

ASX Announcement

Wednesday, 18 March 2015

ASX: WPL OTC: WOPEY Woodside Petroleum Ltd.
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Australia

www.woodside.com.au

2014 SUSTAINABLE DEVELOPMENT REPORT

Woodside released its 2014 Sustainable Development Report today.

The report is available online at www.woodside.com.au.

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2014 SUSTAINABLE DEVELOPMENT REPORT









This report reflects Woodside's commitment to working sustainably and reporting transparently.

Economic



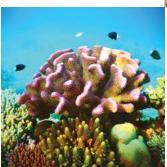
Society



Read more on 40



Environment



Read more on 26

Read more on 32

People and safety



Read more on 16

Our 2014 Annual Report



Our 2014 Annual Report is a summary of Woodside's operations, activities and financial position as at 31 December 2014. Copies of the 2014 Annual Report are available on request or from the company's website.

f Further information at woodside.com.au





We have partnered with Green Reports $^{\text{\tiny TM}}$ in an initiative that ensures that communications minimise environmental impact and creates a more sustainable future for the community.

Information available online

In this report, we have indicated where additional information is available online like this 1



ABOUT THIS REPORT

Scope

This report provides a summary of Woodside's sustainability approach, actions and performance for the 12 months ended 31 December 2014. The report was approved by the Woodside Board of Directors on 18 March 2015.

Woodside Petroleum Ltd (ABN 55 004 898 962) is the parent company of the Woodside group of companies. In this report, unless otherwise stated, references to "Woodside", the "Company" and the "Group" refer to Woodside Petroleum Ltd and its controlled entities.

The information in this report covers all sites and production facilities wholly owned and operated by Woodside or which are operated by Woodside in a joint venture.

Our share of production and revenues from non-operated assets is reported on an equity share basis. In these instances, we have only reported the Woodside interest. Other performance data are reported on both a total and a Woodside equity share basis as appropriate. Health and safety data includes international exploration activity.

All dollar figures in this report are expressed in US currency, unless otherwise stated.

Reporting approach

Woodside reports annually in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G3.1, including where relevant the oil and gas sector disclosures. The GRI guidelines provide a globally accepted framework of principles and indicators for reporting an organisation's economic, environmental and social practices and performance. We self-declare that this report fulfils the requirements of Application Level B+.

Woodside has also reported in accordance with IPIECA, Oil and Gas Industry Guidance on Voluntary Industry Reporting (2010). IPIECA is the global oil and gas industry association for environmental and social issues.

A GRI and IPIECA content index, which cross references the GRI and IPIECA indicators to the relevant sections of this report and the 2014 Annual Report, is summarised on 47 and can be found on our website.

In determining the report content, we have been guided by the AA1000 principles, which cover inclusivity, materiality and responsiveness.

Inclusivity

We acknowledge the importance of stakeholder participation in developing and implementing our response to sustainability reporting. We sought the opinions of stakeholders as part of the materiality process which helped to define the content of this report. More information on our diverse stakeholders, their issues and our responses can be found on a to 9.

Materiality

Issues are considered material if they have the potential to impact our ability to achieve our business strategy or our reputation, or are of material concern to our stakeholders. The materiality assessment process is discussed on 11. We have included a new section covering key issues on 12 to 15.

Responsiveness

The report aims to respond to those issues identified as material for Woodside and its stakeholders. Information on our responses to stakeholder concerns about specific material issues can be found on 12 to 15.

External assurance

Ernst & Young has conducted reasonable assurance over information in the 2014 Sustainable Development Report related to Woodside's material issues and limited assurance over the balance of the report.

A copy of Ernst & Young's assurance statement is on 53.

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ABOUT WOODSIDE

Woodside is an Australian oil and gas company with a global presence, recognised for its world-class capabilities – as an explorer, a developer, a producer and a supplier.

Our mission is to deliver superior shareholder returns through realising our vision of becoming a global leader in upstream oil and gas.

Wherever we work, we are committed to living our values of integrity, respect, discipline, excellence and working together for a sustainable future.

Our operations are characterised by strong safety and environmental performance in remote and challenging locations.

We recognise that long-term meaningful relationships with communities are fundamental to maintaining our licence to operate, and we work to build mutually beneficial relationships across all locations where we are active.

Our producing LNG assets in the northwest of Australia are among the world's best facilities. Today, our exploration portfolio includes emerging and frontier provinces in Australasia, the Atlantic margins and Sub-Saharan Africa. We have significant equity interests in high-quality development opportunities.

We are Australia's most experienced LNG operator and largest independent oil and gas company.

Our proven track record and distinctive capabilities are underpinned by 60 years of experience, making us a partner of choice. Through collaboration we leverage our capabilities to progress our growth strategy.

Since 1984, we have been operating the landmark Australian project, the North West Shelf, and it remains one of the world's premier LNG facilities. In 2012, we added our Pluto LNG Plant to our onshore operating facilities.

We operate four floating oil production, storage and offloading vessels in the Carnarvon Basin, the North West Shelf and the Timor Sea. This is the largest owner-operated fleet in Australia, and we have an excellent track record of efficiently and safely producing from current fields.

We are also growing our portfolio through acquisitions while maintaining a disciplined approach to ensure that we continue to increase shareholder value and appropriately manage risk.

We also have interests in Canada and Timor-Leste and a dedicated office in Singapore to support our growing LNG marketing, trading and shipping activities.

Known as a reliable and safe energy supplier, our enduring relationships with foundation customers throughout the Asia-Pacific region span more than 25 years.

We believe that technology and innovation are essential to unlocking future growth. We continually expand our technical knowledge, discover new solutions and learn valuable lessons. Our knowledge has been built through decades of experience, dating back to the world-record water depths of wells we drilled in offshore southern Australia in the 1950s.

We are open and honest in our relationships. Sharing ideas and aspirations, we have the courage to always do the right thing for our people, partners, customers and communities.

OUR APPROACH TO SUSTAINABILITY

Long-term sustainable partnerships are critical to our business, and we recognise that we must deliver sustainable economic value to the communities in which we operate.

This approach is incorporated in our policies, Code of Conduct and standards.

Woodside's policies and Code of Conduct are available on our website:



The Woodside Management System (WMS) provides a structured governance framework with defined accountabilities and performance requirements for Woodside managers, employees and contractors.

Woodside's sustainability performance is linked to remuneration for employees and executives.

Read more on remuneration in Woodside's 2014 Annual Report

Our sustainability governance structure

Woodside's Board of Directors has oversight of the company's management and business activities. The Sustainability Committee assists the Board to meet its responsibilities in relation to the company's sustainability policies and practices. The committee is comprised of five independent, non-executive directors. This year, the committee has written to our stakeholders about key issues and topics discussed throughout the year. Read the letter on 5.

Identifying and managing risk

By understanding and managing our risks, we provide greater protection to our people, communities and environment. We recognise that risk is inherent to our business and that effective management of risk is vital to our sustainable future.

Woodside's Board Audit and Risk Committee oversees our Risk Management Policy and is responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control.

During 2014, the Audit and Risk Committee reviewed the company's risk management framework and confirmed that the framework was sound. A copy of our Risk Management Policy is available on our website.

woodside.com.au/Our-Approach/ Sustainable-Development/Pages/Our-Policies.aspx

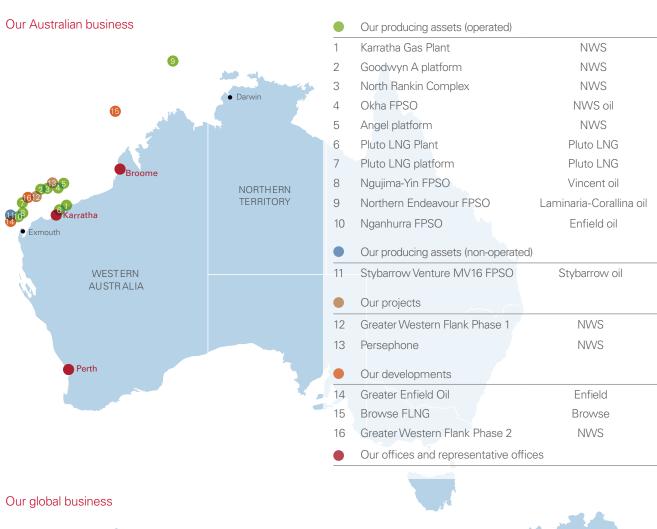
Our most significant risks, and how they are being managed, are continually reviewed and summarised in a corporate risk profile. This includes risks relating to the resourcing and safe delivery of our business projects, the integrity of our operating assets, compliance with regulation, the potential impact of our activities on the environment and our communities, and our licence to operate. The corporate risk profile is reviewed twice yearly by the executive management team and the Audit and Risk Committee.

The corporate risk register is a primary source of information when determining our material issues from a company perspective. Refer to our materiality assessment process on 11.

Read more on risk management in Woodside's 2014 Annual Report 18 to 19.

OUR AREAS OF ACTIVITY

Business opportunities





MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

Ensuring the long-term sustainability of our company was a key focus in 2014, amid a challenging year globally for the oil and gas industry. In particular, we saw oil prices decline approximately 50% during the second half of the year.

Fortunately, we had already started embedding productivity, continuous improvement and performance excellence initiatives across our business. In this environment, we were able to deliver strong financial results and bolster our portfolio of growth opportunities.

Our focus on productivity will be ongoing throughout 2015 but it does not come at the expense of our commitment to our core values – integrity, respect, working sustainably, working together, discipline and excellence.

Our projects, which can take more than 30 years to develop, require long-term capital investments. We remain focused on ensuring the long-term sustainability of our business and the communities where we operate.

With this in mind, I was very proud of our economic, environmental and social performance in 2014. Among key achievements, we saw significant improvements in our health and safety performance and a significant reduction in flaring. We launched the A\$20 million Woodside Development Fund, which aims to improve outcomes in early childhood.

Nonetheless, I am conscious that we still have work to do in key areas, such as gender diversity, where we fell just short of our targets in 2014. Increasing mid-career professional development and graduate opportunities for women will be a focus in 2015.

Overall, it was pleasing to see that we were listed as a sustainability leader in the Dow Jones Sustainability Index. Benchmarks like these are important platforms to ensure best practice approaches to sustainability.

As we prepare for the industry-wide challenges in the years ahead, we know that a world-class approach to sustainability is the only option if we are to remain a partner of choice.

In 2015, as we continue to expand and consolidate our global footprint, we will be working closely with all our stakeholders to ensure that wherever we operate, we are a welcome visitor.

Peter Coleman

18 March 2015



MESSAGE FROM OUR SUSTAINABILITY COMMITTEE

In 2014, Woodside's Sustainability Committee met six times to maintain its support and oversight of the company's sustainability policies and practices. The Committee is focused on ensuring that Woodside maintains its licence to operate through continuous improvement in the people, safety, environment and social dimensions of our operations as it strives for global top-quartile performance by 2017.

I am pleased to see that Woodside achieved improved process and personal health and safety in 2014. We are on track to meet our objective for global top-quartile performance. This outcome was underpinned by health and safety initiatives to streamline personal and process safety systems and to improve contract management processes, as well as a focus on employee health and wellbeing programs.

Reflecting Woodside's increased global presence, the committee approved changes to the company's Indigenous Communities and Sustainable Communities policies to ensure Woodside's approach to respecting communities is applicable in all countries in which it is active.

The committee was regularly briefed on the company's focus on building capabilities to respond in the event of a major spill. Outcomes included the delivery of comprehensive contingency plans, mutual aid agreements and agreeing additional contracts with spill response services.

We monitored progress on several large projects undertaken to improve the reliability and integrity of our assets, through developing more robust and comprehensive inspection and maintenance programs for each of our facilities. This included developing a suite of leading indicators across the assets to provide early insights into emerging issues.

In 2014, we also focused on developing the capabilities of our people to create a diverse, engaged and high performing workforce.

We're proud of our reputation for undertaking our activities in a sustainable way, and we remain committed to keeping each other safe every day.

2015 is set to be another busy year, and we're absolutely dedicated to supporting the organisation and building on the progress and outcomes delivered in 2014.

David McEvoy

Committee Chairman 18 March 2015



David McEvoy (Committee Chairman)



Melinda Cilento



Christopher Haynes



Andrew Jamieson



Sarah Ryan

GOVERNANCE AND TRANSPARENCY

We are committed to a high level of corporate governance and fostering a culture that values ethical behaviour, integrity and respect.

Our approach

The Woodside Compass sets out our core values of integrity, respect, working sustainably, working together, discipline and excellence.

These values underpin our Code of Conduct (the Code), which sets out our commitment to ethical principles and describes the behaviour Woodside expects from its directors, officers, employees and contracted third parties both personally and corporately. For more information on the Woodside Compass and the Code, go to our website.

(1) woodside.com.au/Investors-Media/ corporate-governance/Pages/ Policies-Procedures.aspx

WOODSIDE COMPASS AND CODE OF CONDUCT

All employees undergo mandatory Code of Conduct training when they join the company and every year thereafter. In 2014, this training was enhanced to more extensively address the requirements of our Anti-Bribery and Corruption Policy. Records of training are maintained electronically and monitored by Woodside's General Counsel. Directors and managers are required to provide annual certification of their compliance with the Code and related policies. We extended this requirement in 2014 to all employees and implemented a corporate platform for the annual declaration of compliance. To support compliance, we implemented a company-wide tool for the declaration, review and monitoring of potential conflicts of interest by employees.

Woodside has a zero-tolerance approach to unethical behaviour. Potential violations of the Code are investigated and, if substantiated, may result in disciplinary action. All investigations and breaches are recorded and reported. Woodside's Whistleblower Policy sets out our commitment to maintaining an open working environment in which employees and contractors can report unethical, unlawful or undesirable conduct without fear of retaliation or reprisal. Woodside's processes for responding to allegations of unacceptable conduct are outlined within the policy and related internal investigation procedures.

Employees and business partners can use a confidential externally managed helpline to report unacceptable conduct. All calls are referred to Woodside's Chief Executive Officer, General Counsel, Vice President Internal Audit and General Manager Security and Emergency Management for investigation as appropriate. In 2014, there were nine calls to the confidential helpline.

Woodside's Audit and Risk Committee reviews reports on breaches of the Code and matters reported to the external helpline. The company maintains specialist anti-fraud and corruption resources.

There were 71 reports of improper behaviour or breaches of the Code investigated in 2014. Of these matters, 43 were substantiated, 21 unsubstantiated and seven matters remain under or pending investigation. Of the substantiated matters, eight resulted in contract termination, 29 in a written warning and reduced performance rating, two in written warnings and four in verbal warnings. Seven terminations were fraud related, and 36 matters involved harassment or other inappropriate behaviour.

There were no legal findings against Woodside in relation to harassment, discrimination or equality in employment in 2014



(1) woodside.com.au/About-Us/Pages/ The-Woodside-Compass

WHO WE ARE

INTEGRITY

We are open, honest and fair. We do what we say we will do. We have the courage to do the right thing.

RESPECT

We give everyone a fair go. We listen.

WORKING SUSTAINABLY

We are here for the long term.
We look after each other, our communities and the environment. We keep each other safe.

WORKING TOGETHER

We are on the same team. We build long-term partnerships.

DISCIPLINE

We play by the rules. We set goals and we hold ourselves to account.

EXCELLENCE

We achieve great results. We learn. We get better.

ANTI-CORRUPTION

Woodside has a zero-tolerance approach to fraud, bribery and corruption, and complies with all relevant Australian and international anti-bribery and corruption laws. In 2014, we finished implementing our Fraud and Corruption Control Program, which accords with Australian Standard 8001-2008 and internationally recognised business principles.

Woodside's Social Investment Operating Standard prohibits the provision of charitable donations or corporate philanthropy to influence an individual, organisation or government to make a business decision in Woodside's favour.

Throughout the company, we have enhanced our anti-bribery and corruption due diligence procedures, which screen and evaluate all third parties with whom we do business.

We undertook forensic data analysis of information management systems and extended our contract audit program to encompass fraud and corruption risk areas, targeting behaviours and transactions indicative of fraudulent or corrupt conduct. We undertook bribery and corruption risk assessments of all new country entries and reviewed existing risk assessments.

In addition to the inclusion of enhanced Anti-Bribery and Corruption Policy content within annual Code of Conduct training for all employees, we delivered advanced training to employees in positions exposed to elevated risk. We implemented annual risk proportionate e-learning programs for employees in these roles.

