SUSTAINABLE DEVELOPMENT REPORT

2017

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Woodside

On the cover

As Australia's leading producer of LNG, Woodside is pleased to be working with the mining and shipping industries to explore the potential for LNG as fuel for bulk carriers on the "Green Corridor" trade routes between Australia and China. This demonstrates our commitment to innovation and creating shared value where we are active globally.

In 2017, Woodside took delivery of the first LNG-fuelled marine support vessel in the southern hemisphere, the *Siem Thiima*. We are now assessing the viability of further adoption of LNG fuelling of our vessels. LNG has carbon emissions up to 25% lower than diesel and 30% lower than heavy fuel oil and emits almost no sulfur or particulates.

Our Sustainable Development Report communicates non-financial disclosures relating to environment, social and governance performance. Target audience varies across our eight stakeholder groups as identified on pages 10–11.

Our Annual Report 2017

Our Annual Report 2017 is a summary of Woodside's operations, activities and financial position as at 31 December 2017. Copies of the Annual Report 2017 are available on request or from our website.

Additional information

In this report, we have indicated where additional information is available online and in other sections of this report like this:

ⓘ Refer to pages 68–69 for definitions, key terms and units of measurement.

⊛ Refer to Woodside's website for more information (woodside.com.au).

Report feedback

To help us improve our report, we welcome your feedback.

⊛ Email: communities@woodside.com.au

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MESSAGE FROM OUR CEO

As an Australian company with a global portfolio, we are proud of the contribution we make to sustainability in the communities where we operate and in the markets that we supply.

Gas producers have a crucial role to play as the world strives to reduce emissions while extending energy security. The LNG that Woodside supplies into Asian markets makes a significant contribution to that task, providing a cleaner burning energy source.

In northern Australia, we are leading the way by building a truck-loading facility to supply LNG as a cleaner alternative fuel to diesel for land and sea transport and industrial power generation.

Our own vessels are part of a broader transition underway as the shipping industry complies with international regulations mandating cleaner fuels. In 2017, we launched the *Siem Thiima*, the first LNG-fuelled marine support vessel in the southern hemisphere, and we continue to work with major mining and shipping companies on converting busy trade routes to Asia into an LNG-fuelled "Green Corridor".

We are also paying attention to the carbon resilience of our portfolio, evaluating all future projects against a range of outlooks and considering opportunities to integrate renewables at our assets.

In a world-first for an offshore oil and gas platform, we are installing a 1MWH battery on Goodwyn A, to introduce new efficiencies and reduce emissions.

Our flared gas intensity has reduced in recent years but it was disappointing that we did not achieve our targeted reduction in 2017. Equipment repairs are underway to get us back on track.

We value our staff and it was pleasing that our biennial employee survey confirmed they are highly engaged and take pride in our commitment to sustainability. Engagement levels now exceed the oil and gas industry average and are approaching global top-performing companies.

In our operations, our focus on health and safety is paramount. In 2017, we achieved a 21% reduction in the total recordable injury rate as we introduced the concept of a Perfect HSE Day to ensure staff and contractors focus on safety.

Our record of engaging respectfully with the communities where we operate is well established in Australia and we bring this same approach to other countries where we are now active, including Myanmar and Senegal.

These new opportunities in our business also bring added responsibility and complexity. We have the right people and processes to ensure the Woodside team can manage these challenges and uphold our values, regardless of where they are working.

The Dow Jones Sustainability Index (DJSI) ranked Woodside in the top 3% of companies in the sector and our commitment to education was recognised by an Excellence Award from the World Petroleum Congress. In 2017, Woodside was also proud to win the Environment and Safety Excellence Awards from the Australian Petroleum Production and Exploration Association.

This report outlines how we continue to live up to the principles we have long espoused: operating with transparency and integrity, fostering our organisation and culture, building a resilient business, operating responsibly and creating shared value through relationships with our stakeholders.

I would like to thank our staff for their commitment and Ann Pickard and the Sustainability Committee for their rigorous and dedicated approach. I also extend my gratitude to all those in our communities who have worked closely with Woodside and continue to do so.

Peter Coleman
Chief Executive Officer and Managing Director
8 March 2018

ABOUT WOODSIDE

Woodside is Australia's largest independent oil and gas company with a global portfolio, recognised for our world-class capabilities – as an explorer, a developer, a producer and a supplier of energy.

We have a clear strategy to deliver superior shareholder returns across three distinct time horizons. These horizons are characterised by cash generation from 2017, unlocking value from 2022, and repeating our successes from 2027.

Our global exploration portfolio is balanced across established, emerging and frontier provinces covering Australia and the Asia-Pacific region, the Atlantic margins and sub-Saharan Africa. Currently, we are focused on drilling to grow our resource volumes.

We have significant equity interests in high-quality development opportunities in Australia (Wheatstone, Scarborough and Browse), Senegal (SNE), Myanmar and North America (Kitimat), and are pursuing new concepts and technology to enable cost-effective commercialisation of these resources.

Our producing assets include the landmark North West Shelf (NWS) Project, Pluto LNG and non-operated Wheatstone LNG. Our operated assets are renowned for their safety, reliability and efficiency. As Australia's leading LNG operator, we produced 7% of global LNG supply, and operate a fleet of floating production storage and offloading (FPSO) facilities.

We continue to expand our capabilities in marketing, trading and shipping and have enduring relationships that span more than 25 years with foundation customers throughout the Asia-Pacific region.

Woodside continues to promote the use of LNG as a low-emissions and economically viable alternative fuel.

Technology and innovation are essential to our long-term sustainability. We are working to bring down costs and find solutions to our business challenges. Today we are pioneering remote support and the application of artificial intelligence, embedding advanced analytics across our operations and making improvements in additive manufacturing.

Woodside demonstrates strong safety and environmental performance in all its operations. We are committed to upholding our values of integrity, respect, working sustainably, discipline, excellence and working together. Our success is driven by our people, and we aim to attract, develop and retain a diverse, high-performing workforce.

We recognise that long-term, meaningful relationships with communities are fundamental to maintaining our licence to operate. We help create stronger communities through programs that improve knowledge, build resilience and create shared opportunities.

Our proven track record and distinctive capabilities are underpinned by more than 60 years of experience, making us a partner of choice.

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MESSAGE FROM OUR SUSTAINABILITY COMMITTEE CHAIR

Our world changes fast and we need to be prepared to change with it.

Since the Sustainability Committee formed a decade ago, the company's approach has matured significantly. We are pleased to share news of that progress as we meet growing expectations for businesses to be more accountable and transparent.

Sustainability is at the core of Woodside's corporate culture and factored into daily decision making at all levels of the business. It is the responsibility of the Committee to focus on the areas of greatest significance to our shareholders and community and ensure that there are appropriate governance structures to monitor and manage associated risks.

Climate change is viewed by Woodside's stakeholders as a significant sustainability issue facing the company. It was a priority for the Sustainability Committee during our four meetings in 2017, along with major incident prevention and response, and health and safety performance.

The Committee monitors climate change policy developments and reviews Woodside's initiatives to reduce greenhouse gas emissions. We are working with the Board to ensure Directors have the skills and knowledge to factor climate change issues into investment decisions.

Regarding safety, the Committee has been impressed by the "perfect day" concept, which Woodside introduced in 2017 to drive the right behaviour by promoting daily health and safety conversations. It is crucial that each of our employees and contractors goes home safe at the end of each day.

We insist on robust governance to ensure our facilities and those operated on our behalf are managed appropriately. We recognise our industry must be ready for unlikely events that can damage the environment, community and company, so we ensure there is a company-wide focus on maintaining and constantly improving emergency preparedness and response capabilities.

During 2017, the Committee has reviewed the United Nations Sustainable Development Goals (SDGs), identifying five goals to which Woodside can make a meaningful contribution. These five goals align closely with our own values: affordable and clean energy; industry, innovation and infrastructure; climate action; life below water; and partnerships for the goals.

We approved a human rights policy in 2017 and, in line with Woodside's values, we are committed to respecting human rights in our operations and in communities where we operate. The strengthening of local content in locations where we operate is also on our agenda, in recognition of the significance of employment and contracting opportunities to sustainable community development in Australia and internationally.

Finally, I want to thank David McEvoy for chairing the committee over the past decade, prior to his retirement at the 2017 Annual General Meeting. During this time, sustainability has been embedded in Woodside's processes. As a committee, we will support the company's ongoing commitment to sustainability and will monitor emerging issues so we can understand the global challenges ahead. In a fast-changing world, we need to be aware, engaged and ready to act.

Ann Pickard
Chair of the Committee
8 March 2018

ANN PICKARD

MELINDA CILENTO

CHRISTOPHER HAYNES, OBE

IAN MACFARLANE

SARAH RYAN

LARRY ARCHIBALD

PERFORMANCE HIGHLIGHTS

PERSONAL SAFETY | 21% decrease in total recordable injury rate

PROCESS SAFETY | No Tier 1 or Tier 2 process safety events

HUMAN RIGHTS | Introduced Board-approved policy to respect Human Rights

INDIGENOUS OUTCOMES | Exceeded our targets for Indigenous employment and business contracts

NEW MARKETS | Launched our first LNG-fuelled marine support vessel *Siem Thiima*

AWARDS

+ Received Silver Class award for second consecutive year and ranked in the top 3% of our Dow Jones Sustainability Index sector

+ Received the Australian Petroleum Production and Exploration Association (APPEA) Safety and Environment Excellence awards

+ Awarded World Petroleum Council Excellence Award for STEM outreach program

+ State Arts and Culture Partnership Honours for outstanding long-term partnerships

OUR AREAS OF ACTIVITY

GLOBAL

CANADA
KITIMAT LNG

USA
PORT ARTHUR LNG

IRELAND

Bejing*
Seoul*
Tokyo*

MOROCCO

MYANMAR

SENEGAL

GABON

Singapore*

SUNRISE LNG

PERU

AUSTRALIA

NEW ZEALAND
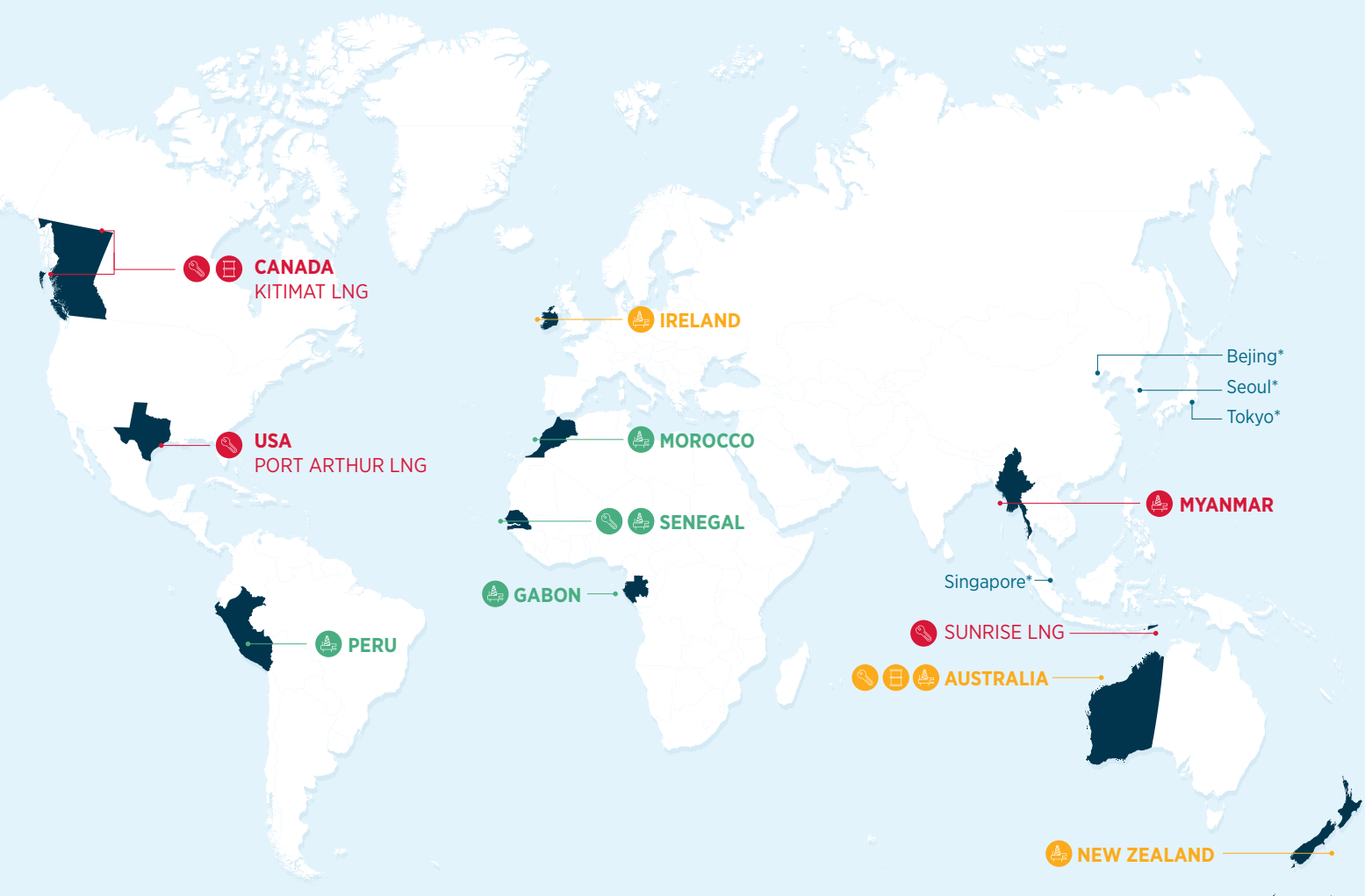
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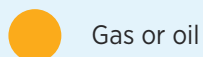
- Gas
- Oil
- Gas or oil

Phase

- Producing assets
- Projects and developments
- Appraisal and exploration

*Marketing office

Asset facts

PRODUCING FACILITIES

Australia

North West Shelf	Karratha Gas Plant	North Rankin Complex	Goodwyn A Platform	Angel Platform
Role	Operator	Operator	Operator	Operator
Equity	16.67%	16.67%	16.67%	16.67%
Product	LNG, pipeline natural gas, condensate and LPG	LNG, pipeline natural gas, condensate and LPG	LNG, pipeline natural gas, condensate and LPG	LNG, pipeline natural gas, condensate and LPG

Pluto LNG	Pluto LNG Platform	Pluto LNG Plant
Role	Operator	Operator
Equity	90%	90%
Product	LNG and condensate	LNG and condensate

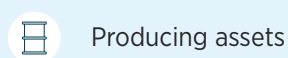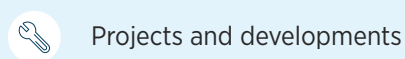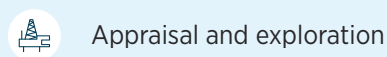| Australia Oil	Ngujima-Yin FPSO	Nganhurra FPSO	Okha FPSO
Role	Operator	Operator	Operator
Equity	60%	60%	33.33%
Product	Oil	Oil	Condensate and oil

Wheatstone LNG — Non-operator — 13% — LNG, pipeline natural gas and condensate

International

Canada	Kitimat LNG
Role	Non-operator
Equity	50%
Product	Pipeline natural gas

PROJECTS

Australia

	Greater Enfield Project	Wheatstone LNG	Julimar-Brunello Project-Phase 2	Greater Western Flank Phase 2
Role	Operator	Non-operator	Operator	Operator
Equity	60%	13%	65%	16.67%
Product	Oil	LNG, pipeline natural gas and condensate	LNG, pipeline natural gas and condensate	LNG, pipeline natural gas and condensate

DEVELOPMENTS

Australia

	Scarborough/Thebe	Browse	Sunrise LNG
Role	Operator and non-operator	Operator	Operator
Equity	25%–50%	30.60%	33.44%

International

USA	Port Arthur LNG	Canada	Kitimat LNG	Senegal	SNE-Phase 1
Role	Non-operator	Role	Non-operator	Role	Development Lead
Equity	Project Development Agreement	Equity	50%	Equity	35%

EXPLORATION

Australia and Asia-Pacific

Australia	Various titles[1]	New Zealand	PEP-55794	Myanmar	AD-5 and A-7	AD-7 and A-6	AD-2 and A-4	AD-1, AD-6 and AD-8
Role	Operator and non-operator	Role	Operator	Role	Operator	Joint operator	Non-operator	Joint operator
Equity	Various equities	Equity	70%	Equity	55% and 45%	40%	45%	50%
Product	Oil or gas prone basin	Product	Oil or gas prone basin	Product	Gas prone basin	Gas prone basin	Gas prone basin	Gas prone basin

Atlantic margins

Senegal	Rufisque, Sangomar and Sangomar Deep	Morocco	Rabat Deep I-VI	Ireland	FEL 3/14, 5/13, 5/14 and LO 16/14
Role	Non-operator	Role	Non-operator	Role	Operator
Equity	35%	Equity	25%	Equity	60%–90%
Product	Oil prone basin	Product	Oil prone basin	Product	Oil or gas prone basin

Sub-Saharan Africa

Gabon	Doukou Dak (F15), Luna Muetse (E13), Diaba Block and Likuale (F14)[2]
Role	Non-operator
Equity	21.25%–40%
Product	Oil prone basin

Latin America

Peru	Block 108
Role	Non-operator
Equity	35%
Product	Oil prone basin

1. For further information on Woodside's Australian titles, please refer to the titles register website (neats.nopta.gov.au).
2. The transaction remains subject to satisfaction of conditions precedent.

WOODSIDE VALUE CHAIN

We have long recognised that our activities have environmental, social and economic impacts.

Our value chain illustrates the key components of our business.

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. At the completion of this phase, the asset moves into the development phase.

DEVELOP

We work closely with our customers, fellow joint venture participants, suppliers, governments and communities to realise opportunities across the development life cycle. After resources are confirmed and approved, the development moves into project execution.

Image courtesy of Chevron Australia.

OPERATE

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

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 marketing and trading.

DECOMMISSION AND DIVEST

When 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 environmental, social and economic impacts.

TWO PRODUCTS, MANY USES

Our products play a vital role in day-to-day lives.

OIL

GAS

Oil, which provides 33% of the world's energy, is primarily used in transportation. Less well known is its use in the production of synthetic and chemical materials[1].

Gas, which currently provides 24% of the world's energy, will play an increasing role in a lower carbon future. This shift will be seen in power generation, industrial processes and marine and onshore transportation[1].

DID YOU KNOW

About 3% of global oil production is used in the manufacture of pharmaceuticals[2].

In Western Australia, 75% of homes are connected to natural gas. Australia-wide, the average is 49%[3].

In 2017, our LNG was delivered to the following markets:

JAPAN	KOREA	CHINA	OTHER
(~80%)	(~10%)	(~7%)	(~3%)

Our share of the total gas supplied

TO THE WESTERN AUSTRALIAN MARKET IN 2017 WAS 9.5%

which mostly went to power, mining and industrial users

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1. US Energy Information Administration (2017) – International Energy Outlook.
2. J.J.Hess, D.Bednarz, J.Y.Bae, and J.Pierce, 2011. Petroleum and health care: Evaluating and managing health care's vulnerability to petroleum supply shift. *American Journal of Public Health 101* (9): 1568–1579.
3. Deloitte Access Economics (2016) – Analysis for Gas Vision 2050.

UNDERSTANDING OUR STAKEHOLDERS

To protect our reputation, grow shareholder returns, understand our impacts and support the social and economic prosperity of the communities where we operate, Woodside applies a consistent approach to stakeholder engagement.

Maintaining consistent and productive relationships with our stakeholder groups is a key priority for our business. We know that fostering these relationships and addressing any stakeholder issues are fundamental to protecting our reputation, our investment proposition, and our ability to understand and support the communities and environments in which we operate.

Our External Stakeholder Engagement Procedure outlines best practice guidelines for stakeholder engagement relating to our activities.

The procedure encourages transparent communications and feedback with our stakeholder groups.

The table below identifies our eight stakeholder groups across the business, their key interests and concerns, and examples of how we engage with them.

To assist in the compilation of this report, we consulted representatives from each stakeholder group and identified issues of material concern as part of the process outlined on pages 15–16.

STAKEHOLDER AND KEY INTERESTS	COMMUNICATION AND ENGAGEMENT ACTIVITIES	TOP SUSTAINABILITY ISSUES
CUSTOMERS Reliability and safety of supply, product quality, cost and delivery. Maintain strong relationships based on mutual understanding and open communication.	Regular engagements to manage commercial and operational aspects of liquids delivery and Annual Delivery Plan (ADP) for LNG delivery In-country representatives Reciprocal staff exchanges to promote understanding of respective businesses Regular site visits to build understanding of respective businesses Proactive engagement to understand short- and long-term needs	+ Energy security + Major incident prevention + Government decision impacts
JOINT VENTURE PARTICIPANTS Reliability and safety of supply, product quality, cost and delivery. Maintain strong relationships based on mutual understanding and open communication, and non-operator governance.	Regular meetings with joint venture boards and committees Participation in business reviews and audits Assurance programs Regular operations overviews Regular site visits Regular collaborative participation in government meetings and industry events	+ Climate change + Major incident prevention + Major incident response + Regulatory compliance + Anti-bribery and corruption
INVESTORS AND FINANCE PROVIDERS Delivery of superior shareholder returns and continuous improvement in total shareholder return, mitigation and management of financial and non-financial risks and high-quality corporate governance.	Investor briefings Full-year and half-year results briefings Regular meetings with financiers, institutional shareholders and investor representatives Annual General Meeting Australian Securities Exchange (ASX) announcements Environmental, social and governance briefings with Australian institutional investors	+ Climate change + Health and safety + Human rights + Global readiness + Non-operator management

STAKEHOLDER AND KEY INTERESTS	COMMUNICATION AND ENGAGEMENT ACTIVITIES	TOP SUSTAINABILITY ISSUES
EMPLOYEES Providing a safe, inclusive, diverse, and productive work environment, a values-led organisational culture and career development opportunities that align with Woodside's strategic direction.	Annual staff briefing with the CEO and representatives of the Executive Committee (including video link to global locations) Ongoing campaign to embed continuous improvement principles Annual performance reviews and personal development plans for all employees Ongoing communication and targeted programs for employee safety, health and wellbeing Annual Woodside Awards to recognise outstanding employee achievement and contribution FutureLab Exchange events enable employees to engage with industry experts and researchers CEO-facilitated discussions with employees to promote engagement, involvement and two-way communication Actively involved employees in our internal inclusion and diversity-focused community groups Annual event to recognise 20+ years of service Woodside Week in-house conference held to promote collaboration and innovation	+ Health and safety + Major incident prevention + Major incident response + Climate change + People, capability, inclusion and diversity
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.	Ongoing liaison with state and federal regulators, local, state and federal government agencies, and a broad range of political stakeholders (including members of governments and oppositions) Direct submissions to state and federal governments Contribute to domestic and international industry and business association submissions Engagement with representatives from key regulators, government agencies and political stakeholders in areas where we are active internationally	+ Major incident prevention + Climate change + Energy security + Regulatory compliance + Anti-bribery and corruption + Local content
SUPPLIERS AND CONTRACTORS Working together with suppliers in an environment where joint ownership of outcomes exists. Transparent and effective communication throughout the contract award process.	Regular reciprocal supplier performance reviews Embedded supplier relationship management with our Tier One suppliers Continuous anti-bribery and corruption monitoring Collaborative, outcome-focused drive for delivery of tangible local content and indigenous engagement outcomes Supplier feedback survey	+ Health and safety + Major incident prevention + Local content + Disruptive technology + Anti-bribery and corruption
NON-GOVERNMENT ORGANISATIONS Ethical, social and environmental management of our activities, including revenue transparency and efficient use of resources.	Providing opportunity for non-government organisational input into social and environmental impact assessments Annual recognition of the Extractive Industries Transparency Initiative Regular participation in industry forums and associations Regular participation in the Voluntary Principles on Security and Human Rights events	+ Climate change + Biodiversity + Major incident response + Social and cultural impacts on communities + Human rights
LOCAL AND INDIGENOUS COMMUNITIES Potential environmental and social impacts associated with operations. We have a broad range of local community and indigenous community interests and concerns.	Community offices where we are active Community grievance mechanism Regular community consultation and engagement including community liaison groups and networks Community events and programs Regular social impact assessments and management planning that involves community input Global Indigenous Peoples engagement strategy	+ Local content + Social and cultural impacts on communities + Human rights

OUR APPROACH TO SUSTAINABILITY

Working sustainably is a core value embedded at every level of our company. It is fundamental to maintaining our social licence to operate and to being a global leader in upstream oil and gas. We are focused on delivering energy solutions that provide sustainable value for shareholders, partners and the communities in which we operate.

