

ExxonMobil

ExxonMobil PNG Limited



Papua New Guinea LNG Project

**Stakeholder Engagement Management Plan –
Production**

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ACRONYMS

ACRONYM	DESCRIPTION
CEPA	Conservation and Environment Protection Authority
EMPNG	ExxonMobil PNG Limited
EPC	Engineering, Procurement and Construction
Lanco(s)	Landowner company (companies)
L&CA	Land and Community Affairs
LNG	Liquefied Natural Gas
MOH	Medicine and Occupational Health
NGO	Non-government organisations
OIMS	Operations Integrity Management System
P&GA	Public and Government Affairs
PNG LNG EIS	PNG LNG Project Environmental Impact Statement
PNG	Papua New Guinea
SHE	Safety, Health and Environment
VLO	Village Liaison Officer

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 ExxonMobil PNG Limited's (EMPNG's) approach to stakeholder engagement and the steps it intends to take 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.

For the purposes of the ESMP, and this Plan, the term PNG LNG area refers to the Project Impact Area as defined in the PNG LNG Project Environmental Impact Statement (PNG LNG EIS) (EMPNG as Esso Highlands Limited, 2009).

1.1 Scope

Stakeholders are defined in this Plan as people, groups or communities that may be directly or indirectly affected by EMPNG or have an interest in it. This is a diverse group that, over time, will comprise locally affected communities or individuals and their formal and informal representatives, national or local government authorities, political leaders, religious leaders, civil society organisations and groups with special interests, the academic community, and other businesses.

Stakeholder engagement is regarded as an ongoing process and applies to the production phase. Priority will be given to stakeholders who are directly affected by PNG LNG activities but will not exclude those that fall within a broader sphere of influence, or whose legitimate interests define them as stakeholders.

The initial stakeholder engagement process was established as part of the PNG LNG EIS. This process developed formal and informal channels to receive communications from the public, along with a comprehensive consultation process that involved the active and informed participation of affected communities, government and non-government organisations (NGOs).

This Plan describes the processes and actions applicable during production. More specifically, it describes: legal and other requirements; organisational arrangements; engagement activities; grievance mechanisms; monitoring and reporting; roles and responsibilities, and training and awareness.

1.2 Objectives

The principles of engagement¹ that serve as the basis of stakeholder engagement during the production phase are to:

- provide meaningful information in a format and language that is readily understandable and tailored to the needs of the target stakeholder group(s)
- provide information in advance of consultation activities and decision-making
- disseminate information in ways and locations that make it easy for stakeholders to access it
- respect local traditions, languages, timeframes, and decision making processes
- establish two-way dialogue that gives both sides the opportunity to exchange views and information, to listen, and to have their issues heard and addressed
- seek inclusiveness in representation of views, including women, vulnerable and/or minority groups
- adopt processes free of intimidation or coercion
- develop clear mechanisms for responding to people's concerns, suggestions and grievances

¹ Refer to Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets (International Finance Corporation, 2007).

- incorporate feedback into program design, and report back to stakeholders.

With these principles in mind, the overall objectives of EMPNG's stakeholder engagement activities are to: keep all stakeholders informed with respect to their specific interests; engage people in decisions that directly affect them; and maintain stakeholder confidence and trust in the company and its activities through open, informative, inclusive and timely communications.

The expectation is that this will be achieved by building on the relationships established during the construction phase and making appropriate adjustments to reflect the production phase, including changes in activities, affected communities, stakeholder perceptions and interests, and reporting needs.

2.0 LEGAL AND OTHER REQUIREMENTS

With regard to stakeholder engagement, 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

Stakeholder identification and mapping, as well as public consultation on issues of interest and concern, is required as part of Papua New Guinea's consideration of equity entitlement and benefits, as mandated by the *Oil and Gas Act 1998*. In particular, multiple sections of the *Oil and Gas Act 1998* require applications for petroleum facilities to make all reasonable efforts to consult with existing and potentially affected stakeholders about developments.

In addition, National Goal 2 (6) of the *Constitution of the Independent State of Papua New Guinea 1975* requires EMPNG and its contractors to engage the community and "maximise the number of citizens participating in every aspect of development".

These requirements were addressed in detail during the social mapping and landowner identification and PNG LNG EIS processes and were embedded in PNG LNG through commitments made in the PNG LNG EIS, which subsequently became the basis of the three licenses under which PNG LNG's development could occur. These were the Petroleum Development License, the Petroleum Processing Facility License, and the Petroleum Pipeline License.

An Environment Permit was issued pursuant to the *Environment Act 2000* regarding works to be conducted within the petroleum license areas, stipulating the conditions under which the works could be carried out. The conditions included raising community awareness and continuing processes for the assessment and reporting of social impacts and social management, including links to corporate-level systems and requirements.

2.2 International treaties and conventions

International standards for stakeholder engagement are contained in *The Equator Principles II*. These Principles set out environmental and social criteria and guidelines for the financing of projects.

Specifically, Principle 5 outlines the main consultation and disclosure of information requirements, which are:

- the government, borrower or third party for a project needs to consult "with project-affected communities in a structured and culturally appropriate way"
- consultation should be 'free' (free from external manipulation, interference or coercion, and intimidation), 'prior' (timely disclosure of information) and 'informed' (relevant, understandable and accessible information), and should apply to the entire project process
- a Project Consultation and Disclosure Plan should be prepared²
- consultation is to be tailored to meet the needs of the affected communities in terms of language, their decision-making processes and the specific needs of disadvantages or vulnerable groups
- company documentation, or non-technical summaries of documents, are to be made available to the public
- the process and results of consultation with the public are to be documented

²A Project Consultation and Disclosure Plan was developed as part of the PNG LNG EIS process in 2008 and describes the EMPNG consultation and disclosure approach for PNG LNG in the long-term.

- consultation with indigenous peoples should be carried out according to the International Finance Corporation's Performance Standards on Social and Environmental Sustainability (International Finance Corporation, 2006), referred to as the 'Performance Standards'; specifically Performance Standard 7: Indigenous Peoples.

Principle 6 is also relevant to EMPNG. It requires the company to establish a grievance mechanism to consider concerns from impacted communities promptly and transparently, and in a culturally appropriate manner.

2.3 International Finance Institution requirements

Performance Standard 1: Social and Environmental Assessment and Management Systems is most relevant to stakeholder engagement from the perspective of International Finance Institution requirements, as follows:

- community engagement is an ongoing process involving disclosure of information. When local communities may be affected by risks or adverse impacts from a project, the engagement process will include consultation with them. The purpose of community engagement is to build and maintain over time a constructive relationship with these communities. The nature and frequency of community engagement will reflect the project's risks to and adverse impacts on the affected communities. Community engagement will be free of external manipulation, interference, or coercion, and intimidation, and conducted on the basis of timely, relevant, understandable and accessible information
- undertake a process of consultation in a manner that provides the affected communities with opportunities to express their views on project risks, impacts and mitigation measures, and allows the company to consider and respond to them
- The consultation process will ensure the free, prior and informed consultation of impacted communities and facilitate their informed participation. Informed participation involves organised and iterative consultation, leading to the company incorporating into their decision-making process the views of the affected communities on matters that affect them directly, such as proposed mitigation measures, the sharing of development benefits and opportunities, and implementation issues. The company will document the process, in particular the measures taken to avoid or minimise risks to and adverse impacts on the affected communities
- The company will respond to communities' concerns related to the project. Where ongoing risks to or adverse impacts on affected communities are likely, the company will establish a grievance mechanism to receive and facilitate resolution of the affected communities' concerns and grievances about the company's environmental and social performance. The grievance mechanism should be scaled to the risks and adverse impacts of the project. It should address concerns promptly, using an understandable and transparent process that is culturally appropriate and readily accessible to all segments of the affected communities, and at no cost and without retribution. The mechanism should not impede access to judicial or administrative remedies. The company will inform the affected communities about the mechanism in the course of its community engagement process.

In projects with adverse impacts on affected communities of Indigenous Peoples, the consultation process is required to ensure their free, prior and informed consultation and participation on matters that affect them directly, such as proposed mitigation measures, the sharing of development benefits and opportunities, and implementation issues, refer to Performance Standard 7: Indigenous Peoples. The process of community engagement is required to be culturally appropriate and commensurate with the risks and potential impacts to the Indigenous Peoples.