Woodside's standard contracting terms and conditions with our suppliers and business partners mandate compliance with Australian and international antibribery and corruption laws and address specific obligations in relation to our policies. For more information visit,

• woodside.com.au/supplying_to_ woodside/

There were no violations of anti-bribery and corruption laws detected within, or in connection with, Woodside in 2014.

FINANCIAL TRANSPARENCY

Companies operating in countries implementing the Extractive Industries Transparency Initiative (EITI) work with host governments and local civil society organisations to increase the transparency of revenue flows from extractive industries.

Through this process, the EITI has become the international standard for improved transparency adopted by a growing number of resource-endowed countries via the publication and verification of company payments and government revenues from industries such as oil, gas and mining. As a member of the EITI since 2005, Woodside is committed to reporting our petroleum tax and fee payments in respect of operations in implementing countries.

Countries in which we have an interest and which are compliant with the EITI include Timor-Leste, Gabon, Cameroon and Tanzania.

Woodside recognises the Myanmar Government's achievement of EITI candidate status in July 2014. Compliance with EITI standards and principles will assist in the management of revenue received from Myanmar's resources sector.

In 2014, Woodside donated A\$111,100 to the Australian Labor Party and A\$136,100 to the Liberal Party of Australia. For more information on these political donations, visit

1 http://periodicdisclosures.aec.gov.au/ Donor.aspx?SubmissionID=55& ClientID=16026

SECURITY

Woodside applies its Security Operating Standard to protect our people, assets and information according to the Woodside Risk Management Standard. We maintain a rigorous assurance program to ensure that facility security exceeds Australian and international standards. We commissioned nine independent maritime security audits and participated in four regulator audits of both offshore and onshore facilities.

Changes in the Australian security environment in 2014 were addressed through an extensive review of security arrangements, the conduct of exercises, close engagement with government and other measures.

Security for Woodside's international growth initiatives was supported by improved journey management systems and new partnerships with highly competent, in-country private security service providers and government engagement. We continue to work with our partner private security providers to ensure high local workforce participation and respect for human rights. Our security risk assessment process has been expanded to place greater emphasis on potential human rights impacts from the provision of security, consistent with the Voluntary Principles on Security and Human Rights.

1 voluntaryprinciples.org

Woodside has strict procedures in respect of the use of armed security guards. No such services were engaged by Woodside in 2014.

WHERE WE'RE GOING

OUR MISSION

To deliver superior shareholder returns.

OUR VISION

Our aim is to be a global leader in upstream oil and gas.

OUR STRATEGIC DIRECTION

Maintain our leading Australian position by optimising our producing assets and commercialising our growth projects and other premium opportunities.

Grow our portfolio by leveraging our core capabilities for global upstream growth.

HOW WE'LL GET THERE

PARTNER OF CHOICE

We are the premium choice for partnerships based on our distinctive capabilities, culture and track record as a great partner.

ENGAGED PEOPLE

We work for a highly regarded and successful company. We are part of a team working together for great results and have opportunities to contribute and grow.

FUNCTIONAL EXCELLENCE

We leverage our core capabilities and the latest technology to create new opportunities and sharpen our competitive edge.

DECISION EFFECTIVENESS

We make and execute decisions in line with our business priorities and our values

UNDERSTANDING OUR STAKEHOLDERS

Woodside actively seeks to build relationships with stakeholders who are interested in and affected by our activities. We understand that the way we engage is fundamental to building trust and understanding.

We promote and encourage stakeholder input and feedback on our activities. We ensure that this occurs by conducting stakeholder assessments to identify potentially affected stakeholders based on the location, timing and potential impacts and opportunities of the proposed activity.

Our External Stakeholder Engagement Operating Standard mandates the minimum requirements for engaging with our stakeholders.

We have guidelines to assess the potential effects and benefits of our current and future activities and how best to engage with affected stakeholders. We have mapped our key stakeholders according to these guidelines and focus on addressing their issues of interest and concern using a variety of engagement mechanisms.

Our engagement processes encourage open and transparent communication and feedback.

We acknowledge and, where feasible, seek to address and resolve key stakeholders' concerns and complaints.











Providing employees with a safe and productive work environment, a values-led organisational culture and career development opportunities which align to Woodside's strategic direction.



Annual staff briefing in Perth and Karratha with the CEO and the executive leadership team

Launch of the productivity program to drive efficiencies in our business

Campaign to embed continuous improvement principles in all projects

Cascaded strategic themes to performance agreements

Performance reviews and personal development plans for all employees

A Leadership and Management Development framework and expanded leadership training programs

Monthly communication campaign to focus on each of our values

Communication and targeted programs for employee safety, health and wellbeing

Annual Woodside Awards that recognise outstanding achievement and contribution to the company's success

Staff volunteering



Reliability and safety of supply, product quality, cost and delivery. Maintain strong relationships based on mutual understanding and open communication.



Regular communications for delivery and scheduling

In-country representatives

Annual delivery plans for LNG supply and schedule

Operation overviews and presentations

Reciprocal secondments of staff to promote understanding of respective businesses

Quality control of our hydrocarbon production

Site visits

Training exchange program





Ensure that safe and reliable operations are in place, financial returns are delivered and risks are assessed and managed. Maintain our relationships based on mutual understanding and open communication.



Regular meetings with joint venture boards and operating committees

Participation in business reviews and audits

Assurance programs

Operation overviews



Development of oil and gas resources through the whole project lifecycle. Environmental, social and fiscal performance and compliance.



Regular engagement with regulators and State, Commonwealth, and Local Government agencies and opposition Governments in Australia and internationally

Contributed to industry and business association submissions covering, among other things, health and safety legislation, tax issues, resource management in the Australian Offshore Petroleum Management review, exploration tenure guidelines, the Emissions Reduction Fund, the Energy White Paper, financial assurance and the Renewable **Energy Target**

Direct submissions to the Federal Government in relation to the Joint Standing Committee on Treaties review of the Japan Australia Economic Partnership Agreement and the Senate Foreign Affairs, Defence and Trade References Committee review of the Korea-Australia Free Trade Agreement

Direct submissions to the Western Australian Parliamentary Inquiry into Safety-Related Matters Relating to Floating LNG (FLNG) Projects in Australian Waters off the Western Australian Coast and Mental Health Impacts of Fly-In-Fly-Out (FIFO) Work Arrangements





Ethical, social and environmental management of our activities, including revenue transparency and efficient use of resources.



Provide the opportunity for non-government organisation input in social and environmental impact assessments

Recognition of the Extractive Industries Transparency initiative

Participation in Industry forums and associations





Delivery of top-quartile Total Shareholder Returns (TSR) and continuous improvement in TSR, mitigation and management of financial and non-financial risks and high quality corporate governance.



Investor briefings are webcast and archived on our website

Regular meetings with financiers, institutional shareholders and investor representatives

Annual General Meeting

Australian Securities Exchange (ASX) announcements



Working together with contractors in an environment where joint ownership of outcomes exists. Transparent and effective communication throughout contract award process.



A Contract Lifecycle Management System to interface with suppliers (implemented in mid-2014)

Early engagement with contractors and vendors for major projects

Regular reciprocal supplier performance reviews

Internal training for roles executing contract management

Focus on strategic supplier relationships, developing and managing the right relationships with the right

Quarterly reviews with our strategic suppliers and monthly reviews against key purchase orders

Woodside and joint operator contractor audits

Quality assurance audits performed at four overseas supplier locations





Potential environmental and social impacts associated with operations. We have a broad range of local and Indigenous community interests and concerns such as:

- local content, employment, education and business opportunities;
- cost of living;
- access to community services and amenities;
- culture and heritage impacts.



Regional community offices

Community consultation and engagement including community liaison groups and networks

Community events and programs

Consultation information and activity updates on the Woodside website

Social impacts assessments and management planning which involves community input

Reconciliation Action Plan

Social investment

Implementation of and compliance with related protocols, frameworks and legally binding agreements





KEY ISSUES

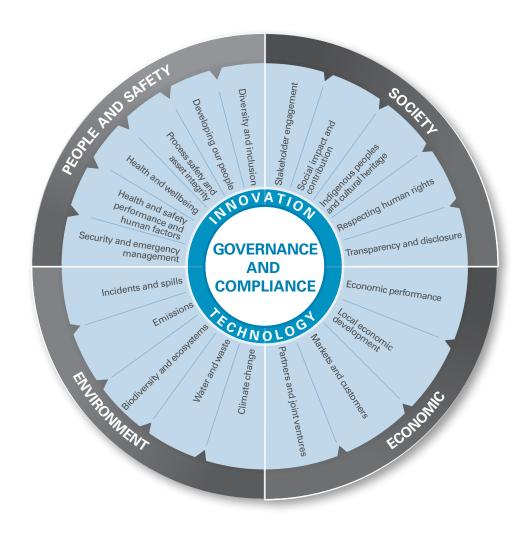
Defining report content

Woodside has enhanced its methodology and engagement process to identify our most important issues, which in turn focus the report's content.

This year, we have conducted a thorough review of key sustainability aspects based on the:

- material issues for Woodside over the last three years;
- Global Reporting Initiative (GRI), 3.0, 3.1, 4 and the G4 Oil and Gas Sector Disclosures; and
- global oil and gas industry association for environmental and social issues (IPIECA).

We have identified the key sustainability aspects for Woodside, which are shown in the diagram. Governance and compliance are core to the way we manage our business across all of these aspects.



MATERIALITY

Determining key issues

This report focuses on our material issues.

Issues are considered material if they have the potential to impact our ability to achieve our business strategy, or our reputation, or are of material concern to our stakeholders.

Key issues can incorporate aspects from the areas of people, safety, society, environment and the economy.

In 2014, we built on our existing materiality process by including the views and concerns of a broader range of stakeholders. The materiality matrix summarises the inputs used to assess the:

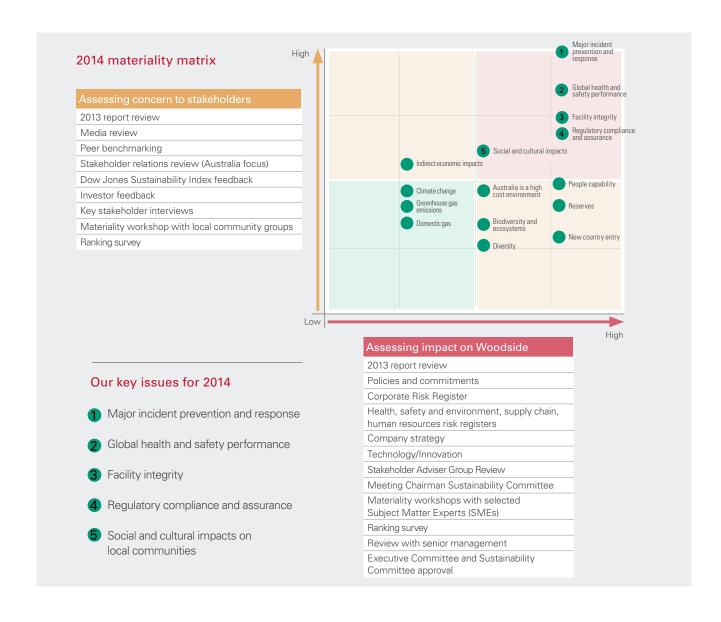
- level of concern of the issues to our stakeholders; and
- significance of the issues on the company's ability to achieve its vision and strategy.

Materiality discussions and workshops were held with employees, community groups, contractors, customers, investors and joint venture partners. The ranked results are given in the materiality matrix. These have been validated by senior management and the Sustainability Committee.

Materiality process

Our materiality process consists of four steps: identify, prioritise, validate and review.





MAJOR INCIDENT PREVENTION AND RESPONSE



Issue

While the likelihood of a significant uncontrolled release of hydrocarbons is low, the potential consequences for people, assets and the environment are extremely high. Loss of containment through an oil spill, or loss of facility integrity, well control or pipeline integrity are risks that must be managed by Woodside. Oil spill response plans must be in place during all exploration, development, production and decommissioning operations.

Response

Woodside has a process safety management system in place to prevent unplanned or uncontrolled loss of containment of hydrocarbons and has made significant improvements in oil spill preparedness. We continually measure and assess our process safety management system to ensure that it remains robust. Internal governance and assurance activities have identified further opportunities for improvement to be implemented over the coming few years. There is also an increased focus on human factors in the prevention and mitigation of process safety events. For more information on process safety and human factors, go to [24].

In 2014, Woodside continued its Oil Spill Preparedness Improvement Project across our operations and activities. This has resulted in significant improvements in contingency planning, competency and capability in oil spill preparedness and a robust assurance process being implemented to ensure that priorities and focus are maintained.

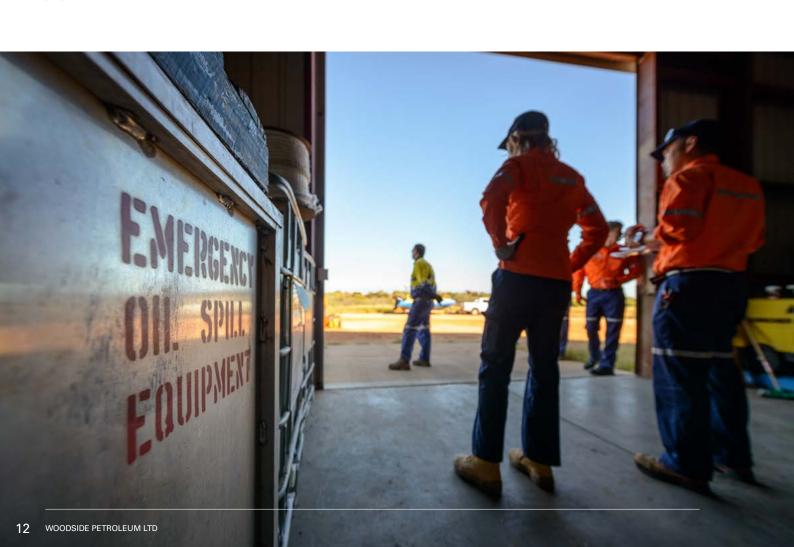
For more information on oil spill preparedness, go to 30.

We have become a participating member of Oil Spill Response Limited (OSRL), which has response capability across international locations. This is in addition to our already comprehensive response capabilities via the Australian Marine Oil Spill Centre, mutual aid arrangements with other industry operators, specialist contractors (including water quality analysis,

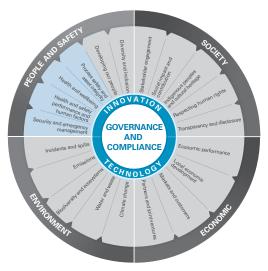
As Woodside grows its business internationally, its capability to respond to a loss of containment has expanded.

remote satellite monitoring and scientific monitoring), along with our own capabilities and equipment stocks.

A new Oil Spill Preparedness Unit will be established in 2015 to ensure continuous improvement of our oil spill preparedness capabilities in Australia and overseas.



GLOBAL HEALTH AND SAFETY PERFORMANCE



Issue

Woodside's health and safety performance requires continued improvement to achieve global top-quartile ranking as measured against our peers in the International Association of Oil and Gas Producers (IOGP).

Response

Key activities to achieve this involve reviewing our health and safety capability and processes to support the current business strategy, including international ventures and contractor management.

In 2014, Woodside improved health and safety capability and performance in our Australian operations by:

- facilitating staff and contractor health, safety and environment (HSE) engagement at all levels;
- improving contract management processes;
- embedding process safety management systems into our business; and
- refreshing 'Our Safety Culture' framework.

We integrated health and safety with environment management in 2014 into a single function to work towards global top-quartile HSE performance.

We continued to streamline our HSE management systems, including a program to simplify documentation. As part of this program, a trial involving HSE and non-HSE personnel across the business reported a 72% improved understanding of their requirements under the streamlined HSE management system. The recommendations will be incorporated into the Woodside Management System (WMS) in 2015.

We are broadening the range of performance indicators to drive improved HSE performance and to facilitate benchmarking against our Australian and international peers.

Our process

safety approach

ensures that all

comprehensive

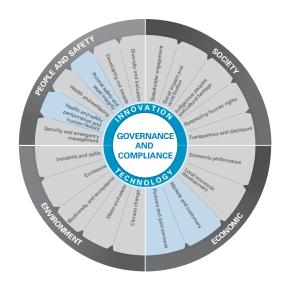
inspection and

maintenance

facilities have

More information on health and safety performance, embedding process safety management systems, improving contractor management and the refreshing of 'Our Safety Culture' framework is outlined on 23 to 25.

