

Esso Highlands Limited



Papua New Guinea LNG Project

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

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Corporate Separateness Notice

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ACRONYMS

ACRONYM	DESCRIPTION
EHL	Esso Highlands Limited
L&CA	Land and Community Affairs
LNG	Liquefied Natural Gas
OIMS	Operations Integrity Management System
PPE	Personal Protective Equipment
PNG	Papua New Guinea

1.0 INTRODUCTION

This Plan describes the requirements for Esso Highlands Limited (EHL) with regard to labour and working conditions applicable during the production phase of the Papua New Guinea Liquefied Natural Gas (PNG LNG) Project (the Project). It aims to ensure the management and control of activities that may pose labour-related risks. This Plan sets out potential impacts and consequences and describes how they will be mitigated. EHL will use commercially reasonable efforts to require contractors, or other intermediaries procuring labour, to apply comparable standards.

1.1 Scope

This Plan describes the requirements and expectations in terms of compliance, reporting, roles, supervision and training with respect to labour and working conditions, including camp accommodation. It covers all production activities for Upstream Facilities, the Pipelines and the LNG Plant. This Plan is expected to be adopted and applicable to EHL contractors, recognising that EHL's effectiveness in managing third parties will vary in accordance with the leverage EHL is able to exercise. To the extent that EHL can exert influence over its supply chain, the principles in this Plan will also apply.

1.2 Objectives

The objectives of this Plan are to:

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

2.0 LEGAL AND OTHER REQUIREMENTS

Various laws, policies, systems, standards and international good practice codes are applicable to the implementation of this Plan. Such requirements are outlined in the following sections.

2.1 Papua New Guinean laws and regulations

All applicable Papua New Guinean laws and regulations will apply, especially those that concern employees' and workers' wages, benefits, living conditions, occupational health and safety.

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

2.2 Company policies

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

- Alcohol and Drug Use Policy
- Annual Leave Guidelines
- Anti-Corruption Policy
- Conflicts of Interest Policy
- Contract Personnel Guidelines
- Discipline Guidelines
- Equal Employment Opportunity Policy
- Ethics Policy
- Global Diversity Framework
- Harassment in the Workplace Policy
- Management and Protection of Information Guidelines
- Maternity Leave
- Personal Leave With Pay Guidelines
- Personal Leave Without Pay Guidelines
- Political Activities Policy
- Privacy Policy
- Procedures and Open Door Communication
- Relationships between Supervisors and Subordinates
- Safety Policy
- Sick Leave
- Standards of Business Conduct
- Working Hours Expectations Guidelines
- Workplace Assistance Program

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

For example, requirements and expectations related to camp management and catering under the Logistics Best Practice System Manual include, but are not limited to:

- Personnel qualification criteria

¹ For example, in 2011 EHL successfully applied for exemption from a Papua New Guinean law that prevented women from working at night. The exemption gives women in the Project workforce the same opportunities as men.

- Food specifications
- Housekeeping service specification

2.3 Operations Integrity Management System

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

- OIMS System 4-2 Compliance with Laws, Regulations and Permits – The requirement to comply with applicable laws, regulations, permits, licenses, and other legally binding requirements or agreements
- OIMS Element 5 Personnel and Training – Control of operations depends upon people. Maintaining operations that protect safety, health, and the environment and that conform to laws and regulations requires careful selection, placement, ongoing assessment, and proper training of employees
- Socioeconomic Management Standard – The purpose of this Standard is to provide guidance on how socioeconomic issues will be identified, specifically, the following should be considered:
 - Consultation with relevant communities, government officials, and appropriate stakeholder organisations or individuals to share information, solicit opinions/ideas/feedback, and respond to expressed concerns
 - Identification of potential socioeconomic issues/risks including, but not limited to, management of cultural and heritage properties, interaction with indigenous and/or vulnerable populations, involuntary resettlement, compensation, employment and training, and the procurement of goods and services
 - Development of appropriate prevention (or enhancement), control, mitigation, and monitoring strategies related to potential socioeconomic issues/impacts

