

ExxonMobil

ExxonMobil PNG Limited



Papua New Guinea LNG Project

**Labour and Working Conditions Management
Plan - Production**

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ACRONYMS

ACRONYM	DESCRIPTION
EMPNG	ExxonMobil PNG Limited
LNG	Liquefied Natural Gas
OIMS	Operations Integrity Management System
P&GA	Public and Government Affairs
PPE	Personal Protective Equipment
PNG	Papua New Guinea

Corporate Separateness Notice

Nothing in this material is intended to override the corporate separateness of local entities. Working relationships discussed in this material do not necessarily represent a reporting connection, but may reflect a functional guidance, stewardship, or service relationship. Where shareholder consideration of a local entity matter is contemplated by this material, responsibility for action remains with the local entity. The terms corporation, company, affiliate, ExxonMobil, Exxon, Mobil, Esso, our, we and its, as used in this material may refer to Exxon Mobil Corporation, to one of its divisions, or to the companies affiliated with Exxon Mobil Corporation, or to any one or more of the foregoing. The shorter terms are used merely for convenience and simplicity.

PNG LNG is an integrated development that includes gas production and processing facilities, onshore and offshore pipelines and liquefaction facilities. Participating interests are affiliates of Exxon Mobil Corporation (including ExxonMobil PNG Limited as operator), Oil Search Limited, Kumul Petroleum Holdings Limited, Santos Limited, JX Nippon Oil and Gas Exploration, Mineral Resources Development Company and Petromin PNG Holdings Limited.

1.0 INTRODUCTION

This Plan describes how ExxonMobil PNG Limited (EMPNG) and its contractors will manage labour and working conditions, including camp accommodation, during the production phase of the Papua New Guinea Liquefied Natural Gas (PNG LNG) Project. This Plan has been developed, and will be implemented, in accordance with Papua New Guinean legislation, EMPNG policy and International Finance Institution standards.

This Plan is one component of, and should be read in conjunction with, a series of documents that together comprise the Environmental and Social Management Plan.

1.1 Scope

This Plan sets out the potential risks and impacts associated with labour and working conditions, and describes how they will be mitigated and monitored.

It outlines the requirements and expectations for implementing the defined mitigation measures, assessing and verifying compliance, reporting, assuming roles and responsibilities, supervision and training.

This Plan will apply to all production activities associated with the Upstream facilities, pipelines, LNG Plant and the PNG LNG Port Moresby office.

It is expected to be adopted and applicable to EMPNG contractors, recognising that EMPNG's effectiveness in managing third parties will vary in accordance with the leverage EMPNG is able to exercise. To the extent that EMPNG can exert influence over its supply chain, the principles in this Plan will also apply.

EMPNG will use commercially reasonable efforts to require contractors, or other intermediaries procuring labour, to apply comparable standards.

1.2 Objectives

The objectives of this Plan are to:

- promote fair and equitable labour practices for the fair treatment, non-discrimination and equal opportunity of workers
- establish, manage and promote a healthy management-worker relationship
- protect workers' rights including migrant and third party workers
- promote healthy, safe, secure and comfortable accommodation that does not impact negatively on the communities in the surrounding area.

2.0 LEGAL AND OTHER REQUIREMENTS

With regard to labour and working conditions, EMPNG will comply with applicable Papua New Guinean laws and regulations, treaties and conventions International Finance Institution requirements, and company policies.

The following requirements form the basis of this Plan; however, they should not be assumed to be an exhaustive list of all legal and regulatory requirements.

2.1 Papua New Guinean laws and regulations

Papua New Guinean laws relevant to labour and working conditions include the:

- *Constitution of the Independent State of Papua New Guinea 1975*
- *Employment Act 1978*
- *Employment of Non-Citizens Act 2007*
- *HIV [Human Immunodeficiency Virus]/AIDS [Acquired Immune Deficiency Syndrome] Management and Prevention Act 2003*
- *Industrial Organisations Act 1962*
- *Industrial Relations Act 1962*
- *Industrial Safety, Health and Welfare Act 1961*
- *Lukautim Pikinini (Child) Act 2009*
- *Workers' Compensation Act 1978.*

In some situations EMPNG may apply, pursuant to these laws, for exemptions in order to align working conditions with operational contingencies and global best practice¹.