FACILITY INTEGRITY



Issue

Woodside operates a number of assets that have been in production for many years and are at various stages of their lifecycle.

As assets age, integrity and maintenance management are critical to preventing the potential for the failure of structures, piping, processes and equipment. These types of failures could lead to a loss of containment and deferred production.

Response

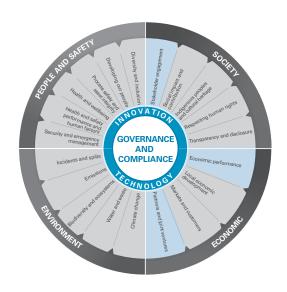
We manage the technical risk exposure in our facilities across their full lifecycle.

Over recent years, this has led to several large work programs related to facility integrity:

- completed structural repairs and piping replacement on the North Rankin A platform and removal of redundant major equipment in conjunction with the North Rankin redevelopment project over the period 2010 to 2014;
- programs. initiated a multi-year Karratha Life Extension program of the Karratha Gas Plant in 2013, with plans to approximately 2020;
- completed piping replacements and removal of redundant major equipment on the Goodwyn platform during three major turnarounds in 2013 and 2014, with plans for additional piping repairs in 2015 and equipment removal in 2016;
- performed major dry dock maintenance on Ngujima-Yin floating production storage offtake (FPSO) vessel including hull and piping repairs and replacements in 2013; and
- undertook on-station hull and piping repairs and replacements over the period 2012 to 2014 and definitive end-of-field-life planning for the Northern Endeavour FPSO vessel.

Underpinning our comprehensive major facility work programs, we are also improving our medium and long-term integrated activity planning, process safety management equipment maintenance strategies and maintenance execution campaigns. For more information on process safety, go to 24.

REGULATORY COMPLIANCE AND ASSURANCE



Issue

Woodside's growth strategy to maximise our core business and grow our portfolio has expanded the geographical areas in which we are active.

Woodside must establish governance processes to maintain our licence to operate, comply with regulatory requirements and meet the expectations of joint venture partners and local stakeholders as they relate to our activities in Australia and globally.

Where Woodside is non-operator, we must build the relationships and appropriate assurance processes to ensure that we do not compromise our standing as a responsible oil and gas company.

Response

Central to Woodside's Compass values is a disciplined approach to regulatory compliance. It is integral to being a partner of choice. It also enables us to maintain our licence to operate and to expand our global portfolio to generate the company's future growth opportunities.

Our 2013 review of regulatory compliance practices found that we need a more consistent approach to measuring performance across the company. In response, we implemented a regulatory compliance improvement initiative in early 2014 and improved capability to measure performance across the company.

We have created a centralised regulatory compliance team and developed a new Regulatory Compliance Management Operating Standard to ensure consistency across the company. It is based on Australian Standard AS3806 and applies to our local and global activities.

Our new Regulatory Compliance Management Operating Standard will ensure consistency across the company.

The standard mandates minimum performance requirements associated with:

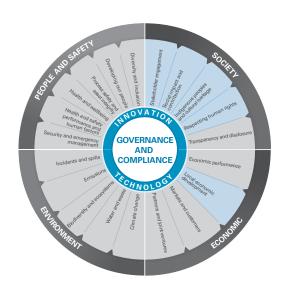
- developing the skills of our people;
- ensuring that we have adequate IT systems in place to support the integrity of our licence to operate information;
- conducting ongoing self-assessment to assess and continuously improve our approach to managing regulatory compliance; and
- developing reporting mechanisms to foster greater transparency and visibility of compliance performance.

For more information, go to 6 and 7.

Woodside's aspirations will increasingly see us involved in more joint ventures as non-operator in a variety of geographies and geologies. Where Woodside is non-operator, we are committed to assuring regulatory compliance by the operator.

In 2014, there were no significant fines or non-monetary sanctions imposed on Woodside for non-compliance with a statutory requirement.

SOCIAL AND CULTURAL IMPACTS ON LOCAL COMMUNITIES



Issue

Stakeholders look to us to respond to the effects of our operations on local communities and realise potential benefits associated with our activities.

These can include providing local jobs and business opportunities, managing cost of living, respecting cultural values and impacts on community services and infrastructure.

In 2014, the City of Karratha experienced a significant slowdown in economic activity, following completion of large resources construction and expansion projects which included the Pluto LNG Project, now in its operational phase.

Response

Woodside is active in communities during exploration, construction, operations and decommissioning. These phases have different impacts on communities due to the different nature and duration of activities which occur in each phase. Woodside undertakes social and cultural impact assessments and engages with stakeholders to ensure that we understand and manage the effects of our activities on communities.

Community relations at Woodside consist of three key elements – stakeholder engagement, social impact management and social contribution. We implemented a Community Relations framework in 2014 to ensure a holistic approach to the relationships Woodside holds with our host communities.

In 2014, we undertook a number of engagement activities, impact assessments and projects to address and remediate social and cultural impacts. These include:

- undertaking stakeholder engagement and contracting specialist consultants to conduct a social impact assessment and environmental impact assessment to understand the potential impacts and benefits of the Browse FLNG Development;
- signing a memorandum of understanding via APPEA, other operators and Australia's peak fishing industry associations to establish principles of cooperation, communication and consultation, meeting regularly to share information to help resolve issues, and encourage the development of joint initiatives or policies to benefit our industries;
- meeting regularly with relevant Aboriginal corporations in Roebourne and completing the Hearsons Cove Compound Remediation Project;

Refer to case study on 39.

- meeting regularly with our City of Karratha and Exmouth community liaison groups, which include community representatives and other key stakeholders, to understand concerns and interests and guide our regional social and community investment; and
- building relationships with a wide range of new stakeholders in areas for exploration or development including Canada, Ireland, Myanmar, New Zealand and Tanzania.
 Refer to case study on



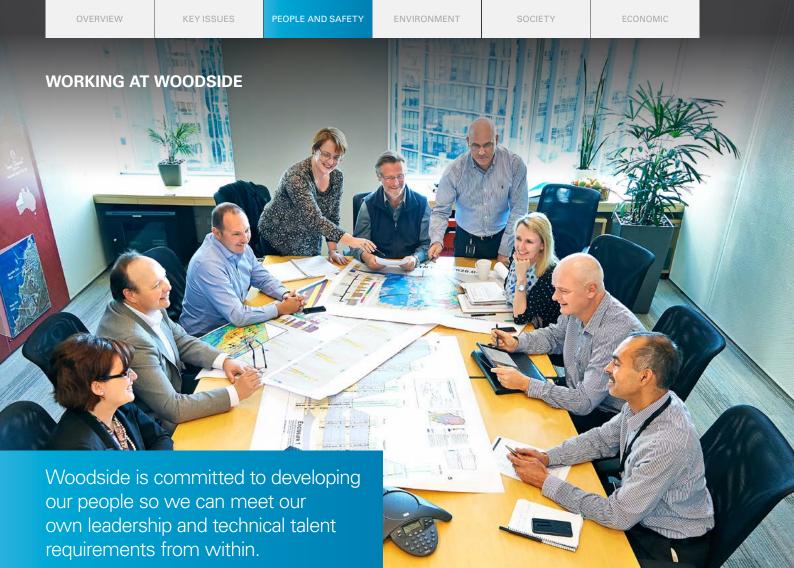
PEOPLE AND SAFETY



PEOPLE AND SAFETY TARGETS

We are focused on getting the right people into the right jobs, and keeping them engaged and motivated to deliver high performance.

Key 2014 targets	How we performed		Key 2015 targets
People			
Achieve organisational effectiveness milestone targets. Commence actions to address employee survey findings.	Key targets from the organisational effectiveness milestones and employee survey findings have been incorporated into Woodside's performance excellence productivity program, which started in 2014.	•	Conduct employee survey to assess employee engagement and enablement.
Achieve gender balance in graduate intake.	43% of graduates recruited in 2014 for the 2015 intake are female.		Achieve gender balance in graduate intake.
Increase the representation of women in middle and senior management roles to 13%.	Representation of women in middle and senior management roles remained unchanged at 12.4%.		Increase representation of women in middle and senior management roles*.
Annual review of remuneration equity between men and women on salary line and job level basis.	Review conducted in 2014 demonstrated effective pay parity between men and women.	•	Annual review of remuneration equity between men and women on salary line and job level basis.
Female turnover levels no greater than organisational turnover levels.	Female turnover was 7.5%, which was just above the total turnover rate of 7.3%.		Female turnover levels no greater than organisational turnover levels.
Increase overall percentage of women employed by Woodside to 30%.	Overall percentage of women employed by Woodside increased from 2013 to 27.5%, short of the 30% target.	•	Increase overall percentage of women employed by Woodside*.
Woodside's Australian-based workforce to reflect the demographics of the Western Australian Indigenous population by the end of 2015 (3.3%).	Indigenous people represent 2.6% of our Australian workforce as at the end of 2014.		Woodside Australian-based workforce to reflect the demographics of the Western Australian Indigenous population by 2015 (3.3%).
			Achieve 30.0% female representation on Woodside Board by 2016*.
Safety			
Achieve a 23% improvement on the 2013 total recordable injury rate (TRIR) target of 3.9. We are aiming for a TRIR of 3.0 in order to reach global top-quartile health and safety performance by 2017.	A 37% improvement achieved with a TRIR of 1.9.	•	Achieve a TRIR target of 2.0 or fewer to demonstrate sustained progress towards global top-quartile health and safety performance by 2017.
An outcome of zero Tier 1 process safety events (PSEs) and three or fewer Tier 2 PSEs in 2014.	Zero Tier 1 PSEs and two Tier 2 PSEs.	•	An outcome of zero Tier 1 PSEs and three or fewer Tier 2 PSEs.
Complete the planned 2014 activities in support of the health and safety strategic imperatives.	Delivered 2014 planned activities including embedding process safety management systems into our business and improving contractor management, and delivered health and wellbeing programs.	•	
Achieved Underway Not achieve	ed *	See 2	for information on our updated gender diversity strateg



Delivering superior shareholder returns depends on our ability to attract and retain an engaged, diverse and high performing workforce.

Our approach

Our attraction and retention strategy focuses on:

- growing our future workforce by recruiting entry level employees with the potential for technical and leadership capability;
- maintaining competitive remuneration;
- encouraging employee engagement, diversity, and learning and development; and
- promoting our organisation externally.

Woodside's local workforce forms the core for developing, building and operating our assets within Australia, with 99.5% of our workforce based in Western Australia.

The Board's Human Resources (HR) and Compensation Committee oversees the company's HR and compensation policies.



Our performance

The Woodside global workforce reduced to 3,803 in 2014, driven primarily by a review of organisational efficiency and productivity and existing employees who left the organisation not being replaced.

We recruited 243 people in 2014, down from 317 the previous year.

Woodside's global voluntary turnover rate decreased from 9.4% to 7.3% in 2014.

Woodside continues to increase our graduate intake year on year to match our forecast demands for professional staff. Our 2015 program will see 103 graduates (including 12 international graduates) join the company, which is approximately 45% higher than the 2014 intake. We continue to invest heavily in graduate development to ensure that they experience a world-class program.

This year, we have dedicated internal and external resources to enhance our graduate development program. New systems and processes for ensuring competency progression will focus on both technical and leadership skills so our graduates reach professional independence in an industry-leading timeframe.

Productivity progress

As part of our productivity program we aim to improve organisational efficiency by 10 to 20% by end 2016. This will be achieved through managing our resources more efficiently and working smarter. At the end of 2014, we are on track to deliver against the target. We achieved a 8% reduction in positions and are confident of continued progress in 2015.

Leadership, climate and culture

The focus of our organisational transformation is to become a values-led, high performing culture. Our leaders are setting the standards for how we work together to achieve our corporate goals. The newly-implemented Leadership and Management Development framework supports this by:

- clarifying what we expect from leaders;
- introducing new assessment tools; and
- expanding our suite of leadership development offerings.

Several leadership forums throughout 2014 have allowed leaders to reflect on what we have achieved, to motivate continued leadership action and reinforce our direction.

We will measure our progress in 2015 through a company-wide employee engagement survey. Leadership succession health will continue to be assessed annually through our capability and talent management review process.

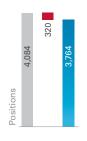
Learning and development

Woodside is committed to developing our people so we can meet our leadership and technical talent requirements from within. We have focused effort on training our current leaders by implementing a leader-led development program, a dedicated program to ensure that managers identify and develop their people as future leaders.

Our 2014 investment in learning and development was A\$16.4 million.

The Woodside Production Training Academy provides core skills development for trainees, apprentices and operators. After successfully completing their programs, 85% of trainees and apprentices converted to Woodside employment.

2014 resourcing levels



In 2014, we achieved a 8% reduction in positions.



Number of training participants



Woodside increased its graduate intake this year. Indigenous pathway participant numbers decreased, with the majority transitioning to Woodside employment.

Diversity and equal opportunities

Woodside has an ongoing commitment to developing an inclusive workplace culture that promotes diversity and equal opportunities.

Education remains a focus, and our development curriculum was supplemented in 2014 by a new diversity program. Our new "Diversity Awareness for Leaders" program teaches how to minimise and manage unconscious bias in decision-making and managing people.

Indigenous participation

Woodside's Reconciliation Action Plan (RAP) outlines our commitment to increasing the participation and development of Indigenous employees. Our three-year Indigenous Employment Strategy supports this commitment.

In order to provide a pipeline of future Indigenous talent, Woodside hosted 12 Indigenous work experience students and awarded 15 scholarships, five new cadetships, and three graduate places to university students. Woodside had 44 Indigenous trainees and apprentices participating in programs in 2014. We are pleased that of the 44 participants, 13 successfully transitioned to Woodside employment in 2014, and 21 will continue on the programs in 2015.

As at the end of 2014, Woodside employed 99 Indigenous people, which equates to 2.6% of Woodside's Australian-based workforce. This is a decrease from 101 people in 2013. This decrease was due in part to the change in the profile of Browserelated activities. Women comprise 38% of our Indigenous workforce. Turnover of Woodside's Indigenous employees is 14%.

We promoted cultural awareness training to the whole organisation in 2014, with 241 employees attending. Cultural awareness training is embedded into the company's induction program, ensuring that employees are trained early in their Woodside career.

Gender diversity

In 2014, we continued to deliver against the three-year Gender Diversity Strategy.

Women represent 39% of our 2015 technical intake (recruited in 2014), up 3% on 2014 and above our target of 35%. Overall, women make up 43% of the 2015 graduate intake, compared with our target of 50%.

Women held 12.4% of middle and senior management roles in 2014, unchanged on the previous year. Woodside continues to drive activity to increase the progression of women into middle and senior management roles. The Woodside Board has approved a target of achieving 30% female representation on the Board by 2016.

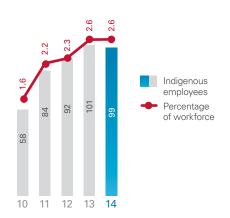
The annual remuneration review demonstrated effective pay parity for men and women performing similar roles, with all employees, regardless of employment type, having access to the same financial and non-financial benefits.

Woodside sponsors university scholarships for talented women and supports industry bodies to advocate for and raise the profile of women in the resources sector.

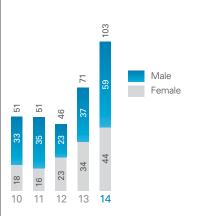
Women comprise 27.5% of our workforce, an increase on 2013.

Our updated three-year Gender Diversity Strategy will start in 2015 with an increased focus on the development of mid-career professional women to ensure that we maximise our leadership pipeline for the future. Woodside recognises that increases in female representation will be gradual as the recruitment of experienced hires decreases and we focus on increasing entry-level graduate opportunities year on year. Our measurable objectives and targets have been reset in acknowledgement of this.

Indigenous employment outcomes



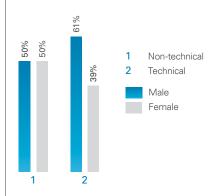
Graduate recruitment numbers¹



1. Offers and acceptances.

Woodside has increased its graduate intake, with a focus on sustaining a diverse workforce. We recruited 103 graduates in 2014, up from 71 in 2013.

2014 graduate recruitment intake gender diversity outcomes



Females represented 39% of the technical and 43% of the overall 2015 graduate intake (recruited in 2014).

CASE STUDY

Building pathways



St Catherine's College cadetship and scholarship recipients.

We are committed to building stronger relationships with communities in which we operate, and providing opportunities that contribute towards a sustainable future.

