

ABSOLUTE
CLARITY

2020 Basis of Preparation

About this Report

SUSTAINABILITY DATA

This document details the basis on which Oil Search's 2020 sustainability data was generated.

The data covers the performance and activities over which Oil Search Limited had operational control during all, or part of, the year ended 31 December 2020. It relates predominantly to activities in Papua New Guinea (PNG) and Alaska and where noted, also covers our offices in Sydney and Tokyo.

It does not cover the PNG LNG Project as operational control rests with ExxonMobil PNG Limited. Social and environmental performance reporting for the PNG LNG joint venture is available on the project website. It also does not cover Oil Search's non-operated equity in NuiPower Limited, an independent power producer operated by Kumul Energy Limited.

All PGK and AUD payment figures are reported in US dollars (US\$) using on-the-day exchange rates were calculated by the relevant system, or the following 2020 average annual exchange rates:

PGK1 = USD 0.28905

AUD1 = USD 0.69054

Payments in currencies other than those listed have been converted into US dollars using the exchange rate on the day.

Unless required to be displayed as a decimal, numbers and percentages have been rounded to the nearest whole number.

When determining the indicators contained in this Report, we aimed to achieve comparability year on year and with our peers and industry benchmarks, and ensure the reported data was reliable and met internal and external stakeholder expectations.

To make sure the data complemented or addressed other reporting needs, we considered other reporting requirements and frameworks. These included: the GRI Standards and Oil and Gas Sector Disclosure; the United Nations Sustainable Development Goals and Global Compact; Sustainability Accounting Standards Board (SASB) standards; Task Force on Climate-Related Disclosures (TCFD) recommendations; and Oil Search's internal and external reporting requirements.

Enquiries and feedback on our reporting and performance are welcome. Please contact Oil Search on sustainability@oilsearch.com

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2020 SUSTAINABILITY REPORTS

*Sustainability
Report*

*Climate Resilience
Addendum*

*Transparency
Report*

*Basis of
Preparation*

*Voluntary Principles
Report*

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

sustainability@oilsearch.com

Integrity and transparency

Payments to governments

These include all cash paid by all Oil Search entities to government departments or authorities where we operate. They exclude amounts paid to State-owned Enterprises (SOEs), which are reported in the [Supplier and contractor payments](#) section of this document.

Papua New Guinea

Payments are indicated as either:

- **Gross** Payments made by Oil Search on behalf of joint venture participants.
- **Net** Payments made by Oil Search that represent Oil Search's share only, based on equity interests or paying interests across Company activities.
- **Direct** Payments made directly to the government, including petroleum and additional profits taxes, dividends, royalties, development levies, tax credits¹, excise/customs duty and other government taxes, fees and charges.
- **Indirect** Payments made indirectly to the government, including Salary and Wages Tax, Goods and Services Tax (GST), interest withholding tax, PNG police, stamp duties and Foreign Contractor Withholding Tax.

Payment stream name	Recipient	Scope and methodology
Petroleum tax	PNG Internal Revenue Commission	Net, at rates set out in the applicable legislation and regulations.
Additional Profits Tax	PNG Internal Revenue Commission	Net, the total income tax paid for the oil and gas entities in PNG.
Oil Search share dividend	Kumul Petroleum Holdings Limited (KPHL)	Net, at rates per share declared by the Oil Search Board and paid during the period.
Oil Search Directors' tax	PNG Internal Revenue Commission	Net, with Salary and Wages Tax calculated and withheld from fees paid to Non-Executive Directors.
Royalties ²	Independent State of PNG	Gross, calculated at a rate of 2% of the well head value of oil or gas exported.
Development levies ²	Independent State of PNG	Gross, calculated at 2% of the wellhead value of the petroleum produced.
Salary and Wages Tax	PNG Internal Revenue Commission	Gross, calculated on salaries and wages paid to Company employees and personal income taxes for employees in PNG.
Other government taxes	PNG Internal Revenue Commission	Gross, including Foreign Contractor Withholding Tax and stamp duties.
	PNG Customs Service	Gross, including excise/customs duty.
Goods and Services Tax	PNG Internal Revenue Commission	Gross, imposed on the sale of goods and services in PNG or the importation of goods into PNG, at a rate of 10% of the value of the goods and services sold or imported.
Interest withholding tax	PNG Internal Revenue Commission	Gross, most interest derived by residents or from sources within PNG is subject to withholding tax at a rate of 15%.
Other	Payments made to the PNG Police	Gross, includes payments made to the Royal PNG Constabulary (RPNGC) in line with the Police Act 1998, the Public Services (Management) Act 2014 and the PNG National Government Public Service General Orders. Payment is in the form of per diem allowances, made with the full consent and approval of the RPNGC.
	Other government fees and charges	Gross, including Department of Petroleum licence fees, data request fees, environmental water and waste permits, in-house customs agency fees, manufacturer licence, PNG passports and visas, PNG work permit fees, telecommunication licences and drivers' licences.

1. The PNG Government's Infrastructure Tax Credit Scheme (ITCS) allows taxpayers to voluntarily pre-pay tax for the development of infrastructure projects selected by the Government. The amount pre-paid is disclosed for reporting purposes.

2. Royalties and development levies are reported on an accrual basis. For actuals, please refer to the relevant PNG Extractive Industries Transparency Initiative (EITI) Report.

Integrity and transparency

Continued

Papua New Guinea *continued*

Payment stream name	Recipient	Scope and methodology
Tax Pre-payments	Internal Revenue	Net, includes all payments and spend made to suppliers by Oil Search as Operator to deliver projects under the PNG Government's Infrastructure Tax Credit Scheme (ITCS) and National Infrastructure Tax Credit Scheme (NITCS). Excludes the amount of tax credits claimed from the PNG Government for this expenditure at year end.
Infrastructure Tax Credit Scheme projects ¹	Commission	

Australia

Stream and recipient name	Scope and methodology
Australian Taxation Office	Includes: <ul style="list-style-type: none">– Net income tax.– Gross Fringe Benefits Tax, GST and Pay as you go (PAYG) instalments, and interest withholding tax.
Revenue New South Wales	Gross Payroll Tax.
Total paid to other Australian Government entities	Includes net payments to: <ul style="list-style-type: none">– Australian Securities and Investments Commission.– Australia Post. Excludes COVID-19 related payments such as hotel quarantine.

