

Sustainability Report 2014



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LNG projects

	Site/Asset	Activity	Santos operated	Product
A	Darwin	Darwin LNG	No	LNG
B	Port Moresby	PNG LNG	No	LNG, condensate
C	Gladstone	GLNG	Yes	LNG

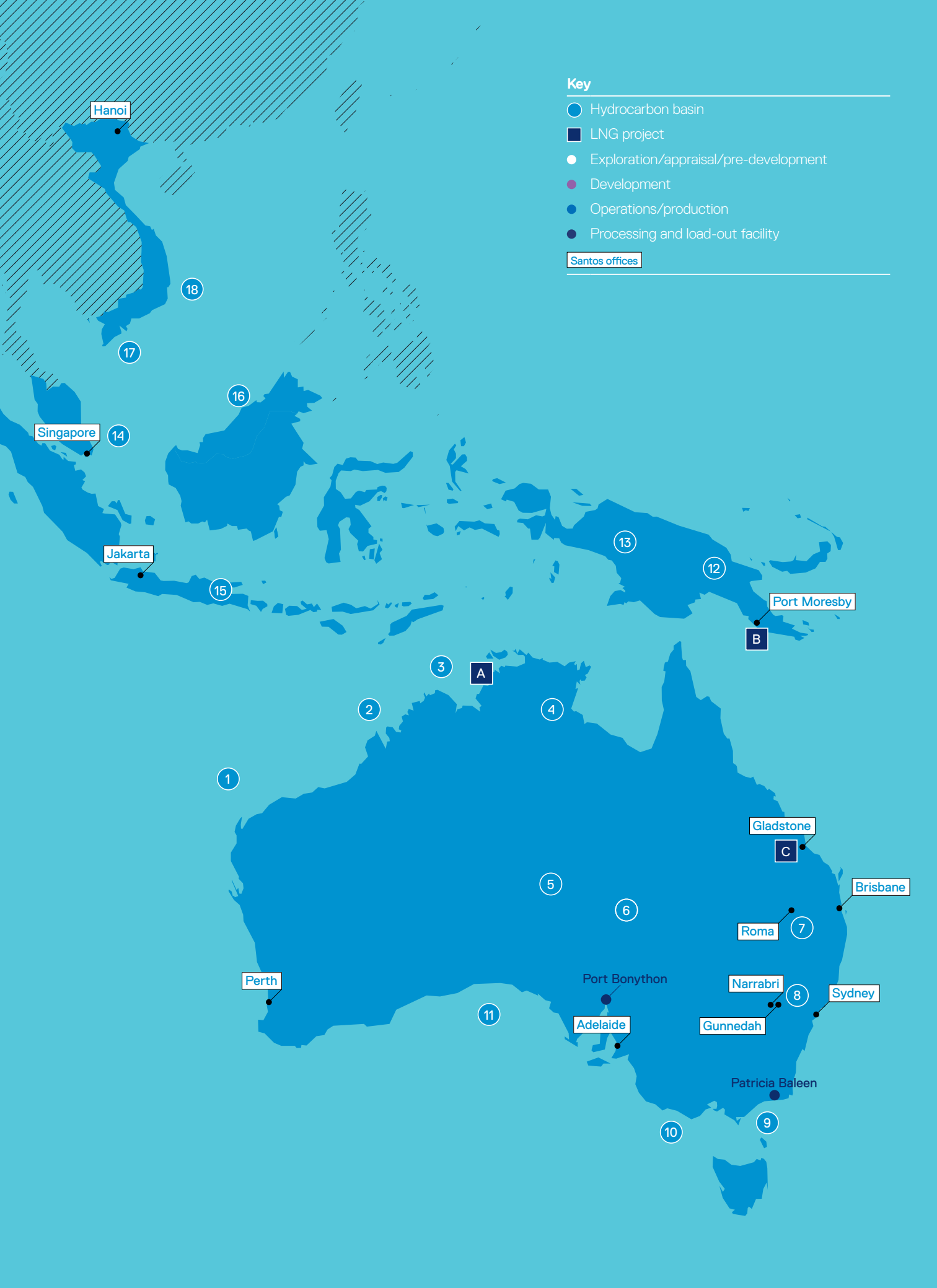
Australia

1	Carnarvon	Mutineer-Exeter	●	Yes	Oil
		Stag, Barrow Island	●	No	Oil
		Spar, John Brookes, Varanus Island, Reindeer, Devil Creek	●	No	Gas, condensate
		Fletcher Finucane	●	Yes	Oil
		10 exploration permits (including Winchester)	●	6 permits	Oil, gas
2	Browse	6 exploration permits (including Lasseter, Crown, Burnside)	●	5 permits	Gas, condensate
3	Bonaparte	Bayu-Undan*	●	No	Gas, condensate, LPG
		Barossa Caldita	●	No	Gas
		Petrel, Tern, Frigate	●	No	Gas
		3 exploration permits	●	2 permits	Gas
4	McArthur	Tanumbirini	●	Yes	Oil, gas, condensate
5	Amadeus	Mereenie	● ●	Yes	Oil, gas, condensate
6	Cooper/Eromanga	South Australia – Moomba	● ● ●	Yes	Oil, gas, condensate, LPG
		South-west Queensland – Ballera, Jackson	● ● ●	Yes	Oil, gas, condensate, LPG
		Other oil assets	● ●	No	Oil
7	Surat/Bowen	Mahalo	● ●	Yes	Gas
		Moonie	●	Yes	Oil
		Denison, Combabula, Spring Gully	● ●	No	Gas
8	Gunnedah	Narrabri, Bando	●	Yes	Gas
9	Gippsland	Kipper	●	No	Gas, condensate, LPG
		Sole	●	Yes	Gas
10	Otway	Casino, Henry, Netherby	●	Yes	Gas, condensate
		Minerva	●	No	Gas, condensate
11	Bight	EPP 43	●	No	Oil

Asia

12	Papuan, Papua New Guinea	SE Gobe	●	No	Oil
		Hides, Barikewa	● ●	No	Oil, gas, condensate
		Manta-1, NW Koko-1	●	No	Gas
13	Papuan, Indonesia	Warim	●	No	Oil, gas, condensate
14	West Natuna, Indonesia	Ande Ande Lumut	●	Yes	Oil
15	East Java, Indonesia	Maleo, Oyong, Wortel	●	Yes	Oil, gas, condensate
		Peluang	●	Yes	Gas, condensate
16	Offshore, Malaysia	Prospect 1	●	No	Oil
17	Nam Con Son, Vietnam	Chim Sáo, Dua	●	No	Oil, gas
		Block 13/03	●	Yes	Oil, gas
18	Phu Khanh, Vietnam	123 PSC, 124 PSC	●	Yes	Oil, gas, condensate
19	Bay of Bengal, Bangladesh	Sangu/Block 16	●	Yes	Gas, condensate

* Bayu-Undan field is located in the Timor Sea Joint Petroleum Development Area.



Key

- Hydrocarbon basin
- LNG project
- Exploration/appraisal/pre-development
- Development
- Operations/production
- Processing and load-out facility

Santos offices

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All reasonable effort has been made to provide accurate information in this Sustainability Report, however, Santos Limited (Santos) does not warrant or represent its accuracy. Anyone seeking to rely on information in this report or draw detailed conclusions from the data should contact Santos via email: sustainability@santos.com.

All data presented are based on Santos operated sites unless otherwise stated.

Further information regarding Santos' performance is available from our website, including copies of our Annual Report and Shareholder Review.



www.santos.com/sustainability

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Q&A

With David Knox –
Santos' Managing Director and Chief Executive Officer.



How has the energy landscape changed since Santos began in 1954?

In some ways, it is barely recognisable; yet we're still about the same things: finding and extracting natural gas and liquids from underground and delivering them safely to consumers many hundreds of kilometres away.

But, 60 years ago, climate change, greenhouse gas emissions and the term 'sustainability' were not on anyone's radar. Now they are synonymous with operating a successful and responsible energy company.

What does this mean for energy companies, in particular Santos?

First and foremost we must get the fundamentals of safety and sustainability right. They are front-and-centre of everything we do, every decision we make.

It also means that our horizons have expanded: we remain proud to be a successful Australian company firmly committed to supplying the domestic market, but we recognise that we are part of a global community and our products have potential to make a difference to people's everyday lives.

By 2030, the world's population will have risen from 7 billion to 8.3 billion and will need 35% more food, 40% more water and 50% more energy. Products such as natural gas will be an important part of the solution: providing energy, reducing emission intensities and improving air quality.

What drives you?

I see Santos playing a key role in delivering energy to Australia and Asia.

We are a country with 23 million people that has benefited from reliable and abundant energy.

What I would like to do is use people, our skills and our technology to provide the energy (oil and gas) to power Australia and Asia. Natural gas must be part of the cleaner energy solution.

That's a very exciting future for us.

What about Santos' social licence to operate: what does it mean to you?

It means a great deal to me personally and to my employees. They are passionate about what they do; they absolutely are committed to making a positive difference

Our strategy

LNG

ASIA

AUSTRALIA



Australia

With our large infrastructure and resource position in Australia, Santos is poised for significant growth. Our culture of operational excellence will optimise production from these assets and drive safety and environmental performance.

and I take great pride in this and our reputation as a good corporate citizen.

Currently, in New South Wales, some in the community are uncertain about the role of gas in their energy future. While I respect their view, our role is to demonstrate that gas can be extracted in an environmentally responsible way.

Our long history serves us well here: we have been operating for more than 60 years, and for more than 12 years developing coal seam gas at our gas plant in Scotia, Queensland. We have been able to do this successfully in the local community and continue to operate to high environmental standards.

How will Santos handle the drop in oil price?

In December 2014, the oil price dropped 30%.

What we do in these situations is we respond: we stay really fit and strong and by doing that, we get through this period, come out the other side and we're lean and ready to go.

Recognising this, we have reduced our projected 2015 capital expenditure by \$700 million (from \$2.7 billion).

Above all, despite pressures from external markets, I feel very confident and that's because our business is in good shape.

Our base business is doing very well – our production levels are the highest they've been for years, certainly since I joined the company. In the fourth quarter 2014, we delivered 166,000 barrels of oil equivalent a day. That's outstanding.

PNG LNG was successfully implemented in 2014 and will continue to deliver solid cash flows. We're also on track to deliver GLNG on time in 2015.

Our strategy is strong. We have the capacity to deliver our projects that will get us to the end of 2015 in great condition, even in the current oil price circumstances.

And importantly, we are doing all this while performing well on safety and sustainability. That's something we need to keep focusing on. At the end of the day, it's far and away the most important thing for us.

What are your main thoughts when you reflect on Santos' 2014 performance?

I am very proud of where Santos is today – the integrity, resolve and passion that

characterised our first 60 years are still very much with us. That's why it is apt that they are the main themes of our 2014 Sustainability Report.

- > Our safety performance continues to improve – both the safety of our people and our process safety.
- > Our sustainability performance continues to be strong across all indicators. I am particularly pleased with our energy efficiency program that continues to deliver substantial savings – for us and the environment.
- > To drive continuous improvement across the business we have set targets for our 24 sustainability indicators.
- > Water, biodiversity, emissions, safety and environmental compliance are key focus areas for us in 2015.
- > We have also set a bold long-term target to achieve 'high performance' (score of 8 or more) for all sustainability indicators by 2024.

Underlying all these achievements is the calibre of Santos' employees and the strength of our partnerships with suppliers and contractors.

It gives me confidence that we can achieve great things together over the next 60 years.



LNG

Our LNG portfolio provides natural gas to our Asian customers, whilst driving investment and creating jobs in Australia. With energy intrinsically linked to economic development, demand for cleaner burning, low emissions fuels such as natural gas is expected to grow.



Asia

Successful exploration and development is built on the foundation of our employees' technical expertise and our ability to foster positive long-term relationships with communities and business partners.

Our approach

Santos' sustainability framework ensures issues are addressed appropriately, decisions are accountable, continual performance improvement is encouraged, and relevant national and international standards are being met.

Sustainability indicators

We look at sustainability by understanding our business activities in four key areas of community, environment, our people and economic. For each of these four sustainability quadrants we have six performance indicators.

For each indicator, Santos has appointed a manager responsible for that specific function within the company. The indicators address sustainability issues that are material to Santos and our stakeholders.

Performance is measured for each indicator annually using a consistent self-assessed ten-point rating system that is graphically presented on our scorecard wheel (p. 57).

A score of one indicates poor performance while 7–8 is high performance and 9–10 is recognised leadership.

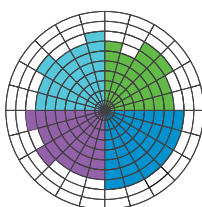
While this is a generic guide, Santos has detailed criteria for each indicator which stipulate the performance requirements to achieve each score.

Materiality

Our annual assessment is conducted in accordance with the Global Reporting Initiative methodology. The assessment provides a systematic and rigorous process to determine which indicators are most important to our stakeholders and us (p. 11).

Targets

Sustainability performance targets are driven by our indicator owners and are reviewed annually. Sustainability performance is reported quarterly to our Environment, Health, Safety and Sustainability Board Committee.



Santos' sustainability scorecard

Our scorecard drives a continuous improvement approach across our business (p. 57).

Independently audited

The sustainability report, including scorecard performance assessment, is assured by an independent auditor (p. 51). Full audit statements are available on our website.

Data

In addition to qualitative measures, our sustainability assessment is based on performance data such as water withdrawal volumes, emissions by type, incidents and spills and employee numbers, location and gender (pp. 52–57). Our five-year data summary table is available on the Santos website.

International standards

Our sustainability reporting and performance assessment is undertaken in accordance with the principles of relevant global reporting standards such as the Global Reporting Initiative.

Reporting

This sustainability report forms part of our suite of sustainability disclosures:

- > [Annual sustainability report \(printed\)](#)
- > [Shareholder review \(printed\)](#)
- > [Annual report \(printed\)](#)
- > [Audit reports \(website\)](#)
- > [Performance data \(website\)](#)
- > [Sustainability indicator management approach fact sheets \(website\)](#)
- > [Global Reporting Initiative content index \(website\)](#)

These documents can be accessed online from our website.



www.santos.com/sustainability

Board of Directors

The Santos Board has a unitary structure with an independent chairman.

**Ken Borda (Chairman) | David Knox (Managing Director & CEO) | Peter Coates AO | Ken Dean | Roy Franklin OBE
Greg Martin | Jane Hemstritch | Hock Goh | Scott Sheffield | Yasmin Allen**

Board Committees

The Santos Board has established five committees. Their charters are available from our website.

Audit & Risk
Committee

Finance
Committee

Environment,
Health, Safety &
Sustainability
Committee

People &
Remuneration
Committee

Nomination
Committee



Roy Franklin OBE
Committee Chair



David Knox
Managing Director & CEO



Peter Coates AO
Member



Hock Goh
Member



Yasmin Allen
Member

The Environment, Health, Safety and Sustainability Committee monitors and reviews the development of the sustainability management framework and reporting associated with this framework.

Leadership Team

The Santos leadership team drives our business strategy and operations.

Defines our strategic direction and provide corporate governance.



Managing Director
and CEO
David Knox



Chief Financial
Officer
Andrew Seaton



General Counsel
Christian Paech



Company Secretary
David Lim



Investor Relations
Andrew Nairn

Finds resources and build capabilities and technical expertise.



Exploration and
Subsurface
Bill Ovenden



Human Resources
and Communities
Petrina Coventry



LNG Markets
and Commercial
Peter Cleary



Technical, Engineering
and Innovation
Diana Hoff

Drive operational excellence to optimise performance and deliver resources safely and sustainably.



