

ExxonMobil

ExxonMobil PNG Limited



Papua New Guinea LNG Project

**Training and Vocational Education
Management Plan - Production**

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ACRONYMS

ACRONYM	DESCRIPTION
EMPNG	ExxonMobil PNG Limited
LNG	Liquefied Natural Gas
OIMS	Operations Integrity Management System
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 training and vocational education 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 (EMPNG as Esso Highlands Limited, 2009).

1.1 Scope

This Plan outlines the requirements and expectations for delivering training and vocational education, 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.

1.2 Objectives

EMPNG's training and vocational education objectives are to:

- ensure equitable distribution of training and employment opportunities while giving priority to communities most affected by PNG LNG
- ensure enough Papua New Guinean citizens are trained to meet the requirements of EMPNG and the Work Permit Guideline: A General Guide to the Foreign Employment System in Papua New Guinea (Department of Labour and Industrial Relations, 2009)
- provide training to Papua New Guinean citizens working for EMPNG to give them a transportable skill set
- ensure Papua New Guinean citizens have access to all positions for which they are qualified
- recruit and train Papua New Guinean citizens for production, maximising the participation of Papua New Guinean citizens employed in the production phase.

2.0 LEGAL AND OTHER REQUIREMENTS

With regard to training and vocational education, 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

The Papua New Guinean Department of Labour and Industrial Relations administers the *Employment of Non-Citizens Act 2007*, and associated Work Permit Guideline: A General Guide to the Foreign Employment System in Papua New Guinea (Department of Labour and Industrial Relations, 2009) relating to the employment of Papua New Guinean citizens and foreigners.

The Gas Agreement also places a number of responsibilities on PNG LNG, including requiring them to train Papua New Guinean citizens, where possible, to progressively replace expatriate personnel working on PNG LNG. It also requires that first preference is given in training and employment, as far as is practical, to Papua New Guinean citizens from the PNG LNG area. Section E of the Gas Agreement requires EMPNG to prepare a training and employment program and to report annually to the Papua New Guinean Government on the program's implementation.

2.2 International treaties and conventions

Typically, international treaties and conventions mandate actions that signatory countries must undertake and do not require direct action by private companies.

There are no international treaties and conventions relevant to the production phase of PNG LNG from a training and vocational education management perspective.

2.3 International Finance Institution requirements

The most relevant International Finance Institution requirement with respect to this Plan is 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 1: Social and Environmental Assessment and Management Systems which states:

18. The client will train employees and contractors with direct responsibility for activities relevant to the project's social and environmental performance so that they have the knowledge and skills necessary to perform their work, including current knowledge of the host country's regulatory requirements and the applicable requirements of Performance Standards 1 through 8. Training will also address the specific measures and actions required under the management program, including the Action Plan, and the methods required to perform the action items in a competent and efficient manner (p. 4).

The International Finance Corporation's Guidance Notes: Performance Standards on Social and Environmental Sustainability (International Finance Corporation, 2007) expand on this theme:

Guideline 43: The management program should identify the knowledge and skills necessary for its implementation, including implementation of the Action Plan. These should be considered in personnel selection, training, skills development, ongoing education, and new recruitment if necessary. Training programs typically have the following elements:

- identification of training needs for employees
- development of a training plan to address defined needs

- verification of training programs to ensure consistency with organisational requirements
- training of target employees
- documentation of training received
- evaluation of training received.

Guideline 44: Training relevant to implementing specific action items in the management program may be necessary. Training designed to help the employees gain appropriate knowledge base and skills to perform their work may include current knowledge of host country regulatory requirements, the applicable requirements of Performance Standards 2 through 8, the material impacts predicted through the Assessment process, the content of the management program, including the Action Plan, and the methods required to perform the action items in a competent and efficient manner. When a project is likely to impact vulnerable or disadvantaged individuals or such groups or groups within affected communities, employees who will interact with such individuals or groups should be trained so that they understand the specific issues related to such individuals or groups.