Woodside launched a new Indigenous scholarship and community cadetship program in partnership with St Catherine's College. Five scholarships and eight community cadetships were awarded to Indigenous students from across Western Australia.

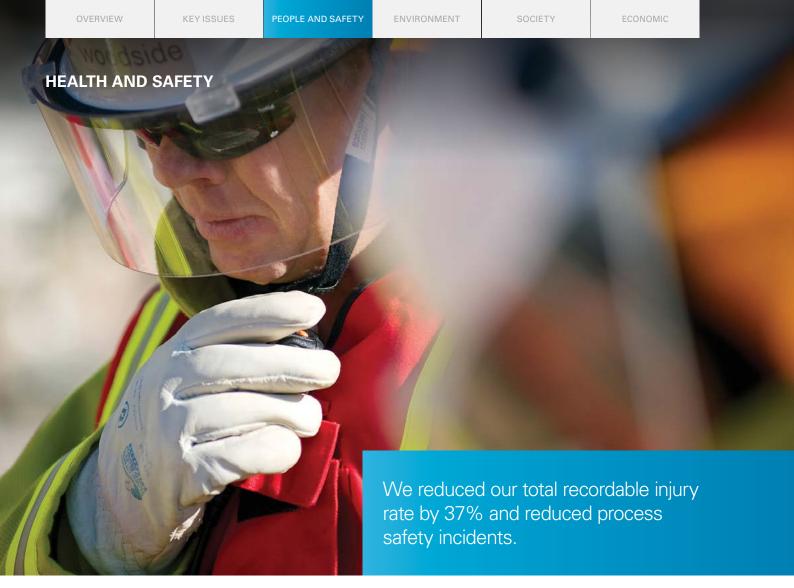
As part of our commitment to increasing Indigenous employment, we have implemented scholarships for students studying disciplines that align with Woodside's business needs. The scholarships are a path to further cadetships, graduate opportunities and employment at Woodside.

The community cadetship program supports students in disciplines that will contribute to the broader community in areas such as education, health and medicine and other disciplines which may not necessarily lead to a Woodside opportunity, but which will build capacity in the community.

St Catherine's is a university residential college that offers an Indigenous access program called Dandjoo Darbalung, which translates from the Noongar language as "mixing together."

Lynn Webber, Dandjoo Darbalung Program Coordinator, said, "I have witnessed among all 13 Woodside scholarship recipients an increase in confidence, self-esteem, commitment to their studies."

Scholarship recipient, Joe Fong, said, "I am grateful for this opportunity to receive this scholarship because it provides me with the essentials needed to succeed in my university and to supply me with the support to stay at university and complete my degree."



Our goal is to achieve global top-quartile health and safety performance in the oil and gas sector by 2017.

Our approach

Woodside continued to implement its strategic health and safety roadmap, delivering on the following focus areas:

- leadership;
- streamlining our health and safety management systems;
- embedding process safety management systems into our business;
- improving contract management processes; and
- improving employee health and wellbeing programs.

Woodside's health and safety performance is linked to remuneration through globally benchmarked process and personal safety measures.

- Process safety events reflect unplanned loss of containment from plant and equipment and the potential consequences.
- TRIR measures work-related injuries requiring more than first aid treatment.

Together, these two measures account for 25% of Woodside's corporate performance scorecard that determines employee and executive remuneration.

Our performance

Woodside health and safety performance is measured in part by total recordable cases per million hours worked. It continues to follow an overall downward trend and is below Australian industry rates. We are on track to achieve global top-quartile health and safety performance by 2017.

There were no work-related fatalities within Woodside and its contractors in 2014.

There were no Tier 1 process safety events (PSEs) and two Tier 2 events in 2014.

Our lost time injury frequency (LTIF) reduced by 49% to 0.22 per million work hours.

We improved our TRIR by 37% and reduced recordable injuries by 38% compared to 2013. While our employee TRIR remained steady, the significant improvement in personal safety performance is attributed to increased engagement with our contractors resulting in a 41% improvement in our contractor TRIR from 2013 to 2014.

In 2014, the number of reportable injuries involving either hands, backs or eyes was halved compared to 2013 despite similar exposure hours.

Health and wellbeing

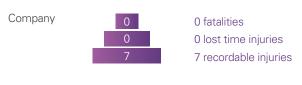
The Fit for Life health program was launched to raise awareness and provide the foundation for positive behaviour change under three themes: healthy bodies, healthy living and healthy minds. *Refer to case study on* 25.

In addition, support services available through Woodside's Employee Assistance Program were promoted in line with this program.

A new holistic approach to staff returning to work from injury or illness now allows a more personalised appraisal, with greater understanding of the work environment and matching of capability to the job requirements.

In 2015, we will look at lifestyle coaching to better build additional functionality and connectivity through the health portal, as well as activity-based engagement programs. This will continue the journey to educate, enable and empower our staff and contractors.

Fatalities Lost time injuries





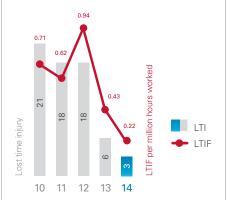
Tier 2 process safety events

Personal safety pyramid



In 2012, Woodside commenced classifying process safety events in accordance with American Petroleum Institute Recommended Practice 754, to enable global benchmarking.

Lost time injury and lost time injury frequency



Total recordable injury rate



Woodside has benchmarked its TRIR against global top-quartile performance of the IOGP.

Contractor engagement

Woodside continues to engage with our Australian and international contractors through our membership in health and safety forums run by industry groups including the Australian Institute for Management and the Australian Petroleum Production and Exploration Association. This builds our relationships and improves contractor understanding and alignment with our health and safety expectations.

The 41% reduction in contractor TRIR in 2014 is attributed to increased contractor engagement in our Operations and Projects divisions. In particular, the Karratha Gas Plant undertook significant turnaround maintenance and plant life extension work scopes while realising a 70% improvement in contractor TRIR compared with 2013. This result was achieved through early engagement and alignment with contractors, rigorous hazard identification and assessment during the planning phase, and quality supervisory effort in the field during execution.

Our internal contracting processes were revised during 2014 as part of streamlining the Woodside Management System (WMS) to better communicate, monitor and report our performance expectations with our contractors.

This year we have reported contractor health and safety data. Go to $\boxed{48}$.

Process safety

Process safety involves engineering and management practices that focus on the prevention of high consequence, low frequency events

Woodside's process safety framework is integral to the WMS, defining policies, standards and procedures. It provides a common understanding of expectations and requirements for all levels of the organisation.

Several key activities in 2014 to further embed process safety in our business activities included:

- benchmarking the framework against an industry recognised best practice to identify improvement opportunities;
- launching a new performance excellence initiative to improve the delivery of process safety management requirements;
- further integrating and embedding process safety requirements within other performance and production excellence initiatives; and
- expanding key performance indicators to provide a stronger focus on the integrity of our technical barriers.

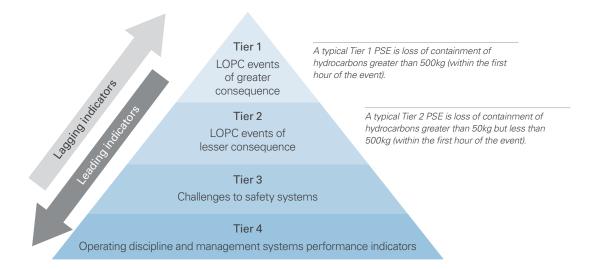
Human factors

Human factors is about designing jobs, equipment and systems that take into account the capabilities and capacity of people, in order to optimise human performance. Its application can improve safety, prevent process safety events and reduce operational events. This is a scientific discipline and has to be explicitly managed.

Our approach is maturing as we increase our capability in this discipline and embed key principles into the company's processes and procedures.

- We developed a toolkit for proactively managing human performance on critical tasks and trialled this on several activities. The results are being reviewed.
- We reviewed our approach to understanding human factors in our investigations and trained more staff on the analysis tools.
- Human factors input contributed to the assessment of organisational change in the relocation of employees from onsite at Pluto Gas Plant to the Perth Support Centre.
- A revised Human Factors Engineering Standard has been applied to support specific projects including the Browse FLNG Development.

Definitions for process safety events (taken from American Petroleum Institute Recommended Practice Reporting Framework)



CASE STUDY

Stand Together for Safety



Woodside held the 2014 Stand Together for Safety campaign through a week of activities around the theme 'When it comes to safety, we're all connected – we all have a part to play in keeping each other safe.'

A key activity was the launch of the refreshed 'Our Safety Culture' framework that incorporates additional practical ways to embed it through our business. The framework describes the way we collectively think and behave in relation to health and safety. The framework has been part of how we work since 2006.

Teams at our Karratha facilities took a novel approach by raising awareness of process safety using a series of mock court hearings, facilitated by a barrister in a courtroom to demonstrate the potential legal consequences of not looking out for each other at work.







CASE STUDY

Fit for Life program

Woodside values the health of its staff and contractors and actively supports them to achieve and maintain a high quality of life and, by doing this, sustains the productivity of our business. The launch of the Fit for Life health program helps us deliver this support through:

- themes of healthy bodies, healthy living and healthy minds;
- a series of monthly health seminars presented by health experts on a range of topics including diabetes, heart health, managing stress and back care; seminars are available online for staff to view and share with colleagues and others;
- an online health portal, which provides access to confidential health assessment tools and health information; and
- a series of health-related training courses, which provide participants with guided reflection and practical tools to improve personal wellbeing and resilience.



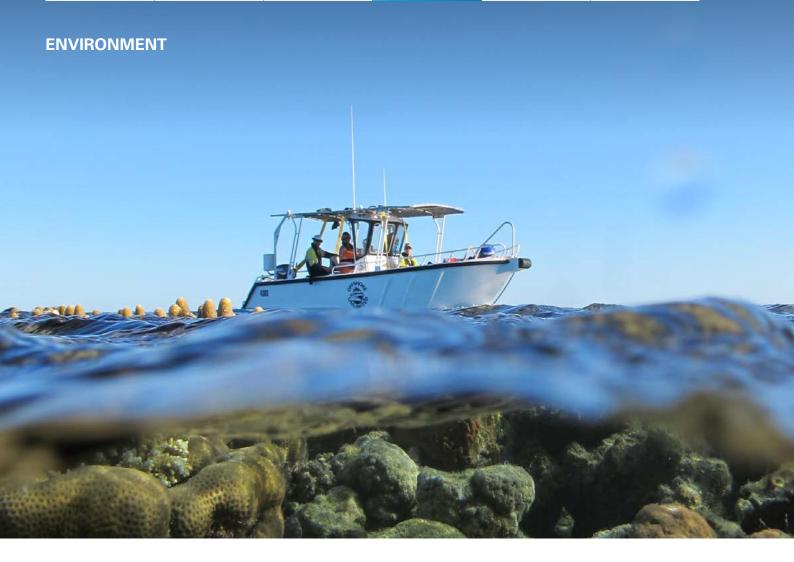
ENVIRONMENT



ENVIRONMENT TARGETS

Woodside's future success depends on our continued capacity to demonstrate strong environmental performance.

Key 2014 targets	How we performed		Key 2015 targets
Implement the revised environment strategy.	Environment strategy implemented.	•	Review Woodside environment standards against good industry practice and top-quartile performance of our oil and gas peers.
Maintain a low level of environmental incidents – three or fewer reportable environmental incidents to regulators.	Four environmental incidents reported to regulators.	•	Maintain a low level of environmental incidents – three or fewer reportable environmental incidents to regulators.
Flaring intensity target less than 13.1 tonne/kiltonne (t/kt).	Flaring intensity of 10 t/kt.	•	Flaring intensity target less than 11 t/kt.
Achieved Underway Not achiev	ed		



Our strong capability in environmental studies enables the acquisition of robust scientific data critical to inform our impact assessment and decision making.

Our approach

Woodside's approach to environmental management is outlined in our health, safety and environment policy and the mandatory environmental operating standards that apply to all facilities and operations. During 2014, we continued to streamline our environmental management system. We also continued to increase visible leadership and presence to improve the environmental management culture at our facilities.

We manage environment risk and make decisions based on robust science delivered through our strategic partnerships (refer to case study on [31]). We are working to instil a common language and understanding amongst our stakeholders as to our approach in managing the environmental aspects of our operations.

We aim to deliver outstanding environmental performance to support our Australian and international activities. During 2014, environment support was provided for our activities in Africa, Canada, Ireland, Myanmar and New Zealand.

Our performance

We measure our environmental performance against the number of environmental incidents, flaring intensity (as a measure of greenhouse gas emissions) and energy consumption.

We also routinely monitor and report against other environmental performance metrics which are presented in the environment data tables on 49.

Environmental incidents

In 2014, we reported four incidents to State and Commonwealth regulators as part of our licence conditions.

Two incidents occurred on the Northern Endeavour Floating Production Storage and Offloading facility:

- a 4.4 bbl diesel fuel spill into the ocean from a supply line leak; and
- process cooling water discharged to ocean became contaminated with light condensate oil from a pinhole leak in a heat exchanger.

There were two flaring events that resulted in dark smoke emissions following equipment trips and restarts at the Karratha and Pluto gas plants.

Woodside did not receive any environmental fines or penalties in 2014.

Greenhouse gas emissions

Greenhouse gas emissions originate from three main sources at Woodside's facilities: fuel gas combustion to power our facilities, venting reservoir CO₂ and flaring for safe operations.

Total greenhouse gas emissions during the year from all sources was 10.0 million tonnes of $\rm CO_2$ equivalent ($\rm CO_2$ e), a 1% increase from 2013.

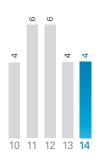
The annual flaring intensity was ten tonnes of flared gas per kilotonne of product (t/kt), which is 24% better than our 2014 target of 13.1 t/kt.

The increase in greenhouse gas emissions is a result of increased hydrocarbon production. The reduction in flaring is the result of enhanced reliability in plant operations and continuous improvement in plant start-up procedures and maintenance.

Energy use

In 2014, there was a 7% reduction in energy consumption intensity.

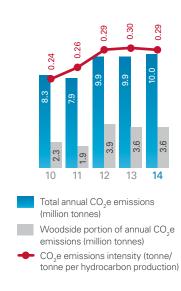
Environmental incidents



Environmental incidents

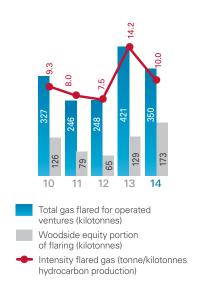
Four environmental incidents were reported to regulators in 2014.

Greenhouse gas emissions and intensity



The slight increase in greenhouse gas emissions in 2014 is a result of increased hydrocarbon production.

Flared gas and intensity¹



1. Excludes commissioning.

The intensity of flared gas in 2014 showed a decline from the peak in 2013 due to improving plant performance.

CLIMATE CHANGE

Woodside is Australia's largest exporter of natural gas. Natural gas has a key role in transitioning the world to a low emissions economy, as it has the potential to displace higher emitting fossil fuels.

Climate change legislation and policy

Following the repeal of the *Clean Energy Act 2011* (Cth) in July 2014, Woodside is no longer incurring carbon liability associated with its activities. Woodside met all of its obligations for the 2014 financial year, including paying its final carbon liability of approximately A\$32.6 million (Woodside share).

The Australian Government's Emissions Reduction Fund, the centrepiece of the Government's climate action policy, passed into legislation in November 2014. Woodside supports an effective greenhouse gas regulatory regime that can achieve Australia's international climate change commitments.

Greenhouse gas emissions

Woodside's greenhouse gas emissions are predominantly associated with power generation, venting of reservoir CO_2 and flaring. During 2014, we continued to focus on improving operational reliability, reducing flaring and improving energy efficiency; however, our greenhouse gas emissions were higher than in 2013, as a result of higher hydrocarbon production. We will continue to focus on improving operational reliability, reducing flaring and improving energy efficiency to reduce greenhouse gas emissions.

OIL SPILL PREPAREDNESS

During 2014, we continued to enhance and build our capabilities to respond to a low likelihood event of a major oil spill through comprehensive contingency plans, mutual aid agreements, and additional contracts with spill response services. These include an improved capacity to:

- reduce spill duration through well intervention;
- reduce risk of oil spills contacting shorelines and other sensitive areas;
- manage and support a scalable workforce to support recovery and clean-up; and
- manage oiled waste generated during recovery and clean-up.

Woodside is a member of both the Australian Marine Oil Spill Centre and Oil Spill Response Limited, which enables us to scale up our response to a significant spill event.