2.2 International treaties and conventions

The following international standards relevant to labour and working conditions will be applied by EMPNG during the production phase:

- *International Labour Organization Declaration on Fundamental Principles and Rights at Work*
- *Voluntary Principles on Security and Human Rights*
- *United Nations Global Compact².*

2.3 International Finance Institution requirements

In relation to this Plan, the most pertinent requirements are:

- the International Finance Corporation's Performance Standards on Social and Environmental Sustainability (International Finance Corporation, 2006), specifically Performance Standard 2: Labor and Working Conditions
- Workers' accommodation: processes and standards (European Bank for Reconstruction and Development and International Finance Corporation, 2009)
- *Universal Declaration of Human Rights*
- *International Labour Organization Core Conventions*, specifically:
 - *Freedom of Association and Protection of the Right to Organise Convention*
 - *Right to Organise and Collective Bargaining Convention*
 - *Forced Labour Convention*

¹ For example, in 2011 EMPNG, then known as Esso Highlands Limited, successfully applied for exemption from a Papua New Guinean law that prevented women from working at night. The exemption gives women in the EMPNG workforce the same opportunities as men.

² ExxonMobil supports the ideals of the *United Nations Global Compact* in the areas of human rights, labour standards, the environment, and anti-corruption. While ExxonMobil is not a signatory of the *Global Compact*, those basic values are embedded in Standards of Business Conduct, which govern its operations around the world.

- *Abolition of Forced Labour Convention*
- *Minimum Age Convention*
- *Worst Forms of Child Labour Convention*
- *Equal Remuneration Convention*
- *Discrimination (Employment and Occupation) Convention*
- United Nations Human Rights Council's Report of the Special Representative of the Secretary General on the issue of human rights and transnational corporations and other business enterprises – Protect, Respect and Remedy: a Framework for Business and Human Rights (United Nations Human Rights Council, 2008).

2.4 Company requirements

The Operations Integrity Management System (OIMS), as well as the ExxonMobil Upstream Standard on Socioeconomic Management, apply to labour and working conditions management as follows:

- OIMS System 4-2 Compliance with Laws, Regulations and Permits – The requirement to comply with applicable laws, regulations, permits, licenses, and other legally binding requirements or agreements
- OIMS Element 5-1 Personnel Selection, Placement and Competency; and OIMS Element 5-2 Personnel Training – Control of operations depends upon people. Maintaining operations that protect safety, health, and the environment and that conform to laws and regulations requires careful selection, placement, ongoing assessment, and proper training of employees
- ExxonMobil Upstream Standard on Socioeconomic Management – This Standard is intended to promote fit-for-purpose actions toward the early and full identification of potential socioeconomic risks and opportunities, comprehensive socioeconomic planning and the effective implementation of risk management and opportunity advancement measures. The aim of this Standard is to identify and avoid, reduce or remedy actual and potential impacts and their related risks, as well as to realise benefits in the following key areas:
 - impact assessment and mitigation
 - human rights
 - transparency and anti-corruption
 - community relations
 - cultural heritage and diversity
 - land use and resettlement
 - economic development (local content)
 - Indigenous Peoples.

ExxonMobil, through its subsidiaries such as EMPNG, has established Human Resources policies, guidelines and programs that are relevant to managing and implementing this Plan, including but not limited to the:

- Alcohol and Drug Use Policy
- Annual Leave Guidelines
- Anti-Corruption Policy
- Conflicts of Interest Policy
- Contract Personnel Guidelines
- Discipline Guidelines
- Equal Employment Opportunity Policy
- Ethics Policy
- Global Diversity Framework
- Harassment in the Workplace Policy

- Management and Protection of Information Guidelines
- Maternity Leave Guidelines
- Personal Leave With Pay Guidelines
- Personal Leave Without Pay Guidelines
- Political Activities Policy
- Privacy Policy
- Procedures and Open Door Communication
- Relationships between Supervisors and Subordinates
- Safety Policy
- Sick Leave Guidelines
- Standards of Business Conduct Guiding Principles
- Working Hours Expectations Guidelines
- Workplace Assistance Program.

A key component of ensuring high standards related to catering, camp management and associated logistics operations is contained within the ExxonMobil Production Best Practices, the mission of which is to develop and use worldwide operations expertise to institutionalise best practices and assist in successful organisation-building to enable the flawless start-up of new operations.

For example, requirements and expectations related to camp management and catering include, but are not limited to:

- personnel qualification criteria
- food specifications
- housekeeping service specification.