Additionally, recommended good practice in stakeholder engagement is contained in: Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in

Emerging Markets (International Finance Corporation, 2007) and Good Practice Note, Addressing Grievances from Project-Affected Communities, Guidance for Projects and Companies on Designing Grievance Mechanisms (International Finance Corporation, 2009).

Key themes of these documents include:

- Early engagement – Commencing engagement early is crucial to building trust, mutual respect and in establishing relationships with stakeholders. The implementation of this Plan will ensure that consultation activities are proactive, planned and delivered in a timely manner.
- Long-term view – Establishing and maintaining relationships is a long-term investment. To enhance the value of stakeholder relationships, a long-term view to engagement will be taken. This Plan embeds a long-term view by identifying and planning engagement activities that will be tailored for each phase of PNG LNG.
- Proactive not reactive – This Plan sets a proactive path for consultation, as opposed to being reactive and responding to issues as they arise. A proactive approach to consultation helps to build credibility and relationships with stakeholders.
- Managed as a business priority – This Plan will ensure that engagement activities are planned and delivered through a systematic and consistent approach. This involves management responsibilities and resources being assigned to each consultation activity.

2.4 Company requirements

EMPNG is committed to conducting business in a manner that considers the needs of the communities in which it operates. These commitments are supported by human safety, health, environment and product safety policies. Each of these policies is put into practice through a disciplined management framework called the Operations Integrity Management System (OIMS).

OIMS, as well as the Upstream Standard on Socioeconomic Management, apply to stakeholder engagement and grievance management as follows:

- OIMS System 2-1 Risk Assessment and Management – The requirement to identify and manage risks.
- 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 System 10-1 Community Awareness – Addresses all forms of communication and interaction with Production Unit employees, contractors, government and law enforcement officials, NGOs, the media, and local communities where the Unit's office and field/plant operations could have an impact on the communities. The review of grievances, status, statistics and issues is a required activity within this element.
- OIMS System 11-1 OIMS Assessment – A key indicator in the OIMS assessment process is the external review expectation that requires external review and reporting to be conducted on a frequency as defined in the annual OIMS Assessment schedule.

The Upstream Standard on Socioeconomic Management provides guidance on how socioeconomic issues will be identified, with specific consideration to:

- consultation with relevant communities, government officials and appropriate stakeholder organisations or individuals to identify and understand opportunities, issues, concerns, grievances, needs, ideas and values, areas of mutual interest, and potential conflicts with company goals
- identification of potential socioeconomic issues/risks including, but not limited to, management of cultural and heritage properties, interaction with indigenous and/or vulnerable populations, involuntary resettlement, compensation, employment and training, and the procurement of goods and services

- development of appropriate risk management measures in accordance with the mitigation (avoid/reduce/remedy) hierarchy.

As part of OIMS System 10-1 Community Awareness, the ExxonMobil Best Practices in External Affairs Guide was developed and implemented for key facilities across ExxonMobil's global operations. This document describes the requirements relating to the management of external affairs, including stakeholder engagement. OIMS System 10-1 Community Awareness states: "Communities' expectations and concerns about our operations, including those of our workforce, are recognised and addressed in a timely manner."

3.0 ORGANISATION

The requirements of this Plan will be implemented primarily by the P&GA department. The P&GA Manager will own this Plan from an OIMS functional perspective. Close interaction with the SHE, Security, Business Services, Human Resources and MOH departments will be required to ensure complimentary, topic-specific stakeholder engagement activities are appropriately implemented. The relationship between these different departments is highlighted in Figure 3-1.

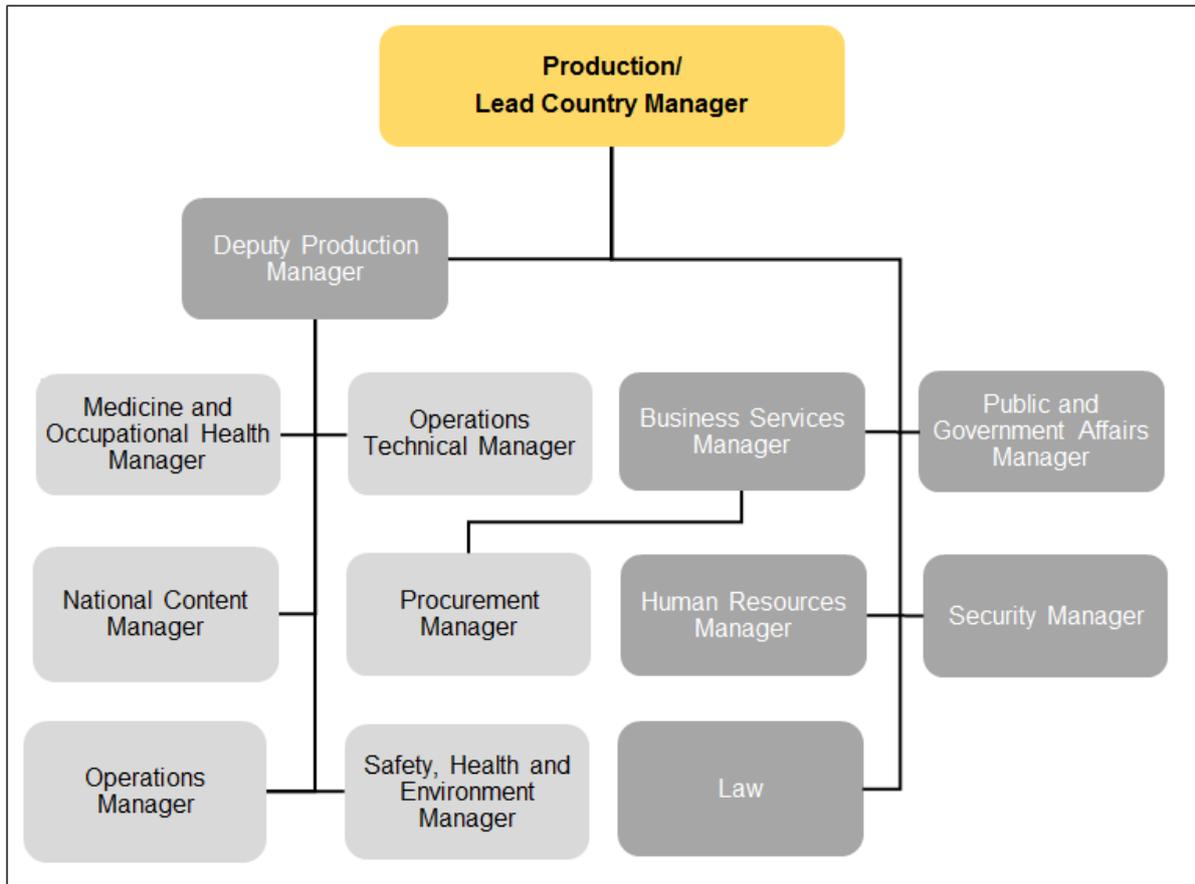


Figure 3-1: ExxonMobil PNG Limited organisation chart

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.

4.0 PREVIOUS STAKEHOLDER ENGAGEMENT ACTIVITIES

4.1 Pre-project activities

Stakeholder engagement relating to oil and gas development within and around the existing PNG LNG facilities has been ongoing since the 1990s, with the original entry into the area by Chevron Asiatic Limited. Oil Search Limited has also been consulting with highland landowners in the license areas since the early 1990s in relation to oil production at Kutubu.

As a result of these activities, over the past two decades Community Affairs Officers and Village Liaison Officers (VLOs) have been active in the Hides, Kutubu, Moran, Gobe and Kikori areas.

In contrast, the LNG Plant site and surrounding areas north of Port Moresby do not have the same history of public engagement prior to the development of PNG LNG.

The long history of consultation in the Southern Highlands and Gulf Provinces has resulted in a high level of community familiarity with oil and gas projects and the establishment of relationships between oil and gas operators and local stakeholders.

4.2 Engagement during the PNG LNG Environmental Impact Statement phase

A detailed and comprehensive public consultation and disclosure program was undertaken as part of the PNG LNG EIS process. Public consultation and disclosure during this assessment phase was described in the PNG LNG EIS Public Consultation and Disclosure Plan. The process was undertaken in five phases, as summarised in Table 4-1.

