SUSTAINABLE DEVELOPMENT REPORT 2015

woodside

Our Compass

The Woodside Compass sets out our core values and guides us on our journey.

WHO WE ARE

INTEGRITY

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

RESPECT

We give everyone a fair go. We listen.

WORKING SUSTAINABLY

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

WORKING TOGETHER

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

DISCIPLINE

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

EXCELLENCE

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

WHERE WE'RE GOING

OUR MISSION

To deliver superior shareholder returns.

OUR VISION

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

OUR STRATEGIC DIRECTION

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

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

HOW WE'LL GET THERE

PARTNER OF CHOICE

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

ENGAGED PEOPLE

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

FUNCTIONAL EXCELLENCE

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

DECISION EFFECTIVENESS

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

Our Sustainable Development Report 2015

Visit our website to learn more about our sustainability approach and performance for 2015.

ℹ Further information at woodside.com.au/ working-sustainably

Our Annual Report 2015

Our Annual Report 2015 is a summary of Woodside's operations, activities and financial position as at 31 December 2015. Copies of the Annual Report 2015 are available on request or from the company's website.

ℹ Further information at woodside.com.au

Additional information available online and within this report

In this report, we have indicated where additional information is available online, in other sections of this report and the Woodside Annual Report 2015 like this ℹ.

ABOUT THIS REPORT

Scope

This report provides a summary of Woodside's sustainability approach, actions and performance for the year to 31 December 2015. The report was approved by the Woodside Board of Directors on 18 March 2016.

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

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

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

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

Reporting approach

We have prepared this report in accordance with the Global Reporting Initiative (GRI) G4 core level reporting.

We report on comprehensive disclosures in the area of governance, ethics and integrity to ensure consistency of reporting from previous years. The GRI guidelines provide a globally accepted framework of principles and indicators for reporting an organisation's economic, environmental and social practices and performance. This report includes indicators from the GRI G4 Oil and Gas Sector Disclosures.

Woodside has also reported in accordance with IPIECA, Oil and Gas Industry Guidance on Voluntary Industry Reporting (2015). IPIECA is the global oil and gas industry association for environmental and social issues.

A GRI and IPIECA content index, which cross references the GRI and IPIECA indicators to the relevant sections of this report and the Annual Report 2015, is summarised on page **46** and can be found on our website.

In determining the report content, we have been guided by the AA1000 principles, which cover inclusivity, materiality and responsiveness. The AA1000 standard provides a framework for our organisation to identify, prioritise and respond to sustainability challenges.

Inclusivity

We acknowledge the importance of stakeholder participation in developing and implementing our response to sustainability reporting. We sought the opinions of stakeholders as part of the materiality process which helped to define the content of this report. More information on our diverse stakeholders, their issues and our responses can be found on pages **14** to **15**.

Materiality

Issues are considered material if they have the potential to impact our ability to achieve our business strategy or affect our reputation, or they are of material concern to our stakeholders. The materiality assessment process is discussed on page **16**. This year we have included case studies to support each material issue. An explanation of key issues can be found on page **16**.

Responsiveness

The report aims to respond to those issues identified as material for Woodside and its stakeholders. Information on our responses to stakeholder concerns about specific material issues can be found on pages **18** to **27**.

External assurance

Ernst & Young has conducted reasonable assurance over information in the Sustainable Development Report 2015 related to Woodside's material issues and limited assurance over the balance of the report.

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

CONTENTS

ABOUT WOODSIDE

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

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

Wherever we work, we are committed to living our values of integrity, respect, working sustainably, discipline, excellence and working together.

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

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

Our producing LNG assets in the north-west of Australia are among the world's best facilities.

Today, our exploration portfolio includes emerging and frontier provinces in Australia and the Asia-Pacific region, the Atlantic margins, Latin America and Sub-Saharan Africa.

We have significant equity interests in high-quality development opportunities.

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

We operate floating production, storage and offloading vessels, and we have an excellent track record of efficient and safe production.

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

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

We believe technology and innovation are essential to unlocking future growth and commercialising assets. We continually expand our technical knowledge, discover new solutions and learn valuable lessons. We are pioneering remote support and the application of artificial intelligence and advanced analytics in our operations.

We are open and honest in our relationships. Sharing ideas and aspirations, we have the courage to always do the right thing for our people, partners, customers and communities.
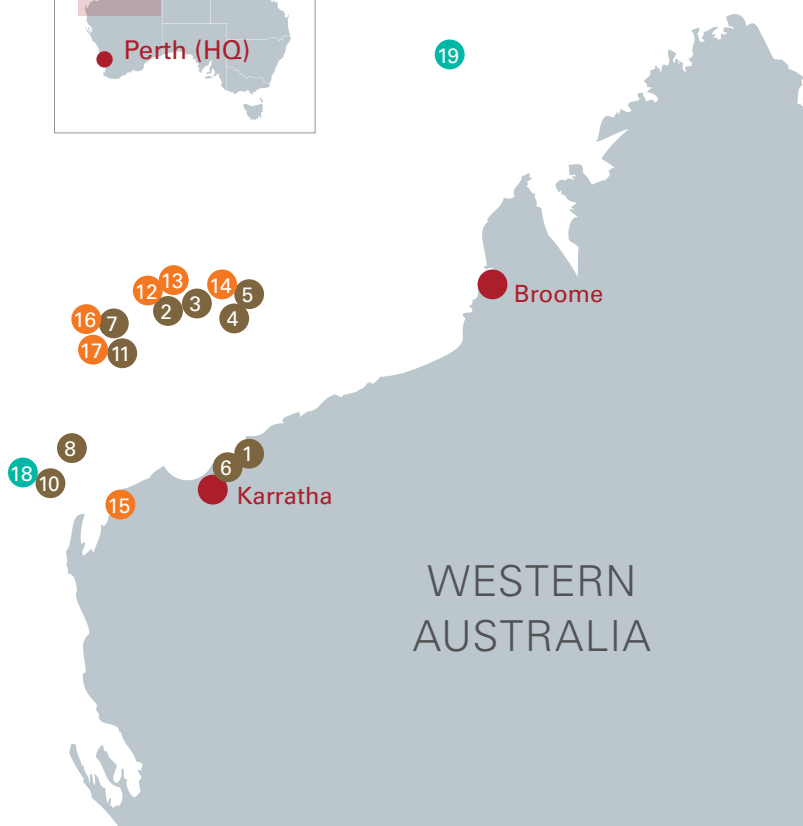
Woodside-operated Karratha Gas Plant, North West Shelf Project.

OUR AREAS OF ACTIVITY

Our Australian business

● Producing assets

1	Karratha Gas Plant	NWS
2	Goodwyn A platform	NWS
3	North Rankin Complex	NWS
4	Okha FPSO	NWS oil
5	Angel platform	NWS
6	Pluto LNG Plant	Pluto LNG
7	Pluto LNG platform	Pluto LNG
8	Ngujima-Yin FPSO	Vincent oil
9	Northern Endeavour FPSO*	Laminaria-Corallina oil
10	Nganhurra FPSO	Enfield oil
11	Armada Claire FPSO	Balnaves oil

● Projects

12	Greater Western Flank Phase 1	NWS
13	Greater Western Flank Phase 2	NWS
14	Persephone	NWS
15	Wheatstone LNG Plant (non-operated)	Wheatstone
16	Wheatstone LNG Platform (non-operated)	Wheatstone
17	Julimar	Julimar, Brunello

● Developments

18	Greater Enfield Oil	Enfield oil
19	Browse FLNG	Browse

● Woodside offices and representative offices

Perth (HQ)

Broome

Karratha

WESTERN AUSTRALIA

Our global business

Ireland

Morocco
Spain
(Canary
Islands)

Senegal /
Guinea-Bissau

Cameroon
Gabon

Republic of Korea

Myanmar

Sunrise LNG

Perth

Australia

New Zealand

Grassy Point LNG
Kitimat LNG

Canada

Nova Scotia

USA

Port Arthur

Corpus Christi

Peru

● Woodside headquarters

● Exploration acreage

● Developments

● Business opportunities

● Producing assets

* In September 2015, Woodside entered into a conditional agreement to sell our interests in the Laminaria-Corallina Joint Venture, including the Northern Endeavour FPSO. For further information, refer to **Woodside's Annual Report 2015**.

MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

The oil and gas industry globally experienced volatile and challenging conditions throughout 2015, as the decline in oil prices that began in 2014 continued throughout the year. Low oil prices impacted profits and resulted in impairment charges, but low operating cash costs mean that we continue to generate significant cash, and the balance sheet remains strong.

We reported a profit of US$26 million for 2015. This adjusted to US$1.126 billion, prior to one-off non-cash items deducted. This remains down on 2014's profit of US$2.414 billion.

Against this backdrop, we remained focused on our commitment to sustainability.

Health, safety, environmental, social and economic considerations are integral to our decision making and key to us delivering successful business outcomes. The productivity initiatives embedded across our business also helped us to achieve economic resilience and finish the year well-positioned for 2016.

We continued to grow our business at home and abroad, mindful that wherever we work we are committed to living our values of integrity, respect, working sustainably, discipline, excellence and working together.

For us, working sustainably is essential to realising our vision to be a global leader in upstream oil and gas, and we made good progress in key areas in 2015.

We remain on track to achieve global top-quartile health and safety performance by 2017.

During 2015, we achieved an 8% reduction in flared gas intensity through a sustained focus on eliminating flaring where possible and continually improving reliability at our facilities. This is key in our response to global efforts to reduce greenhouse gas emissions and reflects our commitment to developing resources responsibly.

We maintained our commitment to early childhood development. The Woodside Development Fund is supporting delivery of parenting and early childhood services in Myanmar, adding to the support being provided in communities across Australia.

We are committed to high levels of governance and transparency, and I am proud to report that Woodside was granted membership to the Voluntary Principles on Security and Human Rights Association. This a clear reflection of our commitment to embedding best practice and respecting human rights of the communities in which we are active.

Our work to increase Indigenous representation in our workforce continues. While we didn't meet our 2015 employment target, we have made progress in reducing turnover rates and will continue to work hard to raise Indigenous employment levels.

Finally, I would like to thank our communities for their ongoing support, our partners for their willingness to work with us and our employees for their ongoing commitment towards sustainable development.

Peter Coleman
18 March 2016

Woodside CEO Peter Coleman presenting at the 2015 International LNG in British Columbia Conference.

MESSAGE FROM OUR SUSTAINABILITY COMMITTEE

In 2015, the Sustainability Committee continued to fulfil its role of assisting the Board to meet its oversight responsibilities in relation to the company's sustainability policies and practices.

The committee met six times during the year and was briefed on topics covering health and safety, process safety, environment, heritage, land access, security and emergency management and community relations.

Throughout 2015, it was pleasing to note a steady improvement towards global top-quartile performance in health and safety. We also continued to support personal health outcomes and build on the successful launch of the Fit for Life program. The program supports positive behaviour decisions in three areas: healthy bodies, healthy living and healthy minds.

The committee was particularly focused on the company's process safety management improvement program, undertaking 'deep dives' into aspects of process safety performance at each meeting. This program delivered a number of targeted and sustainable enhancements to our management system and activities, including a revised process safety competency framework.

Emissions reduction continued to be a key focus area for the business. Teams in Karratha and Perth should be congratulated for the flaring reductions achieved at the Pluto LNG Plant.

The committee was briefed on Woodside's 2016–2020 social investment strategy, which will focus on creating and building long-term community capacity and capability. Particularly pleasing is that the new priority areas have been developed with a focus on supporting sustainable outcomes in the communities in which we are active.

Woodside's 2016 Reconciliation Action Plan was reviewed and endorsed by the committee.

The committee validated the material issues identified by stakeholders for inclusion in this report and discussed stakeholder expectations around key issues including climate change.

We will continue to work with management in 2016 to ensure that Woodside delivers sustainable growth for all of its stakeholders.

David McEvoy
Committee Chairman
18 March 2016

David McEvoy
(Committee Chairman)

Melinda Cilento

Christopher Haynes

Andrew Jamieson

Sarah Ryan

Note: Ann Pickard was appointed to the Board and became a member of the Sustainability Committee on 29 February 2016.

WOODSIDE VALUE CHAIN

We recognise that our activities have environmental, social and economic impacts. Our value chain graphic illustrates the key components of our business, how we contribute at each stage, the stakeholders we work with and the material issues identified for this report.

ACQUIRE AND EXPLORE

By maintaining a disciplined approach to managing risk and increasing shareholder value, we seek to grow our portfolio through global exploration and asset acquisitions. Once we have proven the presence and value of hydrocarbons, the asset can move into the development phase.

Output: Resources

Stakeholders: C CT E G JV

DEVELOP

We work closely with our customers, joint venture partners, suppliers, governments and communities to realise the opportunities across the development life cycle. Once the value of the resource is confirmed and approvals have been received, the development moves into project execution.

Output: Projects and Producing Assets

Stakeholders: C CT CM E G JV S

Drilling

Onshore construction

Seismic survey

Offshore construction (including subsea)

LOCATIONS

Canada · Ireland · Spain · Myanmar · Republic of Korea · Morocco · Senegal · Cameroon · Peru · Gabon · Australia · New Zealand

Canada · Timor-Leste · Australia

MATERIAL ISSUES *

Major incident prevention and reponse

Climate change policy and response

Global health and safety performance

Technical integrity

Regulatory compliance

Reserves

New country entry

Biodiversity and ecosystems services

Major incident prevention and reponse

Climate change policy and response

Global health and safety performance

Technical integrity

Regulatory compliance

Non-operator management

Supply chain and local content

Biodiversity and ecosystems services

Social and cultural impacts on society

* For information on Woodside's material issues, refer to pages **16** to **27**.

STAKEHOLDERS

C Communities **CT** Contractors **CM** Customers

E Employees **G** Government **JV** JV Partners **S** Suppliers

DECOMMISSION AND DIVEST

As we look towards end-of-field life of our oil and gas assets, we aim to bring forward optimal value wherever we can, including divestment of late life assets. We work together with our stakeholders to ensure that the most sustainable options are considered at various stages to minimise financial, social and environmental impacts.

OPERATE

Once construction is complete, the asset moves into its operation phase. We have over 30 years' experience in operating some of the world's premier oil and gas facilities, characterised by strong safety and environmental performance.

Output: Product (LNG, LPG, oil, condensate, pipeline gas)

Stakeholders: C CT E G JV S

MARKET

Our valuable long-term customer relationships and our track record of safe and reliable delivery make us a leading supplier of energy to the Asia-Pacific region and the Australian domestic gas market. We have world-class capabilities across contracting, marketing and trading.

Output: Delivery of product to customer

Stakeholders: CM E JV

Offshore processing (Fixed platform, FPSO, FLNG)

Onshore processing

End user

Delivery

Australia

China Republic of Korea Japan Singapore

Major incident prevention and reponse

Climate change policy and response

Global health and safety performance

Technical integrity

Regulatory compliance

People capability and diversity

Greenhouse gas emissions

Supply chain and local content

Social and cultural impacts on society

Non-operator management

Major incident prevention and reponse

Climate change policy and response

Global health and safety performance

Technical integrity

Regulatory compliance

Greenhouse gas emissions

Industry disruption

OUR APPROACH TO SUSTAINABILITY

Working sustainably is one of our core values and is fundamental to our business.

Working sustainably is about doing what's right, balancing short-term and long-term interests and integrating health, safety, environmental, social and economic considerations into our decision making. It is a core value embedded at every level of our company and is essential to realising our vision to be a global leader in upstream oil and gas.

Managing the material issues identified with our stakeholders informs our decision making, guides our operations and enables us to maintain our position as a partner of choice.

Our ability to listen and respond to the issues and concerns of the communities where we operate is important. For us, this means doing the right thing by our people, partners and broader society.

Equally important is the need to meet the demand for energy.

We acknowledge the world is in the early stages of an energy transition. We are committed to developing resources responsibly and being considerate of global sustainability issues.

Innovation and the application of leading-edge science and technology are important differentiators for any company here for the long term. Our ability to innovate has ensured our position as a leader in the Australian oil and gas industry for more than 60 years. From deep water drilling to production in remote and challenging environments, we integrate world-class environmental management into our exploration, development and operational activities.

To be here for the long term, we must be part of a sustainable energy future.

Governance

Our approach to sustainability is incorporated in our policies, standards and Code of Conduct, which outlines the principles, practices and standards of personal and corporate behaviour. These are available on our website:

ⓘ woodside.com.au/Working-Sustainably

The Woodside Management System provides a structured governance framework with defined accountabilities and performance requirements for Woodside managers, employees and contractors. Woodside's sustainability performance is linked to remuneration for employees and executives.

ⓘ Read more on remuneration in Woodside's Annual Report 2015.

Governance structure

Woodside's Board of Directors has oversight of the company's management and business activities. The Sustainability Committee assists the Board to meet its responsibilities in relation to the company's sustainability policies and practices. The committee, as at 31 December 2015, was comprised of five independent, non-executive directors. On 29 February 2016, Ann Pickard was appointed.

Identifying and managing risk

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

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

During 2015, the Audit & Risk Committee reviewed the company's risk management framework and confirmed that it was sound.

Our most significant risks, and how they are being managed, are continually reviewed and summarised in a corporate risk profile. It is the primary source of information when determining our material issues from a company perspective.