Woodside Compass value

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

Sustainability principles

Our approach to sustainability is underpinned by our five sustainability principles:

OPERATING WITH TRANSPARENCY AND INTEGRITY

We have policies and programs that address bribery and corruption, regulatory compliance, human rights risks and transparent payments to governments.

FOSTERING OUR ORGANISATION AND CULTURE

We focus on having a values-led, high-performance culture where we promote inclusion and diversity and invest in training, education and technical programs.

BUILDING A RESILIENT BUSINESS

We provide access to reliable and clean energy, and through the application of technology and innovation we are unlocking new opportunities such as providing the heavy transport sector with a cleaner fuel alternative to diesel.

OPERATING RESPONSIBLY

We ensure our operations are safe and sustainable by improving our energy efficiency; sustainable consumption and production; oil spill prevention, preparedness and response; and engagement with our communities, in addition to maintaining extensive research partnerships in marine environments.

CREATING SHARED VALUE

Meaningful stakeholder relationships are key to developing programs that address societal and environmental needs and create shared value. Our social licence to operate is supported through our community social investment programs, supply chain and indigenous engagements.

These principles provide the foundation for ensuring we operate in a manner that is sustainable.

Sustainability performance

Woodside's corporate scorecard includes metrics reflecting our material sustainability issues: for example, personal safety performance, process safety events and emissions intensity. Woodside's sustainability performance is also linked to remuneration for employees and executives.

ⓘ Refer to page 17 for more information on our performance targets.

We respond to a range of environmental, social and governance (ESG) specific indices, including the DJSI, Carbon Disclosure Project (CDP), FTSE4Good, Sustainalytics and Morgan Stanley Capital International (MSCI). This year, Woodside received a Silver Class award from RobecoSAM for its DJSI sustainability performance, placing us in the top 3% when ranked against our peers in the oil and gas upstream and integrated sector.

ⓘ Refer to page 64 for more information on ESG indices.

United Nations Sustainable Development Goals

On 1 January 2016, the SDGs came into effect. The 17 SDGs aim to tackle some of the world's most pressing economic, environmental and social issues. Each of the 17 SDGs includes specific targets that cover everything from poverty to human rights, and environmental preservation to climate change. Woodside is already making a positive contribution to the SDGs, examples of which are captured throughout this report through the display of relevant SDG icons. A list of our activities that contribute to the SDGs can be found on page 62.

As a global energy provider, we acknowledge that our activities and operations contribute to some SDGs more than others. To further align ourselves to the global sustainable development agenda, we mapped our activities and impacts across our value chain against the SDGs and their targets.

This exercise was undertaken so that we could ascertain which SDGs are most relevant to us, and highlight opportunities for further contribution. When assessing which of the 17 SDGs to focus on, the following features were considered:

+ Our impacts across the value chain

+ The alignment between the SDGs and our future business direction

+ The potential to leverage our strengths to ensure our contribution would be meaningful

While our assessment found that Woodside's activities support all 17 of the goals, we believed our contribution could be maximised by focusing on five key SDGs. This approach was endorsed by the Sustainability Committee in December 2017.

7 AFFORDABLE AND CLEAN ENERGY	Woodside is well positioned to assist in reducing climate change impacts while also providing a reliable and long-term energy supply to new markets. Access to reliable, sustainable, and affordable sources of energy provides the foundation for economic growth and reduced poverty. We are working to understand and minimise our direct emissions and promote the use of LNG to reduce our customers' emissions, which align with the targets under this goal.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	We believe that technology and innovation are essential to unlocking new energy markets and ensuring long-term sustainability. Collaborative programs such as FutureLab, which runs in parallel to the company's own science and technology department, encourage innovation around robotics, cognitive computing and data analytics. We are also investigating opportunities to incorporate renewable technologies into our operations.
13 CLIMATE ACTION	We recognise the scientific consensus on climate change and the challenge of providing safe, clean, affordable and reliable energy while reducing emissions in line with the Paris Agreement. We continue to evaluate the potential impacts of climate change on our operations and the environments in which we operate.
14 LIFE BELOW WATER	With operations offshore, we understand the imperative to minimise our impacts on ocean environments. Our approach to understanding the diverse environments in which we operate is supported by partnerships with research organisations that deliver robust scientific data and environmental knowledge.
17 PARTNERSHIPS FOR THE GOALS	We recognise that partnerships are essential to delivering meaningful contributions given the global nature of the SDGs. We collaborate with a variety of partners to improve community and environmental outcomes and solve real-world problems. We seek to partner with organisations that have similar values and are committed to real outcomes.

The next step is identifying the ways in which we will contribute to the SDGs, including the specific targets that we will focus on. By focusing on targets, there is an opportunity to understand the contribution that we are making, and communicate the impact of what we have achieved.

GOVERNANCE

We believe that adopting and operating in accordance with high standards of corporate governance is essential for sustainable long-term performance and value creation.

Governance

Our approach to sustainability is incorporated in our Woodside Management System (WMS) including our policies, procedures and Code of Conduct.

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, expectations and procedures. The Sustainability Committee, as at 31 December 2017, was comprised of six independent, non-executive directors. Our corporate governance model is illustrated below.

Identifying and managing risk

Risk is inherent in our business. It is crucial that we maintain a robust and disciplined focus on operational excellence and effective risk management.

By understanding and managing our risks, our business is able to perform effectively and provide protection to our people, communities and the environment. We systematically assess the consequence of risk in areas such as health and safety, environment, finance, reputation and brand, legal and compliance, and social and cultural impacts.

Woodside's Audit & Risk Committee oversees our Risk Management Policy and is responsible for satisfying itself that management has developed and implemented an effective risk management system and internal control framework.

The Board maintained oversight of material issues during 2017, including through the Board committees, and monitored emerging issues and risks. Refer to pages 15–16 for more detail on the materiality process and 2017 material issues.

⊙ Refer to Woodside's Corporate Governance Statement for more information (www.woodside.com.au).

Non-operated venture management

Globally, Woodside is a participant in a number of non-operated ventures (NOV) that have associated joint venture agreements. Woodside adopts a fit-for-purpose approach in working with the operator, reflecting the risks of the business and the jurisdiction of the NOV. Woodside has processes in place to manage NOV governance, compliance and assurance as part of the WMS. Woodside brings significant oil and gas operator capabilities and experience to its NOVs. Each NOV has a Woodside-nominated representative who seeks to understand the management of risk and ensure that our policies and expectations are met by the operator of the NOV.

Corporate governance model
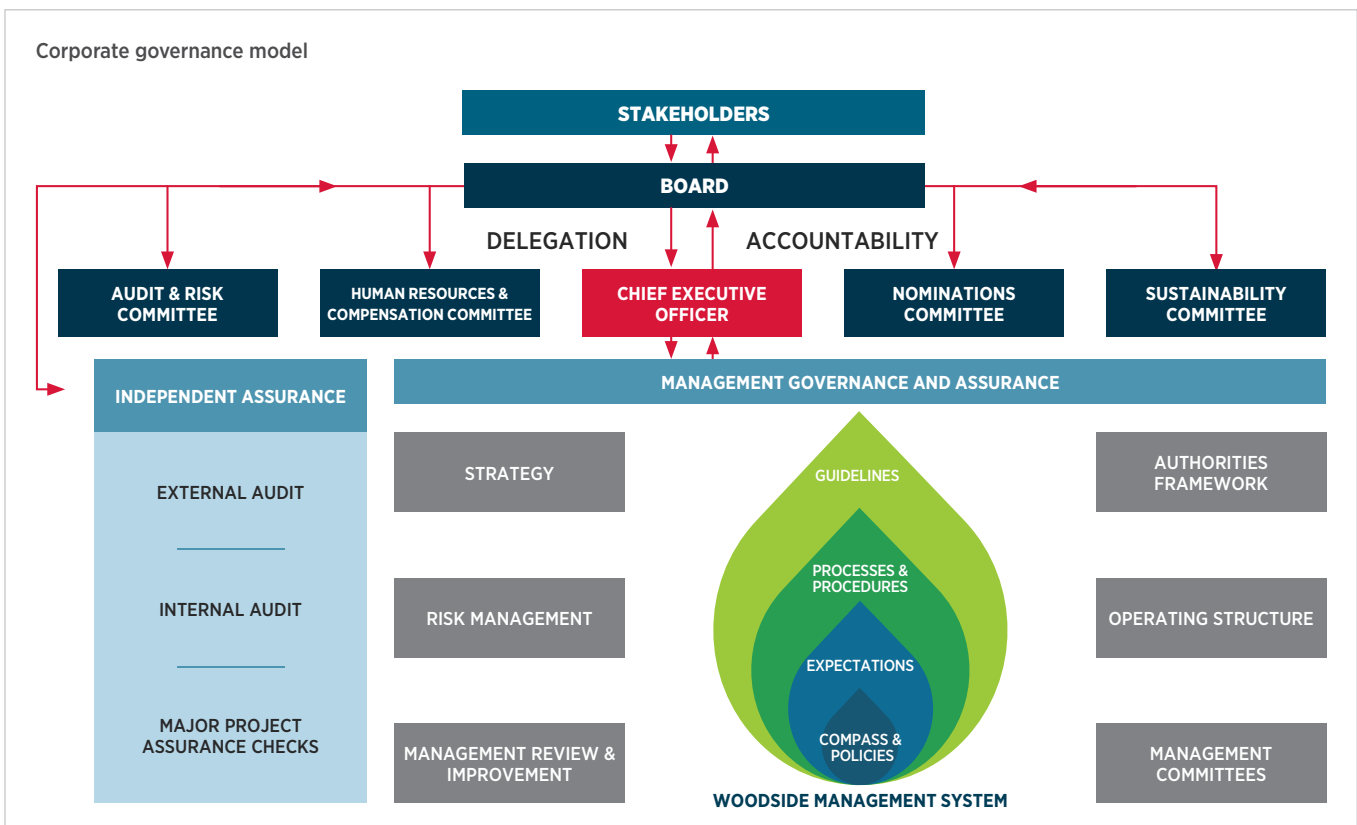
MATERIALITY

Woodside considers sustainability issues to be material if they have the potential to affect our ability to achieve our business strategy, our reputation, or are of material concern to our key stakeholders due to economic, environmental or social impacts.

Each year we conduct a materiality assessment to identify and understand the sustainability issues of significance to our key stakeholders and our business.

MATERIALITY PROCESS STEPS	DESCRIPTION	KEY INPUTS
Identify	To identify the material issues, an initial desktop study of corporate documents and relevant global sustainability reports is undertaken, followed by meetings with key internal and external stakeholders. Sources of information at the 'identify' step are summarised in key inputs.	+ Company strategy + Previous material issues and emerging risks + Corporate risk register + Internal stakeholder interviews + Stakeholder issues register + External stakeholder interviews + National and global reports, e.g. Global Risks[1]
Prioritise	Identified issues are prioritised using defined threshold criteria based on Global Reporting Initiative (GRI) materiality principles. Emerging issues, which may not feature in the list of top material issues, are recorded to ensure they are monitored as required. A clear description of the issues, including their boundaries and impacts, is defined and included in our materiality survey. The survey is sent to all internal and external stakeholders interviewed as part of the materiality process (in addition to a random sample of employees and community groups) providing an opportunity to rank issues from greatest to least concern.	Internal: + Survey employees on key issues + Corporate risk register + Company strategy, policies and commitments + Contribution to SDGs External: + Survey stakeholders on key issues + Community group input + Peer benchmarking + Media analysis
Validate	Our top material issues, as identified in the 'prioritise' step, are validated by our Board's Sustainability Committee and our Executive Committee.	+ Committee meetings
Review	Each year we review the Sustainable Development Report and material issues with our internal and external stakeholders, and identify how our performance can be improved.	+ Benchmarking report

The materiality matrix on page 16 illustrates the output from the materiality process, specifically the 'prioritise' and 'validate' steps.

⊛ Refer to our website for more information on changes to the materiality process conducted in 2017 (www.woodside.com.au).

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1. *The Global Risks Report 2017*, 12th edition, World Economic Forum.

MATERIALITY MATRIX

The outcome of the materiality process informs the development of this report to ensure we are adequately responding to key internal and external stakeholders' issues.

Material issues for 2017

Climate change

Major incident prevention

Major incident response

Transparency, anti-bribery and corruption

Health and safety performance

Materiality matrix

HIGHER

Importance to stakeholders

LOWER   Importance to business   HIGHER

1. **Climate change (page 36–39)**
2. **Major incident prevention (pages 42–43)**
3. **Major incident response (pages 44–45)**
4. **Transparency, anti-bribery and corruption (page 21)**
5. **Health and safety performance (pages 46-47)**

6. Regulatory compliance (page 26)
7. Human rights (pages 24 and 56)
8. Social and cultural impacts on communities (pages 50–55)
9. People, capability, inclusion and diversity (pages 28–31)
10. Energy security (pages 22 and 35)
11. Disruptive technology (page 40)
12. Government decision impacts (page 22)
13. Cyber-security risk (page 40)
14. Supply chain (pages 24, 56–57)
15. Payment transparency (pages 22–23)
16. Global readiness (throughout report)
17. Local content (pages 30 and 56)
18. Reserve replacement (refer to pages 65–67 of the Annual Report 2017)
19. Biodiversity and ecosystems (pages 48–49)
20. Non-operator management (page 14)
21. Decommissioning (page 48)

● **Material issues**

● **Key issues**
Covered in the report

● **Issues[1]**
Not covered in this report

⊙ Refer to our website for more information on GRI boundaries for material issues (www.woodside.com.au).

1. As part of 2017 materiality process, there are no issues referred to website only.

SUSTAINABILITY TARGETS

We set sustainability targets in order to measure our annual performance and to help us monitor and deliver our commitment to sustainable outcomes. Woodside's sustainability targets are reviewed each year in conjunction with our corporate scorecard process.

Our sustainability targets are embedded throughout the company and we include them at the following levels:

+ Corporate scorecard targets
+ Corporate Executive Committee dashboard targets
+ Divisional performance agreement targets
+ Functional performance agreement targets

A number of targets and metrics associated with our material issues are linked to employee and executive compensation as part of our corporate scorecard.

The targets presented in the following table reflect our most significant sustainability issues, as identified by our materiality process. Sustainability targets not specifically relating to our five material issues are integrated into relevant sections of this report.

2017 MATERIAL ISSUE	2017 TARGETS	2017 PERFORMANCE	KEY 2018 TARGETS
Climate change	Reduction of fuel intensity by 1% (TJ/kt of hydrocarbon production) Flaring intensity less than 7.5 t/kt	**Implemented 61kt CO_2e sustained emissions savings in calendar year.[1] Did not achieve additional 1% fuel intensity improvement.[2]** **Flaring intensity 9.5t/kt[2]**	Sustainable emission reductions of 80 ktCO_2e against baseline[3]
Major incident prevention	Zero Tier 1 Process Safety Events (PSEs) and two or fewer Tier 2 PSEs	**Zero Tier 1 PSEs and zero Tier 2 PSEs**	Zero Tier 1 PSEs and two or fewer Tier 2 PSEs
Major incident response	95% Global Assurance Benchmark Spill Preparedness rating (RETOS 2)[4]	**99% Global Assurance Benchmark Spill Preparedness rating achieved (RETOS 2)**	95% Global Assurance Benchmark Spill Preparedness rating (RETOS 2)
Transparency, anti-bribery and corruption	Zero violations of anti-bribery and corruption laws within or in connection with Woodside	**Zero violations of anti-bribery and corruption laws within or in connection with Woodside**	Zero violations of anti-bribery and corruption laws within or in connection with Woodside
Health and safety performance	Demonstrate continuous improvement on 2016 (TRIR 1.64) to deliver leading health and safety performance	**1.29 TRIR**	Demonstrate continuous improvement on 2017 to deliver leading health and safety performance

1. We delivered 61 ktCO_2e of abatement, with more than half of this from installing more efficient inlet air filters on gas turbines at Karratha Gas Plant and Pluto (refer to case study on page 39).
2. Target of additional 1% reduction in fuel intensity (TJ/kt of hydrocarbon production) and 7.5 t/kt flaring intensity were not achieved due to lower than expected onshore gas plant reliability in H1 2017. Direct causes have been addressed and further equipment repair is scheduled in 2018. Refer to page 39 for more information.

3. The 2018 targets have been changed to align with corporate strategy on energy efficiency and achieving a reduction of greater than 389 ktCO_2e by 2020 (equivalent to 5% reduction in energy efficiency). Fuel and flare target will still be monitored for performance. Refer to page 39 for more information.
4. Refer to page 44 for more information on RETOS 2.

Pluto LNG plant at dusk.

OPERATING WITH
TRANSPARENCY
AND INTEGRITY

BUSINESS ETHICS

Our core values of integrity, respect, working sustainably, working together, discipline and excellence are set out in the Woodside Compass. These values underpin our Code of Conduct (the Code), which sets out our commitment to ethical business principles.

Woodside Compass and the Code

In 2017, we refreshed our Compass and relevant changes have been reflected in the Code, including expanded examples of potential conflicts of interest, among other improvements.

⊙ Refer to Woodside's Code for more information (www.woodside.com.au)

It is the responsibility of every director, employee and contractor to be familiar with and comply with the Code, and for leaders to embed our Compass values across our business. All employees undergo mandatory training on the Code when they join the company and every year thereafter. Records of training are maintained electronically and monitored by Woodside's General Counsel. Directors and senior managers are also required to provide annual certification of their compliance with the Code and related policies.

All directors, employees and contractors are expected to report potential violations of the Code. All breaches are recorded, investigated, and the outcomes reported. Appropriate disciplinary action is undertaken by Woodside if violations are substantiated.

Our Whistleblower Policy sets out Woodside's commitment to maintaining an open working environment that enables the reporting of misconduct and outlines processes for responding to allegations of misconduct.

Employees and our stakeholders have access to a confidential, externally managed helpline for reporting misconduct. All calls are referred to the General Counsel for review and investigation as appropriate. In 2017, there were 11 calls to the confidential helpline.

Our Audit & Risk Committee reviews reports on misconduct investigations, breaches of the Code, and matters reported to the external helpline. Woodside also maintains a specialist anti-fraud and corruption team.

Matters reported in 2017 have been tracked in a new case management system leading to greater efficiency and visibility. There were 89 reports of improper behaviour or breaches of the Code investigated in 2017. Of these matters, 46 were substantiated, 30 unsubstantiated and 13 matters remain under or pending investigation.

The substantiated matters resulted in the following outcomes:[1]

+ 35 verbal warnings
+ 13 written warnings
+ 9 contract terminations. Of these:
  › three terminations were fraud related
  › three related to alcohol and drug breaches
  › three related to inappropriate behaviour or harassment

There were no violations of anti-bribery and corruption laws detected within or in connection with Woodside in 2017.

Jacky Connolly (left), Woodside's Vice President People and Global Capability, discussing our refreshed Compass with executive assistant Denise Janssen.

1. A substantiated matter can lead to more than one outcome.

TRANSPARENCY, ANTI-BRIBERY AND CORRUPTION

16 PEACE AND JUSTICE STRONG INSTITUTIONS

Bribery and corruption undermine fair competition, erode public trust in governments and business, and disadvantage economies. They present a threat to commercial organisations and communities worldwide.

Our approach

Woodside has a zero-tolerance approach to fraud, bribery and corruption. Our standard contracting terms and conditions require compliance with Australian and international anti-bribery and corruption laws and address specific obligations in relation to our policies.

Refer to Woodside's Anti-Bribery and Corruption Policy for more information (www.woodside.com.au)

When entering non-operated joint venture agreements, Woodside expects compliance with anti-bribery and corruption obligations by the operator and other participants in the joint venture.

Woodside reviews its anti-bribery and corruption processes as part of continuous improvement and our goal to mature our approach to sustainability, and made the following improvements in 2017:

+ Woodside's Fraud and Corruption Control Program was strengthened after a comprehensive review by a leading international law firm in 2016. Improvements include expanded guidance for Woodside personnel to assist compliance, and greater consistency between relevant policies and procedures

+ We delivered updated e-learning corruption training to 1,918 managers and personnel, representing 52% of employees. Senior management and all personnel in international locations were required to complete the training. In addition, personnel travelling to high-risk locations receive face-to-face briefings on bribery and corruption risks

+ We integrated our cyber-security processes and controls to better manage internal and external threats and added a senior information security representative to our Fraud and Corruption Control Committee

We assess fraud and corruption risk across all our activities and locations. To determine risk level, the criteria used include country of operation, activities undertaken, the level and nature of engagement with government, history of enforcement, and susceptibility to fraud and corruption.

In line with Woodside's corporate risk reporting cycle, our fraud and corruption risk is reviewed at least twice yearly.

Woodside's anti-fraud and corruption team undertook forensic analysis of information systems to identify potential anomalies and continue to employ data analytics in support of fraud and corruption control.

Externally reviewed for our global operations

Prevention · Detection · Response
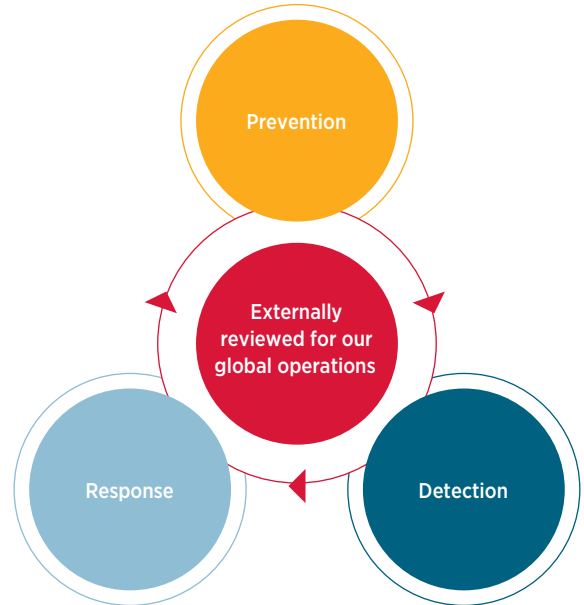
Prevention	Detection	Response
Annual Code of Conduct and anti-bribery and corruption training. Third-party engagements subject to risk-proportionate due diligence.	Risk assessments refreshed at least twice a year. Analytics conducted on procurement and finance data. Eight audits of contractors and joint venture partners conducted this year.	Zero-tolerance approach. Twice yearly Board reporting. Review of fraud and corruption control processes.

No violations of anti-bribery and corruption laws were detected within or in connection with Woodside in 2017.

2018 FOCUS AREAS

+ Integrating data analytics performed across the business to monitor fraud and corruption risks more effectively

+ Review third-party due-diligence processes to ensure they are fit for purpose in the identification and assessment of anti-bribery and corruption risks

+ Continued focus on auditing operators and high-risk contractors for compliance with anti-bribery and corruption provisions within contracts and agreements

PAYMENT TRANSPARENCY

Complying with laws, regulations and stakeholder expectations in relation to financial payments is vital to maintaining Woodside's licence to operate, and is required for all of our business activities.

Political donations
In November 2017, Woodside made a submission to, and appeared before, the Australian Federal Parliament Senate Select Committee Inquiry into the Political Influence of Donations. The Committee Chairman expressed the view that Woodside was not required to declare its subscriptions to political parties' business forums to the Australian Electoral Commission (AEC). However, as the current rules for disclosure are not clear and in the interest of transparency, Woodside continues to declare these forum membership payments.

The Woodside Board has reaffirmed its position on not donating to campaign funds for any political party, politician or candidate for public office in any country. Woodside's Code of Conduct was also updated accordingly.

Political forum memberships
We believe that the exchange of information and views is essential to mutually informed decision making.

With Board approval, in 2017 Woodside maintained membership of the two major political party business forums in Australia, being the Federal Liberal Party Australian Business Network and the Australian Labor Party Federal Business Forum.

Woodside's political contributions for the financial year 2016/17, as published by the AEC totalled A$279,800. This comprised A$110,000 each for membership of Liberal and Labor business associations and A$59,800 for participation in other state and federal political conferences and events.

Political advocacy
Woodside regularly engages in an open and constructive manner with governments of countries in which we have a presence.

There is the potential for domestic and international government policy decisions to impact our business value and create uncertainty. We therefore monitor legislative and fiscal changes, seek to understand the effects of any changes by engaging with relevant stakeholders and advocate our position.

These stakeholders may include government members, government agencies, peers and industry associations (refer to list of subscription / memberships on page 73).

Policy dialogue
In 2017, we contributed to Australian policy discussions about resource taxation, energy, and climate change.

During the year we made 23 submissions to federal and state government requests and parliamentary inquiries.

A key political issue in 2017 was the policy response to escalating gas prices on the east coast of Australia. While Woodside is not a direct participant in the east coast gas market, we continue to monitor the issue and acknowledge the priority that the

community places on access to secure, reliable and affordable supplies of energy. Such supplies are dependent upon adequate long-term investment in energy projects and consequently upon the stability of policy settings that support investment.

Refer to Woodside's public submissions on our website for more information (www.woodside.com.au).

Financial transparency
The Extractive Industries Transparency Initiative (EITI) is a global standard to promote the open and accountable management of extractive resources. The EITI is used by a growing number of resource-endowed countries to improve transparency via the publication and verification of company payments and government revenues from industries such as oil, gas and mining. As a member of the EITI since 2005, Woodside is committed to reporting our petroleum tax and fee payments in respect of operations in implementing countries. Countries in which we have an interest that are members of the EITI include Timor-Leste, Senegal, Peru and Myanmar. In 2016 the Australian Government announced its intention to implement the EITI.

Our approach to tax
Woodside recognises the importance of stability, sustainability and competitiveness in tax and fiscal regimes. Paying the taxes due under the law is one of the ways we support our social licence to operate.

Woodside does not support the use of artificial arrangements and we apply arm's-length principles to our international related-party transactions. We believe in paying taxes according to where value is created.

We have an established tax governance framework and our Board-approved Tax Policy is clear – we will comply with all tax laws and regulations applicable to our business. The Tax Policy provides for a reporting framework to the Board and Audit & Risk Committee.

Woodside is committed to maintaining open and constructive relationships with domestic and foreign tax policy creators and administrators. We take a proactive approach in clarifying interpretations and practices.

As an Australian-headquartered company, Woodside is proud to voluntarily operate under an Annual Compliance Arrangement with the Australian Taxation Office (ATO). This provides a compliance and risk management framework for real-time interaction and cooperation on tax matters including income tax and Petroleum Resource Rent Tax (PRRT).

Woodside also regularly engages with the ATO on indirect taxes, which include GST and excise, and the WA Department of Mines, Industry Regulation and Safety in relation to the administration of royalties.

We commend tax transparency initiatives that increase public confidence in the contributions and compliance of corporate taxpayers.

In Australia, Woodside participates in the Board of Taxation's voluntary Tax Transparency Code (TTC). Woodside has addressed the recommended TTC disclosures in two parts. The Part A disclosures are addressed in our Annual Report; the Part B disclosures are addressed in this report.

Demonstrating our commitment to transparency, we made our Tax Policy publicly available for the first time in 2017.

Woodside has been recognised as a leader in our sector on the DJSI for tax transparency.

(★) Refer to Woodside's Tax Policy for more information (www.woodside.com.au).

(★) Refer to Woodside's Approach to Tax for more information (www.woodside.com.au).

Tax contribution

At Woodside, we create shared value by paying our taxes, funding social programs, supporting local businesses and employing local people in the communities where we operate. We are proud of these contributions.

In Australia where the majority of our producing assets are located[1], Woodside derives the majority of its income from the sale of hydrocarbon products produced.[2] The company pays Australian tax on the profits made in relation to these sales.

Woodside is a significant taxpayer in Australia. We have paid approximately A$5.6 billion[3] in taxes and royalties over the past five years.

Woodside also pays taxes in other countries where we operate. The tax contribution summary is limited to Australia, as more than 95% of our taxes are paid in Australia.

In considering the Australian tax contribution made by Woodside, it is important to recognise that hydrocarbon production in Australia is subject to a complex mix of taxes including corporate income tax, PRRT and federal royalties and excise (both of which are applicable to the North West Shelf Project).

In 2017, Woodside paid approximately A$797 million in taxes and royalties to the federal and state governments of Australia, as set out in the table provided.[4]

Australian tax contribution (cash basis)	2017 (A$m)	2016 (A$m)
Corporate income tax	537	236
PRRT	(8)	(16)
Federal royalties	153	174
Federal excise	59	72
Payroll tax	53	51
Fringe benefits tax	3	8
Subtotal	797	525

The amount of Australian taxes we pay is impacted by a number of factors including commodity prices that affect our revenues, production levels and the amount of capital and operating expenditure on petroleum activities.

Our Effective Income Tax Rate (ETR) in respect of both our global and Australian operations is higher than the Australian corporate tax rate of 30%, as set out in the table provided.

Effective income tax rate[5]	2017	2016
Australian operations	31.5%	30.5%
Global operations	34.2%	35.9%

Woodside remains committed to making available additional information in respect of its tax contribution for each income year.

(★) Refer to our Tax Transparency information sheet for more information (www.woodside.com.au).[6]

International related-party dealings

Woodside is Australia's largest independent oil and gas company with a growing global portfolio. Our areas of activity, including our global exploration and development business interests, are set out on pages 6–7 of this report.

Supporting our business are several operations and support functions across the globe, including representative offices, providers of insurance and other services within the Group; and marketing, trading and shipping businesses.[7]

We apply arm's-length principles to our international related-party transactions, the total value of which is not significant when compared to revenue from production activities.

The primary form of our international related-party transactions is support services provided from Australia, where we are headquartered and the majority of our personnel are based. The value of these services presents approximately 1.5% of sales revenue.[8]

A component of our wider international related-party transactions relates to services provided from Woodside's office in Singapore. This office enables us to participate in the growing LNG trading markets. This includes sourcing new buyers for our uncommitted Australian LNG cargoes. The profits from these cargoes are subject to tax in Australia.

1. Refer to our areas of activity, specifically 'producing facilities', on pages 6–7 of this report.
2. Refer to the regional view of our production volumes and sales revenue from the sale of produced hydrocarbons disclosed on page 147 of the Annual Report 2017.
3. Approximately US$4.8 billion equivalent.
4. The cash basis of reporting includes all payments of taxes and receipts of refunds, including refunds of taxes overpaid in respect of prior years.
5. Derived from the Annual Report 2017, the global operations ETR is calculated as the Group's income tax expense divided by profit before income tax. The Australian operations ETR is calculated with reference to all Australian companies and excludes foreign exchange impact on tax expense.
6. This information relates to tax payable for the 2015–16 income year and is on an accruals basis.
7. Refer to the Annual Report 2017 for a full list of our subsidiaries, which include our international related parties, their country of incorporation and our ownership interest.
8. Based on Woodside's most recently filed Australian tax return.

RESPECTING HUMAN RIGHTS

8 DECENT WORK AND ECONOMIC GROWTH
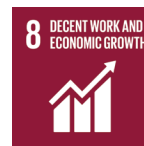
Woodside is committed to conducting business in a way that respects the human rights of all people, including our employees, the communities where we are active and those working within our supply chains.

Our approach
Woodside's Human Rights Policy was endorsed by Woodside's Board in October 2017 and details the principles by which we operate.

⊕ Refer to Woodside's Human Rights Policy for more information (www.woodside.com.au).

The policy guides Woodside's global activities as we take steps to identify, prevent and manage potential human rights impacts in all phases of our value chain. These activities are informed by the UN Guiding Principles on Business and Human Rights.

The development of the policy was guided by Woodside's Human Rights Working Group (HRWG) and informed by a benchmarking analysis of Woodside's policies and systems against industry leaders that demonstrated our strengths and opportunities for improvement.

The HRWG meets on a regular basis to support an integrated approach to human rights across the business and consider opportunities to improve our performance.

In 2017, we developed our human rights due-diligence process for our operations. Human rights are now specifically considered in the assessment of new venture opportunities.

Looking forward, we will continue to progress implementation of the Human Rights Policy. Key activities include integrating human rights considerations into our management system and developing a human rights training framework.

Engagement in government and private sector initiatives
During 2017 Woodside participated in two Australian Government initiatives aimed at addressing modern slavery.

Woodside made a submission to both the Inquiry into establishing a Modern Slavery Act in Australia and the Attorney-General's Department's public consultation for a Modern Slavery in Supply Chains Reporting Requirement. Both submissions were in support of Australian modern slavery regulation. We remain engaged with a range of stakeholders to understand the development of this issue.

We also work in collaboration with IPIECA, the global oil and gas industry's association for environmental and social performance, on joint initiatives to share good practices and develop tools to enhance human rights performance.

Woodside attended the 2017 Australian Dialogue on Business and Human Rights. We continue to participate in the Myanmar Multinational Investors Group and the AustCham Myanmar Responsible Investment Working Group in support of our activities in Myanmar.

Managing security
Woodside's approach to managing security is underpinned by our values and aimed at maintaining safe and secure operations while respecting human rights. As a signatory to the Voluntary Principles on Security and Human Rights, Woodside is committed to respecting human rights wherever we operate. We achieve this through close ongoing engagement with governments, security providers and communities.

We continued to mature our security and human rights framework in 2017 in alignment with the Voluntary Principles by further embedding risk analysis, assurance and controls into our approach. We conducted in-country assurance reviews and implemented new due-diligence processes for joint venture partners, security providers and host government forces. There were no reported security and human rights issues in 2017.

In 2018, we will continue to review and improve existing processes and implement new procedures to enhance our capability to report, investigate and remediate any potential security and human rights issues.

Managing our supply chain
Since 2016 all new contracts signed under Woodside terms and conditions require suppliers to comply with Woodside's Supplier Code of Business Conduct, which mandates that suppliers must respect the basic human rights of all people.

In 2017, Woodside took the decision to strengthen this position and engaged external expertise to support the development of a framework with controls and management activities to manage human rights risks in our supply chain.

The resulting framework describes the criteria to prioritise action, with particular focus on suppliers specific to the oil and gas industry, where Woodside and our peers are key to making a difference.

In 2018, we will start the phased implementation of the framework in collaboration with our suppliers.

Woodside in Myanmar

Woodside is committed to proactively engaging with stakeholders in communities potentially impacted by our activities (see pages 50–51 for more detail). In support of this commitment, we continued our consultation with communities in Myanmar regarding our 2017 and 2018 drilling activities.

Consultations with local communities in the Ayeyarwady Region and Rakhine State helped to build our knowledge of local livelihoods and inform our understanding of the potential impacts of our planned activities. Feedback confirmed that, due to the majority of local economic activities, including fishing, occurring in nearshore waters and Woodside's activities being located further offshore, there was likely to be limited impact to community livelihoods.

While the humanitarian situation in Rakhine State did not directly impact our offshore drilling activities during the year, it did delay some consultation activities with local communities, which have since been completed. Woodside remains concerned about the ongoing situation in Rakhine State and continues to closely monitor developments.

In late 2017, Woodside donated A$100,000 to support humanitarian relief activities in Bangladesh and Myanmar. This donation will be used to provide shelter, food, clean water and health services for displaced people. This donation is in addition to social investment support Woodside provides in Myanmar.

We continue to engage openly and transparently in relation to the human rights challenges in Myanmar with a range of stakeholders including local communities, non-government organisations, and the Australian Government and its representatives in Yangon.

Woodside engaged Myanmar's fishing communities to better understand the potential impact of our drilling activities.

REGULATORY COMPLIANCE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Woodside must operate an effective management system to ensure we comply with regulatory requirements wherever we operate. This remains a priority to meet our internal standards, the expectations of joint venture participants and stakeholders, and to maintain our licence to operate.

Our approach

Regulations protect both Woodside's and our stakeholders' rights and interests in the places we work around the world. Maintaining regulatory compliance is part of respecting our stakeholders' rights and interests.

Our regulatory compliance management process has four core elements – knowledge, planning, compliance and assessment:

+ Knowledge – understanding the regulatory landscapes in which we work
+ Planning – planning to comply as part of the way we work
+ Compliance – meeting our obligations as planned
+ Assessment – assessing our performance

As part of this process a manager is assigned accountability for regulatory compliance for each project, facility or corporate level activity.

Performance is supported by a pan-Woodside software solution called the Woodside Integrated Risk and Compliance System (WiRCS). WiRCS provides a single, accessible library to capture regulatory compliance information and track our compliance actions worldwide.

The use of WiRCS for regulatory compliance is part of a broader plan to synchronise activities and data relating to process management, internal controls, regulatory compliance and risk management. In addition to creating business efficiencies, data synchronisation enables cross-validation of business performance information (gathered as part of managing processes, internal controls, regulatory compliance and risk) to provide deeper business insights.

Our performance

There were no violations of anti-competitive practice laws detected within or in connection with Woodside in 2017.

No significant fines or monetary or non-monetary sanctions were received during 2017, with nine regulatory infringement notices being received in Australia.

2018 FOCUS AREAS

+ Improvements in assurance of processes and internal controls. Woodside's business processes and internal controls are designed to achieve our business objectives while managing risk and meeting our regulatory obligations

+ Assessing conformance to processes and control effectiveness provides us with confidence in our ability to meet our regulatory obligations

During 2017 WiRCS was used to support

43 ACCOUNTABLE MANAGERS

to track and evidence completion of

1,838 REGULATORY COMPLIANCE ACTIONS

performed by

230 INDIVIDUALS

from

22 DIFFERENT AREAS OF THE BUSINESS

supporting

49 FACILITIES/PROJECTS & 62 CORPORATE ENTITIES

across

19 COUNTRIES

FOSTERING THE ORGANISATION AND CULTURE

Employees at Pluto LNG plant.

PEOPLE

Delivering superior shareholder returns depends on Woodside's ability to attract and retain an engaged and enabled workforce that thrives in an inclusive, values-based culture.

Our approach

Our People Strategy focuses on growing outstanding leaders, building diverse capability, driving an inclusive, high-performing culture and optimising workforce performance. In line with our focus to drive better outcomes for the company and shareholders and to retain talented employees, we maintain competitive remuneration. The company's human resources and compensation policies are overseen by the Board's Human Resources & Compensation Committee.

Our performance

We continue to embrace our values-led culture through our Woodside Compass, which outlines our approach to growing a successful and sustainable business. In 2017 we refreshed our five-year-old Compass to reflect our evolved strategic direction and reinforce our drive to innovate, collaborate and accelerate (refer to image on page 29).

In 2017, we concentrated on optimising workforce performance by maintaining a stable workforce, enhancing employee engagement, driving a values-led, high-performing culture and applying leading-edge technology.

Our overall workforce[1] size remains steady at 3,597, which is comparable to 3,511 in 2016. We maintained our global voluntary turnover rate of 3.2% year-on-year which demonstrates a significant reduction over the past four years from 9.4% in 2013, supported by our strong employee engagement.

Woodside conducts an employee survey every two years to measure employee engagement and enablement. In 2017, 80% of our workforce completed the survey. Based on the results of the survey, 74% of the respondents were engaged[2] and 66% of respondents felt enabled[3].

Since 2013 our engagement levels have grown above the oil and gas industry average and are currently just below global top-performing companies. The results reveal our staff are confident in Woodside's direction and goals, and are committed to values-led growth. They are confident in our leadership, and rate highly our commitment to diversity and corporate social responsibility. A recent report by Macquarie Research[4] associates stronger financial performance with sustainable engagement levels and in 2018 our main objective will be to focus the organisation on activities to increase enablement levels.

Woodside optimises workforce performance using analytics and by applying leading-edge technology to improve process efficiency. In 2017, we continued to roll out our talent management software solution, SuccessFactors. The system allows us to execute talent management activities in one integrated platform. Under new modules introduced this year, we have better visibility of employee performance and goals, which helps maintain our strong performance culture and ensures key deliverables are being met. Our employees have also been able to input their qualifications and experience, which has given us a better understanding of the capabilities and diversity across our workforce.

ⓘ For more information on performance metrics relating to People refer to the data table on page 67.

Global voluntary turnover (%)

Year	%
2013	9.4
2014	7.3
2015	5.7
2016	3.3
2017	3.2

Engagement and enablement (%)

Year	Engagement[2]	Enablement[3]
2013	63	63
2015	70	66
2017	74	66
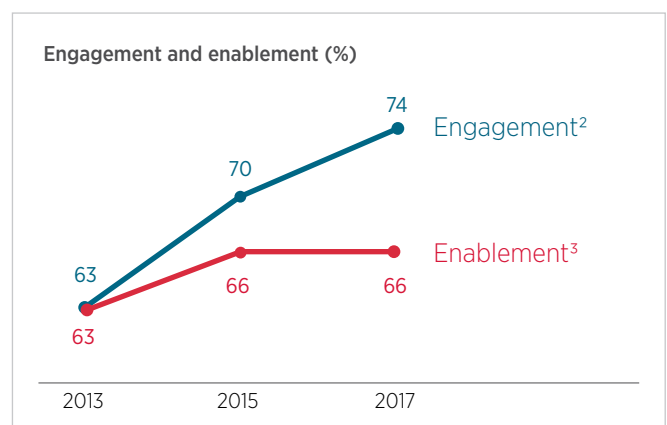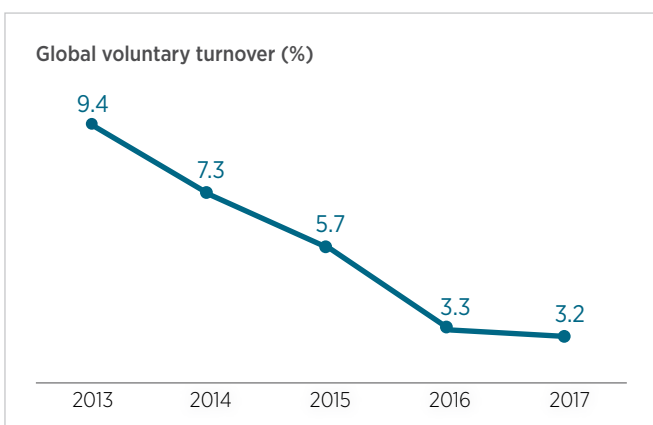
1. This includes vacation students.
2. Engagement measures commitment, loyalty and willingness to put in discretionary effort under Korn Ferry | Hay Group's Engagement Performance Framework.
3. Enablement measures our workforce's perception about the right people being in the right roles in a work environment conducive to productivity, under Korn Ferry | Hay Group's Engagement Performance Framework.
4. Macquarie Research, ESG Equity Strategy. *Picking Workforce Winners*. 2017.

LEADERSHIP

Woodside continues to focus on growing our own future leaders through targeted development opportunities.

To further strengthen our global leadership capability and readiness for growth we continue to run development centres and provide our employees with experience-based learning opportunities. Our development centres objectively assess and develop leadership capability against global benchmarks. Woodside provides employees with opportunities to temporarily join other companies and Woodside entities overseas to gain exposure to international operations, global strategies, country-specific regulations and culture.

In 2017, we established the leaders as coaches program, attended by 361 participants, to enhance our leaders' coaching skills to build the technical, leadership and safety capability of their teams. Woodside defines coaching as a leadership skill that involves facilitating a conversation to support and accelerate the performance and development of others. This program was designed and delivered internally to cater for Woodside's needs and has delivered cost savings for the business.

Our employee communities, Gender Equality Matters (GEM), Woodside Young Professionals, Graduate Community and Woodside Leadership Community, continue to host events to further strengthen our leadership capability.

Our ability to grow outstanding leaders remains evident with 68% of senior leader appointments in 2017 coming from internal candidates. The ratio of graduate hires over mid-career external hires has also increased to 69%, versus 67% in 2016.

THE WOODSIDE
◄ COMPASS ►

We have overcome some incredible challenges to be where we are today.

Now, we draw on that pioneering spirit as we embrace the opportunities ahead.

WHO WE ARE

We are an Australian company with a global outlook, resilient, determined and courageous. We believe that by doing what's right, by living our values every day, we can perform to our very best.

RESPECT
We give everyone a fair go. We listen.

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

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.

INTEGRITY
We are open, honest and fair. We do what we say we will do.

EXCELLENCE
We achieve great results. We learn. We get better. We have the courage to do the right thing.

WHERE WE'RE GOING

We strive for outstanding results, clear on our aims and dynamic in our approach.

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 unwavering focus on maximising our base business, building the value of our portfolio and growing our market.

HOW WE WILL GET THERE

We are motivated to build on Woodside's reputation as a highly regarded and successful company. We are inclusive and cohesive, working as a team to sharpen our competitive edge and drive progress.

WE INNOVATE
We seek ways to continuously improve, always striving for better outcomes. We are solution-focused, exploring fresh ideas and embracing new ways of working.

WE COLLABORATE
We work together, combining our distinctive capabilities to deliver the best possible result. We aim to be the partner of choice wherever in the world we operate.

WE ACCELERATE
We take decisive action in line with our business priorities and our values. We are agile, acting swiftly to achieve outstanding results.

INCLUSION AND DIVERSITY

Respect is one of our core values. We recognise that a key contributor to our success is an inclusive culture that promotes diversity and a sense of belonging.

Our Inclusion and Diversity Policy outlines our commitment to an inclusive and diverse workplace. In 2017 we progressed our 2016–2020 Reconciliation Action Plan (RAP), developed a global Indigenous Peoples Strategy and continued to implement our Gender Diversity Strategy.

Our employee group Spectrum also continues to support an inclusive working environment for lesbian, gay, bisexual, transgender and intersex (LGBTI+) staff at Woodside. We conducted numerous LGBTI+ awareness training sessions for interested staff supported by trainers from Pride in Diversity.

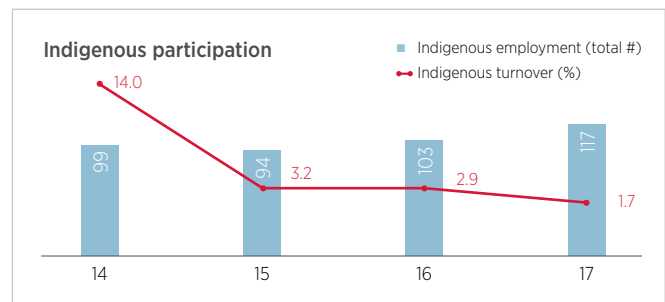👁 Refer to Woodside's Inclusion and Diversity Policy for more information (www.woodside.com.au).

Indigenous participation

Woodside is committed to creating opportunities for Australian Aboriginal and Torres Strait Islander peoples. In 2017 we commenced the second year of our third Reconciliation Action Plan (RAP), which Reconciliation Australia awarded its highest rating of Elevate. For additional information on the RAP and our commitment to outcomes for Indigenous people, refer to page 54.

Highlights from the past 12 months include these achievements:

+ Increased our directly employed Indigenous workforce from 103 employees in 2016 (3% of total workforce) to 117 employees (3.3% of the total workforce)

+ Increased our retention of Indigenous employees. Voluntary turnover reduced from 2.9% in 2016 to 1.7% in 2017

+ Continued to strengthen our talent pool through our pathways programs. In 2017, we made offers to eight Indigenous candidates to join the graduate development program (representing 8% of graduate intake). We have 27 Karratha-based Indigenous apprentices and trainees and 10 cadets undergoing tertiary study and work placement at Woodside

+ This is further supported by programs to provide greater high school and university opportunities to Indigenous people, including support of St Catherine's College (refer to the Indigenous scholarships case study below)

Woodside recognises that cultural awareness is a key enabler to maintaining a respectful and inclusive workplace culture. In 2017, 494 participations attended cultural learning sessions, representing a 55% increase in participation as compared to 2016. This has included coaching workshops, Noongar language classes, and on-country cultural learning walks in Perth and Karratha. Woodside partners with Jawun to provide secondment cultural enrichment opportunities to current and future leaders in order to build their cultural competency and leadership skills, through a six-week placement in Indigenous communities. Our employee group, Woodside Reconciliation Community, advances Woodside's objectives through an engaged, active and informed Reconciliation collegiate. They drive company-wide activities for Reconciliation and NAIDOC weeks and membership continues to grow.

Indigenous participation

Legend: ■ Indigenous employment (total #) · ●— Indigenous turnover (%)

Year	14	15	16	17
Indigenous employment (total #)	99	94	103	117
Indigenous turnover (%)	14.0	3.2	2.9	1.7

CASE STUDY
Indigenous scholarships

In collaboration with our joint venture partners and government, we support multiple education-based and remote school equity programs. These programs aim to improve education standards and attainment. St Catherine's College at the University of Western Australia provides equity of access for Indigenous students through its Dandjoo Darbalung program. At present, 17 students are attending St Catherine's on scholarships as part of Woodside's key partnership with the program. The overall student university retention rate through this scholarship is 75%, which is 20%

higher than the national average. Of the 24 students who have been recipients of this Woodside scholarship, 12 are continuing their studies and 11 have found full-time employment.

We also have partnerships with schools in Karratha, Roebourne and Broome. These partnerships help create opportunities for school and community to come together for both education and culture, in addition to attraction and retention of qualified gas industry personnel. For more information on the Karratha Education Initiative, refer to the case study on page 61.

Gender balance

In 2017, we advanced our strategy to drive sustainable improvements in gender diversity within our workforce. Female representation remains steady at 29% versus 28.4% in 2016, which is significantly higher than the industry average of 22%.[1] Voluntary turnover is 4.5% and the return rate from parental leave is 95%, which is our highest rate recorded. Executive and senior female representation have continued to increase since 2016 from 19.6% to 23.9% and 15.9% to 17.6% respectively.

We continue to build our female talent pool through our development programs. Our Production Training Academy continues to develop our female trainees and apprentices. In 2017, the overall percentage of females in our graduate development program increased and the intake of females into technical roles remains strong.

Woodside accelerates the development of women to progress into senior leadership roles through providing gender balanced opportunities such as the Master of Business Administration program and Women on Board workshops.

In 2017, Woodside's parental leave entitlements were updated in support of our focus on inclusion and diversity, recognising that families are formed in a range of circumstances (for example birth, surrogacy and adoption) and that caring is shared across roles within a family unit. The Gender Equality Matters (GEM) employee group continues to drive education and engagement on gender equality at Woodside. A new employee group called "Man Up" was established to engage men in gender diversity equity and the creation of an inclusive workplace culture.

EXECUTIVE	SENIOR	MID-LEVEL	GRADUATE INTAKE[2]
2016 19.6	2016 15.9%	2016 29.4%	2016 50%
2017 23.9%	2017 17.6%	2017 28.6%	2017 50%
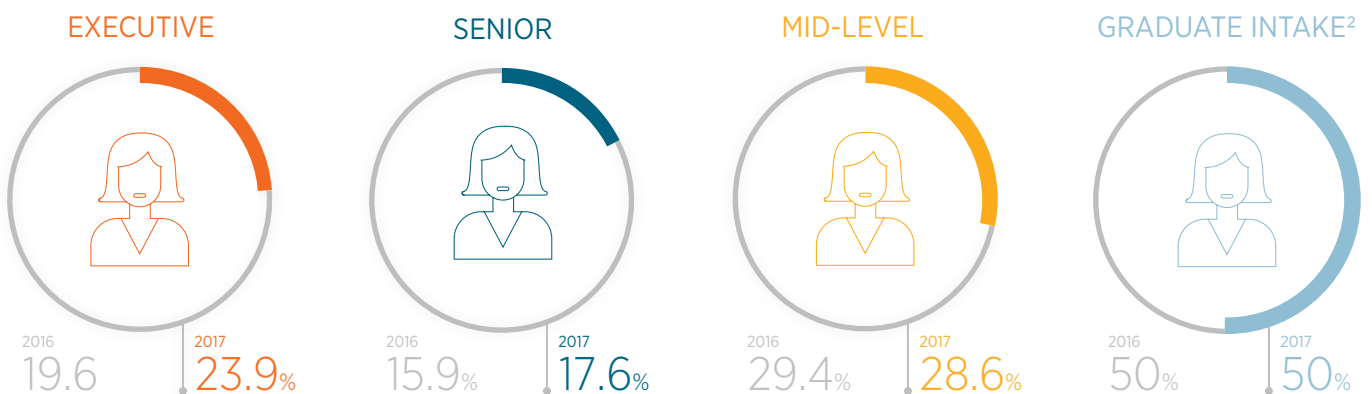
Employees on site at Pluto LNG in Karratha, Western Australia.

1. The World Petroleum Council and The Boston Consulting Group, 2017.
2. Offers and acceptances to commence in 2018.

CAPABILITY

Woodside is committed to building diverse capability by providing all employees with high-quality learning experiences. There are currently 100 employees on internal cross-functional rotations, which aim to broaden their experience across our value chain. The company continues to support employees further developing their capability in their discipline through additional tertiary education qualifications. This results in higher performance delivered in current roles and opportunities to progress into larger and more significant positions.

Our graduate development program continues to provide structured learning opportunities to accelerate working autonomously. In 2017, 94 graduates participated in action learning projects.

The Production Academy provides core skills development for operator trainees, apprentices, laboratory, IT, business administration, warehouse and operations support trainees. In 2017, focus areas included ongoing core skills competence for our existing operator and maintenance technician workforce, updating of production competency profiles and the introduction of a pilot pre-apprenticeship program for selected Indigenous candidates. We continue to work with industry in a Verification of Competency collaborative forum and in the development of industry-specific Process Plant Operations qualifications.

We recognise the importance of equipping students today with the knowledge and skills they will need for the jobs of the future. We are committed to championing the study of science, technology, engineering and maths (STEM), to build capability within the next wave of scientists. To achieve this, we work closely with external agencies and organisations to promote learning in critical areas – for our business, our industry and wider society.

CASE STUDY
STEM in schools

Creating a pipeline of talent for the resource industry starts with fostering an interest in maths and science at a young age.

Through the Woodside Australia Science Project, Woodside has collaborated with Earth Science Western Australia (ESWA) to provide resources, materials and training to around 3,000 teachers, as well as school visits, that promote earth and environmental sciences.

One new initiative, which is leveraged off our partnership with ESWA, is our STEM in Schools program. Led by the Gender Equality Matters (GEM) group, employees have been volunteering at primary and secondary schools to promote STEM subjects and STEM-related career paths.

In 2017, more than 178 Woodside employees have delivered STEM in Schools sessions to more than 7,000 students across Western Australia. Woodside won the World Petroleum Excellence Award for this program. Refer to page 59 for details of Woodside's award.

Woodsiders at Kinross Primary School in Western Australia promoting STEM subjects.

BUILDING A RESILIENT BUSINESS

On site at Pluto LNG plant.

ECONOMIC PERFORMANCE

We have a clear strategy to deliver superior shareholder returns across three distinct time horizons. These horizons are characterised by cash generation (2017-2021), unlocking value (2022-2026), and repeating our successes (2027+). Strong performance from our base business and improved market conditions have generated strong cash flows and contributed to improved profit.

Our 2017 annual production was 84.4 MMboe. This included 34.8 MMboe from our North West Shelf Project, incorporating 6.0 MMboe of domestic gas for the Western Australian market, and 41.1 MMboe from our Pluto LNG Project.

We generated $3,908 million in operating revenue for the year. With a low unit production cost of $5.2 per boe, our strong performance contributed to a net profit after tax of $1,024 million.

Our cash flow from operations of $2,400 million allowed us to fund our investment spend and generate free cash flow of $832 million. In 2017 we declared $826 million in dividends, equivalent to 98 cents per share (cps). Our dividends were fully franked for Australian taxation purposes and our gross dividend yield for the year was 5.4%.

Woodside's break-even oil price, the price where cash flow from operations is expected to equal investment expenditure, was $36 per bbl, well below the average price for Brent this year.

A full description of Woodside's financial and operational performance and reserves statement is contained on pages 19–67 in Woodside's Annual Report 2017.

One way in which we depict our total economic contribution is illustrated below. The chart shows economic value retained, calculated as economic value generated less economic value distributed to shareholders, governments, suppliers, employees, host communities and financiers.

In 2018 and beyond, we will continue to deliver in accordance with our strategy across three distinct time horizons.

Refer to pages 24–25 of the Annual Report 2017 for more information on Woodside's strategy.

Value generated (economic contribution)

Value generated and distributed ($ billion)[1]

Chart axis: US$b, values 0 to 5.

Categories and values: Value generated 3.91; Dividends (0.83); Suppliers[2] (1.56); Employees[3] (0.71); Interest (0.20); Communities (0.01); Investment and repayments 0.04; Taxes (0.61); Value retained 0.03
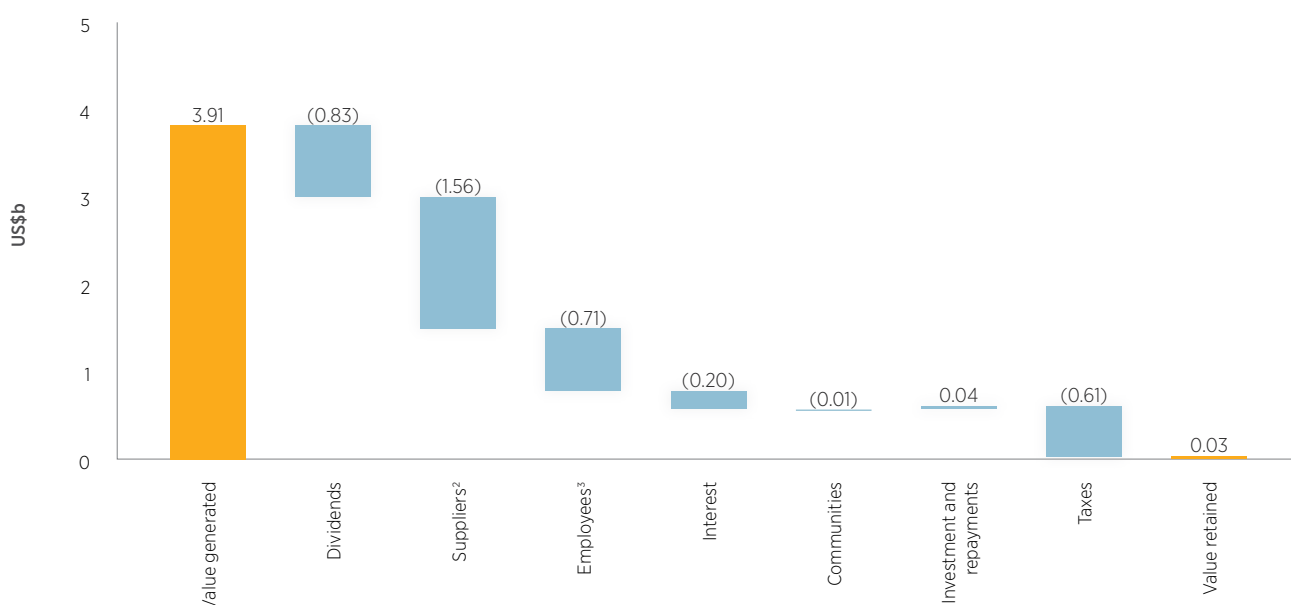
1. Value generated and distributed is consistent with the Woodside Annual Report 2017, consolidated statement of cash flows. Components reported have been derived from the consolidated statement of cash flows, or converted to USD using the average rate of 0.77 AUD/USD.
2. Supplier costs are consistent with the Group's audited financial statements. They include operating, capital and exploration expenditure paid to suppliers and contractors for materials and services and exclude employee wages and benefits, payments to governments, payments to community groups, investments and repayments, interest, depreciation, amortisation, impairments and relevant indirect taxes.
3. Value distributed to employees is based on Woodside's gross payroll costs reported on a cash basis.

WORLD ENERGY OUTLOOK

We are here for the long term. We monitor global trends for energy demand and use scenario planning to explore the resilience of our business and the ways in which Woodside can contribute to global sustainable development goals.

The International Energy Agency (IEA) expects the world will need 28% more energy in 2040 than it produces today. The Asia-Pacific region will account for nearly two-thirds of global energy demand growth through to 2040. There are several key long-term trends in energy demand identified by the IEA:

+ **Electrification – dominant source of energy demand growth**
  Increased electrification of all economic sectors, including transport, contributes to total demand for electricity growing at over twice the pace of total energy demand growth

+ **Oil will remain a key part of the energy mix into the future**
  While oil remains the primary energy source in 2040, demand begins to plateau in the late 2020s due to an increase in demand for electric vehicles and improvements in the efficiency of internal combustion engines. Oil demand for petrochemical feedstocks and heavy duty transport remains resilient

+ **Gas helps avoid emissions and addresses intermittency**
  The IEA anticipates natural gas demand increasing by 45% between 2016 and 2040. Gas displaces coal and complements renewables in power generation due to its competitive cost, lower carbon footprint, fast deployment and flexibility as back-up generation. China alone represents nearly a quarter of global gas demand growth through to 2040 as political and environmental pressures advance gas in the electricity and transportation sectors

+ **Renewables experience strongest growth**
  Renewable energy sources experience the strongest growth of all primary energy sources, principally for use in power generation

+ **Coal demand declines**
  Although coal use is expected to increase in key markets such as India and South East Asia, demand for cleaner fuels results in primary demand for gas overtaking coal demand in the early 2030s

LNG outlook

The LNG market is in a period of rapid expansion of supply. Strong global economic growth and demand for cleaner fuels have also driven very rapid growth in LNG demand. Earlier expectations of an extended period of oversupply are giving way to a recognition that an LNG supply shortfall could emerge by the early 2020s. Meeting this shortfall requires near-term commitment from both LNG suppliers and buyers to develop new resources.

China, India, Pakistan, South Korea and South East Asia have all shown recent signs of LNG demand upside, supported by GDP growth and strong policy support.

In China, policy moves to increase gas use in the recent Five Year Plan are starting to take effect. New Chinese energy policies targeting urban air pollution, coal power retirements and reliability for renewables are expected to create additional natural gas and LNG demand upside. LNG imports have filled over 50% of gas demand growth in China over the last two years, and this is expected to continue until more domestic supply comes online in the early 2020s.

The Chinese Government targets gas having a 15% share of the energy mix by 2030, up from 6% in 2017. Much of this growth is likely to come from LNG imports, with new contracting expected to begin imminently.

In South Korea, policy shifts away from coal and nuclear power have caused a surge in LNG demand. In India, LNG import capacity is expected to increase rapidly through to 2021, removing potential logistical constraints on demand growth.

New technologies and operating models such as Floating Storage Regasification Units are also continuing to open new markets and shortening time to first LNG imports, particularly in emerging markets such as Pakistan and South East Asia.

With emergent demand upside and potential delays for new projects under construction, the market could tighten earlier than some forecasters anticipate. New Final Investment Decisions will need to be taken by 2020 to ensure that the market remains adequately supplied from 2023. Woodside is well positioned to respond with a significant portfolio of gas resources that can be delivered at globally competitive costs of supply, to respond to these LNG market dynamics.

Woodside believes gas will continue to play an important role in the energy mix. We are evolving to meet the challenges of a low carbon economy by offering our products to meet the world's requirements for reliable and sustainable energy, exploring opportunities to partner with renewables and development of new markets.

CLIMATE CHANGE
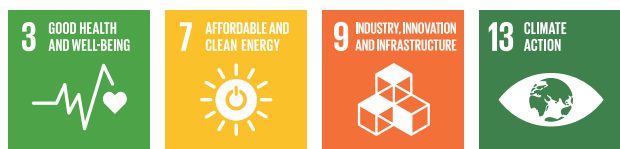
Woodside believes that natural gas will continue to play an important role in the long-term energy mix, reducing emissions by replacing coal and integrating with renewables to address intermittent power generation.

In 2017, Woodside released its Climate Change Policy supporting its defined climate change approach in these ways:

+ Ensuring the resilience of our portfolio
+ Improving the carbon performance of our facilities and developments
+ Communicating the future role of gas

Woodside continues to invest in and promote technologies that reduce emissions and promote energy efficiency.

We are evolving to meet the challenges of a low carbon economy by offering our products in a way that meets the world's requirements for reliable and sustainable energy, including partnering with renewables and developing new markets. This aligns with the SDGs Affordable and Clean Energy (7), Industry, Innovation and Infrastructure (9) and Climate Action (13).

Refer to Woodside's Climate Change Policy for more information (www.woodside.com.au).

Governance and risk management

Responsibility for climate change risk within Woodside rests with the Woodside Board through its Sustainability Committee, and Woodside's Managing Director and Chief Executive Officer. We manage climate change risk using our business risk management process.

Climate change presents a range of opportunities and risks for our business. Key opportunities for Woodside relate to demand for lower carbon fuels, such as gas, and energy efficiency. Risks for Woodside are primarily associated with our ability to adapt to different transition scenarios for gas and LNG usage. Other risks include the physical impacts of a changing climate.

Refer to Woodside's latest Climate Disclosure Project (CDP) response for more information (www.woodside.com.au).

Risk of reduced demands for fossil fuels

Lower demands for fossil fuels may make investment for new assets more challenging. This potential risk could disproportionately impact emissions-intensive assets with high cost of supply. With our portfolio heavily weighted to gas the life-cycle emissions intensity of our assets is relatively low. We also have made dramatic reductions in the costs for our

opportunities. By leveraging existing infrastructure we have achieved a 60% cost reduction for the Browse development concept, compared with the previous Kimberley concept. We have also achieved a 30–40% cost reduction for Kitimat since acquisition through innovation and technology. We aim to achieve top decile break-even prices through further innovation.

Physical risks and adaptation

We have modelled the long-term impacts of climate change on our facilities. Our analysis shows that the main impact is sea level rise and this is accounted for in our basic design data (BDD). The BDD for each facility is formally reviewed every five years. If, upon revision, a significant change from the previous BDD is identified then a formal management-of-change process is initiated to inform stakeholders, understand the impact and if necessary, indicate remediation. The process can occur on a more frequent basis should a particular issue be identified. We have also considered potential changes in tropical cyclone characteristics and surface temperatures.

We participate in an industry forum led by the International Association of Oil and Gas Producers (IOGP) that is developing best practice recommendations on how to model and respond to the physical impacts of climate change.

CLIMATE CHANGE OPPORTUNITIES

+ Demand for lower carbon fuels will increase, especially in sectors that have few zero-carbon alternatives
+ Climate change and air-quality policies encourage coal to gas substitution in the power sector
+ Growth in renewable electricity supports the long-term use of natural gas as a relatively low-carbon and flexible fuel
+ Efforts to improve our energy efficiency allow us to convert more of our reserves to saleable product

CLIMATE CHANGE RISKS

+ Reduced demand (or slower demand growth) for fossil fuels resulting in reduced asset value
+ Physical climate change impacts on our facilities
+ Carbon-reduction policies increase taxes and regulatory burden
+ Changing stakeholder expectations lead to challenges in gaining approvals for new projects

Climate change remains a global material issue.

Progress on the Paris Agreement continued in 2017, with more than 173 of the 197 Parties to the Convention having now ratified the agreement. The United States has announced that it will withdraw from the Agreement.

Recent United Nation's meetings have started to define how the Paris Agreement will be implemented and have resulted in emerging initiatives being launched, such as "Powering Past Coal" which aims to phase out coal power by 2030.

For the first time since industrialisation, global emissions plateaued between 2014 and 2016 whilst the global economy grew. However, emissions increased slightly in 2017, highlighting the need for additional efforts to enable the world to transition to a low carbon economy.

There is rising investor interest in climate change issues, including risks to existing business models. Recognising this, Woodside discloses the process for identifying climate-relevant risks and opportunities, our scenario analysis process and corporate oversight of climate change risk and related issues.

Portfolio resilience

We acknowledge that our investors, regulators and other stakeholders want us to be transparent about the impacts of climate change on our business.

Delivering natural gas as a key part of the long-term energy mix

About 90% of the emissions from Woodside's value chain comes from our customers using our products. This means that the greatest opportunities to impact global emissions come from how and where our customers use our products. As the lowest emission fossil fuel, natural gas reduces emissions when it replaces oil or coal.

Scenario analysis

The energy future will be shaped by factors including economic growth, technology, politics and a choice of development goals; including energy poverty and air quality. A number of institutions have developed long-term energy scenarios that contemplate a range of outcomes and a range of probabilities of those outcomes. These include low carbon scenarios, many of which illustrate a strong role for LNG as a clean, reliable, flexible and low-emission energy source.

In 2017, we committed to including a 2°C scenario in the range of scenarios we use to understand potential impacts, risks and opportunities from climate change. Woodside has developed a long-term integrated energy-economics model to quantify the impacts of potential change in energy markets, with a particular focus on LNG.

We consider a range of carbon prices to test investment decisions, including prices that are consistent with a 2°C outcome.

The robustness of our business is assessed for current assets and development projects on a periodic basis against various business environment assumptions including oil price and operating costs. Woodside defines scenarios using macroeconomics including long-term energy supply and demand, policy and oil price. Analysis to date indicates that cost of supply is a key factor to enable and maintain long-term business sustainability.

Woodside regularly reports on cost of supply via public results briefings. In the past three years unit production costs have reduced by more than 30%.

In the future we plan to further discuss our approach and process for developing long-term energy scenarios.

LNG fuels in the transport sector

In the transport sector, passenger and other light vehicles may transition to batteries. But batteries are unlikely to be able to provide sufficient energy density for heavy transport sectors such as international shipping.

To better quantify the emission benefits of LNG, we calculated the life-cycle emissions for realistic LNG consumers in the Pilbara using emissions data from the Pluto LNG plant and engine manufacturers' data where available. We modelled the impact for locomotives, mining equipment and remote power generation. The relatively low-emissions intensity of LNG presents an opportunity to reduce heavy transport greenhouse emissions by up to 30%, whilst also reducing local air pollutants such as sulfur oxides (SO_X), oxides of nitrogen (NO_X) and particulate matter.

The major source of uncertainty in LNG greenhouse gas–emission benefit is the amount of 'methane slip' in each engine. Methane slip applies to certain dual-fuel engines and results in a small fraction of the natural gas fuel passing through the engine without combusting, which can offset the benefits of switching to gas. Manufacturers have significantly reduced methane slip in recent years and there are already engines for marine and power generation applications that achieve zero or near-zero methane slip.

As well as having greenhouse gas benefits, natural gas also has nearly zero SO_X and particulate emissions and dramatically lower NO_X emissions. The table below shows how LNG compares as a transport fuels to other products.

	LNG	Diesel/Marine Gas Oil	Heavy Fuel Oil
Cost	🟢	🔴	🟢
Volumetric energy density	🟡	🟢	🟢
CO_2	🟢	🟠	🔴
NO_X	🟢	🟠	🔴
SO_X	🟢	🟡	🔴
Particulates	🟢	🟡	🔴
Spill clean-up	🟢	🟠	🔴
Technology ready[1]	🟠	🟢	🟢

Best ⟵ ⟶ Worst

1. Includes supply-chain readiness.

Schematic of LNG truck-loading facility at the Pluto LNG plant.

Supplying the Pilbara – LNG fuels

To accelerate development of the LNG fuels market in the north-west of Australia, construction of a LNG truck–loading facility is being progressed at the Pluto LNG plant. This will allow Woodside's LNG to be distributed by truck to customers throughout the Pilbara. Three billion litres of diesel is imported into the Pilbara each year. If a third of this was replaced with LNG, it would reduce our customers' emissions by up to half-a-million tCO_2e.

The Pilbara location also gives us access to one of the largest shipping routes in the world, transporting iron ore from Western Australia to Asia. The ships on this route use five billion litres of heavy fuel oil each year. Use of heavy fuel oil will be restricted from 2020 with the introduction of International Maritime Organisation limits on sulfur emissions, forcing shippers to install emissions control systems, use low-sulfur fuels, or use LNG. To catalyse the use of LNG on this route, we are a founding participant in the "Green Corridor" Joint Industry Project. This partnership includes Rio Tinto, BHP, FMG and shipping industry participants. One of its first activities has been to design and certify an LNG-fuelled ship that can operate on this trade route. This milestone was achieved in October 2017 and supports SDG 9 Industry, Innovation and Infrastructure.

Renewables

We are also exploring opportunities for LNG to partner with renewables to provide integrated energy solutions. Renewables are well suited to providing off-grid power but they need a reliable and flexible backup, which LNG can provide. We are also investigating ways to use batteries and solar in conjunction with our facilities to address power needs and to reduce emissions.

We are exploring new uses of LNG, new markets and new ways to deliver power to them. The models we are developing for integrated remote power generation in the Pilbara can also offer a reliable and sustainable source of power in non-OECD countries, supporting SDG 7 Affordable and Clean Energy.

Oil in Woodside's portfolio

Our portfolio is heavily weighted towards gas and is expected to remain so despite our recent oil investment in Senegal. Although we strongly believe in the long-term future of gas we continue to invest in oil as it provides diversification in terms of both product mix and geographic location. Oil is also likely to continue to be a major part of the energy mix, despite a broad expectation of peak oil occurring in the coming decades. Oil assets typically have shorter development cycles and payback periods, meaning that current investments in oil assets also have less impact on our long-term portfolio.

Policy advocacy & partnerships

Carbon pricing

As a long-term policy objective, Woodside continues to support global carbon pricing as a means to achieve low-cost emissions reductions. We also remain supportive of market-based mechanisms in the absence of global action. Carbon policy needs to be applied consistently to all fuels and emission sources so that industries such as LNG are not disadvantaged with costs that international competitors may not face. Delivering sustainable energy is a key priority. We believe that reduction in emissions via carbon pricing and policy is part of the solution. We also believe that producing LNG can deliver benefits aligned to several SDG outcomes such as cleaner air, energy security and reducing poverty.

Partnerships – CO2CRC

In line with our Climate Change Policy principle of partnering with research organisations, we recently joined the CO2CRC (formerly the CO2 Cooperative Research Council) and are represented on the group's board. The CO2CRC conducts world-class research into carbon capture and storage (CCS) technology using pilot-scale projects in Victoria. The CO2CRC is developing technology and expertise to support the long-term commercialisation of CCS.

Partnerships – World Bank Zero Routine Flaring initiative by 2030

In 2017, Woodside became the first Australian-based company to sign the World Bank Zero Routine Flaring Initiative. Woodside continues to support policies that encourage the cessation of routine flaring of gas associated with oil production by 2030 across the industry. Woodside will report on its progress towards this goal when requested by the World Bank.

Improving our emissions performance

Our direct emissions principally come from fuel used to power our facilities, reservoir CO_2 that we vent, and flaring. Over 95% of this is carbon dioxide, but methane, nitrous oxide and sulfur hexafluoride also contribute small quantities. The NWS Project, our largest facility, emitted approximately 1% more than its regulated baseline in the 2017 financial year due to increased production, major shutdowns falling outside the financial year and increased flaring. The Clean Energy Regulator made a determination providing for a multi-year monitoring period. We expect NWS emissions to return to below the baseline during this monitoring period due to improved flaring, more typical shutdown timing and ongoing efforts to improve energy efficiency.

Our overall equity emissions decreased from 2016 to 2017 due to changes in our portfolio equity share. Our non-operated Wheatstone facility commenced production in 2017, contributing 49.6ktCO2e to equity emissions. Equity emissions intensity increased slightly during the period due to a predicted increased share of LNG in our product mix as a result of a reduction in our domestic gas equity position in NWS. Producing LNG is typically more fuel-intensive than domestic gas.

Flaring

Operational flaring in 2017 was 280,517 tonnes of hydrocarbon, an increase from 2016 that exceeded our 2017 target by 50,000 tonnes. Defects in the main heat exchangers at Karratha Gas Plant (KGP), requiring refrigerant to be flared for continued efficient operation, were the main cause. Scheduled repairs in 2018 will reduce this source of flaring. Unplanned shutdowns due to electrical faults also contributed to flaring at our two operated LNG plants. Although the direct causes have been addressed, we are actively reviewing the facility to identify and mitigate any further reliability risks.

Energy efficiency

In 2016, we set a target to improve energy efficiency by 5% by 2020, which equates to a reduction of 389 ktCO2e. This is a challenging target that requires work-force led optimisation opportunities in our operations. These bottom-up innovations reflect a growing awareness and focus on energy efficiency, and complement step-change improvements being considered as part of new investment opportunities and life extension works (e.g. GWA platform use of batteries, refer to case study on page 40). To date we have implemented improvement projects that achieve 20% of this target and identified projects that deliver a further 70%. We will continue to identify and implement additional opportunities across each of our operating assets to achieve this target.

Scope 1 and Scope 2 operated emissions by source

2017 operated emissions by gas

- CO_2: 9,439
- CH4: 428
- N_2O: 12.7
- SF6: 2.5

Equity emissions

Planned energy efficiency improvements against baseline
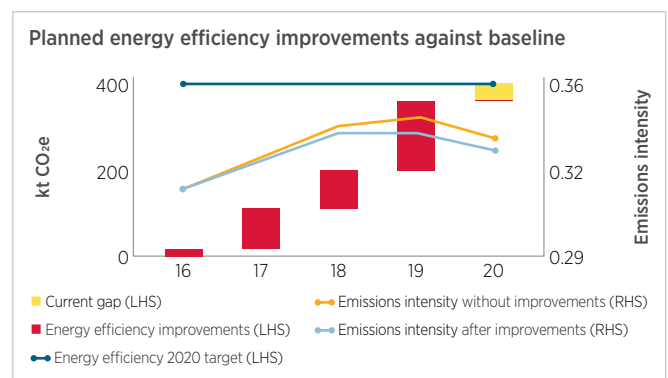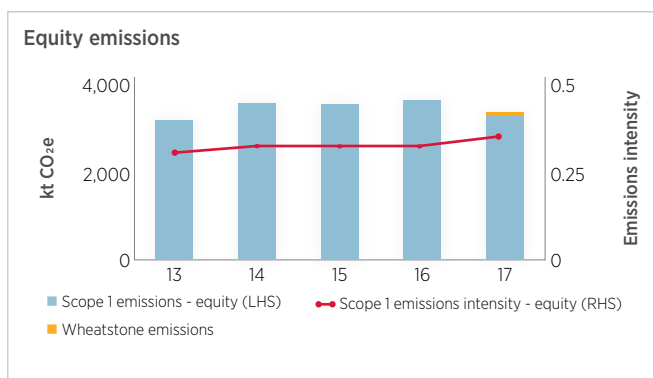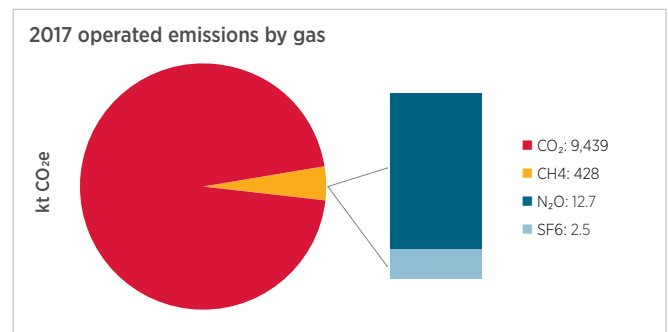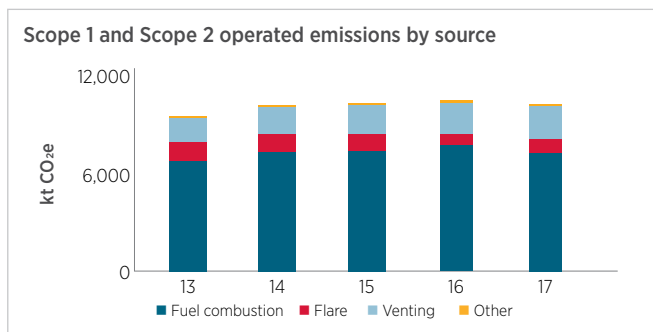
CASE STUDY

Improving energy efficiency

An LNG facility is essentially a large, industrial refrigerator, cooling the natural gas from the reservoir below -160°C so it can be transported in liquefied form. The energy to run this process comes from gas turbines. Over time, dust and other contaminants in the air degrade the performance of these turbines and reduce their efficiency. Based on a successful implementation of new technology at the Karratha Gas Plant, we recently upgraded turbine air filters at the Pluto LNG Plant so they now capture particles as small as 0.1 microns. These more advanced filters reduce the rate at which performance degrades, resulting in higher production. For Pluto's filters, this production is equivalent to an annual emissions saving of approximately 20 ktCO$_2$e. This delivers about 5% of Woodside's 2020 target.

APPLYING TECHNOLOGY AND INNOVATION

We believe that technology and innovation are essential to unlocking new energy markets, reducing our capital and operating costs, managing cyber-security risk and ensuring our long-term sustainability.

Our approach

First, start with a business opportunity or problem. Then – think big, prototype small, and scale fast.

Collaboration remains key to how we harness, develop and apply new and disruptive technologies to help solve some of our industry's largest and most complex challenges. It is also allowing us to reduce risk to both our business and our people and lower our environmental impacts.

Analytics, sensors and robotics

Woodside's data analytics program has provided Woodside with opportunities to boost productivity by allowing us to make faster and more accurate decisions, safely and efficiently.

In order to make further gains, Woodside has developed and deployed a prototype advanced sensor network utilising new low-cost wireless sensors. These sensors can quickly stream data to our existing analytics platform, driving even further insight around specific business opportunities.

In June 2017 we launched a program with the US Federal Government's National Aeronautics and Space Administration (NASA) under which Woodside will conduct a five-year program to develop applications for NASA's Anthropomorphic Robonaut System. Woodside will contribute its advanced cognitive science technology and NASA will share its experience in robotics.

In addition to the NASA Robonaut, Woodside's robotics program includes machines capable of gathering specialised data through tele-operations and semi-autonomous patrols and inspections. In November we trialled two robots at Pluto LNG plant to perform activities suggested by our operators, engineers and maintenance workers.

Applying data science, smart sensors and robotics to our existing facilities enhances our current performance and provides the insights and experience to optimise the designs of our future facilities.

Cognitive computing

Our cognitive adviser, known as Willow, was built and designed by Woodside and is already being used by more than 1,900 employees.

Willow interacts in plain language and is intuitive to use. Willow is designed to connect to domain-specific information and surface the information to the user in seconds, and automate transactional functions such as booking leave. Willow uses artificial intelligence learning to get better at providing insights which help our people to unlock our collective intelligence both past and present.

In 2018, Willow will be rolled out to the entire company.

Cyber-security

A cyber incident presents a risk to the integrity, availability and confidentiality of Woodside's operations and corporate information. Globally, cyber-security threats remain persistent and adversarial with an ever-increasing level of frequency, sophistication and severity. Woodside manages a range of risk controls to ensure adequate protection, detection and response against cyber-attacks.

In 2017, we continued to enhance our cyber capabilities and established a 24x7 monitoring centre, improved our detection systems and completed a project aimed at ensuring our operational technology systems are secure. This is in addition to ongoing collaboration with government agencies, academia, industry peers and globally recognised service providers.

Partnerships

Woodside's FutureLab continues to actively build an ecosystem of scientific and technological innovation through collaborations with research institutions, start-ups, entrepreneurs and adjacent leading industries.

CASE STUDY

World-first offshore battery

In 2017, Woodside formalised an agreement with ABB Australia Pty Ltd under which a lithium-ion battery energy storage system will be installed on the Goodwyn A (GWA) platform in the second half of 2018.

The installation of the 1 megawatt hour battery will reduce the need for backup capacity (known as spinning reserve) in GWA platform's power generation system.

As a result, it is expected that the use of fuel gas will be reduced by more than 2,000 tonnes per year, allowing for incremental LNG production and delivering an estimated 5% decrease in the platform's fuel gas emissions.

OPERATING
RESPONSIBLY

Working at our Pluto LNG plant.

MAJOR INCIDENT PREVENTION

14 LIFE BELOW WATER

The oil and gas industry involves working with flammable hydrocarbons at high pressure and it is vital these substances are handled safely. A major incident from a loss of containment event could have serious consequences for people, communities, environment, assets, and the company.

Our assets are at varying life-cycle stages and we are diligent in managing asset integrity across the portfolio of our structures, equipment, piping and wells to prevent a loss of containment.

Refer to Woodside's Health, Safety, Environment and Quality Policy for more information (www.woodside.com.au).

Process safety management (PSM), a disciplined framework for managing integrity across the value chain and asset life-cycle, provides the mechanism to prevent a major incident. PSM remains critical to the oil and gas industry, and performance is subject to strong stakeholder scrutiny.

Our approach

In 2017, we continued to embed process safety through our line-led, risk-based approach. This places high value on visible leadership and operational discipline. Our focus has been on ensuring robust processes and tools are in place suitable for global application. Coupled with our ongoing competency program, this will enable effective management of process safety risks.

These were some of the major achievements in 2017:

+ Continuation of the Karratha Life Extension (KLE) Program to eliminate process safety vulnerabilities

+ PSM requirements embedded into value stream activities for Projects and Contracting and Procurement

+ Competency program extended to core KGP Brownfields contractors (refer to case study on page 43)

+ Process safety governance activities extended beyond assets to cover functional and operating unit-level forums

During 2017, an internal PSM audit was conducted. The audit confirmed a step change in performance had been achieved through the improvement project scopes completed in 2016. It was recognised that full PSM embedment will be a multi-year journey. Leadership, governance and assurance will play a key role in achieving the long-term sustainable performance required to support Woodside's growth strategy.

Throughout 2017, Woodside has shared its process safety journey and learnings at key industry forums and with other organisations, ranging from mining to public services, to support industry improvement in process safety.

Our performance

Woodside categorises and reports Process Safety Events (PSE) against the American Petroleum Institute's Recommended Practice 754.

There were zero Tier 1 or Tier 2 Loss of Primary Containment (LoPC) PSE recorded in 2017.

Woodside remains an active member of the International Oil and Gas Producers (IOGP) Process Safety sub-committee and continues to report PSEs to support benchmarking of the global upstream industry.

Tier 1 and 2 PSE

	2013	2014	2015	2016	2017
Tier 1 PSE	0	0	0	1	0
Tier 2 PSE	4	2	2	1	0
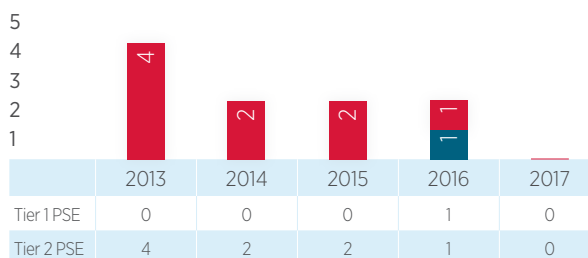
The Tier 1 PSE in 2016 involved the release of stabilised condensate that was contained within the storage tank bund and was internally classified as low risk.

2018 FOCUS AREAS

Planned focus areas for PSM in 2018 include the following:

+ Further deployment of PSM requirements through the value chain to support global readiness

+ Expansion of governance and assurance processes to provide an integrated view of the full value chain

+ Continued extension of our competency and capability program to contractor and supplier activities

Collaborating with our contractors

This year we collaborated with KGP contractors, aiming to make process safety real and relevant to everyone. The Brownfields Delivery Team developed targeted training through an interactive classroom session combined with a site walk-around to consolidate learnings. Around 350 front-line contractors have completed the training.

This demonstrates how we are working together to continually strengthen long-term relationships with our key contractors. By investing in process safety capability, we are enhancing our capacity to work sustainably through having engaged people who can make the right decisions. Our KGP Brownfields workforce also shares the PSM vision – "We all own, understand and act to control process safety risks."

Large Brownfield contractor workforce

Targeted process safety training on site

Embed PSM vision by investing in process safety capability

PSM focus areas – improvements delivered in 2017

FOCUS AREA 1: PROCESS SAFETY LEADERSHIP

+ Process safety training and coaching program in place with 90% competency target achieved

+ Enhanced PSM dashboard for performance monitoring to support decision making

+ Embedded cross-company PSM governance forums

FOCUS AREA 2: RISK IDENTIFICATION AND ASSESSMENT

+ Embedded operational risk assessment process to address emergent risks

+ Layers of protection analysis undertaken to improve equipment-level understanding and mitigation of risk

FOCUS AREA 4: REVIEW AND IMPROVEMENT

+ Refreshed incident investigation process and reporting database with quality improvements

+ Watson for HSEQ enabling data analytics of incident history for enhanced learning

+ Front-line tasks deployed through InControl software program to assure process safety performance

FOCUS AREA 3: RISK MANAGEMENT

+ Integrity envelope monitoring automated tool fully implemented

+ Upgraded maintenance processes enhancing asset integrity management

+ Updated process safety requirements for management of contractors and suppliers

Diagram centre: SUSTAINABILITY, EXCELLENCE, RESPECT, WORKING TOGETHER, DISICPLINE, INTEGRITY — Be mindful, Follow rules, Get involved, Speak up — PROCESS SAFETY LEADERSHIP, RISK IDENTIFICATION & ASSESSMENT, RISK MANAGEMENT, REVIEW & IMPROVEMENT

Real-time integrity envelope monitoring

Integrity envelopes represent equipment design limits that we must stay within to ensure safe operations. To effectively manage the risk of operations, we need to know about excursions outside integrity envelopes in a timely manner and consistently and systematically respond. To achieve this, an integrity envelope monitoring tool has been implemented. The monitoring tool is owned by the users and provides automated real-time data with an operations-led response to excursions.

Process equipment has design limits → **Operating outside design limits increases risk of failure** → **Online monitoring allows risk of failure to be actively managed**

Integrity envelope excursion

Design limit

Safety margin

Normal operating zone — Normal operating limit

Safety margin

Design limit

Integrity envelope

MAJOR INCIDENT RESPONSE

14 LIFE BELOW WATER
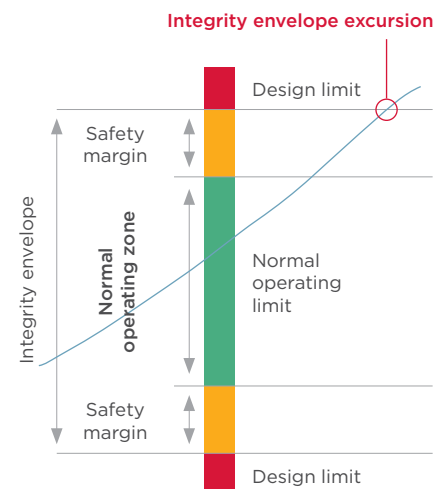
The oil and gas industry is at risk of major incidents given the nature of its work with flammable hydrocarbons operating at high pressure. Managing an unforeseen release of hydrocarbons from a pipeline (loss of containment) is a major focus area for Woodside given the potential consequences for our people, the environment, our assets, and the company. We therefore demand the highest standards in response capabilities.

While we maintain focus on prevention of incidents, we also actively review our major incident management and response capabilities. We ensure the reliability of our domestic gas supply to Western Australian power and industry customers.

Our approach

Woodside utilises an all-hazards approach to the management of major incidents via a process of prevent, prepare, respond, and recover, and adopts the principles of AIIMS (Australasian Inter-Agency Incident Management System) for our Crisis and Emergency Management Framework globally.

In 2017, the focus for hydrocarbon spill preparedness was on our four key pillars:

+ Oil pollution emergency planning

+ Testing our spill response arrangements (training, drills and exercises)

+ Ensuring the right level of capability (equipment, specialist services)

+ Conformance, compliance and assurance

Our performance

In 2017, Woodside conducted these preparedness activities:

+ 510 Level 1[1] emergency response drills

+ 16 Level 2[2] emergency management exercises

+ 3 Level 3[3] crisis management exercises

Woodside also responded to 31 Level 1, 14 Level 2 and one Level 3 incidents. It is our practice to conduct reviews following potential and actual events to continuously improve our systems and capabilities.

We continue to manage our hydrocarbon-spill and emergency-management preparedness through a live dashboard that tracks compliance and performance, maintaining an outstanding rating of over 90% performance throughout 2017.

The Global Assurance Benchmarking Spill Preparednesss Rating (RETOS 2) is an international tool for self-assessment of oil-spill preparedness by companies, governments and regulators,

and is supported by the International Maritime Organisation. It was applied for the fourth consecutive year, demonstrating sustained incremental improvement.

This year Woodside has turned its attention to assuring our non-operated ventures for spill preparedness. An assurance process focussing on operator capability, our ability to influence the operator and a risk assessment of the operator's spill preparedness process has been applied to several of our non-operated ventures. This new assurance assessment process enables Woodside to work collaboratively with our partners to reduce exposure to this key risk.

Global Assurance Benchmark Spill Preparedness Rating (RETOS 2)

1. Legislation, regulations, agreements
2. Oil-spill contingency planning
3. Response coordination
4. Health, safety and security
5. Operational response
6. Tracking, assessment and information management
7. Logistics
8. Financial and administrative considerations
9. Training and exercises
10. Sustainability and improvements
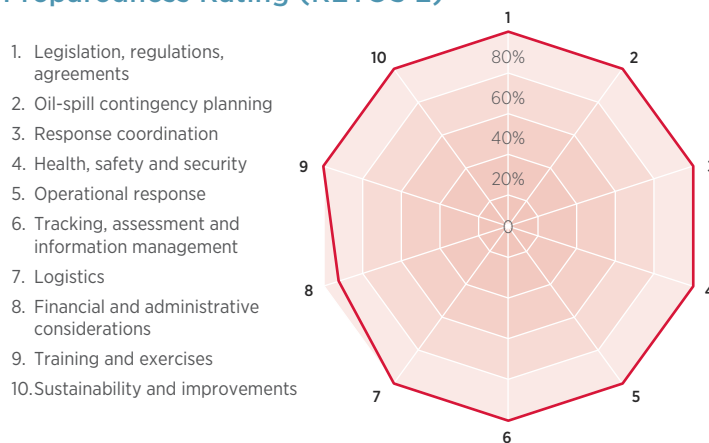
2018 FOCUS AREAS

Opportunities for 2018 that go beyond global benchmarks:

+ Use of technology for improved efficiency on land and water responses

+ Data alignment for improved effectiveness of response strategies

+ Tactical planning for security logistics at spill events

Woodside conducting oil spill training offshore Dampier.

CASE STUDY

Reducing Woodside's travel-risk profile

In line with Woodside's global growth strategy, we have seen a significant increase in international travel during 2017. A quarter of all international travel has been to countries that have been assessed[4] to have an overall country risk rating of high or above. As such, our travel-risk profile has changed with Woodside personnel experiencing an increase in their exposure to security and geopolitical risks including terrorism, regional instability, civil unrest and crime. Threats such as terrorism pose a risk to Woodside personnel in high-risk locations as well as those normally deemed low or moderate in risk. As such, Woodside reviewed security arrangements in a range of countries in 2017. Travel management arrangements were further improved and steps have been taken to ensure that Woodside staff receive enhanced and specialised training. This includes minimising the risks to deployed Woodside personnel and their families as well as for Woodside staff travelling for business purposes.

82%
INCREASE
in the number of
international trips

117%
INCREASE
in trips to HIGH+
risk locations

335%
INCREASE
in individuals
receiving travel
security briefs

12% MIDDLE EAST

21% EUROPE

10% AMERICAS

5% AFRICA

52% ASIA-PACIFIC
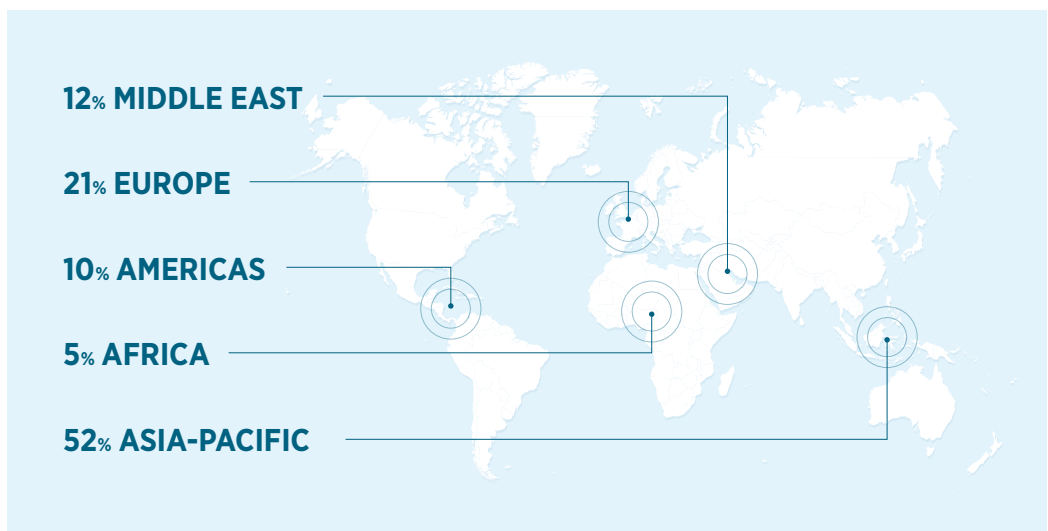
1. Level 1 emergency exercises test our initial response and involve exercising responsibilities of the on-site Incident Management Team.
2. Level 2 emergency exercises test our response coordination and control arrangements for larger incidents.
3. Level 3 crisis exercise test our strategic management of a major event impacting the company.
4. Comprehensive threat assessments are undertaken for countries and specific events based on business requirements, which includes assessing security threats such as terrorism, crime and regional stability amongst others. Overall country security risk ratings are determined by threat + consequence + likelihood. Countries are assigned risk ratings in line with the Woodside Risk Matrix.

HEALTH AND SAFETY PERFORMANCE

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH
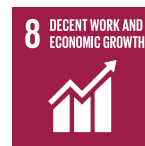
Woodside's health and safety (H&S) performance is essential to our business success and growth. We are committed to managing our activities to protect our people and our host communities.

Our approach

Woodside's management system provides a comprehensive set of requirements for managing risks from all our activities. This includes H&S processes, guidelines and tools that have supported continuous improvement in performance.

Fundamental to our approach is Woodside's Our Safety Culture framework, which identifies the behavioural expectations required at all levels of the organisation to build and sustain an effective safety culture.

⊙ Refer to Woodside's Health, Safety, Environment and Quality Policy for more information (www.woodside.com.au).

Our performance

Our aim is to continuously improve towards a goal of industry leading H&S performance. Over the last five years, we have made significant headway, reducing our total recordable injury rate by 57%.

This year, in particular, we made progress on a number of fronts. For example, our strong H&S performance was recognised by industry peers when Woodside won the Australian Petroleum Production and Exploration Association (APPEA) Safety Excellence Award for 2017. The award recognised our approach to risk management, technology and innovation, workforce engagement and wider industry safety leadership.

We had a number of other highlights in 2017:

+ The introduction of our Perfect HSE Day concept to all areas of the business. The concept aims to help every employee understand that an incident-free workplace is achievable

+ The use of advanced data analytics to help identify H&S trends for better informed and effective decision making (refer to Watson for HSEQ case study on page 47)

+ The implementation of a project that provides training, support and additional resources to our health, safety and environment (HSE) representatives (refer to Empowering our HSE representatives case study on page 47)

+ The use of safety perception surveys to assess our safety culture, identify opportunities for improvement and benchmark against peers

+ An improved medical management system that uses leading indicators and data to better monitor our health risks and controls

+ The introduction of an integrated travel management system to support Woodside's global workforce. The new system aligns with best practice in travel risk management (refer to case study on page 45)

+ Improvements in our incident investigation processes focused on extracting organisational and human factors lessons and preventing reoccurrence

Woodside's H&S performance is measured in part by total recordable injuries per million hours worked (TRIR). In 2017, Woodside's TRIR was 1.29 which demonstrated a 21.3% improvement on 2016.

There were no work-related fatalities at Woodside operating sites in 2017, but there were eight lost time injuries, an increase of four compared with 2016. One of these injuries had the potential for a fatality as a result of a fall from height. All incidents were comprehensively investigated to identify root causes. Corrective action was taken in each case to prevent reoccurrence.

ⓘ Refer to data table on page 65 for more information on performance metrics relating to H&S.

Total Recordable Injuries (TRI) and Total Recordable Injury Rate (TRIR)

	13	14	15	16	17
TRIR	3.00	1.90	1.71	1.64	1.29
Contractor TRI	35	19	16	17	12
Employee TRI	7	7	8	6	5

■ Employee TRI ■ Contractor TRI ⊷ Woodside TRIR

Lost Time Injuries (LTI) and Lost Time Injury Frequency (LTIF)

	13	14	15	16	17
LTIF	0.43	0.22	0.43	0.28	0.61
Contractor LTI	4	3	3	3	8
Employee LTI	2	0	3	1	0

■ Employee LTI ■ Contractor LTI ⊷ Woodside LTIF
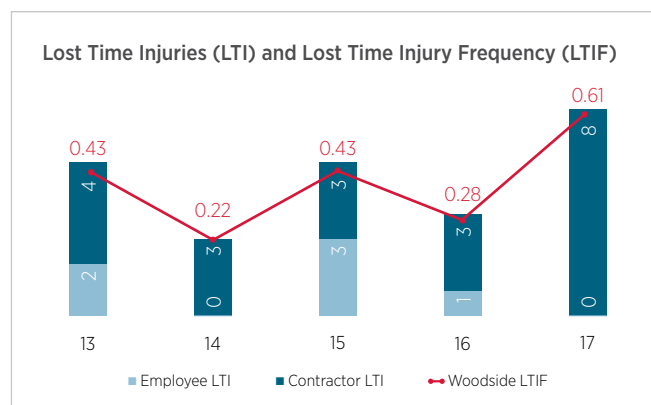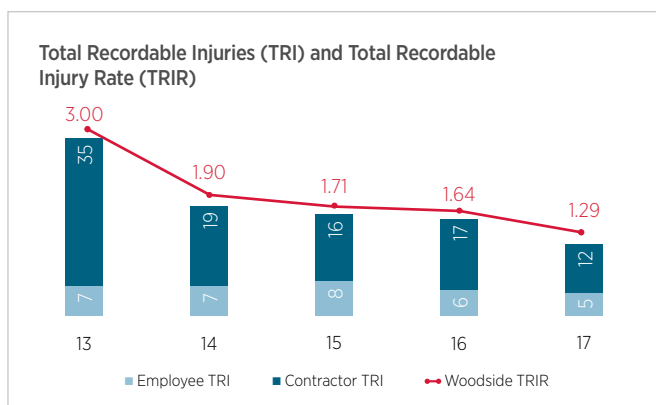
Watson for Health, Safety, Environment and Quality (HSEQ)

A major investment this year in data analytics and cognitive computing led to valuable insights into our H&S performance. A key objective is to learn from incidents and prevent reoccurrence. Woodside has 30+ years of incident data, but found challenges around the ability to interrogate previous systems and draw insights from them. The Watson for HSEQ project, a partnership between Woodside and IBM, has enabled data searches to be fast, thorough, and in turn more valuable for decision making.

The project delivered Watson for HSEQ – an intelligent research assistant with these capabilities:

+ Searches over 500,000 records from internal and external data sets
+ Unites multiple systems to show a holistic picture relating to an event or equipment failure
+ Presents results in a way that is easily explored and understood

Watson for HSEQ is available to all employees and during 2017 has supported numerous risk assessments and incident investigations. Feedback has been positive, and the system will be developed to add further value. Woodside has also shared project lessons and insights at a number of industry forums.

2018 FOCUS AREAS

We aim to become an industry leader in H&S performance by driving improvement in the following strategic focus areas:

+ Embedding an interdependent H&S culture where team members take ownership for their own safety and that of others

+ Building an even stronger capability in H&S, focusing on leadership development across the business

+ Managing H&S risks to our business, with a particular focus on contractor management and clearer rules to support compliance

+ Using data analytics to provide deeper insights and inform future plans

+ Collaborating with peers through industry forums, such as APPEA and the International Association of Oil & Gas Producers, to further improve performance

21% TRIR improvement on 2016

Empowering our health, safety and environment (HSE) representatives

The requirement to identify and support HSE representatives in our business is a regulatory expectation and key focus area for Woodside. During 2017 a project was initiated to provide greater role clarity, fit-for-purpose resources and improve support for our HSE representatives across the company.

The initiative was introduced at two forums in 2017, where over 70 representatives from across all operational sites gathered to analyse and refine Woodside's HSE strategy and performance, and to reinforce the importance of building a strong HSE culture.

Employees participating in one of our two HSE representatives forums in 2017.

MANAGING OUR ENVIRONMENTAL IMPACTS

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE **13** CLIMATE ACTION **14** LIFE BELOW WATER **15** LIFE ON LAND

Woodside recognises that strong environmental performance is essential to our success and continued growth.

Our approach
The Woodside HSEQ Policy underpins our aspiration of sustained delivery of leading HSEQ performance to protect our people, our communities and our environment. We have an established methodology to identify impacts and risks, and assess potential consequences of our activities. This methodology mandates that a hierarchy of controls be applied to management measures that are identified. This approach means we identify ways to eliminate or avoid an impact before we consider ways of reducing or minimising it.

As we grow our international portfolio, we are focused on upholding our standards and applying our approach to environmental management consistently across our global operations.

Refer to Woodside's Health, Safety, Environment and Quality Policy for more information (www.woodside.com.au).

Our performance
We recorded one environmental incident, which occurred at the KGP in April 2017. This was reported to the local regulator as part of our licence conditions. It was of minor environmental consequence.

Refer to the Climate Change section on page 39 for more information on flaring intensity, fuel intensity and emissions-intensity performance.

Waste
Woodside seeks to reduce waste and improve resource efficiency in our design and operating practices.

We set minimum performance requirements for the handling, storage and transport of waste. A 41% decrease in waste over the past four years is attributable to improved contractor processes and a focus on increasing recycling. Additionally, Woodside internally aspires to recycle 50% of all waste from producing assets. An internal reporting process tracks waste disposal and recycling.

Pluto carbon offset
Pluto LNG is Australia's largest carbon-offset project through a forest carbon sink as part of an A$25 million agreement over 50 years with CO2 Australia. An A$75 million extension to the planting program began in 2009 and finished in 2012.

In total over 42.2 million Blue Mallee trees have been planted in over 17,125 hectares. Beyond offsetting tonnes of carbon emissions, the environmental benefits of the program include reduction of erosion, lowering of salinity levels in the groundwater, provision of wildlife corridors between protected areas and the creation of new habitats for species such as the endangered Splendid Parrot.

Fresh-water use
Woodside's onshore operations, which consist of the KGP, the King Bay Supply Base and the Pluto LNG plant, are located in water-stressed areas.[1] Even though our operations are not intensive consumers of water, and our offshore facilities have the capacity to desalinate, we recognise the importance of responsible water management.

The KGP, King Bay Supply Base and Pluto LNG Plant have water-efficiency management plans in place. The plans include actions to improve water efficiency with much of the focus on reducing leaks. In 2017, we reduced our water use by 5% in absolute terms.

Decommissioning
Decommissioning is an intrinsic part of the life cycle of any oil and gas asset and includes the final disposition of an asset when it reaches the end of production. Decommissioning of an asset involves detailed planning. As an operator we will develop a customised decommissioning plan for each asset that identifies an appropriate decommissioning option, meeting regulatory requirements and balancing environmental, safety, social and economic factors.

In order to understand the impact of leaving infrastructure in situ as opposed to removing it from the environment, Woodside is undertaking environmental research with the University of Western Australia and the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

Recognising the likely increase in decommissioning activities in the future, Woodside is active in industry committees to develop guidance for responsible decommissioning practices and working with regulators to ensure that decommissioning activities are completed safely, effectively and with least environmental impact.

Refer to data table on page 66 for more information on performance metrics relating to Environment.

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1. According to the United Nations indicator for water-stressed areas. This is based on external global data sets used by the indicator determining there is less than 1,700 m³ of water available per person per year in this region.

Biodiversity and partnerships

Strong partnerships, sound research and transparency are the key elements of Woodside's approach to the environment.

These are some of our key environmental partnerships:

MYANMAR

Wildlife Conservation Society (WCS)

Title: Identifying and mapping the occurrence of fishing activity and marine wildlife along the Rakhine and Ayeyarwady coast, Myanmar.

Duration: 2017–2018.

Objective: The project aims to develop a deeper understanding of the fishing community and marine wildlife occurrence along Myanmar's western coastline.

Outcomes: Undertaking literature reviews and community field-based interviews of the local fishing villages to understand coastal fisheries along the Rakhine and Ayeyarwady coast.

Fauna & Flora International (FFI)

Title: Coastal Biodiversity Partnership.

Duration: 2016–2019.

Objective: Capacity building for coastal biodiversity assessment to support the understanding and management of coastal biodiversity in Ayeyarwady Region.

Outcomes: Training in internationally recognised marine survey methods for staff and students from three Myanmar universities. Undertaking field surveys of coral reef, mangrove, seagrass and bird communities along 200 km of coastline.

AUSTRALIA

Western Australian Museum (WAM)

Title: Woodside Marine Biodiversity Fund.

Duration: 1998–ongoing.

Objective: Understand biodiversity of marine environments in north-west Australia.

Outcome: Since 1998, Woodside has partnered with the Western Australian Museum to understand the biodiversity of north-west Australia in the Dampier Archipelago and the Kimberley regions. In that time, the Museum has undertaken 20 field surveys over 2,500 km of coast and has documented more than 55,000 different plant and animal species. The significance and impact of this partnership has been substantial, including the creation of the invaluable Woodside Collection, an international biodiversity specimen reference collection.

Australian Institute of Marine Science (AIMS)

Title: Woodside AIMS Partnership.

Duration: 1993–ongoing.

Objective: Collection of scientific data to document the condition and status of coral reef systems and marine life, including research on the impacts of coral bleaching and recovery, in and around our operational areas.

Outcomes: Co-invested support for improving our long-term ecological understanding of offshore reef systems of Western Australia. AIMS has produced over 80 peer-reviewed scientific publications from Woodside-related studies.

AUSTRALIA AND KOREA

BirdLife Australia

Title: Migratory Shorebirds from Dampier to Geum Estuary in Republic of Korea (RoK).

Duration: 2016–2019.

Objective: The long-term conservation plan is to secure World Heritage Site status for Geum Estuary and support the development of nature-based tourism. The program is forging closer working relationships with stakeholders in Australia and RoK, collating and gathering data to enable decision making and promoting the importance of protecting the Geum Estuary.

Outcomes: Outcomes are described in the case study below.

Gathering shorebird data in the Geum Estuary.

CASE STUDY

BirdLife Australia Partnership

We recognise the significance of coastal habitats and surrounding waters in supporting bird population survival, focusing on feeding, resting and breeding.

In 2016, Woodside entered a three-year partnership agreement with BirdLife Australia to support the migratory shorebirds from Dampier to Geum Estuary in Republic of Korea (RoK).

The Geum Estuary is one of the most important sites for shorebirds in the Yellow Sea region and a key refuelling habitat for migratory shorebirds that travel on East Asian Australasian Flyway between Australia and the northern hemisphere.

To date, the program has achieved these outcomes:

+ Established a baseline for shorebird monitoring at the Geum Estuary

+ Identified active and potential shorebird roost sites and feeding areas

+ Delivered a Migratory Shorebird Monitoring Tool and local training workshops

We continue to support the program in Australia and to date have sponsored Indigenous rangers and university shorebird experts to be involved to share their knowledge and expertise. We have also sponsored the training of the Murujuga Land and Sea Unit to gather shorebird data in the Murujuga National Park within the Dampier Archipelago (located near Karratha) and partnered with the rangers, Pilbara Ports Authority and local industry to host a community bird-watching event in the Murujuga National Park.

ENGAGING COMMUNITIES AND MANAGING IMPACTS

Woodside engages with a wide range of stakeholders in the communities where we have a presence and invests in understanding and managing actual and potential impacts from our activities.

Our approach

Our Sustainable Communities Policy and communities framework provide a consistent global approach to identifying and managing stakeholder interests and concerns.

In 2017, Woodside actively engaged with communities in Perth, Karratha, Roebourne and Broome in Western Australia, and Myanmar, Senegal and other international locations in support of our business activities. This included dedicated in-country community liaison personnel. We take time to understand community issues, respond to queries and manage community investments in support of positive community outcomes.

Refer to Woodside's Sustainable Communities Policy, for more information (www.woodside.com.au).

Meaningful engagement

Throughout 2017, Woodside held regular meetings with key stakeholders in Karratha and Exmouth, listening to community perspectives and providing updates on key Woodside activities. Our Karratha Community Liaison Group (CLG) held four meetings and in Exmouth, three CLG meetings were held. We reinvigorated our Roebourne presence, with the appointment of a senior Indigenous affairs adviser based in the community.

We also initiated relationships with our Perth host Indigenous community, meeting regularly with representatives of the local Indigenous community to discuss cultural recognition of our new headquarters building (refer to case study on page 55). In December 2017, our Karratha community relations team moved to a new office in central Karratha, demonstrating our long-term commitment to the community.

We continued our consultation with communities in Myanmar in support of our planned drilling activities. These engagements helped to build our knowledge of local livelihoods and inform our understanding of the potential impacts of our planned activities. Feedback confirmed that community activities, such as fishing, are predominantly located in nearshore waters and are unlikely to be impacted by our offshore drilling activities.

In 2017, Woodside became development lead for the SNE field development in Senegal and plans to transition to operator in 2018. The environmental baseline survey for the development was completed during the year and the Environmental Social Impact Assessment (ESIA) process commenced. In support of the ESIA, Woodside expects to engage local communities in the first half of 2018 to understand the potential impacts of the development.

Social research and impact assessment

Across our host communities of Karratha, Roebourne and Exmouth, we finalised in 2017 our integrated social baseline studies comprising bi-annual community perception surveys and tri-annual social impact assessments.

Some key recommendations for enhancing positive impacts included improving communication and engagement, and strengthening pathways to employment and contracts in Exmouth, Karratha and Roebourne. These recommendations have been included in social impact management plans.

Key community issues

Local content is a key focus area for Woodside. We continue to look for ways to enhance local employment and contracting opportunities in the communities where we are active. During 2017 we spent A$28.7 million with 58 local suppliers in the Karratha region (refer to page 56 for more details).

Accommodation in Karratha remains a key issue for our workforce and the local community.

The non-renewal of Woodside's lease for Gap Ridge Village workers accommodation facility has resulted in a shortage of quality short-term accommodation for our turnaround and Karratha Life Extension Project refurbishment and maintenance campaign workforces. In response, Woodside is proposing to redevelop the existing Bay Village site to deliver a new 700-bed, rebuilt, well-integrated, modern Karratha workers' accommodation facility to support our ongoing operations in Karratha.

Woodside's occupancy rates across our portfolio of Pluto and North West Shelf houses was 85% at the end of 2017 (refer to case study on page 57 for details of the Karratha housing refurbishment program).

Grievance mechanism

Despite our concerted efforts to build strong relationships in communities in which we operate, we acknowledge that concerns about our activities may arise from time to time.

Our community grievance mechanism procedure provides a framework for receiving, responding to and closing our grievances or concerns from community stakeholders in a timely, fair and consistent manner. A review of the procedure in 2017 identified an opportunity to better define our grievance channels and ensure the procedure is consistent with international standards. This work will be completed in 2018.

Woodside received seven grievances in 2017, of which six have been resolved. The majority of these related to dust from the decommissioning of the original Bay Village workers accommodation facility in Karratha. Woodside is working to resolve the outstanding grievance, which relates to local sub-contracting opportunities.

CASE STUDY
Investing in Karratha infrastructure

Since 2009, Woodside has invested A$19.4 million on behalf of the NWS Project and Pluto LNG in support of key community infrastructure developments in Karratha, Western Australia, with a further A$1.8 million committed. Industry and government have collaborated on 10 infrastructure projects, which have focused on improving amenity, child care, health and education.

The investment has been instrumental in supporting Karratha's transformation from resources town to thriving regional city. Nine of the infrastructure projects are now complete. The final major community infrastructure project, to which the NWS Project is contributing A$3.2 million, is the Red Earth Arts Precinct. The A$55 million precinct, due to be completed in mid-2018, will include a 450-seat theatre, library, outdoor event space and rooftop terrace.

Aerial view of City of Karratha, home to Woodside's NWS Project and Pluto LNG.

Woodside has sponsored the Perth FRINGE WORLD Festival, the third largest of its kind in the world, since it began in 2012. In 2016 we introduced the Homegrown Heroes Program, which helps shine a spotlight on Western Australia's talented artists and performers.

EGROWN

ROES

INDIGENOUS ENGAGEMENT

8 DECENT WORK AND ECONOMIC GROWTH	**11 SUSTAINABLE CITIES AND COMMUNITIES**
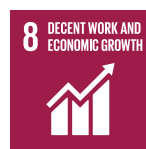
We continually work to strengthen our relationships with Indigenous communities in the places we are active.

Our approach

In 2017, we engaged with Indigenous host communities in three regions of Western Australia: the Pilbara where our onshore assets are located, the Kimberley where we maintain a regional office and the City of Perth, where our head office is located. In each of these places the subject matter of our engagements included investments in children's wellbeing, arts, education, and pathways to employment not only with Woodside but in a wide range of career possibilities.

We maintain site-specific engagements with our Pilbara host community about heritage management and various matters that are set out in land use agreements.

The Pluto LNG Plant and NWS Project operate in an area of national and global significance because of the quality and abundance of Aboriginal engraved rock art. Woodside participated in the Senate Committee's Inquiry concerning the protection of Aboriginal rock art of the Burrup Peninsula. Furthermore, Woodside is one of three organisations committed to undertaking field monitoring, analysis and reporting under the auspices of the Burrup Rock Art Monitoring Program (BRAMP).

Our engagements with Noongar Whadjuk people in the Perth area deepened during 2017 as discussions about cultural recognition for the site of Woodside's new headquarters have progressed (refer to case study on page 55).

In situations where Woodside is a non-operator joint venture participant, we follow relevant engagement procedures and protocols to manage risk and ensure that all commitments made to affected Indigenous peoples are delivered. For example, we are a 50% joint venture participant in the proposed Kitimat LNG project in British Columbia, Canada. The Kitimat LNG project has commenced delivery of a number of economic and social benefits to First Nations groups with whom a number of agreements have been made, including employment and investment in skills training.

During 2017, none of our projects or activities involved resettlement or relocation of Indigenous Peoples.

⊕ Refer to Woodside's Indigenous Communities Policy for more information (www.woodside.com.au).

2018 FOCUS AREAS

+ Ensuring our Australian performance and experience is tailored appropriately to successfully engage with an increasing number and diversity of communities globally

1. Includes direct and indirect contracts, exceeding the 5% target.

Reconciliation Action Plan (RAP)

Delivering on the activities that underpin our public commitments is only part of our story. Our 2016–2020 RAP reflects a shift in our focus from activities to creating and measuring tangible outcomes.

In 2017, we embedded our RAP outcomes framework using baseline data and relevant indicators to measure improvements in our respect for Indigenous culture and people, the effects of our relationships, and the social and economic opportunities we are helping to create.

Focusing on outcomes ensures we embrace a continuous improvement mindset. For example, we have set ourselves goals for increasing our Indigenous employment and our contracting with Indigenous business, as well as improving our workforce's awareness and understanding of Indigenous cultures. These changes take time and there are challenges, but early indications suggest that our outcomes measurement approach, coupled with a continuous improvement model, is resulting in significant change in the targeted areas.

⊕ Refer to Woodside's 2016–2020 Reconciliation Action Plan Report for more information (www.woodside.com.au).

RAP OUTCOMES

34% INCREASE
in number of contracts with Indigenous businesses[1]

2.5 FOLD INCREASE
in Indigenous employment with our suppliers

EIGHT
Indigenous graduates commencing in 2018 (8% of intake)

TRIPLED
cultural learning participation since 2016

LOWEST
recorded voluntary turnover of Indigenous employment

Recognising the significance of the land, the people and the stories that bring it to life

Mia Yellagonga, the site of Woodside's future headquarters in Perth, is a significant site for Traditional Custodians, the Noongar Whadjuk people.

It is located on an historic site in Perth where Whadjuk elder, Yellagonga, invited British Captain James Stirling onto Whadjuk country. The site is the location of a natural spring and was an important hunting and camping ground that has always been, and continues to be, rich in cultural significance.

Respectful of the Whadjuk people's connection to this site, a broad Woodside team is working with the host community to embed cultural knowledge and understanding in our workplace.

With the encouragement and support of our CEO Peter Coleman, a number of our Indigenous employees started working in mid-2016 on concepts to recognise and embed Indigenous culture in our future headquarters. In 2017, a small group of external Noongar Whadjuk advisers was established

to work alongside our Indigenous employees and to ensure that approval for our concepts to recognise culture followed appropriate protocol with traditional owners.

Our process led to us reaching out to the South West Aboriginal Land and Sea Council to engage the broader Noongar Whadjuk community. The Whadjuk community endorsed in-principle employee concepts, as well as suggesting additional ideas: two site cleansings (pre-fitout and pre-occupation), naming of our future campus, and nomination of two representatives to work with us to support delivery.

Mia Yellagonga provides an opportunity to design-in cultural respect and knowledge that we have been fortunate to have shared with us. Mia Yellagonga is more than somewhere to work. It embeds the significance of the people and land to help keep the stories alive.