ExxonMobil's Standards of Business Conduct provide a worldwide framework for responsible operations and are consistent with the spirit and intent of the *International Labour Organization Declaration on Fundamental Principles and Rights at Work*. The *Declaration* sets an obligation on Members to promote and realise the principles of:

- freedom of association and effective recognition of the right to collective bargaining
- elimination of all forms of forced or compulsory labour
- effective abolition of child labour
- elimination of discrimination in respect of employment and occupation.

3.0 ORGANISATION

The requirements of this Plan will be implemented by the Human Resources, Procurement and Operations departments. The Human Resources Manager will own this Plan from an OIMS functional perspective.

The Human Resources department will be responsible for managing and implementing employment policies, guidelines and procedures, including equal opportunity employment. Their role ensures compliance with Papua New Guinea's labour laws and ExxonMobil's National Content Plan requirements for local recruitment and reporting. Other key responsibilities include the management of:

- industrial relations
- workplace grievances
- working hours expectations
- remuneration and payroll
- privacy management
- contractor Human Resources management.

The Procurement department will be responsible for ensuring contract language supports the objectives of this Plan and that contractors are informed and stewarded against their obligations. The Operations department will be responsible for ensuring compliance with all aspects of this Plan as applicable to camp accommodation.

Close interaction with the National Content department will be required to ensure national content requirements of this Plan are implemented. The relationship between these different departments is highlighted in Figure 3-1.