Table 4-1: Stakeholder engagement during the PNG LNG Environmental Impact Statement process

PHASE	STAKEHOLDERS	ACTIVITIES
Phase 1: Scoping and screening	<ul style="list-style-type: none"> • Landowner representatives • Papua New Guinean Department of Petroleum and Energy • Papua New Guinean Conservation and Environment Protection Authority (CEPA) formally known as the Department of Environment and Conservation • Community Development Initiative Foundation • Co-venture partners • PNG LNG community representatives from Hides, Moran, Kutubu and Gobe • National Museum • NGOs • Industry related groups (e.g. logging and fishing) 	<p>Consultation with key stakeholder groups to enable CEPA to review the proposed PNG LNG scope and redress any shortcomings</p> <p>This phase concluded with the submission and presentation of an Environmental Inception Report</p>
Phase 2: Baseline Studies	<ul style="list-style-type: none"> • Landowners and villagers • Provincial governments and other government departments 	<p>Environmental and social specialist studies in the Project Impact Area. The results of these studies were integral in establishing the key environmental and social characteristics of the Project Impact Area</p>
Phase 3: Impact Assessment and Mitigation (PNG LNG EIS Preparation)	<p>EMPNG consulted primarily with CEPA and the Department of Petroleum and Energy on the proposed content of the PNG LNG EIS and the technical specialist studies</p>	<p>Involved refining PNG LNG components and the identification of key issues and impacts, as well as the designing of appropriate mitigation measures to reduce identified impacts</p>

PHASE	STAKEHOLDERS	ACTIVITIES
Phase 4: PNG LNG EIS disclosure	<ul style="list-style-type: none"> Landowners and villages Department of Petroleum and Energy CEPA Papua New Guinea Gas Project Working Group PNG LNG community representatives from Hides, Moran, Kutubu and Gobe NGOs Research organisations Industry related groups (e.g. logging and fishing) 	<p>Involved multiple consultation and disclosure activities conducted as part of the public release of the PNG LNG EIS</p> <p>Including a roadshow which travelled to PNG LNG-affected villages and disseminated the key findings of the PNG LNG EIS, as well as collected additional feedback to be used in the formal assessment by the Papua New Guinean Government</p>
Phase 5: PNG LNG EIS approval	<ul style="list-style-type: none"> Landowners and villages PNG LNG Working Group Papua New Guinea Gas Project Coordination Committee Provincial governments and other government departments NGOs Research organisations 	<p>Involved the final consultation activities conducted to achieve approval</p>

4.3 Stakeholder engagement during the construction phase

4.3.1 Principal stakeholder groups and issues

An extensive stakeholder engagement program was established during the construction phase and will form the basis of future engagement activities, specifically with respect to stakeholders, issues, forms of engagement and priorities.

Table 4-2 summarises the key stakeholder groups EMPNG interacted with during the construction phase.

Table 4-2: Principal stakeholder groups engaged during construction

PRINCIPAL STAKEHOLDER GROUP	REPRESENTATIVES
PNG LNG-affected landowners and local communities	<p>One hundred and seventeen PNG LNG-affected communities were identified through the PNG LNG EIS in the Upstream area (Southern Highlands and Gulf Provinces), with a baseline population of at least 28,000 people, as of 2000. A further four PNG LNG-affected communities were identified in the vicinity of the LNG Plant site (Lea Lea, Boera, Porebada, and Papa) total population ~11,500 (2010/11) located in the Central Province.</p> <p>Village level stakeholders were defined as those that have the potential to be directly and/or indirectly impacted by PNG LNG. They remain the focus of EMPNG's stakeholder activities</p>
Communities affected by PNG LNG transportation operations, particularly along the Highlands Highway	<p>Communities who are not in the direct PNG LNG footprint but who will experience additional volumes of traffic along the Highlands Highway</p>

PRINCIPAL STAKEHOLDER GROUP	REPRESENTATIVES
Landowner companies (Lancos)	<p>Lancos are companies registered in PNG and owned by the people of the same clan, or of clan origin, who use and/or have title to land in a specific geographic area. Lancos fulfilled a critical role for worker recruitment and numerous other community-based interactions. Lancos include but are not limited to:</p> <ul style="list-style-type: none"> • Hides Gas Development Corporation • KutMor Limited • Moran Development Corporation • Maka Investment Corporation • Kutubu Security Services • Kutubu Transport Limited/Transwonderland • Kutubu Catering Limited • Kawaso Limited • Gobe Field Engineering • Gobe Freight Services • Kikori Oil Investment • Laba Holdings Limited
Papua New Guinean Government (national)	<p>The following key Government Ministries form the basis of continuous, ongoing and priority interactions with EMPNG:</p> <ul style="list-style-type: none"> • Royal Papua New Guinea Constabulary • Papua New Guinea Defence Force • Department of Petroleum and Energy • CEPA • Department of Justice and Attorney General/Magisterial Services • Department Mineral Policy and Geo Hazards • Department of the Prime Minister and Cabinet, Chief Secretary and Office of Security Coordination and Assessment • Department of Correctional Services • Department Provincial and Local Government Affairs • Department of Public Enterprise/Independent Public Business Corporation/National Petroleum Company of PNG • Internal Revenue Commission/Customs PNG • Department of Lands and Physical Planning • Department of Labour and Industrial Relations/National Apprentice Trade and Training Board and Occupational Health and Safety • Department of National Planning and Monitoring
Government statutory agencies	<ul style="list-style-type: none"> • PNG Power Limited • PNG Ports Corporation • Gas Projects Coordination Office Gas Projects Coordination Office/Independent Issues Committee • National Maritime Safety Authority • Investment Promotion Authority • National Air Corporation Services • Water Board/Eda Ranu • Mineral Resources Development Company

PRINCIPAL STAKEHOLDER GROUP	REPRESENTATIVES
Papua New Guinean Government (provincial and local)	<p>The Government departments present at the provincial level operate as follows:</p> <ul style="list-style-type: none"> • the Provincial Assembly is the paramount decision making body in a province. It is composed of Members of the National Parliament and a limited number of appointed members representing women and other groups • the Provincial Executive Council is the executive arm of the Provincial Government, and is comprised of the Provincial Governor, Deputy Governor and a series of Chairpersons appointed to supervise permanent development committee • the Joint District Planning and Budget Priorities Committee oversee and coordinate the preparation of district plans and budgets. Joint District Planning and Budget Priorities Committees are comprised of the heads of local-level governments in the district (usually three), and three members appointed by the Chairman, who is the Open Member of the National Parliament for the district • the Provincial Administrator and Staff are responsible for overseeing the administration of the <i>Organic Law on Provincial Governments and Local-level Governments 1998</i> in the province • the District Administrator and Staff are responsible for overseeing the administration of the <i>Organic Law on Provincial Governments and Local-level Governments 1998</i> in the district included in the PNG LNG area
Diplomatic Corps and foreign government donor agencies	<ul style="list-style-type: none"> • American Embassy • Australian High Commission • Japanese Embassy • Embassy of The People's Republic of China • Taiwan Embassy • European Union Office • French Embassy • AusAID • USAID • Japan International Cooperation Agency
Civil society organisations, international and domestic NGOs, international organisations and research organisations	<ul style="list-style-type: none"> • World Wildlife Fund South Pacific • The Nature Conservancy, Pacific Island Countries Program • Conservation International • Community Development Initiative Foundation • PEACE Foundation Melanesia • Centre for Environmental Law and Community Rights • Environmental Law Centre • Sporting organisations • Oxfam International • Business Against Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome • Save the Children • Faith-based, project-area NGOs (e.g. PNG Chamber of Churches, PNG Catholic Church, Evangelical Church of Papua and Catholic, Wesleyan and Seventh Day Adventist churches) • PNG National Museum and Art Gallery • PNG National Research Institute • International research agencies conducting research in Papua New Guinea • World Bank • United Nations • Lowy Institute • Jubilee Australia • International Committee of the Red Cross

