want our female employment rate to keep growing and will continue implementing initiatives that improve the under-representation of females in the oil and gas industry and foster a truly inclusive workplace culture.

Supporting working parents

We are constantly challenging ourselves to make it easier for parents across all Oil Search locations to remain in the workplace while raising children. We do this by providing paid parental leave and part-time and flexible work arrangements that assist employees to meet their work and home responsibilities.

Targeting women in STEM-based roles

During the year, we addressed the gap in women pursuing technical roles through initiatives such as scholarships that support careers in science, technology, engineering and maths (STEM) and through our Graduate Development Programme. As a result, 83% of female graduates selected in 2019 for the 2020 intake were females, a significant increase from 46% the previous year.

Targeted leadership development

Delivered for the past two years, Oil Search’s Leading Our Way for Women programme has strong senior leader sponsorship and an active alumni community. Participants have benefited from an intensive development experience, with their managers and senior leaders involved to promote greater understanding and empathy for the development barriers women face and how best to address them.

The programme combines cohorts from PNG and Australia and has enhanced cultural understanding and cemented constructive networks across the business.



Since it began, 11 programme participants have progressed into new or more senior roles.

Citizen Development Programme

Our Citizen Development Programme (CDP), which was established in 2016, provides clear development and employment opportunities for high-performing PNG citizens. Cumulatively, 67% of our leadership roles in PNG are now held by PNG citizens, and we continue to make progress towards our 2020 goal of 73%.

We have identified several CDP participants with near-term potential for leadership roles and they are receiving extensive development, from coaching to secondments, leadership programmes, formal tertiary education and project-based work. During 2019, 36% of CDP participants identified with near-term potential were promoted into leadership roles.

CDP participants were also change champions for key initiatives across the PNG Business Unit during the year, from new system implementations to cultural change programmes such

as Courageous Conversations. Their involvement is building the business’s capacity for change as well as enhancing their personal breadth of experience and leadership profiles.

PROVIDING PATHWAYS TO EMPLOYMENT

Developing and fostering career opportunities for local and regional community members is both an important way for community members to benefit from our activity and a key element of our approach to addressing global shortages of people with the skills and experience we require.

Applying the same organisation-wide approach and values tailored to local needs, we were able to offer members of the local community both in PNG and Alaska access to a number of specially-developed programmes in 2019.

STEM Scholarships and Awards Programme

There is a global shortage of people with STEM skills in our industry so addressing the impact of this on our recruitment levels is a priority area for us.

In partnership with OSF, Oil Search implemented the Oil Search STEM Scholarship and Awards Programme in 2019. The programme is taking a planned and consolidated approach to developing STEM skillsets in young Papua New Guineans, with a focus on the early identification and attraction of local technical and leadership talent. It provides educational resources and student opportunities at secondary and university level, including:

- ▶ Science resources for secondary schools in local community areas.
- ▶ Comprehensive pre-employment technician training for trainees from the local communities.
- ▶ Internships and final year scholarships for engineering students.

Investing in graduate recruitment

Oil Search’s three-year Graduate Development Programme (GDP) includes job placements in PNG that offer exposure to the business and provide valuable on-the-job perspectives on life at Oil Search.

In 2019, we continued to improve our graduate recruitment process with a strong presence at university career fairs and new assessment tools to assist with the objective identification of candidates. As a result, we attracted a strong pool of 2,011 applicants.

We also strengthened our engagement with the PNG University of Technology (Unitech), a key source of engineering talent in PNG. Unitech Heads of Departments participated in a site visit to Oil Search field facilities and met with early-career and experienced engineers to understand work-based requirements.

During this visit, Oil Search announced a US\$29,500 contribution towards improving facilities to support Unitech's efforts to achieve accreditation from Engineers Australia for its degrees.

Nuiqsut Trapper School

In collaboration with Kuukpik Corporation and ConocoPhillips Alaska Inc. (CPAI), Oil Search sponsored Alaska Resource Education (ARE) to provide industry-based awareness and education programmes at Trapper School in Nuiqsut.

ARE is a non-government organisation which strives to deliver learning programmes that inform impacted communities and school teachers about local industries and the career opportunities they present.