Asia, Western Australia
and Northern Territory
John Anderson



Downstream
Gladstone LNG
Rod Duke



Eastern Australia
James Baulderstone



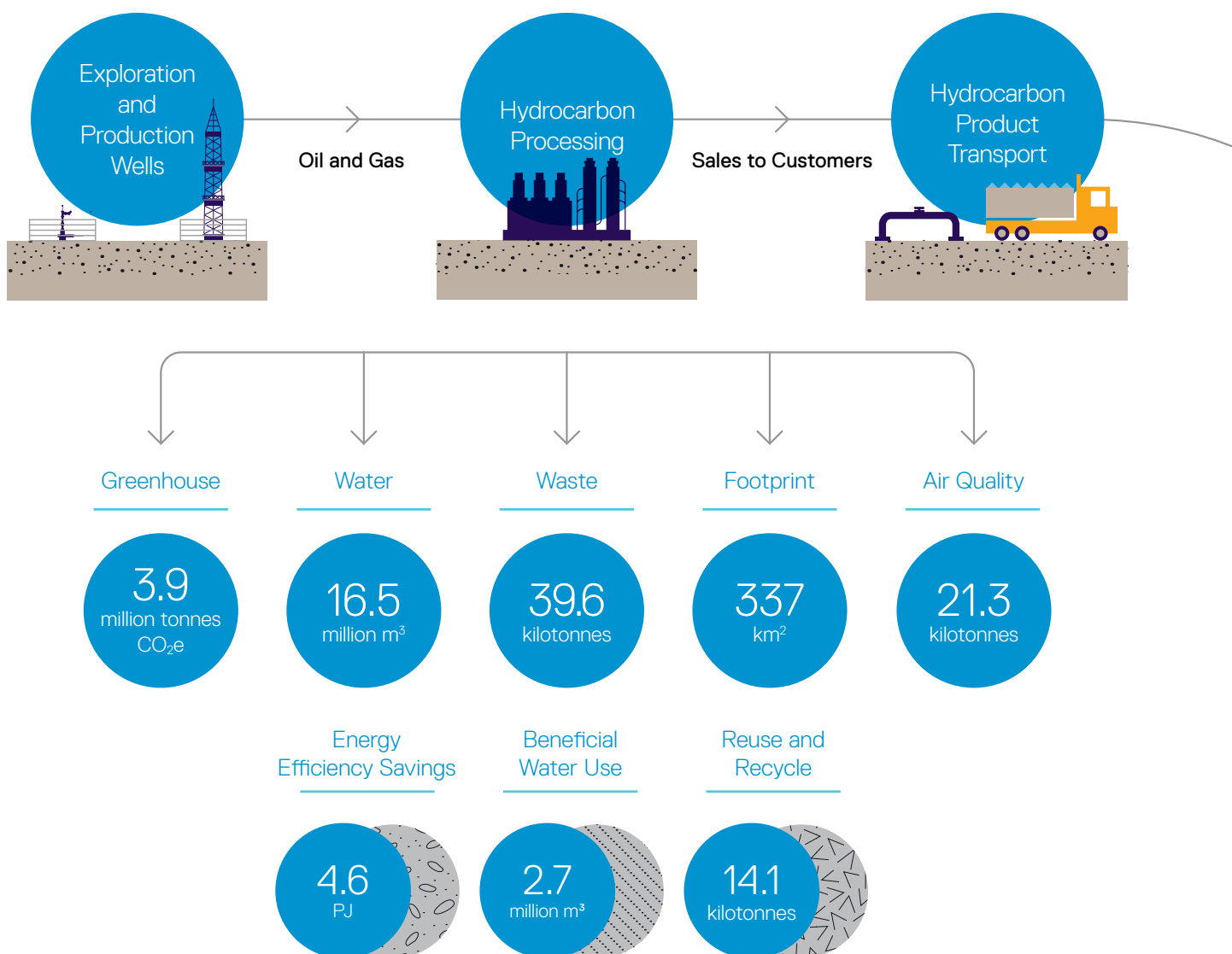
Queensland
Trevor Brown



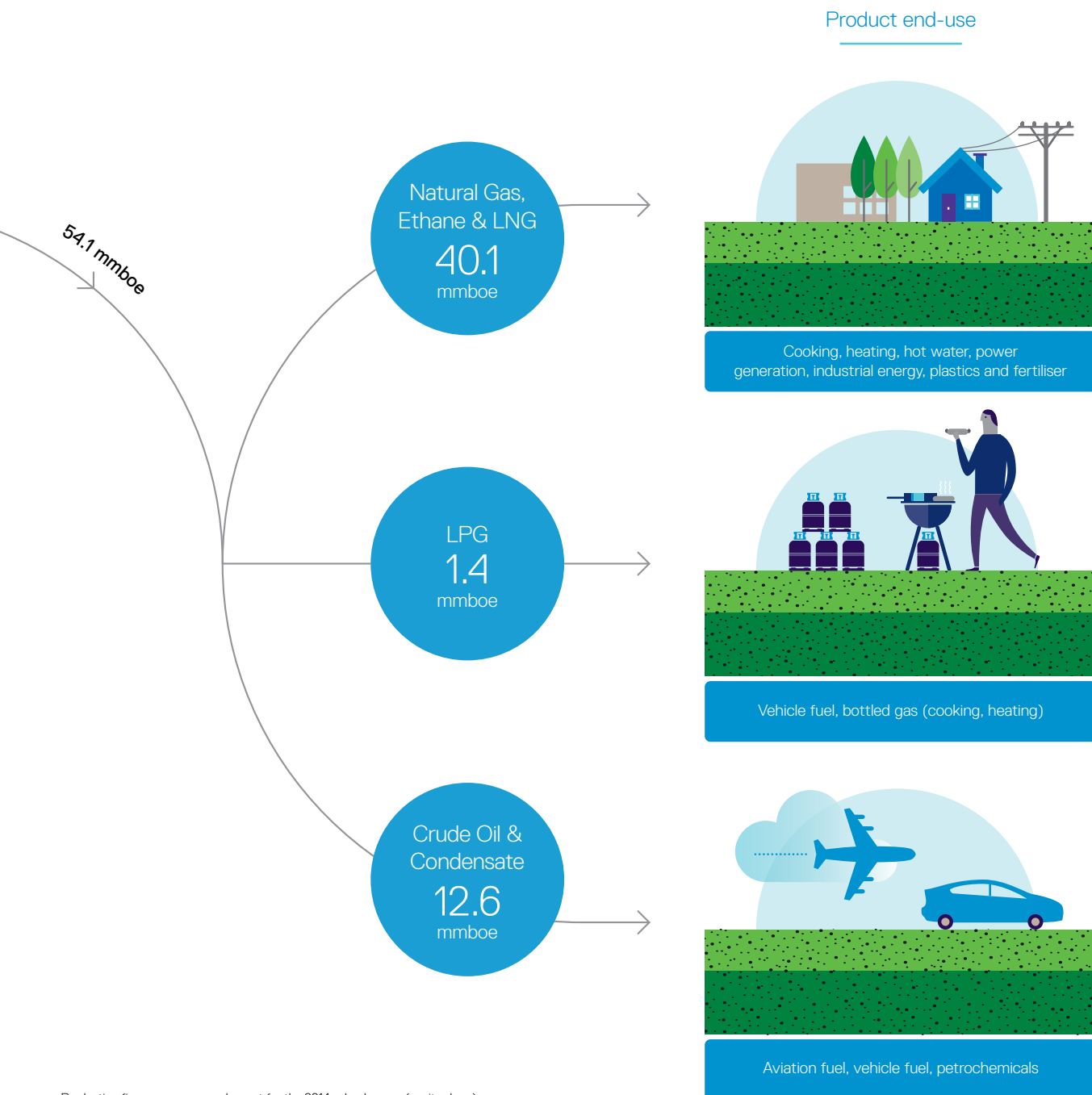
Western Australia and
Northern Territory
Brett Woods

Santos business lifecycle

Our exploration, production and processing operations deliver oil and gas to our customers, providing energy for everyday activities such as heating for your hot water or gas for your barbeque.



The numbers on this page are gross operated for the 2014 calendar year as shown in the performance data tables on pp. 52–54. Water refers to formation water, waste refers to landfill, air quality refers to the sum of nitrogen oxides (NO_x), total volatile organic compounds (VOCs) and sulphur dioxide (SO₂), reuse and recycle refers to reused and recycled waste. Beneficial water projects may include water for stock, irrigation, road maintenance and aquifer recharge (p. 15).



Production figures as per annual report for the 2014 calendar year (equity share).

A photograph of a rocky beach at sunset. The sun is low on the horizon, casting a warm, golden glow over the scene. The rocks are dark and wet, reflecting the light. The word 'Integrity' is written in large, white, sans-serif font across the middle of the image.

Integrity

Inte'grity / in'tzgrəti / (say in'tegruhtee)

Noun – soundness of moral principle and character;
uprightness; honesty

In this section

10

We listen

Ensuring that we meet our obligations to communities, our people and our business partners is a responsibility that we take very seriously.

12

Coal seam gas

Decisions we make now about natural gas production in Australia will determine our future prosperity and energy security.

14

We protect

We wouldn't be where we are today without integrating our principles of sustainability into everything we do.

18

We respect

We work with communities in ways that respect their cultures, recognise their aspirations and support their development.

Working responsibly

- > Operating safely, sustainably and responsibly.
- > Treating people with respect.
- > Building sincere, long-term relationships with host communities.
- > Continuing to reduce the carbon intensity of our product, lighten our ecological footprint and increase our energy efficiency.

We listen

Ensuring that we meet our obligations to communities, our people and our business partners is a responsibility that we take very seriously.

Our stakeholders

As Santos' area of operations has expanded over recent years, our community of stakeholders has increased in size, scope and complexity and we are constantly listening and responding to their input.

Engaging with stakeholders is something we do all the time as part of our approach to responsible operations. We have developed engagement systems that are dynamic and responsive to our changing activities and areas of operation, as well as to current and emerging stakeholder needs.

For the purposes of our sustainability disclosures, we have indicated the sustainability quadrants most significant to each stakeholder group.

How we connect

- Face-to-face meetings
- Internet/social media
- Information forums/briefings
- Media
- Reports and submissions
- Formal agreements

Our sustainability quadrants

- Environment
- Community
- Our people
- Economic

Sustainability quadrants relevance

- Moderate
- ↗ High
- ↑ Very high

Stakeholder group

Sustainability quadrants



Stakeholder group	Environment	Community	Our people	Economic
Employees ●●●●● our people across all areas of operation, including both field and office-based personnel	↗	↗	↑	↗
Government ●●●●● all tiers of government in Australia (local, state and federal) and relevant overseas jurisdictions	↑	↑	→	↑
Indigenous communities ●●●●● Aboriginal groups that hold a connection to land where we operate, some via native title	↑	↑	→	→
Industry/associations ●●●●● our partners and peers, including associations such as the Australian Petroleum Production and Exploration Association (APPEA) and Business Council of Australia (BCA)	↗	↗	↗	→
Investors/shareholders ●●●●● those who hold shares in Santos	↗	→	→	↑
Joint venture partners and customers ●●●●● parties with which Santos has business arrangements to develop or supply products	↗	↗	→	↑
Landholders ●●●●● owners of land where we operate, including pastoralists, farmers and conservation agencies	↑	↑	→	↗
Local communities ●●●●● those communities within close proximity to areas of operation including individuals, community groups, not-for-profit organisations and businesses	↑	↑	→	→
Media ●●●●● outlets (including electronic) publishing news and information – may be local, national and international	↗	↗	→	↗
Non-government organisations (NGOs) ●●●●● special interest groups, most commonly focusing on environmental and human rights issues	↑	↑	→	→
Suppliers/contractors ●●●●● businesses that provide goods or services that enable Santos to operate	↗	→	↗	↑
Unions ●●●●● employee groups representing worker interests	↗	↗	↑	↑

What matters to you and us?

It is essential that we understand what matters and concentrate on improving our sustainability performance in priority areas – focusing on issues that are most important to our stakeholders and to our business operations.

To do this, we conducted a rigorous materiality assessment process, which involved the following steps:

1. Stakeholder identification

We identified who our stakeholders are by identifying which individuals or groups have either an interest in or influence on our economic, environmental and social performance, or who are potentially affected by our operations.

2. Consider the full range of potential sustainability aspects

We followed the Global Reporting Initiative international sustainability disclosure guidelines to identify the full suite of potential sustainability aspects. A total of 52 were identified.

3. Identify specific aspects relevant to Santos' sustainability performance

These 52 aspects were mapped to Santos' 24 sustainability indicators.

4. Assess sustainability aspects affecting our stakeholders

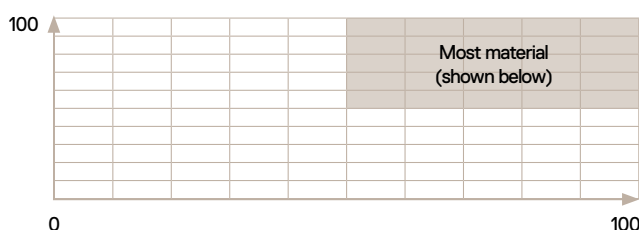
For each stakeholder group, we rated the importance of each potential and specific aspects identified in steps 2 and 3 based on factors such as the perceived impact on the group, how they are affected by Santos activities and their geographical location. The stakeholder ratings were then combined to give an overall rating out of 100.

5. Assess how these affect Santos activities

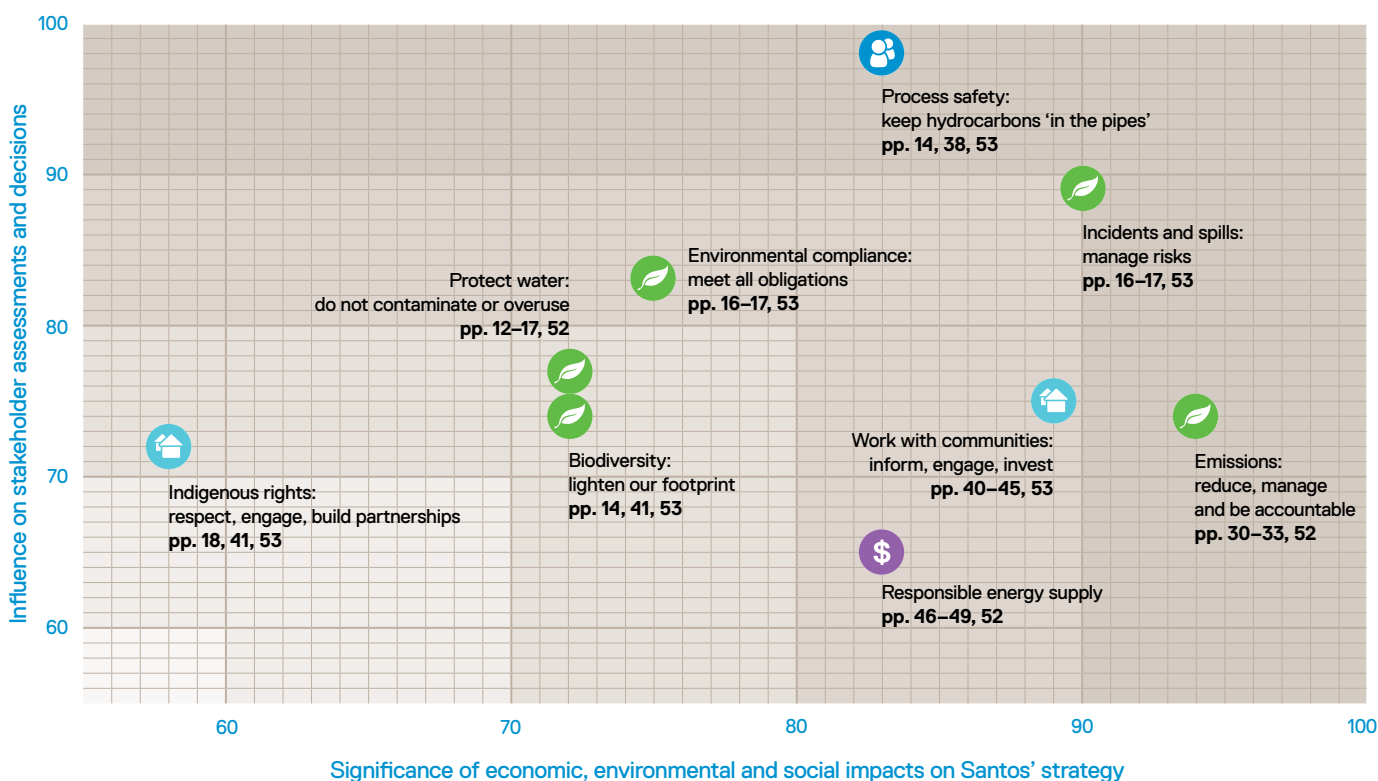
For each aspect, the possible social, environmental and economic impact of Santos' activities were considered based on the likelihood and severity of an impact, and how critical it could be to the company's long-term performance using the company's risk assessment framework. Each aspect was rated out of 100.