2.4 International Finance Institution requirements

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

- *Performance Standard 2: Labor and Working Conditions (International Finance Corporation, 2006)*
- *Workers' accommodation: processes and standards (European Bank for Reconstruction and Development and International Finance Corporation, 2009)*
- *Universal Declaration of Human Rights (United Nations, 1948)*
- International Labour Organization Core Conventions
- United Nations Human Rights Council: Report of the Special Representative of the Secretary General on the issue of human rights and transnational corporations and other business enterprises – *Protect, Respect and Remedy: a Framework for Business and Human Rights (Ruggie, John, 2008)*.

2.5 International guidelines

ExxonMobil's Standards of Business Conduct provide a worldwide framework for responsible operations and are consistent with the spirit and intent of the *ILO Declaration on Fundamental Principles and Rights at Work (International Labour Organization, 1998)*. The *Declaration* sets an obligation on 'member states' to promote and realise the principles of:

- Freedom of Association and effective recognition of the right to collective bargaining
- Elimination of all forms of forced or compulsory labour
- Effective abolition of child labour
- Elimination of discrimination in respect of employment and occupation

International standards that will be followed by EHL, relevant to labour and working conditions include:

- *ILO Declaration on Fundamental Principles and Rights at Work (International Labour Organization, 1998)*
- *Voluntary Principles on Security and Human Rights (Secretariat for the Voluntary Principles on Security and Human Rights, 2000)*
- United Nations Global Compact²

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

3.0 ORGANISATION

The requirements of this Plan will be implemented by the Land and Community Affairs (L&CA) Manager who reports directly to the Managing Director in the production organisation as illustrated in Figure 3-1. The Human Resources Manager, who also reports directly to the Managing Director, will own the Plan from an OIMS functional perspective. Site managers are responsible for contractor management in relation to this Plan on a day-to-day basis.