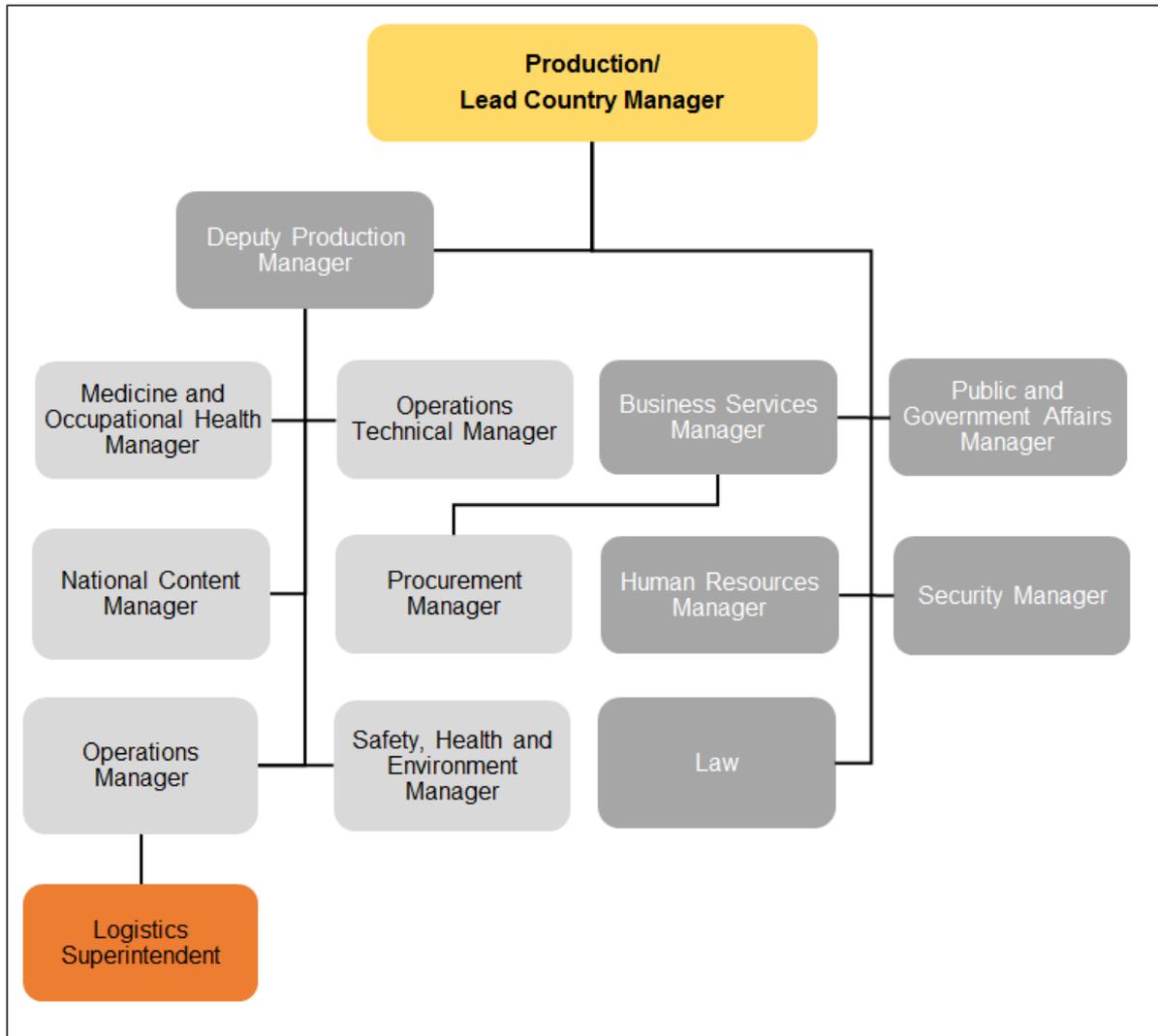


Figure 3-1: ExxonMobil PNG Limited organisation chart

Some sample job descriptions are provided in Section 7.0 to demonstrate the type of roles that will apply within EMPNG during the production phase. As the needs of EMPNG change over time, some roles may be adjusted accordingly.

Contract Owners/Administrators are responsible for contractor management in relation to this Plan.

4.0 IMPACTS AND MITIGATION

Mitigation measures are defined on the basis of EMPNG standards together with other relevant industry good practice and risk assessments appropriate to production activities.

EMPNG and its contractors are required to implement and comply with the following mitigations as appropriate to their scope of work in order to avoid, minimise and control impacts and risks with regard to labour and working conditions.

Table 4-1 presents a summary of the potential risks and impacts related to labour and working conditions, together with mitigation measures to avoid or reduce associated impacts. It also describes the monitoring required to assess the performance of these measures.

Table 4-1: Risks and impact mitigation

SUB-CATEGORY	RISK/IMPACT TO WORKERS	RISK/IMPACT TO EMPNG	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
DIRECT WORKERS							
Recruitment and selection – how workers enter the organisation	Perception of unfair recruitment and selection practices	Community tensions – stop work practices that affect productivity	Human Resources policy and/or procedure that covers recruitment and selection processes including at least: <ul style="list-style-type: none"> • selection criteria for each position • method of recruitment • places of recruitment • transparency clauses • use of Landowner Company\Integrated Land Group structures, as appropriate 	1	Verification	Annual	Human Resources
			National content strategy that is transparent, well communicated and implemented to: <ul style="list-style-type: none"> • maximise work opportunities for local citizens and recruit in accordance with the geographic priorities determined by the production organisation • enhance local employees' skills base through training and development programs 	2	Verification	Quarterly	National Content
	Recruitment of individuals who, by virtue of age, would be exposed to hazardous situations and be subject to impaired social development	Increased health and safety risk to workforce, potential non-compliance with national labour laws, and reputational risk to EMPNG	Human Resources and contracting policies and/or procedures that cover recruitment and selection processes that specifically address issues associated with child labour	3	Verification	Annual	Human Resources

SUB-CATEGORY	RISK/IMPACT TO WORKERS	RISK/IMPACT TO EMPNG	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
Conditions of employment – what people earn\benefits	Perceptions that wages, salaries and benefits are poor or that foreigners are treated better and receive better conditions of employment	Industrial action - work stoppages, absenteeism, sit-ins, sabotage	Human Resources policy and/or procedure that describes at least the following: <ul style="list-style-type: none"> contract arrangements and content how wage surveys will be conducted to assess local conditions and industry averages process for pay increases work bands and parallel pay scales (including pay for performance) 	4	Verification	Annual	Human Resources
			Effective process(es) in place where employees can escalate concerns and have them addressed in a timely manner	5	Assessment	Annual	Human Resources
Labour relations – cultural diversity	<ul style="list-style-type: none"> Different cultures meeting in the workplace – feelings of distrust and suspicion of other cultural groups Perception that one’s culture is not respected or valued 	<ul style="list-style-type: none"> Conflict arises between different cultures or tribes resulting in tension, which could lead to violence and work stoppages Foreign workers feel threatened and leave, resulting in skills gap 	Cultural awareness programs during induction and ‘lunch and learns’ including community “do’s and don’ts”	6	Verification	Annual	Human Resources
			Supervisors to undergo compulsory cultural awareness training	7	Verification	Annual	Human Resources
			A code of conduct to cover: <ul style="list-style-type: none"> respect for different cultures acknowledgement of cultural differences in respect to diet, religious ceremonies and so forth non-discrimination and equal opportunity harassment, types and consequences 	8	Verification	Annual	Human Resources

