



Rovuma
LNG

LOCAL CONTENT MANAGEMENT PLAN

ROVUMA LNG PROJECT

MZLN-EL-RPLCP-00-0001

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LIST OF REFERENCES

Camps and Accommodation Requirements
Community Development Support Plan
Community Impact Management Requirements Plan
Decree Law 2/2014
Employment and Worker Relations Plan
Environmental and Social Management Plan (ESMP)
Environmental Impact Assessment (EIA)
Exploration and Production Concession Contract (EPCC) and applicable laws
Mozambican Labor Code, and other applicable Mozambique laws

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1. PURPOSE AND SCOPE

MZLN-EL-RPLCP-00-0001 Rev 0 – Local Content Management Plan is an individual, topic specific plan comprising an integral component of MZLN-EL-RPPLN-00-0016 Rev 0 – Rovuma LNG Environmental and Social Management Plan (ESMP).

Information regarding the Project Overview, Objectives (of the ESMP), Scope, Project Components and Associated Facilities and other information regarding the context of the ESMP can be referenced in MZLN-EL-RPPLN-00-0016 Rev 0 – Rovuma LNG Environmental and Social Management Plan.

The principal objective of the ESMP is to facilitate the avoidance, reduction, and mitigation of environmental, social and community health, safety and security risks and impacts associated with the construction phase of the Midstream Project.

The ESMP sits within a broader Environmental and Social Management Framework, as illustrated in Figure 1-1 of MZLN-EL-RPPLN-00-0016 Rev 0 – Environmental and Social Management Plan.

This Framework comprises two overarching, system-level documents (Environmental and Social Management Plan and Environmental and Social Requirements for Contractors) and a set of theme and activity-specific documents that collectively describe how the Project will manage its environmental and social (E&S) risks. The listing of the ESMP set of documentation is contained below:

- MZLN-EL-RPPLN-00-0016 Rev 0– Environmental and Social Management Plan (ESMP)
- MZLN-EL-RAZZZ-00-0001 Rev 0 – Requirements for Camps and Accommodation
- MZLN-EL-RBENV-00-0001 Rev 1 – Environmental and Social Requirements for Contractor (with Annexes)
 - MZLN-EL-RBENV-00-0001 Rev 1 Annex 1 Air Quality, Greenhouse Gases and Energy Efficiency
 - MZLN-EL-RBENV-00-0001 Rev 1 Annex 2 Effluent Discharges
 - MZLN-EL-RBENV-00-0001 Rev 1 Annex 3 Waste Management
 - MZLN-EL-RBENV-00-0001 Rev 1 Annex 4 Hazardous Materials
 - MZLN-EL-RBENV-00-0001 Rev 1 Annex 5 Site Development, Construction and Reinstatement
 - MZLN-EL-RBENV-00-0001 Rev 1 Annex 6 Road Traffic and Transport
 - MZLN-EL-RBENV-00-0001 Rev 1 Annex 7 Marine Operations
 - MZLN-EL-RBENV-00-0001 Rev 1 Annex 8 Water Use and Abstraction
 - MZLN-EL-RBENV-00-0001 Rev 1 Annex 9 Raw Materials and Aggregates
 - MZLN-EL-RBENV-00-0001 Rev 1 Annex 10 Dredging
 - MZLN-EL-RBENV-00-0001 Rev 1 Annex 11 Lighting and Visual Impact
 - MZLN-EL-RBENV-00-0001 Rev 1 Annex 12 Ballast Water and Biofouling

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- MZLN-EL-RBENV-00-0001 Rev 1 Annex 13 Weed and Pest Management
- MZLN-EL-RBENV-00-0001 Rev 1 Annex 14 Wildlife Protection
- MZLN-EL-RPLCP-00-0001 Rev 0 – Local Content Management Plan
- MZLN-EL-RPPLN-00-0005 Rev 0 – Community Development Support Plan
- MZLN-EL-RPPLN-00-0007 Rev 0 – Cultural Heritage Management Plan
- MZLN-EL-RPPLN-00-0008 Rev 0 – Supplemental Land Access Management Plan
- MZLN-EL-RPPLN-00-0009 Rev 0 – Project Induced In-Migration Management Plan
- MZLN-EL-RPPLN-00-0013 Rev 0 – DUAT Encroachment Management Plan
- MZLN-EL-RPPLN-00-0014 Rev 0 – Employment and Worker Relations Plan
- MZLN-EL-RPSEP-00-0001 Rev 0 – Stakeholder Engagement Management Plan
- MZLN-EL-RPPLN-00-0006 Rev 0 – Community Health Safety and Security Management Plan
- MZLN-EL-RPPLN-00-0004 – Biodiversity Strategy
- MZLN-EL-RPPLN-00-0011 – Biodiversity Action Plan

This Local Content Plan is focused on the EMMML scope of the Rovuma LNG Project.

EMML is committed to working collaboratively with the people of Mozambique to develop opportunities for Mozambican workforce and businesses in a structured and sustainable manner, consistent with the Exploration and Production Concession Contract (EPCC) and applicable laws.

EMML will utilize a multi-tiered approach to Mozambican Content (referred to as local content whether it be local, regional, or nationally sourced) development through the following three key components:

- Workforce development
- Supplier development
- Strategic Community Investments

This Local Content Plan covers the workforce and supplier development components of local content. A separate document (MZLN-EL-RPPLN-00-0005 Rev 0 – Community Development Support Plan) has been developed for strategic community investments.

EMML recognizes that Engineering, Procurement, and Construction (EPC) Contractor participation during the Construction phase of the Project represents the greatest opportunity to make a positive impact in both participation and capacity-building of Mozambican-owned suppliers and has therefore included EPC Contractor requirements to achieve this end within this document.

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1.1. Objective

The overall objective of this document is to set out the EMMML approach to local content for the Project. This document has been written for the following:

- 1) Satisfy EMMML regulatory requirement to have a Local Content Plan for submission to the Government of Mozambique (GoM) that outlines the EMMML Local Content Plan with respect to Local Workforce Development and Local Supplier Development
- 2) Set out the requirements and interface arrangements that need to be fulfilled by the EMMML and the EPC Contractor for use in the EPC Contract.
- 3) Meet the requirements for local content as outlined in the Environmental Impact Assessment (EIA).

1.2. Scope

This document covers Workforce Development (which includes the recruitment and training of Mozambican workers) and Supplier Development (which includes capacity development of Mozambique suppliers of goods and services so that they can be in a position to access opportunities associated with the Project).

This document shall apply to the EMMML, EPC Contractor, its subcontractors, and primary suppliers providing goods and services to EPC Contractor.

The EMMML Community Development Program is covered separately from this Local Content Plan; however, requirements to manage interface arrangements between the EMMML and EPC Contractor in the case that the EPC Contractor chooses to implement community investment of its own are covered in this document.

Additional recruitment requirements that are not directly linked to local content are covered in the MZLN-EL-RPPLN-00-0014 Rev 0 – Employment and Worker Relations Plan.

For the purposes of understanding the full context of local content addressed in the Plan, this document should be viewed together with the following Annexes:

- MZLN-EL-RPPLN-00-0014 Rev 0 – Employment and Worker Relations Plan
- MZLN-EL-RPPLN-00-0005 Rev 0 – Community Development Support Plan
- MZLN-EL-RAZZZ-00-0001 Rev 0 – Camps and Accommodation Requirements

This document follows the overall Scope definition outlined in MZLN-EL-RPPLN-00-0016 – Rev 0 Environmental and Social Management Plan (ESMP).

1.3. Background Context

Local Content Plans that set out how the Project will achieve compliance requirements are required through the Decree Law 2/2014.

Notwithstanding compliance requirements, the EMMML recognizes that the benefit of cultivating local content through local recruitment, training, and purchasing local goods and services is critical to the Project's operational sustainability as it creates shared value and in doing so, generates a social license to operate with the GoM, local communities, and other stakeholders.

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A baseline study undertaken as part of the EIA in 2014 indicated that the majority of the communities in the Project Area of Influence (Aoi) had a positive attitude towards the Project and in particular expect that it would create employment opportunities and transport infrastructure. Given that these communities are primarily self-employed in subsistence activities and have little or no formal education or exposure to wage-based employment, expectations for employment will need to be carefully managed as the supply of unskilled labor will exceed demand. Local content is a significant component of expectations for benefit generation within local communities. Project success can only be achieved through the management of expectations by maximizing delivery of local content in a fair, transparent, and equitable manner.

Creating shared value via a Local Content Plan in Mozambique will not be without challenges. As well as the potential to generate positive impacts through education, training, and skills development, there are always risks of unintended negative consequences that accompany economic development that can impact local communities. These may include Project induced in-migration, inflation, corruption, and tension between beneficiaries of the Project and those who were not successful (e.g., winning contracts and gaining employment). The EMLM has committed to identify, develop, and implement opportunities for the Mozambican workforce and businesses and particularly those within communities in the Project Aoi.

2. ACRONYMS AND TERMS

Term	Definition
Affected Communities	Local communities directly affected by the Project.
Area of Influence	The boundaries of the Project and therefore those activities and components to which environmental and social management applies.
Company/EMML	ExxonMobil Moçambique Limitada S.A.
CPI	Consumer Price Index
E&S	Environmental and Social Sustainability
Early Works	Project-related design and construction activities for scopes of work that take place prior to the mobilization of the EPC Contractor that enables the Project to proceed in an efficient manner.
EIA	Environmental Impact Assessment
Enterprise Development Center (EDC)	A facility whose purpose is to foster the capacity building of local businesses by developing business management skills and processes, transferring knowledge, and working with Mozambican financial institutions to provide financial advice to local businesses.
EPC	Engineering, Procurement, and Construction
Exploration and Production Concession Contract (EPCC)	Executed in December 2006 between the government of Mozambique and both Eni East Africa S.p.A (EAA) and the Empresa Nacional De Hidrocarbonetos E. P. (ENH).
GoM	Government of Mozambique
INEFP	National Institute of Employment and Vocational Training
ITT	Invitation to Tender
JV	Joint Venture
KPI	Key Performance Index
Liquefaction and Related Operations Operator/ Midstream Operator	The Liquefaction and Related Operations Operator
LNG	Liquefied Natural Gas
Local Content	A coordinated and focused approach to enhance the local economic and social opportunities associated with the finding, developing, and producing of oil and gas.
MIREM	Ministry for Mineral Resources in Mozambique
Non-National	Individual from a country other than Mozambique.
Operations	The operations (or production phase) of the Mamba Midstream LNG Project.
PO	Purchase Order



Term	Definition
Professional	Personnel engaged in a qualified profession possessing a high skilled diploma (e.g., Engineer, Geologist, Lawyer, Accountant, Public Relations Officer, Scientist, Surveyor, Assessor, or Executive Assistant).
Rovuma LNG Phase 1 Project	Project
Semi-Skilled	Experienced, ideally certified, craft, or trade personnel responsible for executing work activities with some oversight (e.g., Journeyman Electrician, Mechanical Erector, Basic Welder, Light Duty Vehicle Operator, Security Guards, Radio Operator, Roustabout, Deckhand, Data Technician, or Administrative Assistant).
SSHE	Safety, Security, Health, and Environment
Skilled	Highly skilled, typically certified, craft, or trade personnel responsible for executing complex or experience driven work activities; may provide oversight to other technicians/work crews (e.g., Master Plumber, Master Electrician, Rigging and Lifting Lead; Heavy Equipment Operator; Senior Welder, Mill Wright, Crane Operator, or Senior Administrative Assistant).
SRP	Supplier Registration Portal
Strategic Community Investments	Programs that assist the development of local capabilities and improve the socioeconomic environment.
Subcontractor	A second or third tier goods or services supplier that works for EPC Contractor.
Supervisory	Responsible for the supervision of personnel/teams executing work activities (e.g., Superintendent, Foreman, or First Line Supervisor).
Supplier Development	The investment of time and resources as well as the transfer of skills and knowledge to develop Mozambican businesses.
Supplier Registration Portal	Database of local providers of materials and services that will be used to identify possible suppliers, contractors, and subcontractors to participate in the Project.
Unskilled	Entry level craft position requiring little to no prior experience
Workforce Development	The professional development of Mozambican nationals through an investment in technical and professional skills training.