6. Develop materiality matrix

The matrix combines and presents input from steps 1 to 5. All 52 aspects are mapped. The topics that have been identified as most material are addressed in this report and plotted on the matrix below.



Materiality matrix



Coal seam gas: we need informed debate

Decisions we make now about natural gas production in Australia will determine our future prosperity and energy security.

We are committed to safe and environmentally responsible development of Australia's vast natural gas resources.

Santos has a good track record, operating sustainability in the Cooper Basin since 1963. We have also been successfully developing coal seam gas at our gas plant in Scotia in Queensland for more than 12 years. Coal seam gas is already an important component of Australia's domestic gas supply. Decisions about expanding this gas production are pivotal to Australia's energy future. It is therefore vital that these decisions are informed by accurate knowledge and information. Here we provide some key facts to help you make your own judgement.

Groundwater

Concerns about impact on groundwater largely stem from a misunderstanding of the nature of our activities.

The water recovered in gas production does not come from aquifers: it is the produced formation water that lies comingled with natural gas and locked within the tiny fractures within the coal seam deposits.

Further, our wells are designed, with several layers of steel and concrete casing, to avoid impact to any adjacent aquifers. This is to protect the environment and to protect our natural gas resource.

We closely monitor our drilling and production activities to ensure well integrity is maintained. We have extensive programs in place to monitor water quality and publish information online via our water portal.

Water bores, used by farmers and local communities, typically access shallow aquifers that are quite separate from the geological formations we source natural gas from and are isolated by layers of impermeable rock.



**"Environmental stewardship is
at the heart of how we operate."**

Nick Fox

Santos' Chief Environment Manager

What is coal seam gas?

Coal seam gas is simply natural gas that is sourced from coal seams. Conventional gas that Santos has been producing for the past 50 years is found in pore spaces of sedimentary rocks (e.g. sandstone) whereas coal seam gas is found in coal deposits. Gas bound itself to the coal when it was formed millions of years ago – a process called 'adsorption' – and can be extracted by a process called 'desorption'. Although not visible to the naked eye, about 2% of coal is tiny fractures, or void space, that is occupied by water. By removing this water from the coal, we create a pressure differential that encourages the gas to flow out of the coal and to the surface via a well structure. The coal stays in situ underground. This gas is known as coal seam gas.

Fugitive emissions: CSIRO study results

As natural gas promises significant carbon emission savings, concern in some segments of the community about fugitive emissions from wells that might compromise these savings prompted a study by the CSIRO¹ conducted during 2013 and 2014.

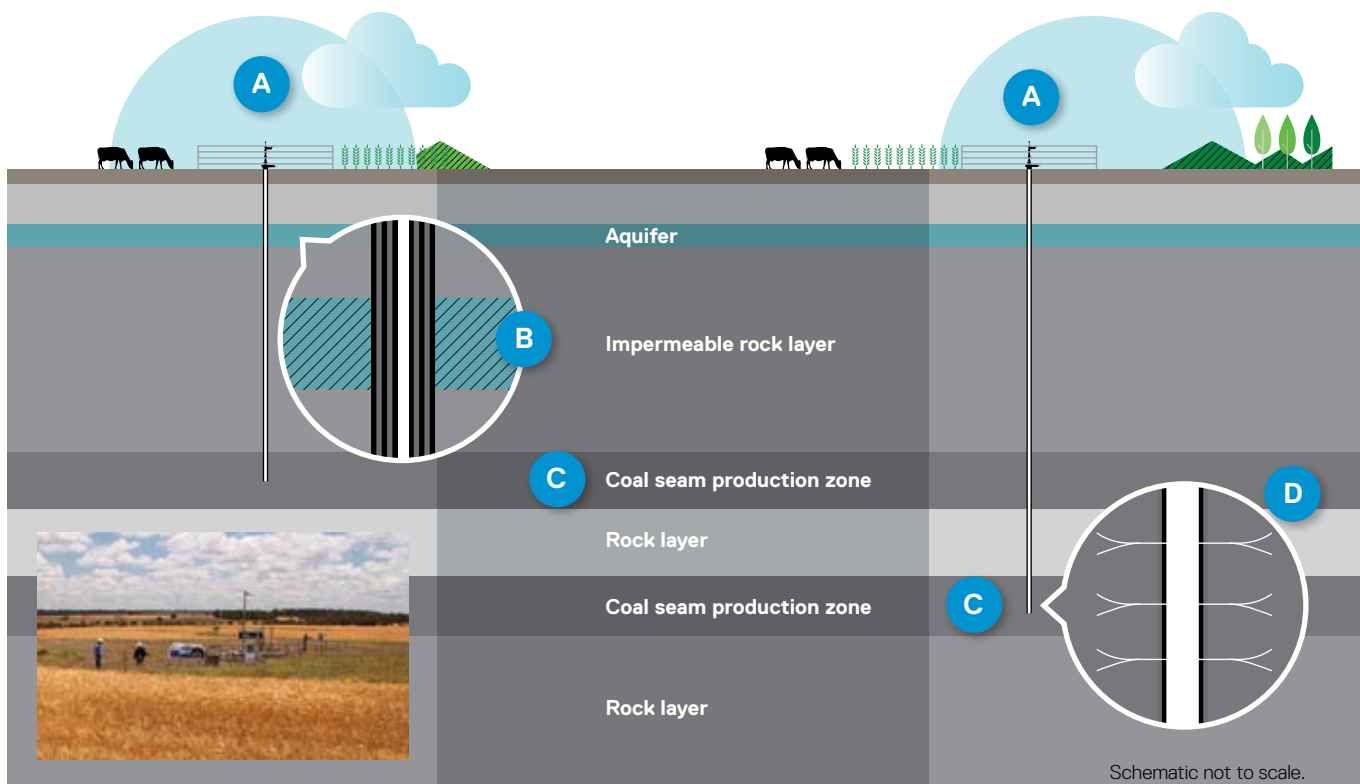
The CSIRO study measured fugitive methane (CH₄) emission rates at 43 coal seam gas well sites in Queensland and NSW using a range of methods including downwind traverses of methane plumes originating from well pads, and on-pad measurements to determine leak rates from individual items of equipment at gas wells.

The study found that emission rates detected "were very low, especially when compared to the volume of gas produced from the wells ..." and "were very much lower than those that have been reported for US unconventional gas production." No evidence of leakage of methane around the outside of well casings was found at any of the wells sampled.

The results of the study confirmed the appropriateness of the emissions factor applied to report fugitive emissions in Australia.

¹ Day, S., Dell'Amico, M., Fry, R., Javanmard Tousi, H., (2014). Field Measurements of Fugitive Emissions from Equipment and Well Casings in Australian Coal Seam Gas Production Facilities. CSIRO, Australia.

Oil and gas operations have sustainably coexisted with agriculture for decades.



A An operating well lease is typically less than half the size of a netball court. The leases are fenced and farming outside the fenced area can continue as normal. When the well is no longer in use it is plugged with cement and the ground surface returned to its natural environment.

B All our wells are lined with steel and concrete casing to protect aquifers and surrounding geological formations.

C The water recovered in gas production does not come from surrounding aquifers; it is water that is adsorbed to the coal seam in-situ and is comingled with the gas. The quality of water varies from site to site, but is usually saline and may require treatment prior to disposal or reuse.

D Hydraulic fracturing enhances natural cracks that exist within the production zone and is one of several options used in the oil and gas industry since 1949 to improve flow rates from production wells, reducing the number of wells needed to develop a resource.

There's a common misconception that the fluids used are made up of a secret list of ingredients. However typically they are 99% water and sand. The sand is used to hold the minute cracks open and improve the flow of gas.

The chemicals are used to improve the transportation of sand, prevent bacteria growth, reduce mineral blockages and prevent well corrosion.

Santos uses common household chemicals in its fluid, such as vinegar, detergents, bleach, salt and guar gum. We do not add benzene, toluene, ethylene or xylene to our fracturing fluids.

The decision to drill a well requires the consideration of a variety of factors including but not limited to the following:

Geological and environmental factors

- > geography/terrain
- > geological layers including aquifers
- > environmental protection and best practice
- > waste management
- > emissions management
- > water management

Social factors

- > surrounding land use
- > landholder and community wellbeing
- > health and safety
- > Indigenous rights and heritage

Economic and regulatory factors

- > production rate
- > production costs
- > project approvals
- > demand

A list of chemicals typically used in fracturing fluids can be viewed on the Queensland Government website at: www.ehp.qld.gov.au/management/non-mining/fracking-chemicals.

Further information on Santos' approach is available from our GLNG online resource library and factsheets.

We protect

We wouldn't be where we are today without integrating our principles of sustainability into everything we do.

The bottom line ...

At Santos, we see ourselves as custodians of a precious resource, a resource that is essential to the wellbeing of our daily lives. Industry, small business and households in Australia depend on a reliable supply of energy, and need responsible operators who can deliver it safely.

This means operators must protect the health and safety of employees, focus on environmental management and work cooperatively with communities to share the benefits.

At Santos, our commitment to be a good operator has a long track record and extends across all areas of our business, recognising that it is in no-one's interest to make mistakes. In the long-term, being a good operator will keep costs down and ensure a future for the industry and all those who depend on it.

Fundamentally, we protect because we care – our employees are people who are intensely proud and dedicated to what they do. We understand that our activities raise concerns: this is inevitable given the nature and scale of our business, and the often confusing and misleading information being presented.

In this section of the report, we present information about what we do and how we manage potential environmental impacts to enable you to decide for yourself. Operating responsibly is a focus for us every day: the bottom line is that if we're not confident that it can be done safely and sustainably, we don't go ahead.



Curtis Island, near Gladstone, Queensland – over half the island is now set aside for environmental protection.

Biodiversity protection

Biodiversity is a cornerstone of our environmental sustainability performance. Santos has strong processes in place to protect biodiversity in areas where we operate, including a rigorous environmental approvals process and management plans developed in consultation with stakeholders. Examples of our biodiversity initiatives include:

- > During 2014, Santos in cooperation with two other LNG projects at Gladstone, Queensland, secured 25,700 ha of land on Curtis Island that will be protected and managed for conservation benefits as part of the company's environmental offset obligations.
- > Investment of nearly \$1.2 million with the Nature Foundation of South Australia was used to purchase land and establish the Witchelina Nature Reserve covering 4,200 square kilometres. In 2014, Santos contributed \$300,000 to support ongoing conservation efforts.



Fat-tailed Dunnart *Sminthopsis crassicaudata*, one of the species returning to Witchelina in South Australia's mid-north.

We continuously seek to find new ways to minimise our environmental impact across the lifecycle of our activities.

Managing formation water

Formation (or produced) water occurs naturally underground in association with oil and gas deposits and is brought to the surface as a by-product of oil and gas production. It varies greatly in quality which limits beneficial reuse options.

We are committed to turning this waste product into a resource – such as water for stock, irrigation and aquifer recharge – wherever practicable.

This may require desalination treatment to bring the water up to a suitable quality. Where reuse is not yet possible, we adopt safe and sustainable disposal methods in accordance with our water resources environmental hazard standard, legislative requirements, licence conditions and project-specific management plans.

Our water protection initiatives include innovative water management projects and significant investment in collecting good quality water monitoring data. Some examples are:

- > providing treated production water for irrigation, helping landholders source an alternative water supply for their properties
- > creating the water portal that gives public direct access to water monitoring results in the Surat and Bowen Basins.

Since 2006, we have disposed of brine from our Fairview field via injection into deep (>1.5km) basement rocks. We are looking to extend the application of this technique in accordance with environmental approvals.

Water salinity

Water source/use	Salinity level (TDS*)
Sea water	35,000
Saltwater swimming pool	6,000
Water for livestock	5,000
Average coal seam gas formation water	1,500–3,000
Amended coal seam gas formation water	1,800
Tap water	240-800
Desalinated water	180
Rainwater	<25

* The quality of formation water varies between locations. TDS (Total Dissolved Solids) are used as a measure of the salinity. TDS are measured in parts per million (ppm).



ENVAULT

Our landholder water monitoring system ‘ENVAULT’ in Queensland is continuing to be rolled out with a further 15 systems installed on landholder bores during 2014, bringing the total number of telemetered bores to 80. This automated, real-time groundwater monitoring system efficiently monitors groundwater by gathering water data throughout the day. Landholders can obtain this information at the click of a button via the internet.



www.envault.com.au

Environmental monitoring

Good research and data collection is key to environmental compliance and good working relations with stakeholders.

As more data are collected and shared, trust and respect grows. Santos carries out regular and detailed monitoring programs in all areas of operation to check compliance with relevant standards and requirements.

For example, our eastern New South Wales operations have been the focus of significant attention. In the interests of informed debate, Santos has set up a rigorous monitoring and disclosure program including:

- > 17 new monitoring bores installed across eight locations
- > the first 'deep' monitoring bore installed 1,000 m below the surface
- > access to data from 123 NSW Office of Water monitoring bores in the Namoi catchment
- > monitoring of 100 landholder bores
- > surface water sampling at 60 sites to inform surface/ groundwater interaction studies
- > sampling at 15 groundwater dependent ecosystem locations.

Monitoring data are available to the public with up-to-date results accessible online via our water portal.



www.santoswaterportal.com.au



In 2014, Santos was fined \$52,500 in relation to incidents that occurred in 2011 at the Bibblewindi Water Treatment facility while the site was under previous ownership and management. Separately, Santos received fines for minor technical breaches and non-compliance with conditions of approval:

- > \$5,500 for taking quarry material from a quarry site without the appropriate permit
- > \$2,200 x 3 for failing to fully implement sediment and erosion control plans
- > \$2,200 for failing to ensure a contractor complies with an authorisation
- > \$2,200 relating to surface ponding of irrigated treated effluent
- > \$1,500 relating to lack of endorsement of a purchased water allocation on a water use approval document
- > \$1,500 relating to minor release of water.

In March 2014, we reported a spill of approximately 500 litres of salty water (the equivalent of approximately two bath tubs) at our Bibblewindi operations. The spill lasted approximately eight minutes and systems were shut down immediately when the fault was identified. The water was contained within a surface diversion drain onsite and was captured and returned to the holding pond. There was no impact to any nearby water source and no risk to the environment.

Following our report to the NSW EPA in May 2013 regarding water that Santos had identified beneath two water storage ponds at Tintsville, Santos sought approval to transfer water out of Tintsville Pond 2 to locate and repair any leaks. As soon as approval was obtained, the EPA issued a Clean Up Notice for Tintsville Pond 2, to transfer the water, clean the pond and undertake a thorough inspection of the liner. The inspection was undertaken by an independent contractor and did not identify any leaks in the liner. The source of the water under the pond was rainfall runoff, which had flowed down beside the liner then laterally under the liner. Pond 2 is now ready to be recommissioned.



"We can deliver our Narrabri project safely and sustainably and without impacting the agricultural productivity of the region."

Peter Mitchley

Santos' General Manager Energy NSW

“

Santos has committed to the community that we will operate to the highest standards.

”

Committed to 'do the right thing'

Santos prides itself on its track record as a responsible operator: in terms of compliance, this means adopting best practice operational equipment and procedures to minimise impacts and reporting any incidents of non-compliance in accordance with legislative requirements.

Santos' takeover of the exploration area in eastern NSW is testimony to this commitment. Since becoming operator in November 2011, the company conducted a detailed review of operations, reported all incidents of non-compliance that had occurred under the previous operator to the regulator and has invested \$17 million to bring the facilities up to best practice standards to prevent future incidents.

In early 2014, Santos NSW Pty Ltd was fined \$52,500 in the NSW Land and Environment Court for failure by the previous operator to report incidents at the Bibblewindi Water Treatment facility that occurred in 2011, prior to Santos' takeover of ownership and management. The facility has since been decommissioned and removed by Santos.

Rehabilitation works completed by Santos include:

- > removal of eight water storage facilities
- > rehabilitation of more than 20 existing lease sites
- > rehabilitation of six sites that had been excessively cleared
- > decommissioning and rehabilitation of over 30 wells.