ⓘ Read more on risk management in Woodside's Annual Report 2015.
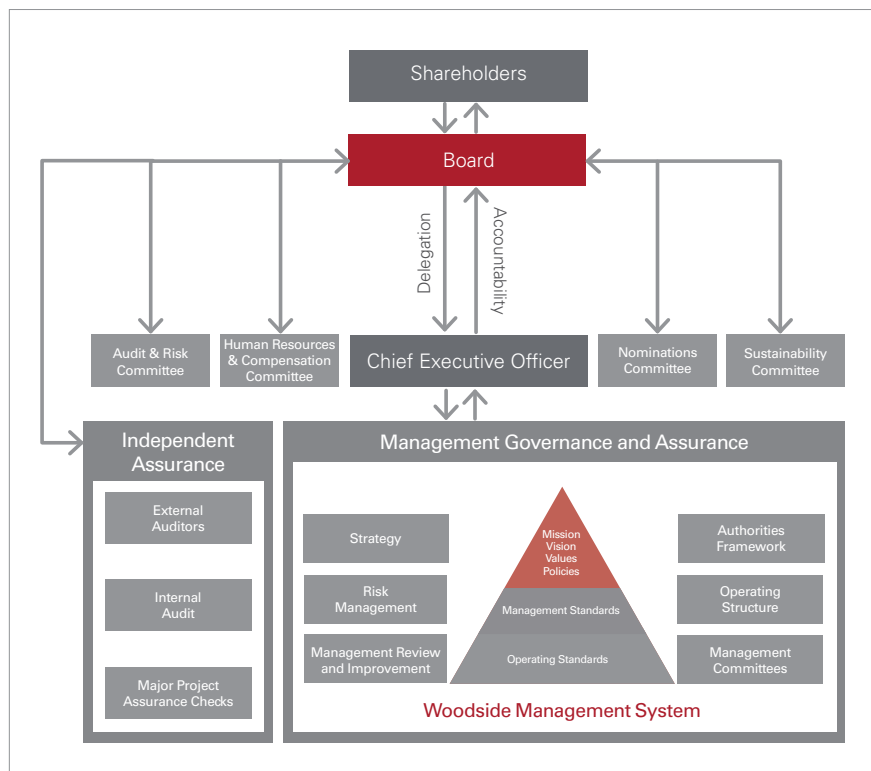
Woodside's corporate governance model.

OUR SUPPLY CHAIN

Managing our supply chain is key to providing sustainable outcomes and value to our shareholders.

Our supply chain incorporates procurement and logistics management across our value chain. Woodside spent $4.21 billion with a total of 2,670 suppliers in 2015, across a range of locations identified in the map below. We recognise the importance of providing sustainable economic benefits through local employment and supply chain opportunities.

We have small teams managing discrete categories of spending from point of planning, through to ordering and final use. This ensures a greater degree of oversight on goods and services we procure.

Suppliers and contract categories are actively managed through agreed performance measures and plans. We have a centralised contract life cycle management system that is our communication tool and repository for approvals, variations, claims and supplier performance management.

We expect high standards of ethical conduct within our organisation and from our suppliers. Anti-bribery and corruption due diligence procedures ensure appropriate screening and evaluation of all third parties with whom we do business. All material supply chain risks are identified during the tender process and quantified with appropriate controls and performance measures included in the contract and supplier management plan.

In 2015, we developed a Supplier Code of Conduct which describes how we seek to do business with our suppliers and how we set expectations to ensure they are consistent with our values. We extended the terms of our contract audit program to encompass sustainability.

In 2016, we will undertake a mapping project of three key suppliers to inform the material sourcing process of their supply chains.

This year several projects have enabled improvements in sustainable management of our supply chain:

- Materials Management Improvement Project: enabled a leaner materials network.
- Procurement Transformation Project: implemented new approvals to improve efficiency and create more strategic sourcing capability.
- Contract Delivery Requirements Project: restructured and rewrote contract templates to maximise the efficiency of contract processing.

No. of vendors	
•	≤ 1
●	500
●	1,000
●	1,500
●	≤ 2,000
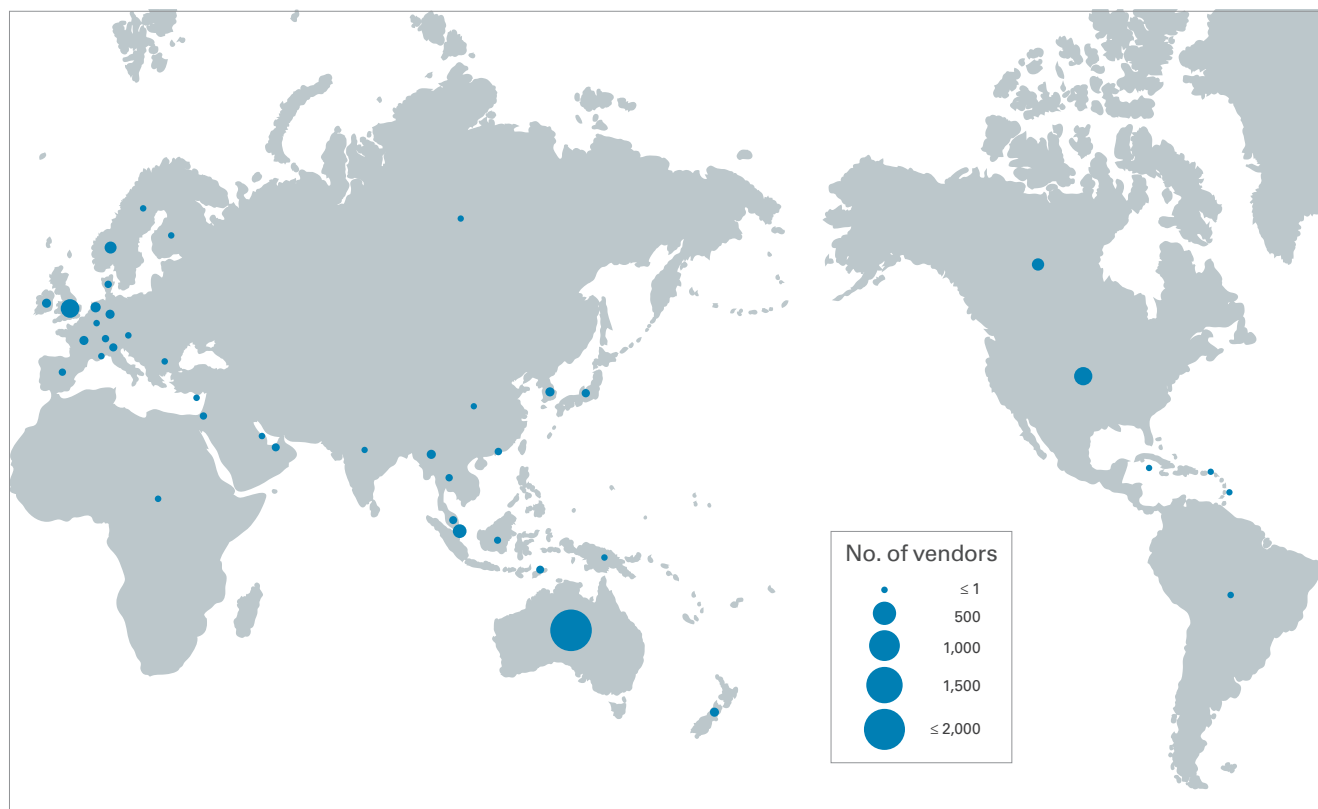
The number of suppliers engaged by Woodside around the world.

GOVERNANCE AND TRANSPARENCY

Our approach

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

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

ℹ️ woodside.com.au/About-Us

CODE OF CONDUCT

All employees undergo mandatory Code of Conduct training when they join the company and every year thereafter. Records of training are maintained electronically and monitored by Woodside's General Counsel. Directors and managers are required to provide annual certification of their compliance with the Code and related policies.

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

Employees and business partners can use a confidential externally managed helpline to report unacceptable conduct. All calls are referred to Woodside's Chief Executive Officer, General Counsel, Vice President Internal Audit and General Manager Security and Emergency Management for investigation as appropriate. In 2015, there were six reports to the confidential helpline.

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

There were 36 reports of improper behaviour or breaches of the Code investigated in 2015. Of these matters, 26 were substantiated, seven unsubstantiated, and three matters remain under or pending investigation. Of the substantiated matters, 14 resulted in contract termination, 11 in written warnings and one in a verbal warning. Five terminations were fraud related, and nine matters involved harassment or other inappropriate behaviour.

There were no legal findings against Woodside in relation to harassment, discrimination or equality in employment in 2015.

ANTI-CORRUPTION

Woodside has a zero-tolerance approach to fraud, bribery and corruption, and complies with all relevant Australian and international anti-bribery and corruption laws. Woodside's Fraud and Corruption Control Program continued in 2015. Further improvements were also made in the number of contract audits undertaken by Woodside which focused on fraud and corruption risk areas, refinements to due diligence processes for new business opportunities, the use of forensic data analytics and the delivery of fraud and corruption risk training.

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

We undertook forensic data analysis of information management systems, and the use of data analytics to identify fraud and corruption risk areas was extended to Woodside's Internal Audit, Finance and Procurement functions, in addition to the specialist anti-fraud and corruption capability within the company's Security and Emergency Management function.

We delivered an advanced Anti-Bribery and Corruption e-learning module to 1,086 managers and others occupying positions exposed to elevated risk. Anti-Bribery and Corruption Policy content was included in the Code of Conduct refresher training for all employees in 2015.

Woodside's standard contracting terms and conditions with our suppliers and business partners mandate compliance with Australian and international anti-bribery and corruption laws and address specific obligations in relation to our policies.

ℹ️ For more information on contracting at Woodside, please visit woodside.com.au/supplying_to_woodside/

There were no violations of anti-bribery and corruption laws detected within, or in connection with, Woodside in 2015.

FINANCIAL TRANSPARENCY

As a member of the Extractive Industries Transparency Initiative (EITI) since 2005, Woodside is committed to reporting our petroleum tax and fee payments with respect to operations in implementing countries.

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

Through this process, the EITI has become the international standard for improved transparency adopted by a growing number of resource-endowed countries via the publication and verification of company payments and government revenues from industries such as oil, gas and mining.

Countries in which we have an interest and which are compliant with the EITI or are candidates for EITI membership include Timor-Leste, Cameroon, Peru and Myanmar.

ⓘ Read more about the EITI at eiti.org

Our taxation policy and robust governance arrangements, together with ongoing engagement with the Australian Taxation Office (ATO) and other revenue authorities, demonstrate our commitment to transparency and compliance with the law. In Australia, where Woodside pays the majority of its taxes, we operate under an Annual Compliance Arrangement with the ATO for income tax and petroleum resource rent tax.

Woodside released additional information for the 2013–2014 income year in line with the ATO's Tax Transparency Report.

ⓘ For the additional information on the ATO's Tax Transparency Report, visit woodside.com.au/Working-Sustainably/ Pages/Our-Approach

For the year to 30 June 2015, Woodside paid A$111,100 each for membership of the business network forums of the Australian Labor Party (ALP) and the Liberal Party of Australia (LPA). Woodside spent an additional A$46,820 attending conferences and other business events associated with the ALP, the LPA and the National Party of Australia. Although no direct political donations were made, all payments were declared as donations with the Australian Electoral Commission.

ⓘ For more information on these political donations, visit periodicdisclosures.aec.gov.au

SECURITY

In 2015, Woodside joined the Voluntary Principles on Security and Human Rights (Voluntary Principles) Association to embed best practice in respecting the human rights of communities in which we are active. Woodside has strict procedures regarding armed security guards. In 2015, these services were utilised in accordance with Woodside's procedures.

Woodside sponsored a Voluntary Principles panel discussion at the Africa Down Under Conference in Perth and conducted specific training for security service providers in Myanmar and Timor-Leste. Woodside staff in Myanmar, Timor-Leste and Canada also received training in Woodside's Voluntary Principles program, and enhanced provisions were included in security contracts to ensure compliance by service providers. In Myanmar, Woodside joined other oil and gas industry operators in engaging key government stakeholders to advance the Voluntary Principles.

Woodside continued its security assurance regime with all offshore facilities and ports undergoing internal audits, in addition to two regulator audits and one external audit commissioned by Woodside. A new security plan was implemented for the Armada Claire FPSO in connection with its services provided under contract to Woodside.

Woodside reviewed security arrangements in a range of countries in response to global terrorism. We continue to improve our travel management arrangements including, where appropriate, through increased systems automation and individual training, to ensure we minimise risks to deployed personnel and their families.

In 2015, Woodside joined the Voluntary Principles on Security and Human Rights (Voluntary Principles) Association.

SUSTAINABILITY TARGETS

Each year we set targets for the coming year and measure our ongoing performance. Our internal business planning process involves setting targets at the following levels: Corporate Scorecard targets, Corporate Executive Committee Dashboard targets, Divisional Performance Agreement targets, and Functional Performance Agreement targets.

Targets presented in this report reflect our key sustainability areas and help us monitor and drive continual improvement.

● Achieved   ● Underway   ● Not achieved

Key 2015 targets		How we performed	Key 2016 targets
People*			
Increase representation of women in middle and senior management roles.	●	Through internal promotion and improved retention, senior female representation increased to 13.8% in 2015.	Increase representation of women in middle and senior management roles.
Increase overall percentage of women employed by Woodside.	●	The percentage of women at Woodside increased in 2015 to 28.2%.	Increase overall percentage of women employed by Woodside.
Achieve 30.0% female representation on Woodside Board by 2016.	●	There was no change to Board membership in 2015.	Achieve 30.0% female representation on Woodside Board by the end of 2016.
Woodside Australian-based workforce to reflect the demographics of the Western Australian Indigenous population by 2015 (3.3%).	●	Our Indigenous workforce represents 2.7% of our Australian-based workforce.	Increase percentage of Indigenous people employed by Woodside.
Conduct employee survey to assess employee engagement and enablement.	●	Survey conducted with a 79% response rate. Results show an 11% increase in engagement levels and a 5% increase in enablement.	

* Additional People targets are reported on pages **30** to **31**.

Key 2015 targets		How we performed	Key 2016 targets
Safety			
Achieve a total recordable incident rate (TRIR) target of 2.0 to demonstrate sustained progress towards global top-quartile health and safety performance by 2017.	●	2015 TRIR was 1.71, representing a 10% improvement from 2014.	Achieve a TRIR target of 1.5 to demonstrate sustained progress towards global top-quartile health and safety performance by 2017.
An outcome of zero Tier 1 process safety events (PSEs) and three or fewer Tier 2 PSEs in 2015.	●	Zero Tier 1 PSEs and two Tier 2 PSEs.	An outcome of zero Tier 1 PSEs and three or fewer Tier 2 PSEs in 2016.

Key 2015 targets		How we performed	Key 2016 targets
Environment			
Maintain a low level of environmental incidents – three or fewer reportable environmental incidents to regulators.	●	Two environmental incidents were reported to regulatory authorities as part of our licence conditions. The incidents were of minor environmental impact.	Maintain a low level of environmental incidents – three or fewer environmental incidents that are required to be reported to regulatory authorities as part of our licence conditions.
Flaring intensity less than 11 t/kt.	●	Flaring intensity: ▪ Including Balnaves (from August 2015) is 9.2 t/kt. ▪ Excluding Balnaves is 8.4 t/kt.	Flaring intensity less than 9 t/kt.
Review Woodside's environment standards against good industry practice and top-quartile performance of our oil and gas peers.	●	Benchmarking completed and results included in strategic plan.	Reduction of energy intensity by 1% (TJ per kt of hydrocarbon production) in 2016.

● Achieved　● Underway　● Not achieved

Key 2015 targets		How we performed	Key 2016 targets
Society			
Programs funded by Woodside Development Fund deliver agreed outcomes.	●	Approximately A$2 million and eight initiatives committed during 2015.	Programs funded by Woodside Development Fund deliver outcomes that are reported through the monitoring and evaluation framework.
Develop sustainable social investment strategy for implementation post 2015.	●	Revised social contribution strategy approved and aligns to business activities and impacts.	Implement 2016 sustainable social contribution strategy to increase spend in host communities.
Increase Reconciliation Interest Group (RIG) membership levels 100% from the 2010 membership base.	●	RIG membership increased from 192 to 219 in 2015, which is a 44% increase on 2010 base.	Implement transition to new Reconciliation Action Plan (RAP) and report outcomes.
25 employees to attend expert stakeholder engagement training as part of the 2014 target for improved stakeholder engagement.	●	37 employees attended stakeholder engagement training.	
Implement community grievance mechanism procedure and report on content.	●	Community Grievance Mechanism procedure completed and applied in Karratha and Myanmar.	
Economic			
Achieve top-quartile total shareholder returns relative to our oil and gas peer group.	●	Achieved a ten-year total shareholder return (TSR) of 2.5%, ranking second against our peers.	Achieve top-quartile total shareholder returns relative to our oil and gas peer group.
Meet 2015 production guidance of 84–91 MMboe.	●	Achieved production of 92.9 MMboe, our second highest annual result.	Meet 2016 production target range of 86–93 MMboe.
Replace production through additional reserves.	●	Increased 2P Developed and Undeveloped Reserves by 12.7%.	Replace production through additional reserves.
A stretch RAP target of 150 cumulative Indigenous contracts between 2011 and 2015.	●	Exceeded target; delivery of 175 contracts.	

UNDERSTANDING OUR STAKEHOLDERS

We work hard to build relationships with those who are interested in and affected by our activities. The way we engage is fundamental to building trust and understanding with our stakeholders.

We promote and encourage stakeholder input and feedback on our activities. We identify potentially affected stakeholders based on the location, timing and potential impacts and opportunities of the proposed activity.

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

We have guidelines to assess the potential effects and benefits of our current and future activities and how best to engage with those affected by them using the most appropriate engagement methods to encourage open and transparent communication and feedback.