The Oil Search programme includes teacher instruction (which counts towards State annual teacher development 'credits') and interactive teacher/student lessons where our employees can speak to students and share career specifics and industry practices related to exploration drilling, production, finance and other career options.

Internships

In 2019, Oil Search partnered with Alaska Clean Seas (ACS) and Arctic Slope Regional Corporation (ASRC) to set up a two-year internship for Spill Response Technician training and development.

Our intent was to recruit and develop this capability from within the native Alaskan North Slope community, particularly the village of Nuiqsut. Following a collaborative effort between Oil Search, ACS, ASRC and the village of Nuiqsut, we identified a successful candidate, who joined ACS as an intern in November.

The internship includes being educated and trained in the elements and disciplines related to oil spill mitigation and recovery, including participating in both Operator and ACS run training and attending real-time events. At the end of the programme, the intern will have a career pathway for this key response area with either ACS or the wider industry.

PARTNERING TO CREATE OPPORTUNITIES FOR NORTH SLOPE STUDENTS

GeoFORCE Alaska: Oil Search supported this outreach programme at the University of Alaska Fairbanks for rural students from the North Slope, Northwest Arctic and Interior. Students were recruited in 8th or 9th grade and travelled around Alaska and throughout the country to learn about geology and career paths in the geoscience industry.

The cohort of 22 students from the North Slope and Northwest Arctic completed the programme in 2019. Of the six students who graduated high school in May 2019, 100% attended college and half of them chose to study for a Geosciences degree. The North Slope students who participated included one from Nuiqsut, one from Anaktuvuk Pass, two from Point Lay, and ten from Utqiagvik.

Ilisagvik College Tribal College in Utqiagvik: Ilisagvik provides quality post-secondary academic, vocational and technical education in a learning environment that perpetuates and strengthens Iñupiat culture, language, values, and traditions. It aims to develop a well-educated and trained workforce who meet the human resource needs of North Slope employers and the state of Alaska. Ilisagvik partners with industry and offers community-based training opportunities in Nuiqsut, facilitating capacity-building and providing a ready workforce for local hire and long-term careers.

Arctic Education Foundation: This private non-profit organisation is committed to providing financial assistance to eligible applicants who are pursuing higher education, including Northern Alaskan Iñupiat, Arctic Slope Regional Corporation shareholders and their descendants. Its goal is to partially finance students who are furthering their education beyond high school or wish to be job ready.

From June to August 2019, Oil Search hosted four engineering interns through our partnership with the Alaska Native Science and Engineering Program (ANSEP) at the University of Alaska. The interns were part of a structured programme providing direct, consistent mentoring supported by a technical coach and a supervisor.

As part of the internship, they took part in discrete engineering projects that contributed directly to Pikka Unit Development activities. Their completed projects included significant contributions to the scope, orientation, layout, and schedule requirements for the development's operations pad. They provided options for layout optimisation and construction and schedule efficiencies, wrote a contracting strategy for each Scope of Work and the Statement of Requirements, and generated all aspects of the design process for the project telecommunications systems.

The interns also received professional training and advice in core job-seeking

skills such as resume writing, attending interviews, professional office etiquette and presentation skills.

Training and promoting local job opportunities

Oil Search continued to partner with local area operators in 2019 to support local recruitment in Alaska.

We coordinated the promotion of job opportunities at the Pikka Unit Development with over a dozen contract companies. Many joined us at the annual job fair in Nuiqsut, which provided a key opportunity to capture local interest in short-term and longer-term job opportunities.

In the spring and summer of 2019, our Community Liaison Officer connected interested job-seekers, including local community members, with local training opportunities for our industry, to improve their employment prospects.

In 2019, Oil Search joined the Alaska Safety Alliance (ASA), Alaska's non-profit, regional safety council. We

worked with ASA to develop and deliver customised, project-specific training in conjunction with the North Slope Training Cooperative (NSTC). The training targeted direct and indirect employees and contractors working on the Pikka Unit Development, setting the stage for a safe, compliant and successful 2019-2020 field season.