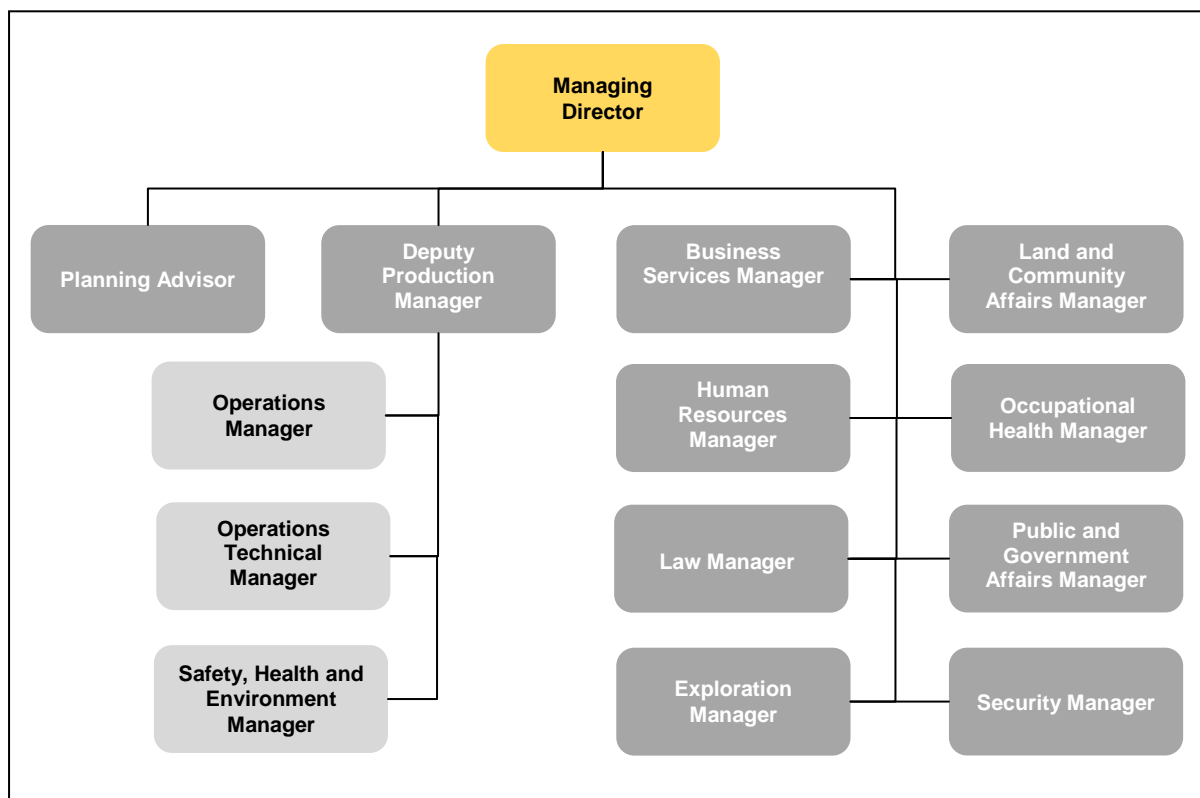


Figure 3-1: Esso Highlands Limited organisation chart for commencement of production

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

- Industrial relations
- Workplace grievance program
- Working hours expectations
- Remuneration and payroll
- Privacy management
- Contractor Human Resources management
- Workforce demobilisation

Some sample job descriptions are provided in Section 7.0 to demonstrate the type of roles that will apply during the production phase. As the needs of the Project change over time, a number of roles may be replaced by others more appropriate to the Project's needs at the time.

4.0 RISK AND IMPACT MITIGATION

4.1 Introduction

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

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

4.2 Risk and impact mitigation

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

4.3 Information management

An integrated information management system will be used to manage environmental and social data sets, including labour-related data. Further details are provided in Section 5.3 of the Environmental and Social Management Plan.

Table 4-1: Risks and impact mitigation

SUB-CATEGORY	WORKER IMPACTS\RISKS	PROJECT IMPACTS\RISKS	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
DIRECT WORKERS							
Recruitment and selection – how workers enter the organisation.	Perception of unfair recruitment and selection practices.	Community tensions – stop work practices that affect productivity.	Human Resources policy and/or procedure that covers recruitment and selection processes including at least: <ul style="list-style-type: none"> • Selection criteria of each position • Method of recruitment • Places of recruitment • Transparency clauses • Use of Landowner Company\Integrated Land Group structures 	2-1	Assessment	Quarterly	EHL
			National content strategy that is transparent, well communicated and implemented to: <ul style="list-style-type: none"> • Maximise work opportunities for local citizens and recruit in accordance with the geographic priorities determined by the production organisation • Enhance local employees' skills base through training and development programs 	2-2	Verify	Monthly	EHL
	Recruitment of individuals who, by virtue of age, would be exposed to hazardous situations and be subject to impaired social development.	Increased health and safety risk to workforce, potential non-compliance with national labour laws, and reputational risk to Project.	Human Resources and contracting policies and/or procedures that cover recruitment and selection processes that specifically address issues associated with child labour.	2-3	Verify	Biannually	EHL/ Contractor

SUB-CATEGORY	WORKER IMPACTS/RISKS	PROJECT IMPACTS/RISKS	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
Conditions of employment – what people earn/benefits.	Perceptions that wages, salaries and benefits are poor or that foreigners are treated better and receive better conditions of employment.	Industrial action - work stoppages, absenteeism, sit-ins, sabotage.	Human Resources policy and/or procedure that describes at least the following: <ul style="list-style-type: none"> Contract arrangements and content Equal pay for equal work How wage surveys will be conducted to assess local conditions and industry averages Process for pay increases Work bands and parallel pay scales 	2-4	Verify	Quarterly	EHL
			An effective employee complaints/grievance process.	2-5	Assessment	Monthly	EHL
Labour relations – cultural diversity.	<ul style="list-style-type: none"> Different cultures meeting in the workplace – feelings of distrust and suspicion of other cultural groups Perception that one's culture is not respected or valued 	<ul style="list-style-type: none"> Conflict arises between different cultures or tribes resulting in tension, which could lead to violence and work stoppages Foreign workers feel threatened and leave, resulting in skills gap 	Cultural awareness programs during induction and 'lunch and learns'.	2-10	Verify	Quarterly	EHL
			Supervisors to undergo compulsory cultural awareness training.	2-11	Verify	Quarterly	EHL
			A code of conduct to cover: <ul style="list-style-type: none"> Respect for different cultures Acknowledgement of cultural differences in respect to diet, religious ceremonies and so forth Non-discrimination and equal opportunity Harassment, types and consequences Community "do's and don'ts" 	2-12	Verify	Quarterly	EHL