United States of America (USA)

Oil Search makes payments to the USA and Alaskan Governments, including:

- State of Alaska
- State of California
- State of Colorado
- City of Nuiqsut
- North Slope Borough
- Kuukpik Corporation (Native Village Corporation for Nuiqsut)
- Municipality of Anchorage
- Kenai Peninsula Borough
- Landowners
- Payroll Tax

Middle East and North Africa

- **Kurdistan Region of Iraq:** Oil Search relinquished its interest in the Taza licence in 2016. We are in the process of exiting Kurdistan and are continuing to work with the Kurdistan Regional Government.

Fines

Total fines paid by Oil Search for anti-competitive behaviour, environmental breaches and corruption.

Payments to associations and networks

This includes membership or annual contribution fees paid to associations and networks.

Conduct

Number of Oil Search Code of Conduct breaches

Includes any substantiated Code of Conduct breach involving Oil Search employees. Excludes reported breaches by contractors and third-party service providers.

Whistle-blower calls

Includes number of calls (reports) to the Oil Search Whistle-blower Hotline.

1. Included in the 'total paid to the PNG Government' figure from 2018 onwards. Reported in previous years but not included in the 'total paid to the PNG Government' figure.

People and organisation

Workforce

Includes all Oil Search and Oil Search Foundation (OSF) employees under the entities of Oil Search Papua New Guinea (POSL), Oil Search Limited (OSL) and Oil Search Alaska (OSA); excludes employees under the entity of Markham Valley. Contractors¹ are excluded from the total workforce by location, age and employment category and included, where noted, in the workforce breakdown. Data excludes service company personnel.

Employee types

- **Oil Search employees:** Individuals employed on a permanent full-time, part-time or fixed-term contract basis.
- **Casual employees:** Employees hired as short-term resources.
- **Contractors:** Individuals filling roles that are or could be positions that are paid through an invoice.

Employment categories

- **Graduates and apprentices:** Employees who are part of a graduate or apprenticeship programme.
- **Employees:** Fixed-term, permanent and casual employees who do not fall into any other category.
- **Supervisors/professional or technical:** Employees who provide technical and functional support services within their area of expertise.
- **Managers or technical specialists:** Employees who provide strategic, functional or technical advice and services to internal and external clients in their area of specialisation.
- **Senior managers or technical experts:** Employees who develop medium-to-long-range plans and are accountable for the delivery of operational and/or strategic results.
- **Executive Management:** The Managing Director and all other key management personnel (Executive Vice Presidents).

Workforce and senior management diversity

See [People and organisation \(Workforce section\)](#) for definition of employment categories.

- **PNG citizens:** Includes all PNG citizens in the workforce including those with Australian permanent residency who have been hired on Australian workplace terms and conditions².
- **Senior leadership roles:** Includes all senior managers, technical experts and executives.
- **PNG leadership roles:** Includes all PNG-based roles categorised as 'Lead others', 'Lead teams', 'Lead the business' or 'Lead organisation', as in Oil Search's leadership framework.
- Female representation of Executive Vice Presidents (EVP) on the Executive Leadership Team: The ratio of females in Executive Vice President positions
- **Junior management:** Includes managers or technical specialists with management responsibility.
- **Board:** Includes members of the Oil Search Board.

Number of female and male employees by category is calculated as a ratio of the total workforce, excluding contractors.

Remuneration

See [People and organisation \(Workforce section\)](#) for definition of employment categories.

This salary analysis includes all employees where a market compa-ratio is available.

Ratio of basic salary

- **PNG employees:** As role-specific salary information is unavailable in PNG, we calculated a simple ratio using the total dollar value of salary by gender divided by the number of employees of each gender.
- **USA employees:** This is calculated against market data for US employees only. Only supervisors/professional or technical and manager or technical specialists were included based on an adequate sample size for calculation.
- **Australian employees:** This is calculated against market data for Australian employees only. Data for graduates and apprentices was not included as the sample size is too small.

Training and development

See [People and organisation \(Workforce section\)](#) for definition of employment categories.

Performance review

Includes the percentage of the workforce (excluding contractors, apprentices and casual employees) who have received a performance review.

1. Contractors in this context are different from service company personnel.

2. This definition was expanded from 2020 onwards to account for PNG citizens moved across to specialist teams based in the Sydney office, where no equivalent roles were available based in PNG.

People and organisation

Continued

Types of training

- All paid types of vocational training and instruction.
- Training and education pursued externally and paid for in whole or in part by Oil Search.
- On-site and off-site coaching by designated internal or external coaches (excludes on-the-job coaching by direct supervisors).
- E-learning modules completed.

Training hours

Training hours are collected from Intuition reports, completed Harvard Managed Mentor modules, total hours of trainers and Australian Institute of Company Directors training for executives. This does not include mandatory employee induction training.

Training spend

Amount spent to deliver the training outlined, excluding management costs.

Training spend per employee

Calculated by dividing the total training spend by the number of employees as at 31 December 2020. Training costs associated with multiple years are reported in the year the cost was incurred. Training data is compiled under the guidance of *GRI Standards* and *Oil and Gas Sector Disclosures*.

Training topics

Health, safety, environment, security, software, Oil Search leadership behaviours, management, information technology and technical.

Types of development programmes

- **Citizen Development Programme:** Creates pathways for high-performing PNG citizen employees to move into leadership roles.
- **Graduate Development Programme:** A three-year programme structured to involve senior graduates in the development of junior recruits. It includes graduate job placements to various parts of the Company, two residential programmes, and ongoing support and monitoring.
- **Apprentice Programme:** A four-year programme with four streams: Process Technology, Fitting and Machining, Electrical and Mechanical trades.
- **Supervisor Development Programme:** Includes a series of workshops that ensure supervisors in PNG have the right skills to lead successful teams. The programme comprises four modules covering core supervisory skills, safety-critical skills, building teams and creating value.
- **Leading Our Way for Women Programme:** Aims to create a cohort of female leaders with the confidence and capability to operate as senior leaders and role models within the business, and to develop a strong pipeline of female talent ready to move into senior and executive leadership roles.
- **Coaching Our Way:** Equips leaders to create an engaging work environment and enhance the employee experience of recognition, development, learning and growth.