SUB-CATEGORY	RISK/IMPACT TO WORKERS	RISK/IMPACT TO EMPNG	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
Labour relations – conflict handling	<ul style="list-style-type: none"> Workers feel aggrieved and don't know how to vent their grievances Workers are not sure of the rules and regulations of EMPNG 	Workers embark on various forms of industrial action. They take matters into their own hands, which results in violence and conflict that affects workplace harmony	<p>Human Resources policy and/or procedures that include at least:</p> <ul style="list-style-type: none"> effective process(es) in place where employees can escalate concerns to mitigate aggravation and conflict a disciplinary procedure workplace rules and regulations industrial action handling protocols, where appropriate <p>Workers will be informed of these procedures during induction training Supervisors to undergo training on all these procedures</p>	9	Verification	Annual	Human Resources
Labour relations – worker engagement mechanisms	<ul style="list-style-type: none"> Workers are not informed of activities or events that affect them Workers are unable to communicate collective issues that bother them Rumours\ misinformation spreads that concern workers 	<ul style="list-style-type: none"> Industrial action due to rumours or incorrect perceptions Poor morale and an unproductive workforce 	<p>Effective communication and engagement mechanisms including at least the following:</p> <ul style="list-style-type: none"> management-employee engagement forums regular updates of the company intranet and electronic communications regular written communications that go to all workers describing relevant operations activities use of notice boards use of toolbox talks ongoing supervisor-led communications <p>Through an ongoing process of employee engagement and alignment, work together to build a capable, positive and harmonious workforce</p>	10	Verification	Annual	Human Resources

SUB-CATEGORY	RISK/IMPACT TO WORKERS	RISK/IMPACT TO EMPNG	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
CONTRACTORS AND CONTRACT WORKERS							
Labour and working conditions – contract workers	As described in 1 to 7	As described in 1 to 7	As described in 1 to 7 including the mitigations described below specific to workers not directly contracted by EMPNG	11	As described in 1 to 7	As described in 1 to 7	Procurement, Operations, Contract Owners/ Administrators, Contractor
Foreign workers	Foreign workers are contracted through agencies that are not reputable	<ul style="list-style-type: none"> Company reputation affected with implications of unfair labour practices Contract workers are disgruntled as they believe they are being unfairly employed, resulting in industrial action and/or low productivity 	Where a contractor uses agencies to recruit foreign/local workers, the contractor ensures that these agencies are reputable and legitimate Complete transparency on all fees paid to the agencies to be required by the contractor and subject to auditing by EMPNG	12	Verification	Annual	Procurement, Contract Owners/ Administrators, Contractor
			The contractor ensures that all workers have written contracts of employment signed by both parties that cover all the terms and conditions of employment. Each party to the contract shall have an original copy. Contracts will be drafted in the relevant language and the contractor will ensure that the worker understands the terms and conditions of employment	13	Verification	Annual	Procurement, Contract Owners/ Administrators, Contractor
			The contractor is to provide Contracts of Employment with terms and conditions, as a minimum, complying with Papua New Guinean legislation	14	Verification	Annual	Procurement, Contract Owners/ Administrators, Contractor

SUB-CATEGORY	RISK/IMPACT TO WORKERS	RISK/IMPACT TO EMPNG	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
	Perceptions by local workers that wages, salaries and benefits are poor and that foreigners are treated better and receive better conditions of employment	Industrial action: work stoppages, absenteeism, sit-ins, sabotage Aggression towards foreign workers which could result in violence and work disruptions	Workplace conditions of employment and tools for foreign workers and local workers doing similar work will not be substantially different. Where these cannot be avoided, they must be documented and the contractor will communicate these instances to EMPNG with a plan to mitigate potential conflict that may arise	15	Verification	Quarterly	Procurement, Contract Owners/ Administrators, Contractor
ACCOMMODATION							
Worker accommodation building specifications (camps)	Accommodation is considered sub-standard which leads to discontent amongst the residents and concerns about perceived health risks	Workers have low morale and perceive EMPNG to not care about their welfare, which in turn affects motivation and productivity	Build camps to the minimum camp specifications for production accommodation. In the event of new construction, the following construction phase documents will be applied as necessary: <ul style="list-style-type: none"> • Minimum Health Requirements for Project Execution • Minimum Camp Specifications for Operations Accommodation • PNG LNG Health Plan • PNG LNG Emergency Response Plan • PNG LNG Security Management Plan 	16	Verification	Once in the event of new construction	Operations
Camp management practices	Residents do not live in harmony and the potential for	Conflict escalates	If a contractor is used to manage camps, they must have a proven positive track record	17	Verification	Prior to appointment	Operations