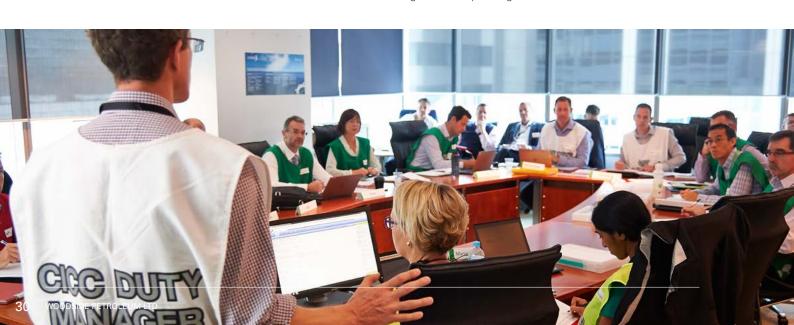
We have leadership roles with industry groups to support improved preparedness, such as the Exmouth Strategic Operator Forum (BHP Billiton, Apache and Woodside), the North West Shelf Operators Forum and the Australian Petroleum Production and Exploration Association Oil Spill Response Forum.

Woodside has continued to develop operational and scientific monitoring capability to support post-spill impact assessment. To support impact assessment, Woodside has collaborated with the Australian Institute of Marine Science to collect environmental baseline data offshore Western Australia at Rowley Shoals, Rankin Bank, Glomar Shoals, Ningaloo Reef and Shark Bay to better understand these regions.

Response exercise

Woodside ran a major oil spill response exercise in 2014 to assess our response to a significant loss of well containment off Western Australia's North West Cape.

The exercise confirmed an improvement in our capability including significant advances in the development and use of incident action plans; coordination of operational support using facility First Strike Plans; the transfer of incident control from the site to the Corporate Incident Coordination Centre; and the effectiveness of Woodside's Crisis Management Team (CMT). Opportunities for improvement included providing specialist information to the CMT and undertaking strategic consequence management and planning.



BIODIVERSITY AND ECOSYSTEMS

Wherever we operate, we bring our science-based approach to managing potential impacts on the environment.

Understanding the biodiversity and ecosystems of the environments in which we operate or seek to operate, is an important aspect of environmental management, especially as we expand and grow into new regions.

Our approach to environmental management is a key component of opening new international opportunities, based on:

- sound science;
- strong partnerships with local researchers;
- transparency of our environmental knowledge; and
- robust environmental risk management.

Our approach has been recognised through the conferring of awards, and our funded research has appeared in more than 50 international peer-reviewed publications in the last decade.

Invasive marine species

Woodside's risk-based approach to the management of marine biofouling (marine pests) on our contracted vessels and rigs was recognised in 2014 after being awarded the inaugural Western Australia Department of Fisheries Excellence in Marine Biosecurity Award. The award recognises our leadership, innovation and commitment to excellence in marine biosecurity and positions Woodside as an industry leader in the risk-based management of biofouling.

CASE STUDY

Sound approach to Ireland entry



The Irish Marine Institute research vessel 'Celtic Explorer' was used to deploy and recover noise loggers.

As part of our new exploration program in waters 150 km off Ireland's west coast, Woodside and our Irish Joint Venture participants have partnered with the Irish Marine Institute and Australia's Curtin University's Centre for Marine Science and Technology to deploy six noise loggers between May and September, as part of a research project to record ocean noises and to identify cetacean (whale) species, distribution and seasonality.

The results will provide a better understanding of cetacean distribution in the offshore waters of Ireland. This is of significant interest to both the Irish Government and non-government environmental organisations. Building an environmental knowledge base for the offshore waters of Ireland will help us to better prepare for and manage our exploration activities.

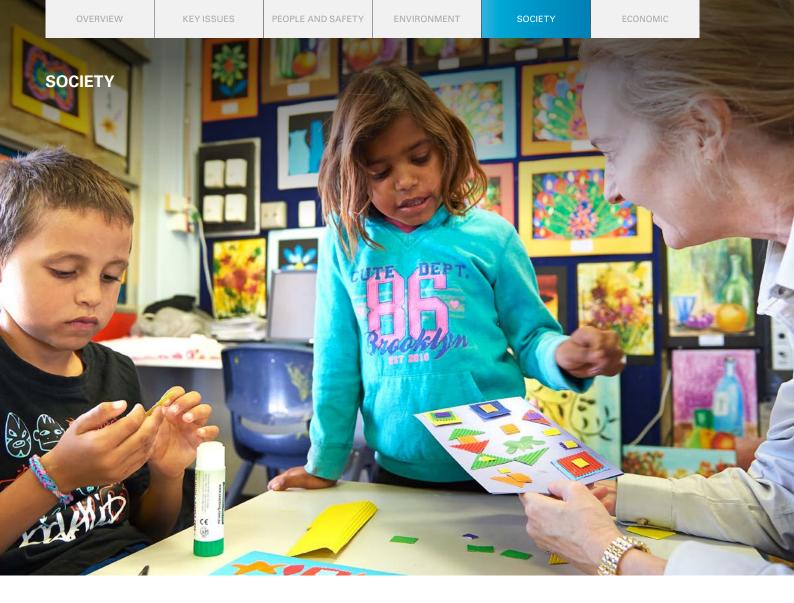
SOCIETY



SOCIETY TARGETS

Woodside is focused on creating value by developing and maintaining relationships that support positive outcomes for all stakeholders.

Key 2014 targets	How we performed		Key 2015 targets
Establish Woodside Development Fund with agreed goals and parameters, feedback mechanism and measurement of results.	Woodside Development Fund launched. Consultative co-design process completed and goals and parameters agreed. National initiative "Opportunity Child" convened. Programs funded to the value of more than A\$1.7 million.	•	Programs funded by Woodside deliver agreed outcomes.
	Two City of Karratha Community Liaison Group (CLG) meetings.		
	Three Exmouth CLG meetings.		
Community discussion and collaboration initiatives are evident in areas where we operate.	Four community update meetings held with relevant Aboriginal corporations in the Pilbara.	•	Implement community grievance mechanism procedure and report on content.
	Karratha CLG and other key stakeholders participated in the annual review of Woodside's social and community expenditure.		
Social investment of 0.45% of three-year average profit-before-tax (PBT) 2012–2014. Target of 0.5% of three-year average PBT by 2015.	Social investment of 0.45% of three- year average PBT exceeded. Actual contribution was 0.7% of three-year average PBT.	•	Develop sustainable social investment strategy for implementation post 2015.
Implement Community Relations (CR) Framework which outlines requirements for improved stakeholder engagement and impact management.	The CR Framework, the CR Charter and three practice guides in stakeholder engagement, social impact management and social contribution were developed and implemented. New standards utilised across the business to support an elevated level of practice in CR.	•	25 employees to attend expert stakeholder engagement training.
100% increase in Woodside's reconciliation interest group (RIG) membership on 2010 membership and evidence of active participation by 2015.	Woodside RIG membership increased from 152 in 2010 to 192 at the end of 2014, representing a 26% increase.		Increase RIG membership levels by 112 new members (74%) from the 2010 membership base.
Progress towards reconciliation action plan target of the placement of ten employees on the Jawun Program by 2015.	Ten employees have participated in the Jawun Program since 2010.	•	
Achieved Underway Not achieve	ed		



Our social licence to operate relies on engaging effectively with communities and key stakeholders.

Our approach

Woodside is guided by our Sustainable Communities and Indigenous Communities policies to support the economic and social development of local communities and maintain long-term relationships. These policies were updated in 2014 to better reflect Woodside's Compass values and Reconciliation Action Plan (RAP) principles. They reflect our growing international portfolio and apply in any country in which we are present.

1 Copies of our policies are on our website.

In 2014, a Community Relations framework was implemented to enable a shared understanding of the purpose, value and management approach to community relations practice across the business. It outlines how we aim to improve stakeholder engagement, social impact management and social contribution.

Social impacts are identified and managed through project development and planning phases with a focus on stakeholder engagement to ensure community issues and potential impacts are identified early.

Our performance

We understand each community is unique and we have local representation and processes in place to ensure we understand and respond to local community issues, aspirations and expectations.

We engage with key stakeholders in our host communities through a number of mechanisms such as the CLGs in Karratha and Exmouth. In 2014, we began the development of a community grievance mechanism to report, review and remedy any community grievances associated with Woodside's activities. This will provide a way for affected individuals or communities to raise questions or concerns with us and have them addressed promptly and consistently. There were no significant disputes with local communities or Indigenous people where we are active.

The Browse Joint Venture is preparing a social impact assessment (SIA) for the proposed Browse FLNG Development. The SIA will identify ways to manage social impacts and maximise opportunities associated with the Development, including local content, employment and training.

In addition to our activities and operations in Western Australia we are increasing our global presence with new ventures in Africa, Canada, Ireland, Myanmar and New Zealand.

Internationally, we are progressing a combined approach to environmental and social impact assessments to support early activities such as exploration seismic and drilling.

For new opportunities, such as the Grassy Point LNG development in Canada and exploration in New Zealand and Myanmar, multiple consultation activities will occur at all stages of the environmental and social impact assessment process.

Managing human rights

Our Compass values, the Code and policies reflect and support this commitment. We comply with Australian legislation enacted to uphold human rights treaties and declarations, such as the Universal Declaration of Human Rights.

Woodside is not aware of any incidents of human rights violations with respect to people, communities, contractors or suppliers under our supervision in 2014.

As our international portfolio grows we recognise and respect the basic human rights of all people, and we seek to ensure we are not complicit in human rights abuses by others. Woodside conducted a human rights assessment to support our activities in Myanmar.



SOCIAL CONTRIBUTION

Woodside supports programs that contribute to the health and well being of our host communities. We have an integrated approach to create long-term capacity and capability development to ensure communities benefit from Woodside's presence.

Our voluntary social contribution is directly linked to our profitability, with a target of 0.5% profit before tax. Our approach is flexible and responds to business and community needs, providing funding and in-kind support for Woodside's activities.

Our voluntary social contribution is comprised of three funding types:

- Philanthropy: community grants (donations), workplace giving and corporate volunteering.
- Partnerships: strategically aligned sponsorships (community investments or commercial initiatives) with individual not-forprofit community-based organisations.
- Collaboration: strategic alliance between not-for-profits, community and government organisations focused on achieving an agreed social outcome. The Woodside Development Fund is our collaborative approach to supporting early childhood development.

Refer to the Woodside Development Fund Case Study on 37.

We have investment priority areas which can be applied globally. They have been selected to align with stakeholder interests across the broad geographical spread of our business activities:

- education and early childhood development within host communities;
- cultural values and community identity of host communities;
- environmental initiatives, in particular marine and coastal programs.

We encourage our employees to participate and support local community programs through volunteering and workplace giving. For more information about our social contribution activities, please visit:

canvas.woodside.com.au

During 2014 our:

- direct social contribution* was A\$22.6 million. This includes A\$10 million donation to the ANZAC Centenary Public Fund. We recognise the significance of World War 1 and the engagement of Australian forces overseas, particularly at Gallipoli, is closely linked to Australia's modern cultural identity;
- employees contributed 6,300 volunteering hours, valued at A\$1.1 million; and
- social contribution equated to 0.7% of a three-year averaged profit before tax (2012 to 2014).

The North West Shelf Project and Pluto LNG have contributed A\$16 million towards the Karratha Infrastructure Strategy to develop community facilities in collaboration with local, state and federal governments and community and non-government organisations.

For more information on mandatory social contributions, refer to Indigenous Engagement on 38 and our heritage and other land use agreements. These include the National Heritage Values of the Dampier Archipelago through its A\$34 million Conservation Agreement over ten years.

Social contribution by region 2014

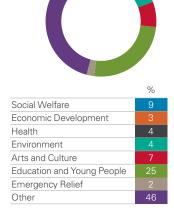


	%
International	1
National and other Australian States	52
WA (other)	42
Pilbara	3
Kimberley	1
Exmouth	1

The majority of our social investment spend is in Western Australia.

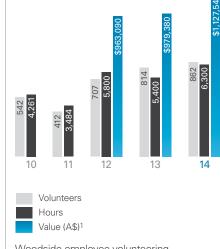
Graph includes one-off A\$10 million donation to ANZAC Centenary Fund.

Social contribution by category 2014



Our social investment for 2014 focused on education and young people.

Volunteering by category 2014



Woodside employee volunteering contribution continued to increase with 6,300 volunteering hours in 2014.

1. Consistent methodology applied to 2012-2014 data only.

^{*} Includes cash value, in-kind and voluntary hours (Woodside share).

CASE STUDY

Woodside Development Fund



Woodside's Chief Executive Officer Peter Coleman with Dr Stuart Shanker, a research professor of philosophy and psychology at York University in Toronto, and Western Australia Council of Social Service Chief Executive Officer Irina Cattalini at the launch of the Woodside Development Fund.

The Woodside Development Fund is a collaborative and long-term approach to corporate social contribution. Over the next ten years we will contribute A\$20 million to early childhood development.

Since announcing the Fund in February 2014, Woodside and the University of Western Australia's Centre for Social Impact undertook a co-design process with government, community and academic organisations, engaging more than 100 individual expert stakeholders.

The result of this consultation will focus on reducing developmental vulnerability of children in communities of interest by 2025.

Woodside recognises the work already being achieved in early childhood development and to maximise the Fund's impact will complement this by supporting collaboration rather than funding additional programs or services.

The Fund will focus on:

- building capabilities within the early years sector for organisations to better collaborate and measure their impact;
- supporting place-based collaborations to make community-wide change; and
- building dialogue at both state and national levels to support sustainable change.

The Fund aims to increase impact by leveraging additional funding and in-kind resources from other sources. Examples of our investment include:

- co-convening Opportunity Child with the ten20 Foundation, which has committed A\$10 million to reducing childhood vulnerability in 20 Australian communities;
- collaborating with the Western Australian Government on early childhood development in Cockburn and Kwinana in association with the Western Australian Council for Social Services;
- supporting an early childhood project in conjunction with Save the Children to implement family and child learning programs with various communities on the Dampier Peninsula in the Kimberley; and
- providing funding for a collaboration led by Ngala which will see capability and capacity building in all the Western Australian Child and Parent Centres.

OVERVIEW KEY ISSUES PEOPLE AND SAFETY ENVIRONMENT SOCIETY ECONOMIC

INDIGENOUS ENGAGEMENT

In Australia, we maintain relationships with Aboriginal communities in the Pilbara, Kimberley and South West regions.

Our relationships with Aboriginal people in these regions of Western Australia are framed by our 2011–2015 RAP. It includes 40 broad commitments with 82 measureable goals. The plan sets objectives for:

- economic outcomes through increased employment and contracting;
- social outcomes through improved education; and
- cultural activities such as teaching young people traditional languages and how to stay safe and care for land, sea and country.

RAP highlights in 2014 included the launch of new programs and collaborations including the Woodside Tertiary Scholarship and Community Cadetship Scholarship scheme and a development program with the Edge of Nowhere (EON) Foundation and the West Kimberley Regional Prison. We continued to exceed our overall RAP target of 50 contracts with Indigenous businesses, holding 135 contracts in 2014.

find our RAP at woodside.com.au

An initiative of the company's first RAP, Woodside launched the RIG during Reconciliation Week 2010. The RIG was created in response to staff requests for informal and interactive opportunities to increase their knowledge and experience of Aboriginal Australia. Members are invited to attend specially-organised and community events, volunteer in the community, engage with Woodside's RAP and access educational resources.

Significant effort will be required in 2015 to reach the RAP target of 304 members for the RIG. Woodside will implement a specific communications plan and invest in a varied program of events and opportunities to achieve this.

In addition to our RAP commitments, we have a Conservation Agreement with the Australian Government for the recognition, protection and conservation of the National Heritage Values of the Dampier Archipelago.

In 2014, Pluto LNG and its Joint Venture participants funded the following activities under the Agreement:

- the Murujuga Ranger Program employs up to 16 rangers to care for and co-manage the Murujuga National Park within the Burrup Peninsula;
- Weerianna Street Media is a digital technology project which protects Burrup rock art, shares community stories, history and cultural knowledge, improves awareness of Aboriginal traditions and custodial ownership. It won the Professor David Dolan 2014 Western Australian State Heritage Award; and
- Big hART's Yijala Yala project uses arts, music and performance as a way to promote and articulate the national heritage values of the Burrup Peninsula. It has produced Hipbone Sticking Out, a Roebourne-based theatrical production featuring community members of all ages.