SUB-CATEGORY	WORKER IMPACTS\RISKS	PROJECT IMPACTS\RISKS	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
Labour relations – conflict handling.	<ul style="list-style-type: none"> Workers feel aggrieved and don't know how to vent their grievances Workers are not sure of the rules and regulations of EHL 	Workers embark on various forms of industrial action. They take matters into their own hands, which results in violence and conflict that affects workplace harmony.	<p>Human Resources policy and/or procedure that contains at least:</p> <ul style="list-style-type: none"> A worker grievance procedure A disciplinary procedure Workplace rules and regulations A demobilisation procedure Industrial action handling protocols <p>Workers to be informed of these procedures during induction training.</p> <p>Supervisors to undergo training on all these procedures.</p> <p>Female grievance officers ('confidants') are made available to female members of the workforce.</p> <p>Metrics with leading and lagging indicators to be kept in order to highlight labour relations areas in need of remedial action.</p>	2-13	Assessment	Monthly	EHL
Labour relations – worker engagement mechanisms.	<ul style="list-style-type: none"> Workers are not informed of activities or events that affect them Workers are unable to communicate collective issues that bother them Rumours\ misinformation spreads that concerns workers 	<ul style="list-style-type: none"> Industrial action due to rumours or incorrect perceptions Poor morale and an unproductive workforce 	<p>Effective communication and engagement mechanisms including at least the following:</p> <ul style="list-style-type: none"> Worker committees Regular written communications that go to all workers describing relevant operations activities Use of notice boards Use of toolbox talks Ongoing supervisor-led communications <p>Workers have the right to form or join a workers' organisation such as a union.</p>	2-14	Assessment	Monthly	EHL

SUB-CATEGORY	WORKER IMPACTS/RISKS	PROJECT IMPACTS/RISKS	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
Project retrenchment effects on production activities.	<ul style="list-style-type: none"> Loss of work and associated resentment towards EHL Increased unemployment Community and household-level adjustments from cash-based to subsistence-based livelihoods for many demobilised workers Family and community impacts generated through loss of work by community/family members 	<ul style="list-style-type: none"> Increase in lawlessness of communities posing security threats for operations Decrease in morale of existing workers, leading to loss of productivity Blockades and disruption to supply lines Damage to Project assets resulting from retribution 	<p>Comprehensive retrenchment procedure and strategy, which includes:</p> <ul style="list-style-type: none"> Timing and number of workers to be retrenched – a staggered approach A communications strategy to minimise misinformation and rumours Alignment with community development activities Complaints/grievance process to facilitate employee and contractor dispute resolution relating to retrenchment Personal viability training Engagement and consultation of relevant stakeholders, including families of retrenched workers Consistent application of retrenchment packages to minimise the risk of inequitable treatment 	2-15	Assessment	Quarterly	EHL/ Contractor
CONTRACTORS AND CONTRACT WORKERS							
Labour and working conditions – contract workers.	As described in 2-1 to 2-11.	As described in 2-1 to 2-11.	As described in 2-1 to 2-11 including the mitigations described below specific to workers not directly contracted by EHL.				