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

| | Stakeholders | Key interests and concerns | 2015 stakeholder engagement/response |

Employees

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

Staff briefing in Perth and Karratha with the CEO and the executive leadership team	Annual
Productivity program to drive efficiencies in our business	Ongoing
Campaign to embed continuous improvement principles in all projects	Ongoing
Cascaded strategic themes to performance agreements	Annual
Performance reviews and personal development plans for all employees	Annual
A Leadership and Management Development framework and expanded leadership training programs	Ongoing
Communication and targeted programs for employee safety, health and wellbeing	Frequent
Annual Woodside Awards to recognise outstanding employee achievement and contribution	Annual
Staff volunteering	Frequent
Launch of FutureLab Exchange to enable employees to engage with industry experts and researchers	Frequent

Customers

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

Regular communications for delivery and scheduling	Frequent
Regular engagements to manage commercial and operational aspects of LNG delivery and scheduling	Frequent
In-country representatives	Periodic
Delivery programs for LNG supply	Annual
Reciprocal staff exchanges to promote understanding of respective businesses	Periodic
Quality control of our hydrocarbon production	Frequent
Site visits to build understanding of respective businesses	Periodic

Joint venture participants

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

Meetings with joint venture boards and operating committees	Frequent
Participation in business reviews and audits	Periodic
Assurance programs	Frequent
Operations overviews	Frequent

Investors and finance providers

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

Investor briefings are webcast and archived on our website	As required
Regular meetings with financiers, institutional shareholders and investor representatives	As required
Annual General Meeting	Annual
Australian Securities Exchange (ASX) announcements	As required

Governments: Local, State, Federal and International

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

Engagement with regulators and State, Commonwealth and Local Government agencies, and opposition Governments in Australia. Engagement with key regulators and government stakeholders in areas where we are active internationally	Frequent
Contribute to domestic and international industry and business association submissions covering, among other things, the Emissions Reduction Fund – Safeguard Mechanism, Tax Reform, Regulatory initiatives, the Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations (Well regulations), the Department of Mines and Petroleum's Work Health and Safety (Resources) Bill, the Review of the Irish Offshore Strategic Environmental Assessment, and the Gas Network of Ireland's transmission tariff model licence agreement	Periodic
Direct submissions to the Federal Government, including, among other things, the Senate Economics References Committee's Inquiry into Corporate Tax Avoidance and Minimisation and its Inquiry into foreign bribery, the Senate Foreign Affairs, Defence and Trade References Committee's Inquiry into Australia's relationship with Mexico, and the Department of Industry, Innovation and Science's Review of the Resource Management Framework in the Australian Offshore Petroleum Sector	Periodic
Direct submissions to the State Government, including among others, the Western Australian Parliamentary Inquiry into the mental health impacts of Fly-In-Fly-Out (FIFO) work arrangements, and the Inquiry into technological and service innovation in Western Australia	Periodic

Suppliers and contractors

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

Contract life cycle management system embedded as single communication portal	Ongoing
Pilot group developed to collaborate on innovation opportunities in the supply chain	Ongoing
Regular reciprocal supplier performance reviews	Ongoing
Contract clauses reviewed and restructured in line with feedback from major contractors	End 2015
Development of supplier category strategies which identify key opportunities and supplier relationships	Ongoing
Reviews with our strategic suppliers and monthly reviews against key purchase orders	Quarterly
Woodside and joint operator contractor audits	Annual
Supplier continuous improvement forum held with 39 major suppliers	Annual

Non-government organisations

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

Provide the opportunity for non-government organisation input in social and environmental impact assessments	As required
Recognition of the Extractive Industries Transparency Initiative	Annual
Participation in industry forums and associations	As required

Local and Indigenous communities

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

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

Regional community offices	Ongoing
Community consultation and engagement including community liaison groups and networks	Frequent
Community events and programs	Frequent
Consultation information and activity updates on the Woodside website	Ongoing
Social impact assessments and management planning which involves community input	As required
Reconciliation Action Plan	Ongoing
Social investment implementation of and compliance with related protocols, frameworks and legally binding agreements	As required

MATERIALITY

Determining key issues

Woodside considers issues to be material if they have the potential to impact our ability to achieve our business strategy, or our reputation, or are of material concern to our stakeholders.

In 2015, we built on our existing materiality process by:

- undertaking wider external stakeholder engagement;
- evaluating sustainability issues across the value chain; and
- evaluating sustainability aspects within our supply chain.

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

Identify

To identify the material issues, an initial desktop study was undertaken followed by meetings with internal and external stakeholders. Key inputs and sources of information are outlined in the materiality matrix.

Materiality discussions and workshops were held with employees, community groups, contractors, customers, investors and joint venture partners. This included a sustainability session at Woodside's annual contractor forum, environmental, social and governance (ESG) focus during meetings with investor groups and international coverage to ensure capture of key issues in communities and concerns of government and non-government organisations.

Prioritise

We established key criteria to rank the material issues, which involved the following:

- Company assessment – survey ranking top 15 issues, presence on corporate risk register, discussed during interviews, opportunity for improvement or innovation.
- Stakeholder perspective – survey ranking top 15 issues, identified as an industry issue with peers/IPIECA, discussed during interviews, issue identified by media or external stakeholder.

The ranked results are given in the materiality matrix.

Validate

Our top 15 issues were validated by our Executive Committee and the Board's Sustainability Committee.

Review

Each year we review the report and issues with our internal and external stakeholders.

Defining report content

Woodside has enhanced its engagement process to identify and prioritise sustainability issues that are important to our business and to our stakeholders. This enables us to focus the report's content and provide public information responding to key issues.

We have identified the key sustainability aspects for Woodside, which are shown in the diagram alongside and categorised into four areas. Governance, compliance, innovation and technology are core to the way we manage our business across all areas.

Woodside's key sustainability aspects

MATERIALITY MATRIX

In this report we respond in detail to our top five material issues (pages **18** to **27**). Our top 15 issues are presented in the materiality matrix and continue to be monitored and managed. Additional information and case studies are available on our website.

The materiality matrix illustrates the output from the prioritise and validate phases. The significance of the issue to the stakeholders and to our company are also outlined in the matrix.

Material issues for 2015

- Major incident prevention and response
- Climate change policy and response
- Global health and safety performance
- Technical integrity
- Regulatory compliance

Materiality matrix. Significance to stakeholders (Low to High) on the vertical axis; Significance to company (Low to High) on the horizontal axis.

Issues plotted:
- Major incident prevention and response (p. 18 to 19)
- Climate change policy and response (p. 20 to 21)
- Global health and safety performance (p. 22 to 23)
- Technical integrity (p. 24 to 25)
- Regulatory compliance (p. 26 to 27)
- Biodiversity and ecosystems (p. 37)
- Social and cultural impacts (p. 38)
- Greenhouse gas emissions (p. 36)
- Non-operator management (p. 26 to 27)
- Supply chain and local content (p. 9)
- New country entry (p. 2 to 3)
- People capability and diversity (p. 28 to 30)
- Economic impact (p. 43)
- Industry disruption (p. 44)
- Reserves replacement (p. 43)

Information/activities to assess concern for stakeholders
2014 report review
Media review
Peer benchmarking
Stakeholder relations review
Review of peer reports
Dow Jones Sustainability Index (DJSI) feedback
Key stakeholder interviews
Workshops with local community groups and contractors
Ranking survey

Information/activities to assess impact on company
2014 report review
Policies and commitments
Corporate risk register and functional risk registers
Company strategy
Corporate audits
Corporate Affairs Leadership Team and issue capture
Employee Opinion Survey
Meeting with Sustainability Committee Chairman
Key stakeholder interviews
Workshops with selected subject matter experts (SMEs)
Ranking survey
Review with senior management and validation by the Sustainability Committee

MAJOR INCIDENT PREVENTION AND RESPONSE

Issue

While the likelihood of a significant uncontrolled release of hydrocarbons is low, the potential social, environmental and economic consequences can be extremely high. Loss of containment leading to a liquid hydrocarbon release from loss of facility integrity, well control or pipeline integrity, are all risks that must be managed by Woodside not only to prevent an incident, but also to mitigate the consequences if such events did occur. Oil spill response plans are developed and are in place for all exploration, development, production and decommissioning operations, and they detail the response tactics and capability that should be drawn upon in the event of a spill.

Response

Capabilities

In 2014, Woodside carried out its Oil Spill Preparedness Improvement Project across its operations and activities. This resulted in significant improvements in contingency planning, competency and capability in oil spill preparedness that have continued to be developed throughout 2015.

In order to ensure that priorities and focus are maintained, a new team dedicated to spill preparedness and response was established in January 2015 to deliver continuous improvements of oil spill preparedness in the countries we operate in.

The key areas of focus are:

- planning (contingency plans);
- capability (contracts, equipment and services);
- competency (training and exercising); and
- compliance and assurance.

Woodside's access to response capabilities include air, land, at-sea surface and at-sea sub-surface control.

Competencies

In order to ensure that Woodside will have the right people to respond to a liquid hydrocarbon spill, the key roles that Woodside would activate have been identified and the required training for each role mapped out.

To ensure we are prepared, these arrangements are tested regularly through exercises and continually improved where necessary.

Exercising includes desktop and deployment exercises that test our capabilities and robustness of arrangements, and ensures that the competencies of our people are maintained.

In 2015, Woodside conducted 35 exercises focused on hydrocarbon spill response:

- 22 x Level 1 spill exercises that tested our initial response and involve exercising the responsibilities of the on-site Incident Management Team;
- nine x Level 2 spill exercises that tested our response coordination and control arrangements for larger incidents;
- two x Level 3 spill exercises that tested our operational response to a loss of well control;
- one x Crisis Exercise that tested our strategic management of a major international spill event impacting the company; and
- one x tactical deployment exercise.

For each exercise, a post-exercise report is developed that details any learnings and post-exercise improvement actions. These post-exercise actions are identified to close any gaps in preparedness or encourage continuous improvement, with 90 improvement actions completed in 2015.

Our training capability is monitored in Woodside's Hydrocarbon Spill Competencies Dashboard and provides a simple, user-friendly way to ensure that appropriate skills and competencies are maintained. There are currently over 180 Woodside people fully trained for a role during an operational spill response and a further 208 with some training.

✓ **400**

People trained for spill response.

✓ **35**

Oil spill response exercises undertaken by our staff in 2015.

✓ **90**

Improvement actions implemented in 2015.

CASE STUDIES

Improving international response capability

In August 2015, a Level 3 oil spill response discussion exercise was conducted in Korea for the Hongge-1 drilling campaign. This exercise was a joint effort that was well attended by participants from the following organisations:

- Woodside Energy Ltd;
- Korea Environment Management Corporate;
- Pohang Regional Headquarters Korea Coast Guard;
- Pohang Regional Oceans and Fisheries Administration;
- Korea National Oil Corporation;
- Oil Spill Response Limited;
- Korea Maritime and Ocean University; and
- Pohang Branch of Korea Marine.

Simultaneous translation systems were used to support the communications during the exercise.

The exercise aimed to share the knowledge of Woodside's Oil Pollution Emergency Plan (OPEP) for the campaign with relevant responding agencies, identify any gaps in the OPEP and validate the planned response. All objectives of the exercise were achieved, and positive feedback was received from individual participants on the usefulness and effectiveness of the exercise.

In addition, in September 2015 Woodside also conducted exercise Mano, a Crisis Management Team exercise involving a notional uncontrolled release of hydrocarbons from the Hongge-1 exploration well in Korea, impacting international waters.

The aim of the exercise was to explore the strategic consequences of a significant loss of containment in international waters and validate the company's crisis management response arrangements. This included live involvement from the Australian Embassy in South Korea and the Department of Foreign Affairs and Trade (DFAT) in Australia.

Woodside worked with communities in conducting its operations and spill preparedness in 2015, including South Korean agencies and spill response organisations.

Testing national tactical response

Woodside participated in exercise Westwind, a National Level 3 Oil Spill Exercise that tested the National Plan for Maritime Environmental Emergencies arrangements for the oil and gas industry.

The exercise was in response to a loss of well control from an offshore platform and was jointly managed by:

- Australian Maritime Safety Authority;
- Australian Marine Oil Spill Centre (AMOSC);
- Department of Innovation, Industry and Science;
- Western Australian Department of Transport; and
- Department of Infrastructure and Regional Development.

The exercise involved numerous oil and gas companies acting under an imaginary company 'ACME Oil Company Australia', government and response agencies. It was hosted across Perth and Exmouth to test tactical, operational and strategic arrangements.

The exercise involved a two-day workshop that then eventuated into a two-day response exercise. The highly successful, multi-faceted marine oil spill response involved strategic interaction of the Australian and Western Australian Governments, international response organisations, local response agencies and the offshore petroleum industry, exercised in Perth. Tactical deployment of personnel and equipment in aerial surveillance, aerial dispersant application, offshore, nearshore and shoreline response, and oiled wildlife response was deployed from the Forward Operating Base (FOB) in Exmouth. Woodside worked with the Exmouth community in preparation for the exercise Westwind.

Woodside's involvement in the exercise included provision of response participants both within the Incident Management Team and the FOB, and also use of the company's mobile communications system for communications in remote locations.

Woodside's oil spill response team visiting AMOSC.

CLIMATE CHANGE POLICY AND RESPONSE

Issue

As an energy producer, Woodside is exposed to the economic risks and opportunities of an accelerated transition by countries to being lower carbon emitters, uncertainty surrounding future regulatory and policy frameworks, and increasing social pressure for action on climate change.

Response

The world's energy mix faces dual challenges of supplying sufficient energy for growth while reducing the environmental impacts of providing this energy.

We accept the Intergovernmental Panel on Climate Change's assessment of climate change science and believe that natural gas has a major role to play in containing global average temperatures. We believe natural gas can – and needs to – play a pivotal role in the world's future energy mix. Achieving this requires a stable regulatory framework capable of achieving current and future emissions reduction targets.

Natural gas provides the flexibility that renewable energy needs, as gas fired power stations can be ramped up or down faster than other fossil fuel plants. It also has lower emissions of greenhouse gases and local air pollutants than other fossil fuels.

As such, we see natural gas playing a central role in supporting economic growth and improving air quality in Asia's rapidly developing mega-cities.

Managing our emissions

Since 2013, Woodside's flaring intensity has decreased from 14.2 to 9.2 t/kt. This has seen a reduction of 900,000 tonnes of greenhouse gases.

To ensure that we continue to improve our flaring performance, our 2016 target has been reduced to 9 t/kt.

Optimisation of the safety, reliability and availability of our producing assets is fundamental to deliver reductions in greenhouse gas emissions intensity. This core business focus, combined with targeted energy efficiency and flare reduction initiatives, facilitates effective emissions management at Woodside.

A key emissions management achievement in 2015 was to embed the principles of energy efficiency and flaring reduction into Woodside's Production Opportunities Management process.

This supports plant optimisation and long-term sustainability and has promoted improvements and efficiencies across electrical and mechanical power generation systems and will be used to allocate future investment in our existing assets.

An energy efficient focus aligns with core business principles to increase overall sustainable value delivery from our production assets. As a result, from 2016 we will set annual energy efficiency targets for our operations.

Understanding climate risk

As carbon reduction targets increasingly influence the energy mix, understanding the impact on gas demand is becoming more important to our business.

Woodside recognises there is a wide range of views on the risks of and appropriate responses to climate change. The most prominent low carbon scenarios*, however, conclude that natural gas consumption will continue to grow until at least 2040.

Woodside tests key commercial decisions against a range of economic assumptions. These economic assumptions have included carbon prices since 2008. Our current portfolio of economic assumptions also include a scenario consistent with the national pledges made to the United Nations Framework Convention on Climate Change.

* For example, the International Energy Agency's 450 scenario and Bloomberg New Energy Finance's New Energy Outlook.

> We believe natural gas can – and needs to – play a pivotal role in the world's future energy mix.

Our approach

Increase use of natural gas to support renewable energy.

Reduce emissions by setting and meeting targets.

Quantify and understand the impacts of changing energy mix in our business.

Invest in new technologies to improve energy efficiency of our facilities.

CASE STUDY

Reducing flaring

The Pluto LNG Plant located on the Burrup Peninsula comprises a single LNG processing train. Gas from the Pluto and Xena fields is piped onshore via the Pluto A platform, located 180 kilometres north-west of Karratha.

Limited flaring is essential to safe start-up of the Pluto LNG facility and is normal industry practice. Continuous improvements of the Pluto LNG start-up procedures have reduced flaring associated with facility restarts by as much as 85% since production started in 2012.

A focus on safe and reliable operation has significantly reduced the frequency of unplanned shutdowns and upsets at Pluto LNG since commissioning. The following approach has also reduced the flared quantity associated with each start-up or recovery from upset conditions:

- Operation and engineering teams review each start-up to identify changes to processes that minimise flared gas.

- Each improvement is embedded in start-up procedures and communicated with all operations teams.

- Simulations are developed which allow operators to practise implementing these improvements.

One of the more effective changes to start-up processes has been to reduce the time the Nitrogen Rejection Unit (NRU) is left offline. The NRU takes a stream of nitrogen and methane produced in the final liquefaction stage, separates the nitrogen and allows the methane to be reprocessed. The NRU needs to be cryogenically cooled before it can operate, and until this happens the nitrogen and methane stream needs to be flared. Streamlining the start-up process has reduced the NRU start-up time by 70% and is one of the major contributors to Pluto's improved flaring performance.

Pluto has set a three-year flaring reduction target, aiming to continuously improve flaring.