SUB-CATEGORY	RISK/IMPACT TO WORKERS	RISK/IMPACT TO EMPNG	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
	conflict rises. Residents do not know how to complain or make a grievance		<p>Implement an induction program to be attended by all residents that covers at least the following:</p> <ul style="list-style-type: none"> • camp rules and regulations • code of conduct • camp grievance mechanism • camp disciplinary procedure • complaints system for food, dining, housekeeping and maintenance • camp committee system • community relations cultural awareness • health, safety and security 	18	Verification	Annual	Operations
			<p>Keep committee minutes, records of all training conducted, complaints, grievances and breaches of discipline. Use this information to track trends and for remedial action purposes</p>	19	Verification	Quarterly	Operations, Contractor
			<p>Implement a mechanism for dialogue with camp residents on key issues such as food, dining, housekeeping, recreational activities and camp rules and regulations</p>	20	Verification	Annual	Operations
			<p>Undertake room allocations in an open and transparent manner using only employment seniority as a criterion. Keep separate but equal male and female accommodation</p>	21	Verification	Annual	Operations

SUB-CATEGORY	RISK/IMPACT TO WORKERS	RISK/IMPACT TO EMPNG	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
			Implement appropriate levels of safety and security practices and ensure that only residents are allowed in the accommodation – as well as day workers such as cleaning and maintenance staff. Strict ingress and egress control is required to ensure the security of residents, particularly women	22	Verification	Annually	Operations
			Procure camp supplies according to the procurement and supply chain management practices. Do not procure from vendors if it may lead to higher prices for local communities or encourage in-migration into the area	23	Verification	Annually	Procurement
Food and dining	<ul style="list-style-type: none"> Food is not culturally appropriate Queues are long The dining experience is a frustrating one leading to incidents in the dining hall between workers and kitchen staff 	<ul style="list-style-type: none"> Workers embark on industrial action Incidents increase in the dining halls which could escalate to violence Morale is low which leads to poor productivity 	Provide food that will ensure a balanced diet, is culturally appropriate and has been approved by a qualified nutritionist	24	Assessment	Annually	Operations
			Provide safe, potable water at all work sites, accommodation, dining and recreation areas	25	Verification	Annually	Operations
			Provide the opportunity for feedback on food and dining by a comments or complaints system that is easy for residents to use, as well as via regular meetings with worker nominated representatives. Complaints must be trended and tracked for remedial action	26	Verification	Annually	Operations

SUB-CATEGORY	RISK/IMPACT TO WORKERS	RISK/IMPACT TO EMPNG	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
			Ensure that dining halls have adequate seating, condiments, cutlery and crockery, serving areas and catering staff so that the dining experience is an efficient and pleasant one. Dining times to be communicated to all residents and to fit in with work requirements	27	Verification	Annually	Operations
			Ensure that kitchen staff comply with all Papua New Guinean health regulations. Meet all the health, hygiene and food safety requirements described in the PNG LNG Minimum Health Specification Guidelines	28	Assessment	Annually	Operations, Contractor
Maintenance	Equipment breaks down affecting accommodation standards	Worker health, safety and general welfare are affected, which in turn could affect the motivation and productivity of workers	Provide an efficient system for routine and preventive maintenance	29	Verification	Annually	Operations
			Ensure that there are enough spare parts available for all critical equipment	30	Verification	Annually	Operations
Laundry	Workers have to wear dirty Personal Protective Equipment (PPE) or have to be issued with extra PPE	Workers do not wear the appropriate PPE or wear dirty PPE, which may affect their health and safety	Ensure workers are provided with sufficient quantities of PPE	31	Verification	Annually	Operations
			Provide a laundry system with a 24-hour turnaround time available at least three times a week	32	Verification	Annually	Operations
			Clean sanitary facilities daily to ensure health and hygiene standards are met. Issue camp residents with soap and towels. Ensure all sanitary facilities have paper towels/hand blowers, toilet paper and soap for hand washing	33	Verification	Annually	Operations