PRINCIPAL STAKEHOLDER GROUP	REPRESENTATIVES
Learning and educational institutions	<p>Careers fairs, shows, recruitment drives, community awareness activities, local schools University of Papua New Guinea:</p> <ul style="list-style-type: none"> • University of Papua New Guinea • Papua New Guinea University of Technology • Pacific Adventist University • Divine Word University • University of Goroka • Vudal University
Engineering, Procurement and Construction (EPC) contractors	<p>EPC contractors were the primary employer of Papua New Guinean citizens (with employment through Lancos) during construction. PNG LNG's scope was parcelled as:</p> <ul style="list-style-type: none"> • Early Works/Infrastructure • EPC1 (Telecommunications) • EPC 2 (Offshore Pipeline) • EPC 3 (LNG Plant) • EPC 4 (Hides Gas Conditioning Plant) • EPC 5A and 5B (Onshore Pipeline and Komo Airfield) • Drilling (Hides, Angore, Agogo, Gobe, Juha)
Donor agencies	<ul style="list-style-type: none"> • AusAID • USAID • World Bank • European Union • United Nations Development Program • UN Women • UN Resident • Asian Development Bank • Japan International Cooperation Agency • New Zealand Aid Program
Industry groups and local businesses/suppliers	<ul style="list-style-type: none"> • Forestry industry (PNG Forest Research Institute, log export monitors, forestry industry groups) • Mining (Porgera Mine and Power Station) • Fishing industry (fishing industry groups, fishing companies) • PNG Chamber of Mines and Petroleum • Other industry groups, e.g., Coffee Industry Corporation • Chamber of Commerce and Industry • Mineral Resources Authority • PNG Port Authority
Shareholders associated with co-venture companies, particularly Oil Search Limited considering the shared PNG LNG footprint	<p>PNG LNG involves the respective resources of the co-venturers in a number of Petroleum Development License and Petroleum Retention License areas.</p> <p>The co-ventures include:</p> <ul style="list-style-type: none"> • EMPNG, as operator • Oil Search Limited • Santos Limited • JX Nippon Oil Exploration Corporation • The Independent State of Papua New Guinea and landowners consisting of Kumul Petroleum Holdings Limited, Mineral Resources Development Company Limited and Petromin PNG Holdings Limited
Local media	<p>Relevant local media organisations are as follows:</p> <ul style="list-style-type: none"> • Post Courier, The National, Sunday Chronicle and Wantok Nuis newspapers • Community Development Initiative Foundation and other rural radio stations • EM TV <p>In the event of a major issue arising, international media are also likely to take an interest in PNG LNG</p>

PRINCIPAL STAKEHOLDER GROUP	REPRESENTATIVES
Lender Group	The Lender Group have been engaged through a variety of processes including site visits as well as regular monitoring visits by their Technical Consultant and their Independent Environmental and Social Consultant
Opinion leaders/formers	Opinion leaders and formers are individuals who may comment in the media and other forums about issues of interest to EMPNG. They may include academics, researchers, visiting celebrities, economists and others

During the course of engagement, the issues of interest and or concern have been monitored and trends observed. This analysis has allowed EMPNG to either adapt its engagement program or anticipate the need for changing the approach or emphasis to achieve better outcomes - not only for PNG LNG, but importantly for stakeholders, especially directly affected communities. Such changes have taken many forms including:

- increased or re-targeted engagement
- the collection and provision of additional information, or different types of information
- enhanced methods for information disclosure
- the formation of dedicated community groups within EMPNG to respond to special issues (e.g. biodiversity multi-stakeholder forum, LNG Plant site community groups, water task force for the Hides area, Community Issues Committees in the Komo and Hides areas, and Highlands Highway Area team; refer to Table 4-3).

In addition, monthly/ongoing dialogue has been held with the following groups:

- Papua New Guinea Gas Project Coordination Office
- Ministerial Gas Committee
- Hela Provincial Administration
- Department of Petroleum and Energy
- Lake Kutubu Wildlife Management Area Committee.

4.3.2 Forms of engagement and information disclosure

The stakeholder engagement program has recognised the need to tailor the collection, packaging and dissemination of information according to the needs of the different affected stakeholders. An example of the different engagement mechanisms and information distributed to a selection of key stakeholders during construction is summarised in Table 4-3.

Table 4-3: Summary of engagement and information disclosure during construction

STAKEHOLDER GROUP	RESPONSIBLE GROUP	ENGAGEMENT MECHANISM	TIMING
PNG LNG-affected landowners and local communities	L&CA EPC 3 (LNG Plant site)	VLOs, Komo Community Issues Committees; fisher groups (LNG Plant site), women's groups and fellowships (LNG Plant site) drama groups; roadshows; flyers/newsletters/posters; video; Community Affairs Officers	VLOs resident in villages therefore effectively daily. Other forms used on a case-by-case basis
Lancos	L&CA and Business Development, Enterprise Centre, National Content	LABA Holdings Limited and Hides Gas Development Corporation, Enterprise Centre, specific pipeline Lancos (ten more), field Community Affairs Officers	Regular meetings

STAKEHOLDER GROUP	RESPONSIBLE GROUP	ENGAGEMENT MECHANISM	TIMING
Papua New Guinean Government (National)	P&GA	Regular briefings and meetings, PNG LNG Environmental and Social Report series	Continuous/ongoing
NGOs, civil society and research organisations	P&GA, L&CA , SHE, MOH	Engagement through partnerships (MOH), regular information sharing with accelerated meetings of issues arise (P&GA) Biodiversity multi-stakeholder forum	Primarily meetings, and occasionally workshops and multi-stakeholder forum Also regular dissemination of printed material (reports etc.)
Diplomatic core, donors and bilateral groups	P&GA	Briefings and meetings	Ongoing
Industry Groups and local businesses	P&GA	Meetings	Ongoing
Education institutes	P&GA, L&CA and Human Resources	Careers fairs, shows, recruitment drives, community awareness activities, local schools	Ongoing
Media	P&GA	Quarterly briefing, proactive engagement as needed	Ongoing
Co-venture Partners	P&GA, Technical	Meetings, monthly reporting	Monthly reporting Bi-monthly meetings
Lender Group and Export Credit Agencies	Treasury, EMPNG	Meetings, formal monitoring visits	Weekly/fortnightly calls; monitoring visits up to four times per year
Communities affected by transportation route (e.g. Highlands Highway)	L&CA	<ul style="list-style-type: none"> • Rapid Implementation Projects • Schools engagement program • National Road Safety Council • Markets events 	VLO's resident in villages so contact is daily

5.0 STAKEHOLDER ENGAGEMENT PROGRAM

5.1 PNG LNG stakeholders

PNG LNG stakeholder groups are unlikely to change significantly during production from those engaged during the construction phase (at least in the short-term). However, the priority, and therefore the form and nature of engagement, will change.

Table 5-1 summarises the key stakeholder groups that are anticipated to be the focus of the engagement program during production, together with an overview of the level of engagement and likely key issues.

Table 5-1: Principal stakeholder groups during production

STAKEHOLDER GROUP	COMMENTS
PNG LNG-affected landowners and local communities	<p>This stakeholder group will remain a high priority group for stakeholder engagement. Key issues are anticipated to include:</p> <ul style="list-style-type: none"> • livelihood restoration • top-up resettlement payments • land use and safety-related restrictions along the pipeline Right of Way and in the vicinity of the above ground installations • demobilisation/future employment opportunities • benefits distributions and royalties, including effectiveness of government Land Investigation Reports (and therefore distribution of benefits contained in both the Umbrella Benefits Sharing Agreement and Licence Benefits Sharing Agreements) • demobilisation of the Mobile squad and the implications with respect to community security • unfilled expectations, such as community services (education, medical, transportation) and infrastructure (roads, schools, clinics) • local business development including reduced viability of those small and medium enterprises that had direct and indirect links to construction-related activities • emergence of new opportunities associated with production (e.g. community-based Right of Way management, community-based conservation activities) • increased availability of cash in communities, possible leading to increased alcohol consumption and domestic issues • changing social structures, cohesion and culture • out-migration • government presence/capacity (e.g. Hela Province) • monitoring and evaluation activities including participative community monitoring as appropriate • enhancement program related to conservation priorities at Lake Kutubu, in addition to other biodiversity offset related projects at various locations
Lancos	Lancos will remain an important group near Hides and the LNG Plant site but the scale of PNG LNG-related activity will diminish significantly
Papua New Guinean Government (National)	There are more than 20 key Government Ministries who have an interest in PNG LNG. The level of engagement is expected to remain high in many key ministries especially the Department of Petroleum and Energy, Department of the Prime Minister and Cabinet, Chief Secretary and Office of Security Coordination and Assessment, Internal Revenue Commission/PNG Customs Service, Department of Labour and Industrial Relations, etc.)

STAKEHOLDER GROUP	COMMENTS
NGOs, civil society organisations and research organisations	<p>Appropriate dialogue with interested NGOs or other third parties will continue, especially in relation to the biodiversity program including:</p> <ul style="list-style-type: none"> • Conservation International • Papua New Guinea Eco-Forestry Forum Inc. • Simpson Lawyers • Institute for Applied Ecology - University of Canberra • Papua New Guinea Institute of Biological Research • Mama Graun Conservation Trust Fund • New Guinea Binatang Research Centre • Partners with Melanesians Inc. • PEACE Foundation Melanesia • PNG Conservation Forum • Research and Conservation Foundation of Papua New Guinea • Tenkile Conservation Alliance • The Nature Conservancy • Wildlife Conservation Society (Papua New Guinea) • Woodland Park Zoo (Seattle) • WWF Western Melanesia Programme • YUS Conservation Area Project • University of Papua New Guinea • Other key groups are likely to include: • Centre for Environmental Law and Community Rights • Environmental Law Centre • Oxfam International • Save the Children • Faith-based, project-area NGOs • University of Papua New Guinea • PNG National Research Institute • PNG Institute of Medical Research • Jubilee Australia
Industry groups and local businesses/suppliers	<p>The following industry groups are potential stakeholders:</p> <ul style="list-style-type: none"> • Forestry industry (PNG Forest Research Institute, log export monitors, forestry industry groups) • Mining (Porgera Mine and Power Station) • Fishing industry (fishing industry groups, fishing companies) • PNG Chamber of Mines and Petroleum • Other industry groups • Chamber of Commerce and Industry • Mineral Resources Authority • PNG Port Authority
Shareholders associated with co-venture companies, particularly Oil Search Limited considering the shared PNG LNG footprint	<p>PNG LNG involves the respective resources of the co-venturers in a number of Petroleum Development License and Petroleum Retention License areas. Co-venture meetings are currently held monthly. It is expected that meetings will be less frequent during production</p>
Local media	<p>Relevant local media organisations are as follows:</p> <ul style="list-style-type: none"> • Post Courier, The National, Sunday Chronicle and Wantok Nius newspapers • Community Development Initiative Foundation and other rural radio stations • EM TV, TV Wan, Kundu 2
Export Credit Agencies or Lender Group	<p>Engagement with the Lender Group and their representatives will continue during production, but at a reduced frequency. It is expected that the Lenders will continue to conduct periodic field verification visits, either directly or through an appointed representative</p>

STAKEHOLDER GROUP	COMMENTS
Employees	EMPNG employees are an important stakeholder group because while most may not be directly tasked with stakeholder engagement, they will be interested in keeping up to date with PNG LNG activities and they may be asked questions about PNG LNG in informal situations
Bilateral groups	Bilateral groups such as AusAID, World Bank, International Monetary Fund, Asia Development Bank, European Union and others will have a continuing and broad interest in PNG LNG, and communication with these groups will be considered as part of EMPNG's External Affairs Plan
Opinion leaders/formers	EMPNG will continue to engage with opinion leaders and formers
Communities affected by PNG LNG transportation operations, particularly along the Highlands Highway	EMPNG will continue to use the Highlands Highway, although at a reduced level, and will continue the engagement program established during the construction phase

5.2 Forms of engagement

The stakeholder list in Section 5.1 captures principal stakeholders; however, the forms of engagement with stakeholders will vary considerably depending on the stakeholder group. EMPNG will adapt existing engagement techniques and develop new ones as necessary, to ensure effective and culturally appropriate interaction with stakeholders.

Participatory tools and methodologies such as workshops and focus groups will continue to be utilised, as they are more likely to increase stakeholder involvement in the process and elicit alternative responses, especially if there is controversy or complexity, or a need to build a consensus around possible solutions. Specific tools and tactics will be developed, where needed, to engage sub-groups within communities, including women, vulnerable groups, and minority groups.

Given the nature of engagement, the process will always be context-specific. This means that techniques, methods, approaches and timetables will be tailored for the local situation and the various types of stakeholders being consulted.

Engagement practices and processes will determine appropriate engagement methods and tools based on:

- location and sensitivity of the project or activity – locally and internationally
- number and interest of stakeholders
- complexity of the issue to be discussed
- significance of potential impacts
- expected or targeted outcomes of engagement.

As noted elsewhere in this Plan, the type of engagement and targeted stakeholders will change throughout the PNG LNG lifecycle. However, in general, the more a particular stakeholder group is materially affected by a component of PNG LNG, the more important it is for them to be properly informed and encouraged to participate in matters that directly affect them.

Five general formats for stakeholder engagement were established during the construction phase in recognition of the fact that effective engagement needs to take account of the type of information and issue being discussed or communicated, as well the intended audience or target of the engagement. Variations of these will continue to form the basis of engagements, recognising that all will be open to change as needs and circumstances dictate. These formats are:

- bringing people together into productive dialogue through:

- the formation of the VLO strategy or other representative mechanisms as a means of unifying often divided communities, as well as facilitating regular dialogue with EMPNG
- communication events to deliver key messages or specific studies, reports or data (e.g. Papua New Guinea's National Road Council's Road Safety Awareness campaign for the Highland's Highway)
- public meetings to deliver regular updates to the general public (e.g. monthly meetings in affected villages)
- capacity building institutes.
- sharing information through:
 - newsletters, which are a useful tool for enabling regular feedback and updates for stakeholders
 - the PNG LNG Environmental and Social Report series, which includes the publication of an Executive Summary distributed in Tok Pisin and English through a suite of national newspapers including the Post Courier, The National, Sunday Chronicle and Wantok Nius
 - community notice boards to announce upcoming events and for general updates
 - mass media, including national newspapers and radio to announce upcoming events and provide general updates.
 - websites i.e. www.pnglng.com that provide information to stakeholders who have internet access
 - other targeted techniques for specific audiences, e.g. drama, posters, comics books for villagers or the EMPNG workforce.
- direct meetings with representative individuals/groups and perception surveys such as:
 - individual meetings for direct discussions with individuals or small groups, that enable sharing of specific information to a narrow audience
 - focus groups to collect data or gain feedback on specific actions or programs; or for weekly meetings with respected groups of community leaders. Focus group discussions are a useful way to engage women, minority and youth groups
 - periodic perception surveys to monitor the opinions or perspectives of different stakeholder groups
 - topic-specific panels, working groups and committees to discuss often complex and scientific topics, e.g. biodiversity.
- VLOs who:
 - form a critical interface between EMPNG and the community
 - are typically respected male and female members of a community, often an ex-councillor, clan leader, ex-peace and good order committee member, church leader etc.
 - are carefully recruited to take into account a range of sensitive social factors such as ethnicity and clan affiliations
 - assist with information dissemination and disclosure either via formal engagements, or informal one-to-one sessions. They also assist locals with preparing and submitting grievance claims and help to manage the process through to closure
 - provide timely information on current or brewing issues/grievances and potential work stoppages. They provide insight into the clan/village mind-set, clan composition and their relationship (intra- or inter-clan rivalries/disputes).

6.0 GRIEVANCE MANAGEMENT

6.1 Features

A core element of the stakeholder engagement program is the Grievance Management Process. This Process involves:

- established EMPNG-level departments
- a readily accessible and comprehensible service for stakeholders
- the receipt, acknowledgement and management (including closure) of complaints from external stakeholders
- confidentiality provisions
- provisions of separation, whereby experienced and qualified personnel responsible for managing the Grievance Management Process are separate from the personnel in charge of management of the business activities.

6.2 Scope

The Grievance Management Process addresses PNG LNG-related individual and community grievances. It was established during the construction phase and has evolved into a dynamic tool that will be applied in the production phase.

The process has been designed to fairly and promptly receive, assess, respond to, and resolve grievances. It also provides a mechanism to identify and address trends or systemic sources of concern.

Participation in the Grievance Management Process does not in any manner negate an individual's right to pursue other remedies as provided under Papua New Guinean law. Equally, EMPNG retains its rights under law to pursue legal remedies.

Company and contractor industrial relations grievances, such as pay, overtime and working conditions, are not managed through this process but through processes established by each employer. The industrial relations process is described in further detail in the Labour and Working Conditions Management Plan.

6.3 Terminology

The terms 'issues' and 'grievances' are often confused or used interchangeably. The following definitions are used in this Plan:

6.3.1 Issues

Stakeholder 'issues' are defined as questions, comments, concerns, suggestions, observations etc., of local and other knowledge that are presented to EMPNG. This includes communications on matters that are out of EMPNG's control, i.e. Government-related grievances such as benefit distributions, and other stakeholder grievances (such as legacy issues from other projects located in the vicinity of PNG LNG activities). Such matters are captured through a variety of methods, including standard and ongoing community liaison and formal stakeholder engagement processes.

Stakeholders, including community members, employees, contractors, local and international NGOs, may submit their issues to representatives of EMPNG and/or EMPNG's contractors.

It is recognised that some issues, if not addressed to the stakeholder's satisfaction, may eventually be submitted as a grievance. Accordingly, provision is made within the information management system to manage issues.

Issues differ from grievances in that an issue may consist of:

- a question about PNG LNG activity
- a comment or observation
- a suggestion for EMPNG to consider
- concerns about potential but unrealised impact

- a complaint or grievance resulting from third party activity not associated with EMPNG, i.e. legacy (unfulfilled government commitments, other developers, inter-clan disputes, Lanco disputes, etc).

Recording and monitoring of issues provides a useful indicator of community mood, tensions or discontent. While not necessarily attributable to PNG LNG activity, issues may result in local disruptions with the potential to impact community stability, personnel safety or EMPNG's social license to operate.

Issues may not necessarily be EMPNG's responsibility to resolve but they are routinely reviewed and analysed to determine the need to engage, encourage and/or facilitate others to actively seek resolution (Section 7.1). For example, while EMPNG is not responsible for the identification of benefits derived from royalty payments, government "seed capital" and infrastructure grants, EMPNG facilitated government engagement to help resolve local tensions and foster local empowerment. Issues are collected from both formal and informal engagements and entered into the information management system. Analyses of issues are provided to the following departments on a routine basis, for further consideration and action, where warranted:

- P&GA
- SHE
- Security
- Business Services
- Human Resources
- MOH.

Information about issues is presented in the PNG LNG Environmental and Social Report series. EMPNG also updates the Lender Group's Independent Environmental and Social Consultant on issues during their regular monitoring visits. This information is periodically reported in the Independent Environmental and Social Consultant's Environmental and Social Monitoring reports, and disclosed on the PNG LNG website (www.pnglng.com).

Issues raised during community engagements are directly entered into the information management system by the field officer. In the event that a community member submits what is perceived to be a grievance, which is subsequently determined to be an issue, Community Affairs Officers notify the individual that the "grievance" submitted is actually an issue outside the scope of EMPNG's ability to resolve, but that EMPNG will make reasonable attempts to bring the issue to the attention of others who may be able to assist.

6.3.2 Grievances

A grievance is defined as a complaint lodged by an individual, group, or community alleging damage, impact, or dissatisfaction specifically resulting from EMPNG actions or a lack of action. It is usually submitted in expectation of a corrective action, compensation or both.

Examples include:

- negative impacts on, or increased risks to, an individual or a community, such as financial loss, physical harm, damage to an asset, disruption to social practices including access to resources as a direct result of PNG LNG activities, or a real or perceived threat of such
- EMPNG actions leading to health, safety, and environmental impacts
- harassment of any nature by EMPNG representatives.

Criminal activity, bribery, corruption or fraud may be recorded as grievances but resolution would be referred to the justice system.

6.3.3 Informed judgement

Many grievances have the potential to escalate and present significant risk to EMPNG, its employees and its physical assets. In evaluating any grievance, the Grievance Contact is

required to make an informed judgment regarding the potential for escalation. If a grievance carries a significant risk of escalation to a much more serious situation, the Grievance Contact informs the appropriate level of management.

Judgment is required to correctly and consistently determine whether a communication or situation is deemed unrelated to a PNG LNG activity (e.g. government) and therefore whether it is classified as a grievance or an issue. From EMPNG's perspective, this is managed by ensuring that all EMPNG personnel having direct interaction with communities (principally VLOs) and those processing grievances and general complaints are properly trained and competent to undertake these duties (refer to Section 9.0).

6.4 The Grievance Management Process

There are five steps in the Grievance Management Process:

- publicise the process
- receive and register grievances
- review and investigate grievances
- develop resolution options, respond to grievances and close-out
- monitor and evaluate.

The process is summarised in Figure 6-1 and described in the following sections.

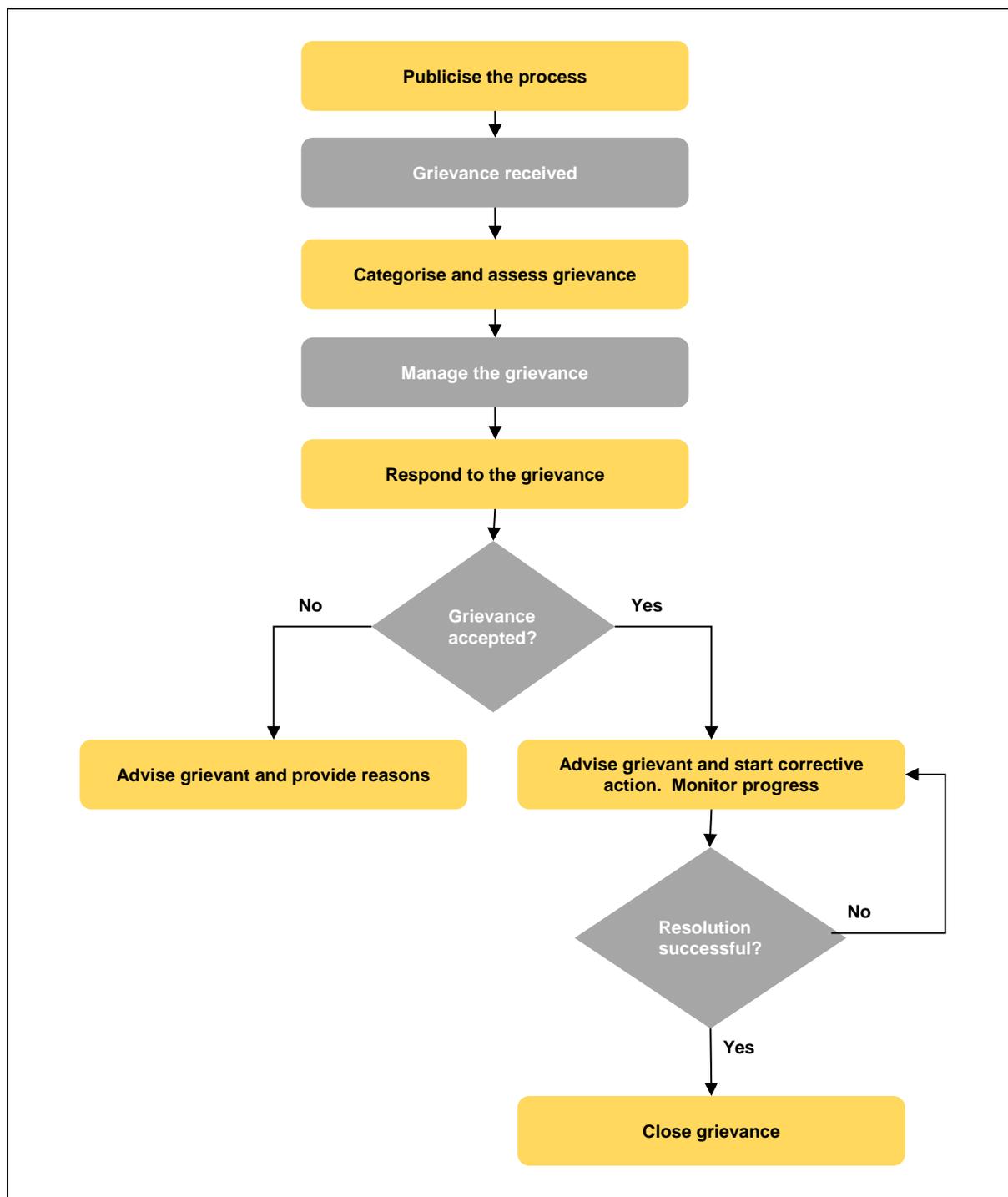


Figure 6-1: The Grievance Management Process

6.4.1 Step 1: Publicise the process

The Grievance Management Process has already been widely advertised throughout the PNG LNG area as part of construction activities, primarily through formal awareness programs, ongoing community engagement and day-to-day informal interactions. These activities will continue in line with the changing nature of EMPNG’s activities. Company workers and production phase contractors will also be made aware of the Grievance Management Process.

6.4.2 Step 2: Receipt and registration

Grievances may be filed face-to-face, by telephone or in writing by letter. Written grievances may be lodged in person with a local EMPNG representative. Alternatively, a written grievance

can be delivered to the nearest EMPNG field office, addressed to the Community Affairs Manager.

Trained EMPNG representatives help individuals or groups to record their grievance and ensure that it is entered into the information management system.

In all cases, grievances are managed in a culturally sensitive manner.

Some grievances are confidential. In such an instance, EMPNG strives to maintain the confidentiality of the individuals and/or organisations involved. Individuals lodging grievances may also do so anonymously.

Provision is made for women to lodge a grievance in confidence with a female Community Affairs Officer, should they wish to do so.

Grievances that relate to the entire PNG LNG area or arise in Port Moresby are entered into the information management system by Port Moresby-based Community Affairs staff. Those that are more specific and relate to local concerns are forwarded to the Grievance Contact for a preliminary assessment. The Grievance Contact determines an appropriate referral (responsible party) to address the concern and/or prepare a response.

The following timeframes apply for the acknowledgement of grievances:

- within seven days of a grievance being received, a message is conveyed to the grievant describing who, or what organisation, is investigating the matter and the anticipated time it will take EMPNG to reply to or address the grievance
- EMPNG will endeavour to investigate the matter and notify the grievant of the outcome of the investigation within 30 days of receiving the grievance
- within 30 days, the Grievance Contact or designated other responsible party will provide a written response to the grievant.

6.4.3 Step 3: Grievance review and investigation

Grievances are assessed when received by the respective Community Affairs Officer.

If the grievance cannot be immediately addressed or responded to directly, then it will be directed to the appropriate organisation/department for resolution.

In transferring the grievance to another party, the Grievance Contact will offer advice regarding possible close-out actions, including insights on how similar grievances have been addressed elsewhere in EMPNG. This helps ensure consistency in approach.

If a grievance is found to not be related to EMPNG or its contractors, the grievant will be informed. The grievance is then considered to be closed.

6.4.4 Step 4: Resolution and response

Once the grievance is well understood, resolution options can be developed taking into account community preferences, EMPNG policy, past experience, precedents, current issues and potential outcomes. Resolution options should be commensurate with the nature of the grievance. Such approaches may include:

- unilateral resolution (EMPNG or its contractor proposes a solution)
- bilateral resolution (EMPNG/contractor and grievant reach a resolution through discussion/negotiation)
- consultation using a third party consultation/mediation
- engagement with the relevant Government authority/regulator.

The Grievance Contact has the key responsibility with reviewing and agreeing to the strategy to respond to the grievant. The Grievance Management Process requires that a written response is to be delivered within 30 days.

When a grievance is related to a contractor's actions or requires a contractor's response, it will be transmitted to the contractor by the relevant Community Affairs Officer, along with a request for a reply within one week regarding close-out actions.

Either the Grievance Contact or the contractor designated representative will provide the response and follow-up to the grievant as mutually agreed. The response to the person raising a grievance with EMPNG will normally be sent from EMPNG, even if the corrective actions are to be taken by a contractor.

6.4.4.1 Appeal and in-house review

If the person or persons who raised the grievance are not satisfied with the response and/or actions taken to address the complaint, they have a right to request that the matter be reconsidered at a higher level. If such a request is received by a Community Affairs Officer, it is referred to the Community Affairs Manager for review.

Chartered by the Community Affairs Manager, this review will be conducted by individuals who are not part of the initial review.

6.4.4.2 Third party resolution

In complex cases where the normal grievance process is unable to resolve the situation, the Community Affairs Manager may, in consultation with EMPNG's legal advisers, consider the option of involving an independent third party to investigate and recommend a response or actions to address the grievance. Such third party resolution will be undertaken only with the prior agreement of the Community Affairs Manager. Findings are neither binding on any party, nor do they preclude legal action on the part of either party.

6.4.4.3 Close-out

Following delivery of a response that no action will be taken, or following completion of the agreed upon corrective actions, the Community Affairs Manager closes the grievance. If actions were taken, then proof of this is obtained (photos, documents, etc.). A meeting is held with the grievant to obtain agreement to close-out the grievance and complete Form C (see Figure 6-2). If the grievant does not agree, or is unwilling to sign Form C, then the grievant signature line is left blank and a notation of the refusal is made on the file. The form is then documented in the information management system.

6.4.5 Step 5: Monitoring and evaluation

Monitoring is conducted to measure the effectiveness of the Grievance Management Process and to identify broad trends on recurring problems. The information management system includes a specific grievances module that serves as the primary tool for monitoring and evaluation. This module is described in Section 7.0.

GRIEVANCE RESPONSE FORM (FORM C)	
<i>FORM C - A copy of FORM C must be provided to the person raising the grievance</i>	
Name of the person, or their representative, raising the Grievance	Grievance Identification No:
	Database ID # _____ IMS ID # GR - _____
Village:	Date of Receipt:
Clan and sub Clan:	Date of Response:
Grievance submitted by: Individual <input type="checkbox"/> Group <input type="checkbox"/> Community <input type="checkbox"/> Other <input type="checkbox"/>	Grievance Received By:
Company Response: Accepted <input type="checkbox"/> Rejected <input type="checkbox"/>	Response Presented By:
Investigation Steps / Outcome <i>(relevant documentation attached)</i>	
Corrective Actions <i>(relevant documentation / photographs, etc., attached)</i>	
Acknowledgement by Grievant	
I acknowledge that I have been respectfully informed of the outcome of the investigation. I <input type="checkbox"/> accept <input type="checkbox"/> do not accept the outcome of the investigation The company has informed me that I am free to pursue alternative lawful avenues should I choose to take matter further.	
<p>----- <i>Signature of Person with Grievance</i></p> <p>Date: _____</p> <p><i>If the grievant refuses to sign this form C accepting the outcome, or it is deemed not necessary to request a signature, the L&CA Field Manager & ACM must review and sign.</i></p>	<p style="text-align: center;">If Not Signed by Person with Grievance</p> <p>Grievance Closed Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p style="text-align: center;">----- <i>(Date)</i></p> <p style="text-align: center;"><i>Signed - (CA Lead/Coordinator)</i></p> <p>Grievance Closed Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p style="text-align: center;">----- <i>(Date)</i></p> <p style="text-align: center;"><i>Signed - (CA Manager)</i></p>

Figure 6-2: Form C

7.0 MONITORING

The stakeholder engagement program is monitored through the use of an information management system.

The information management system is used to manage and monitor stakeholder engagement activities linked to community relations and communications, and enables EMPNG to:

- plan, record and track all the formal interactive sessions with various stakeholders such as planned one-on-one meetings, town-hall meetings, information sessions, focus groups, public consultations, workshops, liaison committees or negotiation sessions
- record participants' attendance, questions and answers, decisions and information disclosure, as well as management of actions and commitments
- collect and manage daily informal interactions with community members who share their concerns and mention problems or issues to the company. These interactions can take the form of phone calls, email messages or informal meetings on EMPNG sites or within surrounding communities
- record and track issues (Section 6.3.1).

The information management system is also used to capture, track and manage grievances received by EMPNG and its contractors.

The information management system therefore enables EMPNG to:

- record, screen and assess the issues raised
- register stakeholders, record their interests/concerns/perceptions, and track EMPNG responses
- identify areas where EMPNG needs to improve its performance or skills and equally, where it is achieving positive results
- map and monitor trends, patterns and emerging issues in the stakeholder domain
- assess the overall effectiveness of the stakeholder engagement program and adjust as appropriate.

This information has been used for this Plan and other relevant plans, for the training needs analysis and competency assessment, and for reviews of the adequacy of resources.

7.1 Performance indicators

Performance indicators are used to monitor the effectiveness of this Plan. These include leading and lagging measurements.

Leading indicators are likely to change over time in line with changing stakeholder expectations. However, they will record active participation rates at EMPNG-coordinated stakeholder meetings.

Lagging indicators will focus on an annual review of the Grievance Management Process and specifically:

- Participation – The target is to channel 100 percent of grievances through this process before they could cause work stoppages or reach the media or the courts.
- Resolution – The target is to resolve 75 percent of grievances within 30 days, dealing directly with grievants.
- Recurrence reduction – Differentiate the number of grievances by categories and define the cause of grievances. The intent is to identify lessons learned, such that over time, the type, frequency and severity of similar types of grievances are reduced.

The aim of this approach is to achieve continuous improvement of the Grievance Management Process throughout PNG LNG's life.

Specific indicators that will be used are as follows:

- number of grievances received during the reporting period
- number of grievances closed during the reporting period
- percent of grievances closed in less than 30 days
- distribution of aged grievances more than 30 days, if relevant.

8.0 REPORTING

Both internal and external reporting requirements apply to stakeholder engagement.

8.1 Internal

A review of stakeholder engagement will be presented at EMPNG's monthly asset leadership team meeting and will include:

- a summary of stakeholder engagement activities for the review period
- an assessment of performance against performance indicators
- a summary of new grievances and progress reports on the resolution of existing grievances
- a summary of issues or topics arising through ongoing stakeholder engagement or recorded in the stakeholder consultation register/database
- an analysis of trends or issues relating to stakeholders.

8.2 External

External reporting and advocacy, led by P&GA, will include timely production updates to relevant government agencies on national content statistics and reports required as part of EMPNG's license conditions. Other external reports include the PNG LNG Environmental and Social Report series, accounting and financial reports, the Annual Compliance Certificate and other reports specified under the Common Terms Agreement.

In addition to OIMS external reviews, the Independent Environmental and Social Consultant will conduct independent, external reviews on an annual basis as part of the defined PNG LNG assessment.

EMPNG will report externally using a variety of methods and at varying frequencies, largely depending on the stakeholders concerned and the nature of the issue.

Less targeted external communications will include:

- newsletters, e.g. PNG LNG Ties
- the Executive Summary of the PNG LNG Environmental and Social Report series, which is distributed in Tok Pisin and English through appropriate national newspapers such as the Post Courier, The National, Sunday Chronicle and/or Wantok Nius
- mass Media including radio, national newspapers and a newspaper column by EMPNG's Production/Lead Country Manager, which is also published in Tok Pisin in the Wantok Nius newspaper
- the website www.pnglng.com.

8.2.1 Grievance reporting

The Grievance Contact will prepare a regular summary report of grievances for the Community Affairs Manager.

A grievance management summary is provided to the Lender Group's Independent Environmental and Social Consultant at the time of their monitoring visits, and also included in the PNG LNG Environmental and Social Report series. These reports are publically available on the PNG LNG website at www.pnglng.com.

9.0 ROLES AND RESPONSIBILITIES

The main departments responsible for implementing this Plan are P&GA, and to a lesser extent, SHE, Security, Business Services, Human Resources and MOH. 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.

9.1 P&GA Manager

The P&GA Manager will be responsible for:

- coordinating implementation of this Plan including management of the relationship with non-community-based stakeholders (e.g. government) and the Grievance Management Process
- 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
- reinforcing and supporting a culture of respect for stakeholders
- reviewing stakeholder reports, including summary of grievances and EMPNG responses.

9.2 Operations Manager

The P&GA department's Operations Manager reports to the P&GA Manager and will be responsible for:

- ensuring stakeholder engagement and grievance management procedures and processes are appropriately managed in the department
- reviewing key performance indicators for internal and external reporting.

9.3 Community Affairs Manager

The Community Affairs Manager reports to the P&GA Manager and will be responsible for:

- all stakeholder engagement activities with community-based stakeholders
- interfacing with other teams within the organisation that engage with sections of the community on specific topics, such as biodiversity
- reviewing performance indicators and issues with the P&GA department's Operations Manager at grievance set meetings and elevating issues (as appropriate) should they emerge urgently and outside of these meetings
- assessing patterns or issues and potential stakeholder-related ramifications for production
- providing reports to executive management
- providing sufficient and competent resources, including budget, for effective implementation of this Plan
- maintaining an open door policy for stakeholders and participate regularly in stakeholder consultation activities
- managing stakeholder engagement activities with local communities
- maintaining awareness of local grievance management issues Maintains dialogue with Community Affairs Officers on active grievances, progress on closure, and provides

guidance and perspective to ensure appropriateness of handling, precedents being set, and overall adequacy

- chairing a regular, internal review of the Grievance Management Process.

9.4 Community Affairs Manager - Upstream and/or Community Affairs Lead

The Community Affairs Manager - Upstream, with the assistance of the Community Affairs Lead, as appropriate, will be responsible for:

- supervising Community Affairs Officers
- working with the Operations Manager to ensure contractor engagement is consistent with the EMPNG process
- ensuring that Community Affairs Officer(s) have access to and are supported by office-based staff as required.

9.5 Grievance Contact and/or Operations Analyst

Persons charged with the Grievance Contact role will be responsible for:

- administration for the Grievance Management Process
- handling of grievances to promote consistency across PNG LNG and between EMPNG and contractors
- providing quality control on the management and resolution of grievances
- ensuring required responses to grievances have been prepared
- ensuring all data, information and scanned documents related to the complaint or response are entered into the information management system, of are high quality, and are complete and accurate
- reviewing outstanding grievance reports extracted from the information management system and liaises with relevant departments to finalise resolution
- preparing grievance status reports for review by the Community Affairs Manager
- preparing reports regarding grievance trends and performance indicators that indicate opportunities for improvement
- liaising with the Community Affairs Officer(s) on progress towards closure of grievances, updating status of entries in information management system
- closure of grievances on provision of evidence and updating the information management system, as directed by the Community Affairs Manager - Upstream and/or Community Affairs Lead
- monitoring progress of grievances towards close-out target of 30 days, and advising Community Affairs Officer(s) of open grievances nearing target date.

9.6 Community Affairs Officer

Community Affairs Officers report to a Community Affairs Lead and will be responsible for:

- supporting the Community Affairs Manager - Upstream and/or Community Affairs Lead(s) to meet commitments for community engagement
- implementing processes to ensure quality control of field data
- facilitating internal review of quantitative and qualitative community engagement data
- facilitating community engagement meetings across affected communities
- training and development of field personnel in preparing key messages and the selection of appropriate communication tools to enhance the operational effectiveness of community outreach activities
- advising management on the outcomes of stakeholder engagement activities and programs
- assisting in the preparation of various reports and publications.

10.0 TRAINING AND AWARENESS

Success in developing and maintaining positive and mutually beneficial relationships with stakeholders is founded in having the appropriate skills and awareness to bring to the stakeholder engagement role.

Competencies relevant to the stakeholder engagement discipline for EMPNG will be defined. Key competencies include:

- knowledge and understanding of methods used to identify stakeholders, analyse their interests and issues, differentiate between issues and grievances, and engage effectively with them
- demonstrated ability for working with stakeholders, such as participatory planning methods, determining best methods for addressing community concerns and developing and maintaining partnerships
- patience and flexibility, recognition of the value of win-win relationships, and a commitment to facilitation.

Appropriate training will be provided to those involved in the stakeholder engagement program. This may include contractors, if a specific contractor has a significant relationship with PNG LNG stakeholders.

Training programs will cover the following topics:

- the requirements of this Plan
- job requirements and associated competencies
- the external stakeholder environment and any particular needs, interests or challenges presented by the environment (e.g. cultural sensitivities, minority, vulnerable and under-represented groups)
- technical training, such methods of engagement including:
 - interviewing techniques
 - data collection techniques such as surveys, polls and questionnaires
 - public meetings, workshops, focus groups, participatory methods, other traditional mechanisms for consultation and decision-making
 - grievance handling
 - refresher training to meet the required competency levels
 - management training to provide managers and supervisors with skills to perform their duties
 - analysis of data and evaluation of trends (qualitative and quantitative).

Training programs will be based and developed on a training needs analysis. Appropriate training opportunities will be sourced externally, or internal training programs developed, as appropriate. Whichever mode of delivery is chosen, the quality of training will be evaluated for effectiveness. Accurate training records will also be maintained to demonstrate due diligence.

Proactive efforts will be made to cultivate stakeholder awareness and promote a culture of support across EMPNG. Some of the awareness-raising methods that will be used include:

- the incorporation of stakeholder information and background, EMPNG objectives and principles, and stakeholder grievance mechanisms in refresher programs
- including stakeholder engagement topics of interest in management meetings, toolbox talks, employees (and contractor, where relevant) meetings/briefings
- the inclusion of stakeholder material from engagement activities and grievance mechanisms in newsletters, on poster boards and in online forums.

11.0 REFERENCE LIST

- Esso Highlands Limited. (2009). *PNG LNG Project Environmental Impact Statement*. Report prepared by Coffey Natural Systems Pty Ltd for ExxonMobil. Brisbane: Esso Highlands Limited
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