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3. MIDSTREAM OPERATOR MANAGEMENT REQUIREMENTS

3.1. Local Content Plan

The EMML obligations outlined in this document, constitute the Project's Local Content Plan for the purposes of achieving Decree Law 2/2014's requirement for a National Content Plan.

Local content will be a continuous focus area of EMML in the oversight and management of the EPC Contractor work scope execution performance and will be covered in the stewardship and progress meetings between EMML and EPC Contractor.

As local content legislation and policy are currently under development by the GoM, EMML will review any updates and ensure that its Local Content Plan remains compliant.

3.2. Local Workforce Development

The main requirements with respect to Local Workforce Development in the Decree Law 2/2014 can be summarized as follows:

- 1) Concessionaires, project companies, and principal contractors and subcontractors must employ Mozambican citizens at all levels of their organizations on a preferential basis, including specialists in technically complex and managerial positions.
- 2) However, concessionaires, project companies, and principal contractors and subcontractors may hire foreign employees in positions other than unskilled work positions.
- 3) The percentage of non-Mozambican workers to be hired by the concessionaires, project companies, or their contracted entities to work in Mozambique shall be established in a workforce plan, enclosed as a part of the development plan, and updated on an annual basis.
- 4) In addition, foreign workers may be employed on a short-term basis to perform any type of work for a period of up to 180 days, whether consecutive or not.
- 5) The concessionaires and project companies are required to establish a training program for Mozambican employees across all levels of operations, taking into account safety requirements and the need to maintain reasonable standards of efficiency in conducting operations.
- 6) Certain labor rules apply to workers in Mozambique, including maximum lengths of working shifts and rest and holiday entitlements. On a practical level, all work practices must comply at all times with Mozambican employment and labor law; international industry work practices; and the social, health, and safety requirements of any lenders.

3.3. Local Workforce Development Strategy

Recognizing the opportunity for sustainable benefits, EMML is committed to recruit, develop, and train a pool of Mozambican talent capable of meeting present and future business needs. Workforce development initiatives will comply with the EPCC, Decree Law, Mozambican Labor Code, and other applicable Mozambique laws.

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The overall objectives of the Workforce Development Strategy are to perform the following:

- 1) Provide equitable distribution of training and employment opportunities while giving priority to communities in the Project's AoI
- 2) Train sufficient numbers of national citizens to meet the requirements of the Project consistent with Mozambique law
- 3) Provide certificated training to nationals engaged in construction to give them a transferrable and recognized skill set
- 4) Provide nationals with access to positions for which they are qualified
- 5) Recruit, assess, and train nationals with potential for long-term hire during the operations phase enabling citizens to participate fully in the operation and management of the facilities while reducing the need for expatriates

Activities required to support this objective include the following:

- Identification and early pursuit of the strategic craft/discipline areas where unskilled, semi-skilled, and skilled Mozambican workforce have the capabilities to conduct work
- Development and implementation of a recruitment and training model that encourages the utilization of Mozambican citizens to the maximum extent suitable for Project needs
- Communication of available positions for employment and implementation of a recruitment process for Mozambican citizens in a fair and transparent manner
- Access for Mozambican citizens to enable them to apply for available positions for which they are qualified
- Certified training to Mozambican Nationals as required under applicable law to provide them with recognized and transportable skill sets
- Consideration of the effects of demobilization on the national workforce and placement of programs to help the workforce transition off of the Project.

In conjunction with EMML, the EPC Contractor shall engage with relevant government entities and educational institutions on training and employment programs and will review opportunities to establish partnerships with the GoM and appropriate agencies, universities, technical centers, and other groups to communicate and/or implement development programs.

3.3.1. Local Workforce Recruitment

Recruitment efforts to fill roles requiring experience and/or levels of technical expertise may face the following challenges:

- Verifying a candidates' age, identity, and place of origin
- Verifying/attesting to the legitimacy of candidates' credentials
- Identifying the best candidates
- Developing a recruitment process to minimize/discourage induced in-migration to the Project area

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The Project has adopted the following recruitment and employment policies:

- Entry-level, unskilled positions shall only be filled with Mozambican nationals
- The selection of Mozambican personnel shall be based on prioritizing employment opportunities to the communities from the Aol, ahead of other regions assuming equal qualifications and experience.

The latter policy is based on a principle of attempting to provide maximum benefits to those communities with potential exposure to greatest impacts.

3.3.1.1. Unskilled Positions

EMML will work with the district-level government to develop a local workforce database of directly impacted households and potential candidates for unskilled employment and training opportunities to prioritize local opportunities.

EMML requires that only members from communities in the Aol are to be considered for these positions. Specific communities in the Aol are Quitupo (Replacement Village), Senga, Mondlane, Maganga, and Palma-Sede. The next tier of communities for recruitment of unskilled labor is Palma Town and communities along the national highway down to the turn-offs to the Afungi Peninsula.

The EPC Contractor and its subcontractors' recruitment process for unskilled labor shall adhere to the following requirements:

- 1) EPC Contractor shall act as the single point of recruitment for itself and any of its subcontractors. EPC Contractor and its subcontractors shall follow a common process to select candidates.
- 2) The EPC Contractor and/or its subcontractors shall develop definitive numbers and descriptions of the unskilled positions available
- 3) Upon notification from the EPC Contractor of the need to recruit unskilled labor, the EMML Community Relations Team will provide to the EPC Contractor an up-to-date version of the Community Register List identifying potential candidates for recruitment.
- 4) The EMML Community Relations Team will facilitate recruitment engagements between the EPC Contractor and local communities. The EPC Contractor and its subcontractors shall be responsible for actual engagements with communities.
- 5) Under no circumstances shall the EPC Contractor or its subcontractors engage with communities without the presence of the EMML Community Relations Team.
- 6) Upon selection of candidates, EPC Contractor and/or its subcontractors shall conduct all pre-employment requirements (background check, health screening, etc.) according to the applicable job specifications and the process defined in EPC Contractor's Local Content Plan.
- 7) The EPC Contractor is prohibited from employing casual workers at the Project site entrance or from villages or communities unless sanctioned by EMML.
- 8) The EPC Contractor shall not use local Recruitment offices or agencies within the Palma District unless sanctioned by EMML.
- 9) The EPC Contractor shall not directly involve traditional and appointed village and community leadership in the selection of local labor.