SUB-CATEGORY	RISK/IMPACT TO WORKERS	RISK/IMPACT TO EMPNG	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
Housekeeping	The general appearance of the camp deteriorates making camp life unpleasant	The overall camp experience is compromised which in turn leaves workers demoralised and unproductive	Ensure that camp grounds and common areas are routinely cleaned and organised with appropriate signage in place, and that grounds are maintained (e.g. grassed areas are regularly mown)	34	Verification	Annually	Operations
			Establish easily accessible, designated smoking areas which are clearly highlighted and regularly cleaned	35	Verification	Annually	Operations
Recreation	Workers spend most of their time in the camps and could become disenchanted and bored. They may want to leave the camps and go into the local towns and villages in search of recreation	Tensions arise from the local communities as workers impact their activities in search of recreation. An increase in alcohol consumption and prostitution could result due to the influx of workers into local communities	Provide appropriate recreational facilities and activities. These should be discussed with the camp residents committee	36	Verification	Annually	Operations
			Ensure that equipment and facilities are kept clean and well maintained	37	Verification	Annually	Operations
Spiritual /religion	Workers will want access to places of worship for their chosen religion. They may leave the camps and go into the local towns and villages in search of an appropriate place of worship	Tensions arise from the local communities as workers impact their activities	Provide appropriate places of worship where residents express a need for this in accordance with cultural sensitivities, and assess transport arrangements on a case-by-case basis	38	Verification	Quarterly	Operations

SUB-CATEGORY	RISK/IMPACT TO WORKERS	RISK/IMPACT TO EMPNG	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
Security	Inconsistent and aggressive behaviour of security personnel towards workers can result in tensions and conflict in the workplace and a perception of human rights abuses	Insufficient training and control of security personnel can lead to the inappropriate use of force, while protecting EMPNG workers and assets, or inappropriate behaviour towards local populations, resulting in human rights claims	<p>Ensure that security personnel have not been implicated in past abuses and are trained in appropriate conduct towards workers and community members including:</p> <ul style="list-style-type: none"> exercising constraint and caution and understand how force may be used respecting human rights behaving consistently knowing and abiding by applicable laws fostering good community relations through their interaction and behaviour towards the workforce and communities 	39	Assessment	Quarterly	Security
Community relations	Communities are negatively impacted by site activities: noise, waste, traffic, lighting and so forth. This may result in negative actions towards site operations such as road closures and the prevention of workers or suppliers from entering the worksite	Workers are stopped from going to work, which affects productivity	Implement control measures to avoid and minimise the impacts of camp and living conditions on communities	40	Assessment	Quarterly	Operations
			Limit foreign worker interaction with communities and provide cultural sensitivity awareness training to facilitate appropriate interaction with communities	41	Assessment	Quarterly	Operations

5.0 MONITORING

Processes for monitoring, assessment and audit will be developed to:

- document the implementation and effectiveness of management and mitigation measures
- assess actual impacts against predicted impacts
- demonstrate compliance with applicable legal and other requirements.

Monitoring will be undertaken for both direct hires and contract workers. EMPNG will undertake both desktop and field-based inspection programs to confirm that specified mitigation measures are being implemented effectively and achieving the intended outcomes (see Table 4-1).

5.1 Assessments

EMPNG will undertake periodic assessments to determine the degree to which the commitments outlined in this Plan are being met. This will include camp inspections and monitoring of grievances.

The assessments will be undertaken by suitably qualified personnel. Assessment findings will be prioritised and closed in a timely manner.

5.2 Audits

EMPNG may, at its discretion, audit any contractors or suppliers to determine their compliance with this Plan.

EMPNG may also, at its discretion, undertake audits of other third party facilities and providers, as relevant to the Environmental and Social Management Plan.

The Independent Environmental and Social Consultant, on behalf of the Lender Group, will conduct periodic monitoring reviews of PNG LNG, largely based on the social and environmental controls set out in the Environmental and Social Management Plan.

5.3 Performance indicators

Performance indicators are used to measure and track performance against the effectiveness of mitigation and control measures described in this Plan. Performance indicators will include:

- number and type of disciplinary cases resulting from investigations into allegations of company policy violation. Of specific relevance to this Plan are EMPNG's Harassment in the Workplace Policy and Equal Employment Opportunity Policy
- number of payroll queries
- lost hours due to industrial action
- number and type of camp committee issues raised
- number and type of food or lodging complaints.