SUB-CATEGORY	WORKER IMPACTS\RISKS	PROJECT IMPACTS\RISKS	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
Foreign workers.	Foreign workers are contracted through agencies that are not reputable.	<ul style="list-style-type: none"> Company reputation would be affected with implications of unfair labour practices Contract workers are disgruntled as they believe they are being unfairly employed, resulting in industrial action and/or low productivity 	Where a contractor uses agencies to recruit foreign\local workers, the contractor ensures that these agencies are reputable and legitimate. Complete transparency on all fees paid to the agencies to be required by the contractor and subject to auditing by EHL.	2-23	Verify	Quarterly	EHL
			The contractor should aim to contract directly with their workers and not use third party agencies. This means that workers will be paid by the contractor directly and not through an agency. However, where this is not possible, the contractor is to inform EHL in writing of the deviation and the reasons for this and provide evidence that agencies have been audited.	2-24	Verify	Quarterly	EHL
			The contractor ensures that all workers have written contracts of employment signed by both parties that cover all the terms and conditions of employment. Each party to the contract shall have an original copy. Contracts will be drafted in the relevant language and the contractor will ensure that the worker understands the terms and conditions of employment.	2-25	Verify	Quarterly	EHL
			The contractor is to provide Contracts of Employment with terms and conditions, as a minimum, complying with Papua New Guinean legislation. The terms and conditions should be equal to, or better than, similar work in similar industries in the region.	2-26	Verify	Quarterly	Company

SUB-CATEGORY	WORKER IMPACTS/RISKS	PROJECT IMPACTS/RISKS	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
	Perceptions by local workers that wages, salaries and benefits are poor and that foreigners are treated better and receive better conditions of employment.	Industrial action: work stoppages, absenteeism, sit-ins, sabotage. Aggression towards foreign workers which could result in violence and work disruptions.	Workplace conditions of employment and tools for foreign workers and local workers doing similar work will not be substantially different. Where these cannot be avoided, they must be documented and the contractor will communicate these instances to EHL with a plan to mitigate potential conflict that may arise.	2-27	Assessment and Reporting	Biannually	EHL
ACCOMMODATION							
Worker accommodation building specifications (camps).	Accommodation is considered sub-standard which leads to discontent amongst the residents and concerns about perceived health risks.	Workers have low morale and perceive EHL to not care about their welfare, which in turn affects motivation and productivity.	Build camps to the minimum camp specifications for production accommodation. In the event of new construction, the following Construction phase plans will be applied as necessary: <ul style="list-style-type: none"> • Minimum Health Requirements for Project Execution • Minimum Camp Specifications for Operations Accommodation • EHL Health Plan • EHL Emergency Response Plan • EHL Security Management Plan 	2-28	Verify	Quarterly	EHL
Camp management practices.	Residents do not live in harmony and the potential for	Conflict escalates.	If a contractor is used to manage camps, they must have a proven track record.	2-29	Verify	Prior to appointment	EHL

SUB-CATEGORY	WORKER IMPACTS/RISKS	PROJECT IMPACTS/RISKS	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
	conflict rises. Residents do not know how to complain or make a grievance.		Implement an induction program to be attended by all residents that covers at least the following: <ul style="list-style-type: none"> Camp rules and regulations Code of conduct Camp grievance mechanism Camp disciplinary procedure Complaints system for food, dining, housekeeping and maintenance Camp committee system Community relations cultural awareness Health, safety and security 	2-30	Verify	Monthly	EHL
			Keep committee minutes, records of all training conducted, complaints, grievances and breaches of discipline. Use this information to track trends and for remedial action purposes.	2-31	Reporting	Monthly	Contractor to EHL
			Implement a mechanism for dialogue with camp residents on key issues such as food, dining, housekeeping, recreational activities and camp rules and regulations.	2-32	Verify	Monthly	EHL
			Undertake room allocations in an open and transparent manner using only employment seniority as a criterion. Keep separate but equal male and female accommodation.	2-33	Verify	Monthly	EHL

SUB-CATEGORY	WORKER IMPACTS/RISKS	PROJECT IMPACTS/RISKS	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
			Implement appropriate levels of safety and security practices and ensure that only residents are allowed in the accommodation – as well as day workers such as cleaning and maintenance staff. Strict ingress and egress control is required to ensure the security of the residents, particularly women.	2-34	Verify	Monthly	EHL
			Procure camp supplies according to the operations procurement and supply chain management practices. Do not procure from vendors if it may lead to higher prices for local communities or encourage in-migration into the area.	2-35	Verify	Monthly	EHL
Food and dining.	<ul style="list-style-type: none"> Food is not culturally appropriate Queues are long The dining experience is a frustrating one leading to incidents in the dining hall between workers and kitchen staff 	<ul style="list-style-type: none"> Workers embark on industrial action Incidents increase in the dining halls which could escalate to violence Morale is low which leads to poor productivity 	Provide food that will ensure a balanced diet, is culturally appropriate and has been approved by a qualified nutritionist.	2-36	Assessment	Monthly	EHL
			Provide safe, potable water at all work sites, accommodation, dining and recreation areas.	2-37	Verify	Monthly	EHL
			Provide the opportunity for feedback on food and dining by a comments or complaints system that is easy for residents to use, as well as via regular meetings with worker nominated representatives. Complaints must be trended and tracked for remedial action.	2-38	Verify	Monthly	EHL

SUB-CATEGORY	WORKER IMPACTS\RISKS	PROJECT IMPACTS\RISKS	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
			Ensure that dining halls have adequate seating, condiments, cutlery and crockery, serving areas and catering staff so that the dining experience is an efficient and pleasant one. Dining times to be communicated to all residents and to fit in with work requirements.	2-39	Verify	Monthly	EHL
			Ensure that kitchen staff comply with all Papua New Guinean health regulations. Meet all the health, hygiene and food safety requirements described in the Minimum Health Specification Guidelines.	2-40	Assessment	Monthly	EHL
Maintenance.	Equipment breaks down affecting accommodation standards.	Worker health, safety and general welfare are affected, which in turn could affect the motivation and productivity of workers.	Provide an efficient system for routine and preventive maintenance.	2-41	Verify	Monthly	EHL
			Ensure that there are enough spare parts available for all critical equipment.	2-42	Verify	Monthly	EHL
Laundry.	Workers have to wear dirty Personal Protective Equipment (PPE) or have to be issued with extra PPE.	Workers do not wear the appropriate PPE or wear dirty PPE, which may affect their health and safety.	Ensure workers are provided with sufficient quantities of PPE.	2-43	Verify	Monthly	EHL
			Provide a laundry system with a 24-hour turnaround time available at least three times a week.	2-44	Verify	Monthly	EHL
			Clean sanitary facilities daily to ensure health and hygiene standards are met. Issue camp residents with soap and towels. Ensure all sanitary facilities have paper towels/hand blowers, toilet paper and soap for hand washing.	2-45	Verify	Monthly	EHL

SUB-CATEGORY	WORKER IMPACTS/RISKS	PROJECT IMPACTS/RISKS	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
Housekeeping.	The general appearance of the camp deteriorates making camp life unpleasant.	The overall camp experience is compromised which in turn leaves workers demoralised and unproductive.	Ensure that camp grounds and common areas are routinely cleaned and organised with appropriate signage in place, and that grounds are maintained (e.g., grassed areas are regularly mown).	2-46	Verify	Monthly	EHL
			Establish easily accessible, designated smoking areas which are clearly highlighted and regularly cleaned.	2-47	Verify	Monthly	EHL
Recreation.	Workers spend most of their time in the camps and could become disenchanted and bored. They may want to leave the camps and go into the local towns and villages in search of recreation.	Tensions arise from the local communities as workers impact their activities in search of recreation. An increase in alcohol consumption and prostitution could result due to the influx of workers into local communities.	Provide appropriate recreational facilities and activities. These should be discussed with the camp residents committee.	2-48	Assessment	Quarterly	EHL
			Ensure that equipment and facilities are kept clean and well maintained.	2-49	Verify	Monthly	EHL
Spiritual /Religion.	Workers will want access to places of worship for their chosen religion. They may leave the camps and go into the local towns and villages in search of an appropriate place of worship.	Tensions arise from the local communities as workers impact their activities.	Provide appropriate places of worship where residents express a need for this in accordance with cultural sensitivities, and assess transport arrangements on a case-by-case basis.	2-50	Assessment	Quarterly	EHL

SUB-CATEGORY	WORKER IMPACTS\RISKS	PROJECT IMPACTS\RISKS	MITIGATION MEASURES	REF #	MONITORING	MONITORING FREQUENCY	RESPONSIBILITY
Security.	Inconsistent and aggressive behaviour of security personnel towards workers can result in tensions and conflict in the workplace and a perception of human rights abuses.	Insufficient training and control of security personnel can lead to the inappropriate use of force, while protecting Project workers and assets, or inappropriate behaviour towards local populations, resulting in human rights claims.	<p>Ensure that camp security personnel meet at least the following requirements:</p> <ul style="list-style-type: none"> Have not been implicated in past abuses Are trained in appropriate conduct towards workers and community members including: <ul style="list-style-type: none"> Exercising constraint and caution and understand how force may be used Respecting human rights Behaving consistently Knowing and abiding by applicable laws Fostering good community relations through their interaction and behaviour towards the workforce and communities 	2-51	Assessment	Quarterly	EHL
Community relations.	Communities are negatively impacted by camp activities: noise, waste, traffic, lighting and so forth. This may result in negative actions towards camp operations such as road closures and the prevention of workers or suppliers from entering the worksite.	Workers are stopped from going to work, which affects productivity.	Implement control measures to avoid and minimise the impacts of camp and living conditions on communities.	2-52	Assessment	Quarterly	EHL
			Limit foreign worker interaction with communities and provide cultural sensitivity awareness training to facilitate appropriate interaction with communities.	2-53	Assessment	Quarterly	EHL

5.0 MONITORING

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

- Document the implementation and effectiveness of management and mitigation measures
- Assess actual impacts against predicted impacts
- Demonstrate compliance with applicable legal and other requirements

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

5.1 Assessments

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

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

5.2 Audits

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

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

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

5.3 Performance indicators

Performance indicators are used to measure and track performance against the effectiveness of mitigation and control measures described in this Plan. Indicators can be divided into two groups: leading indicators and lagging indicators. Leading indicators predict actions to be taken to prevent a risk from escalating - such as complaints from workers about, for example, the quality of camp food. An example of a lagging indicator would be a work stoppage over camp conditions. General performance indicators may also be relevant, such as training and awareness numbers.

Performance indicators must be measurable against a specified target. The performance indicators outlined in Table 5-1 apply to this Plan:

Table 5-2: Labour and working conditions performance indicators

PERFORMANCE INDICATOR	MEASUREMENT	TARGET/BENCHMARK	FREQUENCY OF REPORT
Grievances lodged ³	Type and number	Closed or adequately responded to within 30 days	Monthly
Disciplinary cases	Type and number	Reduction in disciplinary breaches	Monthly
Payslip queries	Type and number	Downward trend	Monthly

³ Includes grievances through the employee grievance process and community grievances relevant to labour and working conditions.

PERFORMANCE INDICATOR	MEASUREMENT	TARGET/BENCHMARK	FREQUENCY OF REPORT
Lost hours due to industrial action	Lost hours	Zero	Monthly
Camp committee issues raised	Type and number	Closed before next meeting	Monthly
Food or lodging complaints	Type and number	Reduction and/or downward trend	Monthly

Performance indicators should be carefully recorded and graphed where relevant for remedial action to reduce potential risks. They will form a key component of monthly reporting to EHL.

5.4 Non-conformance and corrective action

An Environmental and Social Action Tracking System will be used for tracking and stewardship of non-conformances identified as part of assessment and audit activities described in this Plan.

6.0 REPORTING

6.1 Internal

A periodic report will be compiled to address the labour and working conditions aspects contained in this Plan, including the following for both EHL and contractor activities:

6.1.1 Workplace

- Grievances lodged by type and number, illustrated with graphs. Open grievances by type and number
- Disciplinary action by type and number, including graphs
- Induction training numbers, queries and comments
- Issues raised by workers' committees and action taken
- Workforce numbers by local and foreign workers - actual against planned
- Actual demobilisation numbers against planned targets. Incidents around demobilisation
- Industrial relations incidents - stoppages go slows, threats, damage to property, violence
- Lost hours by category
- Absenteeism, sick leave and late arrivals

6.1.2 Camp

- Grievances lodged by type and number, illustrated with graphs. Open grievances by type and number
- Disciplinary action by type and number, including graphs
- Induction training numbers, queries and comments
- Issues raised by camp committees and action taken
- Camp numbers by local and foreign workers - actual against planned
- Camp incidents
- Food or lodging complaints
- Recreation activities

6.2 External

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

7.0 ROLES AND RESPONSIBILITIES

As indicated in Figure 3-1, the following job descriptions are examples of the type of roles that will apply during the production phase. As the needs of the Project change over time, some roles may be replaced by others that are more appropriate to the Project's needs at the time.

7.1 Land and Community Affairs Compliance Manager

The L&CA Compliance Manager will report to the L&CA Manager and be responsible for:

- Coordinating the activities described herein with the other OIMS Systems necessary for successful management
- Confirming that training programs meet the minimum requirements established in this Plan
- Ensuring the effectiveness of this Plan
- Providing active leadership in the inclusion of socioeconomic considerations in the environmental business planning process, including setting plan strategies and objectives
- Communicating improvement objectives and targets in accordance with the guidance provided in this Plan
- Approving specific socioeconomic objectives identified as part of environmental business planning
- Reviewing performance trends on a regular basis and stewarding performance against objectives and targets
- Monitoring and stewarding completion of budgeted socioeconomic opportunity initiatives
- Ensuring adequate resources are available to meet objectives of the Plan

7.2 Human Resource Manager

The Human Resource Manager will support the L&CA Compliance Manager with:

- Periodic review of Project and key contractor compliance with this Plan
- Management of the Industrial Relations team
- Assessment of the Project and contractors' compliance with requirements of this Plan
- Reporting of non-conformances and improvement opportunities
- Periodic review of the effectiveness of this Plan and recommendations for improvements
- Expert advice and consultation to EHL and key contractors with regard to labour and working conditions, supply chain management, industrial relations and other key enablers to ensure a stable work environment
- Periodic review of grievances regarding working conditions to trends, issues or other systemic issues that may require additional corrective measures

7.3 Operations Manager

The Operations Manager will support the L&CA Compliance Manager with:

- Management of the camps through the Camps Manager

8.0 TRAINING AND AWARENESS

Before the development of a training and awareness program, a needs analysis will be conducted. The needs analysis will be based on requirements of this Plan. It involves a basic assessment of the knowledge and skills of the people involved in training implementation. Regardless of the outcome of the needs analysis, the training and awareness program will cover, at a minimum, the areas outlined in Table 8-1.

Table 8-1: Training and awareness plan

WHAT	WHO	WHEN	FREQUENCY
Mitigation measures including all procedures	<ul style="list-style-type: none">Supervisors and senior camp managementPersonnel who will be involved in training, reporting or monitoring	Prior to commencement of work	Once prior to commencement of work
Workplace induction including: <ul style="list-style-type: none">PayslipsDisciplinary and grievance proceduresCultural awarenessCode of conduct	All workers	Prior to commencement of work	Annually
Camp induction including: <ul style="list-style-type: none">Rules and regulationsCode of conductCamp committee systemCamp food complaints systemInteraction with communitiesHealth, safety and security	All camp residents	Prior to commencement of work	Annually
Monitoring	Personnel who will be conducting monitoring events	Before monitoring commences	Annually
Reporting and performance indicators	Personnel who will be compiling reports relating to labour and working conditions	Before reporting commences	Annually
Human rights awareness	Senior Management, Supervisors, security personnel (staff and contracted)	Prior to commencement of work	As required by changes in training materials or awareness topics

9.0 REFERENCE LIST

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