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The EPC Contractor shall provide all rejected candidates an explanation on why they were unsuccessful and advise on what they can do to rectify this (if rectifiable). The EPC Contractor shall consider the use of committees, community representatives, local officials, and other considerations, as needed, to effectively communicate and ensure no bias is perceived by rejected candidates.

3.3.1.2. Semi-Skilled Workers / Skilled Workers / Supervisory / Professional / Management Positions

Recruitment efforts to fill roles requiring experience and/or levels of technical expertise may face the following challenges:

- Verifying a candidates' age, identity, and place of origin
- Verifying/attesting to the legitimacy of candidates' credentials
- Identifying the best candidates
- Developing a recruitment process to minimize/discourage induced in-migration to the Project area.

EPC Contractor and its subcontractors are required to develop a recruitment process aimed at gathering verifiable and reliable information on candidates, ensuring transparent and fair assessment of this information and selecting candidates consistent with the objective of maximizing local content.

The EPC Contractor and its subcontractors' recruitment processes for skilled labor required in-country shall adhere to the following requirements:

- 1) The EPC Contractor shall provide all rejected candidates an explanation on why they were unsuccessful and advise on what they can do to rectify this (if rectifiable). The EPC Contractor shall consider the use of committees, community representatives, local officials, and other considerations, as needed, to effectively communicate and ensure no bias is perceived by rejected candidates.
- 2) The EPC Contractor and/or its subcontractors shall develop job descriptions of the various positions required. The job description shall include a list of necessary qualifications, previous experiences, and any required supporting documentation.
- 3) The EPC Contractor shall establish Recruitment Centers to identify and recruit candidates in Mozambique. The EPC Contractor shall set up Recruitment offices in at least the following six locations:
 - a) Province of Cabo Delgado, in the towns of Palma and Pemba
 - b) Province of Tete, in the town of Tete
 - c) Province of Sofala, in the town of Beira
 - d) Province of Nampula, in the town of Nampula
 - e) Maputo city
- 4) The EPC Contractor may open additional Recruitment Centers if it deems necessary in consultation with EMLL in advance.

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- 5) The Recruitment Centers shall provide information about the Project, potential jobs that are available (job descriptions), employment requirements (necessary pre-qualifications, certifications, medical clearance, background check, drug and alcohol testing, closed camps, rotations, etc.), and application and selection processes.
- 6) The EPC Contractor shall deploy and maintain a database that contains candidates' personal information, legal documentation, qualifications, and expressions of interest for employment positions that align with the aforementioned job descriptions. Each Recruitment Center shall track the number of candidates registered, expressions of interest submitted, candidates assessed, number of candidates hired, and hiring entity of national staff. Recruitment Center databases shall be networked to allow an integrated review of the information by EPC Contractor and/or subcontractors from any location. The EPC Contractor shall provide printable reports to EMLL if requested.
- 7) For relevant semi-skilled positions, the EPC Contractor and/or its subcontractors are encouraged to conduct candidate capacity assessment events where groups of candidates are allowed to demonstrate their capacity and capabilities in a simulated fabrication/construction environment. These events should likely take place in the locations of the Recruitment Centers. The EPC Contractor shall make provisions to test women separately or in women only groups to minimize risk of intimidation or reluctance to make themselves heard.
- 8) Upon selection of candidates, the EPC Contractor and its subcontractors shall conduct pre-employment health screening according to the Job Specification and the process outlined in their Local Content Plan.
- 9) Unsuccessful candidates shall be provided an explanation on why they were not selected.
- 10) The Recruitment offices shall track the names of the candidates that participated in semi-skilled training campaigns, those selected for employment, and those not selected and the associated reasons.

The EPC Contractor shall produce a detailed plan for the advertisement, identification, application, interview, assessment, and recruitment of a national workforce. The EPC Contractor shall also refer to MZLN-EL-RPPLN-00-0014 – Employment and Worker Relations Plan for additional details and requirements.

The EPC Contractor with assistance from EMLL shall execute multiple employment awareness campaigns to the Project Affected Communities at the locations of the Recruitment Centers. These campaigns shall explain the recruitment process, the types of potential positions, and the documentation required to support any application.

EPC Contractor shall not employ Mozambican medical services to avoid depriving areas of access to local skilled medical staff.

3.3.2. Recruitment Plan

The EPC Contractor and its subcontractors shall develop and implement a Recruitment Plan that includes specific details for the following:

- 1) Means and medium for advertisement of open positions
- 2) Mechanisms for interested job candidates to submit applications, free of charge

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- 3) Means and mechanisms to be employed by the EPC Contractor to demonstrate good-faith efforts to contact nationals expressing interest in jobs, considering communications infrastructure gaps, lack of mail delivery, lack of permanent address, literacy and language variations, and other relevant factors
- 4) Process for interview and assessment of candidates, including all required tests ranging from unskilled to advanced skills requiring practical skill testing
- 5) The use of committees, community representatives, local officials, and other considerations to demonstrate interviews, assessments, and evaluations are free of bias, fair, and conducted in a transparent manner
- 6) The use of translators and other culturally appropriate means to ensure interested candidates have equal opportunity in the job application process
- 7) Manner in which clear, concise, culturally appropriate, and easy to understand communication with job seekers will occur to ensure applicants are notified in advance of the following:
 - a) Duties and responsibilities
 - b) Expectations for performance, behavior, and compliance with Code of Conduct
 - c) Remuneration, benefits, working conditions, etc.
 - d) Conditions of employment (e.g., drug and alcohol-free workplace, fitness for duty, background checks, etc.)
- 8) Details of means by which the EPC Contractor will maintain accurate up-to-date records for individual candidates at each stage of the recruitment process, including assessment results, number of attempts to contact jobs applicants at each stage of notifications for interviews, follow-ups, etc.
- 9) The EPC Contractor management process for the local workforce pre-employment requirements (e.g., background check, fitness-for-duty assessments, immunizations, and associated record keeping, etc.)
- 10) The EPC Contractor's organization and the individuals who will implement, manage, and report the local recruitment and training aspects of the Local Content Plan
- 11) The EPC Contractor's review and update of recruitment process, status, and metrics to be provided to EMMML on a monthly basis.

Annually, the EPC Contractor shall review and update the recruitment, employment and training segments of the Local Content Plan, and the associated metrics and results to reflect what was accomplished in the current year and what the targets are for the upcoming year in preparation for the Ministry for Mineral Resources in Mozambique's (MIREM's) annual submission and review (EPCC Article 18.4).

3.3.3. Local Workforce Demand Forecasting

As part of work execution process, the EPC Contractor shall produce a forecast for each specific skill level.

The EPC Contractor is expected to meet the national hiring numbers forecast for each specific skill level included in the forecast.

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The EPC Contractor shall produce a detailed Manpower Staffing Plan for the duration of work, including subcontracted activities and indirect services, broken down monthly by the Project skill categories (e.g., basic skilled, semi-skilled, skilled, supervisory, professional, and management), by craft/skill category, as well as the ramp-up and ramp-down schedule for manpower.

3.3.4. Local Workforce Training

The EPC Contractor's training program shall strive to meet the following training objectives:

- 1) Provide skills training to enable national workers to meet the requirements of the role they have been employed to undertake
- 2) Provide local workers with the minimum qualifications necessary for Project employment
- 3) Enhance local unskilled workers' existing skills to allow them to qualify for semi/skilled positions if and when they become available
- 4) Provide induction training that will enable new workers to perform duties in a safe, professional manner
- 5) Provide on-the-job training to enhance current skill levels and become eligible for promotion into jobs requiring more advanced skills
- 6) Deliver life skills training to better enable workers to improve lifestyles and prepare for eventual end of contract and demobilization
- 7) As required, provide basic hygiene, health, and safety training to enable all workers to fully participate in camp and work life.

EMML will conduct a Work Readiness Program for a limited number of the initial workforce required for EPC Contractor mobilization. This Work Readiness Program will include training of basic Project Safety, Security, Health, and Environment (SSHE) standards and a number of basic construction and support skills. EMML will consult with EPC Contractor on these training courses, curricula, and testing requirements so that the training delivers adequate numbers of workers ready to support EPC Contractor upon its mobilization.

The EPC Contractor shall be responsible for craft/skills training programs and training on non-technical topics (SSHE, leadership, personal viability, etc.) for its Mozambican personnel. Delivery of training shall be developed in collaboration, where appropriate, with the Ministry of Labor's National Institute of Employment and Vocational Training (INEFP) with the syllabus and accreditation meeting local and international standards. The EPC Contractor shall stipulate which international accreditation standard for each training curriculum offered will apply.

The EPC Contractor shall develop a permanent training facility. The scope of this facility shall be included in the EPC Contractor's Local Content Plan. This training facility shall meet the details set out in EPC Contractor's Local Content Plan in all aspects including the following areas:

- The design of the facility and the associated practical training workshop
- Location
- Capacity and furnishing
- Operational start date
- Local trainee's recruitment and evaluation process

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- Training disciplines and curriculum
- Training accreditation
- Minimum target number of graduates by craft and skill level (graduation schedule)

If the EPC Contractor's permanent training facility is not operational to meet Early Works requirements, EPC Contractor shall consider temporary use of existing training facilities belonging to third parties.

The EPC Contractor's Local Content Plan shall describe in detail the means by which training shall be provided for the benefit of Mozambique nationals meeting or exceeding the objectives described in Sections 3.3 and 3.4. The Local Content Plan shall include the manner in which EPC Contractors will assess capability of existing capacity in Mozambique to provide such training, plans to address gaps in existing training capacity, consideration of capacity building initiatives with existing training organizations, and other means by which the EPC Contractor meet or exceed the objectives outlined for local content. The following elements also need to be addressed in EPC Contractor's training programs:

- 1) Work Readiness Training—entry level training (scope and components as detailed in EPC Contractor's approved Local Content Plan)
- 2) Bridging Training (scope and components as detailed in EPC Contractor's approved Local Content Plan)
- 3) Semi-Skilled Training (scope and components as detailed in EPC Contractor's approved Local Content Plan)
- 4) Craft Training (scope and components as detailed in EPC Contractor's approved Local Content Plan)
- 5) Local Train the Trainer / Instructor Development Program
- 6) Local Workforce Development covering the following:
 - a) Adult learning, language, and literacy as required for the work
 - b) Cross-Skilling Program
 - c) Up-Skilling Program
 - d) Sub-Trade Traineeships
 - e) Construction Development Program – Foreman Training Course
 - f) Graduate Engineers Program
- 7) Cooperation with teaching institutions

3.4. Local Supplier Development

The main requirements with respect to Local Supplier Development in the Decree Law 2/2014 can be summarized as follows:

- 1) The Decree Law 2/2014 states that procurement of goods shall be in accordance with the national aim of preference for the procurement of goods and services from Mozambican companies, Mozambican persons, or in partnership with Mozambican companies or persons with a view to empowering the Mozambican private sector.

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- 2) To that end, concessionaires are required to create a Local Content Plan to establish the participation of Mozambican persons and companies in relation to the procurement of goods and services for the Rovuma Basin Projects.
- 3) Each Local Content Plan must be provided to the GoM for approval and will be reviewed every 3 years.
- 4) Preference will be given to Mozambican suppliers of goods and services only to the extent feasible and provided that such goods, materials, services, and equipment perform the following:
 - a) Are competitive in terms of quality and deliverability.
 - b) Meet international industry standards.
 - c) Do not cost (including taxes) over 10% more than the price of equivalent imported goods and services.
- 5) No preference to Mozambican suppliers is required in respect of principal contracts and/or goods and services related to technology; patents; or specialized supplier equipment, including in connection with the construction, operation, and maintenance of infrastructure related to the Projects.
- 6) Contracts concerning the procurement of goods or services valuing more than US\$3 million must be subject to public tender. This threshold amount will be adjusted annually in accordance with the then applicable U.S. consumer price index (CPI).
- 7) That said, notwithstanding the value of the relevant contract, sole source procurement is admissible in certain circumstances—for instance, in the event that only one supplier can provide the relevant products, materials, services, or equipment or if the goods to be acquired need to be uniform to existing goods in any facilities and/or infrastructure.

3.4.1. Local Supplier Development Strategy

The objectives of EMM's Supplier Development Strategy are as follows:

- 1) Maximize the participation of Mozambique suppliers
- 2) Stimulate capacity building in selected Mozambique business sectors where sustainable activity is expected, such as support to Production and/or non-Project related business
- 3) Develop local suppliers of goods and services to be economically attractive and competitive against imported goods and services for like quality.

To realize the objectives, the EPC Contractor shall reserve specific contract scopes for Mozambican contractors in the areas where they are expected to be able to qualify (See Section 3.4.2).

Where EPC Contractors engage subcontractors, the EPC Contractor shall develop contracting strategies and associated bid packages that will facilitate the inclusion of local suppliers. EPC Contractor's Local Content Plan shall include, but not be limited, to the following objectives:

- 1) Meet with the Project Enterprise Development Center (EDC) to regularly solicit lists of qualified registered businesses to include in the respective bids. The EPC Contractor will need to document why, if any, qualified local bidders were not invited (See Section 3.3.2.).

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- 2) Include a feedback process to unsuccessful local bidders regarding reasons and recommendation for improvement in future bids.
- 3) Improve competitiveness through increase in numbers of qualified local suppliers.
- 4) Identify goods and services that can be provided/subcontracted to local suppliers, and target procurement of these requirements to qualified local suppliers (e.g., catering services, civil works, security services, bussing, quarry material supplies, etc.). The EPC Contractor will develop a list of the commodities that the EPC Contractor and its subcontractors will source locally. After EMMML review and endorsement, exceptions from the endorsed list must be approved in writing by EMMML.
- 5) Actively qualify local suppliers and maintain a register of qualified Mozambican suppliers. As part of this register, the EPC Contractor shall indicate which suppliers are Mozambican owned (Mozambican citizen ownership must be > 51%).
- 6) Offer mentorship and training on improved business processes and product quality to develop suppliers who show promise in spite of not meeting initial qualification requirements.
- 7) Actively support EMMML's objective of maximizing local business support and building sustainable business opportunities by identifying, hiring, and developing local suppliers through incorporating contractual requirements in subcontract agreements.
- 8) Actively identify further opportunities for local supplier development and implement them, as practical.
- 9) Stimulate capacity building in selected Mozambican business segments where sustainable activity is expected.
- 10) Inform the business community about goods and services needs as early as practical, including descriptions of the scopes to be tendered, applicable technical specifications, delivery locations, and schedules to facilitate maximum participation.
- 11) Define targeted commodities and services that can incorporate local businesses, and assist in building longer term capacity through partnerships with a foreign reputable business as joint ventures (JVs).
- 12) Define a minimum target amount (% of the contract value) to be spent on local goods and services across the lifetime of the EPC contract. Target amounts specified by EPC Contractor will factor in Tender evaluations.

The EPC Contractor shall communicate to potential contractors and local government and publicly disclose that Project goods and services will not be purchased informally at Project camp sites or work locations and that goods and services will only be procured through formal contracts via approved suppliers.

3.4.2. Supplier Capacity Assessments

To support the development of local suppliers and understand the broader Mozambique supply potential, EMMML will engage a qualified third-party service provider to conduct an assessment of the ability of existing Mozambique-owned and registered businesses to meet the demands of project construction. This assessment will be based on the needs and demands for both EMMML and EPC Contractor(s) during construction of the Project.

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The assessment will be used in communication with the GoM on potential Mozambican suppliers for selected EMM and EPC Contractor scopes. While the EPC Contractor and its subcontractors are free to utilize the results of the assessment, no guarantee is made of the accuracy or ability of Mozambique-owned or registered businesses to meet the needs and demands of the EPC Contractor at any stage of the Project. The EPC Contractor is strongly encouraged to make its own assessments of Mozambique-owned and registered businesses required for the Work.

The EPC Contractor shall reserve the following contracting opportunities for allocation in bidding to Mozambican business entities:

- Manpower recruitment/consulting services
- Catering services
- Camp maintenance
- Civil work
- Security services
- Bus transportation
- Quarry materials
- Logistics

The EPC Contractor shall outline the following in the Local Supplier Development Section of its Local Content Plan:

- 1) The scopes of work that it intends to self-perform
- 2) The scopes of work that it intends to subcontract internationally
- 3) The scopes of work that it intends to locally subcontract
- 4) How it intends to contract these locally subcontracted scopes of work (stand-alone, JV, etc.)
- 5) Local supplier technical and non-technical training required and recommendations on how local suppliers could receive this training
- 6) Any initiatives the EPC Contractor plans to implement to build suppliers' capacity
- 7) The EPC Contractor's procurement procedure outlining the vendor qualification process, goods and services requisitioning, contract strategy, sourcing tender vendor listing, and evaluation methods and approvals. This procedure should meet the respective Mozambican laws and regulations and requirements of the Job Specification and the terms and conditions of the Contract. The EPC Contractor's procurement procedure shall be used for all its scopes of work including those of its subcontractors
- 8) Based on the work breakdown of subcontracts, a description of the process that will be deployed to identify local suppliers, assess their capabilities, identify the gaps between the available and requested capabilities, and implement initiatives to close these gaps. These activities shall be conducted with the support of the Project EDC
- 9) A commitment to include all capable Mozambican suppliers in expressions of interest and Invitations to Tender (ITT)

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- 10) Definition of the regular performance metrics that will be provided to EMML as defined in the Job Specification
- 11) Definition of the organization and the individuals who will implement, manage, and report the local supplier's development aspects of this Local Content Plan.

3.4.3. Supplier Development Initiative

EMML recognizes that there are many supplier-oriented initiatives that could have benefits beyond just the Construction phase of the Project. Based on EMML's experience in other similar environments, EMML intends to initiate the following items.

3.4.3.1. Project Website

EMML will develop and maintain a website to provide information to key stakeholders including Mozambican suppliers. The website will include the EMML Environment and Social Plans as well as regular construction progress information.

3.4.3.2. Supplier Registration Portal

EMML will establish a Supplier Registration Portal (SRP). The web-based portal will allow Mozambican suppliers to self-register and provide an indication of their respective goods, services, and capabilities specialization. The primary purpose of the portal is to allow suppliers to express their interest in being considered as a possible bidder for consideration in procurement of goods and services. The portal will allow EMML and EPC Contractor's Procurement Organization to provide detailed information in regard to the next steps required to become a Mozambique-owned or registered business eligible to be considered for ITTs by both EMML and EPC Contractor.

3.4.3.3. Enterprise Development Center

EMML will establish a Local EDC (or equivalent) that will have four primary functions:

- 1) Provide access to information for Mozambique businesses to support the Project
- 2) Capture analytics to identify small- and medium-sized local suppliers capable of supplying needed goods and services as well as businesses with potential for delivery of needed goods and services requiring additional development
- 3) Build capacities of Mozambican companies by the following:
 - a) Providing business improvement services such as standard assessments, gap analyses, and consulting and advisory services
 - b) Organizing and implementing seminars and business training sessions
 - c) Facilitating business agreements between companies
 - d) Advising Mozambican suppliers on how to access capital and financial advice

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- 4) Facilitate communication between the Mozambican suppliers, EMMML, EPC Contractor and its subcontractors by the following:
 - a) Communicating business opportunities
 - b) Facilitating access to Project information
 - c) Maintaining a supplier database

Mozambican companies that are assessed will be provided with personalized and confidential feedback to highlight their strengths, point out areas that require attention, and provide practical recommendations for overall capacity development.

Resources employed through the EDC will provide training, mentoring, and advisory services aimed at closing gaps identified during the assessments and to improve local companies' business capabilities whether they work for the Project or not.

The EDC is expected to be run by an independent organization and to contract a number of business development specialists to help local companies improve their management and performance. EMMML will provide funding to the EDC initially, but other international institutions and operators will be encouraged to subscribe to the EDC to create a sustainable Recruitment Center that will carry its operations into the future.

3.5. Community Investment

As stated in Section 1 of this document, the EMMML Strategic Community Investment initiatives are outside the scope of this document and included in separate document (MZLN-EL-RPPLN-00-0005 – Community Development Support Plan).

Should the EPC Contractor choose to develop a Community Investment Program, it shall consult with EMMML in advance to enable EMMML to ensure that the EPC Contractor's initiative does not conflict with EMMML's community development objectives and to enable the EPC Contractor to benefit from the EMMML's stakeholder engagement processes.

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4. ORGANIZATION – ROLES AND RESPONSIBILITIES

4.1. Local Content Managers

EMML will assign a Local Content Manager who will have oversight for implementation of EMML's Local Content Plan and will work with the EPC Contractor's Local Content Manager as well as stakeholders from various functions to achieve the local content objectives. The EMML Local Content Manager will be responsible for providing guidance to different project functions on local content initiatives and will look for opportunities to continuously improve local content programs and practices.

Working with the appropriate functions, the EMML Local Content Manager will ensure proper emphasis is placed on local hiring and development along with the use of local suppliers in planning, contracts, contractor kick-off meetings, as well as continuous engagement throughout the contract period.

The EPC Contractor will assign a qualified, responsible, dedicated, and fulltime individual as the Local Content Manager accountable for the EPC Contractor's local content program. The Local Content Manager shall be responsible for development and implementation of action plans; interface with key internal stakeholders (Human Resources, Procurement, Management, Community Affairs, etc.); and interface with subcontractors, local officials, community leaders, and local business leaders on subjects relating to local content.

The EPC Contractor's Local Content Plan shall specify the reporting relationship, roles, and responsibilities for personnel engaged in implementation of the Local Content Plan. The roles, responsibility, and reporting relationship for the Local Content Manager will be such that the Local Content Manager is sufficiently empowered and supported by the EPC Contractor's Management to ensure local content remains an important component and objective in the business planning and execution by EPC Contractor.

4.2. EPC Contractor Steering Committee

The EPC Contractor shall establish a Local Steering Committee within the EPC Contractor's organization.

The Steering Committee shall be chaired by a senior member of EPC Contractor's management team and shall include representation by managers from Human/Industrial Relations, Procurement, Engineering, Construction, and other key business support units utilizing national workers and purchased/outsourced goods and services.

The primary purpose of the Steering Committee is to perform the following:

- 1) Promote, steward, and coordinate local content implementation
- 2) Identify near- and long-term opportunities to improve/increase local content
- 3) Develop capture strategies and capacity-building initiatives for local content
- 4) Maintain the visibility and importance of local content as a key component of the business model.

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5. TRAINING – AWARENESS AND COMPETENCY

The EPC Contractor shall develop training programs for the EPC Contractor personnel based on a needs analysis. Appropriate training opportunities may be sourced externally, or the EPC Contractor may develop internal training programs, as appropriate. Whichever mode of delivery is chosen by the EPC Contractor, the quality of training shall be evaluated by EMMML for effectiveness. The EPC Contractor will keep accurate training records to demonstrate due diligence, and these records will be included in their monthly reports.

5.1. Training of Local Content Personnel

The EPC Contractor shall conduct appropriate training for the EPC Contractor personnel involved in the local content program.

The training program shall cover the following topics:

- 1) The requirements of this Local Content Plan
- 2) Job requirements and associated competencies
- 3) The external stakeholder environment and any particular needs, interests, or challenges presented by the environment (e.g., cultural sensitivities, minority, and vulnerable and under-represented groups)
- 4) Technical training, such methods of engagement including the following:
 - a) Interviewing techniques
 - b) Data collection techniques such as surveys, polls, and questionnaires
- 5) Public meetings, workshops, focus groups, participatory methods, and other traditional mechanisms for consultation and decision making
- 6) Refresher training to meet the required competency levels
- 7) Management training to provide managers and supervisors with skills to perform their duties
- 8) Analysis of data and evaluation of trends (qualitative and quantitative)
- 9) Awareness training

EMMML and the EPC Contractor will make proactive efforts to cultivate local content awareness and promote a culture of support across the Project, including all business units and operational areas and the EPC Contractor's subcontractors.

Some of the awareness-raising methods that shall be used include, but are not limited to, the following:

- 1) Incorporation of local content related information and background, Project objectives and principles, and into local content programs, bid documents, and solicitations of interest
- 2) Inclusion of local content topics of interest into management meetings, toolbox talks, and employees (and contractor, where relevant) meetings/briefings

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- 3) Local content short course training for those EMMML and EPC Contractor personnel who do not have formal functional responsibility for local content but who nevertheless interact with stakeholders
- 4) Inclusion of local content material from Project activities in Project newsletters, poster boards, online forums, and yearly Project status update reports.

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6. PERFORMANCE MONITORING

Performance monitoring of local content is important to provide feedback to the EPC Contractor and EMMML on the effectiveness of the local content program. The feedback will help support alignment among key functions on programs and also provide a mechanism for reporting to the GoM, Project leadership, and other stakeholders on the Project local content performance. Results from performance monitoring also provide a platform for the long-term assessment and understanding of local Content contribution improvements and will be regularly monitored to identify supplier and Project performance and areas where improvements may be necessary.

EMML and EPC Contractor shall establish and collect key performance data on workforce and supplier development and utilization to ensure local content requirements and objectives are being met. These will include leading and lagging indicators and qualitative information.

Leading indicators are likely to change over time in line with the evolution of the Project, feedback from monitoring, and changing stakeholder expectations. However, at the outset, they will comprise of the following:

- 1) Participation rates at Project stakeholder meetings related to local content
- 2) Numbers of suppliers that have registered at the Enterprise Development Center

Lagging indicators will focus on a monthly review of the local content programs and specifically, some of these indicators are as follows:

- 1) Workforce:
 - a) Count on site (split by male/female, job category, and point of origin)
 - b) Hired during the period (split by male/female, job category, and point of origin)
 - c) Released during the period (split by male/female, job category, and point of origin)
- 2) Remuneration paid in Mozambique in U.S. dollars split by point of origin (local, national, and non-national portion paid in country)
- 3) Training by training type (male/female, male, and female hours)
- 4) Employment taxes and social security contributions by type in kUSD
- 5) Payments to government entities (taxes, dues, duties, etc.) by type in U.S. dollars
- 6) Spend by commodity group by type of supplier (nationally owned, foreign owned, and locally registered and foreign owned) split by number of contacts, number of Purchase Orders (Pos), and value in U.S. dollars
- 7) List of contractors/suppliers used by type and commodity group

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7. REPORTING AND NOTIFICATION

7.1. EPC Contractor Reporting

EMML will provide a reporting template to be completed by the EPC Contractor and its subcontractors (dependent on the scale of the scope of work). The EPC Contractor may elect to cascade these forms to its subcontractors as a means to collect the monthly data. EPC Contractor shall be required to submit the respective reports (for itself and the selected subcontractors) electronically by logging into an EMML-provided web-based reporting portal at the beginning of each calendar month for the previous month's activities.

The EPC Contractor shall report monthly on its local content. The reporting shall include the following:

- 1) Performance against key performance indicators (KPIs)
- 2) Initiatives that have been undertaken and include a list of the enterprises and/or number of personnel that participated, the actual amount spent on the initiatives, and a brief assessment of the performance of the initiatives
- 3) Upcoming initiatives and contracting opportunities related to local content. These initiatives include anything related to the capacity building of the actual or potential workforce or suppliers that the EPC Contractor and its subcontractors will be putting in place. These leading indicators will include the purpose of upcoming initiatives, a list of the types/numbers of enterprises and/or personnel that are anticipated to participate in each initiative, the estimated cost of each initiative, and an expected outcome from each initiative.

7.2. EMML Reporting

EMML will compile overall performance data on local content (EMML and EPC Contractor) to satisfy its reporting requirements for internal and external reporting (e.g., to GoM, Lenders, and other stakeholders).

EMML internal reporting will be via the Project monthly management reports that are used by management to assess project performance and to take management intervention steps if required.

The report will contain the following:

- 1) A summary of local content activities for the review period
- 2) An assessment of performance against KPIs
- 3) An analysis of trends or issues relating to local content

EMML will report externally using a variety of methods and at varying frequencies, largely depending on the stakeholders engaged and the nature of the engagement.

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EMML external reporting will include the following:

- 1) Submissions to government agencies on local content statistics and reports required as part of the Project's license conditions
- 2) Submissions to lender via the Project Environmental and Social Report
- 3) Less targeted external communications using communication tools such as project newsletters, mass media including national newspapers, radio, and the Project website

7.3. Reporting Tools

Local content performance monitoring will be aided by the use of the EMML online portal. The online portal includes a specific local content module that enables the management and monitoring of activities linked to workforce and supplier programs. The module comprises of three sub-modules that are designed to assist with monitoring and reporting:

- 1) Supplier sub-module—used to record and track the supplier performance metrics across the Project
- 2) Workforce sub-module—used to record and track the workforce participation performance metrics across the Project
- 3) Workforce training sub-module—used to record and track the workforce training performance metrics across the Project

The online portal therefore enables the Project to perform the following:

- 1) Record and monitor performance
- 2) Identify areas where the Project must improve its performance or skills, as well as where the Project achieves positive results
- 3) Map and monitor trends, patterns, and emerging issues in the local content domain
- 4) Assess the overall effectiveness of the local content program and adjust as appropriate.

8. DELIVERABLES

The EPC Contractor shall submit its identified deliverables listed below and any other local content related deliverables identified in the Job Specification to the EMLL for EMLL approval.

Table 8-1: Summary of Deliverables

Section Reference	Deliverable	Responsibility	Deliverable Date
3.2, 3.3.2, 3.4	EPC Contractor Local Content Plan, including the following: <ul style="list-style-type: none"> Recruitment Plan Training Plan and Program Supplier Development Plan 	EPC Contractor	In Accordance with the Job Specification
3.3.1.1	Local Workforce Database	EMLL	
3.3.1.1, 3.3.1.2	Job Descriptions for Unskilled and Skilled Positions	EPC Contractor	
3.3.1.2	Recruitment Centers	EPC Contractor	
3.3.4	Worker Readiness Program	EMLL	
3.3.4	Permanent Training Facility	EPC Contractor	
3.4.1	Local Supplier Development Strategy and Bid Packages	EPC Contractor	
3.3.4	Supplier Capability Assessment	EMLL	
3.4.3.1	Project Website	EMLL	
3.4.3.2	Supplier Registration Portal	EMLL	
3.4.3.3	Enterprise Center	EMLL	
7.3	Local Content Module (Web-Based Reporting Tool)	EMLL	
4.1	Local Content Manager	EPC Contractor	
4.1	Local Content Manager	EMLL	
7.1	Reporting Template	EMLL	
7.1	Monthly Local Content report (via Web-Based Reporting Portal)	EPC Contractor	
7.1	Monthly Local Content Report	EMLL	