New water storage facility at Leewood, outside the Pilliga. The engineering and construction of the double-lined ponds is state of the art. The completion of the ponds has allowed Santos to centralise all the brine inherited from the previous operator.



www.santoswaterportal.com.au

We respect

We work with communities in ways that respect their cultures, recognise their aspirations and support their development.

Indigenous opportunities

We aim to build genuine relationships with Aboriginal communities. This goes beyond our compliance obligations.

"Santos is a company committed to supporting Aboriginal and Torres Strait Islander participation in the workplace. We seek to offer many and varied opportunities in the oil and gas industry," said Kerryne Liddle, Santos' Manager Aboriginal Participation.

Tangible results of this commitment include:

- > involving traditional owners in protecting and managing cultural heritage
- > supporting access to country for traditional owners, including arranging visits to country by Elders and youth
- > creating diverse pathways for career development
- > supporting enterprise development and procurement opportunities for Aboriginal-owned companies to work in the oil and gas industry.

Recently, the Commonwealth report *Overcoming Indigenous Disadvantage* (2014) was released, outlining the importance of education, employment and community engagement in enhancing self-esteem and reducing social alienation.

Santos has approximately 70 Aboriginal and Torres Strait Islander people working in a range of projects, locations and disciplines and has provided more than 600 opportunities for employment, education and training since we began collecting data in 2011.

Santos supports enterprise development and procurement opportunities for Aboriginal companies. To date, Santos has worked to build the capacity of several Aboriginal companies (civil construction and cultural heritage) to work in oil and gas and other sectors, with a number winning substantive contracts in Queensland, Northern Territory and South Australia.



Wongkumara students at the Saxon 188 Rig.



Wongkumara student Eric Edwards with Santos Cultural Heritage Supervisor Matt Harvey at Ballera.

Helping young Aboriginal students connect with 'country'

In September 2014, Santos held a 'Young People on Country Camp'.

It provided the opportunity for eight Wongkumara high school students to visit their traditional lands in south west Queensland. For many, it was their first ever visit to Wongkumara country.

The camp was initiated by Wongkumara Elders who recognised the importance of young people visiting their traditional lands to learn about cultural heritage and being given the opportunity to hear about careers available in the resources sector which might allow them to work 'on country'.

"It was a real privilege to be part of this unique initiative," said Kylie Amber, Santos' Aboriginal Engagement Team. The students were absolutely fantastic and it was obvious that they really benefited from the opportunity to connect with their traditional country and to learn more about their cultural heritage.

I think we have also inspired many of them to look at pursuing a career in the resource industry."

Santos is committed to further improving its reputation as an inclusive workplace with an organisational culture that embraces diversity.

Santos' approach to engagement is based on a foundation of respect

Santos recognises and respects the traditional ownership and rights of all Indigenous people.

We believe that community engagement and consultation is a central part of our process and we seek to genuinely understand the perspectives of the people in the communities in which we operate.

We seek to fully inform Indigenous communities and consult with them on likely impacts and opportunities arising from our activities. We adhere to the principles of free prior and informed consent.

In negotiations we empower traditional owner groups to work with us to establish communication protocols and to proactively identify and address potential impacts. We negotiate contracts in good faith and in a respectful and reasonable manner.



Emergency drill, collaboration between Santos' emergency response team at OPF Grati, IP (Indonesia Power) and ETI.

Recognising human rights

Our recognition of the human rights of our employees, contractors, their families and the communities in which we work includes understanding the broad range of cultural differences in the company and the countries in which we operate.

Our Code of Conduct commits to upholding the spirit of the Universal Declaration of Human Rights and other key international human rights documents to which Australia is a signatory. This applies in every country in which we do business.

Our Human Rights Policy precludes discrimination based on gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age or political opinion. It also states Santos' commitments to providing fair and favourable working conditions for all employees and to implementing systems and procedures to protect the health, safety and security of employees, contractors and host communities.

All employees, suppliers and contractors (including security personnel) are required to comply with the Santos Code of Conduct, which references our Human Rights Policy.

All Santos employees must undertake compulsory training in respect to the Code of Conduct.

Issue resolution and escalation processes exist under a number of Santos policies and enterprise agreements to address concerns in relation to inappropriate or unlawful conduct. Where these normal channels have been exhausted or are unavailable, an independent Reporting Misconduct Hotline is also available to all Santos employees, suppliers and contractors 24 hours a day, 7 days per week through the Reporting Misconduct Policy.

In 2014 there were no reports of human rights violations involving Indigenous peoples at Santos-operated sites.

Working closely with landholders and local communities

Our 60-year history has been built on mutually respectful relationships with landholders.

The remote locations where we operate make these connections all the more important. We are there to help each other and offer support and care in times of need.

We've established long-term positive relations with pastoralists; our facilities at Ballera, Jackson, Moomba and Tarbat are used by local landholders as a support base, providing drop off points for mail and equipment supplies, and the flight service from Adelaide to Moomba is made available to families in the region enabling their children to return home from boarding school more frequently.

These supportive partnerships also offer direct and indirect economic benefit to local communities and landholders. Santos has helped fund road improvements and communications infrastructure, and contributes millions of dollars per year in rates to shire councils.

Our policy to support local service providers and product suppliers also boosts local businesses such as accommodation providers and construction businesses, stimulating reliable long-term economic activity and employment opportunities.

In-kind support also helps community groups to organise and run community events, and provides emergency services support to respond to incidents such as fire, flood, drought, vehicle breakdowns and medical emergencies.



Landholders are our biggest partners in the development and production of natural gas. You can't be in a partnership and not respond to real concerns.



This is my home ...

Santos has set up a shopfront in the main street of Narrabri to firmly establish the company as a part of the community.

We are embedded here in the main street; we all live here – we shop in the supermarket; we stop and have a chat with people; we and our families are part of the local sporting teams; we're part of the fabric of the community.

"The shopfront plays an important role because it gives folks an opportunity to come in, ask questions, find out about our activities and often just have a cup of tea and a chat," said Vesna.

Vesna Rendulic,
Santos' Senior
Advisor Community
Relations, Eastern
New South Wales.



"Wherever the gas industry operates it can and must do so in partnership with landholders to their mutual benefit ... that has been the case since our foundation 60 years ago."

James Baulderstone
Santos' Vice President Eastern Australia

Responsible supply chain systems

Our supply chain is another way that Santos can encourage positive social, economic and environmental flow on from our activities.

Prior to engaging suppliers, Santos carries out comprehensive prequalification and consultation processes. Our suppliers must comply with Santos' Code of Conduct, which incorporates our environmental, health and safety policies and management systems, our Human Rights Policy and guidance on ethical conduct.

We have adopted a continuous improvement approach to our supply chain management and review performance on an ongoing basis. This is key to maintaining good working relationships with our suppliers.

Supply chain initiatives that we have implemented include:

- > **green credentials – compliance with the principles of our Environmental, Health and Safety Management System (EHSMS), particularly in relation to waste capture and recycling**
- > **Indigenous opportunities – employment, training and career options, in keeping with our Aboriginal Engagement Policy**
- > **local procurement – to encourage local participation and capacity and support a strong local supplier network.**

During 2014, we again achieved our target of zero supply interruptions and improved on our target to reduce inventory.

Excellence in materials management and logistics

Santos' warehouse management system project won the Chartered Institute of Procurement and Supply Australasia 'Overall Winner' Award in 2014.

Transport of goods to our remote field locations and storage on site is a critical enabler of our operations. Santos' logistics function comprises seven in-field warehouses supported by major hub warehouses at Port Adelaide and Roma, connected by dedicated freight services that move more than one million tonnes of freight annually.

The project has modernised Santos' systems, equipped our operations for future growth, and realised major materials management efficiencies. Aspects of the technology include barcoding of freight and inventory, hand-held touch-screen transactional scanners, warehouse space optimisation and system-generated truck manifesting.

In some cases up to 90% space utilisation has been achieved in storage spaces compared to historical utilisation of around 50–60%. Intelligent optimisation of available cubic space on trucks has created increased truck utilisation and resulted in savings in fuel, labour and contractor costs.

Examples of waste reductions include reduced manual transactions, eliminating the paper-based pick-slips previously in use.

The Project also won the CIPSA Best Process Improvement Award and is now in the running for a CIPS Global Award which will be decided in the UK in 2015.

Our commitments

Risk

- > We will adopt a structured and consistent approach to managing risk, aligning strategy, processes, people, technology and knowledge.

Water

- > We will continue to support scientific research and identify opportunities for the beneficial reuse of water.
- > We are committed to ensuring that landholders' groundwater supply is not adversely impacted due to activities conducted by our projects.

Aboriginal community

- > We will work with Aboriginal communities in a way that respects Aboriginal cultures and supports the development of those communities in which the company operates.
- > We will create education, training and employment pathways for Aboriginal people in the energy sector.

Human rights

- > We are committed to providing fair and favourable working conditions for all employees and will not employ forced labour or child labour.

Stakeholder relations

- > We strive to establish enduring and mutually beneficial relationships with the communities of which we are a part.
- > We seek open and mutually rewarding relationships with our customers, suppliers, and joint venture partners.

Resolve

A small yellow flower with green stems is growing from a sandy surface. The flower has five petals and a bright yellow center. The background is a warm, textured brown, suggesting sand or soil. The lighting is soft, creating a gentle glow around the flower.

Reso'lve /rə'zɒlv/ (say ruh'zolv)

Noun – fortitude; grit; perseverance; determination
to follow some course of action; firmness of purpose

In this section

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We imagine

We imagine a successful and sustainable future.

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Santos 60 years

How our sustainability journey parallels the history of Santos and Australia.

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We plan

Our vision is to be a leading oil and gas exploration and production company in Australia and Asia.

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We learn

Our sustainability framework approach has delivered significant achievements since we commenced reporting in 2004.

Setting the standard

- > Identifying and managing risk as a responsible operator to safely deliver our product to market.
- > Providing a cleaner product that delivers energy to a growing population.
- > Continuously improving our operations to benefit all stakeholders.

We imagine

We imagine a successful and sustainable future. Our vision is to be a leading energy company in Australia and Asia.



Bold thinking

We've expanded from humble yet ambitious imaginings that led to the first Australian oil and gas discoveries in the Cooper Basin in 1954 to now being one of the largest gas producers in Australia.

This evolution has not happened by accident. Over the past 60 years, Santos has made bold plans, "following the faith of its own beliefs and steadfast core of optimism" – and shows no signs of stopping – "with a face turned to the future and a dogged determination to succeed" (Blue Flames, Black Gold: The Story of Santos, 2014).

There is a lot to be proud of in the Santos you see before you today.

Since the first commercial discovery at Gidgealpa-2 in 1963, six trillion cubic feet of gas has been produced from the Cooper Basin, which is predicted to contain decades of future gas supply.

Our strategy reflects a strong resolve, driven by a global understanding of emerging energy demands and Australia's strategic importance in meeting these demands.

When we started, our goals were closer to home, to provide energy to customers in South Australia and later New South Wales and Queensland; we recognise the need to diversify our energy products and markets, in particular the importance of LNG in providing a secure, safe, low-carbon alternative to boost domestic supply and fuel rapidly growing Asian economies.

Our vision is to be a leading oil and gas exploration and production company in Australia and Asia. To achieve this we have integrated the principles of sustainability into the way we do business.



Joint CEO safety commitment

- > In March 2014, Santos established the chief executive officer lead safety forum for operators and contractors in the Cooper Basin.
- > The chief executive officers are united in their belief that no-one should suffer from harm at work, and that safety forms the cornerstone for all activities in the Cooper Basin.

The undersea tunnel was constructed by subcontractor Thiess and the pipeline was built by Santos GLNG's contractor Saipem Australia.

World-class under-sea tunnel crossing

The completion of Santos GLNG's under-sea tunnel in 2014 illustrates that the spirit of boldness, endeavour and commitment to safety and sustainability is still very much alive.

The tunnel is an innovative and determined solution to connect the pipeline from the Fairview field on the mainland with the LNG plant at Gladstone on Curtis Island.

It took more than 420,000 work hours to construct the 3.45-metre diameter tunnel which runs approximately eight metres below the sea bed. Construction required a 100-metre long, 277-tonne tunnel boring machine.

"Our undersea tunnel allowed us to cross The Narrows without disturbing the local marine environment and with minimal impact to surrounding coastal environments," said Santos' Vice President Downstream GLNG Rod Duke.

"The completion of the pipeline tunnel demonstrates our ability to deliver world-class projects and is a great example of how we manage our environmental footprint," he added.



Santos GLNG, its contractor Saipem Australia and subcontractor Thiess celebrate the breakthrough of the tunnel boring machine at Curtis Island, Gladstone.

Santos – 60 years

How our sustainability journey parallels the history of Santos and Australia.

The Company

1954

Santos Limited is established.

1963

Santos discovers first commercial hydrocarbon resource at Gidjealpa-2, in the Cooper Basin.

1966

Moolamba-1 well is flowing, with 65.1 billion cubic feet of gas reserves booked.

1969

The 800-km Moolamba to Adelaide pipeline opens. Agreement for Santos to supply gas to NSW for 25 years.

1976

Santos commences supplying gas to Sydney via 1,368-km pipeline.

1978

Strezlecki-3 well records the biggest onshore oil flow rate in Australian history, flowing at 2,400 barrels of oil per day.

1984

Port Bonython becomes Australia's largest onshore petroleum liquids plant. Santos' oil revenue exceeds gas revenue for the first time.

1989

Santos invests in Bayu-Undan project off Australia's northern coast.



Our sustainability journey



Since 2005, Santos has used its sustainability scorecard to set targets and drive performance.

1973

The Commonwealth Petroleum and Minerals Authority Act 1973 is introduced.

1980

Santos established its in-house environmental management team.

1981

Port Bonython Environmental Impact Statement (EIS) prepared – one of the first in South Australia.

1984

Santos' *Arid Zone: Field Environmental Handbook* first published.

Santos *Environmental Policy for the Arid Zone* first published.

1988

Field guide to the common plants of the Cooper Basin first published.

1989

Santos partnership with Art Gallery of South Australia commences.

Key Australian historical events

1956

Australia hosted the Olympics for the first time.

1961

Australian federation 60-year milestone.

1967

Referendum gives Aboriginal and Torres Strait Islander peoples the right to vote.

1972

Legislation passed that entitles women to equal pay for equal work.

1985

Government grants freehold right to Aborigines in central Australia.

1988

Oil prices fall to a 10-year low.



1992

Santos founder, John Bonython, posthumously receives APPEA award for 'vision, diligence and tenacity'.

1994

Santos produces more oil and gas than any other independent ASX exploration and production company. Santos' market capitalisation nearly \$2 billion.

2005

Santos' Mutineer-Exeter offshore oil project commences.

2007

Santos announces Gladstone LNG project.

2011

Advances in drilling technology enable Santos to reinvigorate activity in the Cooper Basin.

2014

PNG LNG project produces first cargoes. South Australian Heritage Icon Award received.



1996

Support for the Darwin Festival commences.

1998

Adelaide Symphony Orchestra partnership commences.

2004

Santos' first stand-alone sustainability report published. Santos *Greenhouse Policy* first published. Santos voluntarily reports GHG emissions. Santos is listed on the Dow Jones Sustainability Australia Index.

2007

Santos' head office in Adelaide moves to a new five-star green building.

2008

Santos Graduate Program officially begins.

2009

Santos listed on Dow Jones Sustainability Asia Pacific Index. Santos' climate change management recognised on the CDP carbon disclosure leaders index.

2010

Santos becomes naming rights sponsor for the Tour Down Under. Support for Common Ground commences. **2012** Santos included in the Dow Jones Sustainability World Index for the first time.

1992

The High Court delivers Mabo Decision, recognising native title.

1992

Rio Earth Summit 1992 publishes principles on sustainable development.

2007

Sydney Opera House declared a World Heritage Site.

2007

Australia ratifies the Kyoto climate change protocol.

2010

Julia Gillard becomes Australia's first female prime minister.

2014

G20 hosted in Brisbane, Australia.

We plan

Our vision is to be a leading oil and gas exploration and production company in Australia and Asia. We understand to achieve this we must have the highest sustainability credentials and we plan our activities with this goal in mind.

We manage risks every day

The oil and gas industry encompasses combustible products, heavy equipment, remote locations and frontier technology.