Recruitment and retention

Turnover

Includes workforce in Australia, USA and PNG:

- **Voluntary turnover:** Includes resignation and retirement.
- **Involuntary turnover:** Includes termination with cause and redundancy.
- **Turnover rate:** Total number of employee terminations divided by the total number of employees as at 31 December 2020.

Internal movement and opportunities

Includes all employees who have been promoted or have filled open positions within the Company.

Parental leave

Eligibility includes all permanent full-time and part-time employees who have completed the minimum length of 12 months' continuous service with Oil Search.

Collective bargaining agreements

Includes the percentage of all employees who are part of a trade union or collective bargaining agreement.

Responsible operator

Climate change

Greenhouse gas

For Oil Search's operated Scope 1 and 2 greenhouse gas (GHG) emissions, we have compiled the emissions data on an operational control basis covering Oil Search's production operations in PNG. Production includes all oil production and all production of associated gas from oil operations (including that exported to the PNG LNG Project).

Oil Search's Alaskan assets have not started production and are therefore not in scope for the operated GHG inventory.

Oil Search also reports equity scope 1 and 2 GHG emissions. This includes the equity ownership Oil Search has in assets and the corresponding equity ownership of scope 1 and 2 GHG emissions from those assets. The equity GHG number includes our equity stake in operated PNG assets (e.g. CPF and APF) and also our equity stake in non-operated oil and gas production facilities (e.g. PNG LNG – operated by ExxonMobil).

Oil Search reports Scope 3 emissions by adopting an operational control-sales methodology. This approach allows consideration of Oil Search's owned emissions within the key source (e.g. Category 11 - use of sold products). We also report the equity GHG emissions and equity GHG emission intensity of our equity share in the PNG LNG Project.

Oil Search's GHG inventory is compiled using the American Petroleum Institute: Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry (2009). We use the Compendium methodologies to define inventory scope, sources and calculation methodologies e.g. gas combustion calculations, venting and fugitive estimates.

EMISSION SOURCES:

- **Scope 1:** Stationary combustion, process and vented emissions, flaring, fugitive emissions and transport/loading (land, water and air).
- **Scope 2:** Purchased electricity at Hides GTE area of operations.
- **Scope 3:** We report categories that are material to Oil Search, taking care to ensure there is no double-counting between them.
 - Category 10: GHG emissions involved in downstream processing of products,
 - Category 11: GHG emissions involved in use of sold products,
 - Category 15: GHG emissions associated with investments,
 - Category 3: GHG emissions associated with fuel and energy.

For reporting purposes, we report total GHG emissions as a sum of Scope 1 and Scope 2 emissions.

SIGNIFICANT AREAS OF OPERATION

The GHG inventory includes total production from the following Oil Search-operated facilities:

- Gobe field (wellheads, facilities and support),
- Agogo Processing Facility (includes SE Mananda/Moran/Agogo fields)
- Central Processing Facility (includes Kutubu/other fields),
- Hides Gas to Electricity (GTE) facility,
- Kumul (terminal),
- Moro (airfield),
- Kopi (camp).

Equity GHG emissions includes Oil Search's equity share of the above assets and also our equity share of PNG LNG.

EMISSION COMPOSITION

The GHG inventory captures emissions of the two material greenhouse gas sources from Oil Search operations: carbon dioxide and methane.

From 2017 onwards, we have applied a global warming potential (GWP) of 28 for methane based on the *IPCC Fifth Assessment Report (2013)*.

GHG INTENSITY

Operated GHG intensity has been calculated by dividing total operated GHG (Scope 1 and 2) emissions (CO₂-e) by gross total operated production. Gross production figures are based on operational control (e.g. total usable hydrocarbon production from Oil Search-controlled operations only), whereas production figures disclosed in Oil Search's Annual Report and Quarterly Production Reports are based on Oil Search's equity share of production and are used to calculate Equity GHG intensity.

Energy

Energy data is based on energy produced, purchased and consumed at sites and operations under Oil Search's operational control.

Energy data compilation is based on the *GRI Standards* and *Oil and Gas Sector Disclosures*.

Responsible operator

Continued

Environment

Our environment data is compiled based on the *GRI Standards* and *Oil and Gas Sector Disclosures* and the *International Association of Oil and Gas Producers (IOGP) Reporting Guidelines*.

Waste

All waste from Oil Search's operations, excluding our office premises. The waste streams include:

- **Hazardous waste:** PNG: kitchen grease, sewage treatment plant sludge, batteries, waste oil, medical waste, mercury and dry cells. Alaska: waste classified as hazardous in accordance with the Resource Conservation and Recovery Act (RCRA).
- **Non-hazardous waste:** All other waste.

We use incineration, landfill, recycling, underground injection¹ or on-site storage to dispose of waste.

Our waste data in PNG is estimated and obtained by visual assessment of material entering the waste management area. To convert waste volumes to weight, the average material density² conversion of various waste categories relevant to Oil Search were considered. The factor used is 1m³ = 0.305t. Where required, pounds are converted to tonnes using a factor of 1 pound = 0.0004t. In Alaska, waste is weighed at the local waste facility.

Spills

Any unintended release of hydrocarbon or non-hydrocarbon that reaches the environment >1 barrel (bbl) within Oil Search's operational boundary, including those caused by third parties under contractual obligations.

VOLUME SPILT

The total volume of hydrocarbon and non-hydrocarbon spilt resulting from the reported spills, where >1 bbl was released to land or water. The volumes reported have not been reduced by the amount of any materials subsequently recovered.

TOTAL NUMBER AND VOLUME OF SIGNIFICANT SPILLS

A significant spill is:

- Any hydrocarbon spill >100 barrels (bbls) released into the environment.
- Any hydrocarbon spill >1 bbl released into a sensitive environment (protected area, biodiversity 'hotspot', habitat of critically endangered species, river, wetland, glacier or other freshwater reserve used for water supply, Arctic environment with slow regeneration/turnover rates etc.).
- Any non-hydrocarbon spills of environmental relevance due to, but not limited to, elevated salinity, acidity, toxicity or lack of biodegradability.

Note that this does not include spills in which the fluid is sewage.