Traditional cleansing ceremony held on site at Mia Yellagonga in June 2017.

SUPPLY CHAIN
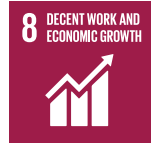
Improvement of our supply chain sustainability is one of Woodside Contracting and Procurement's strategic imperatives.

Our approach

Woodside is at the heart of a large and complex network of suppliers underpinning our operations and forming our overall supply chains.

Improving health, safety, environmental, social and governance performance within our supply chains results in significant business benefits by improving compliance, reducing risk and increasing positive impact on our stakeholders and the communities we operate in.

In 2017, Woodside engaged a total of 2,037 suppliers and spent approximately A$2.9 billion across its operations.

We have a number of processes in place to ensure the quality and functioning of our supply chains, and to identify and mitigate risks along the value chain. Our Supplier Code of Business Conduct details what we expect from our suppliers and contractors to maintain Woodside's ethical values and operational standards.

We have a standardised approach to developing category and contracting strategies, supplier selection and evaluation, contract and supplier management and procure to pay activities.

Our processes ensure that supply-chain risks are identified and quantified with appropriate controls and performance measures included in contract and supplier management plans.

Anti-bribery and corruption due-diligence processes ensure appropriate screening, evaluation and monitoring of all third parties with whom we do business.

Our performance

Major achievements in 2017 included the following:

+ Worked with external experts to develop a framework for the management of human rights in our supply chains, including the reinforced Supplier Code of Business Conduct, new controls and management activities, and an initial priority ranking by risk level of our suppliers. Roll out of the framework will commence in 2018

+ Signed the Business Council of Australia's Australian Supplier Payment Code, committing Woodside to a collaborative approach to supplier payment challenges, including paying eligible small businesses within 30 days. This will be implemented during 2018

+ Carried out three supplier forums focused on Indigenous employment and business engagement, to share lessons learnt and best practice with more than 64 distinct suppliers attending

+ Focused on participation of Indigenous-owned businesses within Australia with 29 contracts being delivered, which included sub-contracts issued by our major suppliers, as well as direct contracts with Woodside. This represents a 16% increase on the cumulative number of contracts awarded in the period from 2011 to 2016 against a target of 5%

+ Decommissioned Gap Ridge Village workers accomodation facility with Indigenous participation of 37% by site hours and 25% of sub-contracting, as well as a recycling/salvaging rate of materials of 99.5% by weight

+ Enhanced international readiness by working with external experts to assess capability and capacity of local Senegalese industry. This helps to ensure the SNE Phase 1 development has appropriate local content plans (Woodside's and our direct suppliers) to support tangible and meaningful participation of Senegalese suppliers in procurement activities

+ Implemented a competency and learning program for key internal stakeholders, including mandatory training on anti-bribery and corruption, as well as local content, health and safety and engagement with Indigenous Peoples

+ Implemented upgraded anti-bribery and corruption due-diligence management including greater insight into ownership of third parties, and introduced continuous monitoring

+ Conducted a supplier sustainability audit leading to improvement recommendations related to procedures supporting their supplier's human rights statement

2018 FOCUS AREAS

+ Implementing our newly developed framework for the management of human rights in our supply chain

+ Increasing use of data analytics and system automation to reduce sustainability risk, in particular in the anti-bribery and corruption area

+ Targeted training for company representatives, management and administrative personnel to enhance compliance

+ Continue to work with suppliers to deliver employment and business opportunities to Indigenous Australians

% OF A$3.8B SPEND BY CONTINENT[1]

7.4% ASIA

7.0% EUROPE

0.9% NORTH AMERICA

2.7% AFRICA

82.0% AUSTRALIA

1. Woodside spend under management by Contracting & Procurement. Shown in Woodside's capacity as operator (includes spend on behalf of joint venture participants). Summarised by location of supplier's registered offices.

CASE STUDY

Karratha housing refurbishment: a local content and Indigenous business success story

In August 2017, Woodside and the NWS Project participants embarked on stage one of a A$55 million refurbishment program of their residential properties in Karratha.

It is expected that about 400 properties will be upgraded during the multi-year program, which is aimed at ensuring an appropriate standard of housing for Woodside employees.

From the outset, the project strategy was to maximise local sub-contractor and supplier engagement and achieve high levels of Indigenous employment and training.

The head contractors for the project are Pindan and majority Indigenous-owned H&M Tracey, which are targeting sourcing 80% of goods and services from within the City of Karratha and targeting over 30% Indigenous participation through training and employment.

So far, these targets have been exceeded. More than 15 local sub-contractors have been engaged. Across the program, 17 Aboriginal people have been employed, with nine participating in an apprenticeship or training program.

Employees of construction company H&M Tracey, working with Pindan to refurbish Karratha residential property for Woodside.

SOCIAL INVESTMENT

4 QUALITY EDUCATION | **5 GENDER EQUALITY** | **9 INDUSTRY, INNOVATION AND INFRASTRUCTURE** | **14 LIFE BELOW WATER**

Woodside's social investment strategy aligns business and community needs to create shared and sustainable value in the communities where we are active.

Our approach

In 2017, Woodside's social investment strategy aimed to improve knowledge, build resilience and create opportunities to enhance the capacity and capability of our Australian and international communities.

Collaboration has been key to Woodside's social investment approach throughout the year; our stakeholders are many and varied, and we value the unique experiences and needs of the diverse communities where we do business.

We continue to phase our social investment programs in accordance with where in the value chain we are and the impacts of our activities. We seek to support host communities as early as the acquisition and exploration phase of project development, and this continues throughout our business value chain where long-term partnerships are formed. Our social investment programs are in addition to land access and other mandatory community commitments.

To achieve our social investment aims, our 2017 social investment portfolio focused on innovation and technology, early childhood development, indigenous outcomes and our pioneering employee volunteering and participation programs.

We provide support to host communities and partners' organisations through three funding mechanisms:

+ Philanthropy
+ Woodside Development Fund
+ Strategic shared value partnerships

The funding mechanisms allow Woodside to provide support based on community needs.

LONG-TERM COMMITMENTS

+ Woodside's A$20 million investment over 10 years in early childhood development continues to enable children in Australia and overseas to achieve their full life-potential. Our partnership with Save the Children is helping improve health and development outcomes for Indigenous children in communities on the Dampier Peninsula in northern Western Australia. This is in addition to partnerships in Australia, Myanmar and Senegal.

+ Within the Innovation and Technology portfolio, Woodside's A$10 million investment in the University of Western Australia's Engineering Zone (E-Zone) will foster academic excellence and growing research capability, by creating world-class infrastructure and resources for years to come. During 2017, the design phase for the student hub (phase 1 of E-Zone) was completed and construction tenders closed with contract award in early 2018.

+ Woodside is also proud to report employee engagement in volunteering activities has continued to rise in 2017, resulting in positive benefits to both our employees and the community

+ Our long-term investment in education outcomes for Pilbara students through the Woodside-operated NWS Project has seen a positive trend in the number of students graduating high school. Since 2007 the Karratha Education Initiative has supported families to remain living in Karratha longer by providing high-quality educational opportunities for their children (refer to case study on page 61). In addition, the Roebourne Education Initiative (REI) provides supplementary resources to enhance learning opportunities for both students and teachers at Roebourne District High School and has resulted in attendance increasing from 34% in 2015 to 49% in 2016, with further improvement in 2017.

Our contribution

In 2017, Woodside contributed A$17.9 million to communities across the globe, including from Perth and the Pilbara region in Western Australia to Myanmar and Senegal. This was in addition to A$6.5 million leveraged spend,[1] representing the total contribution Woodside is involved in through our joint ventures, employees and government funding partnerships.

Philanthropy

Woodside donated 16% of its social investment fund in 2017 to volunteering (value of staff time), small-scale community grants and emergency relief contributions. This included a combined A$100,000 donation supporting relief activities providing assistance to displaced people in Rakhine State and Bangladesh. In addition to this monetary investment, a total of 1,535 Woodside employees volunteered their time, equating to 10,455 hours aimed at supporting 75 community organisations and 68 schools. This equated to A$2.26 million worth of assistance to communities.

Woodside Development Fund

Partnerships that shared a common goal to improve early childhood development outcomes accounted for 11% of social investment with programs delivered in Australia, Myanmar and Senegal.

Strategic share value partnerships

In 2017, 73% of our social investment was provided to support initiatives to achieve mutual benefits and shared value with our host communities. More information on our strategic partnerships is on page 60.

Our 2016–2020 Strategy

To support the SDGs, we have aligned our social contribution by focusing on three themes: opportunities, knowledge and resilience.

As we look towards renewing our strategy in 2020, we will continue to refine our social investment approach to understand how our programs can further support Woodside's SDGs focus areas.

An outcomes management framework will also be developed to understand, measure and report on the impact of our social investment program. This will utilise insights and learnings gained during development of our RAP outcomes framework.

WOODSIDE SOCIAL INVESTMENT A$M

	AUSTRALIA	ASIA-PACIFIC	AFRICA	UK AND EUROPE	CANADA AND THE AMERICAS	TOTAL SPEND
2013	9.9	0.16	0.00	0.00	0.00	10.06
2014	12.3	0.30	0.00	0.00	0.00	12.06
2015	12.7	0.63	0.08	0.08	0.40	13.89
2016	14.5	0.75	0.05	0.10	0.30	15.70
2017	16.1	1.35	0.21	0.03	0.21	17.90
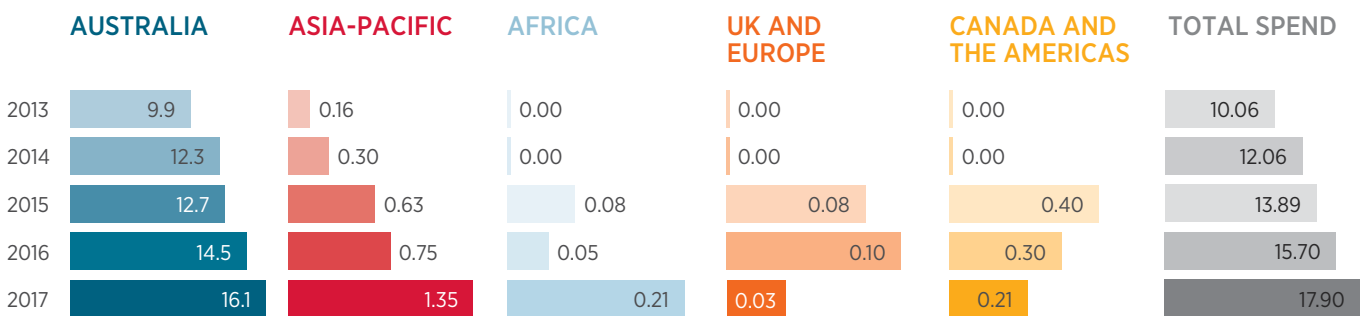
Bar graphs are not scaled relative to each region.

VOLUNTEERING

42.7%
of the workforce participated in corporate volunteering

10,400+
employee hours = A$2.3M value in time; a 65% increase from 2016

75
organisations and 68 schools directly benefited from our volunteering

Award recognition

The following Woodside partnerships were recognised in 2017:

+ World Petroleum Council Excellence Awards winner for Social Responsibility[2] attributed to Woodside's Science and Technology Collaboration community education and outreach program

+ Western Australian Coastal Conference and Awards Industry and Community Collaboration Award winner for the Conservation Volunteers Australia partnership

+ Western Australian Arts and Community Partnership Honours winner for the West Australian Youth Orchestra partnership

1. This is the measure of any additional resources contributed to a community organisation or activity that come from sources other than Woodside. For example; Woodside's joint venture participants, government and Woodside employees.
2. Awarded in the Small to Medium Companies category.

PARTNERSHIPS

17 PARTNERSHIPS FOR THE GOALS

Working sustainably is one of our core values and we recognise the vital role strategic partnerships have in assisting the communities in which we operate to be more sustainable.

We are proud to partner with a wide variety of organisations and support programs that contribute to a more innovative, inclusive and resilient community and environment. SDG 17 Partnerships for the Goals emphasises the importance of collaboration and is one of our key SDGs.

We have an extensive range of partnerships, with the table below providing a brief overview of some of our key focus areas and examples of the organisations we work with to achieve sustainable outcomes.

ENVIRONMENT

Overview

Partnerships

We have a long history of collaborating with government-funded and non-government research organisations, academic institutions and scientific experts. The scientific data and knowledge collected as a result of our environmental partnerships assists us to understand the environments in which we operate, evaluate potential impacts and be informed to make the right decisions on environmental management. We share this knowledge transparently with governments, regulators and communities to support better environmental outcomes more broadly.

Refer to page 49 for information on our key environmental partnerships, including our long standing partnerships with Western Australian Museum (WAM) and Australian Institute of Marine Science (AIMS).

FAUNA & FLORA INTERNATIONAL

WCS

birdlife AUSTRALIA

ARTS, CULTURE AND COMMUNITY

Overview

Partnerships

Each year Woodside supports a number of local arts and cultural organisations aimed at creating opportunities, building local capability and capacity, and contributing to the cultural vibrancy of the communities in which we operate.

We also partner with local Indigenous organisations to build and share knowledge on heritage and cultural values and support outcomes that will have a lasting impact in the community.

FRINGE WORLD

WEST AUSTRALIAN BALLET

yirra yaakin THEATRE COMPANY

TECHNOLOGY AND INNOVATION

Overview

Partnerships

Woodside proudly supports innovation and technology programs to make positive contributions to the social and scientific challenges facing the Australian and international community.

The Woodside FutureLab collaboration is actively building an ecosystem of scientific and technological innovation through partnerships with research institutions, start-ups, entrepreneurs and adjacent leading industries.

Curtin University

THE UNIVERSITY OF WESTERN AUSTRALIA

MONASH University

EARLY CHILDHOOD AND EDUCATION

Overview

We collaborate with non-profit organisations, businesses, schools, academic institutions and government to create and enable conditions for improved early childhood development through to primary, secondary and tertiary educational opportunities.

During children's early years, we focus on improving health, productivity and participation outcomes through the Woodside Development Fund programs, helping to create a brighter future for children and our communities.

We are committed to promoting student learning in critical subject areas such as science, technology, engineering and maths that support our business, our industry and wider society.

Helping young people to reach their full potential provides an improved return to both individuals and community in education, health, employment, economic and social outcomes.

Save the Children

scitech

ST CATHERINE'S COLLEGE

Refer to our website for more information on the organisations that Woodside supports (www.woodside.com.au).

CASE STUDY

Karratha Education Initiative (KEI)

ST LUKE'S COLLEGE — Seek Truth and Justice

KARRATHA SENIOR HIGH SCHOOL — TOWARDS TOMORROW

Through the Woodside-operated NWS Project, we are delivering improved education outcomes for high school students in Karratha.

Karratha is home to the Woodside-operated Pluto LNG and the NWS Project. Located 1,500 km from the Western Australian capital city of Perth, it is one of the most remote communities in the world. In 2007, the remoteness of our operations and the quality of secondary education were identified by our employees and stakeholders as significant issues for the sustainability and resilience of the Karratha community as well as the attraction and retention of qualified gas industry personnel. Statistics showed the quality of education, particularly upper secondary, was a major influence on employees and families leaving Karratha.

The Karratha Education Initiative (KEI), funded by the NWS Project, delivers high-quality educational opportunities for high school students, and professional development opportunities for their teachers. The program aims to bridge the gap between opportunities and resources available to

Pilbara students compared to metropolitan-based students. To implement the initiative, the NWS Project participants work with St Luke's College, Karratha Senior High School, the Catholic Education Office and the Western Australian Department of Education.

Since 2007, A$9.95 million has been invested by the NWS Project in the KEI. Over the period 2008–2015, we saw a positive trend in the number of students graduating. The percentage of students attempting an Australian Tertiary Admission Rank (ATAR) and achieving at least one subject score of 65/100 increased from 10% in 2008 to 43% in 2015.

The KEI has introduced key programs including career awareness, ATAR revision seminars, online tutoring, subject advice and a primary-to-secondary school transition program.

Through the KEI, both established and trainee teachers have the opportunity to access targeted professional development, and participate in annual teacher's practice scholarships.

KEI Maths Camp event held at the Karratha Gas Plant visitor centre.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Woodside is already making a positive contribution to the achievement of the SDGs. Below are examples of where our activities align to SDGs as articulated in the report.

SDG	Woodside Activity	Page
3 GOOD HEALTH AND WELL-BEING	When used in replacement of oil, coal or biomass, natural gas can reduce emissions and improve air quality	37
4 QUALITY EDUCATION	The Karratha Education Initiative (KEI) delivers high-quality educational opportunities for high school students, and professional development opportunities for their teachers	58, 61
	The Woodside Development Fund supports organisations that provide quality education opportunities to children	59
	Woodside sponsors a variety of educational scholarships	30, 61
5 GENDER EQUALITY	Executive and senior female representation have continued to increase to 23.4% and 17.5% respectively	30, 31
7 AFFORDABLE AND CLEAN ENERGY	Every tonne of CO_2 emitted by producing LNG reduces global emissions by 4 tonnes where this LNG displaces coal	35, 38
	Woodside is a signatory to The World Bank Zero Routine Flaring Initiative by 2030 from oil assets and joined CO2CRC	38
	Energy efficiency targets: upgraded turbine air filters at the Pluto LNG Plant resulted in higher production, equivalent to a 20,000 tCO_2e per year emission saving, which is 5% of the energy efficiency improvements we expect to achieve by 2020	39
8 DECENT WORK AND ECONOMIC GROWTH	We increased our directly employed Indigenous workforce to 113 employees (3.24% of the total workforce)	30
	We achieved a 21% reduction in TRIR (1.29 in 2017 compared with 1.64 in 2016)	46
	Woodside's Human Rights Policy was endorsed by Woodside's Board in October 2017, and details the principles by which we operate; development of a framework for the management of human rights in our supply chain	24, 56
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Woodside has invested A$19.4 million on behalf of the NWS Project and Pluto LNG in support of key community infrastructure developments in Karratha	51
	The construction of Pluto LNG truck-loading facility is a key step towards creating a LNG supply chain for the Pilbara; installation of a battery on the Goodwyn A Platform is expected to deliver an estimated 5% decrease in the platform's CO_2 emissions	38, 40
	The research programs Woodside collaborates on with organisations, such as Fauna & Flora and WCS in Myanmar, contribute to the continued development of scientific knowledge and data	49
10 REDUCED INEQUALITIES	Our internal inclusion and diversity groups – Spectrum, Gender Equality Matters, Man Up and Woodside Reconciliation Community – promote the inclusion of all	30
11 SUSTAINABLE CITIES AND COMMUNITIES	Our Reconciliation Action Plan outlines our commitments to Indigenous outcomes and cultural awareness	54, 55
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	We have achieved a 41% decrease in waste over the past four years; we internally aspire to 50% of all waste to be recycled from producing assets	48
13 CLIMATE ACTION	Pluto LNG is Australia's largest carbon-offset project through a forest carbon sink; we support research on the impacts of coral bleaching and recovery to coral reefs in Western Australia (e.g. Ningaloo, Rankin Bank, Rowley Shoals, Scott Reef)	48, 49
	We support governments implementing stable and effective climate policies including placing a price on carbon	38
14 LIFE BELOW WATER	With operations offshore, we understand the imperative to minimise our impacts on ocean environments. Our practised approach to understanding the diverse environments in which we operate is to partner with research organisations to deliver robust scientific data and environmental studies.	48, 49
15 LIFE ON LAND	Our partnership with BirdLife seeks to gather data to enable decision making and management recommendations for an important migratory shorebird habitat in the RoK	49
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Woodside operates an effective management framework to maintain our licence to operate, comply with regulatory requirements and meet the expectations of joint venture participants and stakeholders	26
	There were no violations of anti-bribery and corruption laws detected within or in connection with Woodside in 2017	21
	Since 2016, all new contracts signed under Woodside terms and conditions require suppliers to comply with Woodside's Supplier Code of Business Conduct, which mandates that they must respect the basic human rights of all people	24
	It is the responsibility of every director, employee and contractor to be familiar with and comply with the Code, and for leaders to embed our Compass values across our business	20
17 PARTNERSHIPS FOR THE GOALS	We support and partner with a wide range of organisations	30, 32, 38, 47, 49, 58, 59, 60, 61

Refer to our website for more information on how Woodside contributes directly to the SDG targets (woodside.com.au).

An aerial view of the coastline south of Dampier.

OUR PERFORMANCE

To help evaluate our progress in a more objective way, we track our performance against a number of recognised external benchmarks. We are seeking continuous improvement in environment, social and governance (ESG) global indices.

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

ROBECOSAM
Sustainability Award
Silver Class 2018

CDP
DRIVING SUSTAINABLE ECONOMIES

Dow Jones Sustainability Index

We have participated in this index since 2002. We have maintained membership of the World Index, Asia Pacific Index and Australia Index. We maintained leader group status for our sector in the 2017 Sustainability Yearbook.

Score: 79/100, 97th percentile in upstream integrated oil and gas sector

Industry average: 46/100

RobecoSAM: Silver Class

	2013	2014	2015	2016	2017
■ Score (100)	74	75	73	80	79
■ Percentile	89	89	88	95	97

Carbon Disclosure Project (CDP)

We have participated in CDP's climate change program since 2007. C represents Awareness – knowledge of impacts on, and of climate change issues.

Score: C Awareness

Industry group average: C Awareness

	2013	2014	2015	2016	2017
Score	C	C	C	B	C[2]
■ Percentile	72	88	89	N/A[1]	N/A
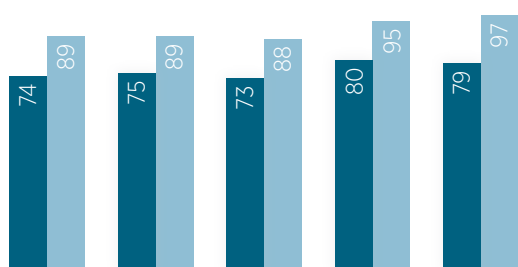
FTSE4Good

FTSE4Good

For the third year we achieved inclusion in this index. Our ESG rating was an absolute score of 3.8 out of 5.

Score: 3.8/5, 90th percentile in our sector
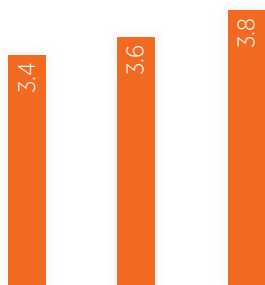
	2013	2014	2015	2016	2017
■ Score (5)	N/A[3]	N/A[3]	3.5	3.6	3.8
Percentile	N/A[3]	N/A[3]	89	93	90

MSCI

MSCI

We have been rated by Morgan Stanley Capital International (MSCI) since 2011 when we achieved an A rating. We continue to maintain a AAA rating with this index.

Rating: AAA, top decile in industry group
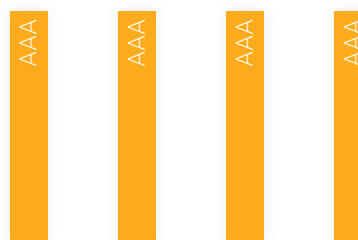
	2013	2014	2015	2016	2017
■ Rating	AAA	AAA	AAA	AAA	N/A[4]

1. CDP ceased publishing percentile scores from 2016.
2. Score reflects strengthening of CDP's assessment methodology.

3. Model used to calculate ESG rating was amended in 2014.
4. Our MSCI 2017 results are published in May 2018.

Refer to our website for more information on Woodside's sustainability performance (www.woodside.com.au).

Data tables

Health and safety performance[1]	2017	2016	2015	2014	2013
Workforce exposure (hours)					
Employees	7,172,434	7,258,871	7,633,456	7,562,421	7,357,245
Contractors	6,016,084	6,778,640	6,393,049	6,117,328	6,637,001
Total	13,188,518	14,037,511	14,026,505	13,679,749	13,994,246
Number of incidents					
Fatalities – employees	0	0	0	0	0
Fatalities – contractors	0	0	0	0	0
Total fatalities	0	0	0	0	0
Recordable injuries – employees	5	6	8	7	7
Recordable injuries – contractors	12	17	16	19	35
Total recordable injuries	17	23	24	26	42
Lost time injury events – employees	0	1	3	0	2
Lost time injury events – contractors	8	3	3	3	4
Lost time injury events	8	4	6	3	6
High potential incidents	13	10	10	21	36
Recordable occupational illnesses – employees	5	10	12	5	6
Recordable occupational illnesses – contractors	1	2	5	6	4
Total recordable occupational illnesses	6	12	17	11	10
Frequency rates[2]					
Total recordable injury rate – employees[2]	0.70	0.83	1.05	0.93	0.95
Total recordable injury rate – contractors[2]	1.99	2.51	2.50	3.11	5.27
Total recordable injury rate[2]	1.29	1.64	1.71	1.90	3.00
Lost time injury frequency – employees[2]	0	0.14	0.39	0	0.27
Lost time injury frequency – contractors[2]	1.33	0.44	0.47	0.49	0.60
Lost time injury frequency[2]	0.61	0.28	0.43	0.22	0.43
High potential incident frequency	0.99	0.71	0.71	1.54	2.57
Total recordable occupational illness frequency – employees	0.70	1.38	1.57	0.66	0.82
Total recordable occupational illness frequency – contractors	0.17	0.30	0.78	0.98	0.60
Total recordable occupational illness frequency	0.45	0.85	1.21	0.80	0.71
Total recordable injury rate by region[2]					
Australia	1.29	1.74	1.74	1.92	2.79
Asia	0	0	0	0	13.33
Other	22.05	0	2.61	Not previously reported	
Overall frequency	1.29	1.64	1.71	1.90	3.00
Total recordable occupational illness frequency by region[2]					
Australia	0.48	0.83	1.29	0.81	0.74
Asia	0	2.18		Not previously reported	
Other	0			Not previously reported	
Overall frequency	0.45	0.85	1.21	0.80	0.71
Lost days by region					
Australia	167	23	225	158	107
Asia	0	0	0	0	4
Other	29	0	28	Not previously reported	
Total	196	23	253	158	111
Lost days by gender					
Male employees	0	10	119	30	39
Female employees	0	0	11	0	22
Male contractors	196	13	80	104	50
Female contractors	0	0	43	24	0
Total	196	23	253	158	111
Number of injuries by gender					
Male employees	3	5	6	7	7
Female employees	2	1	2	0	0
Male contractors	11	17	15	17	34
Female contractors	1	0	1	2	1
Total	17	23	24	26	42
Occupational illness by gender					
Male employees	5	9	11	4	4
Female employees	0	1	1	1	2
Male contractors	1	2	3	6	4
Female contractors	0	0	2	0	0
Total	6	12	17	11	10
Training time spent on health and safety by region (hours)					
Australia[3]	25,505	27,409	5,587	4,892	5,406
Asia	0	0	0	0	0
Total	25,505	27,409	5,587	4,892	5,406
Employee absentee rate by region[4]					
Australia	1.4	1.41		Not previously reported	
Asia	0.2	0.63		Not previously reported	
North America	0.1	0.34		Not previously reported	
United Kingdom	1.3			Not previously reported	
Other	0			Not previously reported	
Process safety events[5]					
Tier 1	0	1	0	0	0
Tier 2	0	1	2	2	4
Total	0	2	2	2	4

1. Health and safety data includes international exploration activity.
2. Frequency rates are calculated per million hours worked.
3. Increase in training hours in 2016–2017 was driven by mandatory Process Safety Management training.
4. Percentage of hours absent versus worked.
5. Classified in accordance with American Petroleum Institute Recommended Practice 754 (API RP 754).

Environmental performance[1]	2017	2016	2015	2014	2013
Hydrocarbon production					
Total – equity (kt)[2, 5]	**9,529**	10,890	10,683	10,678	9,769
Total (kt)[2]	**29,639**	34,520	34,237	34,848	33,232
Revenue					
Revenue – equity ($USDm)[3]	**3,908**	4,075	5,030	7,435	5,926
Greenhouse gas emissions[7]					
Scope 1 emissions – equity (kt CO_2e)[5]	**3,235**	3,494	3,424	3,435	3,049
Scope 1 emissions (kt CO_2e)[8]	**9,883**	10,084	9,974	9,822	9,184
Scope 2 emissions (kt CO_2e)	**8**	14	7	8	8
Scope 1 emissions intensity – equity (kt CO_2e/kt)[5]	**0.34**	0.32	0.32	0.32	0.31
Scope 1 emissions intensity (kt CO_2e/kt)[8]	**0.33**	0.29	0.29	0.28	0.28
Scope 1 emissions intensity – equity (kt CO_2e/$USDm)[5]	**0.83**	0.86	0.68	0.46	0.51
Greenhouse gas emissions by source[4,7]					
Fuel combustion (kt CO_2e)	**7,037**	7,495	7,171	7,083	6,526
Flare (kt CO_2e)	**817**	654	961	1,105	1,154
Venting (kt CO_2e)	**1,990**	1,861	1,768	1,562	1,434
Other (kt CO_2e)	**46**	88	81	80	78
Flared gas					
Total flaring – equity (tonnes)[5]	**123,178**	90,652	161,488	170,421	121,477
Total flaring (tonnes)[8]	**280,517**	210,045	311,834	349,845	421,394
Flaring intensity – equity (t/kt)[5]	**12.9**	8.3	15.1	16.0	12.4
Flaring intensity (t/kt)[8]	**9.5**	6.1	9.1	10.0	12.7
Non-greenhouse gas emissions[8]					
NO_x (tonnes)	**20,620**	19,908	19,998	19,799	19,967
SO_x (tonnes)	**52**	41	42	42	48
VOCs (tonnes)	**19,138**	18,508	20,574	18,497	18,395
Refrigerants					
CFC-11 (tonnes)	**0.02**	0.14	0.11	0.19	0.15
Resource use					
Fuel consumption					
Total fuel consumption – equity (TJ)[5]	**42,001**	49,800	46,496	47,949	45,585
Total fuel consumption (TJ)[8]	**139,786**	145,356	141,432	142,048	131,858
Fuel intensity – equity (TJ/kt)[5]	**4.4**	4.6	4.4	4.5	4.7
Fuel intensity (TJ/kt)[8]	**4.7**	4.2	4.1	4.1	4.0
Electricity consumption					
Grid electricity consumption (TJ)[6]	**40**	68.1	30.0	31.0	31.4
Water					
Fresh water use (m^3)[6]	**364,667**	381,919	403,361	358,408	524,408
Fresh water intensity (m^3/kt)	**12**	11.1	11.8	10.3	15.8
Produced formation water – reinjection (m^3)	**9,575,269**	8,187,635	7,553,687	5,826,162	3,442,947
Produced formation water – open marine (m^3)	**3,022,350**	5,107,834	10,251,346	10,142,841	8,069,245
Produced formation water – oil load open marine (kg)	**26,237**	44,119	99,131	86,617	71,056
Waste					
Non-hazardous (tonnes)	**2,956**	1,426	3,216	3,357	6,619
Hazardous (tonnes)	**6,645**	8,085	8,729	8,508	9,645
Total waste (tonnes)	**9,601**	9,511	11,945	11,865	16,264
Waste Disposal					
Incineration (tonnes)	**0**	7	6	1	848
Evaporation (tonnes)	**3,115**	5,663	5,931	5,104	6,146
Landfill (tonnes)	**2,418**	1,596	2,866	3,258	4,628
Reused / recycled (tonnes)	**3,991**	2,174	2,812	3,377	3,884
Other (tonnes)	**77**	71	239	125	758
Environmental incidents					
Total number of hydrocarbon spills (>1 bbl)	**0**	2	0	1	0
Total – Quantity of hydrocarbon spilt for spills >1 bbl (m^3)	**0**	0.51	0	0.7	0.21
Total number of non-hydrocarbon spills (>1 bbl)	**2**	3	8	0	0
Total – Quantity of non-hydrocarbon spilt for spills > 1 bbl (m^3)	**4.4**	19.8	13.8	0	2.8

1. Performance data is reported on both a total and Woodside equity share basis as appropriate.
2. Hydrocarbon production includes exportable hydrocarbons only.
3. Refer to the Annual Report 2017 for more information on total operating revenue.
4. Data excludes Scope 3 emissions.
5. The equity portion of greenhouse gas emissions, flare, fuel and production values includes data from non-operated ventures where Woodside owns an equity portion, where data has been made available.
6. Grid electricty consumption and municiple water use has been partially estimated where late acquisition of data has prevented publication of actual values.
7. Emissions estimates have been developed in accordance with the Australian National Greenhouse and Energy Reporting Measurement Determination 2008, except for minor corrections to increase completeness and accuracy to international standards. Applied Global Warming Potentials are consistent with the Australian National Greenhouse and Energy Reporting Regulations 2008.
8. Operated greenhouse gas, flare fuel and production values are for Woodside-operated production assets only.

People	2017	2016	2015	2014	2013
Number of staff by gender					
Male	**2,531**	2,499	2,483	2,757	2,836
Female	**1,066**	1,012	973	1,046	1,053
Total	**3,597**	3,511	3,456	3,803	3,889
Number of staff by employment type					
Permanent	**3,068**	3,010	2,931	3,224	3,325
Fixed term	**253**	251	276	290	294
Part-time	**276**	250	249	289	270
Total	**3,597**	3,511	3,456	3,803	3,889
Number of staff by employment category[1]					
Administration – Male	**105**	90	82	112	111
Administration – Female	**146**	138	136	186	221
Technical – Male	**1,004**	1,013	1,002	1,068	1,085
Technical – Female	**453**	411	398	392	359
Supervisory/Professional – Male	**878**	863	879	997	1,040
Supervisory/Professional – Female	**351**	360	356	386	388
Middle Management – Male	**509**	496	479	543	560
Middle Management – Female	**105**	94	77	78	80
Senior Management – Male	**35**	37	41	37	40
Senior Management – Female	**11**	9	6	4	5
Total	**3,597**	3,511	3,456	3,803	3,889
Board Members – Male	**8**	7	7	7	7
Board Members – Female	**3**	3	2	2	2
Number of staff by region					
Australia	**3,537**	3,468	3,392	3,788	3,863
Africa/Middle East	**4**	0	1	1	0
Asia	**34**	21	32	8	4
Europe	**16**	11	17	2	2
New Zealand	**0**	0	1	1	
USA and Canada (Canada staff added in 2015)	**6**	11	13	3	20
Total	**3,597**	3,511	3,456	3,803	3,889
Number of Contractors					
Total	**185**	192	243	210	331
Woodside staff age distribution (years)					
≤30 Male	**350**	348	361	374	392
≤30 Female	**319**	289	295	285	291
31–50 Male	**1,518**	1,514	1,518	1,680	1,748
31–50 Female	**636**	624	588	642	643
51+ Male	**663**	637	604	703	696
51+ Female	**111**	99	90	119	119
Total	**3,597**	3,511	3,456	3,803	3,889
Breakdown of employees per category according to Indigenous workforce					
Employees	**117**	103	94	99	101
Pathways	**41**	33	28	44	54
Total	**158**	136	122	143	155
Employee turnover (number)					
Male employees	**50**	87	403	218	295
Female employees	**80**	38	151	82	105
Total	**130**	125	554	300	400
Voluntary turnover (number)	**112**	113	199	277	366
Voluntary turnover (percentage)	**3.2**	3.3	5.7	7.3	9.4
Turnover by region (number)					
Australia	**128**	123	553	296	391
Africa/Middle East					
Asia			1		
Europe	**1**				
USA	**1**	2		4	9
Total	**130**	125	554	300	400
Employee turnover by age group (years)					
≤30	**19**	22	56	50	73
31–50	**70**	58	271	165	236
51+	**41**	45	227	85	91
Total	**130**	125	554	300	400
Returning from parental leave (percentage)	**95**	86	92	89	84
Traineeship and apprenticeship program (number)	**109**	109	142	149	125
Employees in Graduate Program (number)					
Male employees	**154**	143	114	89	80
Female employees	**136**	127	97	70	53
Total	**290**	270	211	159	133
Total hours of training by gender					
Male employees	**70,050**	62,471	63,657	Not previously reported	
Female employees	**26,325**	15,752	13,887	Not previously reported	
Total	**96,375**	78,223	77,544	Not previously reported	
Total hours of Process Safety Management (PSM) training by gender[2]					
Male employees		17,356			Not applicable
Female employees		1,676			Not applicable
Total		19,032			Not applicable
Average per person hours of training by gender[3]					
Male	**28**	32 (25)	26	29	23
Female	**25**	17 (16)	14	17	11
Total	**27**	28 (22)	22	26	20
Average per person training by gender – professional/management[3]					
Male	**25**	25 (16)	16	23	16
Female	**24**	16 (13)	11	18	12
Total	**25**	23 (16)	15	22	16
Total hours of training by employee type[3]					
Permanent	**86,928**	91,006 (72,734)	71,660	Not previously reported	
Fixed term	**5,350**	3,719 (3,427)	3,830	Not previously reported	
Part-time	**4,097**	2,530 (2,062)	2,054		
Total	**96,375**	97,255 (78,223)	77,544		
Average per person hours of training by employee type[3]					
Permanent	**28**	30 (24)	24	28	22
Fixed term	**21**	15 (14)	14	15	12
Part-time	**15**	10 (8)	8	11	7
Total	**27**	28 (22)	22	26	20
Percentage of employees receiving regular performance and career development reviews, by gender					
Male	**97%**	99%	99%	99%	97%
Female	**95%**	97%	98%	96%	93%
Total	**97%**	98%	99%	98%	96%

1. Woodside determines employment category based on job level.
2. Increase in total hours training driven by mandatory Process Safety Management (PSM) training during 2016. This training now forms part of business as usual training programs. A majority of process safety critical roles are operational or technical, predominately undertaken by male employees.
3. The figures in the parentheses above reflect the averages excluding PSM training.

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 work day cases + restricted workday cases + medical treatment cases) per 1,000,000 hours worked.
Lost time injury (LTI)	An LTI is something that results in a fatality, disability or time lost from work. The number of LTIs is the sum of these 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, that 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.
Absentee	An employee absent from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences such as holidays, study, maternity or paternity leave, and compassionate leave are excluded.
Absentee rate	A measure of actual absentee days lost expressed as a percentage of total days scheduled to be worked by the workforce for the same period.

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 that are gaseous in a reservoir but that 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	The controlled burning of gas found in oil and gas reservoirs
FLNG	Floating liquefied natural gas
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.
HSE	Health, safety and environment
IOGP	International Association of Oil and Gas Producers
IPIECA	International Petroleum Industry Environmental Conservation Association. 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	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
SDGs	Sustainable Development Goals
Sustainability	Achieving a decent standard of living for everyone today without compromising the needs of future generations. (United Nations, 2013)
TRIR	Total recordable injury 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
NO_x	oxides of nitrogen
SO_x	oxides of sulfur
t	tonne
tCO_2e	tonnes of carbon dioxide equivalent
TJ	terajoules
US$	US dollars
VOCs	volatile organic compounds

EY ASSURANCE STATEMENT

EY
Building a better
working world

Independent Assurance Statement to the Management and Directors of Woodside Petroleum Ltd

Our Conclusion

Based on our review procedures, nothing came to our attention that caused us to believe that the limited assurance subject matter in Woodside's 2017 Sustainable Development Report has not been prepared and presented fairly, in all material respects, in accordance with the reporting criteria.

Based on our reasonable assurance procedures, in our opinion the health and safety performance data in Woodside's 2017 Sustainable Development Report is presented fairly, in all material aspects, in accordance with the reporting criteria.

What we did

Ernst & Young ('EY') was engaged by Woodside Petroleum Limited ('Woodside') to undertake 'limited assurance' and 'reasonable assurance' as defined by Australian Auditing Standards, over selected information disclosed in Woodside's 2017 Sustainable Development Report for the year ended 31 December 2017.

What our assurance covered

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

► The content of the Woodside 2017 Sustainable Development Report ('SD Report') including the published information relevant to the year ending 31 December 2017, limited to the claims and data in the following sections:
  ► Operating with transparency and integrity
  ► Fostering the organisation and culture
  ► Building a resilient business
  ► Operating responsibly
  ► Creating shared value
  ► Woodside's approach to sustainability including materiality matrix and sustainability targets
  ► Sustainability performance
► Woodside's self-assessed "in accordance with" level of disclosures to attain Global Reporting Initiative's ('GRI') G4 "core" reporting.

The subject matter for our **reasonable assurance** includes Woodside's health and safety performance data, limited to:
  ► Workforce exposure hours
  ► Incidents (including Total Recordable Injuries, Lost Time Injuries, fatalities, high potential incidents, recordable occupational illnesses)
  ► Frequency rates (including Total Recordable Injury Rate, Lost Time Injury Rate, Total Recordable occupational illness frequency rate)
  ► Training hours
  ► Employee absentee rate

Our assurance engagement does not extend to web-based information, including video hyperlinks in the SD Report.

Reporting Criteria applied by Woodside

In preparing the Woodside SD Report, Woodside applied the following criteria:

► 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), as set out in the GRI G4 Reporting Guidelines
► Woodside's self-determined criteria for the reporting of non-financial information, as detailed within the SD Report

Key responsibilities

EY's responsibility and independence

Our responsibility is to express a conclusion on Woodside's SD Report based on our assurance.

We were also responsible for maintaining our independence and confirm that we have met the requirements of the *APES 110 Code of Ethics for Professional Accountants*, including independence, and have the required competencies and experience to conduct this assurance engagement.

Woodside's responsibility

Woodside management ("management") was responsible for selecting the Criteria, and preparing and fairly presenting the SD Report in accordance with the Criteria. This responsibility includes establishing and maintaining internal controls, adequate records, and making estimates that are reasonable in the circumstances.

What our work involved

We conducted this assurance engagement in accordance with the Australian Auditing and Assurance Standards Board *Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE 3000') , and the terms of reference for this engagement.

Summary of assurance procedures performed

For limited assurance: A review consists of making enquiries, primarily of persons responsible for preparing the Woodside SD Report and related information, and applying analytical and other review procedures. Our procedures included:

► 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 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, gaining an understanding of systems and processes for data aggregation and reporting;
► Checking the accuracy of calculations performed;
► Reviewing selected management information and documentation supporting assertions made in the subject matter;
► Comparing year-on-year and month-on-month data;

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

For reasonable assurance: In addition to the above procedures our reasonable assurance procedures included, but were not limited to, the following:

► Performing tests of details and substantive testing for material qualitative and quantitative information;
► Checking evidence to support key assumptions in calculations and other data;

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

Limited Assurance

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Reasonable Assurance

A reasonable assurance engagement consists of making enquiries and applying analytical, substantive and other reasonable assurance procedures. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Use of our Assurance Statement

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

Dr Matthew Bell
Perth, Australia
8 March 2018

Ernst & Young

GRI and IPIECA indexes

This table references the Global Reporting Initiative's G4 Sustainability Reporting Guidelines.

General Standard Disclosures[1]		Page – Sustainable Development Report 2017	Page – Annual Report 2017
Strategy and analysis			
G4-1	Statement from the most senior decision maker	1	10-11
Organisational Profile			
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G4-4	Primary brands, products and services	2, 6-9	2–3, 146
G4-5	Location of headquarters	back page	17, 41, back page
G4-6	Countries of operations	2, 6-7	2, 5, 16–17, 29–31
G4-7	Nature of ownership	72	ii
G4-8	Markets served	2, 9	27, 48–49
G4-9	Scale of the organisation	6-7, 9, 28, 67	2–3, 16–17, 33–39, 148
G4-10	Number of employees	31, 67	148
		employment type by gender currently not reported, under review	
G4-11	Employees covered by collective bargaining agreements	information currently unavailable	NA
G4-12	Description of supply chain	56-57	
G4-13	Significant changes during the reporting period	50, 56	5, 10–13, 30
G4-14	Use of the precautionary principle	13, 48, 50, 62	62–63
G4-15	List of charters, principles or initiatives subscribed	60-61, 64	
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Identified Material Aspects and Boundaries			
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G4-19	Material aspects identified	16	62–63
G4-20	Aspect boundary within the organisation	website	
G4-21	Aspect boundary outside the organisation	website	
G4-22	Restatements of information	64,65	
G4-23	Significant change to scope and aspect boundaries	no significant changes	
Stakeholder Engagement			
G4-24	List of stakeholder groups engaged by the organisation	10-11	
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G4-28	Reporting period	calendar year	ii
G4-29	Date of previous report		2016 calendar year
G4-30	Reporting cycle	72	ii
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Governance			
G4-34	Governance structure	14	73
Ethics and Integrity			
G4-56	Values, principles, codes of conduct	20-26	iv

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

	GRI (G4) DMA and Indicator	Page	Omissions	Reason for Omission	IPIECA
Material issue					
Climate change	DMA – G4 - EC2 and EN15	36–39	EC2: Financial implications and costs associated with actions relating to climate change	EC2: Information available is included in our published 2017 CDP Submission	E 1, E 2, E 3, E 4
			EN15: HFCs not included	EN15: HFCs excluded from our inventory consistent with NGER reporting rules	
Major incident prevention	DMA – Asset Integrity and Process Safety G4 – OG13	42–43			SE 11, SE 12, SE 13
Major incident response	DMA – Emergency Preparedness	44–45			HS 5
Transparency, anti-bribery and corruption	DMA – Anti Bribery and Corruption G4 - SO5	21			E 9
Health and safety performance	DMA – Occupational Health and Safety G4 - LA6	46–47	TRIR, LTIFR and Absentee rate by gender	Data collection processes do not enable the reporting of health, safety and absentee rates by gender	HS 1, HS 2, HS 3

Refer to our website for IPIECA index related to full report (www.woodside.com.au).

ABOUT THIS REPORT

Scope

This report is published for key stakeholders to understand Woodside's sustainability approach, actions, performance and key material issues for the 12-month period ended 31 December 2017. The report was approved by the Woodside Board of Directors on 8 March 2018.

Woodside Petroleum Ltd (ABN 55 004 898 962) is the ultimate holding 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 that 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. Health, safety, environment and people performance data is reported as total, although environmental performance data also includes a Woodside equity share reporting basis. Health and safety data includes international exploration activity.

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

Reporting approach

The Sustainable Development Report 2017 links our sustainability principles to our company mission, vision and values.

The report has been prepared in accordance with the Global Reporting Initiative (GRI) G4 core-level reporting. The GRI guidelines provide a globally accepted framework of principles and indicators for reporting an organisation's economic, environmental and social position, practices and performance. This report includes indicators from the GRI G4 Oil and Gas Sector Disclosures. Refer to page 71 for GRI index.

Woodside also reports in accordance with IPIECA and Oil and Gas Industry Guidance on Voluntary Industry Reporting (2015).

IPIECA is the global oil and gas industry association for environmental and social issues.

⊙ Refer to our website for our IPIECA content index (woodside.com.au).

In determining the report content, we have been guided by the AA1000 standard. 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 a range of stakeholders as part of the materiality process that helped to define the content of this report. Refer to pages 10–11 for more information on our stakeholders, their interests and our responses.

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. For additional information on the materiality assessment process refer to pages 15–16.

Responsiveness

The report aims to respond to those issues identified as material for Woodside and our stakeholders. Information on our response to material issues can be found throughout the report (refer to page 16 for specific locations).

External assurance

EY has conducted assurance over the Sustainable Development Report 2017. A copy of EY's assurance statement is on page 70.

Other data is assured by GHD (Scope 1 and 2 greenhouse gas emissions data only; prepared in accordance with GRI Standard 'GRI 305: Emissions' on both an operational control and equity basis) and LGB (social investment contributions).

⊙ Refer to our website for external assurance statements (woodside.com.au).

VIDEO LINKS
Click or scan for videos about Wodside or visit our YouTube channel.

Relevant memberships and subscriptions for the Sustainable Development Report:

Australian memberships

AIGN

CO2 CRC — BUILDING A LOW EMISSIONS FUTURE

Business Council of Australia

appea

pride in diversity®

Reconciliation WESTERN AUSTRALIA

CME

cta Corporate Tax Association

International memberships

IGU INTERNATIONAL GAS UNION UNION INTERNATIONALE DU GAZ

IPIECA

EITI Extractive Industries Transparency Initiative

IChemE Safety Centre

UNEP WCMC UNEP World Conservation Monitoring Centre

TRANSPARENCY INTERNATIONAL AUSTRALIA

LBG AUSTRALIA & NEW ZEALAND

IOGP International Association of Oil & Gas Producers

International subscriptions

VOLUNTARY PRINCIPLES ON SECURITY & HUMAN RIGHTS

Woodside