Flaring from Pluto Gas Plant indexed to July 2012

Continuous improvements of the Pluto LNG start-up procedures have reduced flaring associated with facility restarts by as much as 85% since production started in 2012.
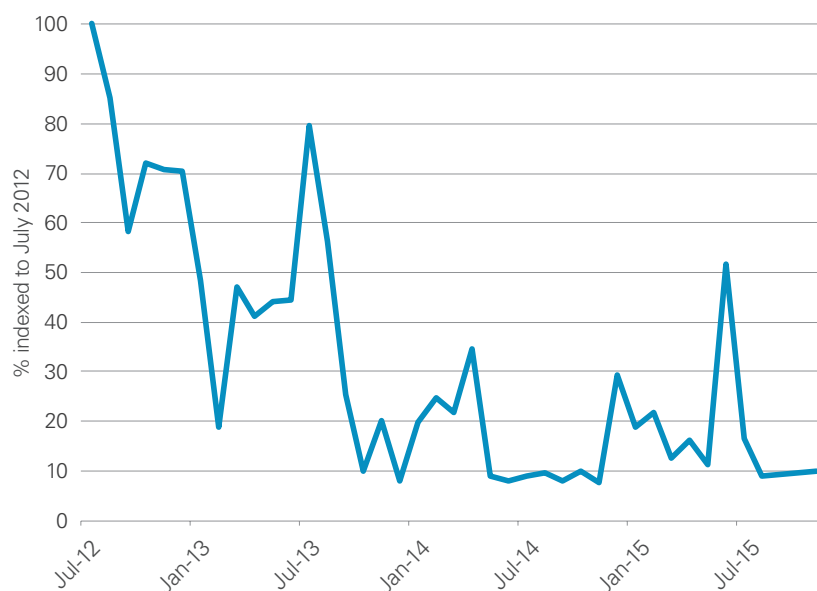
GLOBAL HEALTH AND SAFETY PERFORMANCE

Issue

Woodside's health and safety performance is critical to our business success. We must maintain our commitment to the health and safety of our people and communities across our activities in order to deliver on our goal of global top-quartile health and safety performance, as measured against our peers in the International Association of Oil and Gas Producers (IOGP).

Response

In 2015, Woodside continued to demonstrate improved health and safety performance. While overall performance improved, some functions need to continue to focus on delivering sustainable high performance.

Woodside has strong fundamentals in place. 'Our Safety Culture' and the 'Golden Safety Rules' provide a solid framework on which to build an effective safety culture. Throughout the year, communication across the organisation focused on reinforcing these fundamentals.

During 2015, consistent emphasis on the importance of visible leadership and supervisor engagement has been supported by simple and relevant messaging that everyone can use, such as:

- engaging others in safety conversations and linking these conversations to Our Safety Culture behaviours;
- checking and verifying understanding of the Golden Safety Rules and the risks they control; and
- improving hazard identification by reviewing the risks associated with tasks and always asking, 'what could go wrong?'

A review of recordable injuries over the last year has revealed that a number of injuries could have been prevented through a greater focus on Our Safety Culture behaviours. Learnings are being incorporated into 2016 activity plans.

Woodside continues to place strategic and tactical focus on improving contractor performance. Frontline engagement with our contractors continued in 2015, and work has progressed to standardise and simplify the health and safety sections of our contract documents.

Collaboration with our contractors has taken numerous forms during the year, including site visits to contractor facilities and integrated participation in industry events such as Stand Together for Safety. Woodside continues to play a leading role in industry forums to share learnings.

Engagement with our peers via IOGP networks during 2015 has confirmed that many of the themes we have in place are consistent with top-quartile oil and gas industry operators.

Woodside will continue to engage broadly to deliver on its strategy. Key themes will be consistency, simplicity and reinforcement of fundamental principles combined with leadership, supervision and frontline engagement so we can deliver global top-quartile health and safety performance.

On track to achieve global top-quartile health and safety performance.

✓ 0

Zero fatalities in 2015.

✓ 10%

Improvement in total recordable injury rate (TRIR).

WE KEEP EACH OTHER SAFE

woodside

Golden Safety Rules

No one gets hurt, no incidents

CASE STUDY

Adapting technology to eliminate high risk activities – confined space entry

The Pluto LNG Plant (Pluto), on the Burrup Peninsula, comprises a single LNG processing train.

Planning for the Pluto turnaround in 2015 identified a large number of pressure vessels needing internal inspection to ensure they conformed to Woodside's performance standard and complied with State and Commonwealth regulations. Fifty vessels were expected to require manned confined space entries, a recognised high risk oil and gas industry activity.

The use of remote digital video inspection (RDVI) alongside non-intrusive inspection (NII) techniques was recommended to internally inspect pressure vessels. RDVI had been previously trialled by Woodside for one-off inspections.

RDVI uses robotics and cameras to deliver clear and concise visual inspection data and eliminates the need for confined space entry. NII uses ultrasonic testing, liquid penetrant and radiography techniques conducted from outside a vessel without breaking containment or requiring vessel entry.

Using RDVI, coupled with NII, during a major facility turnaround, was a significant step forward in reducing the number of manned entries to check the condition of pressure containing equipment, essential to maintaining asset integrity and minimising process safety risk.

The initiative removed the need for 36 manned confined space entries, reduced inspection activities by four days, cut up to ten days from the typical 35-day turnaround and saved approximately A$4.5 million.

Health, safety and wellbeing benefits associated with this technology included:

- rationalising inspection tasks from the turnaround scope;
- eliminating a number of complex lifting operations;
- reducing the number of isolations required to be installed during the turnaround, including 300 fewer spading activities, reducing the risk of incorrect isolations and potential hydrocarbon release;
- limiting scaffolding requirements and minimising working at heights risks;
- increasing inspection quality of traditionally hard to access places;
- needing fewer personnel on site; and
- increasing workforce morale and engagement in health and safety from involvement in a successful operation.

This turnaround was completed with zero reportable injuries.

As Woodside continues its journey to global top-quartile health and safety performance, this demonstrates we can minimise occupational safety risk from our operations.

The risk-based methodology employed to develop the inspection program was reviewed and approved by key stakeholders from engineering, operations, the turnaround team, as well as contracted external inspectors. The initiative has been recognised as providing a platform for wider use during subsequent plant turnarounds.

This innovative RDVI and NII process to internally inspect pressure equipment has been integrated into Woodside's engineering standards for future inspections of this type.

Minimising the need for confined space entry, particularly in an offshore environment with a reduced footprint, supports a key goal of new designs to embed inherently safer concepts and drive an overall lower risk profile for the workforce of the future.

The initiative was recognised by industry through receipt of the 2015 Australian Petroleum Production and Exploration Association (APPEA) Health and Safety Conference Health and Safety Innovation Award, as well as the Delegates Choice Award for Health and Safety.

Confined Space Entry Golden Safety Rule

Entry into a confined space shall only proceed if:

- Options to eliminate the need for confined space entry have been evaluated.
- There is a rescue plan, risk assessment and a valid permit for the entry.
- The people involved are trained and competent to do the work associated with the confined space.
- The conditions of the permit have been communicated with everyone involved in or affected by the activity.
- All sources of energy affecting the confined space are isolated.

- Equipment has been approved for use in confined spaces.
- Testing of atmospheres is conducted, verified and repeated as often as defined by the permitry conditions.
- A standby person is in place at all times to raise the alarm – they are not to enter the confined space.
- Unauthorised entry is prevented.
- A plan is in place for vessel/confined space closure.

TECHNICAL INTEGRITY

Issue

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

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

Events

Woodside has adopted the American Petroleum Institute Recommended Practice 754, as presented below, for classifying and reporting process safety events. There were zero Tier 1 and two Tier 2 process safety events recorded in 2015. There were no injuries or facility damage as a result of the two Tier 2 events. Both events were investigated in accordance with Woodside's investigation

processes to understand root cause and to ensure that appropriate corrective actions were identified and implemented to achieve continuous improvement. Technical integrity management provides the framework and systems to minimise process safety events and help Woodside achieve its health and safety objectives.

0

Tier 1 process safety events in 2015.

2

Tier 2 process safety events in 2015.

Response

We manage technical integrity risks across our assets through adoption of robust standards, operating within established parameters and maintaining equipment critical for safety.

In recent years, this has led to significant investment to maintain and improve asset integrity:

- continued execution of the Karratha Gas Plant (KGP) Life Extension Program targeting corrosion, equipment obsolescence and ageing facilities;
- completion of the first planned inspection and maintenance turnaround of the Pluto LNG Plant, including novel intelligent pigging of the trunkline;
- completion of piping replacements and removal of redundant major equipment on the Goodwyn A platform during major turnarounds;

- completion of North Rankin A jacket structure inspection and removal of the redundant drill derrick; and
- preparation for major dry dock maintenance of the Okha FPSO and in parallel in-field riser replacement in early 2016.

We are continuously improving our safety management systems and supporting processes. These include performance excellence initiatives to improve process safety management, as well as improving our medium and long-term integrated activity planning, equipment maintenance strategies and maintenance execution campaigns.

Definitions for process safety events (from the American Petroleum Institute Recommended Practice 754)

Lagging indicators

Leading indicators

Tier 1
LOPC* events of greater consequence

A typical Tier 1 PSE is loss of containment of hydrocarbons greater than 500 kg (within the first hour of the event).

Tier 2
LOPC events of lesser consequence

A typical Tier 2 PSE is loss of containment of hydrocarbons greater than 50 kg but less than 500 kg (within the first hour of the event).

Tier 3
Challenges to safety systems

Tier 4
Operating discipline and management systems performance indicators

* Loss of primary containment.

CASE STUDY

Maintaining technical integrity

The KGP Life Extension (KLE) program is a long-term program to maintain the technical integrity of the KGP assets.

This will ensure that regular and routine maintenance efforts will be sufficient to sustain KGP technical integrity and address obsolescence issues where required, through to the end of facility life.

Approximately $50–70 million will be invested by Woodside each year to deliver safe, efficient and predictable refurbishment and life extension works.

Key program scopes are prioritised and include:

- addressing corrosion;
- addressing ageing assets and equipment; and
- replacing obsolete assets, equipment and systems no longer supported by the original suppliers.

The KLE program is approximately 16% complete and is targeting completion around 2025.

Woodside-operated Karratha Gas Plant, North West Shelf Project.

Process safety

The Process Safety Management Initiative centres on the development of a new set of minimum requirements to ensure that all our assets and business functions have a standardised approach to managing process safety no matter where we operate.

To support this, Woodside has adopted the Energy Institute's globally recognised Process Safety Management Framework, which will be integrated with our management system, building on Our Safety Culture and bound by Woodside's values.

The process safety management requirements will support Woodside's HSE objectives through:

- driving standardisation in process safety performance, setting clear expectations and clarifying who is accountable and responsible for ensuring that those expectations are achieved;
- providing improved assurance of the integrity of Woodside's operational assets;
- ensuring that adequate processes are in place to operate in a global context and be recognised as a leader in process safety; and
- delivering cost reduction through efficiency and effectiveness by the prioritisation of the right effort commensurate with the identified risk.

Throughout 2016, the new highest priority requirements will be implemented across Woodside and its operating assets taking a 'line-led, risk-based' approach. Key activities will include:

- identifying and assessing process safety competencies for safety critical roles;
- developing a process safety curriculum including a variety of training and coaching-based programs;

- improving risk assessment processes and tools to support operational risk assessment;
- strengthening controls for managing critical process parameters;
- upgrading of safety critical element processes and standards; and
- developing individual asset and business functional implementation plans to achieve the new requirements and monitor ongoing improvements.

PROCESS SAFETY MANAGEMENT

We all own, understand and act to control process safety risks.

REGULATORY COMPLIANCE

Issue

Woodside must operate an effective management framework to maintain our licence to operate, comply with regulatory requirements and meet the expectations of our joint venture participants and local stakeholders.

Response

A disciplined approach to regulatory compliance is central to Woodside's Compass values and is integral to demonstrating that we are a partner of choice. Complying with laws and regulations is important to maintaining our licence to operate and is required in all of our business activities, wherever we are present.

Our approach to managing and ensuring regulatory compliance is consistent and systematic, is fundamental to the Woodside Management System (WMS), and mandated through performance requirements in the Regulatory Compliance Management Operating Standard (the Standard). The WMS enables both discipline in our activities and working together as a team.

The Standard clearly defines accountability for regulatory compliance, provides a common language and sets the foundation for managing regulatory compliance, including improved visibility and transparency of performance. It is aligned to ISO 19600-2014 Compliance Management Systems.

Supporting the Standard are the Regulatory Compliance Management Guidelines, which provide structure and more detailed guidance to compliance personnel.

Embedding the performance requirements of the Standard into business processes is important to ensure that we achieve and maintain regulatory compliance, including:

- incorporating regulatory compliance management as a clear expectation within the updated Woodside Management System and ensuring that process improvement emphasises regulatory compliance requirements; and

- integrating regulatory compliance management expectations into the Opportunity Management Framework used in the development of projects and improved regulatory compliance management when assessing and entering into new opportunities.

Our regulatory compliance capability is supported by a competency framework and training program. We have implemented two online competency-based regulatory compliance training modules: one for all employees and the other which specifically focuses on the regulatory compliance management competencies required by our leaders. It is essential for us to have the right regulatory compliance management capability.

We are currently designing a new IT system to be deployed in 2016. It will further support governance processes, demonstrate our compliance to stakeholders and be a 'single source of truth' for Woodside regulatory compliance information and management.

Line managers are accountable for regulatory compliance management. Additional guidance has been developed to ensure that accountable managers have visibility in and understanding of the regulatory landscape relevant to our activities. They will be effective decision-makers by having access to the most appropriate knowledge and information.

In 2015, there were no significant fines or non-monetary sanctions imposed on Woodside for non-compliance with a statutory requirement.

It is essential for us to achieve excellence by having the right regulatory compliance management capability.

✓ 2015

Implemented competency compliance training for Woodside staff.

Building a culture of compliance

The oil and gas industry is highly regulated. Ensuring we meet our regulatory compliance obligations and the expectations of our joint venture participants and local stakeholders is vital to the ongoing operation of Woodside.

Regulatory compliance is conforming to – or complying with – regulatory requirements, from Acts and Regulations (e.g. licences, permits and approvals) applicable to our business activities. In Australia alone, our operations are governed by more than 300 Acts and Regulations.

We identify and understand the full range of regulatory requirements applicable to our business so that we maintain a systematic approach to organise and manage compliance. Our governance processes, the accountability of our leaders and the capability we have within our business give us the capacity to do this.

We use a 'compliance lens' rather than an 'organisational lens' to complete annual self-assessments on the 24 compliance areas identified as important to maintain our licence to operate. The self-assessment criteria are based on the performance requirements in the Regulatory Compliance Management Operating Standard.

Subject matter experts and functional practitioners from across the business rate the maturity of the control environment for each compliance area. This provides a yearly measurement upon which future improvements in the management of regulatory compliance can be assessed. Our 2015 self-assessment demonstrated that our regulatory compliance performance requirements and organisational capability are maturing.

Border Control and Marine and Ports Coastal Shipping compliance are important to the growth of our business internationally. In 2015, these compliance areas demonstrated advances in identifying regulatory requirements in new countries in which we seek to be active.

The discipline of Woodside's management framework includes demonstrating our ability to meet the regulatory compliance performance requirements annually. Consistent and systematic management of regulatory compliance across our business will ensure that we maintain our licence to operate and meet the expectations of joint venture participants and local stakeholders.

Woodside's regulatory compliance team at Perth headquarters.

WORKING AT WOODSIDE

Woodside is committed to developing our people so we can meet our own leadership and technical talent requirements.

Pluto LNG remote Support Centre at Woodside's Perth Headquarters.

Our approach

Our employee attraction and retention strategy focuses on:

- growing our future workforce by recruiting entry level employees with the potential for technical and leadership capability;
- maintaining competitive remuneration to strive for better performance outcomes for the company and shareholders, and maintain key talent;
- driving employee engagement, diversity, and learning and development; and
- promoting our organisation externally.

Woodside's local workforce forms the core for developing, building and operating our assets within Australia, with 96.6% of our workforce based in Western Australia.

The Board's Human Resources & Compensation Committee (HRCC) oversees the company's human resources and compensation policies.

ℹ Read more on the committee in Woodside's Annual Report 2015.

Our performance

We delivered against our plan, reshaping and reducing our overall workforce to 3,432. Our productivity program aimed to improve organisational efficiency throughout 2014 and 2015. This has been achieved through reduced organisational layers, improved spans of control and an 18% reduction in management roles.

Our global turnover rate continued to trend downwards from 7.3% in 2014 to 5.7% in 2015.

Woodside continues to increase our graduate intake year-on-year to match our forecast demands for professional staff. Our 2016 program will see 108 graduates join Woodside. We continue to invest heavily in graduate development, this year implementing an action learning program to support innovative ideas and cross company learning.

In 2015, we made progress in improving people and capability processes and systems. This has resulted in the selection of talent management software that will deliver an improved user experience to our employees as they manage their performance, development and learning activities. This software will provide a more accurate understanding of talent, capability strengths and areas for capability development to support global growth. The software will be implemented over a three-year timeframe commencing in 2016.

✓ **2015**

Reduced employee turnover by 22%.

Leadership, climate and culture

Woodside continues to focus on building a values-led, high performance culture in support of our vision to become a global leader in upstream oil and gas. Employee-led innovation and continuous improvement initiatives have been a key feature of 2015. One thousand, four hundred and sixty-one employees have participated in continuous improvement training provided in-house throughout 2015. Woodside employee communities have been active in leading events to inform and educate on topics including diversity, leadership and our industry.

Our Leadership and Management Development framework continues to provide guidance to leaders on building capability for leading results, leading people and leading growth.

2015 employee survey

Woodside conducts an employee survey every two years to measure employee engagement and enablement. The survey is also an opportunity to understand employees' views on the impact of Woodside's organisational change programs. The 2015 employee survey attracted a 79% response rate, which is consistent with response rates seen in large organisations, and is the same as our response rate in the 2013 employee survey.

The results show we have a more engaged workforce with our engagement score increasing to 70%, which is above the oil and gas industry norm. Our enablement score also increased to 66%.

In comparison to the 2013 survey, employees reported having increased motivation and opportunities to do interesting and challenging work. The direction of Woodside is clear to our employees, there is increased trust in the leadership and confidence that we are responding well to changes in the business environment.

Employees also believe there is good collaboration within teams and strong encouragement to innovate and improve effectiveness. The feedback shows continued strong commitment to Woodside's values, with very positive results received and employees seeing actions and behaviours consistent with our values being demonstrated.

Survey feedback also provided insights into where we can focus our efforts for 2016 and beyond. Our employees are seeking more support with career development conversations and coaching, and increased focus and initiatives on employee wellbeing and work conditions. We have made measurable progress in increasing decision effectiveness, particularly in the quality of decisions made. Employees seek further improvements in the timeliness and implementation of decisions.

In 2016, actions will be developed and implemented to maintain momentum in building a values-led, high performance culture.

Engagement and enablement results (%)
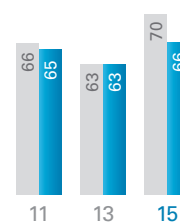
Year	Engagement	Enablement
11	66	65
13	63	63
15	70	66

Engagement: Measures the level of commitment and discretionary effort exhibited by employees

Enablement: Measures the degree to which employees are effectively matched to their roles and experience the job conditions to support them to perform.

Learning and development

Woodside continues to promote a '70:20:10' development approach which puts focus on experience-based learning.

In line with this, Woodside reduced its formal education programs in 2015, with the aim of achieving a more sustainable approach. Our 2015 investment in formal learning and development was A$11.9 million. We have increased the number of cross-functional rotations by 10%, and driven a greater focus on coaching to facilitate knowledge transfer and employee development.

We have embarked upon a new international secondment program to develop capabilities and readiness for global growth. It exposes corporate staff to international office operations, strategies and processes, and builds knowledge of country specific regulations and cultures.

The Woodside Production Academy continues to provide core skills development for operator trainees, apprentices and administration trainees. In 2015, we expanded provision of in-house training programs for general staff development, with the introduction of courses on our production and LNG processes. It improves our efficiency in training delivery and boosts our education offerings for staff new to our industry.

Woodside's Learning and Development model 70:20:10

10%
Formal education programs

20%
Mentoring and coaching

70%
Experience-based learning
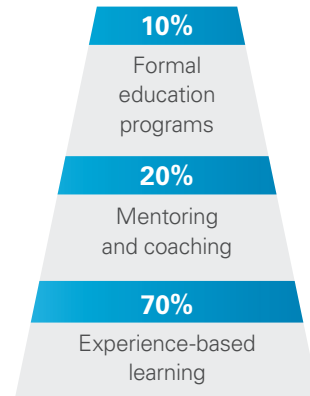
Diversity and inclusion

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

We understand that diversity in our workforce drives performance, productivity and innovation.

Woodside offers an expanded suite of training covering cross-cultural awareness, unconscious bias, recruitment and selection and cultural immersion opportunities.

Employee groups, like Women of Woodside and Reconciliation Interest Group, promote and encourage diversity initiatives to drive change.

Kimberley Girl, an Indigenous empowerment program, information session in Broome.

Indigenous participation

At the end of 2015, Woodside employed 94 Indigenous people, representing 2.7% of Woodside's workforce. This is short of our 2011–2015 Reconciliation Action Plan (RAP) commitment of 3.3%. Turnover of Indigenous employees has reduced from 14% in 2014 to 3.2% in 2015, and strong progress has been made in developing a pipeline of future Indigenous talent.

Woodside has met or exceeded all its targets in our Pathways Programs. There are currently 28 people participating in a Pathways Program, and conversion of trainees and apprentices is at 83%. Ten additional cadetships were awarded in 2015 to increase the pool of talent for Woodside's Graduate Program intake. A total of 23 scholarships

were awarded, comprising ten community scholarships and 13 scholarships directly related to Woodside's future capability needs. Significant engagement with schools and community has occurred throughout the year, with Woodside now partnering with a mix of nine private and government schools with strong Indigenous student populations.

The Indigenous Employment Strategy, together with our RAP, outlines Woodside's commitment to increasing the participation and development of Indigenous employees. In 2016, Woodside will transition to its 2016–2020 RAP.

Indigenous employment outcomes

11	12	13	14	15
84	92	101	99	94
2.2	2.3	2.6	2.6	2.7

Indigenous employees

Percentage of workforce
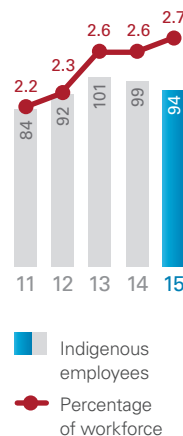
Gender balance

In 2015, Woodside commenced a three-year strategy to drive sustainable improvements in gender diversity at all levels of the workforce and has seen positive progress. The Women of Woodside network supports the strategy by delivering agreed activities, growing stakeholder engagement, enabling personal action and promoting awareness and education of gender equity issues. The overall female representation has increased to 28.2% in 2015, comparing favourably with the average of 16% women in the Australian resources sector (source: Workplace Gender Equality Agency 2015).

Woodside continues to focus on driving gender balance through the Graduate Program offers and increasing our number of female apprentices and trainees. In 2015, the overall female graduate intake was 49% and apprentices and trainees was 21%. Woodside has taken specific action to broaden the pool of future female talent at school and university level. Eight gender specific scholarships were awarded.

All employees, regardless of their employment type, have access to the same financial and non-financial benefits. This was confirmed in the annual remuneration review to ensure pay parity between men and women on a salary line and job level basis.

Voluntary turnover for women in total has decreased from 8.7% in 2014 to 5.3% in 2015, and is now lower than overall organisational turnover of 5.8%. Women progressing through the middle part of their careers have been a focus in 2015 and, encouragingly, the turnover in this group reduced to 3.1%.

Following strong internal promotions and improved retention, women now hold 13.8% of senior management roles and 12.8% of executive positions, exceeding targets set in the three-year strategy.

Graduate recruitment numbers

Year	Male	Female	Total
11	35	16	51
12	23	23	46
13	37	34	71
14	59	44	103
15	55	53	108

■ Male
■ Female
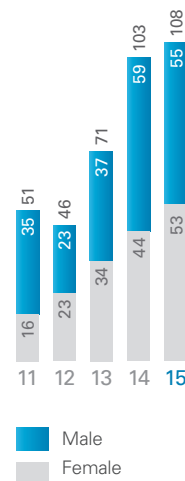
Emergency and crisis management capability

Woodside has a robust emergency and crisis management framework which is aligned to state and national response arrangements and includes an extensive training and exercise program.

The 24/7 Woodside Communications Centre (WCC) and various incident management teams successfully responded to 83 Level 1, ten Level 2 and three Level 3 incidents in 2015.

We signed a Memorandum of Understanding with the Department of Fire and Emergency Services (DFES) for 'Mutual Support in Planning and Responding to Emergency Incidents'. This provided a framework for our Karratha Emergency Response Teams to help DFES fight six bushfires near the Karratha Town site and Burrup Peninsula during the year.

All Woodside operated offshore facilities are required to have emergency response plans in place and to conduct a Level 1 (tactical) exercise each week. Onshore facilities conduct one emergency response exercise per month, such as a muster or response to a small oil spill.

We staged 19 Level 2 (operational) emergency response exercises and three Level 3 (strategic management) exercises aligned to the Corporate Risk Profile throughout the year to test emergency and crisis prevention, preparedness, response and recovery arrangements. Several exercises involved government agencies and contractors.

Hydrocarbon producing facilities where staff are deployed were visited throughout 2015 by emergency management advisers to assess the capabilities of incident management teams and to determine their compliance with the Emergency and Crisis Management Procedure. We tested their response to Major Accident Events outlined in facility Safety Cases, inspections of emergency response safety-critical equipment and training records, and interviewed key emergency management focused personnel.

✔ **22**

Operational and strategic management emergency response exercises undertaken by our staff in 2015.

HEALTH AND SAFETY

Over the past five years, we have reduced our total recordable injury rate by 59% and reduced the number of process safety incidents.

Senior rotating equipment engineers at the Karratha Gas Plant, North West Shelf Project.

Our approach

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

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

- leadership;
- embedding process safety management systems into our business;
- improving contract management processes;
- improving employee health and wellbeing programs; and
- leveraging all existing foundation programs such as Our Safety Culture, Golden Safety Rules and Step Back 5x5.

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

Process safety events reflect unplanned loss of containment from plant and equipment and the potential consequences.

Total recordable injury rate (TRIR) measures work-related injuries requiring more than first aid treatment.

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

Our performance

A key measure of our health and safety performance is total recordable injury cases per million man hours. Consistent with 2014, our performance continues to follow a downward trend and is below the Australian industry average. We are on track to achieve global top-quartile health and safety performance by 2017.

There were no work-related fatalities within Woodside or its contractors in 2015 and there were no recordable injuries that had the potential to cause a fatality.

There were no Tier 1 process safety events (PSEs) and two Tier 2 events in 2015.

The number of lost time injuries (LTIs) increased from three in 2014 to six in 2015. None of the LTIs had the potential to result in a fatality or permanent total disability. The average number of days away from work has decreased by 38% from 42 days in 2014 to 26 days in 2015, indicating reduced severity of lost time injuries. Slips, trips and falls caused five of the six LTIs in 2015. Our contractor lost time injuries decreased relative to employees throughout 2015.

TRIR has improved by 10% compared with 2014. The improvement in personal safety performance is due in part to a 14% decrease in offshore contractor injuries due to our continued focus on engagement with our contractors before and during project execution.

✓ 2017

On track to achieve global top-quartile health and safety performance by 2017.

Tier 2 process safety events

12	13	14	15
5	4	2	2
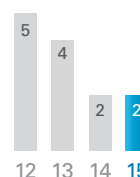
In 2012, Woodside commenced classifying process safety events in accordance with American Petroleum Institute Recommended Practice 754, to enable global benchmarking.

Health and wellbeing

During 2015, we continued to support personal health outcomes and build on the successful launch of the Fit for Life program. The program supports positive behaviour decisions in three areas: healthy bodies, healthy living and healthy minds.

There was greater focus in 2015 on mental wellbeing through a cohesive framework covering support services and resilience training and promoting a mentally healthy culture. A number of workshops and roadshows were delivered, covering the mental health spectrum in conjunction with national mental health organisations. These activities were supported with improved accessibility to information and services. In 2016, there will be further training provided to improve awareness and skills in health and wellbeing.

We recorded an increase in the total number of occupational illness cases due in part to five cases of noise induced hearing loss registered during 2015. While the statistic is recorded in 2015, the exposures were over a significant part of the affected employees' working lives. This long-term exposure is one reason why leading indicators related to noise control processes and hearing conservation requirements are so important.

We strengthened the management of occupational health by revising health risk assessments. This was underpinned by the successful launch and implementation of software that allows easier recording, monitoring and reporting of programs and results. This will allow more evidence-based decision making and help signpost our journey to top-quartile performance.

Lost time injury and lost time injury frequency

LTI ■   LTIF ●━
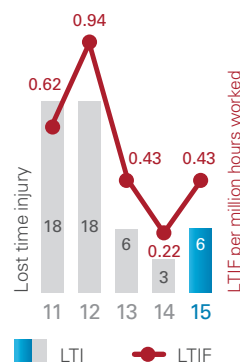
2015 incident performance (based on International Association of Oil and Gas Producers (IOGP) methodology 2013)

Overall
- 0 — 0 fatalities
- 6 — 6 lost time injuries
- 24 — 24 recordable injuries

Company
- 0 — 0 fatalities
- 3 — 3 lost time injuries
- 8 — 8 recordable injuries

Contractor
- 0 — 0 fatalities
- 3 — 3 lost time injuries
- 16 — 16 recordable injuries

Total recordable injury rate (TRIR) performance

Woodside (actual) ●━
IOGP top-quartile (actual) ━
IOGP top-quartile (expected) ┅
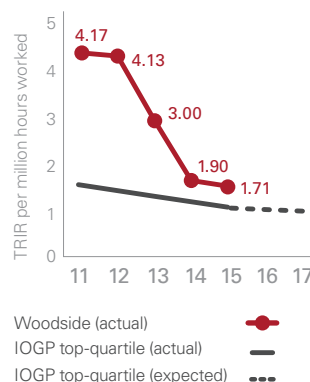
Contractor engagement

In 2015, contractors represented 46% of the total reportable Woodside health and safety risk exposure. This includes significant turnaround maintenance and life extension work at the Karratha Gas Plant, multiple offshore drilling campaigns, three subsea construction projects and multiple Brownfields modifications. We continue to invest in projects to enhance our contracting processes and activities to deliver improved contractor engagement and performance.

Internal process improvements have included an overhaul of our health and safety contract requirements to align to internationally recognised benchmarks with a panel of contractors engaged to peer review our approach. We have also migrated our health and safety prequalification process to an industry recognised online contractor capability tool.

We held monthly Woodside-Contractor leader health and safety meetings and jointly led process safety workshops with our engineering, procurement and construction management contractors, and our managers made a number of visits to contractor facilities. Our annual Stand Together for Safety event was also well attended by our contractors.

Human factors

Woodside has defined human factors as 'using what we know about people, organisations and work design to influence performance'. Our approach to human factors continued to mature in 2015:

- Produced a set of discussion cards designed to challenge us to think and encourage us to talk about safety culture. The cards are a tool to help us continue to strengthen Our Safety Culture.
- Supported the Australian Petroleum Production and Exploration Association (APPEA) human factors working group, including developing human factors information sheets.

- Prepared a guideline on Critical Task Analysis to formalise our approach to proactively understanding human performance relating to critical tasks. Applying this guideline will be a key activity in 2016.
- Developed a guideline on Organisational Change and Major Accident Events, which defines a process to identify, assess and manage Major Accident Event risks (including process safety risks) associated with organisational change.
- Analysed the role of human factors in operational events which will inform our approach to managing these events.
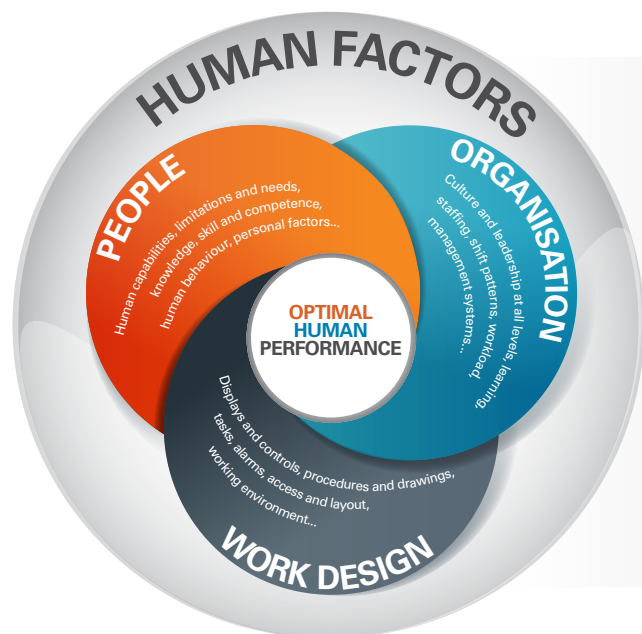
Human factors uses what we know about people, organisations and work design to influence performance.

WE KEEP EACH OTHER SAFE

ENVIRONMENT

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

Woodside's environmental partner Australian Institute of Marine Science (AIMS) research vessel.

Our approach

Woodside recognises that strong environmental performance is essential to our success and continued growth. In 2015, Woodside was awarded the Australian Petroleum Production and Exploration Association (APPEA) Environment Excellence Award in recognition of our outstanding contribution to environmental leadership and performance within the Australian oil and gas industry.

Our approach to environment management is based on:

- Strong global environmental leadership across all areas of the business.

- A robust environmental risk management process which enables us to manage our potential environmental impacts from acquisition through to decommissioning.

- Understanding the environment in which we plan to undertake activities.

- Partnering with the best environmental organisations to deliver robust, scientific data, both locally and regionally.

- Sharing our environmental knowledge and understanding with governments, NGOs and other stakeholders.

- Effectively identifying and engaging with our stakeholders.

Our performance

We measure our environmental performance against the number of environmental incidents, flaring intensity (as a measure of greenhouse gas emissions) and energy consumption. We also routinely monitor and report against other environmental performance metrics which are presented in the environment data tables on page **49**.

✓ 24%

Improvement on 2015 flaring target.

Environmental incidents

We had no significant environmental incidents in 2015. We reported two environmental incidents to regulatory authorities as part of our licence conditions. The incidents were of minor environmental impact.

Greenhouse gas emissions

Greenhouse gas emissions originate from three main sources at Woodside's facilities: fuel gas combustion to power our facilities, venting reservoir CO_2 and flaring for safe operations.

Total greenhouse gas emissions during the year from all sources were 10.2 million tonnes of CO_2 equivalent (CO_2e). This includes approximately 0.11 million tonnes of CO_2e from the Armada Claire facility (since August 2015). Woodside's portion of CO_2e emissions was 3.6 million tonnes.

The 2015 annual flaring intensity was 9.2 tonnes of flared gas per kiloton of product (t/kt), which is an 8% reduction from 2014 (10 t/kt) and 24% better than our 2015 target of 11 t/kt. The reduction is attributable to sustained focus on the elimination of flaring where possible, good reliability at the Karratha and Pluto Gas Plants and continuous improvement initiatives such as the reduction of flaring during train restarts.

ℹ Refer to reducing flaring case study on page **21**.

Energy use

Energy consumption at our facilities is largely constant, and constrained by a facility's design. As hydrocarbon production rates naturally decline over time, in line with normal reservoir depletion, this will lead to an increase in energy intensity. We recognise that energy consumption is a significant contributor to our greenhouse footprint and have therefore set a target to reduce energy intensity.

Greenhouse gas emissions and intensity

	11	12	13	14	15
Total annual CO₂e emissions (million tonnes)	7.9	9.9	9.9	10.0	10.2
Woodside portion	1.9	3.9	3.6	3.6	3.6
CO₂e emissions intensity	0.26	0.29	0.30	0.29	0.30

- Total annual CO_2e emissions (million tonnes)
- Woodside portion of annual CO_2e emissions (million tonnes)
- CO_2e emissions intensity (tonne/tonne per hydrocarbon production)
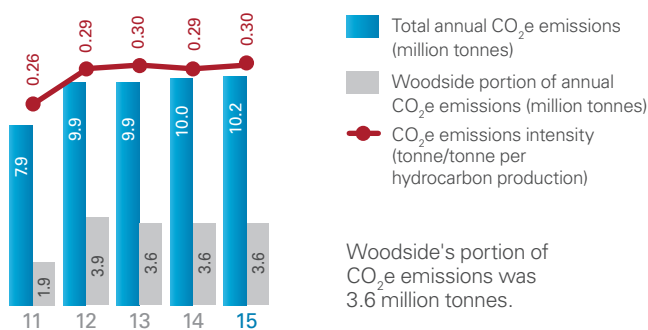
Woodside's portion of CO_2e emissions was 3.6 million tonnes.

Flared gas and intensity[1]

	11	12	13	14	15
Total gas flared for operated ventures (kilotonnes)	246	248	421	350	315
Woodside equity portion of flaring (kilotonnes)	79	65	129	173	167
Intensity of flared gas	8.0	7.5	14.2	10.0	9.2

- Total gas flared for operated ventures (kilotonnes)
- Woodside equity portion of flaring (kilotonnes)
- Intensity of flared gas (tonne/kilotonnes hydrocarbon production)
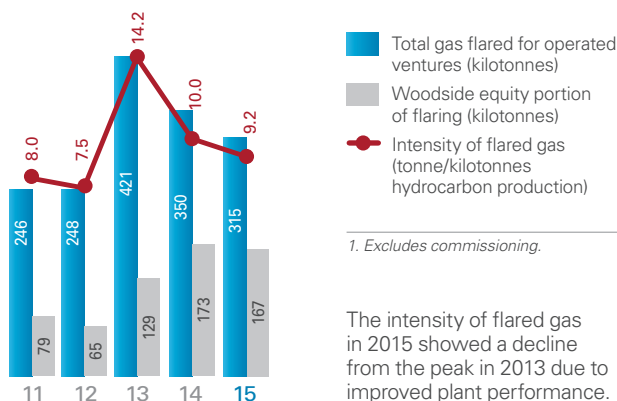
1. Excludes commissioning.

The intensity of flared gas in 2015 showed a decline from the peak in 2013 due to improved plant performance.

Biodiversity and ecosystems

Woodside's commitment to sharing environmental knowledge continues with a leading role in the development and contribution of metadata records to the Industry-Government Environmental Meta-database (IGEM).

IGEM is a collaboration amongst the oil and gas industry, government and research organisations and other stakeholders. IGEM's primary goal is to promote and understand the marine environmental studies by sharing, via a geo-spatial database of metadata records, studies undertaken in the last decade and accessible through a dedicated web-based portal.

The long-term goal of IGEM is to avoid overlap in data collection and to facilitate data sharing and knowledge amongst industry, government and research organisations for the benefit of all marine users and the long-term management of Australia's north-west marine estate.

Field verification and environmental monitoring of our offshore discharges

In 2015, we continued field verification and environmental monitoring studies of routine discharges from producing assets in the North West Shelf, North West Cape and the Timor Sea. Monitoring activities included the collection and collation of seawater and seabed sediment quality data to support environmental performance and compliance reporting.

Preparing the sediment grab sampler and seawater collection using the Niskin sampler.

Supporting research and monitoring within the Dampier Archipelago

Through the Western Australian Department of Parks and Wildlife, Woodside is funding a multi-year project to improve the understanding of the marine environment and human use of the Dampier Archipelago. This project aims to collect the information to support the current and future management of the archipelago. In 2015, a long-term monitoring program was initiated through the establishment of monitoring sites for coral and fish communities through the archipelago. This partnership is planned to continue until 2020.

Coral thriving in the Dampier Archipelago.

Exploring the marine biodiversity of the Kimberley Region

Western Australian Museum (WAM) has a long history of exploring and documenting the biodiversity of Western Australia. In 2015, WAM finalised a four-year project funded by Woodside on understanding the plants and animals that live in the remote Kimberley region. Preliminary estimates for the project indicate it has recorded in excess of 16,000 marine species (the Woodside Collection), including nearly 180 species new to science. This partnership once again highlights the amazing rich biodiversity that inhabits our regions of operation.

Observing a bamboo shark.

SOCIETY

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

Woodside engaging with local community at the Karratha FeNaCLNG Festival.

Our approach

Woodside's social licence to operate relies on establishing and maintaining effective relationships with our communities and stakeholders. Our Communities Framework has now been embedded in the Woodside Management System. This ensures that we maintain a consistent approach to identifying and responding to stakeholder interests and concerns across all of our business activities.

Social performance is integrated into all stages of activity planning and execution as we aim to:

- build and maintain relationships with our communities and stakeholders;
- respect the unique cultures, customs and values of Indigenous peoples;
- undertake social baseline and impact assessments to understand risks, impacts and opportunities; and
- implement social contribution through partnerships to build capacity and capability where we are active.

Engagement and managing impacts

We engage with a wide range of stakeholders and local communities to ensure we understand potential impacts of activities and implementation of appropriate mitigation strategies.

In 2015, we undertook significant consultation within Myanmar at the union, regional and village level in support of seismic and drilling activities in the Rakhine Basin. With the assistance of local consultants, we visited 16 villages in the Ayeyarwady region and Rakhine State. The consultation process included discussions with local fishermen and fishing associations to understand the nature of their fishing activities to ensure we minimise any impacts on livelihoods.

We continued to engage with stakeholders in the Pilbara and North West Cape regions through our Community Liaison Groups (CLGs) in Karratha and Exmouth. Two CLG meetings were held in Karratha and three were jointly held with two other oil and gas operators in Exmouth. We consulted community, government, industry and NGOs to support environment approvals for our ongoing exploration and operational activities.

We worked closely with fishing and oil and gas industry representatives to minimise the potential for cumulative impacts.

Woodside has been operating in Karratha for over 30 years. Our community team work from offices in Karratha and Roebourne to ensure they are accessible and able to respond to community queries. We have reviewed our community strategy and are now implementing a number of initiatives to strengthen our relationship with key stakeholders and the broader community. Key issues for the community remain the resilience of the economy and the desire for population growth. We are responding by reviewing our social contribution focus areas with a greater emphasis on investing for outcomes and increasing our focus on social baseline and indicators and improving our communication.

The Browse Joint Venture has completed its social impact assessment and management plan for the proposed Browse FLNG Development and is working to maximise potential benefits including local content, employment and training.

Woodside also conducted stakeholder engagement with communities and key stakeholders to support our activities and interests in Canada, Morocco, Ireland, New Zealand, Timor-Leste and the Republic of Korea.

✓ **37**

Employees attended expert stakeholder engagement training.

Grievance mechanism

In 2015, Woodside reviewed its Community Grievance Mechanism (CGM) and implemented an update of our procedure to provide a more structured approach to receive, acknowledge and respond to grievances. Our CGM provides a framework for community stakeholders to raise questions or concerns with the company and have them addressed in a prompt and respectful manner.

To support our seismic and drilling exploration activities in Myanmar, we have developed a local CGM which is commensurate to the nature and scale of the activities and takes into account local sensitivities. Our activities have the potential to impact on local fishing

activity, and the CGM was adapted to allow for grievances to be received by Woodside via a third party familiar to the complainant. Following consultation with local authorities and the fishing community, a traditional authority or respective fishing industry representative was identified as the appropriate receiver alongside Woodside representatives in order to facilitate the grievance process in the most culturally sensitive way.

In 2015, Woodside received one grievance through our CGM from a community member relating to local employment in our Karratha operations.

✓ **2015**

Implemented community grievance mechanism procedure.

Managing human rights

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

In 2015, Woodside joined the Voluntary Principles on Security and Human Rights Association as part of a program to embed best practice in respecting the human rights of communities in which we are active.

As our international portfolio grows, we recognise and respect the basic human rights of all people, and we seek to ensure we are not complicit in human rights abuses by others. In 2015, Woodside has continued to apply human rights guidance to support our activities in Myanmar.

Woodside is not aware of any incidents of human rights violations with respect to people, communities, contractors or suppliers under our supervision in 2015.

Social contribution

Our social contribution strategy focuses on creating capacity and capability development for local host communities through long-term, strategic investment in the communities where we operate.

Our social contribution strategy is structured to provide support to core business objectives for exploration, operations and developments. The strategy is flexible and responsive to business needs and makes provision for funding and in-kind support for all our activities.

In 2015, we contributed A$13.9 million through voluntary social investment with our social investment going towards a combination of strategic partnerships (74%), Woodside Development Fund (14%) and philanthropic activities (12%).

Our philanthropic contribution in 2015 was primarily through the donation of our employees' time to corporate volunteerism valued at A$1.2 million. There has been a growing preference by our employees to participate in skills-based volunteering.

ⓘ Learn more about Woodside's volunteering program on our website.

In 2015, our social contribution profile shows 74% of our investment going directly to strategic partnerships in our host communities. In addition, we successfully leveraged A$5.2 million of social investment through our partners or government bodies.

We recognise each host country and community will have unique and varied priorities and our approach accommodates these by identifying relevant localised objectives and aligning these with Woodside's needs and objectives to achieve lasting mutual benefits. Woodside is committed to reconciliation with Indigenous Australians and we support Indigenous organisations to preserve, celebrate and respect Indigenous culture, create opportunities for Indigenous people and forge cross-cultural relationships.

As Development Partner for the Yirra Yakkin Aboriginal Theatre Company, Woodside supports capacity and capability building through the Next Steps Training Program, creating a range of pathways and opportunities for Indigenous artists and building the resilience and strength of the Indigenous performing arts sector.

In 2015, we maintained our commitment to early childhood development, making our first international contribution through the Woodside Development Fund. In collaboration with Save the Children, Plan International and Pann Pyo Lett through the Myanmar Education Consortium, the fund is supporting the delivery of parenting and early childhood education programs for around 700 children age zero to eight years in ten villages in the Ayeyarwady region, south-west Myanmar. Focus group discussions with 83 village leaders, interviews with 360 parents, 20 school teachers and 100 school children have helped shape the program development and delivery.

We reviewed our social contribution strategy in 2015 to reflect our future footprint and align our social investment to our business activities and impacts. The revised strategy and priority areas for social investment will be implemented in 2016.

12%

Philanthropy
Community grants, volunteering, employee participation and emergency relief.

14%

Woodside Development Fund
Early childhood development is the primary preventative against poverty and the major contributor to life-long productivity.

74%

Strategic partnerships
Investment focused on creating long-term capacity and capability development for local host communities to create long-term, strategic value.

Social contribution by region 2015
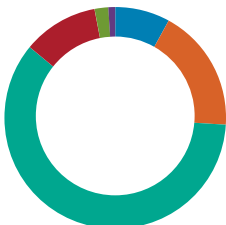
	%
International	8
National and other Australian States	18
WA (other)	60
Pilbara	11
Kimberley	2
Gascoyne	1

Social contribution by category 2015
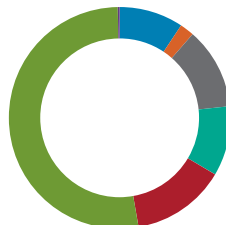
	%
Social Welfare	9
Economic Development	2
Health	12
Environment	10
Arts and Culture	14
Education and Young People	52
Emergency Relief	1

Volunteering by category 2015

	11	12	13	14	15
Volunteers	412	707	814	862	941
Hours	3,484	5,800	5,400	6,300	6,337
Value (A$)		$963,090	$979,380	$1,127,543	$1,171,331
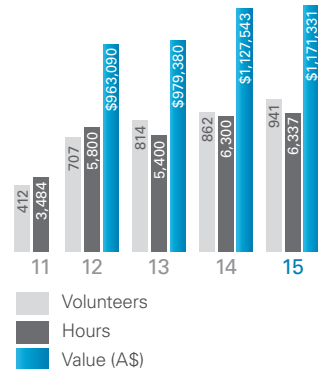
Woodside employee volunteering contribution continued to increase with 6,337 volunteering hours in 2015.

Working with Indigenous peoples

Woodside understands the importance of identifying and working with those who have longstanding cultural and spiritual connections to land and sea where we are active.

The key areas of focus for our engagements are:

- respectful access arrangements to land and waters;
- opportunities for employment, training and contracting; and
- cultural awareness and competence of Woodside employees.

2015 engagements predominantly took place with our host communities in the Pilbara region of Western Australia, where Woodside operates the NWS Project and Pluto LNG. On top of continuing formal quarterly updates, our staff made specific visits and undertook consultation to progress key community contributions, such as cultural projects under the A\$34 million Conservation Agreement.

ℹ️ For more information, please see page **25** of the Annual Report 2015.

Woodside maintains a relationship with the Wadjuk Noongar people, who are the traditional owners of the Perth metropolitan area, where our headquarters are situated. We also engage groups in the Kimberley region of Western Australia, as we continue to progress a concept to develop offshore resources in the Browse Basin.

In Canada, we have been receiving First Nation input into our LNG proposal for Grassy Point in North West British Columbia. In New Zealand, we consult with Maori people from the area surrounding the Taranaki and Great Southern Basins.

In 2015, we revised our Cultural Heritage Management Procedure. This updated document maintains principles which aim to:

- work with Indigenous people and groups to develop an understanding about cultural values and potential cultural heritage impacts throughout our activity cycles;
- where possible, avoid ground disturbance and places of heritage value; and
- if avoidance is not possible, minimise and mitigate.

Woodside has been part of the Australian Reconciliation Action Plan (RAP) program for the past six years. Overseen by national not-for-profit organisation Reconciliation Australia, RAPs require participants to publicly nominate and report on their actions that help reduce the unacceptable life-expectancy gap between Indigenous and non-Indigenous Australians. Having a RAP has allowed Woodside to establish a set of company-wide goals and extend our work and thinking to Indigenous people who may not be part of a host community.

During 2015, Woodside concluded and reviewed its current RAP. Review findings and recommendations, alongside direct input from staff, Indigenous community representatives and other community partners, informed the development of our next RAP. Our third RAP has received Executive Committee and Board endorsement, and the transition will commence in 2016.

✔ **6**

Projects committed to under the Pluto conservation agreement in 2015.

2011–2015 Reconciliation Action Plan

Woodside concluded our second RAP in 2015, showing encouraging results that underpin our strong desire to keep improving.

Sixty-seven of the 82 measurable goals laid out in the 2011–2015 RAP were met, with results exceeding expectations for 11 of these. Independent benchmarking studies conducted in 2015 placed Woodside in a leadership group of RAP organisations.

One stand-out achievement was signing over 175 new contracts with Indigenous businesses, against a target of 50.

We fell short on five end-2015 goals:

- workforce proportionality (2.7% against a goal of 3.3%);
- membership growth of our staff Reconciliation Interest Group (44% increase against a goal of 100% increase);

- meeting frequency of our Perth-based Doynj Doynj Korliny* collegiate of Indigenous staff (met each year, but not always quarterly as per the RAP commitment);
- the number of high school students participating in the Western Australian cohort of the Aspiration Initiative program, managed by the Aurora Project (23 against a goal of 30); and
- supporting annual public lectures in conjunction with Noongar community organisations (lecture program supported in 2015 only).

Ten goals became redundant over time, due to changed priorities for community partners and Woodside.

* 'Walking together' in the language of the local Noongar people.

RAP performance (%)
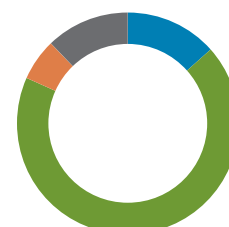
Goals exceeded	11
Goals met	56
Goals showed progress, but fell short of target	5
Goals redundant	10

ℹ️ For results of each goal, please see our 2011–2015 Final RAP Report.

ECONOMIC

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

Our Republic of Korea office supports our exploration interests in offshore Korea and our marketing and trading activities across Asia.

Our approach

Against a backdrop of low oil prices and increasing competition, we remained focused throughout 2015 on creating value for our stakeholders: shareholders, communities, partners and governments.

Woodside delivers significant economic benefits to communities, including employing and investing in training for our staff, paying taxes to governments, purchasing goods and services through our supply chain and producing oil and gas that fuel growing economies.

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

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

ℹ Read more on our comprehensive market outlook in Woodside's Annual Report 2015.

Creating sustainable value: our business model

MISSION
To deliver superior shareholder returns.

VISION
To be a global leader in upstream oil and gas.

VALUES
Excellence. Respect. Working sustainably. Integrity. Working together. Discipline.