Water Use

Oil Search's water use data is compiled on an operational control basis covering Oil Search's drilling and production operations. Water withdrawals associated with smaller camps and the Port Moresby and Anchorage offices are immaterial and have not been included. Water consumption associated with the Sydney office is not within Oil Search's operational control.

VOLUME AND DISPOSAL OF FORMATION OR PRODUCED WATER

Covers surface water extracted for production operations.

TOTAL WATER WITHDRAWALS BY SOURCE

This includes withdrawals from:

- **Surface water:** Oil Search extracts surface water for drilling or potable usage.
- **Groundwater:** Oil Search extracts groundwater for potable usage.
- **Tanker water:** Oil Search purchases potable water.

TOTAL WATER DISCHARGES BY DESTINATION

This includes discharges to:

- **Surface water:** Oil Search discharges treated domestic water into waterbodies, as well as surface water for the construction of ice roads.
- **Seawater:** Oil Search discharges treated domestic water into seawater.
- **Groundwater:** Oil Search discharges treated domestic wastewater to absorption trenches. Some of this water is absorbed by soil and plants. The remainder will migrate into the groundwater. We also reinject all produced water back into the reservoir.

1. Underground Injection Control regulations in the USA mandate the consideration of a variety of measures to ensure injection activities will not endanger underground sources of drinking water (USDWs). The concept of endangerment is defined in the Federal code of regulations (40 CFR 144.12).

2. Reference – [Environment Protection Authority Victoria](#).

Responsible operator

Continued

We have either obtained the reported water data directly from flow meters or estimated it based on average pump rates and hours in use for all unmetered extraction and discharge points.

Air emissions

In addition to emissions of IPCC prescribed greenhouse gases, Oil Search estimates and publicly reports its airborne emissions of nitrous oxides (NO_x), sulphurous oxides (SO_x) & Volatile Organic Compounds (VOCs). The boundary for reporting of these air emissions are from Oil Search operated production and support facilities within PNG. These include all known material NO_x, SO_x, VOCs emissions sources/points associated with;

- The Oil and Gas Fields operated by Oil Search within PNG.
- All Oil Search operated production facilities within PNG [APF, CPF, GPF, Hides GTE, Kumul Terminal].
- All Oil Search related transport conducted using company fuel within operations in PNG [e.g.: including both oil search owned transport and estimated contractor emissions where they are carried out using Oil Search fuel supplies].
- Air emissions from Oil Search camps and related waste facilities.

Emissions of NO_x, SO_x & VOCs from these sources are estimated using a mixture of National Pollutant Inventory (NPI) and IPCC methodologies and emissions factors for each source quantity. The significant emissions sources for NO_x, SO_x & VOCs emissions to air are summarised;

- **NO_x**: the main sources of NO_x emissions include combustion of produced gas in production and processing (this includes where gas is used as a fuel and where gas is flared), and combustion of road, air and seaborne transport fuels. These emissions are all estimated based on gas/transport fuel volumes consumed through combustion, and default emissions factors.
- **SO_x**: the main source of SO_x emissions¹ is the combustion of liquid fuels for transport. Oil Search uses low sulphur diesel for road transport, but emissions are estimated by considering liquid fuel volumes consumed in transport and default emissions factors.
- **VOCs**: the main sources of VOCs are through fugitive emissions from oil and gas production. These are quantified in terms of known and estimated venting sources (using facility/source specific emissions factors), and overall fugitives estimation based on facility fugitives emissions of methane per facility, and typical net VOCs: methane ratios for these facilities. In addition to these sources, far smaller quantities of VOCs are emitted through storage of liquid transport fuels and slippage through gas flaring. These are also estimated through consumed and flared volumes respectively, based on default emissions factors to estimate their contribution to emissions.

Conversions

The following conversion rates were used in the collation of the 2020 environmental data:

WEIGHT

1 Pound = 0.454 Kilograms

VOLUME

1 Gallon = 3.785 Litres

1 Barrel = 158.987 Litres

Safety

Oil Search's safety data covers the activities of all Oil Search employees, contractors and service company personnel (and their sub-contractors) while conducting work for Oil Search, unless otherwise specified. It excludes safety statistics relating to:

- Activities of the Oil Search Foundation *including Hela Provincial Hospital*.
- Community infrastructure projects in PNG funded by government tax-credits.
- PNG LNG Project.
- Biomass project (excluded from August 2019 onwards) - As a result of a company-wide business restructure, the Biomass project has been repositioned within a separate entity 'Markham Valley Biomass Limited'. The entity 'Markham Valley Biomass Limited' will report safety statistics separately.

Our safety data is compiled using the International Association of Oil and Gas Producers (IOGP) Reporting Guidelines.

Safety Reporting Definitions:

- **Contractor:** An individual or organisation performing prescribed work under a Mode 1 or Mode 2 contract for Oil Search following verbal or written agreement. Sub-contractor is synonymous with 'Contractor'
- **Mode 1:** A contract mode used to engage a Contractor to perform services, on behalf of Oil Search, using controls required under the Oil Search HSES Management System.
- **Mode 2:** A contract mode used to engage a Contractor to perform services, on behalf of Oil Search, under their own company HSES Management System using controls that are influenced and/or assured by Oil Search.
- **Employee:** A person employed by and on the payroll of Oil Search, including corporate and management personnel specifically involved in E&P activities. Persons employed under short-service contracts are included as Oil Search employees provided, they are paid directly by Oil Search.

1. Oil Search oil and fields in PNG have low sulphur content, IPCC considers SO₂ emissions from flaring or combustion of associated gas from the production of sweet crude oil as negligible and does not provide an emissions factor.