STRENGTHENING OUR WHISTLE-BLOWER PROTECTION

The Oil Search Code of Conduct represents our commitment to upholding ethical business practices. We believe a consistent and principled approach to conduct builds trust, generates stakeholder support and makes us a partner of choice.

At Oil Search, known or suspected breaches of the Code can be reported in confidence and anonymously through our independent and externally managed Whistle-blower Hotline. Whistle-blowers play an important role in identifying and calling out



misconduct and we strive to prohibit any form of retaliation against the person making the disclosure.

In July 2019, the Australian Corporations Act 2001 expanded its requirements to provide greater protections for whistle-blowers. Oil Search therefore developed a Whistle-blower Policy, which became effective in October 2019. This was one of several policies that were refreshed during the year to ensure we continued to meet good governance expectations. Other policies updated were our Diversity and Inclusion, Share Trading, Corruption Prevention and Public Disclosure Policies.

In 2019, all Oil Search employees underwent mandatory training on the Code of Conduct through online training modules. This was further supported by face-to-face training to encourage discussion and create awareness about the options available for speaking out.

We investigate all reported and suspected breaches of our Code of Conduct. Following appropriate investigations, 29 matters were substantiated during the year, which resulted in disciplinary action including coaching and training, records of discussion, written warnings and termination of employment. The substantiated breaches related to conflict of interest, harassment and bullying, fraud, theft, breach of policy or procedures, and health, safety, environment and security matters.

Eight reports were made through our Whistle-blower Hotline. These related to discrimination, conflict of interest, harassment and non-compliance with Company policy. All were investigated. We found four reports were unsubstantiated and four substantiated. All these whistle-blower cases have been closed out in accordance with our whistle-blower investigation process.



SUPPORTING EMPLOYEE MENTAL HEALTH AND WELLBEING

At Oil Search, we take a holistic approach to employee health: physical and mental, workplace and home. All aspects are equally important when aiming to create a healthy, productive workplace.

In 2019, Oil Search’s wellbeing programme, Lifestyle Connect, focused on helping employees actively manage specific health issues by promoting a proactive and positive approach to their overall health management.

Mental health services

We aim to create a psychologically healthy workplace by helping to protect our employees’ mental health. Building on the success of our Better Mental Health training programme in 2018, during 2019 we provided onsite counselling services by qualified psychologists to support mental health issues. These were available each week in Port Moresby and Sydney and quarterly at PNG field-based locations.

A number of employees in PNG and Sydney accessed these services in 2019, for topics ranging from workplace stress,

change management and personal distress. Our managers and human resources teams also used the services to better understand the need for them and to learn proactive approaches to employee management.

Domestic violence

We conducted an interactive training programme in 2019 which provided more than 500 employees with information about domestic violence and created more awareness. It covered what actions constitute domestic violence, why these actions are unacceptable, the consequences of such actions and pathways to help employees manage domestic violence.

Family and gender health support

We designed and delivered men’s and women’s health programmes to over 800 employees during 2019 to create awareness around preventative and ongoing health issues and to optimise health and wellbeing at and beyond work. There was also information for parents to help them understand their children’s health, so they could be more health-aware and be more comfortable with specific aspects of child development.

ASSURANCE STATEMENT



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Independent Assurance Practitioner's Limited Assurance Report on the 2019 Social Responsibility Report to the Management of Oil Search Limited

We have undertaken a limited assurance engagement relating to the subject matter detailed below (the 'Subject Matter') presented in Oil Search Limited's ('OSL') 2019 Social Responsibility Report for the period 1 January 2019 to 31 December 2019.

Subject Matter and Reporting Criteria

The Subject Matter and Reporting Criteria in scope of our limited assurance engagement for the period 1 January 2019 to 31 December 2019 and disclosed in the OSL's 2019 Social Responsibility Report is as follows:

Subject Matter	Reporting Criteria
Total Recordable Injury Rate	
Total Lost Time Injury Rate	
Total Number of High Potential Incidents	
Total Number of Tier 1 Process Safety Events ('PSEs') and Total Number of Tier 2 PSEs	
Total Number of Fatalities	
Total Scope 1 and Scope 2 Greenhouse Gas ('GHG') Emissions and GHG emissions intensity (ktCO ₂ -e /mmbse)	OSL's 2019 Social Responsibility Reporting Basis of Preparation ('the Criteria')
Total number of hydrocarbon and non-hydrocarbon spills, which involved greater than 1 barrel spilt into the environment, and total volume of hydrocarbon and non-hydrocarbon spilt into the environment that were greater than > 1 barrel	
% females on Board & Board Committee, Senior Management and overall workforce	
% PNG nationals on Board & Board Committee, Senior Management and overall workforce	
Employee turn-over by gender	
Selected Assertions	
Selected material assertions from the 2019 Social Responsibility ('Selected Assertion Assurance')	Global Reporting Initiative's Reporting Principles for defining report content and quality.

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Responsibilities of Management

Management of OSL is responsible for:

- Ensuring that the Subject Matter is properly prepared and presented in accordance with the Reporting Criteria
- Confirming the measurement or evaluation of the underlying subject matter against the applicable criteria, including that all relevant matters are reflected in the subject matter information
- Designing, establishing and maintaining internal controls to ensure that the Subject Matter is properly prepared and presented in accordance with the Reporting Criteria.

Assurance Practitioner’s Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner’s Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ASAE 3000') issued by the Australian Auditing and Assurance Standards Board in order to express a conclusion whether, based on the procedures performed and the evidence obtained, anything has come to our attention that causes us to believe that the Subject Matter has not been reported, in all material respects, in accordance with the Reporting Criteria. ASAE 3000 requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter is free from material misstatement.

A limited assurance engagement in accordance with ASAE 3000 involves identifying areas where a material misstatement of the Subject Matter information is likely to arise, addressing the areas identified and considering the process used to prepare the Subject Matter. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and consisted primarily of:

- In respect of the Selected subject matter data:
 - Performing interviews with a selection of OSL’s data owners responsible for the selected Sustainability Performance Indicators to confirm our understanding of the compilation and review process
 - Analysing and inspecting on a sample basis, the key systems, processes and procedures and controls relating to the collation, validation, presentation and approval process of Selected Performance Indicators information included in the 2019 Social Responsibility Report
 - Review underlying evidence on a sample basis to corroborate that the information is prepared and reported in line with the relevant Reporting Criteria.
- Reviewing a sample of assertions from the draft 2019 Social Responsibility Report against underlying evidence ('Selected Assertions Assurance') to confirm that information has been prepared and reported in accordance with the underlying evidence.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.

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Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express an opinion providing reasonable assurance about whether the Subject Matter has been reported, in all material respects, in accordance with the Reporting Criteria.

Inherent Limitations

There are inherent limitations in performing an assurance engagement - for example, assurance engagements are based on selective testing of the information being examined - and it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all misstatements, as an assurance engagement is not performed continuously throughout the year that is the subject of the engagement and the procedures performed on a test basis. The conclusion expressed in this report has been formed on the above basis. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating such data.

Limitations of Use

This report has been prepared for use by Management of OSL for the purpose of enabling OSL to include the assurance report in their in the 2019 Social Responsibility Report. We disclaim any assumption of responsibility for any reliance on this report to any person other than the Management of OSL or for any purpose other than that for which it was prepared.

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter have not been reported, in all material respects, in accordance with the Reporting Criteria in OSL's policies and procedures.

A handwritten signature in black ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink that appears to be "Chi Mun Woo".

Chi Mun Woo
Partner
Sydney, 24 March 2020

REPORTING INDICES

GLOBAL REPORTING INITIATIVE AND IPECA REPORTING INDEX

This table references the Standards or sections of the Global Reporting Initiative (GRI) Standards 2016.