OUR STRATEGY

| Maximise Core | Leverage Capabilities | Grow Portfolio |

OUR BUSINESS MODEL

Acquire · Explore · Develop · Operate · Market · Decommission · Divest

CAPITAL MANAGEMENT

| Capital Allocation | Capital Discipline | Capital Efficiency |

ℹ Read more about the business model in Woodside's Annual Report 2015.

Our performance

Our strategy of maximising our core business, leveraging our capabilities across the oil and gas value chain and growing our portfolio served us well in the challenging economic conditions. Enhanced productivity, disciplined decision making and asset reliability underpinned our full-year results.

In 2015, we produced 92.2 MMboe of hydrocarbons, generating $5.03 billion operating revenue.

Woodside acquired interests in Wheatstone, Balnaves and Kitimat, which increased 2P Developed and Undeveloped Reserves and 2C Contingent resources. We discovered additional 2C Contingent resources of 68 MMboe (net) for Pluto with the Pyxis-1 exploration well and discovered gas in the Shwe Yee Htun-1 well in Myanmar.

We delivered a statutory Net Profit After Tax (NPAT) of $26 million and NPAT of $1,126 million prior to the deduction of one-off non-cash items. This was due to lower oil prices impacting revenue and asset impairments driven by lower near-term and long-term forward price assumptions.

We distributed $1.73 billion in dividends to our shareholders.

ℹ️ Read more on Woodside's economic performance and reserves in Woodside's Annual Report 2015.

Reported NPAT
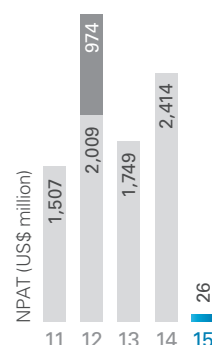
Delivered reported NPAT of US$26 million, a decrease of 99% compared to 2014.

Our contribution

During 2015, we continued our strong track record as a major contributor to the Australian economy. We have generated and distributed $5.03 billion of economic value as illustrated in the graph below.

Over the last decade, we have injected more than $25 billion into the Western Australian economy.

We are also a major employer in Australia, employing 3,392 people across our locations.

We primarily pay tax to the Australian Government on the profits made from our oil and gas business. In 2015, we paid approximately $1.047 billion in Australian Federal and State taxes. A summary of taxes paid in 2015 is illustrated below.

Production
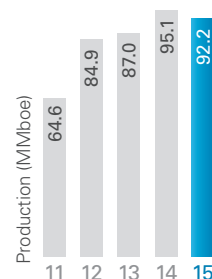
In 2015, we delivered annual production of 92.2 MMboe, our second highest annual result. This was 3% lower than 2014 due to the planned Pluto turnaround and natural field decline.

Value generated and distributed ($ billion) (2015)*
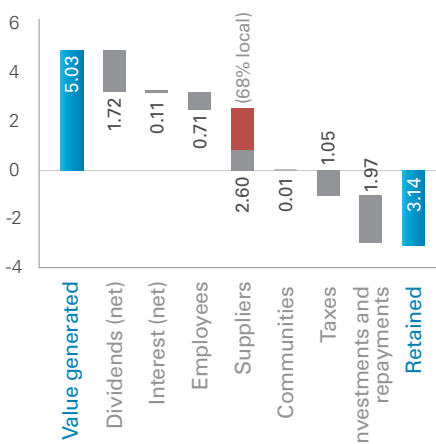
Economic value created through operating activities is distributed to suppliers, employees, providers of debt and equity capital, governments and communities.

Tax paid in 2015*
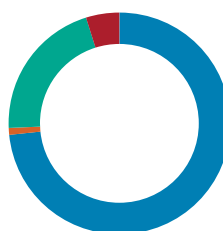
	US$m	%
Income Tax	768	73
PRRT	10	1
Royalties and Excise	218	21
Other Taxes	51	5

The amount of Australian Federal and State Government taxes paid during 2015. Other taxes include fringe benefits tax, payroll tax, carbon tax but excludes, for example, local government taxes and charges.

Proved plus Probable reserves
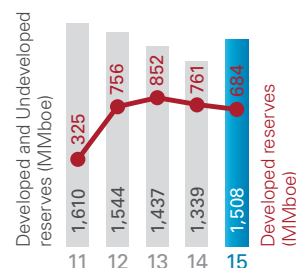
Proved plus Probable Developed and Undeveloped reserves increased by 169.5 MMboe due to acquisitions and positive annual reserves revisions offsetting production and volumes transferred from reserves.

* Amounts have been derived from Woodside's Annual Report 2015, or converted into USD using the assumed rate of 0.75 AUD/USD.

Our resilience

During 2015, as oil prices reached 11-year lows, we demonstrated our resilience through our relentless focus on productivity, continuous improvement and capital discipline.

In 2015, we raised $4.1 billion in new and refinanced debt facilities.

In 2015, we maintained our 80% dividend payout ratio and declared a fully franked dividend of 109 cents per share based on the NPAT prior to the deduction of one-off non-cash items of $1,126 million.

Our company-wide productivity program aims to add value and reduce waste in our business. Our productivity program has delivered more than $700 million in benefits in 2015 and more than $1.2 billion in cumulative benefits since it began two years ago. Initiatives aimed at not only reducing cost but also driving improvements and achieving efficiencies have enabled us to meet our commitments with reduced operating expenditure.

We are also continuing to innovate to discover new technical solutions and efficiencies.

ℹ️ Read more on Woodside's capital allocation, discipline and efficiency in Woodside's Annual Report 2015.

Summary of economic activities across our value chain

In 2015, Woodside completed a range of economic activities across its value chain.

ℹ️ See pages **6** to **7** for more information on our value chain.

ACQUIRE & EXPLORE

- Discovered 68 MMboe (net) with the Pyxis-1 exploration well.
- Discovered gas in the Shwe Yee Htun-1 well in Myanmar.
- Currently hold exploration interests covering a gross area of 220,000 km^2 in 11 countries.

DEVELOP

- Wheatstone and Kitimat interests increased 2P Developed and Undeveloped reserves.
- Entered front-end engineering and design (FEED) for Browse.
- Commenced production from the Greater Western Flank Phase 1 Project in December 2015.
- Entered FEED for the Greater Enfield Development.

OPERATE

- Balnaves interest increased production.
- Our productivity program has delivered more than $700 million in benefits.
- Achieved an 8% reduction in production costs relative to 2014.

MARKET

- We have a record of reliable delivery of oil, domestic gas and LNG over the past 30 years.
- Delivered LNG cargoes to Egypt and Singapore for the first time.

SUPPLIERS

- Relationships with local suppliers. We contracted 68% local spend in 2015.
- Worked with contractors to increase engagement with Indigenous-owned and operated businesses.
- Indigenous-owned businesses were awarded seven contracts by Woodside and 33 contracts by principal contracting partners in 2015, which is a 30% increase on total contracts awarded in 2014.

CASE STUDIES

Building outstanding relationships

Woodside's Operations division hosted a supplier forum with 39 of our major suppliers to explore key topics including health and safety, technology and innovation, continuous improvement and sustainability. The forum identified economic performance, occupational health and safety, labour relations and management, and asset integrity/ process safety as key sustainability issues. This event and our new SupplierConnect Newsletter is our way of improving and expanding connection with our suppliers.

Suppliers and contractors attending supplier forum.

Reducing helicopter services costs

Helicopter costs represent a significant proportion of operating expenditure for Woodside's floating production storage and offloading vessels.

Other oil and gas companies working in the same region were contracting their own helicopter fleets.

Our helicopter capacity was significantly under-utilised, presenting an opportunity for us to share our spare capacity.

Woodside's aviation team approached another oil and gas company to develop a joint acquisition tender for the Exmouth region.

Through this arrangement, an estimated $15 million in budget savings were achieved.

A successful model for implementation of future regional sharing agreements has been developed, including multiple ad-hoc partnering arrangements with other oil and gas companies.

Helicopter usage has improved, decreasing wasted capacity and facilitating the use of safer, new-generation helicopters at a shared lower cost than older generational helicopters.

Aviation operations and contracting team worked with other oil and gas companies to improve helicopter capacity.

GRI AND IPIECA INDEX

This table references the Global Reporting Initiative's G4 Sustainability Reporting Guidelines and IPIECA's Oil and Gas Industry Guidance on Voluntary Sustainability Reporting, 3rd Edition.

General Standard Disclosures[1]

		Page – SD Report	Page – Annual Report
Strategy and analysis			
G4-1	Statement from the most senior decision maker	4	6-9
Organisational Profile			
G4-3	Name of the organisation	1	1
G4-4	Primary brands, products and services	2	1, 15
G4-5	Location of headquarters	3, back page	2, 109
G4-6	Countries of operations	2-3	2-3
G4-7	Nature of ownership	1	1, 78, 107
G4-8	Markets served	2-3	15
G4-9	Scale of the organisation	2-3	4-5, 15, 112-113
G4-10	Number of employees	29	30-31
G4-11	Employees covered by collective bargaining agreements	Information currently unavailable	
G4-12	Description of supply chain	9	
G4-13	Significant changes during the reporting period	2, 4, 9	6-9, 51, 72, 109
G4-14	Use of the precautionary principle	8	20-21
G4-15	List of charters, principles or initiatives subscribed	47	32, 35
G4-16	Memberships of associations	47	48-49
Identified Material Aspects and Boundaries			
G4-17	Entities included in financial statements	1	1, 78
G4-18	Defining report content	16	
G4-19	Material aspects identified	17	20-21
G4-20	Aspect boundary within the organisation	1	
G4-21	Aspect boundary outside the organisation	1	
G4-22	Restatements of information	49	
G4-23	Significant change to scope and aspect boundaries	No significant changes to scope or aspect boundaries	
Stakeholder Engagement			
G4-24	List of stakeholder groups engaged by the organisation	14-15	
G4-25	Basis for identification of stakeholders	14-15	
G4-26	Approach to stakeholder engagement	14-15	
G4-27	Topics raised by stakeholders	14-15	
Report Profile			
G4-28	Reporting period	Calendar year	1
G4-29	Date of previous report	2014 calendar year	
G4-30	Reporting cycle	1	1
G4-31	Contact point for questions	Inside front cover	108
G4-32	In accordance option of GRI	1	
G4-33	Assurance	1, 53	
Governance			
G4-34	Governance structure	8	50
Ethics and Integrity			
G4-56	Values, principles, codes of conduct	Inside front cover, 10	ii, 35

1. The description of disclosures has been summarised. For full descriptions refer to globalreporting.org.

Specific Standard Disclosures

	DMA and Indicators	Page	Omissions	Reason for Omission	IPIECA
Material Aspects					
Major Incident Prevention and Response	DMA – Emergency Preparedness	18-19			E9
Technical Integrity	DMA – Asset Integrity and Process Safety G4-OG13	22-23			HS5
Global Health and Safety	DMA – Occupational Health and Safety G4-LA6	20-21, 33-34, 48	Absentee rate is omitted.	Information not available. Review availability over coming year.	HS 1,2,3
			TRIR and LTIFR by gender	Data collection processes do not enable the reporting of health and safety rates by gender. To be reviewed for business value over the coming year.	
Regulatory Compliance	DMA – Compliance G4-EN29	24-25, 36, 49			
Climate Change Policy and Response	DMA – Economic Performance G4-EC2	26-27	Costs associated with actions relating to climate change.	Information not available. Review availability over coming year.	E1,2,3,4

External assurance

Information presented here has been externally assured. Ernst & Young has conducted reasonable assurance related to Woodside's material issues and limited assurance over the balance of the report.

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

What do the levels of assurance mean?

In a reasonable assurance engagement, EY gathers *sufficient appropriate evidence* to conclude that the subject matter *conforms in all material respects* with identified suitable criteria, and gives a report in the form of a *positive assurance*.

In a limited assurance engagement, EY gathers *sufficient appropriate evidence* to conclude that the subject matter is *plausible* in the circumstances, and gives a report in the form of a *negative assurance*.

The procedures performed in a limited assurance engagement vary in nature, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is lower than the assurance obtained from a reasonable assurance engagement.

ℹ For more information, review ASAE 3000 at auasb.gov.au

SUSTAINABILITY INDICES

ℹ Read more on Woodside's sustainability performance at woodside.com.au/working-sustainably

MEMBERSHIPS

DATA TABLES

Health and safety performance

	2015	2014	2013	2012	2011
Workforce exposure (hours)					
Employees	7,633,456	7,562,421	7,357,245	8,153,514	8,320,623
Contractors	6,393,049	6,117,328	6,637,001	10,952,768	20,937,696
Total	14,026,505	13,679,749	13,994,246	19,106,282	29,258,319
Number of incidents[1]					
Fatalities – employees	0	0	0	0	0
Fatalities – contractors	0	0	0	0	0
Total fatalities	0	0	0	0	0
Recordable injuries – employees[2]	8 (20)	7 (12)	7 (13)	23 (24)	17 (19)
Recordable injuries – contractors[2]	16 (21)	19 (25)	35 (39)	56 (62)	105 (121)
Total recordable injuries[2]	24 (41)	26 (37)	42 (52)	79 (86)	122 (140)
Lost time injury events – employees[2]	3 (4)	0 (2)	2 (5)	9 (9)	2 (3)
Lost time injury events – contractors[2]	3 (4)	3 (4)	4 (5)	9 (10)	16 (17)
Lost time injury events[2]	6 (8)	3 (6)	6 (10)	18 (19)	18 (20)
High potential incidents	10	21	36	30	35
Recordable occupational illnesses – employees	12	5	6	1	2
Recordable occupational illnesses – contractors	5	6	4	6	16
Total recordable occupational illnesses	17	11	10	7	18
Frequency rates[1,2,3]					
Total recordable injury rate – employees[2]	1.05 (2.62)	0.93 (1.59)	0.95 (1.77)	2.82 (2.94)	2.04 (2.28)
Total recordable injury rate – contractors[2]	2.50 (3.28)	3.11 (4.09)	5.27 (5.88)	5.11 (5.66)	5.01 (5.78)
Total recordable injury rate[2]	1.71 (2.92)	1.90 (2.70)	3.00 (3.72)	4.13 (4.50)	4.17 (4.78)
Lost time injury frequency – employees[2]	0.39 (0.52)	0 (0.26)	0.27 (0.68)	1.1 (1.1)	0.24 (0.36)
Lost time injury frequency – contractors[2]	0.47 (0.63)	0.49 (0.65)	0.60 (0.75)	0.82 (0.91)	0.76 (0.81)
Lost time injury frequency[2]	0.43 (0.57)	0.22 (0.44)	0.43 (0.71)	0.94 (0.99)	0.62 (0.68)
High potential incident frequency	0.71	1.54	2.57	1.57	1.2
Total recordable occupational illness frequency – employees	1.57	0.66	0.82	0.12	0.24
Total recordable occupational illness frequency – contractors	0.78	0.98	0.60	0.55	0.76
Total recordable occupational illness frequency	1.21	0.80	0.71	0.36	0.62
Total recordable injury rate by region[2,3]					
Australia	1.74 (3.03)	1.92 (2.72)	2.79 (3.53)	4.21 (4.58)	4.19 (4.82)
Asia	0	0	13.33 (13.33)	0	5.09 (5.09)
Other	2.61 (2.61)		Not previously reported		
Overall frequency	1.71 (2.92)	1.90 (2.70)	3.00 (3.72)	4.13 (4.50)	4.17 (4.78)
Total recordable occupational illness frequency by region[3]					
Australia	1.29	0.81	0.74	0.37	0.63
Overall frequency	1.21	0.80	0.71	0.36	0.62
Lost days by region					
Australia	225	158	107	513	1,027
Asia	0	0	4	0	0
Other	28		Not previously reported		
Total	253	158	111	513	1,027
Lost days by gender					
Male employees	119	30	39	336	94
Female employees	11	0	22	6	0
Male contractors	80	104	50	170	932
Female contractors	43	24	0	1	1
Total	253	158	111	513	1,027
Number of injuries by gender					
Male employees	6	7	7	21	15
Female employees	2	0	0	2	2
Male contractors	15	17	34	52	98
Female contractors	1	2	1	4	7
Total	24	26	42	79	122
Occupational illness by gender					
Male employees	11	4	4	0	2
Female employees	1	1	2	1	0
Male contractors	3	6	4	5	11
Female contractors	2	0	0	1	5
Total	17	11	10	7	18
Training time spent on health and safety by region (hours)					
Australia	5,587	4,892	5,406	4,553	6,908
Asia	0	0	0	0	344
Total	5,587	4,892	5,406	4,553	7,252
Significant Loss of Containment (LOC) events[4]					
Total	–	–	–	6	2
Major LOC events[4]					
Total	–	–	–	0	1
Process safety events[5]					
Tier 1	0	0	0	0	Not previously
Tier 2	2	2	4	5	reported

Note: The values in this table do not include data for Balnaves. Woodside acquired Balnaves on 2 April 2015.

Environmental performance

	2015	2014	2013	2012	2011
HYDROCARBON PRODUCTION[6]					
Total hydrocarbon production (kt)	34,237	34,848	33,232	34,484	30,932
GREENHOUSE GAS EMISSIONS[7]					
Total greenhouse gas emissions (kt)	10,248	10,015	9,893	9,987	7,899
Woodside portion of GHG emissions (kt)	3,633	3,612	3,594	3,870	1,907
Greenhouse gas emissions intensity – CO_2e (kt) per hydrocarbon production (kt)	0.30	0.29	0.30	0.29	0.26
FLARED GAS					
Total flared gas (t)	314,706	349,845	421,394	247,653	246,170
Woodside portion of flared gas (t)	167,229	173,324	128,687	65,465	78,945
Flared gas intensity (flared gas (t) per kt of hydrocarbon production)	9.2	10.0	14.2	7.5	8.0
NON-GREENHOUSE GAS EMISSIONS					
Total – VOCS emissions (t)	20,743	18,548	18,442	19,375	25,116
Total – NOx emissions (t)	21,259	20,018	20,176	19,342	15,397
Total – SOx emissions (t)	57	57	62	534	476
REFRIGERANTS – OZONE DEPLETING SUBSTANCES					
Total CFC-11 equivalent (t)	0.11	0.19	0.15	0.12	0.12
RESOURCE USE					
Energy consumption					
Direct – Gas (TJ)	139,497	139,208	128,781	123,321	107,862
Direct – Liquid fuel (TJ)	2,733	2,392	2,614	3,158	4,094
Indirect – Third-party electricity (TJ)	30	31.0	31.4	35.0	68.0
Total – Energy consumption (TJ)	142,413	141,631	131,426	126,514	110,814
Total – Energy consumption intensity (TJ per kt of hydrocarbon production)	4.2	4.1	4.4	4.4	3.6
Water usage					
Fresh water use (m³)	403,361	358,408	524,408	417,245	493,616
Total – intensity (m³ per kt of hydrocarbon production)	11.8	10.28	15.78	12.10	15.96
DISCHARGE AND WASTE					
Water disposal					
Produced formation water – volume (m³)	10,251,346	10,142,841[8]	8,069,245	7,005,566	
Produced formation water – oil load (kg)	99,131	86,617[8]	71,056	45,024	
Waste disposal					
Non-hazardous (General) (t)	3,216	3,357	6,619	4,794	5,708
Hazardous (t)	8,729	8,508	9,645	7,718	3,746
Total (t)	11,854	11,865	16,264	12,512	9,454
ENVIRONMENTAL INCIDENTS					
Total number of hydrocarbon spills (>1 bbls)	0	1			
Total – Quantity of hydrocarbon spilt for spills >1bbl (m³)	0	0.7	0.21	0.32	0.8
Total number of non-hydrocarbon spills (>1 bbls)	8	0			
Total – Quantity of non-hydrocarbon spilt for spills > 1bbl (m³)	13.8	0	2.8	0	4.1

2015 GREENHOUSE GAS EMISSIONS (BY SOURCE)

By source	Venting	Fugitive	Flaring	Fuel use	Other sources
Total GHG emissions (kt)	1,900	72	970	7,207	99

2015 RESOURCE USE (BY SOURCE)

By source	Surface water	Municipal water	Reused / recycled water	Bore abstraction	
Freshwater use (m³)	0	403,361	0	0	

2015 DISCHARGE AND WASTE (BY DISCHARGE/DISPOSAL STREAM)

Water disposal

By discharge stream	Open marine	Reinjection reservoir	Reuse / recycle
Produced formation water – volume (m³)	10,251,346	7,553,687	0
Produced formation water – oil load (kg)	99,131	–	–

Waste disposal

By disposal stream	Incineration	Evaporation	Landfill	Reuse / recycling	Other
Total (hazardous and non-hazardous) (t)	6	5,931	2,866	2,812	239

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

Footnotes

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

1. 2014 is the first year Woodside has included contractor data.
2. In 2013, Woodside adjusted the calculation to report Total Recordable Injuries (TRIR) and Rates and Lost Time Injury (LTI) events and frequencies. All data is now stated in line with this methodology. The figures in the parentheses above reflect the previously publicly reported data, which includes all recordable illnesses.
3. Frequency rates are calculated per million hours worked.
4. As defined by the Reporting of Injuries Diseases and Dangerous Occurrences Regulations (RIDDOR) hydrocarbon release classification. Woodside ceased use of RIDDOR in 2013.
5. Classified in accordance with American Petroleum Institute Recommended Practice 754 (API RP 754).
6. Total Hydrocarbon production includes liquid and gas products that are exported (sold) and gas used as fuel. Reinjected gas and liquids not included. International data not included.
7. To align with the National Greenhouse and Energy Reporting System (NGERS) an emission source at the Karratha Gas Plant was not included in the 2012 data sets. The relevant 2012 values in this report have been revised to include that source.
8. Edit to 2014 data due to late receipt of Pluto water discharge data.

People

	2015	2014	2013	2012	2011
Number of staff by gender					
Male	2,483	2,757	2,836	2,929	2,822
Female	973	1,046	1,053	1,068	1,034
Total	3,456	3,803	3,889	3,997	3,856
Number of staff by employment type					
Permanent	2,931	3,224	3,325	3,481	3,375
Fixed term	276	290	294	283	276
Part time	249	289	270	233	205
Total	3,456	3,803	3,889	3,997	3,856
Number of staff by employment category					
Administration – Male	82	112	111	121	
Administration – Female	136	186	221	234	
Technical – Male	1,002	1,068	1,085	1,076	
Technical – Female	398	392	359	366	
Supervisory/Professional – Male	879	997	1,040	1,089	
Supervisory/Professional – Female	356	386	388	395	
Middle Management – Male	479	543	560	602	
Middle Management – Female	77	78	80	69	
Senior Management – Male	41	37	40	41	
Senior Management – Female	6	4	5	4	
Total	3,456	3,803	3,889	3,997	
Board Members – Male	7				
Board Members – Female	2				
Number of staff by region					
Australia	3,392	3,788	3,863	3,933	3679
Africa/Middle East	1	1	0	0	0
Asia	32	8	4	9	72
Europe	17	2	2	4	21
New Zealand	1	1			
USA and Canada (Canada staff added in 2015)	13	3	20	51	84
Total	3,456	3,803	3,889	3,997	3856
NUMBER OF CONTRACTORS					
Total	243	210	331	590	734
WOODSIDE STAFF AGE DISTRIBUTION (YEARS)					
≤30 Male	361	374	392	406	391
≤30 Female	295	285	291	316	315
31–50 Male	1,518	1,680	1,748	1,841	1,774
31–50 Female	588	642	643	649	618
51+ Male	604	703	696	682	657
51+ Female	90	119	119	103	101
Total	3,456	3,803	3,889	3,997	3,856
BREAKDOWN OF EMPLOYEES PER CATEGORY ACCORDING TO INDIGENOUS WORKFORCE					
Employees	94	99	101	92	84
Pathways	28	44	54	75	64
Contractors construction	0	0	0	0	83
Total	128	143	155	167	231
EMPLOYEE TURNOVER (NUMBER)					
Male employees	403	218	295	256	243
Female employees	151	82	105	91	136
Total	554	300	400	347	379
VOLUNTARY TURNOVER (NUMBER)	199				
Turnover by region (number)					
Australia	553	296	391	340	335
Africa/Middle East				0	4
Asia	1			1	2
Europe					0
New Zealand					
USA		4	9	6	38
Total	554	300	400	347	379
Employee turnover by age group (years)					
≤30	56	50	73	53	102
31–50	271	165	236	202	192
51+	227	85	91	92	85
Total	554	300	400	347	379
RETURNING FROM PARENTAL LEAVE (PERCENTAGE)	92	89	84	89	92
TRAINEESHIP AND APPRENTICESHIP PROGRAM (NUMBER)	142	149	125	117	104
EMPLOYEES IN GRADUATE PROGRAM (NUMBER)					
Male employees	114	89	80	89	
Female employees	97	70	53	46	
Total	211	159	133	135	142
TOTAL HOURS OF TRAINING BY GENDER					
Male employees	63,657.43				
Female employees	13,886.65				
Total	77,544.08				
AVERAGE PER PERSON HOURS OF TRAINING BY GENDER					
Male	25.64	29.42	23.03		
Female	14.27	17.09	11.44		
Total	22.44	26.03	19.89		
AVERAGE PER PERSON TRAINING BY GENDER – PROFESSIONAL/MANAGEMENT					
Male	15.87	22.53	16.49		
Female	10.59	18.17	12.47		
Total	14.61	21.53	15.59		
TOTAL HOURS OF TRAINING BY EMPLOYEE TYPE					
Permanent	71,659.57				
Fixed term	3,830.27				
Part time	2,054.25				
Total	77,544.08				
AVERAGE PER PERSON HOURS OF TRAINING BY EMPLOYEE TYPE					
Permanent	24.45	28.31	21.60		
Fixed term	13.88	15.27	12.13		
Part time	8.25	11.39	7.31		
Total	22.44	26.03	19.89		
PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER					
Male	99%	99%	97%		
Female	98%	96%	93%		
Total	99%	98%	96%		

NOTES AND DEFINITIONS

Environment

Total hydrocarbon production	Includes gross liquid and gas products, but does not include reinjected hydrocarbons.
Total energy consumption	Comprises direct and indirect energy consumption.
Fresh water use	Supplied by water utility.
Produced formation water	Water that is brought to the surface during the production of hydrocarbons.

Health and safety

Frequency rates	Frequency rates are calculated per million hours worked.
Workforce exposure hours	The total number of hours of employment including paid overtime and training but excluding leave, sickness and unpaid overtime hours. Hours are recorded separately for Woodside employees (includes permanent and fixed-term contractors) and contracting personnel. Contracting personnel are defined as people employed by another company to perform activities for Woodside (includes third party contractors and service providers).
Total recordable injury rate (TRIR)	The number of recordable injuries (fatalities + lost workday cases + restricted workday cases + medical treatment cases) per 1,000,000 hours worked.
Lost time injury (LTI)	A fatality or lost workday case. The number of LTIs is the sum of fatalities and lost workday cases.
Incident	Is one, or more, of the following: an unplanned release of energy that actually resulted in injury, occupational illness, environmental harm or damage to assets, a near miss, damage or potential damage to company reputation, breach of regulatory compliance and/or legislation, security breach.
High potential incident (HPI)	Is an incident, regardless of actual consequence, which could have resulted in the worst realistic consequence of Category C or above in accordance with the Woodside Event Reporting Impact Table.
Occupational injury	Is harm to a person such as a cut, fracture, sprain, amputation etc. that resulted from a single, instantaneous incident. All injuries are classified for work-relatedness and severity in accordance with IOGP.
Occupational illness	Is any work-related abnormal condition or disorder, other than one resulting from a work injury, caused by or mainly caused by exposures at work such as inhalation, absorption, ingestion of, or direct contact with, as well as exposure to, physical and psychological situations. All illnesses are classified for work-relatedness and severity in accordance with IOGP.
Loss of Primary Containment (LOPC)	An unplanned or uncontrolled release of any material from primary containment, including non-toxic and non-flammable materials (e.g. steam, hot condensate, nitrogen, compressed CO_2 or compressed air).
Lost workday case (LWC)	Occurs where any work-related injury results in a person being unfit for work on 'any day' after the day of the event occurring. 'Any day' includes scheduled rest days, weekend days, leave days, public holidays or days after ceasing employment. Lost work days are calculated by counting the total number of calendar days from the date the person was declared unfit for work to the date the person was declared fit for restricted or normal duties.
Restricted workday case (RWC)	Occurs where any work-related injury or occupational illness results in a person being unfit for full performance of their regular job on any day after the event occurring. The number of Restricted Work Days is calculated by counting the total number of calendar days from the date that the person was declared fit for restricted duties to the date that the person was declared fit for normal/routine duties.
Medical treatment case (MTC)	This results where the management and care of the patient to address the injury or illness is above and beyond first aid, but does not involve fatality, lost days or restricted days.
Occupational illness frequency by region	This frequency rate includes total recordable illnesses only, i.e. the sum of all occupational-illness related fatalities, lost workday cases, restricted work cases and medical treatment cases. It does not include first aid cases.
Lost days	The count of lost days begins on the day immediately after the day of injury/illness. It includes the total number of calendar days that were not able to be worked due to injuries and illness. It does not include days lost for one case where information on the number of lost days was not available at the time of reporting. For purposes of calculation this has been counted as one day lost.
Training time spent on health and safety	Includes Woodside in-house training courses only. Training records for third-party contractors have not been collated by Woodside. Does not include health and safety site or office inductions. Does not include Helicopter Underwater Escape Training (HUET) or external training courses.
Number of injuries by gender	The figure expressed in the report is the number of recordable injuries only – it does not include first aid cases or illnesses.
Occupational illnesses by gender	The figure expressed in the report is the number of recordable illnesses only – it does not include first aid cases or injuries.
Process safety event (PSE) (Tier 1 and Tier 2)	An unplanned or uncontrolled loss of primary containment (LOPC) of any material including non-toxic and non-flammable materials from a process, or an undesired event or condition. Process safety events are classified as Tier 1 – LOPC of greatest consequence or Tier 2 – LOPC of lesser consequence. As defined by American Petroleum Institute (API) recommended practice 754.

People

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

GLOSSARY

APPEA	Australian Petroleum Production and Exploration Association Ltd
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
Board	Woodside's governing body – the Board of Directors
Code	Woodside's code of conduct
Condensate	Hydrocarbons which are gaseous in a reservoir but which condense to form liquids as they rise to the surface.
Downstream	Industry term for operations relating to refining crude oil into petroleum products, as well as marketing crude oil and products derived from petroleum.
Flaring	A term used to describe the controlled burning of gas found in oil and gas reservoirs.
FLNG	Floating LNG
FPSO	Floating production storage and offloading vessel
Free cash flow	Cash flow from operating activities less cash flow from investing activities.
Greenfield	The development of exploration outside the area of influence of existing operations/infrastructure.
Greenhouse gases	Gases that trap heat in the atmosphere, including carbon dioxide, hydrofluorocarbons, methane, nitrous oxides, ozone, perfluorocarbons, vapour and water.
GRI	The Global Reporting Initiative is a network-based organisation that promotes sustainability reporting worldwide. The GRI reporting framework sets out principles and indicators that organisations can use to measure and report their economic, environmental and social performance. A GRI supplement providing references for information contained in the report that corresponds with the GRI sustainability reporting framework is available on our website woodside.com.au.
HSE	Health, safety and environment
IOGP	International Association of Oil and Gas Producers
IPIECA	The global oil and gas industry association for environmental and social issues.
LBG	London Benchmarking Group
LNG	Liquefied natural gas
LPG	Liquefied petroleum gas
LTIF	Lost time injury frequency
NPAT	Net profit after tax
NWS	North West Shelf
PBT	Profit before tax
PSE	Process safety event
RAP	Woodside's Reconciliation Action Plan
Renewable energy	Any form of energy from biological, geophysical or solar sources that replenishes itself by natural processes at a rate that is equal to or greater than its rate of use.
Sustainability	Achieving a decent standard of living for everyone today without compromising the needs of future generations. (United Nations, 2013)
TRIR	Total recordable incident rate
Upstream	Industry term for operations relating to exploring for, developing and producing as well as marketing crude oil and natural gas. This includes transporting crude oil, natural gas and petroleum products by pipeline or marine vessel.
WMS	Woodside Management System. This is the company's structured governance framework.

UNITS

A$	Australian dollars
bbl	barrel
bn	billion
boe	barrel of oil equivalent
CFC	chlorofluorocarbon
CO_2e	carbon dioxide equivalent
GJ	gigajoules
kt	kilotonne
L	litres
ML	megalitres
MMbbl	million barrels
MMboe	million barrels of oil equivalent
MT	million tonnes
Mtoe	million tonnes of oil equivalent
mtpa	million tonnes per annum
NOx	oxides of nitrogen
SOx	oxides of sulphur
t	tonne
TJ	terajoules
US$	US dollars
VOCs	volatile organic compounds

ASSURANCE STATEMENT

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Independent Reasonable and Limited Assurance Report to the Directors of Woodside Petroleum Ltd in relation to its Sustainable Development Report 2015 (the 'Report')

Assurance conclusions

Based on our limited assurance procedures, nothing has come to our attention that causes us to believe that the subject matter in Woodside's 2015 Sustainable Development Report is not presented, in all material respects, in accordance with the criteria detailed below.

In our opinion, the subject matter for our reasonable assurance procedures, the five material aspects in Woodside's 2015 Sustainable Development Report, is presented fairly, in all material respects, in accordance with the reporting criteria.

Scope

We have performed an assurance engagement in relation to the subject matter contained in Woodside Petroleum Ltd's ('Woodside') 2015 Sustainable Development Report ('the Report') in accordance with the criteria as identified below for the year ended 31 December 2015.

Subject matter

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

- The full content of the Report for the activities of the Woodside group of companies
- The Global Reporting Initiative's G4 disclosures 'in accordance' level to achieve 'core'

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

- Major incident prevention and response
- Climate change policy and response
- Global health and safety performance
- Technical integrity
- Regulatory compliance

Criteria

The criteria applied to the Report and the disclosures and performance metrics described above are:

- Global Reporting Initiative's ('GRI') G4 Guidelines, including the Principles for Defining Report Content (materiality, stakeholder inclusiveness, sustainability context, and completeness) and the GRI Principles for Ensuring Report Quality (balance, comparability, accuracy, timeliness, clarity and reliability)
- Woodside's own criteria for the non-financial performance metrics detailed within the Report

Management responsibility

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

Assurance Practitioner's Responsibility

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

Level of Assurance

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

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

Our approach

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

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

- Reviewing selected management information and documentation supporting assertions made in the subject matter;
- Comparing year on year data;
- Checking that data and statements had been correctly transcribed from corporate systems and/or supporting evidence into the Report; and
- Reviewing the presentation of claims and data against the relevant GRI principles contained in the criteria.

Limitations

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

Our assurance was limited to the Sustainable Development Report 2015 only and did not include financial data or forward looking statements of Management.

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

Use of Report

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

Dr Matthew Bell
Partner

Ernst & Young

Perth, Australia
18 March 2015

SUSTAINABLE DEVELOPMENT REPORT 2015

Visit us at

www.woodside.com.au