Responsible operator

Continued

- **Controlled Activities:** Oil Search has jurisdiction over an HSES event if it occurred during a 'Controlled' work activity in which Oil Search had the prevailing influence, management and/or control over the health and safety of people and/or the environment.
- **Fatality:** A work-related injury resulting in death. 'Delayed' death that occurs after the incident is included if the death was a direct result of the incident.
- **First Aid Cases:** Cases that are not sufficiently serious to be reported as Medical Treatment Cases or more serious cases but nevertheless require minor first aid treatment e.g. dressing on a minor cut, removal of a splinter. First Aid Cases are not recordable incidents, and as such are excluded from the Total Recordable Injury Rate (TRIR) calculation.
- **Incident:** An unplanned or uncontrolled event or chain of events that has resulted in at least one fatality, recordable injury, stakeholder reputational damage, or physical or environmental damage.
- **Injury (work-related):** An injury caused or aggravated by an event or exposure in the work environment in the course of undertaking a controlled activity, including, for example:
 - when an employee or contractor is present in the work environment as an employee (i.e. not a member of the general public);
 - ingestion of food contaminated by workplace contaminants or food poisoning from food supplied by the employer;
 - contagious diseases contracted at work;
 - and travel by company-mandated transport.
- **Lost Work Day Cases:** Any work-related injury, other than a fatal injury, which results in a person being unfit for work on any day after the day of occurrence of the occupational injury. 'Any day' includes rest days, weekend days, leave days, public holidays or days after ceasing employment.
- **Lost Time Injury (LTI):** Fatality or Lost Work Day Case. The number of LTIs is the sum of Fatalities and Lost Work Day Cases.
- **Medical Treatment Cases:** Cases that are not severe enough to be reported as fatalities or lost work day cases or restricted work day cases but are more severe than requiring simple first aid treatment.
- **Monitored Activities:** Oil Search does not have jurisdiction over an HSES event if it occurred during a 'Monitored' work activity in which Oil Search does not have the prevailing influence, management and/or control over the health and safety of people or the environment and is not responsible for the work activity.
- **Non-work injuries:** Injuries that do not occur during Oil Search employment duties. An injury sustained in the course of undertaking a monitored activity, including:
 - when an employee or contractor is present in the work environment as a member of the general public;
 - voluntary participation in a wellness program or in a medical, fitness, or recreational activity, such as blood donation, physical examination, flu vaccination, exercise class, sports, etc.;
 - eating, drinking, or preparing food or drink for personal consumption (excluding illness resulting from ingestion of food contaminated by workplace contaminants or food poisoning from food supplied by the employer);
 - personal tasks in the work environment outside of the employee's assigned working hours; personal grooming, self-medication for a non-work-related condition or intentionally self-harm;
 - cold or flu (excluding contagious diseases contracted at work); and
 - travel from the home to the normal place of work or first stop (excluding travel by company-mandated transport).

Note: Non-work-related injuries are not recordable incidents and as such are excluded from the TRIR calculation.

- **Restricted Work Day Cases:** Any work-related injury other than a fatality or lost work day case which results in a person being unfit for full performance of the regular job on any day after the occupational injury. Where no meaningful restricted work is being performed, the incident should be recorded as a lost work day case.
- **Total Recordable Injuries (TRI):** The sum of Fatalities, Lost Work Day Cases, Restricted Work Day Cases and Medical Treatment Cases. First Aid Cases and non-work injuries are excluded.
- **Work-Relatedness:** An injury or illness is work-related if an event or exposure in the work environment caused or contributed to the resulting condition or significantly aggravated a pre-existing injury.

Exposure Hours

All injury and incident rates are calculated using million hours worked. Hours worked means the number of hours worked in a year, including:

- **Employees: Office-based:** hours worked are calculated using an 8-hour work day and multiplying by the end of month headcount times the number of actual working days in that month.*
- **Employees: Field-based and Offshore:** hours worked are calculated using a 5.5-hour assumption** and multiplying by the end of month headcount times the number of total days in that month).
- **Contractors:** Service company personnel hours worked (actual hours received directly from the service providers).

* Annual leave and sick days are not excluded for office-based employees.

** Field/offshore workers work for 11 hours/day; however, they are on a back-to-back roster set up each month, therefore an average of 5.5 hours/day is considered to account for the alternate months that they are not rostered.

Responsible operator

Continued

High Potential Events

A High Potential event is a collective term for HSES incidents or hazards that could have realistically resulted in one or more fatalities (consequence level of Major or Critical on the Oil Search risk matrix).

High Potential Incident: Any HSES incident that could have realistically resulted in one or more fatalities (consequence level of Major or Critical on the Oil Search risk matrix).

High Potential Hazard: Any HSES hazard that could have realistically resulted in one or more fatalities (consequence level of Major or Critical on the Oil Search risk matrix) if there was a loss of control of the hazard.

Process safety

Oil Search's process safety methodology follows the *American Petroleum Institute (API) Recommended Practice 754 first edition (April 2016)*.

Tier 1 or Tier 2 Process Safety events are defined below. Although not reported in the Data Centre, Tier 3 and 4 events are collated internally.

Tier 1

Defined as an unplanned or uncontrolled loss of primary containment release of any material, including non-toxic and non-flammable materials from a process, resulting in one or more of the following consequences:

- An employee, contractor or subcontractor 'days away from work injury' and/or fatality.
 - Hospital admission and/or fatality of a third party.
- An officially declared community evacuation or community shelter-in-place, including precautionary community evacuation or community shelter-in-place.
- Fire or explosion damage equal to, or greater than, US\$100,000 of direct cost.
- An engineered pressure relief into the atmosphere e.g. Pressure Relief Device (PRD), Safety Instrumented System (SIS) or manually initiated emergency de-pressure discharge. Applies where:
 - The quantity is equal to, or greater than, the threshold quantities in [Table 1 of API754](#) in any one-hour period.
 - Whether it occurs directly or through a downstream destructive device.
 - When it results in one or more of the following consequences:
 - Rainout.
 - Discharge to a potentially unsafe location.
 - An on-site shelter-in-place or on-site evacuation, excluding precautionary on-site shelter-in-place or on-site evacuation.
 - Public protective measures (e.g. road closure), including precautionary public protective measures.
- An upset emission from a permitted or regulated source, of a quantity equal to, or greater than, the threshold quantities in [Table 1 of API754](#) in any one-hour period, which results in one or more of the following consequences:
 - Rainout.
 - Discharge to a potentially unsafe location.
 - An on-site shelter-in-place or on-site evacuation, excluding precautionary on-site shelter-in-place or on-site evacuation.
 - Public protective measures (e.g. road closure), including precautionary public protective measures.
- A release of material greater than the threshold quantities described in the [Table 1 of API754](#), in any one-hour period.