GRI NUMBER	GRI STANDARD – INDICATOR DESCRIPTION	REFERENCE	IPECA REFERENCE
GENERAL DISCLOSURES			
Organisation profile			
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 2019 –About this Report	
GRI 102-5	Ownership and legal form	Website - Who we are Annual Report 2019 – Shareholder information	
GRI 102-6	Markets served	Most of the crude oil and natural gas produced is sold into the Asia-Pacific region. Our customers include integrated oil companies, refiners, commodity trading organisations and energy generators.	
GRI 102-7	Scale of the organisation	Annual Report 2019 - Overview of Operations Annual Report 2019 - Ten-year summary Annual Report 2019 - Highlights	
GRI 102-8	Information on employees and other workers	Website - Data Centre – People and organisation – Workforce	
GRI 102-9	Supply chain	Website - What we do Website - How we work - Human rights Social Responsibility Report 2019 - Working with partners to promote and protect human rights	
GRI 102-10	Significant changes to the organisation and its supply chain	Social Responsibility Report 2019 - Message from our leaders Annual Report 2019 – Update from the Managing Director Peter Botten	
GRI 102-11	Precautionary Principle or approach	Website - How we work – Social Responsibility Strategy - Social Responsibility Policy Website - How we work - Responsible operator	
GRI 102-12	External initiatives	Website - Memberships and commitments	
GRI 102-13	Membership of associations	Website - Memberships and commitments	

GRI NUMBER	GRI STANDARD – INDICATOR DESCRIPTION	REFERENCE	IPIECA REFERENCE
GENERAL DISCLOSURES			
Strategy			
GRI 102-14	Statement from senior decision-maker	Social Responsibility Report 2019 - Message from our leaders Annual Report 2018 – Directors' Report: Material business risks	
GRI 102-15	Key impacts, risks, and opportunities	Climate Change Resilience Report 2017 Social Responsibility Report 2019 Enhancing our engagement approach	
Ethics and integrity			
GRI 102-16	Values, principles, standards, and norms of behaviour	Website - How we work -Oil Search leadership behaviours Website - How we work - Integrity and transparency - Oil Search Code of Conduct Website - Who we are - Policies and standards	Business ethics and transparency
GRI 102-17	Mechanisms for advice and concerns about ethics	Website - How we work - Integrity and transparency - Corruption Prevention Policy Website - Integrity and transparency	Business ethics and transparency
Governance			
GRI 102-18	Governance structure	Website - Who we are - Board Website - Who we are - Board Committees	
GRI 102-19	Delegating authority	Website - Who We Are - Board committees - Health Safety and Sustainability Committee	
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	Website - Who we are - Board Committees	
GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	Website - Who we are - Governance Website - How we work - Stakeholder engagement Social Responsibility Report 2019 - Enhancing our engagement approach	
GRI 102-22	Composition of the highest governance body and its committees	Website - Who we are - Governance - Corporate Governance Statement 2019	
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 - Who we are – Governance – Board Governance	
Governance			
GRI 102-25	Conflicts of interest	Website - How we work - Integrity and transparency - Corruption Prevention Policy Website - Who we are – Governance – Board Governance	
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	Website - Who we are – Governance – Board Governance	

GRI NUMBER	GRI STANDARD – INDICATOR DESCRIPTION	REFERENCE	IPIECA REFERENCE
GENERAL DISCLOSURES			
Governance			
GRI 102-27	Collective knowledge of highest governance body	Website - Who we are - Governance - Corporate Governance Statement 2019	
GRI 102-28	Evaluating the highest governance body's performance	Website - Who we are – Governance – Board Governance Website - Who we are - Governance - Corporate Governance Statement 2019	
GRI 102-29	Identifying and managing economic, environmental, and social impacts	Website - Who we are - Governance - Corporate Governance Statement 2019 Website - Who We Are - Board committees - Health Safety and Sustainability Committee Website - Who we are - Risk and assurance	
GRI 102-30	Effectiveness of risk management processes	Website - Who we are – Governance – Board Governance Website - Who we are - Risk and assurance	
GRI 102-31	Review of economic, environmental, and social topics	Website - Who We Are - Board committees - Health Safety and Sustainability Committee	
GRI 102-32	Highest governance body's role in sustainability reporting	Board Health, Safety and Sustainability Committee	
GRI 102-33	Communicating critical concerns	Website - Who we are - Governance - Corporate Governance Statement 2019	
GRI 102-35	Remuneration policies	Annual Report 2019 - Remuneration Report	
GRI 102-36	Process for determining remuneration	Annual Report 2019 - Remuneration Report Website - Who we are – Governance – Board Governance - Remuneration for Non-Executive Directors	
Stakeholder engagement			
GRI 102-40	List of stakeholder groups	Website - How we work - Stakeholder engagement Social Responsibility Report 2019 - Enhancing our engagement approach	
GRI 102-41	Collective bargaining agreements	Website - How we work - Workforce management	
GRI 102-42	Identifying and selecting stakeholders	Website - How we work - Stakeholder engagement	
GRI 102-43	Approach to stakeholder engagement	Website - How we work - Stakeholder engagementt	
GRI 102-44	Key topics and concerns raised	Social Responsibility Report 2019 - Enhancing our engagement approach	
GRI 102-45	Entities included in the consolidated financial statements	Annual Report 2019 - Subsidiaries and interests in joint arrangements	
GRI 102-46	Defining report content and topic Boundaries	Social Responsibility Report 2019 –About this Report	
GRI 102-47	List of material topics	Website - How we work - Social Responsibility Strategy Social Responsibility Report 2019 - Enhancing our engagement approach	
GRI 102-48	Restatements of information	Changes and restatements, where made, are indicated as footnotes in the Data Centre.	