Planning for risk and having the commitment and know-how to manage risks well is essential to operating sustainably in terms of human safety, environmental protection and economic viability.

The most important thing is to protect the integrity of operating plants to make sure that “we all go home from work without injury or illness” (Santos Safety Vision).

A rigorous process safety system is critical to achieve this. This means putting in place preventative measures that ensure systems and equipment that keep hydrocarbons contained are working properly, checked regularly and are well maintained.



Safety first

Hydrostatic testing of Santos GLNG's 16-storey-tall LNG storage tanks on Curtis Island near Gladstone was conducted in September to ensure they can safely store LNG when the plant begins operation in 2015.

The storage tanks are built with two inner tanks comprising four layers of insulation and a layer of protective steel plates. Each tank can hold the equivalent volume of 56 Olympic-size swimming pools and is as wide as four cricket pitches. They are designed to store up to 140,000 cubic metres of LNG at minus 161 degrees Celsius that will be transported by ship to customers in Malaysia and Korea.

Contingency plans in place

As a responsible operator, Santos has contingency or emergency plans in place for all its operations.

During 2014, attention focused on oil spill preparedness for our offshore operations – Western Australia, Victoria, Port Bonython in South Australia, Indonesia and Vietnam.

A gap analysis was conducted in late 2013 which identified areas for improvement, and an oil spill plan was developed in 2014 addressing requirements for equipment, personnel, training and the capacity to respond to a major spill. As part of its roll out, a simulated 'Tier 3' oil spill exercise was conducted to assess whether the response identified in the plan was adequate and timely.

On 1 August 2014, Santos became a participant member of Oil Spill Response, an international organisation that can provide quick access to personnel and equipment in the event of a spill. Santos is also a participant member of the Australian Marine Oil Spill Centre and has a memorandum of understanding with the Australian Maritime Safety Authority.

Benefits of a sustainability framework

The oil and gas industry faces many challenges of perception and needs to actively manage these to protect our people and our communities in which we operate. These challenges include:

- > **water management**
- > **spill prevention**
- > **greenhouse gas emissions**
- > **health and safety.**

By incorporating sustainability principles into the way we do business, we better manage the challenges of the oil and gas industry, improving outcomes for the environment, our employees and our stakeholders and ultimately our bottom line. This is achieved through:

- > **community goodwill**
- > **workforce commitment**
- > **smaller footprint**
- > **energy efficiency and emission reductions**
- > **safer operations.**

Integrated sustainability approach

While the energy sector has changed since Santos began, the company's fundamental values have not. These are captured within Santos' integrated sustainability approach, and are central to the company's success and longevity.



Discovers

Opening our minds to new possibilities, thinking creatively and having the courage to learn from successes and failures, taking on new challenges, capturing opportunities and resolving problems.

Cares

Taking the long-term view to build a sustainable future for our company, our people and the environments and communities in which we operate.

Delivers

Taking personal responsibility and pride in our work to deliver timely, quality results that benefit Santos and help achieve our vision and strategy.

Collaborates

Recognising the value and power in diversity of thought and communicating openly to understand the perspectives of others; demonstrating leadership by sharing what we know and respectfully challenging each other to achieve the best results for all.

Benefits of natural gas

The global energy challenge is to increase energy supply to support growth and jobs, while reducing emissions and improving air quality.

Rising temperatures coupled with a growing world population and economic growth are driving an increase in overall demand for energy. How we respond will determine not only our energy future but also the quality of the air we breathe and our ability to avoid catastrophic climate change impacts.

Of the seven billion people currently in the world, 1.3 billion do not have access to electricity.

"Globally we need to lift people out of poverty ... we need to supply them with electricity," said David Knox, addressing the G20 summit in Brisbane, October 2014.

The standard of living in developing countries is rapidly improving. In Asia today, urbanisation is rapid: the equivalent of 10 Brisbane-size cities is created each year and this growth drives investment, consumption and energy demand. By 2030, it is estimated that Asia's energy demand will surpass the rest of the world combined and will represent over 71% of global LNG demand.

How we respond to this global trend is pivotal to delivering human development needs sustainably, and access to lower carbon energy is an essential component.

Australia and Santos are well placed to respond to this challenge.

The global challenge

- > 1.3 billion people in the world are currently without electricity
- > 50% more energy will be needed by 2030 to supply the growing global population
- > Energy demand must be met while reducing emissions and improving air quality.

Creating cleaner cities

Increases in greenhouse gases are just part of the challenge.

There are health concerns regarding air pollution from smog, particularly in the world's larger cities (World Health Organization, 2011).

China is actively tackling air pollution in Beijing by replacing coal-fired power plants with natural gas plants. In addition, they plan to fuel more cars and buses using natural gas.

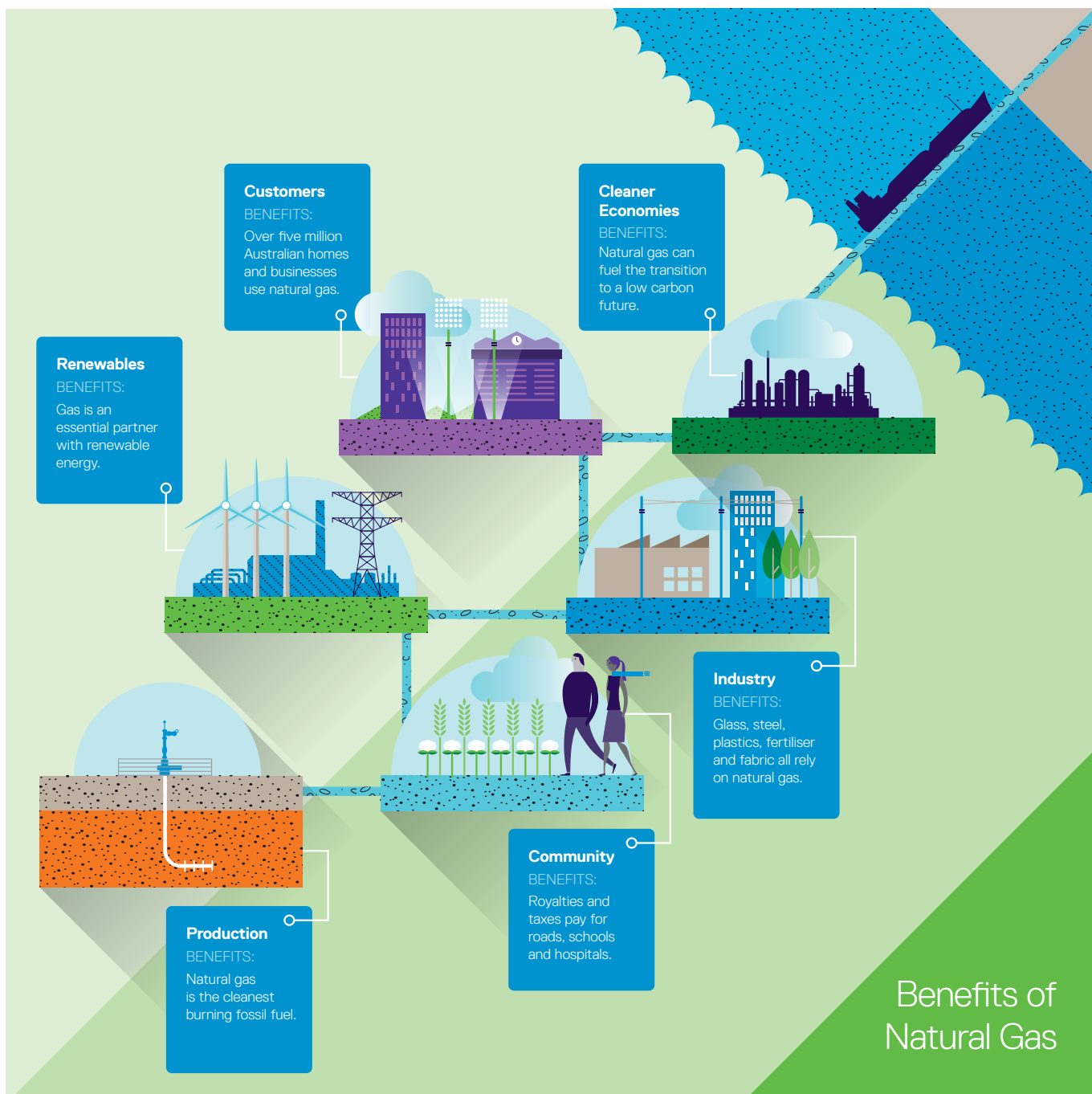
The initiatives in Beijing are expected to reduce sulphur dioxide emissions.

Significant greenhouse gas emissions savings can be achieved in China and the wider Asian market alone where 7.7 billion tonnes of carbon dioxide are emitted annually from burning coal.



“ ... emissions from energy supply can be reduced significantly by replacing current world average coal-fired power plants with modern, highly efficient natural gas combined-cycle power plants ... ”

(Intergovernmental Panel on Climate Change Working Group III Contribution to Fifth Assessment Report 2014)



We learn

Our sustainability framework approach has delivered significant achievements since we commenced reporting in 2004.

A journey of continuous improvement

Our approach to sustainability has matured considerably over the past decade. Sustainability assessment and reporting imposes a rigour and structure on our business that continually drives performance improvement.

The Santos sustainability scorecard provides an annual snapshot of our progress, detailing the company's performance across our 24 key sustainability indicators.

The scorecard is based on our self-assessed and independently audited ten-point rating system. The performance requirements are detailed for each indicator providing examples of governance systems and performance standards required to achieve each rating level. The levels range from one for poor performance to the high performance zone of seven and above.

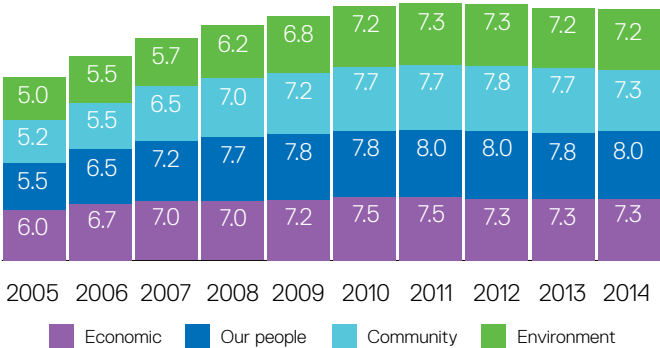
Maintaining the same score from year to year requires continuous improvement to reflect growing community expectations and regulatory obligations.

By engaging with our stakeholders on a regular basis, and listening and responding to the feedback we receive, we continue to learn and improve.

In 2010, we reached the high performance zone. Our aim is to maintain performance within this zone. Sustainability targets and performance are driven by our indicator managers and reported to the Environment, Health, Safety and Sustainability Board Committee.

A decade of sustainability reporting

Average annual sustainability score



Santos' sustainability scorecard

Our scorecard drives a continuous improvement approach across our business (p. 57).



Our commitments

Trust

- > We are committed to upholding our reputation as a trusted energy company.

Sustainability

- > We will continue to provide clean energy solutions for Australia and Asia while operating in an environmentally sustainable and socially responsible manner.
- > We aim to stay on the Dow Jones Sustainability Asia Pacific Leaders Index.

Disclosure

- > We will measure and report our environmental performance, so our stakeholders can assess our performance.

Climate change

- > As a global stakeholder in the energy business, we recognise that one of our key social and environmental responsibilities is to pursue strategies that address the issue of climate change.

Greenhouse gas management

4.6 PJ per year energy saving

Santos' first Greenhouse Policy was published in 2004. In 2014, our energy efficiency program delivered savings of 4.6 PJ per year.

Aboriginal engagement

Over 600 employment training and education opportunities created

Santos proudly supports Aboriginal team member participation through cadetships, traineeships, apprenticeships and scholarship opportunities.

Community wellbeing

Over \$80 million invested in community partnerships since 2007

We value our reputation as a responsible, trusted company. Our community support strategy has delivered tangible benefits in our focus areas of health, education and youth, Indigenous programs, and the arts.

Santos' community investment philosophy is to support organisations, initiatives and events that make meaningful contributions in the community.

Human resources

Collaboration initiative with the Melbourne Business School's Centre for Ethical Leadership and Workplace Leadership

Through this initiative, our objective is to supplement our programs and address issues such as gender balance.

Our aim is to provide a supportive and challenging workplace in which everyone has the opportunity to develop their full potential while pursuing a balanced life.

Passion

Passion / 'pæʃən / (say 'pashuhn)

Noun – a feeling or emotion ... of compelling force;
enthusiasm, devotion, dedication, zeal

In this section

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We invest

Santos is passionate about looking after its people and paving the way for brighter futures.

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Taking our social responsibility seriously

Our community investment strategy guides us to make meaningful, long-term contributions that make a real difference to our host communities.

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We energise

We are built on strong foundations of environmental and social responsibility ... We are set to deliver the next 60 years of gas supply to Australia and our Asian neighbours.

46

We innovate

What Australia will be like in 2050, and what we should be doing, thinking about and investing in now to make it a place we're proud of ... that's what drives us.

Making a positive difference

- > Being leaders with an eye on the long-term future.
- > Actively supporting the community by investing in worthwhile projects such as local health facilities, environmental initiatives, and Indigenous employment and training programs.
- > Finding innovative and better ways to do business.
- > Supporting good science and informed debate.

We invest

Santos is passionate about looking after its people and paving the way for brighter futures.

Our people and their skills are fundamental to our ability to prosper and grow.

We recognise that investing in our workforce is about more than remuneration packages: it's about creating a workplace that supports career development and looks after the health and wellbeing of our people.

This enables our team members to enjoy what they do, feel valued, work productively and ultimately make a positive difference.



Embracing diversity

We are committed to providing an inclusive workplace that embraces people with a diversity of skills and backgrounds.

This recognises that a diverse and tolerant workforce is better able to provide the breadth of talent and skills required for our business.

Our Equal Opportunity Policy affirms that harassment, bullying and discrimination are unacceptable and will not be tolerated. All employees are required to comply with this policy and complete annual Code of Conduct training. Santos also applies specialist training such as educating leaders on unconscious bias, how it may affect their decisions and how to address it.

Improving gender balance in leadership roles is an important focus, which we are pursuing as an industry partner in the gender equality project, an initiative of the Melbourne Business School's Centre for Ethical Leadership.



Promoting a healthier lifestyle

An important part of our sustainability approach is a commitment to make Santos a healthy, fulfilling and supportive place to work.

We take a proactive approach offering specialist advice, one-on-one support programs, resilience training, gym facilities and classes, and voluntary medical health checks.

Also, through our employee assistance program, our people can seek professional and confidential counselling to help them resolve or better cope with personal or work-related problems.

Counselling may be used for any reason, including family problems, bereavement, substance abuse, financial problems, interpersonal conflict, stress, depression and anxiety.

Work – life balance

We know that our employees have wider commitments and interests, and flexible work options are important to cater for these.

Santos' flexible approach includes generous paid parental leave, job sharing, part-time, career break, charity work leave and options to 'buy' additional leave.

Making a positive difference

Steve Schoemaker, who grew up in the Democratic Republic of Congo, renewed his friendship with a man who he thought had been killed during the wars that raged in the country from 1996 to 2004, resulting in an estimated 4.6 million predominantly civilian deaths.

Together, they decided to set up a charity to look after the thousands of children left orphaned and vulnerable by the wars. The Hope and Care for Little Souls' project, in the town of Bunia, is now providing schooling, foster care and health clinics for orphans of all ages up to the end of secondary school.

"The program has grown quickly since we started in 2007, and we are now caring for 500 children between the ages of 18 months and 14 years. We have built two schools and are planning a third to increase our capability to educate and care for these desperately needy children," he said.

Steve uses flexible work hours to make this project work in with his career and family life. "It's about getting the balance right between work and my family, but also being able to fit enough time in my day to keep the project running effectively," he said.

"In 2014, we were able to complete a 6,000 km bicycle ride across Australia to raise funds for our charity (Hope Across Australia), something we could not have done without a flexible and supportive employer. The \$250,000 that was raised is making a big difference in Congo," Steve proudly states.



Steve Schoemaker (right), Santos' Concept Manager for the GLNG project and his nephew (left) visit the 'Hope and Care for Little Souls' project in Congo.