Guideline 45: When specific aspects of the project or the implementation of the management program are outsourced to contractors, the client should also ensure that these contractors have the requisite knowledge, skills, and training to perform the work in accordance with the management program and the requirements of Performance Standards 2 through 8, consistent with the guidance in paragraph Guideline 44 above (p. 17-18).

2.4 Company requirements

Company policies with respect to training are described within Operations Integrity Management System (OIMS) System 5-2 Personnel Training. The purpose of this System is to help ensure that personnel in key positions are trained in the knowledge and skills necessary to meet the requirements of their specific positions.

OIMS System 5-2 Personnel Training stipulates that training must address the required competencies for all key positions. Identifying the required competencies and performing competency assessments for an individual in a key position is described in OIMS System 5-1 Personnel Selection, Placement and Competency Verification.

The required competencies include the knowledge and skills to effectively execute the site-specific procedures, as well as other knowledge needed to conduct work in a safe manner and comply with regulatory and company policy requirements (e.g. work permit systems, knowledge of regulations). The type, scope and frequency of required initial, ongoing and periodic refresher training related to basic introductory knowledge, oil and gas fundamentals, basic craft skills, and Operations Integrity aspects are defined and documented for all key positions.

EMPNG employees will receive a large part of their training on-the-job under the guidance of experienced professionals. Individuals will follow personalised development plans called roadmaps (as described in OIMS System 5-1 Personnel Selection, Placement and Competency Verification), which identify required early competencies, training and developmental experiences.

Based on the individual's training needs an appropriate delivery method is chosen to maximise the training effectiveness. Training is often provided through self-study, classroom instruction by a qualified person, seminars and workshops, multimedia/computer based training, and on-the-job training accompanied by mentoring. The roadmap is used to monitor each individual's progress towards early competency milestones. This will deliver the required training and experience as early as possible in a person's career.

EMPNG is committed to a systematic, long-term approach to integrate national content into the production phase. EMPNG utilises ExxonMobil's National Content Guidelines, Strategies and Best Practices to develop a national content strategy along with plans, models and tools for the successful development of national content. Specific examples of how this will be reflected are as follows:

- maximising employment opportunities for Papua New Guinean citizens
- providing training and skills development to Papua New Guinean citizens
- nationalisation of the production workforce as quickly as practical through recruitment, training, and development objectives.

In addition to its own requirements, EMPNG places a number of obligations on its contractors and subcontractors. OIMS System 5-2 Personnel Training requires contractors to coordinate training for their own personnel. The training must be equivalent to EMPNG-required training for the same key positions and achieve the same desired competencies. EMPNG will verify third party compliance with their training programs for key positions as part of OIMS System 8-1 Contractor Selection and Management.

To ensure EMPNG's expectations regarding training and vocational education are well understood, contracts for the procurement of select goods and services by EMPNG contain provisions related to education and recruitment practices. The specific wording is dependent on the scope of work, size of the workforce, and the need to maintain safe working conditions. Wording, where practical, will reflect the need to:

- develop and support educational programs and recruiting sources and practices that support diversity in the workforce and enhance the representation of minorities and women throughout the organisation
- develop and offer work arrangements that help to meet the needs of the diverse workforce in balancing work and family obligations.

Several provisions will also be made with respect to cultural diversity management. In particular:

- basic cultural awareness is to be covered in induction training
- community "do's and don'ts" are to be covered in induction
- mandatory cultural awareness training is required for all supervisors and managers.

3.0 ORGANISATION

The requirements of this Plan will be implemented by the Operations department with the support of the Human Resources department. The Operations Support Superintendent will own this Plan from an OIMS functional perspective.

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

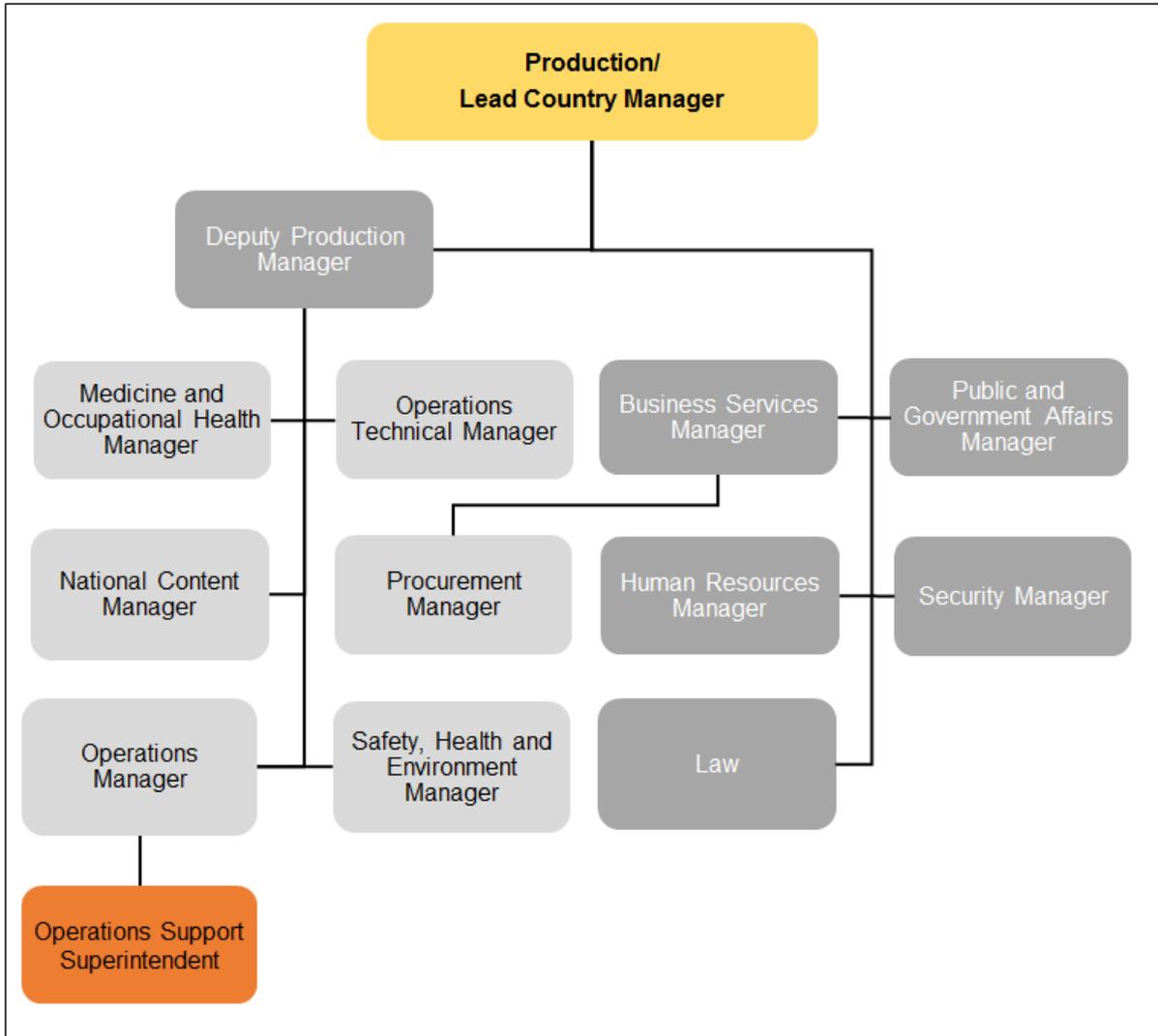


Figure 3-1: ExxonMobil PNG Limited organisation chart

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 TRAINING PROCESSES AND ACTIVITIES

4.1 Training processes

The overall process for the training program is as follows:

- training:
 - training is provided to address the required competencies for all key positions. These competencies include the knowledge and skills required to effectively execute procedures as well as other knowledge needed to conduct work in a safe manner and comply with regulatory and EMPNG policy requirements
- training plan and schedule:
 - a training plan is developed jointly by the individual and supervisor to meet the identified requirements in knowledge and skills
 - learning management systems are used to track competency, training scheduling, and re-qualification requirements
 - training progress is reviewed annually by the individual's supervisor
- training programs:
 - the type, scope, and frequency of required initial, ongoing, and periodic refresher training related to basic introductory knowledge, oil and gas fundamentals, basic craft skills, and Operations Integrity aspects is defined and documented
 - training for operations and maintenance knowledge and skills is determined based on the identified training requirements documented on the individual's roadmap
 - training is delivered through self-study, classroom instruction by a qualified person, seminars, workshops, multimedia/computer based training, table-top emergency response drills or simulated scenario response drills, and on-the-job training accompanied by mentoring
 - third-parties coordinate training for their own personnel. The training must be equivalent to the EMPNG's required training for the same key positions and achieve the same desired competencies
- post-training evaluation:
 - feedback from the trainee(s) is used to evaluate the effectiveness of the training in delivering the necessary knowledge and/or skills.

4.2 Training activities

Workers with a broad range of skill sets will be required to operate and maintain the pipeline and plant facilities. In general, these are highly-skilled positions that need more intensive training. Additionally, office-based workers will be required to provide technical, business and administrative support during the production phase. Papua New Guinean citizens will be recruited to fill most of these positions, with formal training supported by on-the-job training provided through experienced mentors. On-the-job training through experienced mentors will be the main approach used for training unskilled and semi-skilled personnel, recognising that a minimum level of health and safety training will apply to all positions.

4.2.1 Training and vocational education for field positions

Recruitment for Operations and Maintenance personnel is achieved through a competency-based training program that is geared specifically to personnel responsible for the operation and maintenance of the Hides Gas Conditioning Plant, interconnecting pipelines and LNG facilities. The Operations and Maintenance Training and Vocational Education Program is divided into two components. One component focuses on the vocational training requirements of experienced Operations and Maintenance Technicians, while the other incorporates the

Operations and Maintenance trainee program. This approach has proven elsewhere in the world to be a successful way of nationalising workforces associated with operations. It will also be used as a model for long-term training and professional development programs for field and office-based positions.

Training curricula and schedules will be designed to meet production needs for the life of PNG LNG. This will include induction training and safety training for EMPNG employees, as well as a structured and disciplined programs such as the Operations and Maintenance Training and Vocational Education Program, which is used for field positions such as operators, instrumentation technicians, electrical technicians and mechanical technicians.

EMPNG will continue to offer vocational education support for employees in accordance with its efforts to enhance the skills and opportunities of Papuan New Guinean citizens.

4.2.2 Training for office-based positions

Office-based positions will cover departments such as operations; human resources; public and government affairs; medicine and occupational health; business services; procurement; safety, health, environment; security; and national content.

Office-based employees participate in comprehensive orientation/assimilation programs. Their respective EMPNG departments then take responsibility for providing department-specific technical training delivered in-country and overseas as needed.

EMPNG will continue to build relationships with key tertiary institutions to enhance opportunities for careers with EMPNG and potentially its affiliates.

4.2.3 Contractors

Contractors will be required to select employees according to the following geographic priorities, in order of preference:

- Local – Papua New Guinean citizens of local origin (proximate to PNG LNG operations).
- Regional – Papua New Guinean citizens of regional origin (Southern Highlands, Hela, Western, Gulf, and Central Provinces and the National Capital District).
- National – Papua New Guinean citizens originating from elsewhere in Papua New Guinea.

4.2.4 Training for landowner and community service providers

In some cases, landowner and community service providers will be contracted by EMPNG to undertake work for PNG LNG. Depending on the capacity level of the service provider, EMPNG may provide training for the service provider to provide the services requested. This situation may arise through the management of the Right of Way for the pipeline. In each case, training would be specific to the tasks being undertaken and for the pipeline Right of Way management, may include: identification and control of invasive species; identification and control of plant pathogens; and erosion and sediment control.

5.0 MONITORING

Monitoring will be conducted to determine the effectiveness of training and vocational education programs. In addition to using workers' individual roadmaps of training needs as a guide, EMPNG will track the number of people trained and training hours completed, along with contractor-provided training data.

The verification of ongoing competency will be conducted periodically to confirm that qualifications and abilities of personnel to meet specified job requirements are being maintained. For example:

- a list of key positions will be documented for each site and include contractor personnel as necessary
- percentage of identified key positions that have documented competency requirements will be tracked
- organisational reviews will be conducted regularly to determine/update key positions
- personnel in key positions will transfer responsibilities and site-specific knowledge via a job handover checklist when changing assignments or responsibilities.

As the staffing and training needs of PNG LNG change over time; numerous monitoring programs, including those listed above, will be used to ensure that training and vocational education programs remain appropriate.

5.1 Assessment

EMPNG will prepare an overall assessment plan as required by OIMS System 11-1 OIMS Assessments, which typically covers a four to five-year span. Consistent with the OIMS requirements and expectations for the assessments, training activities as described in this Plan will be addressed in the review and assessment for the respective OIMS Systems. Assessments will include a representative sampling of facilities and activities, together with field verification of actual practices to test the effectiveness of the Systems in place to address OIMS requirements.

Following internal and external assessments, findings from the assessment will be resolved and documented. The key steps for assessment follow-up are as follows:

- developing an action plan that addresses:
 - documentation of the specific action to be taken for each identified finding
 - assignment of an individual or group to complete each action
 - target date for completing each action
 - approval of the action plan
- documenting and confirming the resolution of findings including any decision to not pursue a particular suggested improvement
- stewarding progress on the action plan internally, as required, until each action is completed.

In addition the Lender Group's Independent Environmental and Social Consultant will perform reviews as part of their annual monitoring visits.

5.2 Performance indicators

Indicators to assess performance against this Plan will include:

- number of hours of training undertaken by EMPNG employees, hat contractors and contractors
- number of Papua New Guinean citizens in leadership positions
- number of Papua New Guinean trained by gender
- number of Papua New Guinean citizens working for EMPNG broken down by classification of skill set – unskilled, semi-skilled, and skilled.

6.0 REPORTING

Both internal and external reporting requirements apply to training and vocational education.

6.1 Internal

Metrics and performance indicators are reported and reviewed regularly as part of the OIMS Management Steering Committee stewardship process.

6.2 External

Training and vocational education metrics will be reported on an annual basis in the PNG LNG Environmental and Social Report series, as well as other regulatory-mandated reports for training and vocational education in the national workforce.

7.0 ROLES AND RESPONSIBILITIES

The main department responsible for implementing this Plan is Operations with the support of Human Resources. 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 Operations Manager

The Operations Manager will be responsible for:

- 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
- working with the Human Resources department to ensure compliance with applicable personnel policies/practices and labour laws
- Supporting the National Content department in meeting national content objectives/targets and reporting requirements.

7.2 Operations Support Superintendent

The Operations Support Superintendent reports to the Operations Manager and 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
- reviewing and approving the overall training programs and individual training plans
- implementing and maintaining an appropriate training record system.

7.3 Human Resources Manager

The Human Resources manager will be responsible for:

- working with the Operations department to ensure compliance with applicable personnel policies/practices and labour laws.

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 training data in accordance with this Plan.

7.5 Supervisors and Contract Owners/Administrators

For each person that directly reports to them, Supervisors and Contract Owners/Administrators will be responsible for:

- ensuring each individual has the knowledge and skills to perform job tasks
- developing individual training plans or roadmaps that meet identified training requirements and provide for necessary development. This is done jointly with the individual
- providing each individual with the time and resources to complete their training plan

- stewarding the completion of individual training plans
- reviewing training progress annually
- ensuring accurate training records are maintained and easily accessible.

7.6 All EMPNG personnel

All EMPNG personnel will be responsible for:

- identifying training needs and participating in developing their training plan
- completing training requirements
- providing feedback on training received.

8.0 TRAINING AND AWARENESS

Consistent with the expectations in OIMS System 5-2 Personnel Training, personnel responsible for implementation and oversight of the Environmental and Social Management Plan will receive training tailored to enhance the skill sets, knowledge base and competency required to effectively apply the mitigation and verification measures contained within this Plan.

9.0 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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