REPORTING INDICES

GRI NUMBER	GRI STANDARD – INDICATOR DESCRIPTION	REFERENCE	IPECA REFERENCE
GENERAL DISCLOSURES			
Stakeholder engagement			
GRI 102-49	Changes in reporting	Annual Report 2019 – Letter from the Chairman; Update from the Managing Director; Letter from Keiran Wulff	
GRI 102-50	Reporting period	The 2019 Social Responsibility Report covers performance between 1 January and 31 December 2019.	
GRI 102-51	Date of most recent report	The previous Social Responsibility Report was released in March 2019 and covered the period 1 January to 31 December 2018.	
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 2019 - Reporting index	
GRI 102-56	External assurance	Social Responsibility Report 2019 - Independent limited assurance	
Management approach			
GRI 103-1	Explanation of the material topic and its Boundary	Social Responsibility Report 2019	SE1;
		Website - How we work	SE2;
		Social Responsibility Report 2019 –About this Report	SE9;
GRI 103-2	The management approach and its components		SE18
		Website - How we work	SE1;
			SE2;
			SE9;
			SE18
ECONOMIC INDICATORS			
Economic performance			
GRI 201-1	Direct economic value generated and distributed	Website - Data Centre - Integrity and transparency; Sustainable development	
		Social Responsibility Report 2019 - Making lives better	SE4;
		Transparency Report 2019	SE13
		Annual Report 2019 - 10-year summary	
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Resilience Report 2017	
		Website - How we work - Climate change	
		Annual Report 2019 - Directors' Report: Material business risks	
Economic performance			
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 2019 – Expanded Infrastructure	
		No other significant financial assistance has been received from governments at any of our operational areas.	SE13

GRI NUMBER	GRI STANDARD – INDICATOR DESCRIPTION	REFERENCE	IPIECA REFERENCE
ECONOMIC INDICATORS			
Market presence			
GRI 202-2	Proportion of senior management hired from the local community	Social Responsibility Report 2019 – Focusing on diversity and inclusion Website - Data Centre – People and organisation - Workforce and senior management diversity Annual Report 2019 - Strengthened Organisational Capability	SE6
Indirect economic Impacts			
GRI 203-1	Infrastructure investments and services supported	Social Responsibility Report 2019 - Expanded Infrastructure	SE4
GRI 203-2	Significant indirect economic impacts	Social Responsibility Report 2019 - Making lives better Website - Data Centre – Sustainable development – Socio-economic contribution	SE4; SE6
OG1	Volume and type of estimated proved reserves and production	Annual Report 2019 - Reserves and resources	
Procurement practices			
GRI 204-1	Proportion of spending on local suppliers	Website - Data Centre – Sustainable development - Supplier and contractor payments Social Responsibility Report 2019 - Improved local business opportunities; Working with partners to promote and protect human rights	SE5; SE7
Anti-corruption			
GRI 205-2	Communication and training about anti-corruption policies and procedures	Website - How we work - Integrity and transparency Social Responsibility Report 2019 – Working with partners to promote and protect human rights; Strengthening our whistleblower protection	SE11
GRI 205-3	Confirmed incidents of corruption and actions taken	Social Responsibility Report 2019 - Working with partners to promote and protect human rights; Strengthening our whistleblower protection	SE11
ENVIRONMENTAL INDICATORS			
Energy			
GRI 302-1	Energy consumption within the organisation	Website - Data Centre - Responsible operator - Energy	E2
GRI 302-3	Energy intensity	Website - Data Centre - Responsible operator - Energy	E2
OG2	Total amount invested in renewable energy	Website - Data Centre - Responsible operator - Energy	E3
Water			
GRI 303-1	Water withdrawal by source	Website - Data Centre - Responsible operator - Water use	E6
Emissions			
GRI 305-1	Direct (Scope 1) GHG emissions	Website - Data Centre - Responsible operator - Climate change	E1
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Website - Data Centre - Responsible operator - Climate change	E1
GRI 305-3	Other indirect (Scope 3) GHG emissions	Website - Data Centre - Responsible operator - Climate change	E1

GRI NUMBER	GRI STANDARD – INDICATOR DESCRIPTION	REFERENCE	IPECA REFERENCE
ENVIRONMENTAL INDICATORS			
Emissions			
GRI 305-4	GHG emissions intensity	Website - Data Centre - Responsible operator - Climate change Climate Change Resilience Report 2017	E1
GRI 305-5	Reduction of GHG emissions	Social Responsibility Report 2019 – Addressing operating emissions performance	E1
Effluents and waste			
GRI 306-1	Water discharge by quality and destination	Website - Data Centre - Responsible operator - Water use	E7
GRI 306-2	Waste by type and disposal method	Website - Data Centre - Responsible operator - Waste	E10
GRI 306-3	Significant spills	Website - Data Centre - Responsible operator - Spills that reach the environment	E9
OG5	Volume and disposal of formation or produced water	Website - Data Centre - Responsible operator - Water use	E7
Environmental compliance			
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 401-1	New employee hires and employee turnover	Website - 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 - How we work - Performance and remuneration	
GRI 401-3	Parental leave	Website - Data Centre - People and organisation	
Occupational Health and Safety			
GRI 403-1	Workers representation in formal joint management–worker health and safety committees	Website - How we work – Responsible operator – Health, safety and security	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 2019 - Prioritising safety Data Centre – Responsible operator	HS3
OG13	Number of process safety events by business activity	Social Responsibility Report 2019 - Prioritising safety Website - Data Centre - Responsible operator	HS5
Training and education			
GRI 404-1	Average hours of training per year per employee	Website - Data Centre - People and organisation	SE17
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Website - How we work - Training and development Social Responsibility Report 2019 - Building organisational competency and capacity	SE17
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Website - Data Centre - People and organisation	SE17

GRI NUMBER	GRI STANDARD – INDICATOR DESCRIPTION	REFERENCE	IPECA REFERENCE
SOCIAL INDICATORS			
Diversity and equal opportunity			
GRI 405-1	Diversity of governance bodies and employees	Website - Data Centre - People and organisation	SE15
GRI 405-2	Ratio of basic salary and remuneration of women to men	Website - Data Centre - People and organisation	SE15
Non-discrimination			
GRI 406-1	Incidents of discrimination and corrective actions taken	Social Responsibility Report 2019- Focusing on diversity and inclusion; Strengthening our whistle-blower protection	SE8; SE18
Security practices			
GRI 410-1	Security personnel trained in human rights policies or procedures	VPSHR Annual Report 2019 Social Responsibility Report 2019 - Working with partners to promote and protect human rights	SE10
Human rights			
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	Social Responsibility Report 2019 - Working with partners to promote and protect human rights VPSHR Annual Report 2019	SE8
GRI 412-2	Employee training on human rights policies or procedures	VPSHR Annual Report 2019	SE8
GRI 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	VPSHR Annual Report 2019; Modern Slavery Statement 2019	SE8
OG12	Operations where involuntary resettlement took place, number of households resettled and how livelihoods were affected	Website – Data Centre -	SE3
Local communities			
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Website - How we work - Society Website - How we work - Sustainable development Social Responsibility Report 2019 - Making lives better Social Responsibility Report 2019 - Proud of what we do and how we do it	SE1
Public policy			
GRI 415-1	Political contributions	Oil Search does not make payments in cash or in kind, directly or indirectly, to politicians, political parties, political organisations, their representatives or any independent candidates engaged in politics. Oil Search personnel must not give, pay, offer, promise, directly or indirectly, any benefit, including case, per diems, donations, gifts entertainment or any other benefits of any kind to a Government Official.	SE13; SE14
Socio-economic compliance			
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	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.	