‘Safer Together’: setting aggressive, long-term targets

Santos GLNG has led a focused effort to improve safety performance in Queensland's CSG to LNG industry by involving the key operating companies and main contractor companies in working collaboratively.

Under the ‘Safer Together’ banner, this new forum, currently involving over 60 operators and contractors, is led by the senior leaders from member organisations. The aims of the forum are to achieve safety improvements in five key focus areas of safety leadership: rig site safety, land transport, process safety, competence and behaviour. Senior leaders are personally driving the working groups with the aim of reducing the total recordable case frequency rate by 75% (to less than one) and high potential incidents by 50%, (compared to 2013 figures) by 2018.



www.safertogether.com.au

David Knox (right), Santos' Managing Director and CEO, and Trevor Brown (left), Santos' Vice President Queensland, at Fairview 5 gas processing hub.



A career with Santos puts you on track to grow and prosper right alongside us.



Everyone at Santos shares responsibility for practising high standards of ethical business conduct and demonstrating our integrity.

A strong culture

Everyone at Santos shares responsibility for practising high standards of ethical conduct and good corporate governance.

Our Code of Conduct is consistent with, and elaborates on, Santos' values. These values are the guiding principles that inform our decision-making and define the way our business is conducted and what we stand for.

Compliance with this code and the underlying policies, procedures and standards, including our Human Rights Policy, is mandatory. All employees must complete online training and competency testing that explains individual obligations in clear simple language. This training must be undertaken annually.

Employees who wish to confidentially raise a concern or seek advice on ethics, lawful behaviour or organisational integrity are able to do so via Santos' whistleblower contact number. All matters raised are investigated and addressed.

Career development

The Chief Executive Officer and Chief Human Resources Officer report annually to the Santos Board on the progress of our human capital management. This includes tracking demographic changes, succession and development successes, future workforce requirements and investment in development.

Santos provides a supportive and challenging work environment through:

- > education partnerships
- > employment pathways
- > development opportunities
- > leadership development.

With an enviable safety record, plus state-of-the-art training and support programs, Santos is, quite simply, a great place to work.

Rewarding our employees

Santos has a robust remuneration system in place, which is applied equitably across the company and benchmarked against the market.

Other benefits include access to a share plan, study assistance and education programs, health and wellbeing programs, and a raft of generous leave options.

Superannuation

We contribute 10.5% of notional base salary toward our employees' superannuation and offer insurance benefits such as income protection.

Performance bonus scheme

Santos also offers a performance incentive scheme, based on both company and individual performance. Bonuses may be earned annually.

Workplace agreements

Approximately 11% of our workforce is covered by collective workplace agreements. The agreements in place are:

- > Santos Ltd. Cooper Basin Enterprise Agreement 2013
- > Santos Petroleum Management Enterprise Agreement 2011
- > Eastern Star Gas Limited Collective Workplace Agreement 2009
- > Santos Ltd. Patricia Baleen Employee Agreements 2014.

Taking our social responsibility seriously

Our community investment strategy guides us to make meaningful, long-term contributions that make a real difference to our communities.

From outback South Australia to Indonesia, Santos has a strong legacy of community investment. We care passionately about continuing and strengthening this legacy for our business and the communities in which we live and work.

Following a collaborative review of our investment program we are pleased to report that from 2015 our three priority areas for community investment will be:

- > **caring for the natural environment, including projects that protect our land, air and water**
- > **developing futures for young people and regional areas**
- > **investing in healthy, vibrant communities.**

“Our approach now is much more centred on investment for shared outcomes, education and community vibrancy, with considerations as to how we can engage and inspire our external stakeholders and staff,” said Beth Macdonald, Manager Community and Corporate Responsibility.

“This not only makes what we do more sustainable, but also produces a legacy for the future – both for our business and our communities,” she added.

Building long-term community relationships

Contributing to a vibrant community and giving locals and visitors the opportunity to enjoy activities and events together is a key focus for Santos.

Over many years, Santos has supported a wide range of arts organisations, festivals and events across Australia including:

- > **Art Gallery of South Australia, since 1989**
- > **Darwin Festival, since 1996**
- > **Adelaide Symphony Orchestra, since 1998**
- > **OzAsia Festival with the Adelaide Festival Centre, since 2008**
- > **Kings Park Festival in Perth, since 2010**
- > **Santos Tour Down Under, since 2010**
- > **Regional festivals such as Nosh on the Namoi in Narrabri, Shinju Matsuri Festival in Broome and the Fishy Fringe Festival in Whyalla.**

The award-winning partnership between Santos and the Adelaide Symphony Orchestra is one of South Australia's longest running arts-business partnerships.



Caring for our natural environment



West Arnhem Land Fire Abatement (WALFA)

Santos, through our Darwin LNG partnership, helps support the WALFA program in West Arnhem land, a 28,282-km² area of the central Northern Territory, which uses an innovative mix of customary Indigenous fire management techniques and contemporary technology to manage uncontrolled fires. We have made a long-term commitment to the project until 2022.

The WALFA program reduces greenhouse gas emissions from otherwise unchecked wildfires, protects local wildlife and rainforest vegetation and provides social, cultural and economic benefits for the local Aboriginal community through regular employment, recognising Indigenous land management techniques and bringing traditional owners back 'on country'.

From commencement in 2007 to the end of 2013, WALFA abatement has totalled 959,400 tonnes of carbon dioxide and has resulted in the employment and fire management training of more than 200 traditional owners and rangers.

OzHarvest partnership

In December, Santos launched a major partnership with OzHarvest in Perth, Australia's leading food rescue organisation, to support its establishment in Western Australia.

In Australia, two million people rely on food relief, yet we throw out \$8–10 billion of good food each year. To address this, OzHarvest collects surplus food from a range of providers (including supermarkets, hotels, restaurants and farmers) and delivers it free-of-charge to charity clients. OzHarvest delivers around five million meals to nearly 500 charities each year, saving 1,700 tonnes of food, over 3,000 tonnes of carbon dioxide (by reducing landfill) and 240 million litres of water.



Cuttlefish dynamics in the Gulf

Since 2012, Santos has supported the Spencer Gulf Ecosystem and Development Initiative, a \$2.5 million program to develop scientific understanding of the Gulf's unique ecosystem and facilitate progressive and productive industries alongside environmental considerations. It is led by the University of Adelaide, along with research partners South Australian Research and Development Institute and Flinders University.

Spencer Gulf is a rare inverse marine estuary: salt levels are lowest at its mouth and highest at the top of the Gulf. It is a nursery for much of South Australia's fish species and is an area of high and unique biodiversity. Industry and communities (local and beyond) are keen to ensure the future of the Gulf is carefully managed.

A specific aim of the initiative is to identify stresses that may be related to cuttlefish declines. During 2014, scientists were ecstatic to find that the Great Australian Cuttlefish returned to the Spencer Gulf for breeding after numbers had been down for the past few years.

The initiative seeks to gain a greater understanding of population dynamics, factors contributing to changes in abundance and how future developments could impact cuttlefish.

Developing futures



Women's entrepreneur programs in Indonesia

Santos' operational areas in Indonesia are close to 15 coastal villages in Sampang and Sumenep in Madura, East Java. In 2013, we initiated women empowerment programs in cooperation with local communities and the Madura Development Watch (a local non-government organisation). Currently, there are seven small business groups, each with four to five women members, that have received in-kind assistance in the form of training, business advice and production equipment. They are involved in producing fish crackers, fish paste, pastries, Muslim prayer attire and Madura batik.

In 2014, assistance focused on improved packaging and marketing.



Supporting local developing futures

In partnership with Commerce Roma, Santos has supported the 'Shop Local Invest Local' campaign, since its inception in 2013. The initiative encourages residents to shop locally and help businesses be more competitive in the local market place.

Santos GLNG has spent more than \$155 million in the Maranoa region since 2011.

Sports gateway for Aboriginal youth

Since 2011, Santos has supported the Clontarf Foundation, a not-for-profit organisation committed to improving the education, self-esteem, life skills and employment prospects of young Aboriginal men. Using the passion Aboriginal young men have for Australian rules football, Clontarf works in partnership with schools to mentor and counsel students, ultimately helping them to achieve better life outcomes.

"This is one of the most successful programs for improving school retention rates amongst Aboriginal young men. It's a great success story, not only for the young men but their families and the broader community, and we are very pleased to be a part of it," said Brett Woods, Santos' General Manager WA and NT.

Since 2010, Santos has also been the major sponsor of the Aboriginal Power Cup in conjunction with the Port Adelaide Football Club. In May 2014, 399 students from 32 schools across South Australia participated in a 120-game football carnival at Alberton Oval. Twenty-five Santos employees helped out during the carnival at the careers expo, educational workshops and as goal umpires.

Clontarf and the Power Cup use football to engage Aboriginal students in education and to identify pathways to workforce participation.

"We saw some wonderful football but what pleases me most is that all students left with a greater appreciation of what they can achieve today, as well as what they would like to achieve in the future," said Kerryne Liddle, Santos' Manager Aboriginal Participation.

Investing in vibrant communities

Outback women

No-one would deny that the women of outback Australia are a hardy lot but the lifestyle and isolation can take its toll. Enter 'Channel Country Ladies Day', a weekend away for women living in the vast area across northern South Australia and south-west Queensland, which has been supported by Santos since its inception in 2011.

"It's all about having a weekend away to re-charge, renew friendships and make new connections," said co-founder, Kristy McGregor.

In 2014, Santos boosted its support by setting up ten \$500 scholarships to help women attend the weekend.

"Ironically, it's the women who would benefit most that find it hardest to get to the weekend," said co-founder Michelle Reay from Durham Downs Station.

"So being able to offer financial assistance from Santos just made all the difference," she added.



Innamincka Cup

The tiny township of Innamincka (population around 12), located 100 km north-east of Santos' Moomba processing plant, comes alive for the annual Innamincka Picnic Races. Now in its 28th year, the event has been supported by Santos since 1986.

More than 400 people – residents of northern South Australia and south-west Queensland were joined by tourists from around the world in attending the 2014 race day.

"While the racing is the focus, the most important part of the day is the socialising," said Mark Mayfield, Santos' Stakeholder Adviser. "As many of the locals live over 200 km from their nearest neighbour, it's a chance for everyone to catch up, trade stories and have a well-earned break from the hardships of running properties in outback Australia."



Cai Guo-Qiang's exhibition

International contemporary artist Cai Guo-Qiang's 'Falling Back to Earth' exhibition at Brisbane's Gallery of Modern Art (GOMA) was on show until May 2014, and was proudly supported by Santos GLNG.

"Renowned internationally for his compelling installation art, it is particularly exciting for us that Cai's 'Falling Back to Earth' was inspired by his connection to landscapes of south-east Queensland, which he visited in 2011," said Trevor Brown, Santos' Vice President Queensland.

The exhibition contributed \$14.5 million to the Queensland economy and attracted 115,978 visitors.



Santos Tour Down Under

2014 was our fifth year as naming rights sponsor for the Santos Tour Down Under, which attracts the world's best cyclists, showcasing our patch to an international audience and encouraging local community involvement.

This enthusiasm is reflected within Santos each year when hundreds of Santos staff participate as riders, volunteers or by fundraising for the Tour charity, the Cancer Council. In 2014, 174 staff volunteered their time to support the Tour and 252 Santos riders took part in the Bupa Challenge.

We energise

We are built on strong foundations of environmental and social responsibility ... We are set to deliver the next 60 years of gas supply to Australia and our Asian neighbours.

The energy landscape we see today is not an accident. It has been shaped by many decades of planning, hard work and policy input by Australia's energy companies together with state and federal governments and communities.

"We know the energy business; our history and accrued knowledge as an oil and gas producer in Australia compels us to get involved in shaping the future of energy supply for coming decades."

David Knox

Santos' Managing Director and CEO



Leadership: Santos contribution recognised

During 2014, the Governor of South Australia, His Excellency The Honourable Hieu Van Le AO, presented Santos with the South Australian Corporate Heritage Icon Award in recognition of its outstanding contribution to South Australia and demonstrated high degree of integrity, social responsibility and leadership.

Professor Norman Etherington AM, President of the National Trust of South Australia, said "Santos joins the ranks of other iconic South Australian companies such as Coopers Brewery and Haigh's Chocolates. Santos has made a major contribution to the state's prosperity and been an entrepreneurial and innovative force for 60 years. We are pleased to honour their achievements as a South Australian Corporate Heritage Icon."



Supporting science

Santos advocates the role of good science to inform responsible business and policy decisions.

We invest in partnerships with universities and other research bodies to ensure we have a good understanding of the world we live in, including environmental impacts and how they can best be managed.

For example, we have supported research into aquifers, fugitive greenhouse gas emissions, fauna, ecosystems, and community wellbeing.

Santos, with its partner in the Bight Basin, supports research on Southern Right Whales in the Great Australian Bight.

The Southern Right Whale project monitors whale recovery, distribution, abundance and life histories including calving intervals, migration rates, age of sexual maturity and site fidelity, enabling population threats to be detected.

"This is good science that we are proud to support, a long-term study using consistent data collection methods," said Tom Baddeley, from the Santos WA and NT business unit.

"Whales are long-lived, slow reproducing marine mammals and to assess their health and recovery, long-term population monitoring in the order of decades is required," study lead Claire Charlton said.

"This is a really good example of an objective research program that industry can sponsor for the benefit of the environment," explained Claire. "It's also a chance for the oil and gas industry to put back, and it's a good model for the future, because the more all the relevant bodies can work together, the more likely there is to be better output for all stakeholders."



Southern Right Whales at the head of the Great Australian Bight, where about 40% of the Australian whale population meet each year to breed, calve and rest. Before human contact, Southern Right Whales were thought to number around 15,000 but the population was reduced to less than 10% during whaling in the 19th century. Current populations are estimated to be 3,500, increasing by about 7% per year. In the 2014 survey more than 200 individual whales were sighted.

Photography courtesy of:
Great Australian Bight Right Whale Study 2014

We innovate

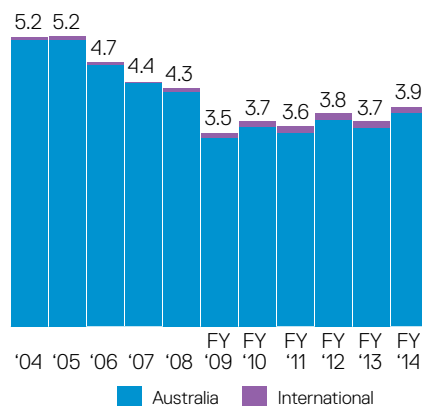
What Australia will be like in 2050, and what we should be doing, thinking about and investing in now to make it a place we're proud of ... that's what drives us.

Technology and innovation are the driving forces behind our day-to-day operations at Santos. It means we are focused on developing this industry to become even safer, smarter and more sustainable every day.

Looking to the future, we realise that our vision to deliver energy to customers in Australia and Asia will require different skills and new thinking. But our history gives us an advantage: we can build on the lessons of the past and be open to new ways, new ideas and new frontiers with a confidence based on our successes over the past 60 years.

Santos' greenhouse gas emissions

Operated sites mt CO₂e (Scope 1)



Low Carbon Technology Integration Strategy

Climate change is a long-term issue, requiring urgent but informed action to stabilise atmospheric greenhouse gas concentrations.

As a global stakeholder in the energy business we recognise that one of our key social and environmental responsibilities is to pursue strategies that address the issue of climate change.

Embedded in our Climate Change Policy are our commitments to deliver our low carbon technology integration strategy.

There is significant potential to integrate low carbon technology into our operations. This strategy is being progressively delivered and has three core elements: save, switch, and store.

Short-term

Projects are already under way and have delivered significant progress including energy efficiency savings of 4.6 petajoules per year. Santos has also replaced diesel fuel with solar photovoltaics at many of our remote field sites (e.g. for well site telemetry).

Medium-term

Santos' multidisciplinary carbon team is reviewing opportunities for further application and large scale application of existing technologies such as energy efficiency and solar or other renewable sources. The team is also keeping a watching brief and reviewing the feasibility of emerging low-carbon technologies.

Long-term

We envisage a fully integrated low-carbon technology strategy that leverages our existing natural gas portfolio with existing and emerging technologies.

Access to clean reliable energy is integral to almost every facet of our lives. We all use energy. Our strategy will position Santos to meet this growing energy demand in a low-carbon environment.

The benefits of our low-carbon strategy include:

- > fuel savings
- > business opportunities
- > building our clean energy reputation
- > greenhouse gas emissions reductions.

“

The future we envisage is a low-carbon future – and we want to be part of the solution.

”

At Santos, we want to produce energy responsibly for this generation and future generations.



Save

Energy efficiency is driven through our Environmental, Health and Safety Management System commitments and employee performance and is recognised in Santos' Directors Environmental, Health and Safety and Innovation Awards.

Our energy efficiency program is delivering annual energy saving of 4.6 PJ (235 ktCO₂e).

For example, our waste heat recovery project at Moomba has delivered energy savings of 840 TJ per year by optimising process efficiencies.



Switch

We are identifying opportunities to switch higher carbon energy to lower carbon at our operating sites.

This element has the dual benefit of reducing the carbon intensity of our product and increasing our reserves by preserving natural gas resources for sale.

Our total installed capacity of renewable energy for self-generation is 473 kW, estimated to generate approximately 725,600 kWh of electricity annually.

Our \$300,000 solar photovoltaic installation at Scotia is estimated to have reduced fuel use by approximately 47,000 litres of diesel per year.



Store

Santos continues to investigate geological and biological carbon sequestration options.

With Santos' significant infrastructure position in the remote Cooper Basin, and extensive reservoir knowledge, we are well positioned to review and, when feasible, implement geological storage of carbon dioxide.

Santos has implemented several vegetation projects that are delivering multiple environmental benefits including biodiversity, water reuse, and carbon sequestration.

Open and accountable

During 2014, we were honoured to accept national and international recognition as a responsible operator committed to openness, transparency and continual improvement.

Sustainability performance

Dow Jones Sustainability Indices – Santos first participated in the Dow Jones Sustainability Indices (DJSI) survey in 2004 and since then has been recognised internationally as a sustainability leader and included on several sustainability indices such as the DJSI Asia Pacific Index, since 2009 and DJSI World Index 2012 and 2013.



Environment

Finalist APPEA HSE Award – Santos was a finalist in the APPEA HSE Awards environment category for its project: Compressor Station Vent to Flare.

Finalist CDP Climate Leadership Award – Santos was announced as a finalist at the CDP (formerly the Carbon Disclosure Project) 2014 ASX 200 Climate Leadership Awards for largest absolute emissions reduction.

Santos annually discloses detailed water and climate data to the CDP.



Procurement

CIPS Australasia Awards – At the 2014 CIPS Australasia Awards, Santos was awarded the 'Best Process Improvement Award' and selected as the 2014 Overall Winner for the implementation of its Warehouse Management System. This project also received the Information Management Award at the Australian Supply Chain and Logistics Awards.

Finalist Best Supplier Partnership Award – Santos was also a finalist for the Best Supplier Partnership Award for partnering with Bureau Veritas to implement drone technology for asset inspections.

External Collaboration Award – Santos was awarded the External Collaboration Award at the Procurement Leaders Asia Pacific Awards for a chemicals innovation initiative with Supplier Nalco Champion.



Memberships and initiatives

Extractive Industries Transparency Initiative – Santos supports the Extractive Industries Transparency Initiative, endorsing its principles and criteria to improve the transparency around payments and revenues in the extractives sector in developing countries.

CitySwitch Green Office – Santos is a signatory to the CitySwitch Green Office energy efficiency initiative, a partnership between businesses and local governments, that aims to improve office energy efficiency.



Community

Best Sporting Event and Best Tourism Event – The Santos Tour Down Under, sponsored by Santos since 2010, was a national finalist at the 2014 Australian Event Awards for 'Best Sporting Event and Best Tourism Event' and was winner of the South Australian award for both these categories.

South Australian Corporate Heritage Icon Award – Santos received this award by the National Trust of South Australia.

Winner 2014 Impact Measurement Awards – Achievements in Impact Measurement by a government, corporate or philanthropic organisation. Social Impact Measurement Network of Australia.

Semi-Finalist Regional Achievement and Community Awards – For contributions to the social, economic or environmental prosperity within regional and rural Queensland. Awards Australia.

Internal recognition

Santos Directors' Environment, Health and Safety Awards 2014

Best Environmental Performance – The CSG Drilling & Completions team received this award for developing and implementing minimal disturbance leases (MDLs). MDLs avoid disturbing topsoil and no drilling fluid or cuttings remain on site.

Best Environmental Innovation – Upstream Operations were the winners in this category for developing and implementing the oil separation unit to treat liquids at the Fairview compressor station CS2. Savings in transport and treatment cost have been significant.

Best Health and Safety Performance – Santos Indonesia won in this category at the Directors' EHS Awards. Over 2.7 million hours have been worked without a recordable injury, despite the significant program of projects that have been undertaken.

Best Contractor Health and Safety Performance – Easternwell Rig 22.

Best Health and Safety Innovation – Cooper Basin SIMOPS, Eastern Australia Drilling and Completions.

Individual Safety Leadership Award – Kylie Firth, Team Leader Health, Safety and Training, GLNG Upstream Operations.

Our commitments

Strategy

- > Our vision is to be a leading energy company in Australia and Asia.
- > We will recognise and value innovation and will continue to be passionate about finding new business opportunities and making the most of them.

Community

- > We will generate positive economic and social benefits for and in partnership with the communities in which we operate.

Employees

- > We will value diversity and create an environment in which everyone is empowered to succeed.
- > We will freely share information with each other, value different perspectives, ask questions, listen carefully and speak thoughtfully.
- > We will provide employees with opportunities for development in line with current and future business needs.

Our performance data

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**Sustainability
scorecard 2014**

We report our performance

- > Providing insight into our approach to sustainability and our performance across a comprehensive suite of indicators.
- > Referencing the content of our Sustainability Report to the Global Reporting Initiative G4 Sustainability Reporting Guidelines and IPIECA.
- > Annually producing our Santos sustainability scorecard, which drives sustainability performance in existing operations.

Independent Limited Assurance Report



To the Management and Directors of Santos Limited ('Santos')

We have carried out a limited assurance engagement in order to state whether anything has come to our attention that causes us to believe that:

- > Santos' has not adhered to the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness as defined in the AA1000 AccountAbility Principles Standard (2008) ('APS (2008)').
- > Selected sustainability performance data ('Selected Performance Data') have not been reported and presented fairly, in all material respects, in accordance with the criteria.
- > The sustainability scores assigned to the indicators which make up Santos' Sustainability Scorecard, have not been prepared and presented fairly, in all material respects, in accordance with the criteria.

Criteria

The following criteria have been applied:

- > The Criteria listed in APS (2008) for each of the Principles
- > GRI indicator protocols, and Santos' reported criteria detailed in footnotes and the glossary
- > Santos' Sustainability Scorecard ten-point rating scale

Management's Responsibility

The management of Santos is responsible for the preparation and fair presentation of the Subject Matter in accordance with the Criteria, and is also responsible for the selection of methods used in the Criteria. No conclusion is expressed as to whether the selected methods are appropriate for the purpose described above. Further, Santos' management is responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records and making estimates that are reasonable in the circumstances.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on our assurance engagement conducted in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000') and in accordance with the requirements of a Type 2 assurance engagement under AccountAbility's AA1000 Assurance Standard (2008) ('AA1000AS (2008)') and the terms of reference for this engagement as agreed with Santos.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion, and, as such, do not provide all of the evidence that would be required to provide a reasonable level of assurance. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the Subject Matter, whether due to fraud or error. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

Our procedures did not include testing controls or performing procedures relating to checking

aggregation or calculation of data within IT systems, which would have been performed under a reasonable assurance engagement.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Summary of Procedures Undertaken

Our procedures were designed with regard to a Type 2 assurance engagement in accordance with AA1000AS (2008). In order for us to provide a conclusion in relation to the AA1000 AccountAbility Principles we considered the following questions:

- > Inclusivity: Has Santos made a commitment to be accountable to its stakeholders, and did Santos involve stakeholders in developing and achieving an accountable and strategic response to sustainability.
- > Materiality: Has Santos identified, prioritised and included in its report the material information and data required by its stakeholders to make informed judgements, decisions and actions.
- > Responsiveness: Has Santos responded to its material sustainability issues through decisions, actions and performance, and communicated with stakeholders.
- > Our procedures included but were not limited to the following:
 - > Gaining an understanding of Santos' business and approach to sustainability
 - > Conducting interviews with key personnel and collating evidence to understand Santos processes for stakeholder engagement, determining material issues and responding to key sustainability challenges, the management systems used to manage material sustainability issues and the process for collecting, collating and reporting performance information related to the selected Sustainability Performance Data during the reporting period.
 - > Performing a gap analysis between Santos' implementation of the Principles of Inclusivity, Materiality, and Responsiveness based on evidence gathered, and the criteria outlined in APS (2008).
 - > Conducting limited assurance procedures for the selected Sustainability Performance Data including checking application of criteria, undertaking analytical review procedures, testing assumptions, reviewing completeness, sample testing source data, and sample testing the accuracy and balance of related disclosures.
 - > Performing a review of the sustainability scores assigned to the indicators which make up Santos' Sustainability Scorecard based on evidence gathered, and the criteria outlined in the ten-point rating scale.

Use of our Limited Assurance Engagement Report

We disclaim any assumption of responsibility for any reliance on this assurance report, or on the Subject Matter to which it relates, to any persons other than management and the Directors of Santos, or for any purpose other than that for which it was prepared.

Independence and Quality Control

In conducting our assurance engagement, we have met the independence requirements of the APES 110

Code of Ethics for Professional Accountants. We have the required competencies and experience to conduct this assurance engagement.

Basis for Qualified Conclusion

- > Santos' 'Land Disturbance' and 'Rehabilitated Sites' performance data for the Eastern Australian Business Unit (EABU) is based on data captured by sites and then centrally entered into the Santos GIS system. Based on our limited assurance procedures, we identified that for EABU, which represents approximately 50% of reported land disturbance and 60% of rehabilitates sites, there was not sufficient evidence available to determine if all material data had been collected by the sites and subsequently entered into the central system and therefore whether the 'Rehabilitated Sites' and 'Land Disturbance' reported by Santos were materially correct.

Qualified Limited Assurance Conclusion

- > Subject Matter 1: Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that, in all material respects:
 - Santos has not made a commitment to be accountable to its stakeholders, nor involved stakeholders in developing and achieving an accountable and strategic response to sustainability in accordance with the AA1000 APS (2008) Inclusivity principle.
 - Santos has not identified, prioritised and included in its report the material information and data required by its stakeholders to make informed judgements, decisions and actions in accordance with the AA1000 APS (2008) Materiality principle.
 - Santos has not responded to its material sustainability issues through decisions, actions and performance, nor communicated with its stakeholders in accordance with the AA1000 APS (2008) Responsiveness principle.
- > Subject Matter 2: Based on the limited assurance procedures conducted, except for the impact of the matter referred to in the Basis for Qualified Conclusion paragraph above in relation to 'Area of Land Disturbance' and 'Rehabilitated Sites' performance data, nothing has come to our attention that causes us to believe that the key sustainability metrics and related performance disclosures listed, have not been reported and presented fairly, in all material respects, in accordance with the Criteria.
- > Subject Matter 3: Based on the limited assurance procedures conducted, nothing has come to our attention to cause us to believe that the scores assigned for the Santos Sustainability Scorecard were not consistent, in all material respects, with Santos' Sustainability Scorecard ten-point sustainability rating scale.

Note: Further details of our assurance engagement can be found in the full independent assurance report at www.santos.com/sustainability.

Ernst & Young
Melbourne, Australia, 10 March 2015

Performance data

All data are presented as Santos gross operated for the 2014 calendar year unless otherwise stated.

Energy consumption and greenhouse gas emissions (2013–14 financial year)

Energy consumption, gross operated sites (PJ)	32
Direct greenhouse gas emissions, Santos equity share (scope 1, tCO ₂ e)	3,260,407
Direct greenhouse gas emissions, gross operated sites (scope 1, tCO ₂ e)	3,936,602
Indirect greenhouse gas emissions, gross operated sites (scope 2, tCO ₂ e)	32,809

Emissions (Australian operations, 2013)

	Air (tonnes)	Land (tonnes)	Water (tonnes)
Benzene	42	-	-
Lead and compounds	0.000	0.022	0.036
Nitrogen oxides	12,345	-	-
Particulate matter (less than 2.5 micrometres)	274	-	-
Sulphur dioxide	30	-	-
Total volatile organic compounds	8,896	0.032	0.000

These data are submitted mid-year to the National Pollutant Inventory; 2014 data will be reported in the 2015 Sustainability Report.

Waste management

Waste stream	Solid waste (tonnes)					Liquid waste	Transported waste
	Reuse and recycle	Energy recovery	Incineration	Landfill	Other	(m ³)	(tonnes)
Unregulated waste	8,781	10,145	350	38,950	4,040	0	0
Regulated waste	109	141	52	623	2,143	0	52,756
Hydrocarbon waste	0	0	0	0	14,744	61	0
Drill mud and cuttings (aqueous)	5,174	0	0	35	1,054	60,346	0
Total	14,064	10,286	402	39,608	21,981	60,407	52,756

The large year-on-year increase in the amount of waste is mainly attributed to an improvement in data collection.

Water withdrawal (m³)

	Formation	Surface water	Ground water	Rainwater	Municipal or other
New South Wales	160,196	0	0	0	2,000
Northern Territory	10,100	0	78,590	0	0
Queensland	9,038,180	16,320	231,987	113,302	97,558
South Australia	5,389,410	0	1,817,733	0	110,577
Victoria	4,342	0	0	2,761	135
Western Australia	1,528,862	1,831,200	0	0	0
Indonesia	383,411	12,407,279	61	0	0
Bangladesh	860	0	0	0	1,660
Total	16,515,363	14,254,799	2,128,371	116,063	211,930

Surface water withdrawal for Indonesia and Western Australia is seawater. Municipal or other refers to municipal or other supply.

Footprint of operations (ha)

	Tenements	Area of land disturbance	Rehabilitated sites	Protected areas within tenements	Operations within protected areas
New South Wales	5,523,223	1,497	0	324,888	3
Northern Territory	9,680,723	1,491	12	325,570	18
Queensland	3,842,470	15,270	2,692	146,081	562
South Australia	1,183,031	15,420	4,229	1,007,062	8,154
Victoria	147,612	12			
Western Australia	996,408				
Indonesia	185,201				
Bangladesh	48,850				
Papua New Guinea	8,524				
Vietnam	881,568				
India	1,211,676				
Total	23,709,286	33,690	6,933	1,803,601	8,737

Protected areas within tenements refer to land included on the Australian Government Protected Areas Network, for its natural, ecological and/or cultural values, RAMSAR sites and Important Bird Areas within tenements operated by Santos. There are no UNESCO World Heritage Sites and United Nations Biosphere Reserves within Santos tenements.

Incidents and spills

Uncontained hydrocarbon volume (m ³)	20
Total number of hydrocarbon spills (greater than 10 litres)	42
Uncontained non-hydrocarbon volume (m ³)	2,957
Total number of non-hydrocarbon spills (greater than 10 litres)	52
Number of fines for non-compliance with environmental regulations	12
Value of fines for non-compliance with environmental regulations (\$)	72,000*

*This includes \$52,500 imposed by the New South Wales Land and Environment Court for incidents that occurred at the Bibblewindi Water Treatment facility in 2011 while the site was under previous ownership and management.

Safety performance data

Fatalities (employee and contractor)	0
Employee LTIFR	0.46
Contractor LTIFR	0.78
High potential incidents	15
Tier 1 process safety events (gas releases greater than 500 kg/hr)	8
Tier 2 process safety events (gas releases less than 500 kg/hr and greater than 50 kg/hr)	27

Community investment (\$)

	Charitable donations	Community infrastructure	Developing futures	Industry/govt support	Natural environment	Vibrant communities	Total
New South Wales	119,214	0	35,523	34,900	700	561,382	751,719
Northern Territory	2,216	0	0	15,318	161,000	134,373	312,906
Queensland	4,468	2,072,245	437,062	38,956	45,045	510,281	3,108,057
South Australia	32,434	0	3,662,991	325,233	233,229	3,233,844	7,487,731
Victoria	227	0	0	0	50,000	82,750	132,977
Western Australia	1,073	0	78,225	33,922	153,000	509,036	775,255
Australian Capital Territory	0	0	0	8,713	0	20,000	28,713
Indonesia	3,936	232,465	188,925	21,632	0	26,910	473,868
Papua New Guinea	0	0	0	30,000	0	0	30,000
Republic of Korea	0	0	0	5,000	0	0	5,000
Singapore	0	0	0	35,878	0	0	35,878
Vietnam	0	0	0	0	0	75,514	75,514
Total	163,567	2,304,710	4,402,726	549,550	642,974	5,154,090	13,217,617

Sponsorship categories are described on page 40. Note, 'Vibrant communities' includes activities such as arts and community festivals, sponsorship of events such as the Tour Down Under as well as charity events.

Performance data (continued)

Workforce by location and type

	Full-time		Part-time		Graduate/ trainee		Santos employee total	Secondee		Contractors		External service providers		Contractor workforce total
	M	F	M	F	M	F		M	F	M	F	M	F	
New South Wales	39	11	1	1	0	0	52	0	0	10	1	2	2	15
Northern Territory	27	0	0	0	0	0	27	0	0	12	1	0	0	13
Queensland	1,119	325	5	46	21	23	1,539	22	2	846	225	148	25	1,268
South Australia	1,207	291	21	100	33	26	1,678	0	0	1,728	258	281	59	2,326
Western Australia	57	29	1	11	7	0	105	0	0	30	17	9	1	57
Victoria	14	2	0	0	0	0	16	0	0	9	5	6	0	20
Bangladesh	8	1	0	0	0	0	9	0	0	4	0	0	0	4
Indonesia	121	69	0	0	0	0	190	0	0	135	21	1	0	157
Papua New Guinea	1	1	0	0	0	0	2	0	0	0	0	0	0	0
Other	10	6	0	1	1	0	18	0	0	14	15	6	4	39
Total	2,603	735	28	159	62	49	3,636	22	2	2,788	543	453	91	3,899

Headcount as at 31 December 2014. The total contractor workforce denote onsite workforce.

Workforce composition and training

	< 30yrs		% 30 to 50yrs		+ 50yrs		Total number of employees		Total training hours		Average number of training hours	
	M	F	M	F	M	F	M	F	M	F	M	F
Strategic leader	0.0	0.0	30.0	10.0	50.0	10.0	8	2	6	3	0.7	1.3
Functional leader / Manager	0.4	0.0	52.6	16.5	28.1	2.4	202	47	2,271	248	11.2	5.3
Team leader / Supervisor	0.6	1.0	57.5	10.5	29.2	1.2	433	63	6,668	746	15.4	11.8
Technical specialist	2.2	0.2	52.4	19.1	25.1	1.0	321	82	4,542	943	14.1	11.5
Team member	11.8	7.5	40.8	20.1	17.2	2.6	1729	749	43,447	11,997	25.1	16.0
Total	8.4	5.3	45.1	18.4	20.5	2.2	2,693	943	56,933	13,936	21.1	14.8
Non-Executive Director	0.0	0.0	0.0	0.0	77.8	22.2	7	2				
Total employee turnover (%)	10.4											

Socioeconomic contribution

Net loss after tax (\$million)	935
Underlying net profit after tax (\$million)	533
Production volume (mmboe)	54.1
2P reserves (mmboe)	1,245
2P five-year reserves replacement ratio (%)	97
Number of shareholders	140,509
Wages and salaries (\$million)	665
Materials, goods and services (\$million)*	6,793
Royalties and taxes (\$million)	261
Sponsorship (\$million)	13.2
Payments to providers of capital (excluding capital repayment)	468

* Materials, goods and service covers total spend for Santos' operated sites.

Glossary

Aboriginal – Refers to both Aboriginal and Torres Strait Islander people.

barrel/bbl – The standard unit of measurement for all oil and condensate production; one barrel equals 159 litres or 35 imperial gallons.

biodiversity – The number and diversity of plants, animals and microorganisms on earth; it refers to genetic variations between members of the same species, which are essential to their ongoing survival, as well as the assemblage of ecosystems.

boe – Barrels of oil equivalent.

carbon capture and storage (CCS) – A process in which carbon dioxide from industrial and energy related sources is separated (captured), conditioned, compressed, and transported to an underground storage location for long-term isolation from the atmosphere (IPCC 2014).

carbon dioxide equivalent (CO₂e) – A measure of greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide) with the equivalent global warming potential as carbon dioxide when measured over a specific time.

the company – Santos Limited and its subsidiaries.

condensate – A natural gas liquid that occurs in association with natural gas and is mainly composed of pentane and heavier hydrocarbon fractions.

crude oil – A general term for unrefined liquid petroleum or hydrocarbons.

CSG (coal seam gas) – Predominantly methane gas stored within coal deposits or seams.

cultural heritage – Includes heritage, sites and items of physical, spiritual, intellectual and cultural significance to either Aboriginal and/or other people.

exploration – Drilling, seismic or technical studies undertaken to identify and evaluate regions or prospects with potential to contain hydrocarbons.

greenhouse gas (GHGs) – A gas that contributes to the greenhouse effect by absorbing infrared radiation: Scope 1 emissions are direct greenhouse emissions from operated assets; Scope 2 emissions are indirect greenhouse emissions from purchased energy.

hydrocarbon – Compounds containing only the elements hydrogen and carbon, which may exist as solids, liquids or gases.

joules – The metric unit of measurement for energy: a gigajoule (GJ) is equal to 1×10^9 joule; a terajoule (TJ) is equal to 1×10^{12} joule; a petajoule (PJ) is equal to 1×10^{15} joule.

LNG (liquefied natural gas) – Natural gas that has been liquefied by refrigeration for storage or transport. Generally, LNG comprises mainly methane.

lost-time injury frequency rate (LTIFR) – A statistical measure of health and safety performance, calculated as the number of lost time injuries per million hours worked. A lost-time injury is a work-related injury or illness that results in a permanent disability or time lost of one complete shift or day or more any time after the injury or illness.

LPG (liquefied petroleum gas) – A mixture of light hydrocarbons derived from oil-bearing strata which is gaseous at normal temperatures but has been liquefied by refrigeration or pressure for storage or transport; generally comprising mainly propane and butane.

materiality – Determining the relevance and significance of an issue to an organisation and/or its stakeholders.

medical treatment injury – A work-related injury or illness, other than a lost-time injury, that is serious enough to require more than minor first aid treatment. Santos classifies injuries that result in modified duties as medical treatment injuries.

mmbae – Million barrels of oil equivalent.

oil – A mixture of liquid hydrocarbons of different molecular weights.

personnel safety – Preventing incidents that are typically more frequent but have less widespread consequences.

process safety – Preventing rare but high consequence incidents, such as fire and explosion.

proven reserves (1P) – Reserves that, to a high degree of certainty (90% confidence), are recoverable. Proven developed reserves are reserves that can be recovered from existing wells with existing infrastructure and operating methods. Proven undeveloped reserves require development.

proven plus probable reserves (2P) – Reserves that analysis of geological and engineering data suggest are more likely than not to be recoverable. There is at least a 50% probability that reserves recovered will exceed proven plus probable reserves.

proven, probable plus possible reserves (3P) – Reserves that, to a low degree of certainty (10% confidence), are recoverable. There is relatively high risk associated with these reserves.

renewable energy – Any form of energy from solar, geophysical or biological sources that is replenished by natural processes at a rate that equals or exceeds its rate of use.

sales gas – Natural gas that has been processed by gas plant facilities and meets the required specifications under gas sales agreements.

Santos – refers to Santos Limited and its subsidiaries.

seismic survey – Data used to gain an understanding of rock formations beneath the earth's surface using reflected sound waves.

stakeholders – Individuals or groups that affect and/or could be affected by an organisation's activities, products or services and associated performance.

supply chain – Sequence of activities or parties that provide products or services to an organisation.

sustainability – Achieving a decent standard of living for everyone today without compromising the needs of future generations (United Nations, 2013).

sustainability reporting – A resource for managing change towards a sustainable global economy – combining long-term profitability with ethical behavior, social justice and environmental care (Global Reporting Initiative, 2014).

total recordable case frequency rate (TRCFR) – A statistical measure of health and safety performance, calculated as the total number of recordable cases (medical treatment injuries and lost-time injuries) per million hours worked.

Conversion

Crude oil	1 barrel = 1 boe
Sales gas	1 petajoule = 171,937 boe
Condensate/ naphtha	1 barrel = 0.935 boe
LPG	1 tonne = 8,458 boe

For a comprehensive online conversion calculator tool, visit the Santos website at www.santos.com

Indicator cross-reference table

Santos' sustainability indicators are based on the Global Reporting Initiative (GRI) and the International Petroleum Industry Environmental Consultation Association report guidance (IPIECA).

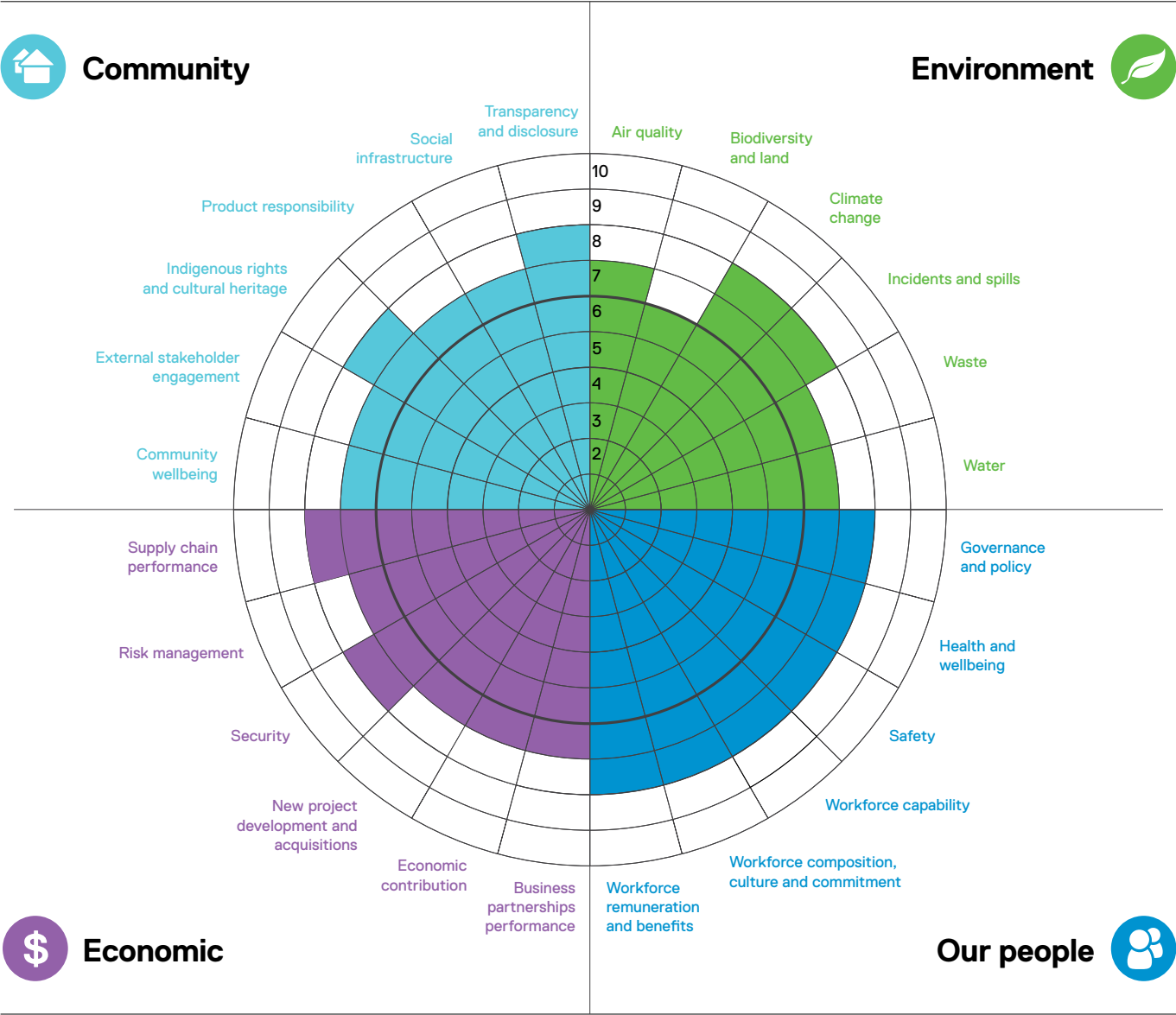
Further detail is provided in our Annual Report and on the Santos website (e.g. fact sheets, data tables, a comprehensive cross-reference table including Santos policies and standards).



www.santos.com/sustainability

Indicator	GRI4	IPIECA	Sustainability Report	Datatable	Website	Annual Report
Environment						
Air quality	EN21	E7	pp. 2, 6, 11, 12, 30	p. 52	✓	
Biodiversity and land	EN11	E5	pp. 3, 6, 11, 14, 41, 47	p. 53	✓	
Climate change	EN5, EN15, EN16, EN18, EN19, OG6	E1, E2, E4	pp. 3, 6, 11, 12, 30–33, 46–48	p. 52	✓	
Incidents and spills	EN24, EN29	E8, E9	pp. 16–17	p. 53	✓	
Waste	EN22, EN23, OG7	E10	pp. 6, 15, 21	p. 52	✓	
Water	EN8, EN10, OG5	E6, E9	pp. 6, 11, 12–17, 21, 28, 47–49	p. 52	✓	
Community						
Community wellbeing	EC1, SO1,	SE1, SE4, SE7	pp. 32, 33, 41	p. 53	✓	
External stakeholder engagement			pp. 3, 10, 20			
Indigenous rights and cultural heritage	EC1	SE2	pp. 18, 41, 43	p. 53		
Product responsibility	OG4	HS4	pp. 2, 10, 44			
Social infrastructure	EC1, EC8	SE4	pp. 31, 40, 43	p. 53		
Transparency and disclosure	SO8, EC1, EN29	SE13	pp. 33, 48		✓	✓
Our People						
Governance and policy		SE8, SE10, SE11, SE12	pp. 2–5, 19–21		✓	✓
Health and wellbeing	LA8	HS2, HS3	pp. 28, 30, 33, 36–37, 39, 43	p. 53		
Safety	LA5, LA6, OG13	HS5	pp. 2–3, 14, 19, 28, 38, 49	p. 53	✓	
Workforce capability	LA9	SE17	pp. 3, 37, 49	p. 54		
Workforce composition, culture and commitment	LA1, LA12	HS1, SE15	pp. 36, 37, 39	p. 54		
Workforce remuneration and benefits		SE16	p. 39			✓
Economic						
Business partnerships performance	EN32	SE13, SE14	pp. 20, 21			✓
Economic contribution	EC1, OG1		p. 3	p. 53		✓
New project development and acquisitions	OG1		p. 3			✓
Security	OG13, OG-DMA	HS5	pp. 28, 39	p. 53	✓	
Risk management	OG13, OG-DMA	HS4	p. 28	p. 53		✓
Supply chain performance	EN32	SE9	pp. 21, 44, 45			✓

Sustainability scorecard 2014



9–10	Recognised leader
7–8	High performance
5–6	Implementation and compliance focus
3–4	Developing policy/systems
1–2	No procedure in place, poor performance

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Santos' sustainability reports are published annually in conjunction with our Shareholder Review and Annual Report.

The documents are designed to be complementary. The Sustainability Report focuses on our social and environmental performance while the Shareholder Review and Annual Report provide further detail on our business strategy, financial performance and governance approach. These reports are available on our website.

Additional information and fact sheets about Santos' approach to sustainability, historical sustainability performance data, and copies of this and past sustainability reports are available from our website.



www.santos.com/sustainability

Paper and printing of the Sustainability Report

Both the printer and the paper used to produce this document have Forest Stewardship Council® (FSC®) and ISO 14001 environmental certification. FSC® is a Chain of Custody (COC) process.

ISO 14001 is the international standard of Environmental Management Systems (EMS) designed to ensure the continuous measurement and reduction of environmental impacts.

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