
Oil Search and Human Rights

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What commitment does Oil Search have in relation to Human Rights?

Respect for human rights and the desire to do no harm underpin a socially responsible approach to our operations in host countries and across our supply chain. Together with our commitment to sustainable development, this helps us to maintain strong community relationships and responsible operating practices.

Our [Social Responsibility Policy](#) identifies our high level commitment to human rights.

Oil Search is a signatory to the UN Global Compact and is a corporate participant in the [Voluntary Principles on Security and Human Rights](#) (VPSHR). Our human rights approach also considers and aligns with the [UN Guiding Principles for Business and Human Rights](#) (GP's). Both of these important initiatives guide and inform our approach. For example, they affirm our commitment to:

- Respecting international norms of behaviour and recognised human rights, including the rights of Indigenous peoples, by seeking to avoid causing or contributing to adverse human rights impacts from our activities.
- Undertaking human rights due diligence and consider human rights in our risk and impact assessments.
- If any impacts inadvertently occur, act to mitigate or address them.
- Respect laws wherever we operate.
- Have and continue to undertake appropriate due diligence of our activities and management controls.
- Support appropriate access to grievance mechanisms and remedies when required.

We note that each of these important initiatives take a performance improvement, principles based approach and are not compliance focused.

Oil Search senior management have a management KPI relating to the implementation of the VPSHR Implementation Plan.

What methodology or approach has Oil Search adopted in undertaking human rights due diligence and assessing potential human rights risks and impacts?

In 2014, Oil Search conducted a Human Rights Risk Review which aimed to develop a business understanding of Oil Search's potential human rights risks and impacts, and to evaluate current practices and controls in the context of the *UN Guiding Principles for Business and Human Rights* (GPs) and the *Voluntary Principles for Security and Human Rights* (VPSHR).

Phase One of the review considered the regulatory environment, risk register, incidents, peer benchmarking, country human rights risk profiles (PNG and Kurdistan), NGO register review, and identified current practices and controls. A key output of this phase identified the most material potential human rights risk areas we needed to consider in our operating context and helped define the scope for phase two. The material risk areas included:

1. Community relations – community engagement and consultation, livelihoods, and environmental impacts, grievance management
2. Security – use of security forces generally
3. Labour – specifically in our supply chain, child, forced and compulsory labour
4. Land Acquisition – land access and resettlement practices, compensation, landowner identification

Phase Two of the review sought to verify these initial findings and assess effectiveness of controls and practices. The output of Phase Two was a number of key findings which informed the development of a **Human Rights Plan**.

The plan addresses governance and implementation aspects in relation to:

- Updates to procedures and guidelines in areas such as security management, social impact assessment, grievance management and contract management
- Training
- Incident and grievance management and reporting
- Responsible supply chain management

Implementation of this multi-year plan is significantly advanced. To date, major accomplishments of the plan implementation include: Board and executive management training on human rights; acceptance as a participant in the VPSHR; explicit recognition of human rights impacts in incident reporting and management system; trial and successful implementation of new draft provisions in relation to resettlement and livelihood restoration; development of a VPSHR compliant MOU for use with the Royal PNG Constabulary (RPNGC).

The main focus areas for 2017 include actions relating to: grievance management, completion of the Responsible Supply Chain Strategy, completion of procedure updates and ongoing implementation of the VPSHR Plan including negotiation of the MOU with the RPNGC.

What does Oil Search's VPSHR Improvement Plan address?

The Oil Search Health, Safety and Sustainability Committee endorsed our participation in the VPSHR in December 2015. We submitted our application in mid-2016, and our application was approved by the VPSHR in late 2016. We attended our first Plenary Meeting in March 2017.

As part of our application, we submitted a security and human rights plan for consideration by the VPSHR Initiative. This plan formed the basis of our VPSHR Plan, along with any related actions from the Human Rights Plan. Our application to the VPSHR can be found [here](#).