DEVELOPMENT GOALS

SUSTAINABLE DEVELOPMENT GOALS (SDGS) AND PNG VISION 2050

This table references the Sustainable Development Goals (SDGs) and objectives of the Papua New Guinea Vision 2050.

SR REPORT SECTIONS	PNG VISION 2050	SDG DIRECT IMPACT	SDG INDIRECT IMPACT
MAKING LIVES BETTER			
Better access to clean, affordable power	1.17.7.3 Infrastructure and Utilities; 1.17.9 Environmental Sustainability and Climate Change	 	 
Stronger health services	1.17.3 Health		 
More opportunities for lifelong education	1.17.2 Education		  
Expanded support for Alaskan Communities	1.17.3 Health	 	 
Building climate resilience in PNG communities	1.17.9 Environmental Sustainability and Climate Change	 	 
Improved local business opportunities	1.17.4.1.2 Agriculture; 1.17.6.14 Robust Economic Growth;	 	 
Enhanced protection for woman and families	1.7.2 Equality and Participation	  	 
Expanded Infrastructure	1.17.7.3 Infrastructure and Utilities; 1.17.1 Human Development; 1.23.1 Infrastructure	  	  
Rehabilitation efforts following the 2018 earthquake			 

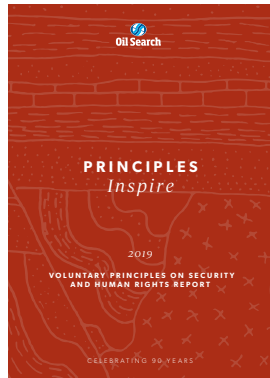
SR REPORT SECTIONS	PNG VISION 2050	SDG DIRECT IMPACT	SDG INDIRECT IMPACT
PROUD OF WHAT WE DO AND HOW WE DO IT			
Prioritising safety	1.17.3 Health		
Understanding physical climate change risks	1.17.9 Environmental Sustainability and Climate Change		
Addressing operating emissions performance	1.17.9 Environmental Sustainability and Climate Change;		
Working with partners to promote and protect human rights	1.17.1 Human Development	 	
Strengthening environmental protection measures	1.17.9 Environmental Sustainability and Climate Change		 
Building a strong and environmental and social baseline	1.17.1 Human Development 1.17.9 Environmental Sustainability and Climate Change	 	
Supporting subsistence in Alaska North Slope	1.17.1 Human Development		
Planning for sustainable development after asset end-of-life	1.17.1 Human Development		
ENGAGING AND EMPOWERING OUR EMPLOYEES			
Building organisational competency and capacity	1.7.1 Integral Human Development	 	
Focusing on diversity and inclusion	1.7.2 Equality and Participation 1.25 Citizen Participation	 	 
Providing pathways to employment	1.7.1 Integral Human Development	 	
Strengthening our whistle-blower protection	1.7.2 Equality and Participation		
Supporting employee mental health and wellbeing	1.17.3 Health		



2019 SOCIAL RESPONSIBILITY REPORTS



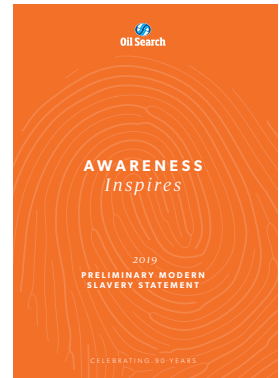
Social Responsibility Report



VPSHR Report



Transparency Report



Preliminary Modern Slavery Statement

Enquiries and feedback on this reporting and performance are welcome. Please contact the Oil Search social responsibility team on:

socialresponsibility@oilsearch.com

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