Internationally, we initiated early engagements with First Nations groups in Canada and Maori in New Zealand to support proposals in north-west British Columbia, the Taranaki and Great Southern Basins.

Key issues raised included the distribution of benefits, marine and land environmental and cultural heritage impacts, contracting and employment opportunities and formal mechanisms for ongoing engagement.



CASE STUDY

Hearsons Cove remediation



Senior Aboriginal Law holders working towards Hearsons Cove Compound remediation.

Prior to construction of the Karratha Gas Plant in 1981, approximately 1,700 boulders with engraved Aboriginal rock art were recovered and placed in a nearby fenced holding yard, known as the Hearsons Cove Compound (the Compound). Over time, the level of discomfort and anxiety about the Compound within the Aboriginal community increased.

In 2010, Woodside, the Department of Aboriginal Affairs and Senior Aboriginal Law holders worked together to identify and agree a permanent solution for the Compound, including the return of rock art to country and rehabilitation of the site. A 2012 report by Senior Aboriginal Law holders and Woodside's consulting archaeologists recommended how the site could be rehabilitated. These recommendations included:

- Senior Aboriginal Law holders should continue to provide directions for all remediation works;
- the fence should be removed;
- best efforts should be made to remove painted numbers from the boulders;
- approximately 454 boulders should be relocated to an appropriate location; and
- restricted boulders should be located in a separate location.

In June 2014, the first boulder was relocated, supervised by the Senior Aboriginal Law holders and consulting archaeologists. Cooperation between all participants saw the 454 boulder target reached early in the projected timeline and a decision was made to continue the relocations of the remaining boulders.

At the completion of the relocation phase, all engraved boulders which could be relocated had been returned to country in a culturally appropriate manner. Fences had been taken down, painted numbers successfully removed and the disturbed areas within the site, including access tracks, had been successfully rehabilitated.

The Senior Aboriginal Law holders have provided confirmation that they are satisfied with the remediation work and that no further work is required to the area.

ECONOMIC



ECONOMIC TARGETS

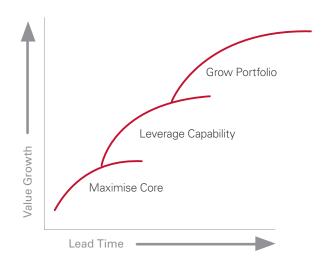
Woodside delivers lasting economic benefits for our partners, for our shareholders and for the community.

Key 2014 targets	How we performed		Key 2015 targets
			Achieve top-quartile total shareholder returns relative to our oil and gas peer group.
Meet 2014 production target guidance of between 86–93 MMboe.	Achieved record production of 95.1 MMboe, up 9.3% on 2013.	•	Meet 2015 production guidance of 84–91 MMboe.
Maintain product quality.	Achieved 100% of products within specification.	•	
			Replace production through additional reserves.
A stretch Reconciliation Action Plan (RAP) target of 100 cumulative Indigenous contracts (doubling our commitment of 50 contracts between 2011 and 2015).	Exceeded target, delivering 135 contracts.	•	Meet stretch RAP target of 150 cumulative Indigenous contracts between 2011 and 2015.
Provide ten Indigenous Enterprises with support through the Enterprise Capacity Building (ECB) program.	Met target of ten Indigenous Enterprises support through the ECB program in 2014.	•	
Achieved Underway Not achieve	ed		



Long-term partnerships are critical to our business and we recognise that we must deliver sustainable economic value to the communities in which we operate.

Strategic direction



Our approach

Woodside discovers, develops and produces oil and gas resources which are sold primarily into the growing Asian region.

Our vision is to become a global leader in upstream oil and gas. Our strategy to achieve this is to:

- maximise core business;
- leverage our capabilities; and
- grow our portfolio.

The strategy recognises that the global exploration and production industry is highly competitive and that relationships and capabilities are necessary to create lasting value. Woodside's financial sustainability depends on the economic discovery, development and production of hydrocarbon resources and the sustainability of the markets we serve.



Read more on our comprehensive market outlook in Woodside's 2014 Annual Report 16

Economic contribution

Economic value created through operating activities is distributed to suppliers, employees, providers of debt and equity capital, governments and communities.

Data is provided on 46.

Our performance

Maximising our core

In 2014, Woodside produced 95.1 MMboe, generating US\$7,435 million operating revenue and US\$4,168 million in free cash flow. Woodside's production is sourced from two worldclass LNG plants, the North West Shelf Project and Pluto LNG, and four floating production storage and offtake vessels.

Woodside is in a strong financial position and the Board expects to maintain the current 80% dividend payout ratio for the foreseeable future, subject to the demands of significant new capital investments or further material changes in the business environment. Woodside's credit ratings have been affirmed by Standard & Poor's (BBB+) and Moody's (Baa1) following the announcement of our transaction to acquire Apache's interests in key assets, and the recent decline in oil prices.

We will continue to create substantial near-term value by maximising operational effectiveness. We intend to extend the producing life of our existing assets by developing our own resources, and processing nearby resources of others, for example, third party gas through the NWS.

Leveraging our capabilities

Woodside has a proven track record in the design, construction and operation of world-class LNG plants; the design, construction and operation of a fleet of floating oil production, storage and offtake vessels; acquisition and processing of seismic data; and deep water drilling.

Our main area of operations is currently Australia, a politically stable, transparent and advanced market-based economy. This enables Woodside to meet demanding customer expectations for long-term reliable, secure supplies of energy.

Conventional LNG developments have faced rising costs, both domestically and internationally, requiring new, lower-cost solutions to commercialise discovered gas resources. Woodside is exploring a range of innovative LNG development concepts to address this challenge.

Reserves

Woodside has a healthy portfolio of discovered oil and gas resources. Opportunities exist to use new technologies to access increased reserves.



Read more on reserves in Woodside's 2014 Annual Report 34 to 36.



Technology

The Browse Joint Venture has adopted Shell's floating LNG (FLNG) technology as the selected concept to enable earliest development of this world-class resource. Other LNG technologies being considered for future developments include next generation highly modularised, system-based designs and floating or grounded near-shore LNG concepts. Lean construction techniques are being examined to further reduce the unit cost of new developments.

Woodside has a portfolio of remote and deep water resources. New technologies can improve access to these resources by overcoming both technical and cost challenges. Woodside is progressing a program of qualifying and configuring new subsea and floating technologies into development schemes to support these opportunities. The program is focused around subsea

processing, long distance power, advanced flow assurance techniques, low cost drilling, next generation floating production facilities and other technology to extend tieback distances and producing water depths.

Woodside is at the forefront of subsurface technologies to improve exploration and appraisal success and reduce cycle time. Woodside was the first exploration and production company in Australia to apply 4D and multi-azimuth seismic techniques.

Woodside is leveraging its history of operating oil and gas facilities by using artificial intelligence and advanced data analytics tools to seek step change improvements in asset operations and maintenance. This will provide greater insight into how the plants are operating, and allow better planning and forecasting of future performance.

Growing our portfolio

In 2014, our exploration expenditure spend was US\$410 million. Exploration expenditure in 2015 will comprise approximately one half to drilling, one quarter to seismic and lease acquisition costs and one quarter to general permit activity. In 2014, we acquired additional exploration acreage in Cameroon, Canada, Gabon, Morocco and Tanzania (of which some are subject to receipt of government approvals). Woodside currently holds exploration interests in covering a gross area of 250,616 km² in 12 countries.



Read more on planned drilling and seismic activities in Woodside's 2014 Annual Report 17.

In 2015, we will continue to grow and high-grade our global exploration portfolio with an emphasis on emerging petroleum provinces, while also concentrating on aggregating positions around our existing focus areas in Australasia, the Atlantic margins and Sub-Saharan Africa.

Woodside is actively lowering the cost of supply and improving flexibility in its portfolio of LNG business. In 2014, Woodside entered into an LNG sale and purchase agreeement with Cheniere Energy, Inc. subsidiary, Corpus Christi Liquefication, LLC, for 0.85 MT of LNG for 20 years from 2019 and secured flexible purchase agreements with its customers.

In January 2014, Woodside signed a Sole Proponent Agreement (SPA) with the Government of British Columbia to access land at Grassy Point to undertake feasibility studies for a potential LNG Development. Subsequent to year end, Woodside was granted a licence from the National Energy Board to export up to 20 mtpa of natural gas from the Grassy Point site for a period up to 25 years. The licence is a key obligation under the SPA and will be effective upon endorsement by the Governor in Council.

Woodside is growing shareholder value through a disciplined approach to mergers and acquisitions. We have entered into a binding agreement¹ with Apache Corporation to acquire Apache's Australian Wheatstone LNG and Balnaves oil interests and Kitimat project interests in Canada. In 2014, Woodside elected to terminate the Memorandum of Understanding to acquire a participating interest in the Leviathan petroleum licences as we were unable to reach a commercially acceptable outcome.

Woodside continues to engage with local industry to support our ongoing operations, delivering both direct and indirect opportunities within the communities in which we operate.

^{1.} The acquisition is subject to transaction close.

OVERVIEW KEY ISSUES PEOPLE AND SAFETY ENVIRONMENT SOCIETY ECONOMIC

Local content and suppliers

Three Australian Industry Participation Plans were lodged with the Department of Industry outlining potential opportunities to use local suppliers. The Industry Capability Network of Western Australia is being used. We maintain a comprehensive understanding of local supplier capability and capacity. Contracted spend with local suppliers was 70%.

Woodside, in conjunction with our major contractors, has also continued to deliver increased levels of engagement with Aboriginal-owned and operated businesses in Australia. We have already exceeded the contracting targets set for the end of 2015 in the company's second Reconciliation Action Plan and have some long-term contracts that provide the opportunity for more sustainable business outcomes.

Ongoing corporate support and promotion of Supply Nation has seen an increased number of our major contractors complete their First Step supplier diversity training. This has assisted Woodside communicate the importance of our continued engagement with the Aboriginal business community in Australia.

Workshops detailing tendering and contracting requirements of the gas and oil sector were delivered to ten Aboriginal businesses in both Karratha and Perth. As Woodside expands internationally, our level of successful engagement in Australia will provide a strong foundation for the future.

Indigenous-owned businesses were awarded 19 contracts by Woodside, and 49 contracts by its principal contracting partners in 2014, representing a 62% increase in the number of contract awards when compared to 2013.

Access to domestic gas

Woodside meets its obligations relating to the Western Australian Government's domestic gas reservation policy, which seeks commitments for the equivalent of 15% of export gas available from offshore gas developments for domestic use.

Woodside and the NWS project participants have been the major suppliers of domestic gas to the Western Australian market since 1984, and currently supply approximately 45% of the State's requirements. This market is transitioning from the current four major suppliers (NWS, Devil Creek, Varanus Island and Macedon) to six major suppliers (NWS, Devil Creek, Varanus Island, Macedon, Gorgon and Wheatstone). Several smaller projects in the Perth Basin also produce domestic gas for supply into Western Australian volumes expected from the Chevron-operated Gorgon and Wheatstone LNG projects represent a large increase in expected domestic gas supply.

In addition, in 2014 the NWS Project participants agreed to a new domestic gas commitment with the Government of Western Australia to enable additional LNG export commitments. This will take the form of a variation to the NWS State Agreement, which is subject to ratification by State Parliament. Under the agreement, the participants will market a quantity of domestic gas equal to 15% of the energy value of the LNG.

Understand our economic impacts

Woodside commissions and participates in studies to understand the indirect economic impacts of the organisation and industry at the national, state and local level.

- In 2014, Woodside engaged consultants to assist with quantifying the socioeconomic impacts of its Western Australian operations.
- In 2014, the Reserve Bank of Australia (RBA) released a research note that found that the mining boom substantially increased Australian living standards. The RBA estimated that it had raised real per capita household disposable income by 13%, raised real wages by 6% and lowered the unemployment rate by about 1¼ percentage points.
 - nba.gov.au
- In 2013, the Parliament of Western Australia Economics and Industry Standing Committee released a report on the economic impact of floating LNG (FLNG) on Western Australia. This report details the impacts of FLNG technology.
 - narliament.wa.gov.au

Production



2014 delivered record annual production, up 9% on 2013. This was underpinned by higher reliability at Pluto LNG (Pluto) and NWS, a full year of production from the Vincent floating production storage and offloading vessel (FPSO) and reduced cyclone impact across our assets.

Reported net profit after tax



tax (US\$ million)

2014 delivered reported NPAT of US\$2,414 million, an increase of 38% compared to 2013. This was supported by higher production, higher realised prices and lower expenses, partly offset by higher depreciation and impairments.

CASE STUDY

Improving our productivity

Woodside recognised the need to focus on improving productivity to achieve global top-quartile performance.

Through a rigorous diagnostic process we identified a number of improvement opportunities and established a productivity program to address them. The program expects to deliver incremental benefits of A\$800 million by the end of 2016 from a:

- 3–5% lift in production volumes from our existing assets largely by improving the reliability of our assets through better maintenance practices.
- 10–20% reduction in external spend, by focusing on our procurement and contracting processes, improved specification of our requirements and by building more strategic relationships with our suppliers.
- 10–20% improvement in our organisational and process efficiencies. Our aim is to streamline the organisation and reduce unnecessary complexity so that our people can deliver to the best of their ability.

In 2014, we delivered in excess of US\$560 million of benefits against our 2014 target of US\$400 million. We are living our values by finding ways to work more efficiently, reduce waste and lower costs. During the year we completed numerous small improvement projects and trained over 800 people in continuous improvement.

CASE STUDY

Building a sustainable business in Myanmar

Since commencing offshore exploration activities in Myanmar in early 2013, Woodside has worked hard to build relationships with a range of local stakeholders to understand the issues affecting Myanmar at this important stage of its economic development.

Myanmar is emerging from decades of international isolation and is in the midst of a comprehensive process of political, economic and social reform. Woodside aims to make a positive and lasting contribution to the country's energy sector for the benefit of Myanmar's people.

Cognisant of the particular challenges involved in Myanmar's reform process, Woodside has engaged a specialist consultancy to undertake a human rights assessment to help identify, manage and monitor potential human rights risks and impacts which may relate to our oil and gas exploration activities.

Woodside opened an office in Yangon in early 2014, enabling the company to deepen government and community relationships, monitor and support compliance with all Myanmar and international regulations and identify social investment opportunities.

The first social investment in Myanmar has been through the Woodside-Myanmar Postgraduate Scholarship at the University of Western Australia, enabling a Myanmar national to complete a Masters degree in public health.

Underpinning all of Woodside's activities in Myanmar is a strong commitment to environmental and social performance. We acknowledge Myanmar's maturing environmental regulations and requirements for environmental and social impacts to be conducted before exploration activity. Woodside staff shared their knowledge and experience in environmental impact management with a group of government officials during 2014.



Daniel Clery (left), Myanmar Country Manager, in Yangon.

As a member of the Extractive Industries Transparency Initiative (EITI), Woodside welcomes the Myanmar Government's progress towards joining this initiative. The EITI will assist the people of Myanmar to understand clearly the revenue generated by development of its natural resources.

Woodside believes it can support Myanmar's economic and political transition by helping to discover and develop natural resources that can provide revenue to the country and its people, and through our strong and ongoing commitment to sustainable development and corporate social responsibility.

PERFORMANCE IN SUSTAINABILITY INDICES

Dow Jones Sustainability Indices (DJSI)

The Dow Jones Sustainability Indices track the stock performance of the world's leading companies' economic, environmental and social criteria. The indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios, and provide an effective engagement platform for companies who want to adopt sustainable best practices.

As a member of DJSI World, DJSI Asia Pacific and DJSI Australia, Woodside is a sustainability leader in the Oil and Gas Group. We have participated in the indices since 2002. These independently-evaluated results demonstrate how working sustainably can drive us closer to becoming a global leader and partner of choice.



Our performance

Section	2014	2013	2012
Economic	73	84	79
Environmental	71	48	76
Social	81	85	82
Total	75	74	79

Carbon Disclosure Project (CDP)

CDP is an international, not-for-profit organisation providing a global system for companies and cities to measure, disclose, manage and share vital environmental information. Woodside has participated in CDP's climate change program since 2007.

Our performance

Year	Disclosure score	Performance band
2014	88	С
2013	72	С
2012	79	В

Source: cdp.net/en-US/Pages/disclosure-analytics.aspx

London Benchmarking Group (LBG)

Woodside became a member of the LBG in 2009, joining many other companies around the world who report, by way of a consistent methodology, on contributions to the community, including financial support, time, in-kind donations and management costs.