The resulting **VPSHR Plan** is a multi-year plan and focusses on core aspects of the VPSHR Initiative which will help us to:

- Assure our risk assessment and incident reporting processes
- Guide our security and human rights training content and reach
- Support greater alignment with our joint venture partners
- Guide the development of contractual clauses related to human rights in public and private security provider contracts
- Enhance performance requirements in relation to the management of public and private security providers

- Establish criteria for screening and evaluation of contractors
- Benchmark our security and human rights practices
- Strengthen our grievance reporting and management systems
- Strengthen our external reporting of human rights allegations and incidents

Oil Search has a 2017 management KPI which ensures implementation of the VPHSR Plan in accordance with the agreed implementation schedule.

What consultation was undertaken and what external expertise has Oil Search utilised to assist with its due diligence processes?

Human Rights experts from the Allens law firm assisted Oil Search in understanding the regulatory environment and country profiling, which informed identification of material potential human rights risks.

Maplecroft country and issue risk reports were used to assist with the development of country profiles for PNG and Kurdistan, and also supported the identification of material human rights risks.

Banarra (now KPMG Banarra) assisted with phase two of the human rights risk review, specifically the assessment and verification of practices and controls, the findings of which aided in the development of the Human Rights Plan.

Oil Search also is an active participant in the Global Compact Network Australia Human Rights Leadership Group. This provides valuable insights and lessons shared from our peers and other companies. Participation in the UN Global Compact also provides access to useful tools and guidance materials which assisted to frame our approach.

Who in Oil Search has responsibility for human rights performance?

The Board has oversight responsibility for human rights within the business.

Corporate human rights strategy, approach and functional assurance are led by our General Manager Stakeholder Engagement and Social Responsibility, while our discipline leads in Security, Community Affairs and Contracts and Procurement drive implementation of specific human rights elements in their areas.

What are the most material human rights risks and potential impacts at Oil Search?

Oil Search has identified the following material human rights risks and potential impacts:

1. Community relations – community engagement and consultation, livelihoods, and environmental impacts
2. Security – use of security forces generally
3. Labour – specifically in our supply chain; child, forced and compulsory labour
4. Land Acquisition – land access and resettlement practices, compensation, landowner identification

These risks were first publicly disclosed in our 2014 Annual Report and 2014 Social Responsibility Report, the year in which the risks were first formally identified.

How does Oil Search manage these risks?

Our approach to managing these risks is outlined in detail in our [application](#) to the VPSHR Initiative.

Human rights considerations are integrated throughout our current and proposed updated enterprise management system procedures and guidelines. These include procedures and guidelines which address risk management, environmental and social impact assessment and management, grievance management, stakeholder management, security management, contract and procurement management, and land access for instance.

How does Oil Search track and measure human rights performance?

Monitoring and reporting of community and security related incidents and grievances are reported to the monthly Group 1 senior management meeting.

Progress against the Human Rights Plan is reported regularly to the Group 1 senior management meeting. Progress reporting against the Plan will commence in May 2017.

Oil Search has a 2017 management KPI which ensures implementation of the VPHSR Plan in accordance with the agreed implementation schedule. Progress against management KPI's is reported to the monthly Executive Leadership Team meeting.

Management regularly reports performance against the Human Rights Plan and material community grievances to the HSSC and/or Board. Management reporting to the HSSC against the VPSHR Plan is scheduled to commence from July, 2017.

What disclosures or materials does Oil Search make public in regard to human rights?

Oil Search commenced reporting our human rights approach and outcomes from our risk review (including material human rights risks) in our 2014 Annual and Social Responsibility Reports. We have reported progress against our Human Rights Plan since then.

We have also recently made available our [application](#) to the VPSHR.

Is Oil Search's commitment to human rights shared by its project operators and joint venture partners?

ExxonMobil shares Oil Search's commitment to human rights and has been a member of the Voluntary Principles on Security and Human Rights since 2002. For more information on ExxonMobil and the PNG LNG Project's approach to human rights, please click [here](#).

For more information:

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