

ConocoPhillips

Australia Business Unit East

Indigenous Content and Engagement Strategy

January 2014

Background & Introduction

This Strategy (the Strategy) outlines a framework for actions to be taken by ConocoPhillips to engage Indigenous peoples in the operation of the Australia Pacific Liquefied Natural Gas (LNG) facility on Curtis Island. ConocoPhillips is Foundation Shareholder (37.5%) and Downstream Operator of the Australian Pacific LNG Project (the Project), along with co-venturers Origin Energy and Sinopec. The Project is currently under construction with operations scheduled to commence in mid-2015. As Downstream Operator of Australia Pacific LNG, ConocoPhillips will operate the LNG facility on Curtis Island, and will offer various tenders to procure services commencing in late 2013.

The Project has in place an Indigenous Land Use Agreement with Port Curtis Coral Coast native title claimant group that deals with the impact the Project has on native title in Gladstone area. The Indigenous Land Use Agreement includes agreement about various benefits to be provided to the Port Curtis Coral Coast native title claimant group. This Strategy is **separate** from the Indigenous Land Use Agreement and does **not** seek to fulfil any of the contractual obligations of the Project arising from the Indigenous Land Use Agreement.

The Project has in place a Cultural Heritage Management Plan with the endorsed Aboriginal Parties. This Strategy does **not** address any of the obligations for the Project under the Cultural Heritage Management Plan.

This Strategy:

- aims to increase indigenous participation in the downstream area of the project through targeting indigenous content
- defines a framework for actions to be taken by ConocoPhillips in mutual cooperation with Indigenous peoples for engagement, employment and training, procurement of goods and services, and business development
- is based on a Life of Project principle, with a long-term perspective over an estimated project life of approximately thirty years
- will be communicated to stakeholders

In this document, indigenous content refers to the Port Curtis Coral Coast Native Title claimant group, Aboriginal peoples resident in the Gladstone region, Indigenous people resident in the

Gladstone region, Indigenous businesses in the Gladstone region, Queensland Indigenous people, Queensland Indigenous businesses and finally Australian Indigenous peoples and Australian Indigenous businesses.

Principles

ConocoPhillips internationally has specified public commitments relating to the company's approach to engaging with Indigenous peoples including Aboriginal Australians. ConocoPhillips will recognize and respect the choice of indigenous communities to live as distinct peoples, with their own cultures and relationships to the land. Wherever our operations neighbor with indigenous communities, we seek to partner and engage with them to minimize impacts from resource development and maximize the social and economic benefits we can bring.

ConocoPhillips approach to such relationships is governed by national laws of the countries in which we are working, our own positions on sustainable development and human rights, and our core SPIRIT Values. In addition, there are several internationally recognized codes of conduct that outline the measures that should be taken to ensure respect for the rights of indigenous peoples. We strive to ensure that our actions meet the spirit of those codes, which cover company activity, engagement and consultation with indigenous groups, minimizing impact from resource development, identifying socioeconomic development opportunities, and respecting the local environment and culture.

Further information on our commitments can be found at

<http://www.conocophillips.com/sustainable-development/people-society/engaging-stakeholders/indigenous-peoples/Pages/default.aspx#sthash.8Yt3XnN5.dpuf>

Engagement

A primary focus of this Strategy is direct engagement with the Port Curtis Coral Coast native title claimant group via defined communication channels. A Memorandum of Understanding or similar process is proposed to address specifically how engagement between ConocoPhillips and the Port Curtis Coral Coast native title group will occur.

Employment and Training

ConocoPhillips through the operation of the LNG facility on Curtis Island and support services provided from Brisbane will develop and implement opportunities to maximise and further create employment and training opportunities for Aboriginal people in the Gladstone region through:

- **Development of Industry experience** – focus on opportunities for broad industry experience through placements with ConocoPhillips, partners and contractors. ConocoPhillips will also engage its contractors through the tender process to create opportunities for facilitating Indigenous content in the project.
- **Training Opportunities** – provide cultural awareness training for ConocoPhillips staff and ensure operator trainee frameworks provide for Aboriginal participation.
- **Monitoring and Reporting** – ConocoPhillips will develop measures that enable reporting on the effectiveness of the various actions taken to develop employment and training.

Business Development and Procurement of Goods and Services

ConocoPhillips will actively manage Indigenous content in the supply chain for the operation of the LNG facility on Curtis Island. The principles for the actions to enhance indigenous participation in the supply chain are:

- Develop and implement an Indigenous Content Strategy (this Strategy and its integration into local procurement strategy)
- Include indigenous content as a selection criteria in appropriate contracts, including the use of Indigenous Participation Plans
- Build internal capacity within the Supply Chain team to deliver the strategy including the development of cooperative arrangements with larger project contractors
- Use a project management approach and tools to implement actions under the Strategy
- Identify indigenous procurement opportunities
- Support local indigenous small to medium enterprise capacity
- Monitor, evaluate and report on the Strategy outcomes

ConocoPhillips will also require larger Project contractors to take specific actions and make commitments in relation to indigenous participation in the supply chain – these will be reflected in an Indigenous Participation Plan, and included in contract documents. This will require identification of risks and effective risk management around safety, operation, reliability and cost.

Action Plans

ConocoPhillips will prepare an Action Plan for monitoring the delivery of this Strategy, which will be reviewed annually. ConocoPhillips will monitor, evaluate and report on actions delivered under this Strategy.

Communication

ConocoPhillips will ensure systems are in place to actively communicate the outcomes of the Strategy over time. The communication will include reporting within the ConocoPhillips sustainability reporting framework, as well as external reporting.