Tier 2

Defined as a less severe event than the Tier 1 criteria. See [API754](#) for complete details and guidance.

Responsible operator

Continued

Health

The data includes workforce and community patients seen by all permanent and temporary clinics in PNG, AUS and Alaska. Temporary clinics are used to support exploration and seismic programmes in PNG and Alaska, and there are six permanent clinics in PNG. Community health work facilitated by the Oil Search Foundation is excluded.

Patients treated include total number of employees and contractors in PNG, Alaska and Australia.

- Number of COVID-19 tests: relates to the 7 day quarantine measures that were introduced from September 2020 and includes tests conducted on days one and seven of quarantine before entry to the general population.
- COVID-19 Mental Health Support: refers to the five dedicated psychologists across Australia and PNG that provided wellbeing check-ins to staff in quarantine, families of FIFO workers and staff at home in 2020; as well as crisis counselling across all users.

Security and Human Rights

Incidents

Total number of incidents raised with human rights implications: Incidents or event, direct or by a related third party, which may result in Oil Search being implicated in a human rights abuse occurrence, including use of unreasonable/proportional force, unlawful seizure/deprivation of property, or deprivation of liberty.

Training

Training on security and human rights: Includes training and awareness sessions held with employees, public and private security providers on the implementation of the Voluntary Principles and OSL conduct expectations.

Society

Contacts

Data captured by Oil Search's Stakeholder Engagement teams in PNG and Alaska that includes:

- Meetings held by our Community Affairs team, both in-person and virtual, with community members, or their representatives including from local Government, Landowner Companies etc.
- Number of field and office visits conducted.
- Number of instances of written correspondence.

Land use and access

Resettlement

New sites are greenfield sites where there is no existing OSL infrastructure or activities. Involuntary resettlement occurs when affected persons do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. Resettlement refers to both physical (relocation or loss of shelter) and economic displacement (loss of assets or access to assets that lead to loss of income or other means of livelihood as a result of project-related land acquisition and/or restrictions on land use.

Compensation

Includes direct cash payments to the community paid as:

- Compensation amounts for specific activities.
- Annual land rental amounts to landowners.

Issues management

Includes the number of PNG landowner issues raised to, and closed out by, the Community Affairs team.

Sustainable development

Note: From 2018 a new methodology has been used to calculate financial figures that are collectively used to report the Company's socio-economic contributions. The framework and definitions for this model have been derived from the [GRI](#) and the London Benchmarking Group. For this reason, figures before 2018 may not present a like-to-like comparison.

Socio-economic contribution¹

Includes Oil Search's contributions in PNG and the USA.

Suppliers: Includes payments made to companies that are locally domiciled, and for PNG, paid in PNG Kina for their goods and services. This includes landowner companies and SOEs.

Employees: Includes employee salary, wages, benefits and other employee expenses.

Shareholders: Includes ordinary shareholder dividends, excluding those paid to employee shareholders.

Community: Includes Company contributions to OSF, community development projects, education sponsorships, partnerships and other donations.

Government: Includes payments to local, state or federal government entities.

Payments to the community

This includes all voluntary cash contributions made by Oil Search as Operator on projects or partnerships in PNG and Alaska that aim to benefit the local community. It also includes the value of in-kind contributions and the project management, logistical or administrative costs borne by Oil Search to deliver these projects.

Cash contributions

Refers to the monetary amount paid in support of the community, including donations to charities, grants, social sponsorships, support for cultural events and partnerships/memberships with community-related organisations.

- **Donations:** Includes the total cash contribution paid by Oil Search to the OSF and donations paid by Oil Search under field- and office-based donations programmes. It excludes cause-based donations raised by Oil Search employees and costs associated with logistics and other support provided to OSF by Oil Search.
- **Brand based sponsorships:** Includes sponsorships made where the Oil Search brand is used to support the initiative. Examples include the PNG Orchids and Asia-Pacific Economic Cooperation (APEC).
- **Partnerships:** Amounts provided to third parties to assist with delivering community initiatives on the Company's behalf.

Payments to employees

Includes²:

- Employee salaries and wages, and
- Grossed up Fringe Benefits Tax value of benefits, such as car leases and, accommodation for expatriates.

Excludes training, protective equipment or other cost items directly related to the employee's job function. Conversion of PNG employee payments into USD has been made using the transaction date exchange rate, not the average indicated in *About this document*.

Social development and investment (SD&I)

Community development projects

Refers to costs associated with delivering/running community development programmes, including educational programmes, infrastructure development (non-ITCS), health, water sanitation and hygiene, livelihoods and enterprise development, power projects, women's empowerment etc.

It excludes amounts spent by OSF using Oil Search donations to deliver these programmes.

Education support: Amounts spent on community education support training programmes, including Department of Education primary in-service training; local/community business development training; and Community Development Initiative (CDI) Foundation expenses. It also includes amounts paid to support students from local communities in the form of sponsorships to obtain a tertiary qualification. Support includes tuition, monthly stipend, travel, books, stationery and accommodation.

Community Assistance Projects (CAP): Amounts spent by Oil Search on sourcing materials and trade assistance to deliver projects in the areas of infrastructure, local business/enterprise development, health programmes, disaster relief and women's empowerment.

Investment in power: All payments made by Oil Search for the development and delivery of power solutions in PNG, including the Port Moresby Power Station, Ramu Power Project and the Biomass Project.

See Appendix A for details on how Oil Search's SD&I performance data is collated.

1. In previous years, our socio-economic contribution was calculated as the sum of cash payments made to suppliers, employees, shareholders, community and government. This approach has been strengthened by a stronger focus on indicator-level reporting from 2018 onwards. Definitions have been adjusted accordingly.
2. From 2020 this includes both PNG citizen and non-citizen employees, previously only PNG citizens were included.

Sustainable development

Continued

Supplier and contractor payments

Includes payments made for facilities, goods and services purchased.

For PNG, suppliers must be:

- Domiciled in the country in question and/or
- Paid in PNG Kina for their goods and services.

For USA, Australia and MENA, suppliers must be:

- Domiciled in the country in question.

Suppliers and contractor categories include:

- Third parties that supply goods and/or services.
- Workers included by third party contractors as part of services purchased.
- SOEs that supply goods and/or services.
- Landowner companies that supply goods and/or services.

Sustainable development performance

Includes Oil Search's community-related activities in PNG. Excludes activities provided to the community by OSF.

See [Appendix A](#) for detail on how the Company's performance data is collated.

Oil Search Foundation performance

Includes OSF's activities in project impact area provinces, where it supports the PNG Government in delivering and strengthening services in the areas of health, women's protection and empowerment, leadership and education and water, sanitation and hygiene.

Medical services provided to the community by Oil Search at Company clinics in PNG are reported in the [Responsible operator \(Health section\)](#).

Contributions to the Oil Search Foundation

Total cash contributions paid to OSF. Includes contributions from Oil Search (excluding costs associated with logistics and other support provided to OSF by Oil Search) and parties other than Oil Search

See [Appendix B](#) for details on how OSF's performance data is collated.

Appendices

Appendix A: Oil Search Social development and Investment performance indicators

Indicator	Methodology
COMMUNITY INFRASTRUCTURE	
Infrastructure Tax Credit Scheme (ITCS) projects completed	ITCS Projects approved by PNG Department for Planning which attained Practical Completion and transitioned to being prepared for handover.
Infrastructure Tax Credit Scheme (ITCS) projects underway	ITCS Projects approved by PNG Department for Planning for which construction commenced or progressed.
Community Assistance Programme (CAP) Projects	Includes the number of CAP projects that have been completed in the reporting year.
EDUCATION	
Students enrolled in a tertiary education facility receiving Oil Search support	Number of students selected and sponsored by Oil Search for tertiary education.
Students who received Oil Search support while studying who graduated during the year	Number of students selected and supported by Oil Search for Tertiary Education Sponsorship who have completed their studies.
Teachers currently undertaking Diploma in Education Primary In-service (DEPI) qualification with OSL support	Number of students selected and sponsored by Oil Search to complete their DEPI qualification.
Teachers who completed DEPI qualification with Oil Search support	Teachers in project area community schools who are sponsored by Oil Search who have successfully completed a Diploma in Primary Education studies.
BUSINESS DEVELOPMENT	
Landowner companies that completed NASFUND ¹ compliance training	Includes individuals (by gender) from landowner companies who have completed compliance-related training or workshop sessions organised by Oil Search.
Landowner companies that completed tax compliance training	
Landowner companies that completed Investment Promotion Authority (IPA) compliance training	
Attendees who completed financial literacy/basic business skills training sessions	Total number of community members (by gender) who attended a financial literacy and basic business skills training session sponsored by Oil Search.
Attendees who completed landowner company directors' training	Total number of community members (by gender) who attended landowner company director training sessions sponsored by Oil Search.
Attendees who complete basic bookkeeping training run by Oil Search Community Affairs	Total number of community members (by gender) who completed basic bookkeeping training conducted by Oil Search.
AGRICULTURE	
Attendees who completed agriculture training	Total number of community members (by gender) who completed agriculture training sponsored by Oil Search.
Attendees who completed life skills training sessions	Total number of community members (by gender) who completed training on basic life skills sponsored by Oil Search.
Number of agricultural cooperatives supported during the year	Total number of agricultural cooperatives provided with capacity development and resources by Oil Search to implement projects.

1. NASFUND is a provider of superannuation services in PNG.

Appendices

Continued

Appendix B: Oil Search Foundation performance indicator methodology

OSF data reflects the achievement of the contribution OSF makes to the PNG Government's national priorities through effective partnership with the Government and respective stakeholders to improve development outcomes.

OSF has data-sharing agreements with National Department of Health (NDOH), the Hela, Gulf and Southern Highlands Provincial Health Authorities (PHA). The agreements enable OSF to have full access to the e-National Health Information System (e-NHIS) and other health data. Data is provided directly by PHAs to NDOH for all supported health facilities and is the basis of the PNG Government's formal health data collection system.

Indicator	Source	Methodology
HEALTH		
<i>Coverage</i>		
Total number of clinics supported by OSF	OSF - SIMS	Total number of health facilities supported by OSF across programme areas (Nipa-Kutubu District, Kikori District and Hela Province). In 2020 this did not include two MOH clinics.
Number of outreach patrols and clinics delivered by OSF-supported health facilities	e-NHIS	Total number of outreach patrols and clinics provided by OSF-supported health facilities across Nipa Kutubu District, Kikori District and Hela Province.
Number of extended outreach patrols supported by OSF to remote villages (excludes earthquake-related clinics) ¹	OSF - SIMS	Total number of OSF-funded extended outreach patrols or overnight clinics for remote communities that OSF facilitates and plans with partners. Data provided by OSF teams using standard tool.
Number of health facility support visits conducted by OSF staff ¹	OSF - SIMS	Total number of visits conducted by OSF staff to OSF-supported health facilities to provide a range of support activities. Data provided by OSF teams using standard tool.
<i>Immunisations</i>		
Number of children who are immunised against measles at OSF-supported health facilities	e-NHIS	Total number of children <1 years of age who were immunised by OSF-supported health facilities, including outreach, patrols and clinics enabled by OSF.
Total number of vaccinations across all OSF-supported health facilities	e-NHIS	Vaccinations done at health facilities only. Includes hepatitis B, polio, measles, diphtheria, tetanus, pertussis (whooping cough), haemophilus, influenza B, vitamin A and Albendazole.
<i>HIV²</i>		
Number of condoms distributed in OSF programme areas	OSF - SIMS	Total number of condoms distributed to health facilities, occupational sites, clinics and community events/sites. Data is collected through an OSF data tool and condom log-sheets completed by officers in charge of health facilities.
Number of people who received a HIV test in the last 12 months and who know their results	OSF - SIMS	Total number of people who have received a HIV test and who know their results in all OSF programme areas through OSF- and Oil Search-supported health facilities. Data is collected through an OSF data tool and the HIV Counselling and Testing (HCT) log sheet completed by officers in charge of health facilities.
Number of pregnant women who were tested for HIV and who know their result	OSF - SIMS	Total number of pregnant women who were tested for HIV and who received their result during an antenatal clinic attendance at OSF-supported health facilities or clinics. Data collected through the entry of data provided by the NDOH HIV surveillance form 2, completed by selected health facilities delivering HIV services.
Number of HIV negative infants born to HIV infected mothers from OSF supported facilities	OSF – Program data	Number of infants born to HIV-infected mothers who were tested HIV negative reported from OSF-supported health facilities. Data collected through the NDOH HIV surveillance form 2, completed by selected health facilities delivering HIV services.
Number of infants born to HIV-infected mothers within OSF support programmes who are infected	OSF – Program data	Total number of infants born to HIV-infected mothers who were tested HIV positive from OSF-supported health facilities.

1. This indicator did not apply from March 22nd 2020 as OSF operating model changed will not be continued in 2021.

2. HIV services were devolved from the Foundation back to the PHAs in 2019 and therefore Foundation-provided services significantly reduced over 3 years. As a result, 2020 will be the last year the Foundation reports some metrics.

Appendices

Continued

Appendix B: Oil Search Foundation performance indicator methodology *continued*

Indicator	Source	Methodology
Malaria¹		
Percentage of malaria slides or rapid diagnostic tests found positive among all malaria slides and/or rapid diagnostic tests	OSF - SIMS	Percentage of confirmed positive malaria cases from all Oil Search medical clinics.
Number of confirmed community 'positive' malaria cases from OSF-supported health facilities	OSF - SIMS	Total number of 'positive' malaria cases from OSF-supported community facilities that have been confirmed by the OSF malaria laboratory. Includes Nipa-Kutubu and Kikori cases only. Data provided through OSL medical clinics and OSF laboratories.
Tuberculosis (TB)		
Number of community members completing 6-month TB treatment	OSF - SIMS	Count of the total number of community members who have completed a full 6-month course of treatment for TB. Data provided by the TB Basic Management units in Kikori Rural Hospital and Hela Provincial Hospital.
Water, Sanitation and Hygiene (WaSH)²		
Number of water tanks distributed and now installed on site	OSF – WaSH Master Plan	Total number of water tanks installed by year in accordance with a three-year targeted strategy to distribute and install 201 water tanks for Earthquake (2018) Emergency Controller.
Number of site assessments of schools and health facilities	OSF – WaSH Master Plan	Number of site and building assessments completed by OSF for installation of water tanks through WaSH project by September 30th 2019. Site assessments after September 2019 were conducted by local contractors and are no longer captured in data system.
Combined capacity of water tanks distributed (L)	OSF – WaSH Master Plan	Combined capacity of all tanks distributed and installed on site.
EDUCATION AND LITERACY		
Number of children attending the OSF-supported literacy library	OSF – Program data	Total number of children attending two OSF-supported Buk bilong Pikinini libraries and OSF supported literacy library in Fugwa school. Data provided by Buk bilong Pikinini.
Number of established libraries	OSF – Program data	Total number of literacy libraries established by OSF and operating in project impact area communities. Includes facility in Fugwa jointly established by OSF with Australian Government and Open Member for Koroba/Kopiago District.
Occasions of capacity-building training for community health workers by OSF	OSF - SIMS	Total occasions of participation by health care staff or personnel from health facilities in any form of OSF-supported activities, training or mentoring activities.
Number of scholarships awarded	OSF – Program data	Number of successful applicants awarded OSF-funded scholarships or Wok Bung Wantaim funded scholarships for the academic year

1. Operating model has changed, and this indicator does not apply after March 2020 and will not apply in 2021.

2. The 2020 data represents the final year of the three-year WASH project targeted earthquake restoration efforts.

Appendices

Continued

Appendix B: Oil Search Foundation performance indicator methodology *continued*

Indicator	Source	Methodology
WOMEN'S PROTECTION AND EMPOWERMENT		
Number of new clients attending three Family Support Centres (FSC) across Hela	PNG Program Data	Number of new clients attending the original FSC in Hela Hospital in Tari plus two smaller FSCs now operating in Koroba and Margarima District Hospitals since early 2020.
Total occasions of service delivered through Tari Family Support Centre	PNG Program Data	Total occasions of service provided by Tari Family Support Centre for all clients. Data provided quarterly to OSF by Tari Family Support Centre, which is managed by the PHA.
Number of family planning interventions	MSPNG Program Data	Number of family planning consultations provided through partner Marie Stopes PNG to women of child-bearing age and to men during outreach clinics and patrols and opportunistic consultations in communities. Data provided by Marie Stopes PNG in a quarterly report to OSF.
Couple Years Protection (CYP) provided through family planning interventions ¹	MSPNG Program Data	Estimated number of years of protection provided through different family planning interventions in a one-year period for women of childbearing age (per 1,000 of the population) and for men, using accepted average protection times. Data provided by Marie Stopes PNG in a quarterly report to OSF.
Maternal and Child Health (MCH)		
Number of women receiving antenatal care at OSF-supported health facilities	e-NHIS	Total number of pregnant women who attended at least one antenatal clinic at an OSF-supported health facility.
Number of children below five years of age who attended MCH clinics who are below 80% weight for age ²	e-NHIS	Total number of children under five years old who attended OSF-supported health facilities and/or were reached through OSF-supported outreaches and clinics who were moderately below 80% weight for their age.
Number of births from supervised deliveries attended by skilled personnel at OSF-supported health facilities	e-NHIS	Total number of births attended by a trained health care worker at OSF-supported health facilities. A trained health care worker is defined as a registered midwife, nurse or community health worker trained in emergency obstetric care.
Percentage of OSF-supported health facilities that have running water to the delivery room	OSF - SIMS	Percentage of OSF-supported health facilities that have running water to the delivery room (excludes Aid Posts and Urban Centre facilities).
Number of community health care staff attendances at capacity-building training by supported by OSF	OSF - SIMS	Total number of attendances by health care staff or personnel from health facilities who received any form of training from OSF-supported activities.
Small grants		
Number of small grants awarded for local community activities addressing local development issues	OSF – Program data	Number of successful small grant applications from Oil Search and OSF staff to run small projects addressing change in their own communities.

1. Partner Marie Stopes PNG was unable to remain in Kutubu and Kikori due to COVID-19 related restrictions, therefore service data reported in 2020 relates only to Tari in Hela and training of PHA staff.

2. This indicator description was changed by the PNG Health Department in 2019 and a decision has not yet been made on how to calculate and report NHIS data on this indicator across previous years.