Verification Statement from LBG Australia and New Zealand – 2015

The LBG model helps businesses improve the measurement, management and reporting of their corporate community investment programs. It covers the full range of contributions (cash, time and in-kind donations) made to community causes.

As managers of LBG Australia and New Zealand, we can confirm that we have worked with Woodside Energy to verify its understanding and application of the LBG model with regard to the wide range of community programs supported.

Our aim has been to ensure that the evaluation principles have been correctly and consistently applied and we are satisfied that this has been achieved. It is important to note that our work has not extended to an independent audit of the data.

We can confirm that Woodside Energy has invested the following amounts in the community in this 2015 reporting year as defined by LBG methodology.

A\$21,425,298
A\$1,127,544
A\$9,663
A\$1,453,834
A\$24,016,340

Verified by Simon J RobinsonOn behalf of LBG Australia and New Zealand January 2015





















GRI AND IPIECA INDEX

This table references:

- the Global Reporting Initiative (GRI) G3.1 Guidelines for the Oil and Gas sector (OGSS) 2012
- the global oil and gas industry association for environmental and social issues (IPIECA) guidance on voluntary sustainblity reporting – second edition 2010

Key

Green text = Full disclosure

Amber text = Partial disclosure

Full GRI and IPIECA Index are available on our website.

Disclosure Category Profile Disclosures	GRI (OGSS)	IPIECA	Where Reported
Strategy and Analysis	1.1, 1.2		2, 4-5, 10-15, 17, 27, 33, 41, 2014 Annual Report 8-9, 16-19
Organisational Profile	2.1-2.10		1-3, 19, 31, 38, 42-45, 48-50, 54, 2014 Annual Report 1-9, 14-17, 20-26, 40-44, 127-129, 142
Report Parameters	Report Profile 3.1-3.4		1, 54, GRI Index online
.,	Report Scope and Boundary 3.5-3.11		1, 3, 10-11, 23, 36, 48-51
	GRI Index 3.12		47, GRI Index online
	Assurance 3.13		1, 53
Governance, Commitments and	Governance 4.1-4.10		2, 4, 6-9, 22, 2014 Annual Report 46-78
Engagement	Commitments to external initiatives 4.11-4.13		12-13, 24, 30, 35, 45-46, GRI index online
	Stakeholder engagement 4.14-4.17		8-9, 10-15
Economic			
	Management Approach		7, 15, 30, 34-35, 38, 42-43 2014 Annual Report 34-35
	Economic Performance: EC1, EC2, EC3, EC4		30, 36, 41, 43, 46, 48, GRI Index online, 2014 Annual Report 4-5, 14-15,
	Market Presence: EC5, EC6	Local procurement and supplier development: SE7, Local content practices: SE5, Local hiring practices: SE6	98-132 20, 44, 48
	Indirect Economic Impacts: EC8, EC9	Social investment: SE4	15, 20-21, 36-37, 44-46
	Reserves: OG1		43, 2014 Annual Report 34-35
Environment			,
	Management Approach		12, 14-15, 28-31
	Energy: EN3, EN4, EN5	Energy use: E2	29-30, 49
	Water: EN8	Fresh water: E6	49
	Biodiversity: EN13, EN14	Biodiversity and ecosystem services: E5	31, 49
	Emissions, Effluents and Waste: EN16, EN18, EN19, EN20, EN21, EN22, OG5, EN23, OG6, EN24, EN25	Greenhouse gas emissions: E1, Flared gas: E4, Other air emissions: E7, Spills to the environment: E8, Discharges to water: E9, Waste: E10	12, 29-30, 49
	Compliance: EN28		29, 49
	Overall: EN30		31, 49
Social			
Labour Practices and Decent Work	Management Approach Employment: LA1, LA2, LA3, LA15		13, 18-20, 22-25, 2014 Annual Report 26-29, 58-59 19, 50,
		Approach to handling worker concerns and issues : SE16	2014 Annual Report 119-124 19
	Occupational Health and Safety : LA7, LA8	Workforce protection: HS1, HS2, HS3	22-25, 48
	Training and Education: LA10, LA11, LA12	Workforce training and development: SE17	18-19, 50
	Diversity and Equal Opportunity: LA13	Workforce diversity and inclusion: SE15	20, 50
	Equal Remuneration for Women and Men: LA14	and moradion of the	17, 20
Human Rights	Management Approach		6-7, 18, 20-21, 34-35, 37-38
<u> </u>	Investment and Procurement Practices: HR2	Human rights and suppliers: SE9	6,7, 35
	Non-discrimination: HR4		6
	Security Practices: HR8	Security and human rights: SE10	7
	Indigenous Rights: HR9	Indigenous peoples: SE2	35, 38
	Assessment: HR10, OG9	Human rights due diligence: SE8	7, 35, 38-39
	Remediation: HR11		35
Society	Management Approach		7-9, 12-13, 15, 24, 30, 34-35
	Local Communities: SO1, SO9, SO10, OG10	Local community impacts and engagement: SE1, SE18	15, 34-36, 38
	Corruption: SO2, SO3, SO4	Preventing corruption, Transparency of payments to host governments: SE11, SE12, SE13	6,7, 48
	Public Policy: SO5, SO6		7, 30
	Compliance: SO8		15
	Asset Integrity and Process Safety: OG13	Process safety: HS5	22, 24, 48
			14, GRI Index online
Product Responsibility	Management Approach		11, GITI IIIGOX OITIIIIO
Product Responsibility	Compliance: PR9	Product stewardship: HS4	GRI Index online GRI Index online

DATA TABLES

Health and safety performance

	2014	2013	2012	2011	2010
Workforce exposure (hours)					
Employees	7,562,421	7,357,245	8,153,514	8,320,623	7,563,720
Contractors	6,117,328	6,637,001	10,952,768	20,937,696	22,035,351
Total Number of incidents ¹	13,679,749	13,994,246	19,106,282	29,258,319	29,599,071
Fatalities – employees	0	0	0	0	0
Fatalities – contractors	0	0	0	0	0
Total fatalities	0	0	0	0	0
Recordable injuries – employees ²	7 (12)	7 (13)	23 (24)	17 (19)	20 (25)
Recordable injuries – contractors ²	19 (25)	35 (39)	56 (62)	105 (121)	131 (152)
Total recordable injuries ²	26 (37)	42 (52)	79 (86)	122 (140)	151 (177)
Lost time injury events – employees ²	0 (2)	2 (5)	9 (9)	2 (3)	8 (9)
Lost time injury events – contractors ² Lost time injury events ²	3 (4) 3 (6)	4 (5) 6 (10)	9 (10) 18 (19)	16 (17) 18 (20)	13 (19) 21 (28)
High potential incidents	21	36	30	35	54
Recordable occupational illnesses – employees	5	6	1	2	5
Recordable occupational illnesses – contractors	6	4	6	16	21
Total recordable occupational illnesses	11	10	7	18	26
Frequency rates ^{1,2,3} Total recordable injury rate – employees ²	0.93 (1.59)	0.95 (1.77)	2 92 (2 04)	2.04 (2.28)	2.64 (3.31)
Total recordable injury rate – employees ²	3.11 (4.09)	5.27 (5.88)	2.82 (2.94) 5.11 (5.66)	5.01 (5.78)	5.94 (6.90)
Total recordable injury rate ²	1.90 (2.70)	3.00 (3.72)	4.13 (4.50)	4.17 (4.78)	5.10 (5.98)
Lost time injury frequency – employees ²	0 (0.26)	0.27 (0.68)	1.1 (1.1)	0.24 (0.36)	1.06 (1.19)
Lost time injury frequency – contractors ²	0.49 (0.65)	0.60 (0.75)	0.82 (0.91)	0.76 (0.81)	0.59 (0.86)
Lost time injury frequency ² High potential incident frequency ²	0.22 (0.44) 1.54	0.43 (0.71) 2.57	0.94 (0.99) 1.57	0.62 (0.68)	0.71 (0.95) 1.82
Total recordable occupational illness frequency – employees	0.66	0.82	0.12	0.24	0.66
Total recordable occupational illness frequency – contractors	0.98	0.60	0.55	0.76	0.95
Total recordable occupational illness frequency	0.80	0.71	0.36	0.62	0.88
Total recordable injury rate by region ^{2,3}					
Australia	1.92 (2.72)	2.79 (3.53)	4.21 (4.58)	4.19 (4.82)	Not previously
Asia Overall frequency	1.90 (2.70)	13.33 (13.33) 3.00 (3.72)	4.13 (4.50)	5.09 (5.09) 4.17 (4.78)	reported
Total recordable occupational illness frequency by region ³	1.50 (2.70)	3.00 (3.72)	4.13 (4.30)	4.17 (4.70)	
Australia	0.81	0.74	0.37	0.63	Not previously
Overall frequency	0.80	0.71	0.36	0.62	reported
Lost days by region					
Australia	158	107	513	1,027	Not previously
Asia	0	4	0	0	reported
Total	158	111	513	1,027	
Lost days by gender	30	39	336	94	
Male employees Female employees	0	22	33 <u>6</u> 6	94	
Male contractors	104	50	170	932	Not previously
Female contractors	24	0	1	1	reported
Total	158	111	513	1,027	
Number of injuries by gender	7		0.4	4.5	
Male employees Female employees	7		21	15 2	
Male contractors	17	34	52	98	Not previously
Female contractors	2	1	4	7	reported
Total	26	42	79	122	
Occupational illness by gender	4	4	0	0	
Male employees Female employees	4	<u>4</u> 2	0 1	2	
Male contractors	6	4	5	11	Not previously
Female contractors	0	0	1	5	reported
Total	11	10	7	18	
Training time spent on health and safety by region (hours)	4.000	- 100	4.550		
Asia Asia	4,892	5,406 0	4,553 0	6,908 344	Not previously
Total	4,892	5,406	4,553	7,252	reported
Significant Loss of Containment (LOC) events ⁴	1,002	0,100	1,000	7,202	
Total	-	-	6	2	8
Major LOC events ⁴					
Total	-	-	0	1	1
Process safety events ⁵					
Tier 2	0	0	5	Not previou	ely reported
	2	4	_		ary reported

Economic value generated and distributed

	USD(\$M)
ECONOMIC VALUE GENERATED (US\$MILLION)6	
Sales Revenue	7,435
Proceeds from Disposal of Assets	80
Dividends Received	6
Interest Received	14
Total	7,535
PAYMENTS TO PROVIDERS OF CAPITAL	
Shareholders	
Dividends Paid	(1,753)
Creditors	
Interest Paid	(163)
Total	(1,916)
PAYMENTS FOR FACTORS OF PRODUCTION	
Employees	
Wages and Benefits ⁷	(755)
Employee Share Plans	(55)
Suppliers and Contractors ⁸	
Local to Area of Operation	(860)
Remote to Area of Operation	(368)
Total	(2 038)

	USD(\$M)
PAYMENTS TO GOVERNMENT AND COMMUNITIES	
Gross Taxes and Royalties9	(1,146)
Community Investments ¹⁰	(20)
Total	(1,166)
NET ECONOMIC VALUE GENERATED	2,415
Less Distributions	
Contributions to Controlling Interests	(182)
Capital Repayments	0
Debt Repayments	(1,184)
Increase/Decrease in Cash Held	1,049
Effects of Exchange Rate Changes	(4)
Economic Value Retained ¹¹	1,045
Economic Value Retained ¹¹	

Environmental performance

	2014	2013	2012	2011	2010
HYDROCARBON PRODUCTION ¹²					
Total hydrocarbon production (kt)	34,848	33,232	34,484	30,932	35,020
GREENHOUSE GAS EMISSIONS ¹³					
Total greenhouse gas emissions – Scope 1 (t)	10,014,854	9,892,521	9,986,610	7,898,603	8,326,529
Woodside portion of GHG emissions (t)	3,612,070	3,594,40614	3,870,173	1,907,332	2,258,013
Greenhouse gas emissions intensity – Scope 1 (CO ₂ e (t) per kt of hydrocarbon production)	0.29	0.30	0.29	0.26	0.24
FLARED GAS	240.045	401.004	0.47.050	0.40.170	200 500
Total flared gas (t) Woodside portion of flared gas (t)	349,845 173,324	421,394 128,687	247,653 65,465	246,170 78,945	326,500 125,838
Flared gas intensity (flared gas (t) per kt of hydrocarbon production)	10.0	14.2	7.5	8.0	9.3
NON-GREENHOUSE GAS EMISSIONS	10.0	17.2	7.5	0.0	0.0
Total – VOCS emissions (t)	18,548	18,442	19.375	25.116	17,674
Total – NOx emissions (t)	20.018	20,176	19,342	15,397	18,295
Total – SOx emissions (t)	57	62	534	476	381
REFRIGERANTS - OZONE DEPLETING SUBSTANCES					
Total CFC-11 equivalent (t)	0.19	0.15	0.12	0.12	0.18
RESOURCE USE					
Energy consumption					
Direct – Gas (TJ)	139,208	128,781	123,321	107,862	Not
Direct – Liquid fuel (TJ)	2,392	2,614	3,158	4,094	previously
Indirect – Third-party electricity (TJ)	31.0	31.4	35.0	68.0	reported
Total – Energy consumption (TJ)	141,631	131,426	126,514	110,814	115,660
Total – Energy consumption intensity (TJ per kt of hydrocarbon production)	4.1	4.4	4.4	3.6	3.3
Water usage	250 400	E04 400	417.045	400.010	251 225
Fresh water use (m³) Total – intensity (m³ per kt of hydrocarbon production)	358,408 10.28	524,408 15.78	417,245 12.10	493,616 15.96	351,325 10.03
DISCHARGE AND WASTE	10.20	15.76	12.10	15.90	10.03
Water disposal					
Produced formation water – volume (m³)	10,129,654	8,069,245	7,005,566		
Produced formation water – oil load (kg)	86,607	71,056	45,024		
Waste disposal		,	,		
Non-hazardous (General) (t)	3,357	6,619	4,794	5,708	4,144
Hazardous (t)	8,508	9,645	7,718	3,746	3,246
Total (t)	11,865	16,264	12,512	9,454	7,390
ENVIRONMENTAL INCIDENTS ¹⁵					
Hydrocarbon spills (to environment)	1				
Total number of hydrocarbon spills Total number of hydrocarbon spills (>1 bbls)	1				
Total – Quantity of hydrocarbon spills (m³)	0.7	0.21	0.32	0.8	
Non-hydrocarbon spills (to environment)	0.7	0.21	0.02	0.0	
Total – Quantity of non-hydrocarbon spills (m³)	0	2.8	0	4.1	
Total number of non-hydrocarbon spills (>1 bbls)	0				
REGULATORY COMPLIANCE					
Number of incidents reported to regulators	4	4	6	6	4
Number of environmental fines and penalties	0	0	0	0	0
Monetary value of environmental fines and penalties (A\$)	0	0	0	0	0
2014 CREENLICHEE CAC EMICCIONE (DV COLIDEE)					
2014 GREENHOUSE GAS EMISSIONS (BY SOURCE)			.		Other
By source Total Scope 1 GHG emissions (t)	Venting	Fugitive	Flaring	Fuel use	sources
1 11	1,659,876	70,551	1,108,845	7,110,998	64,585
2014 RESOURCE USE (BY SOURCE)	Confere	N 4 ! . !	Reused /	D	
Pyropuros	Surface water	Municipal	Recycled water	Bore abstraction	
By source Freshwater use (m³)	0	<u>water</u> 355,523	2,885	0	
		300,023	2,000		
2014 DISCHARGE AND WASTE (BY DISCHARGE/DISPOSAL STREAM)					
Water disposal	Open	Reinjection	Reuse/		
By discharge stream	marine	– reservoir	recycle		
Produced formation water – volume (m³)	10,129,654	5,826,162	2,885		
Produced formation water – oil load (kg)	86,607	Not measured	2,000		
Waste disposal	00,007	TVOLITICASUIEU			
Truoto diopoddi				Reuse /	
By disposal stream	Incineration	Evaporate	Landfill	recycling	Other
Total (hazardous and non-hazardous) (t)	1.2	5,104	3,258	3,377	125
	· -	-,	-,	-,	

Note: The values in this table do not, as yet, take into account the error of uncertainty associated with the acquisition of the raw data and the subsequent calculations.

Footnotes

Performance data are reported on both a total and Woodside equity share basis as appropriate. Health and safety data includes international exploration activity, whereas it is excluded from environmental data.