Performance indicators will be used in conjunction with verification of key mitigation measures as outlined in Table 4-1.

6.0 REPORTING

Both internal and external reporting requirements apply to labour and working conditions.

6.1 Internal

An assessment will be completed every three years to address the labour and working conditions aspects contained in this Plan, including the following for both EMPNG and contractor activities:

- workplace:
 - induction training numbers
 - issues raised verbally – either one-on-one with management or in management-employee engagement forums – or written, and action taken
 - workforce numbers by national and foreign workers
 - industrial relations incidents - stoppages go slows, threats, damage to property, violence
- camp:
 - grievances lodged by type and number
 - open grievances by type and number
 - induction training numbers
 - issues raised by camp committees and action taken
 - camp resident numbers by national and foreign workers
 - camp incidents
 - food or lodging complaints
 - recreation activities.

6.2 External

EMPNG and its contractors will meet all statutory notification and reporting requirements.

Labour and working conditions metrics will be reported on an annual basis in the PNG LNG Environmental and Social Report series.

7.0 ROLES AND RESPONSIBILITIES

The main departments responsible for implementing this Plan are Human Resources, Procurement and Operations. Following are examples of the types of roles that will apply during the production phase. Some of these departments and roles may change over time to reflect the changing needs of EMPNG.

7.1 Human Resources Manager

The Human Resources Manager will be responsible for:

- coordinating implementation of this Plan
- verifying implementation of this Plan including reporting of non-conformances and developing and implementing corrective actions as appropriate
- reviewing performance trends on a regular basis and stewarding performance against objectives and targets
- assessing EMPNG and contractors' compliance with the requirements of this Plan and developing and implementing corrective actions as appropriate
- periodically reviewing the effectiveness of this Plan and providing recommendations for improvements
- ensuring adequate resources and budget are available to meet the objectives of this Plan
- confirming that training programs meet the minimum requirements established in this Plan
- providing expert advice to EMPNG and key contractors with regard to labour and working conditions, supply chain management, industrial relations and other key enablers to ensure a stable work environment.

7.2 Procurement Manager

The Procurement Manager reports to the Business Services Manager and will be responsible for:

- working with the Human Resources Manager to fulfil the responsibilities listed in Section 7.1 of this Plan, as applicable to contractor selection and contract development.

7.3 Logistics Superintendent

The Logistics Superintendent reports to the Operations Manager and will be responsible for:

- working with the Human Resources Manager to fulfil the responsibilities listed in Section 7.1 of this Plan, as applicable to camp management
- management of camps through camp managers and contracted companies.

7.4 National Content Manager

The National Content Manager will be responsible for:

- tracking performance against national content objectives/targets and reporting on progress both internally and to the Papua New Guinean Government
- collating and analysing combined EMPNG and contractor workforce composition data in accordance with this Plan.

7.5 Contract Owners/Administrators

Contract Owners/Administrators will be responsible for:

- managing assigned procurement and supply contract(s) and ensuring individual contractors are aware of their requirements under this Plan
- assessing the performance of contractor(s) (and their subcontractors) against the requirements of this Plan.

8.0 TRAINING AND AWARENESS

EMPNG will ensure that all personnel responsible for the execution of the tasks and requirements contained within this Plan are competent on the basis of education, training and experience.

Before the development of a training and awareness program, a needs analysis will be conducted. The needs analysis will be based on requirements of this Plan. It involves a basic assessment of the knowledge and skills of the people involved in training implementation. Regardless of the outcome of the needs analysis, the training and awareness program will cover implementation of mitigation measures identified in Table 4-1, as relevant, as well as:

- workplace induction including:
 - payslips
 - disciplinary and grievance procedures
 - cultural awareness
 - code of conduct
- camp induction including:
 - rules and regulations
 - code of conduct
 - camp committee system
 - camp food complaints system
 - interaction with communities
 - health, safety and security
- human rights awareness
- monitoring
- reporting and performance indicators.

9.0 REFERENCE LIST

- International Finance Corporation. (2006). *International Finance Corporation's Performance Standards on Social and Environmental Sustainability*. Washington, D.C.: International Finance Corporation
- European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC). (2009). *Workers' accommodation: processes and standards*. London: EBRD and IFC
- United Nations Human Rights Council. (2008). *Protect, Respect and Remedy: a Framework for Business and Human Rights - Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie, 7 April 2008, A/HRC/8/5*