- 2014 is the first year Woodside has included contractor data.
- In 2013 Woodside adjusted the calculation to report Total Recordable Injuries (TRIR) and Rates and Lost Time Injury (LTI) events and frequencies.
 All data is now stated in line with this methodology. The figures in the parentheses above reflect the previously publicly reported data, which includes all recordable illnesses.
- 3. Frequency rates are calculated per million hours worked.
- As defined by the Reporting of Injuries Diseases and Dangerous Occurrences Regulations (RIDDOR) hydrocarbon release classification. Woodside ceased use of RIDDOR in 2013.
- Classified in accordance with American Petroleum Institute Recommended Practice 754 (API RP 754).
- Amounts include revenues and costs determined on an accruals basis, consistent with the Group's audited financial statements; Assumes an exchange rate of AUD/USD = 0.90 for some payments.
- 7. Includes gross payments to employees, from which the employees are liable for personal income taxes.

- 8. Operating costs relate to expenses recognised in the financial statements.
 They include expenditure paid to suppliers and contractors for materials and services.
- Includes income taxes, payroll taxes, resource rents, royalties and excise and carbon taxes. Excludes local government taxes and charges.
- 10. Direct community investments as audited by London Benchmarking Group.
- 11. Calculated as economic value generated less economic value distributed.
- Total Hydrocarbon production includes liquid and gas products that are exported (sold) and gas used as fuel. Reinjected gas and liquids not included. International data not included.
- 13. To align with the National Greenhouse and Energy Reporting System (NGERS) an emission source at the Karratha Gas Plant was not included in the 2012 data sets. The relevant 2012 values in this report have been revised to include that source.
- 14. An emission source at Pluto was not included in the 2013 data sets.
 The relevant 2013 value in this report has been revised to include that source.
- 15. Defined as incidents that are reportable to State and Commonwealth regulators as part of our licence conditions.

People

Number of staff by gender	2014	2013	2012	2011	2010
Male	2,757	2,836	2,929	2,822	2,688
emale otal	1,046 3,803	1,053 3,889	1,068 3,997	1,034 3,856	962 3,650
Number of staff by employment type	3,003	3,009	3,997	3,000	3,000
Permanent	3,224	3,325	3,481	3,375	3,166
Fixed term Part time	290 289	294 270	283 233	276 205	308 176
otal	3,803	3,889	3,997	3,856	3,650
Jumber of staff by employment category Administration – Male	112	111	121		
Administration – Female	186	221	234		
echnical – Male	1,068	1,085	1,076		
Fechnical – Female Supervisory/Professional – Male	392 997	359 1,040	366 1,089		
Supervisory/Professional – Female	386	388	395		
Middle Management – Male	543	560	602		
Middle Management – Female Senior Management – Male	78 37	80 40	69 41		
Senior Management – Male Senior Management – Female	4	5	4		
otal	3,803	3,889	3,997		
lumber of staff by region	0.700	0.000	0.000	0.070	0.400
Australia Africa/Middle East	3,788	3,863	3,933	3,679 0	3,499
Asia	8	4	9	72	62
Europe	2	2	4	21	3
New Zealand JSA	3	20	51	84	82
otal	3,803	3,889	3,997	3,856	3,650
IUMBER OF CONTRACTORS					
otal VOODSIDE STAFF AGE DISTRIBUTION (YEARS)	210	331	590	734	362
30 Male	374	392	406	391	
30 Female	285	291	316	315	
21–50 Male	1,680	1,748	1,841	1,774	Not
21–50 Female	642	643	649	618	previously
i1+ Male i1+ Female	703 119	696 119	682 103	657 101	reported
otal	3,803	3,889	3,997	3,856	
REAKDOWN OF EMPLOYEES PER CATEGORY ACCORDING TO INDIGENOUS					
Employees Pathways	99	101 54	92 75	84 64	58 49
Contractors construction	0	0	0	83	128
otal	143	155	167	231	235
MPLOYEE TURNOVER (NUMBER)	218	295	256	243	Not
Male employees emale employees	82	105	91	136	previously
					reported
otal OLUNTARY TURNOVER (NUMBER)	300	400	347	379	204
Furnover by region (number)					
Australia	296	391	340	335	
Africa/Middle East			0 1	4	NI-+
Asia			ı	2	Not previously
New Zealand					reported
JSA	4	9	6	38	
otal Employee turnover by age group (years)	300	400	347	379	
30	50	73	53	102	Not
31–50	165	236	202	192	previously
51+ - Total	85 300	91 400	92 347	85 379	reported
RETURNING FROM PARENTAL LEAVE (PERCENTAGE)	89	84	89	92	90
RAINEESHIP AND APPRENTICESHIP PROGRAM (NUMBER) MPLOYEES IN GRADUATE PROGRAM (NUMBER)	149	125	117	104	104
Male employees	89	80	89		
emale employees	70	53	46		
otal	159	133	135	142	135
VERAGE PER PERSON HOURS OF TRAINING BY GENDER lale	29.42	23.03			
emale	17.09	11.44			
otal	26.03	19.89			
.VERAGE PER PERSON TRAINING BY GENDER – PROFESSIONAL/MANAGEME Aale	22.53	16.49			
riale emale	18.17	12.47			
otal	21.53	15.59			
VERAGE PER PERSON HOURS OF TRAINING BY EMPLOYEE TYPE	00.01	04.00			
ermanent ixed term	28.31 15.27	21.60 12.13			
art time	11.39	7.31			
otal	26.03	19.89			
ERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAR			, BY GENDER		
Male emale	99% 96%	97% 93%			
otal	98%	96%			
* Adjustment from 2013 to align with current reporting practices.					

NOTES AND DEFINITIONS

Environment

Total hydrocarbon production	Includes gross liquid and gas products, but does not include reinjected hydrocarbons.
Total energy consumption	Comprises direct and indirect energy consumption.
Fresh water use	Supplied by water utility.
Produced formation water	Water that is brought to the surface during the production of hydrocarbons.
Incidents	Environment incidents reported to regulators and/or those that contributed to our Good Day Frequency measure.
Ozone depleting emissions	The values represent the amounts of ozone depleting emissions purchased in the reporting period for replacement and not the actual emissions. This accounts for the variation between reporting periods.

Health and safety

Frequency rates	Frequency rates are calculated per million hours worked.
Workforce exposure hours	The total number of hours of employment including paid overtime and training but excluding leave, sickness and unpaid overtime hours. Hours are recorded separately for Woodside employees (includes permanent and fixed-term contractors) and contracting personnel. Contracting personnel are defined as people employed by another company to perform activities for Woodside (includes third party contractors and service providers).
Total recordable injury rate (TRIR)	The number of recordable injuries (fatalities + lost workday cases + restricted workday cases + medical treatment cases) per 1,000,000 hours worked.
Lost time injury (LTI)	A fatality or lost workday case. The number of LTIs is the sum of fatalities and lost workday cases.
Incident	Is one, or more, of the following: an unplanned release of energy that actually resulted in injury, occupational illness, environmental harm or damage to assets, a near miss, damage or potential damage to company reputation, breach of regulatory compliance and/or legislation, security breach.
High potential incident (HPI)	Is an incident, regardless of actual consequence, which could have resulted in the worst realistic consequence of Category C or above in accordance with the Woodside Event Reporting Impact Table.
Occupational injury	Is harm to a person such as a cut, fracture, sprain, amputation etc. that resulted from a single, instantaneous incident. All injuries are classified for work-relatedness and severity in accordance with OSHA Regulations – Record Keeping Standard No: 1904.
Occupational illness	Is any work-related abnormal condition or disorder, other than one resulting from a work injury, caused by or mainly caused by exposures at work such as inhalation, absorption, ingestion of, or direct contact with, as well as exposure to, physical and psychological situations. All illnesses are classified for work-relatedness and severity in accordance with OSHA Regulations – Record Keeping Standard No: 1904.
Lost workday case (LWC)	Occurs where any work-related injury results in a person being unfit for work on "any day" after the day of the event occurring. "Any day" includes scheduled rest days, weekend days, leave days, public holidays or days after ceasing employment. Lost work days are counted as the total number of calendar days from the day of injury where the person was unable to return to work as a result of their injury.
Restricted workday case (RWC)	Is the result of a work-related injury when a person undertakes restricted work duties or job transfer, as they are not able to perform their normal routine functions, i.e. work activities regularly performed at least once a week. Restricted work days are counted as the total number of calendar days from the day of the injury where the person was unable to return to work in their full capacity.
Medical treatment case (MTC)	Is defined as the "management and care of a patient for the purpose of combating disease or disorder." An MTC is when a work-related injury occurs and the person does not miss work nor undertakes restricted work duties, but undergoes treatment beyond first aid by a doctor or other licensed health care professional.
Occupational illness frequency by region	This frequency rate includes Total recordable illnesses only, i.e. the sum of all occupational-illness related fatalities, lost workday cases, restricted work cases and medical treatment cases. It does not include first aid cases.
Lost days	The count of lost days begins on the day immediately after the day of injury/illness. It includes the total number of calendar days that were not able to be worked due to injuries and illness. It does not include days lost for one case where information on the number of lost days was not available at the time of reporting. For purposes of calculation this has beer counted as one day lost.
Training time spent on health and safety	Includes Woodside in-house training courses only. Training records for third-party contractors have not been collated by Woodside. Does not include health and safety site or office inductions. Does not include Helicopter Underwater Escape Training (HUET) or external training courses.
Number of injuries by gender	The figure expressed in the report is the number of recordable injuries only – it does not include first aid cases or injuries.
Occupational diseases by gender	The figure expressed in the report is the number of recordable illnesses only – it does not include first aid cases or injuries
Process safety event	An unplanned or uncontrolled loss of primary containment (LOPC) of any material including non-toxic and non-flammable materials from a process, or an undesired event or condition. Process safety events are classified as Tier 1 – LOPC of greatest consequence or Tier 2 – LOPC of lesser consequence. As defined by American Petroleum Institute (API) recommended practice 754.

People

Total employees	Total number of employees including permanent, fixed term and part-time. Does not include secondees or contractors.
Contractors	Non-Woodside employees, working within Woodside to support specific activities.
Total turnover	Permanent and fixed term employees who left Woodside voluntarily or involuntarily.
Voluntary turnover	Permanent and fixed term employees who left Woodside voluntarily for reasons not initiated by the company.
Social investment	Social investment data has been verified by the London Benchmarking Group (LBG) methodology. The LBG verified data includes donations, community investment and commercial initiatives. For more information, visit lbg-australia.com.

GLOSSARY

APPEA	Australian Petroleum Production and Exploration Association Ltd	
ASX	Australian Securities Exchange	
Board	Woodside's governing body – the Board of Directors	
Code	Woodside's code of conduct	
Condensate	Hydrocarbons which are gaseous in a reservoir but which condense to form liquids as they rise to the surface.	
EEO	The Australian Government's energy efficiency opportunity program. This program encourages large energy-using businesses to improve their energy efficiency.	
Flaring	A term used to describe the controlled burning of gas found in oil and gas reservoirs.	
FLNG	Floating LNG	
FPSO	Floating production storage and offloading vessel	
Free cash flow	Cash flow from operating activities less cash flow from investing activities.	
Greenfield	The development of exploration outside the area of influence of existing operations/infrastructure.	
GRI	The Global Reporting Initiative is a network-based organisation that promotes sustainability reporting worldwide. The GRI reporting framework sets out principles and indicators that organisations can use to measure and report their economic, environmental and social performance. A GRI supplement providing references for information contained in the report that corresponds with the GRI sustainability reporting framework is available on our website woodside.com.au.	
HSE	Health, safety and environment	
IOGP	International Oil and Gas Producers	
LBG	London Benchmarking Group	
LNG	Liquefied natural gas	
LPG	Liquefied petroleum gas	
LTIF	Lost time injury frequency	
NWS	North West Shelf	
PBT	Profit before tax	
PSE	Process safety event	
RAP	Woodside's Reconciliation Action Plan	
WMS	Woodside Management System. This is the company's structured governance framework.	

UNITS

A\$	Australian dollars
bbl	barrel
bn	billion
boe	barrel of oil equivalent
CFC	chlorofluorocarbon
CO ₂ e	carbon dioxide equivalent
GJ	gigajoules
kt	kilotonne
L	litres
ML	megalitres
MMbbl	million barrels
MMboe	million barrels of oil equivalent
MT	million tonnes
Mtoe	million tonnes of oil equivalent
mtpa	million tonnes per annum
NOx	oxides of nitrogen
SOx	oxides of sulphur
t	tonne
TJ	terajoules
US\$	US dollars
VOCs	volatile organic compounds

ASSURANCE STATEMENT



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Independent Limited and Reasonable Assurance Report to the Directors of Woodside Petroleum Ltd in relation to its 2014 Sustainable Development Report (the 'Report')

Assurance conclusions

Based on our limited assurance procedures, nothing has come to our attention that causes us to believe that the subject matter in the Report is not presented, in all material respects, in accordance with the criteria detailed below.

In our opinion, the subject matter for the five material aspects in the Report is presented fairly, in all material respects, in accordance with the criteria detailed below.

Scope

We have performed an assurance engagement in relation to the subject matter contained in Woodside Petroleum Ltd's ('Woodside') 2014 Sustainable Development Report ('the Report') in accordance with the criteria as identified below for the year ended 31 December 2014.

Subject matter

The subject matter for our **limited** assurance includes:

 The full content of the Report for the activities of the Woodside group of companies.

The subject matter for our reasonable assurance includes the published information in the Report specifically related to the following five material aspects, as determined by Woodside's materiality assessment and communicated to us:

- Major incident and response
- Global health and safety performance
- Facility integrity
- Regulatory compliance and assurance
- Social and cultural impacts on local communities

Criteria

The criteria is Woodside's approach to report in adherence to the Global Reporting Initiative's ('GRI') G3.1 Principles for Defining Report Content of materiality, stakeholder inclusiveness, sustainability context and completeness, as set out in its Report; and the GRI Principles for Ensuring Report Quality of: balance, comparability, accuracy, timeliness, clarity, and reliability.

Management responsibility

The management of Woodside ('Management') is responsible for the collection, preparation and presentation of the subject matter in accordance with the criteria and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited and reasonable assurance conclusion as to whether the subject matter related to each level of assurance is presented in accordance with the criteria. Our assurance engagement has been planned and performed in accordance with the Australian Standard on Assurance Engagements 3000 (revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ASAE 3000').

Level of Assurance

A limited assurance engagement consists of making enquiries and applying analytical, controls testing and other evidence-gathering procedures that is at least sufficient for us to obtain a meaningful level of assurance as the basis for a negative form of conclusion.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement.

Our approach

Our assurance procedures performed included, but were not limited to:

- Assessing Woodside's process for determining material aspects;
- Determining whether material topics and performance issues identified during our procedures had been adequately disclosed;
- Interviewing selected corporate and site personnel to understand the key sustainability issues related to the subject matter and processes for the collection and accurate reporting of performance information:
- Assessing the organisation's responsiveness and awareness of material aspects, through reviewing Woodside's policies, processes and targets, and communication of responses to stakeholders;
- Where relevant, performing walkthroughs of systems and processes for data aggregation and reporting;
- Performing tests of details and substantive testing for material qualitative and quantitative information;
- Checking the accuracy of calculations performed;
- Obtaining and reviewing evidence to support key assumptions in calculations and other data;
- Reviewing selected management information and documentation supporting assertions made in the subject matter;
- Comparing year on year data;

- Checking that data and statements had been correctly transcribed from corporate systems and/or supporting evidence into the Report; and
- Reviewing the presentation of claims and data against the relevant GRI principles contained in the criteria.

Limitations

There are inherent limitations in performing assurance due to the selective testing of the information being examined. Therefore it is possible that fraud, error or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information, due to its nature and the methods used for determining, calculating and estimating such information. Finally, adherence to GRI principles is subjective and will be interpreted differently by different stakeholder groups.

Our assurance was limited to the Sustainable Development Report 2014 only and did not include financial data or forward looking statements of Management; nor whether the report met the GRI application level self-assessed by Woodside.

Whilst our assurance procedures included reviewing information contained on Woodside's website at the date of this assurance report, our opinion does not extend to statements, data or information presented therein.

Use of Report

This assurance report has been prepared for the purpose of providing assurance over the Report for the directors of Woodside only and in accordance with the terms for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk. No statement is made as to whether the criteria are appropriate for any third party purpose.

Erun & Young
Ernst & Young

Michael Villa

Michael Villa

Partner

Perth Australia 18 March 2015



2014 SUSTAINABILITY REPORT

Head Office:

Postal Address:









