

14 April 2021

## Santos releases 2021 Sustainability Report

Santos today released its 2021 Sustainability Report, demonstrating how the principles of sustainability are central to the way Santos operates its business and delivers its strategy.

The Report outlines Santos' sustainability aspirations, targets and performance, as well as areas of ongoing focus. The Report aligns with Santos' seven sustainability pillars: economic sustainability; health and safety; climate change; environment; community and supply chain; Indigenous partnerships, and people and culture.

Santos Managing Director and Chief Executive Officer Kevin Gallagher said he was delighted to present the 2021 Sustainability Report.

"We are committed to continually making progress on the aspirations and targets we have set for each of our sustainability pillars, and maturing the way in which we report," Mr Gallagher said.

The 2021 Sustainability Report is part of Santos' suite of environment, social and governance (ESG) reporting, which includes the Climate Change Report, Annual Report, Modern Slavery Statement and Corporate Governance Statement, all available on the company's website [www.santos.com](http://www.santos.com).

Ends.

*This ASX announcement was approved and authorised for release by Kevin Gallagher, Managing Director and Chief Executive Officer.*

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**Santos**

2021

Sustainability  
Report





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We acknowledge the Traditional Owners of the land on which our operations exist and on which we work. We recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past, present and emerging.

[santos.com/sustainability/](https://santos.com/sustainability/)

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**Front cover**  
Moomba Gas Plant, South Australia



**Disclaimer:** This report contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, geotechnical factors, drilling and production results, gas commercialisation, development progress, operating results, engineering estimates, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries, approvals and cost estimates. The report does not purport to represent the views of Santos' joint venture partners across operated or non-operated assets. All references to dollars, cents or \$ in this document are to Australian currency, unless otherwise stated. References to community contributions [and any other relevant areas] may reflect gross joint venture spend.

# CEO statement

It is with great pleasure that I present the 2021 Santos Sustainability Report, demonstrating how the principles of sustainability are critical to the way that we operate our business and deliver on our Transform-Build-Grow strategy.

As Australia's biggest domestic gas supplier and a leading Asia-Pacific LNG supplier, Santos has improved the lives of people throughout Australia and Asia for more than 50 years. Our values drive everything we do, as we build a better future for our customers, employees and the communities in which we operate. With significant expansion in recent years, this responsibility grows even greater. Santos assets span across Australia, Papua New Guinea and Timor-Leste, with our focus continuing to be on safely providing cleaner, reliable, low-cost fuel products.

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**Realising a better future demands that we operate sustainably and meet the needs and expectations of our communities and stakeholders. Sustainability is core not just to our values but drives our long term performance as a business.**

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Within this report we describe how our company is structured to meet these needs. Our performance against published aspirations and targets are aligned to our seven sustainability pillars: economic sustainability, health and safety, climate change, environment, community and supply chain, Indigenous partnerships, and people and culture. In recognition of our core value to 'pursue exceptional results', we are committed to continually making progress on the aspirations and targets we have set for each of these pillars, and maturing the way in which we report.



As a major fuels producer for the Asia-Pacific region, Santos has an important global role to play in a sustainable world. We are committed to realising a global future where temperature increase is limited to below 2 degrees Celsius, while reliable and affordable energy continues to power domestic and global markets. Delivery of this vision is underpinned by a relentless focus on preventing harm to people and the environment, and working in partnership with the communities in which we operate.

The impact of the COVID-19 pandemic has given delivery of Santos' strategy even greater relevance. The response of our business has highlighted the strength of our values and resilience of our organisation, maintaining operations and keeping our employees safe. Now as the world establishes a pathway to recovery, cleaner fuels are acknowledged as central to a low-carbon future and Santos is committed to doing this in the most sustainable way possible.

Our performance shows that we are a reliable and resilient fuel producer of choice, through varying market cycles. Our disciplined operating model provides the framework for us to deliver on our commitments in a responsible and sustainable manner.

We are proud to demonstrate our commitments and actions through this report.

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**KEVIN GALLAGHER**

Managing Director and Chief Executive Officer  
April 2021



# About us Santos locations

- Office locations
- Operated facilities
- Non-operated facilities
- Planned project location
- Planned carbon capture and storage
- Santos operated production acreage
- Non-operated production acreage
- Santos operated exploration acreage
- Non-operated exploration acreage
- Oil pipelines
- Gas pipelines





Papua New Guinea

PNG LNG ●○ Port Moresby

Barossa

Darwin ○○ DLNG

Gladstone ○○ GLNG

FAIRVIEW ●○ ARCADIA ●○ SCOTIA ●○ ROMA ●○ WALLUMBILLA ●○

MOOMBA ●○ BALLERA ●○

●○ Brisbane

Australia

NARRABRI ●○ NARRABRI ●○ WILGA PARK ●○ LEEWOOD ●○ BIBBLEWINDI ●○

Narrabri

○○ PORT BONYTHON

●○ Adelaide

● Sydney

● Canberra

● Melbourne

● Hobart

# About us

A proudly Australian company, Santos is a leading supplier of natural gas, a fuel for the future, providing cleaner fuels to improve the lives of people in Australia and Asia. Santos is already Australia's biggest domestic gas supplier, a leading Asia-Pacific liquefied natural gas (LNG) supplier and aims to be a world-leading clean fuels company, achieving net-zero emissions by 2040. Santos is a top-30 ASX-listed company and has a direct workforce of over 2700 people, and supports almost 3000 contractors.

## Our purpose

Our purpose is to provide sustainable returns for our shareholders by supplying reliable, affordable and cleaner fuels to improve the lives of people in Australia and Asia.

## Our vision

Our vision is to be Australia's leading natural gas company by 2025.

## Our values

Our values inform the behaviours, leadership attributes and decision-making of all Santos employees. These values are:

### Work as one team



- + Value diverse perspectives
- + Challenge respectfully then get behind the decision
- + Unite and share learnings

### Always safe



- + Plan work to protect all from harm
- + Be skilled and competent
- + Understand the risks, controls and barriers
- + Follow the rules and respond to change
- + Speak up
- + Step back, think and be ready

### Act with integrity



- + Act ethically and do the right thing
- + Value our customer relationships
- + Confront the facts
- + Treat people with respect

### Be accountable



- + Do what we say we are going to do
- + Take responsibility for our actions
- + Be disciplined about meeting requirements and standards
- + Learn from success and failure

### Pursue exceptional results



- + Deliver value for our stakeholders
- + Be decisive about what we can do better
- + Recognise and reward achievement
- + Strive for constant improvement
- + Enable innovation

### Build a better future



- + Leave a positive legacy
- + Invest in our people
- + Have a positive impact in our communities
- + Protect the environment
- + Be health and safety champions



## Our approach to sustainability

A sustainable future depends on Australian natural gas, and Santos is playing an important role in securing Australia's economic, environmental and energy security future for generations to come. We are committed to the objective of limiting global temperature rise to less than 2 degrees Celsius, whilst providing access to reliable and affordable fuels to domestic and global markets.

At Santos, we are dedicated to being the safest oil and gas operator in Australia and preventing harm to people and the environment. To do this, we responsibly manage our environmental impact and work in partnership with the communities in which we operate. We are always focused on the health, safety and well-being of our people, and reliably managing our business across all of our operations.

Our strategy to Transform, Build and Grow is positioning the business to achieve our vision to be Australia's leading natural gas company by 2025. To deliver this vision, we aim to:

- + Reduce emissions and improve air quality across Asia and Australia, by displacing coal with natural gas and supporting the economic development of combined gas, clean fuels and carbon capture and storage (CCS) solutions.
- + Be the leading national supplier of domestic gas in Australia.
- + Be a leading regional LNG supplier by increasing LNG sales to our Asian customers to over 4.5 million tonnes per annum.




- + Be a leading regional supplier of premium, low-sulphur crude and condensate to Australian and Asian customers.
- + Be recognised as Australia's safest, most reliable and lowest cost developer and operator of upstream and midstream oil and gas facilities and infrastructure.
- + Contribute positively to the communities where we operate by providing jobs and local partnerships.
- + Develop our people and culture to deliver our vision.













At Santos, we have identified seven sustainability pillars that underpin delivery of our strategy and are essential to achieving this vision. They provide a framework to reflect our sustainability aspirations and targets, to guide our performance and to manage issues that are material to our business.

Santos recognises the 17 United Nations Sustainable Development Goals (UN SDGs), which seek to address the world's biggest challenges, including ending poverty, improving health and education, and providing universal access to sustainable energy. More information about the 17 UN SDGs and their associated global targets and indicators is available at the [United Nations Development Programme - Sustainable Development Goals webpage](#).

Within each of the Santos seven sustainability pillars, we have identified where we aspire to align our business practices to the most relevant UN SDGs.

## Our sustainability pillars

Pillar	Aspiration	Targets	Relevant UN SDG
<b>Economic sustainability</b>	We are an economically sustainable company that contributes to the national and regional economies where we operate.	<ul style="list-style-type: none"> <li>+ Maintain an economically sustainable operating model.</li> <li>+ Transform our operations and apply disciplined capital allocation to underpin growth and investment.</li> <li>+ Pay tax and provide a return to the community.</li> </ul>	 
<b>Health and safety</b>	We aspire to be the safest natural gas company and prevent harm to people wherever we have a presence.	<ul style="list-style-type: none"> <li>+ Be an industry leader in health and safety performance.</li> <li>+ Past learnings applied as controls to future tasks.</li> <li>+ Safest operator wherever we have a presence.</li> </ul>	

Pillar	Aspiration	Targets	Relevant UN SDG
<b>Climate change</b>	We aspire to be a world-leading clean fuels company improving air quality and reducing emissions to net-zero by 2040, to deliver a global future where temperature increase is limited to below 2 degrees Celsius.	<p><b>Scope 1 and 2 emissions reduction targets:</b></p> <ul style="list-style-type: none"> <li>+ <u>2025</u>: Economically reduce emissions by more than five per cent across operations in the Cooper Basin and Queensland (current at the 2016-17 baseline) by 2025.</li> <li>+ <u>2030</u>: Reduce our Scope 1 and 2 emissions and emissions intensity by 26-30 per cent by 2030.</li> <li>+ <u>2040</u>: Reduce our Scope 1 and 2 emissions to net-zero by 2040.</li> </ul> <p><b>Technology targets:</b></p> <ul style="list-style-type: none"> <li>+ <u>2025</u>: CSS: Pursue step-change emissions reductions technology by assessing the feasibility and, if feasible, invest in technology and innovation which can deliver a step-change in emissions.</li> <li>+ <u>2030</u>: Once regulatory matters are finalised, use CCS technology to accelerate the economic feasibility of clean hydrogen and deliver a step-change in emissions reduction.</li> </ul> <p><b>Scope 3 targets:</b></p> <ul style="list-style-type: none"> <li>+ <u>2025</u>: Reduce global emissions through LNG export growth by growing LNG exports to at least 4.5 million tonnes per annum.</li> <li>+ <u>2030</u>: Work with customers to reduce their Scope 1 and 2 emissions by more than one million tonnes CO<sub>2</sub>e per annum by 2030 through direct fuel switching to cleaner fuels.</li> </ul>	 
<b>Environment</b>	We aspire to a net-zero environmental footprint.	<ul style="list-style-type: none"> <li>+ Water: Net-zero abstraction from Great Artesian Basin aquifers by 2030.</li> <li>+ Biodiversity: Rehabilitate 100 per cent of our environment construction footprint within 12 months for production operations by 2030.</li> <li>+ Waste: Zero waste to landfill by 2050.</li> <li>+ Air: 100 per cent background methane gas and baseline assessments across all onshore operations by 2030.</li> </ul>	  
<b>Community and supply chain</b>	We aspire to create sustainable futures for the communities where we live and work through investing in strong local partnerships.	<ul style="list-style-type: none"> <li>+ Create a positive legacy and build capacity in the communities where we operate.</li> <li>+ Build sustainable communities through investing in local jobs, supporting local businesses and paying local taxes and rates.</li> <li>+ Work in partnership with landholders.</li> <li>+ Maximise opportunities for local and Indigenous suppliers to increase their capability and capacity to supply.</li> </ul>	  
<b>Indigenous partnerships</b>	We aspire to partner with, and be trusted by, Indigenous people and communities where we operate.	<ul style="list-style-type: none"> <li>+ Industry best-practice recruitment and development programs for meaningful career opportunities.</li> <li>+ Leader in community engagement and cultural heritage management.</li> <li>+ Support Indigenous businesses through our supply chain.</li> </ul>	
<b>People and culture</b>	We aspire to be a high performing meritocracy with a diverse, inclusive and highly competent workforce.	<ul style="list-style-type: none"> <li>+ Attract top talent and retain our best people.</li> <li>+ Grow an organisational learning culture.</li> <li>+ View diversity and inclusion as the norm.</li> <li>+ Harness talent to sustain our disciplined operating model.</li> </ul>	  

# Governance and management approaches

At Santos, we recognise that maintaining robust and disciplined corporate governance processes is critical to sustaining great performance across our organisation.

Santos' activities are conducted in accordance with the laws and regulations of the jurisdictions where we operate. In addition, Santos' corporate governance framework and management system (SMS) guides the way that we work and is essential to achieving our business strategies and enabling our organisation to adapt, respond, innovate and drive sustainable business practices.



**Operating facility, Varanus Island,  
Western Australia**



## Corporate governance

Santos' Constitution sets out the fundamental rules for our governance, including the appointment of the Board by our shareholders. The Santos Board operates in accordance with its Charter, and has established four standing committees to assist with the effective discharge of its duties. Further detail about the remit of each standing committee and their specific charters can be found at [santos.com](https://www.santos.com).

The Board sets and regularly reviews the policies and Code of Conduct (Code) which frame the SMS, and delegates authority to Management to conduct the day-to-day operations of the business in accordance with those policies and the Code.

Santos regularly reviews the elements of its corporate governance framework to ensure ongoing compliance with all statutory and Australian Securities Exchange (ASX) requirements, and to reflect global developments in best practice. Santos supports the intent and purpose of the ASX Corporate Governance Council's Principles and Recommendations and meets the specific requirements of the 4th edition, as set out in our Corporate Governance Statement.



## Santos' corporate governance structure



## Management systems and processes

The SMS applies to all employees and contractors and establishes the requirements for how we do business across our assets and functional support teams. It is designed to protect the workforce, communities where we operate and the environmental values associated with our portfolio of assets, operations and activities. The SMS comprises:

- + Policies and Code of Conduct.
- + Management / Operating Standards – explaining the minimum standards for ‘what’ the business must achieve.
- + Procedures, technical standards, processes and tools – explaining the expectations and practices for ‘how’ business activities should be undertaken.

A number of the policies and procedures are publicly available on the [santos.com](https://www.santos.com) website:

- + [Code of Conduct](#)
- + [Environment, Health and Safety Policy](#)
- + [Climate Change Policy](#)
- + [Diversity and Inclusion Policy](#)
- + [Local Industry, Community and Indigenous Participation Policy \(LICIP Policy\)](#)
- + [Market Communication and Continuous Disclosure Policy](#)
- + [Risk Management Policy](#)
- + [Securities Dealing Policy](#)
- + [Anti-Corruption Procedure](#)
- + [Reporting Misconduct \(Whistleblower\) Procedure](#)

Our employees and contractors are required to report suspected or actual violation of the Code of Conduct, in line with our Reporting Misconduct (Whistleblower) Procedure. This means directly to General Counsel, Company Secretary, Executive Vice President People and Culture or Group Risk and Audit Manager or via our external, confidential 24 hour Reporting Misconduct Hotline. Allegations of misconduct are assessed by the General Counsel and Executive Vice President People and Culture to provide recommendations for investigation to the Managing Director and CEO. In 2020, there were a total of eleven new investigations conducted, of which six allegations were substantiated. The outcomes of investigations are reported to the Board’s Audit and Risk Committee. Where allegations are substantiated, disciplinary action may range from internal disciplinary action to termination of employment.

Santos' long-established approach to environmental management, health and safety is outlined in our [Environment, Health and Safety Policy](#). It outlines the specific, inherent actions that we take to implement the Policy and it underpins our strong track record of safe operations and robust environmental management.

We have a dedicated Indigenous Participation Framework in place that covers the breadth of our assets and activities. It builds-out our strategic vision and clearly defines how we will deliver on land access, economic participation and community investment activities, to significantly build Indigenous participation capability. The framework enables a consolidated, cross-functional, sustainable approach for Indigenous participation activities within Santos, and is guided by the [Local Industry, Community and Indigenous Participation Policy](#). See the [Indigenous Partnerships](#) section of this report for more information.

Included within the SMS is a Risk Management Framework. It outlines the governance approach, processes, procedures and tools we use to understand and assess sustainability risks, as they apply to our planned projects, operations and activities. Also included is an Enterprise Risk Management process that captures the highest-level risks that the business needs to manage, including those related to sustainability. The SMS defines risk categories including the risks that must be reported to the Board’s Audit and Risk Committee. The Enterprise Risk Management process is an active process. It enables the Board and leadership team to confirm that company-wide risks are being managed effectively and that business objectives are achieved in a safe and sustainable manner.

Santos' dedicated Sustainability and Social Performance function implements our sustainability strategy, coordinates progress tracking against aspirations and targets, and provides guidance to the business on sustainability related risks and opportunities. The group is responsible for regular performance reporting throughout the year to the Santos Executive Committee and the Santos Board's Environment Health Safety and Sustainability (EHSS) Committee, as well as preparing annual climate change and sustainability reports. Dedicated resources in the corporate and asset teams are responsible for preparing regulatory compliance reports and completing data assurance.

Various business teams are responsible for the day-to-day implementation of plans, processes, procedures and tools that are embedded within the SMS and align with the seven sustainability pillars. Each pillar has an assigned business owner who supports communication and reporting of performance.

### Reporting approach

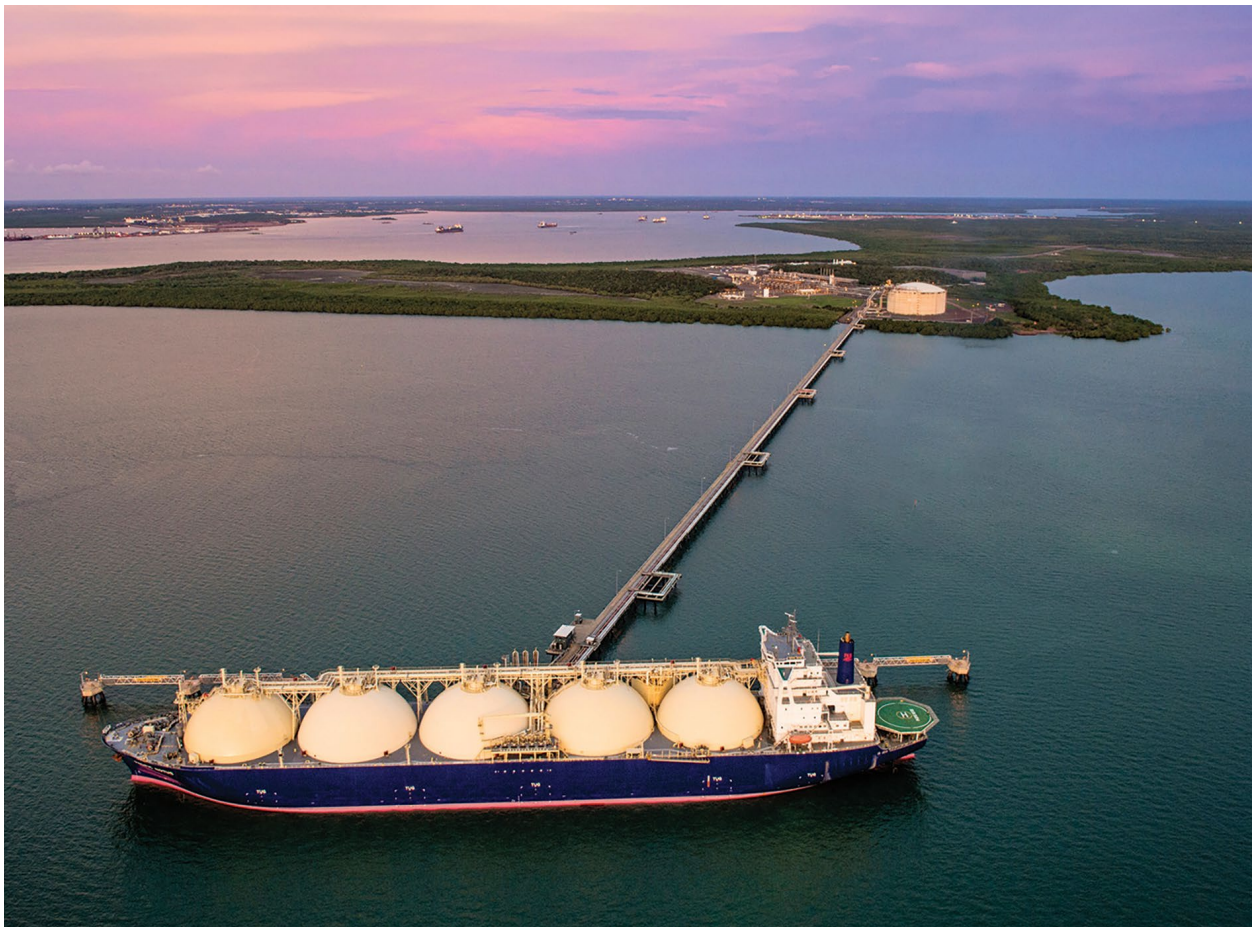
Santos is committed to ongoing, transparent reporting of business performance outcomes and data, coupled with future strategies for sustainable operation.

We recognise the importance of cohesive sustainability reporting. This report leverages and builds on content that we already make publicly available.

## Structure of this report

This report provides an update on our existing [Sustainability Report](#) and marks a significant step in Santos' journey towards publishing a 2022 report that is further aligned with external reporting frameworks. The following sections of the report are structured to reflect the seven Santos sustainability pillars. Within each, an overview is provided of the progress that Santos is making towards operating sustainably and delivering on the established aspirations and targets.

Where possible, calendar year 2020 datasets and 2020 performance content are provided in this report. The content also includes all Santos' operated assets, as of December 2020, unless described otherwise. For ease of reference, Appendix 2 provides a consolidation of summary data related to each pillar and a [downloadable copy in Excel](#) format is available at the [santos.com](https://www.santos.com) website.



Darwin LNG facility, Northern Territory



# Economic sustainability

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## Aspiration

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We are an economically sustainable company that contributes to the national and regional economies where we operate.

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## Targets

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Maintain an economically sustainable operating model.



Transform our operations and apply disciplined capital allocation to underpin growth and investment.



Pay tax and provide a return to the community.

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## Relevant UN SDGs

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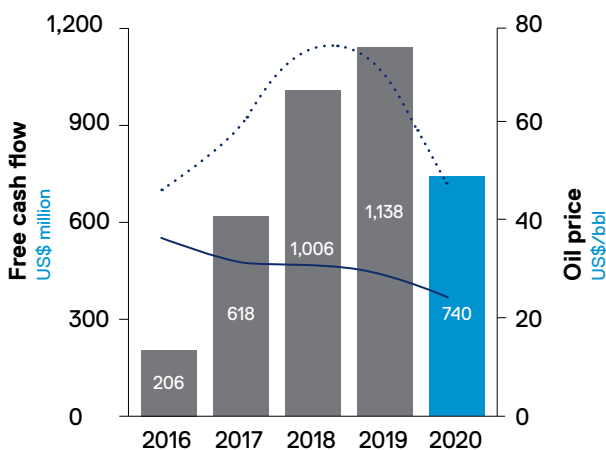
# Performance highlights and progress against targets

Santos' Transform, Build and Grow strategy has not changed since its implementation in 2016. The clarity of this strategy and consistency of execution over the past five years have been critical in growing the business and ensuring that we remain economically sustainable for decades to come.

Our disciplined, low-cost operating model is free cash flow-based and designed to withstand the commodity price cycle. It is non-industry standard and a key differentiator versus our global peers. Its effectiveness is reflected in both the free cash flow generated and breakeven oil prices realised in 2020:

- + Generated US\$740 million with an average realised oil price of US\$47 per barrel (bbl). This is more than three times the free cash flow delivered in 2016 at a similar average oil price.
- + Delivered a 2020 free cash flow breakeven oil price of US\$24 per barrel before hedging.

The Build phase of Santos' strategy centres around growing production from five core asset hubs, and identifying new upstream opportunities to create value around our existing strategic infrastructure positions. In May 2020, Santos completed the US\$1.4 billion acquisition of the ConocoPhillips assets in northern Australia and Timor-Leste, including Darwin LNG, Barossa and Poseidon. The acquisition provided Santos with operating interests in long-life, low-cost natural gas assets and strategic LNG infrastructure with expansion potential. Full details of our interim and full-year results, quarterly and annual reports can be accessed via the Company Reporting section at [santos.com](http://santos.com).



— FCF breakeven oil price (unhedged)  
 ..... Average realised oil price

## Record annual production and strong free cash flow achieved amid global economic volatility in 2020

### Strong, cash-generative base business with steady production.

- + Delivered annual production of 89.0 million barrels of oil equivalent in 2020, which is a record for Santos and 18 per cent above the prior year.

### Each core asset is required to be free cash flow positive at an oil price of less than US\$35 per barrel.

- + Delivered 2020 free cash flow breakeven oil price of US\$24 per barrel before hedging.
- + In 2021, targeting <US\$25 per barrel before hedging.

### Business continuity maintained in response to the COVID-19 pandemic and commodity market volatility.

- + Maintained production and associated activity programs, acted to protect the balance sheet and retain our permanent employees.

### Well positioned for disciplined and phased growth to 120 million barrels of oil equivalent.

- + Final Investment Decision taken on the Barossa project in March 2021.



Free cash flow and breakeven oil price trending

## Target

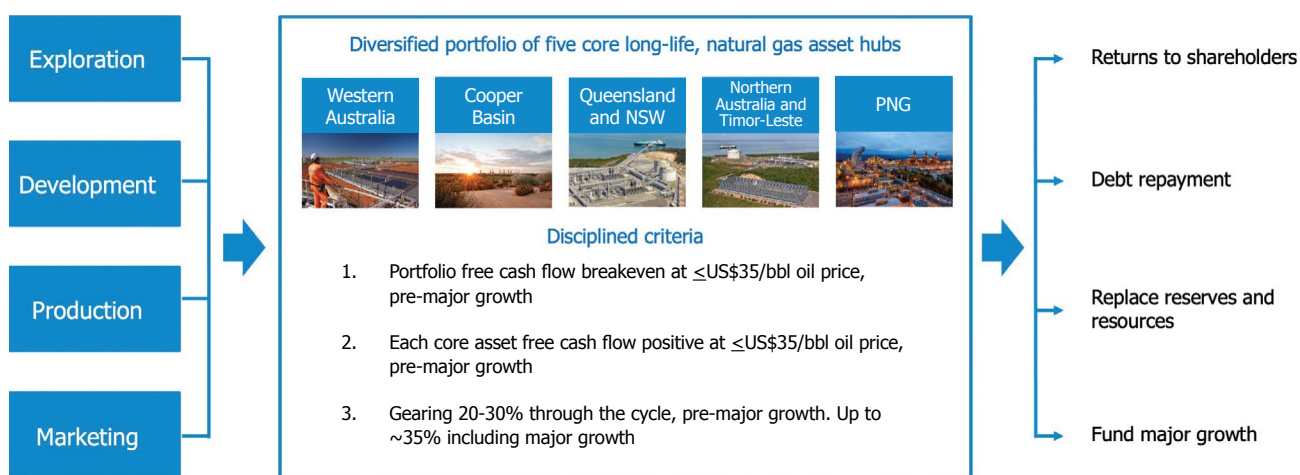
# Maintain an economically sustainable operating model



Santos' disciplined operating model provides the framework to drive value and consistently generate free cash flow through the oil price cycle. Our operating model portfolio rules require that each core asset will generate free cash flow at a US\$35 per barrel oil price and that the portfolio

as a whole will also generate free cash flow at US\$35 per barrel, before major growth capital spend. Free cash flow is directed towards four end uses including returns to shareholders, debt repayment, activity programs to replace reserves and resources, and funding growth.

## Disciplined operating model



## Target

# Transform our operations and apply disciplined capital allocation to underpin growth and investment



Our focus on safe, low-cost and efficient operations is continuing to ensure our business is sustainable for decades to come. We are also investing in opportunities for innovation within our operations, progressing new regional developments and advancing our CCS and hydrogen plans to meet our net-zero emissions by 2040 target. This investment directly translates to more jobs, more opportunities for our regions and a greater contribution to the national economy.

Santos' disciplined capital management is consistent with the company's strategy and operating model. The balance sheet is positioned to fund our growth projects, and we are well positioned to deliver growth in 2021 and beyond. It centres on:

- + A rigorous and disciplined approach to capital allocation to ensure growth projects are phased, and high equity positions are reviewed.
- + Strong liquidity of over US\$3 billion comprising US\$1.3 billion in cash and US\$1.9 billion in committed undrawn debt facilities.
- + Active debt management with no significant near-term debt maturities until 2024.
- + Continued portfolio optimisation via strategically aligned farm-outs and disposals.

Further information about Santos' capital management program can be viewed in the [2020 Investor Day pack](#) and [2020 Annual Report](#) at [santos.com](https://www.santos.com).



**Target**

**Pay tax and provide a return to the community**



Santos is proud of the economic and social contribution we make through creating high-skilled, secure, well-paying jobs in the communities where we operate. We buy from local businesses and pay taxes that help fund health, education, roads and other infrastructure.

Santos is committed to paying our fair share of tax and providing a fair return to the community for the production of their resources, in each country that we operate in.

In line with Santos' Tax Policy, the Board has approved adoption of the Australian Board of Taxation's Voluntary Tax Transparency Code. Tax contributions are detailed annually in a Disclosure Report available at [santos.com](http://santos.com) (noting that these reports are prepared a year in arrears i.e. the 2019 report was published at the end of 2020).

**Santos' tax contributions in the 2019 calendar year\***

Country	Corporate Income Tax	Royalty-Related Taxation	Government Royalties and Excise	Payroll Tax	Fringe Benefits Tax	PAYG Withholding Tax	Global Total A\$ millions
Australia	0	120	106	27	3	164	420
Timor-Leste	29	26	0	0	0	0	54
Papua New Guinea	0	0	8	0	0	0	8
USA	16	0	0	0	0	0	16
<b>Total</b>	<b>44</b>	<b>145</b>	<b>114</b>	<b>27</b>	<b>3</b>	<b>164</b>	<b>498</b>

\* Note: Tax contributions are presented in A\$, as at 31 December 2019, at an FX rate of 0.6954 (average US\$ / A\$ rate for 2019)

**Future focus**

Santos' 2021 strategic priorities include:

- + Maintain strong base business with free cash flow breakeven <US\$25 per barrel.
- + Take Final Investment Decision on Moomba CCS.
- + Front End Engineering and Design (FEED) on Dorado.
- + Commence appraisal drilling at Narrabri.

**Supporting information**

[Company Reporting section at Santos.com](#)

[2020 Annual Report](#)

[2020 Investor Day pack](#)

[Tax Contribution Disclosure 2019](#)

[Tax Contribution Disclosure 2018](#)

[Tax Contribution Disclosure 2017](#)



# Health and safety

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## Aspiration

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We aspire to be the safest natural gas company and prevent harm to people wherever we have a presence.

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## Targets

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Be an industry leader in health and safety performance.



Past learnings applied as controls to future tasks.



Safest operator wherever we have a presence.

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## Relevant UN SDG

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3 GOOD HEALTH AND WELL-BEING



# Performance highlights and progress against targets

Health and safety come first in Santos' operating locations and the communities where we have a presence, guided by our Always Safe value. For Santos, managing health and safety goes beyond targets and reporting. Being recognised as the safest and lowest cost natural gas operator in Australia starts with our Environment, Health and Safety Policy (EHS Policy) and implementing the requirements of the Santos Management System (SMS). Well trained, competent and certified employees and contractors are essential for the successful implementation of this framework and to achieve our leading health and safety performance objectives to:

- + Be compliant with all laws and regulations.
- + Make safety simple, focusing on eliminating long term/life altering disablement or impairment.
- + Learn from High Potential Events\* (HPE) and near misses. Prioritise elimination, substitution or engineering controls to prevent reoccurrences.
- + Be a leader in health and well-being.

To ensure that potential health and safety risks are understood and prevented, both before we commence our activities and whilst they are underway, conformance with SMS requirements is mandatory. They set out the obligatory health and safety requirements in relation to business processes, operational implementation and verification checking activities. They cover general risks, process safety risks, health and safety risks and management of change processes.

These requirements are a clear indication that management of health and safety is an integral part of how we operate. Health and safety training and competencies are focused on field operations, engineering, geosciences, leadership and professional behaviours. At Santos, we also empower our employees and contractors, regardless of position, to 'stop the job' whenever needed to prevent harm occurring to themselves, others or the environment. Our mandatory Life Saving Rules set stringent requirements to be adhered to during high risk activities. They are available at [santos.com](https://www.santos.com).

\* A High Potential Event is defined as an incident or near miss that could have realistically resulted in one or more fatalities.

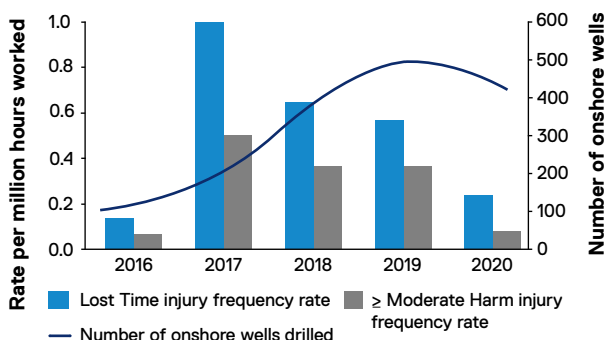
## Target Be an industry leader in health and safety performance



Our safety performance reflects our sustained focus on reducing harm:

- + Lost Time injuries have reduced by 75 per cent between 2017 and 2020.
- + Moderate Harm injuries\* have reduced by more than 80 per cent between 2017 and 2020.

 **More than 80 per cent reduction in Moderate Harm injuries from 2017 to 2020, despite significantly higher operational activity levels over the same period**



These improvements have been delivered in parallel with significantly increased operational activity since 2017, and more recently through operational changes due to the COVID-19 response in 2020.

We have maintained focus on process safety, disciplined integrity management and associated management processes, and ensured that lessons learned are shared across the organisation, to continue driving Lost Time and Moderate Harm injuries lower year-on-year.

Managing health and safety in our industry is complex. It involves many people, working across various operational activities, conducting numerous tasks on any given day:

- + Over 2700 employees working across our operations.
- + 1.1 million work hours every month.
- + Our people collectively drive 25,000 kilometres, on average, every day.

\* Moderate Harm injury is defined as temporary disablement or medium term impairment (weeks to months).



## Our safety performance is a result of:

- + Increasing rigour in our processes for incident reporting and HPE investigations.
- + A 180 day review process for action items resulting from HPE investigations to ensure they are implemented, effective and sustainable.
- + Standing up a dedicated taskforce to lead and implement the Santos COVID-19 response.
- + Delivering a 'Stand Together for Health' day across the business in 2020, to launch our Healthier Santos strategy centred around healthier bodies, minds, culture and work places.
- + Delivering mental health awareness training to all frontline leaders to implement our 'Healthier Minds' prevent, act and support model.
- + Embedding the Santos Life Saving Rules and a critical control verification process across the business, to ensure that minimum requirements are implemented for high-risk work.
- + Including safety leadership training in the Leaders, Experts and Professionals (LEAP) Always Safe Behaviours framework, stretching across all levels of the organisation.

Our strong safety performance is significant due to the high potential for workforce distraction associated with COVID-19, and the integration of ConocoPhillips assets and workforce into base business. In 2020, we achieved the lowest moderate harm and lost time injury rate since 2016.

Achieving Santos' health and safety performance objectives is a constant focus. We are proud that our proactive planning and implementation is resulting in year-on-year improvements to our results. We also understand that we must remain vigilant in proactively identifying, assessing, and mitigating risks. Past performance is not a guarantee of future success.

## Stand Together for Health

Employee and contractor health are an essential part of the Santos workforce culture. On 3 September 2020, Santos stopped operations across all field and office locations and requested all employees and contractors to 'Stand Together for Health'. Led by Santos CEO Kevin Gallagher and senior executives in field and office locations, we launched our Healthier Santos strategy and our prevent – act – support model. The aim of the framework is to embed a culture within the organisation where health is considered as important as safety.

A conversation was opened about health, in particular mental health. The purpose was to raise awareness about mental health risks and how to tackle them, use acknowledgement of the additional complexities caused by responding to the pandemic while integrating new assets and workforce into the business.

## Operational excellence to prevent process safety incidents

Santos is committed to minimising process safety-related incidents through proactive management of technical integrity and operational risks. Our Operations Excellence Framework lays out the fundamental process safety and asset performance requirements that underpin safe, reliable and low cost operations in Santos. Process safety management centres on the use of industry-proven operational risk management approaches, including Risk Bowties, to clearly identify the risks and the preventative and mitigating controls for those risks.

A strong reporting culture has enabled operations personnel to proactively identify where there are challenges in meeting these requirements and to address these in a timely manner, based on a Catch Early Fix Small philosophy.

Loss of Containment Incidents (LOCI) relate to events that impact on people, cause damage to facilities and/or result in hydrocarbon release. Depending on the type of event, each is categorised as either Tier 1, 2 or 3, with Tier 1 being the category of greatest impact. Santos' Tier 1 and 2 LOCI count has significantly reduced through multi-year programs, to improve the integrity of our infrastructure.

A structured and independent technical assurance program to ensure compliance with operating and process safety performance standards is diligently undertaken across all of our facilities. Process safety Key Performance Indicators (KPI's) enable us to proactively measure and monitor safety critical barrier health and compliance to safety critical equipment maintenance.

Our strong Operations Governance Framework, underpinned by our Operations Excellence performance framework and metrics, have enabled us to drive the significant process safety performance improvements reported below.

Safety Critical Maintenance (SCM) describes the maintenance activities with the highest priority that are required to maintain a safe operating facility, such as periodic testing of protective devices and internal inspection of pressure vessels.

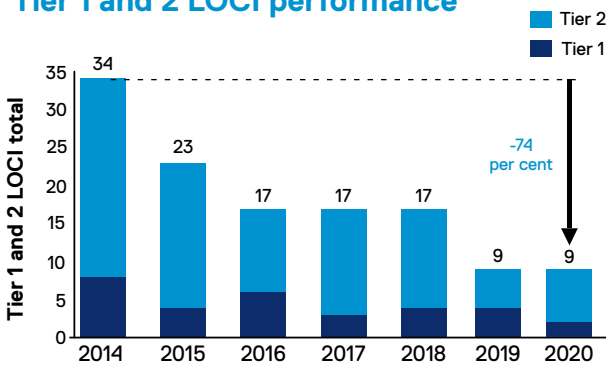
In 2020, we achieved 97 per cent SCM schedule compliance. This means that the maintenance activities that were planned for completion by a specific date were completed and closed out in the dedicated management system on time. For example 97 out of 100 work orders in the month were closed on time, and the remaining three were completed later, with appropriate and approved controls in place to prevent escalation in the meantime. The annual figure is a cumulative average over the twelve month period.

At Santos, SCM is strictly reviewed and governed in various leadership forums every month.

This strong focus on SCM compliance has driven improvement from approximately 81 per cent in 2014 up to 97 per cent, and we continue to close this gap through to 100 per cent compliance.

**Sustainable improvement in Tier 1 & 2 LOCI achieved through implementation of multi-year integrity improvement initiatives**

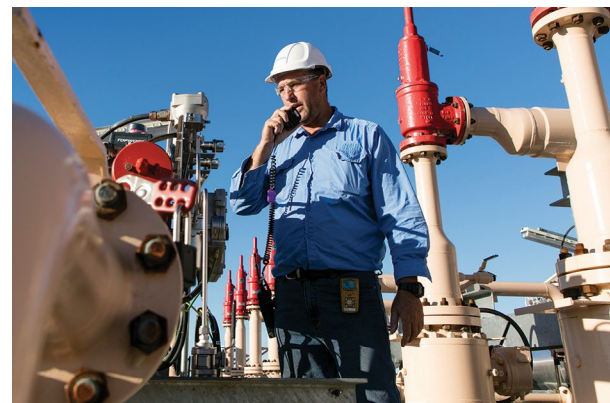
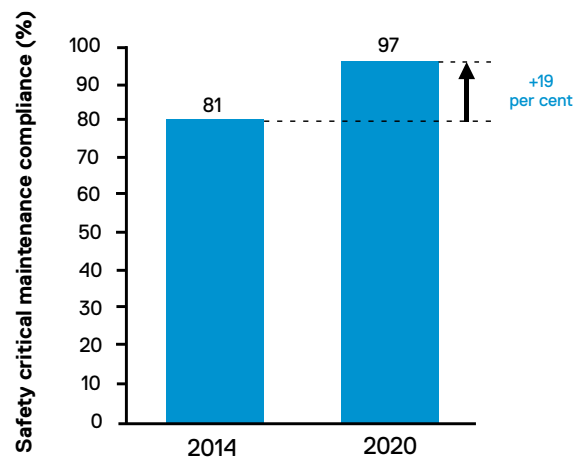
**Tier 1 and 2 LOCI performance**



**'Smart helmet' technology was used at operating facilities, whilst COVID-19 restrictions were in place, to ensure that the technical audit program continued. This technology enabled the person wearing the helmet to maintain connectivity with office-based staff during site inspections**

**Safety critical barrier effectiveness assured by prioritising safety critical maintenance activities**

**Safety critical maintenance compliance**



**The technical assurance program involves checking the physical state of facility equipment that has been identified as safety critical**



## Target

### Past learnings applied as controls to future tasks



We take a comprehensive approach to learning from incidents and near misses, to prevent harm from occurring to our people, the environment and the communities where we operate. Our Mining the Diamond approach focuses our attention on events that either caused, or had the potential to cause long-term and/or life-altering disablement, impairment, or worse.

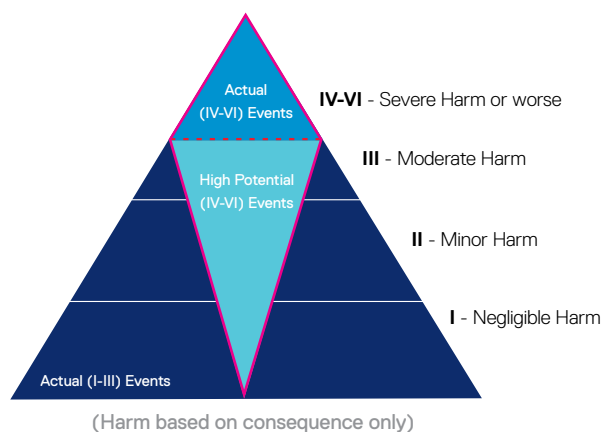
**Santos' Mining the Diamond approach to ensure that lessons are learned and acted on to prevent severe harm or worse**



HPEs sit 'inside the diamond' and are investigated by a team of highly skilled lead investigators to determine what caused the event (causal factors and root causes). Santos has adopted an industry-leading investigation framework, informed by world-class representatives in safety from aviation, defence and other high-risk industries. Features of this framework include:

- + A trained pool of 40 Lead Incident Investigators.
- + Ten root cause analysis specialists.
- + Over 300 hours invested in training for our Investigators.
- + Regular meetings between investigators to learn from our own historic investigations as well as those from a range of global industries, to further build investigation skills.

#### Tier of event and description of consequence:



- + A hierarchy of controls approach to preventing future events from occurring, by working to eliminate or re-engineer root causes, where possible.
- + 180 day review of investigation actions to ensure effectiveness and compliance.
- + A continuous improvement approach where learnings are integrated into our future work practices, via our SMS.

Our richest learning opportunities come from the HPEs where the actual consequence was low, but could have been much worse in different circumstances.

## Target

### Safest operator wherever we have a presence



We strive to implement a continuous improvement mindset within all of our activities to ensure that we are at the forefront of operating safely. Examples of how we do this include:

- + Applying a technique called Usability Mapping to our health, safety and security procedures. This is done to ensure that work procedures are easy to read and understand, and reduce errors in comprehending information and conducting work incorrectly.
- + Partnering with our contractors to improve their health, safety and security performance, adopting the International Association of Oil and Gas Producers (IOGP) 423 - Health, Safety and Environment management

guidelines for working together in a contract environment, and leveraging the online ISNetwork contractor supplier and management platform for consistent contractor interface.

- + Implementing multi-level audit and assurance processes to measure effectiveness of the health, safety and security controls that we have in place for incident prevention and to identify improvement opportunities.
- + Embedding a comprehensive Health and Wellness Strategy within our workforce. Core themes include: healthier minds, healthier bodies, healthier places and healthier culture. Each element is based around the implementation cycle of: prevent, act and support.

## Recognising safe work innovation at Port Bonython

The South Australian Premier's Award for Mining and Energy - Health and Safety Award category recognises demonstrated excellence in the development and/or implementation of an innovative solution to an identified work health and safety issue. Santos' Port Bonython team was announced as winner of the award in late 2020, for its implementation of an innovative tank inspection access solution.

The Port Bonython plant has four insulated Liquid Petroleum Gas (LPG) tanks to store propane and butane. Since the plant was commissioned in 1984, ongoing monitoring and maintenance has been undertaken to ensure the integrity and safety of the tanks. These activities pose a challenge to the workforce due to the inability to take the tanks out of use and empty them for inspection, difficulties associated with accessing the tanks, the sub-zero temperatures within the tanks and the large tank size.

As a result of partnering with specialist contractors from Wescott, the team identified and applied the 'V-deck system' for access, which is a strong and stable modular temporary work platform that replaces the need for traditional scaffolding. This platform enabled the team to successfully complete the planned monitoring and maintenance activities, at height, in a much safer way. It was the first time that the V-deck system technology had been applied on an LPG tank anywhere in the world.



**V-deck system in use for LPG tank monitoring and maintenance works**



**Port Bonython facility, LPG tanks closest to solar panels**



## Future focus

The Santos Health and Safety Team will continue to support operational teams across the organisation to implement the EHS Policy and core SMS requirements. In addition, they will guide implementation of a capability plan to achieve the leading health and safety performance objectives.

The plan is made up of three components and key focus areas including:

### People:

- + Continue to build subject matter expertise in security, incident management, health and well-being, and injury management, to further support the operating facilities.
- + Embed 'always safe' leadership behaviour competencies into position descriptions and development plans.
- + Continue developing and implementing Healthier Santos initiatives.

### Processes:

- + Mature internal operating standards and harmonise procedures.
- + Build human performance principles into how work is executed.
- + Simplify how health and safety information is presented to the frontline workers using Usability Mapping principles.

### Systems:

- + Mature data analytics tools to automate reporting, interrogate data and deliver predictive analytics.
- + Further mature the contractor collaboration and management programs.

## Supporting information

[EHS Policy](#)

[Santos Life Saving Rules](#)

### Case study



#### Fast-tracked measures to keep the Bayu-Undan workforce COVID-19 safe

See [Page 53](#) to read about the protection measures that Santos and the Compass Group rapidly implemented to safeguard the workforce of the Bayu-Undan offshore facilities, in response to the COVID-19 pandemic.



[Santos employees at our Narrabri facility, New South Wales](#)





# Climate change

## Aspiration

We aspire to be a world-leading clean fuels company, improving air quality and reducing emissions to net-zero by 2040, to deliver a global future where temperature increase is limited to below 2 degrees.

## Targets

### Scope 1 and 2 emissions reduction targets:

**2025:** Economically reduce emissions by more than five per cent across operations in the Cooper Basin and Queensland (current at the 2016-17 baseline) by 2025.

**2030:** Reduce our Scope 1 and 2 emissions and emissions intensity by 26-30 per cent by 2030.

**2040:** Reduce our Scope 1 and 2 emissions to net-zero by 2040.

### Technology targets:

**2025:** CCS: Pursue step-change emissions reductions technology by assessing the feasibility and, if feasible, invest in technology and innovation which can deliver a step-change in emissions.

**2030:** Once regulatory matters are finalised, use CCS technology to accelerate the economic feasibility of clean hydrogen and deliver a step-change in emissions reduction.

### Scope 3 targets:

**2025:** Reduce global emissions through LNG export growth by growing LNG exports to at least 4.5 million tonnes per annum.

**2030:** Work with customers to reduce their Scope 1 and 2 emissions by more than one million tonnes CO<sub>2</sub>e per annum by 2030 through direct fuel switching to cleaner fuels.

## Relevant UN SDGs





## Performance highlights and progress against previous targets

Santos' [Climate Change Policy](#) guides the company's activities to reduce greenhouse gas emissions as it produces the reliable, affordable and cleaner fuels required to meet domestic and global demand. Through the commitments made in our Policy, Santos is striving to contribute to the global aspiration to limit temperature rise to under 2 degrees Celsius.

Santos has been reporting under the National Greenhouse and Energy Reporting (NGER) Act since its inception in 2008. In addition, our Scope 1 greenhouse gas emissions are independently audited each year. Santos' Scope 1, 2 and 3 greenhouse gas emissions data is also published annually in our 2018, 2019, 2020 and 2021 [Climate Change Reports](#), which are consistent with the recommendations of the G20's Taskforce on Climate-related Financial Disclosures.

The EHSS Committee of the Santos Board regularly monitors and reviews the company's Policy and approach to climate change, including management of climate change risk. Climate change considerations, reducing global greenhouse gas emissions and improving air quality are intrinsic to Santos' business strategy.

This strategy has delivered excellent progress on existing targets, enabling us in 2020 to set new emission reduction targets at the forefront of industry: reducing emissions 26-30 per cent by 2030 and to net-zero by 2040. These significant commitments are made possible by our unique portfolio of assets, technical expertise, and low-cost operating model.

## Scope 1 and 2 emissions reduction targets

**2025**

**Economically reduce emissions by more than five per cent across operations in the Cooper Basin and Queensland (current at the 2016-17 baseline) by 2025**

**2030**

**Reduce our Scope 1 and 2 emissions and emissions intensity by 26-30 per cent by 2030**

**2040**

**Reduce our Scope 1 and 2 emissions to net-zero by 2040**



Santos is ahead of progress to achieve our 2025 target, with executed projects delivering over 160 ktCO<sub>2</sub>e per annum of emissions reduction to date, or over 2.7 per cent reduction.

Across our operations, we are successfully reducing emissions through our suite of initiatives in energy efficiency, electrification, integration of renewables and nature-based carbon offsets.

We also have a clear, tangible pathway to reach our new goals, with existing and planned initiatives including the

step-change technology of CCS, integration of renewable energy sources, electrification, world-class nature-based offsets, energy efficiency and eventually, zero emission hydrogen.

Central to our 2030 and 2040 targets is progressing the Moomba CCS project, which is now technically complete and ready for a final investment decision once the methodology for Australian Carbon Credit Units (ACCUs) is finalised by government.

# Technology targets

## 2025

**CCS: Pursue step-change emissions reductions technology by assessing the feasibility and, if feasible, invest in technology and innovation which can deliver a step-change in emissions**

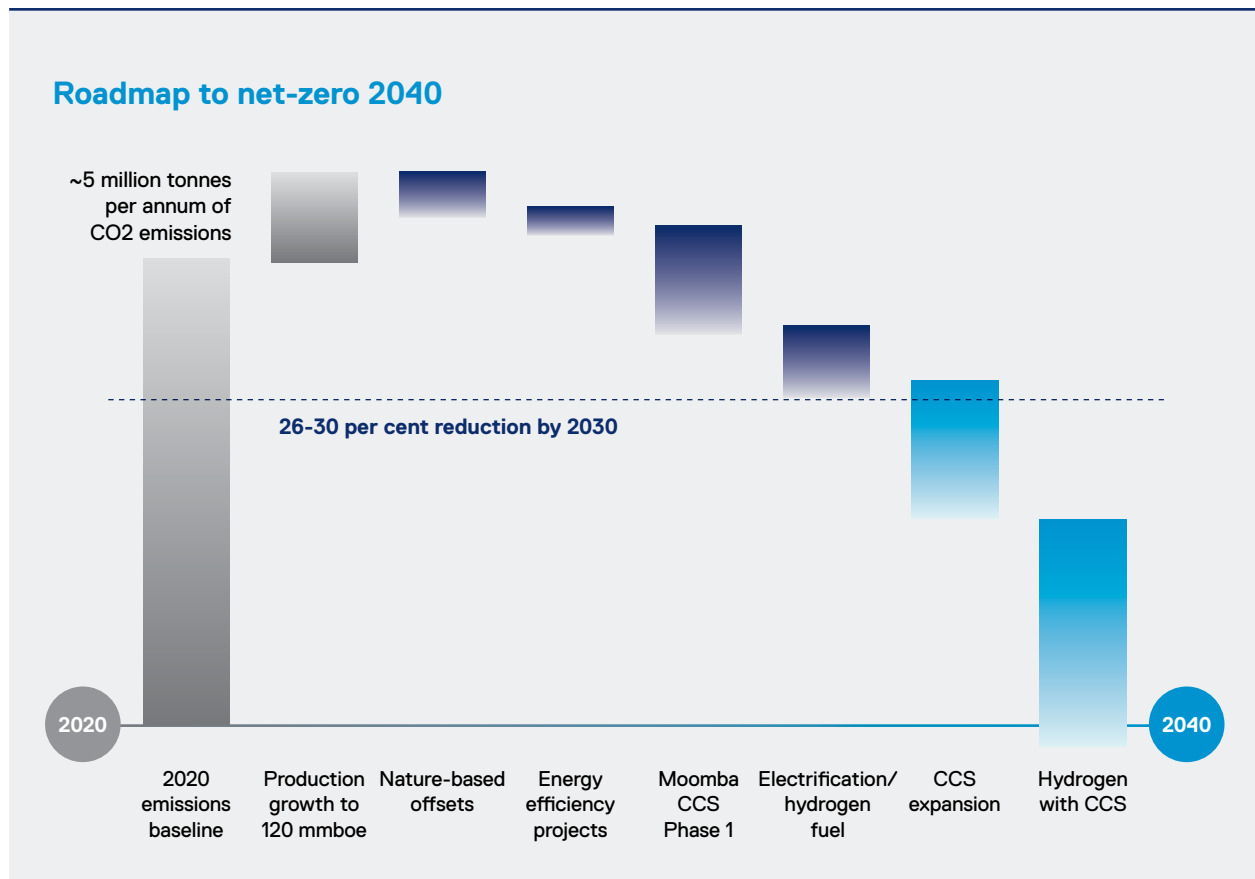
## 2030

**Hydrogen: Once regulatory matters are finalised, use CCS technology to accelerate the economic feasibility of clean hydrogen and deliver a step-change in emissions reduction**

CCS is a mature technology recognised as a safe, permanent solution for large-scale emissions reduction. Following the implementation of an approved methodology for CCS to earn ACCUs, we will implement a CCS project at Moomba in the

Cooper Basin, to capture 1.7 million tonnes of CO<sub>2</sub> per annum. This will be the second-largest CCS project in the world, with the lowest cost, at less than \$30 per tonne.

Our Roadmap to net-zero 2040 sets out our clear, tangible pathway to reach our 2030 and 2040 targets:



The lowest-cost and most common way to produce hydrogen today is by splitting natural gas molecules (carbon and hydrogen). When used in conjunction with CCS, the hydrogen produced can be carbon neutral and also eliminates scope 3 emissions.

The majority of the hydrogen produced in the world today is from natural gas. This process uses half as much water and is three times cheaper than generating hydrogen from water and electricity. While generating hydrogen from natural gas produces CO<sub>2</sub>, it can be captured and stored, such as through Santos' Moomba CCS project.

Low-cost, permanent CO<sub>2</sub> abatement through CCS can remove emissions from energy and heavy industry, responsible for a large proportion of global greenhouse gas emissions, while enabling production of clean hydrogen, which is crucial to decarbonising other industrial processes and the transport sector.

Going forward, Santos' investment in the step-change technology of CCS will allow us to drastically reduce the emissions not just from our own operations, but those of our customers, through safe and permanent storage of their CO<sub>2</sub>, or by supplying clean hydrogen.

## Scope 3 targets

### 2025

**Reduce global emissions through LNG export growth by growing LNG exports to at least 4.5 million tonnes per annum**

### 2030

**Work with customers to reduce their Scope 1 and 2 emissions by more than one million tonnes of CO<sub>2</sub>e per annum by 2030 through direct switching to cleaner fuels**

The criticality of energy in global progress is recognised by its prominence within the UN SDGs. Acknowledged as underpinning all of the 17 goals is goal seven, 'affordable and clean energy'. As energy access grows, human development accelerates.

To meet the needs of the world's growing population, many of whom still live in energy poverty, massive expansion of affordable and reliable energy is recognised as critical.

However, the energy challenge must be addressed in a sustainable way; that is, ensuring a safe climate for future generations. This means driving emissions down in both existing energy systems and in meeting new energy demand.

Part of this task can be achieved by technology advances and consumers using energy more efficiently. This can moderate growth in energy demand even as the economy expands, allowing society to do more with less.

Most critically however, the carbon intensity of existing and future energy demand must continue to fall, spurred on by cleaner fuels and new technology. This extends beyond just energy for power; emissions from industrial processes such as steel and cement, and the transport and land sectors must also be addressed.

While expansion of renewable energy sources will be an important contributor to this trend, electricity currently makes up just 20 per cent of energy consumed, and the world relies on hydrocarbon fuels for 80 per cent of its primary energy. These fuels will therefore be in demand for decades, so making them progressively cleaner is the key to meeting global climate goals.

Already an established exporter of LNG to markets including China, Japan, Malaysia and South Korea, Santos has a key role in our region's decarbonisation journey which we aim to increase, growing LNG exports to 4.5 million tonnes annually by 2025. Santos is ahead of progress needed to achieve this target, with 2020 LNG exports of 4.3 million tonnes, 45 per cent higher than 2019.

Since 2018, Santos has published annual climate change reports that align with the recommendations of the G20's Task Force on Climate-related Financial Disclosures (TCFD). The latest 2021 Climate Change Report outlines that Santos is ahead of plan in achieving our 2025 targets and includes details

and case studies regarding the company's emissions reduction performance. It also sets out our pathway to achieving the 2030 targets and net-zero emissions by 2040 in more detail. Our Climate Change Reports are available at [santos.com](https://www.santos.com).



## Transparency

In addition to our reporting under the NGER framework and in our annual [Climate Change Reports](#), Santos is also committed to transparency regarding our wider business associations. This enables us to keep abreast of the latest developments within the industry, and to contribute and advance our own views on key issues such as climate and energy policy, to broader industry positions. A statement on Santos' review of industry associations is available at the [santos.com](https://www.santos.com) website.

## Future focus

Santos' sustainable future producing clean, affordable fuels, is made possible by our unique portfolio of assets, technical expertise, and low-cost operating model. For Santos, net-zero 2040 is a business opportunity, not a business burden.

## Supporting information

[Climate Change Policy](#)

[EHSS Committee Charter](#)

[2018-2021 Climate Change Reports](#)

[Statement on Review of Industry Associations](#)

### Case study



#### Social co-benefits of carbon offset program

Darwin LNG, now operated by Santos, has supported the West Arnhem Land Fire Abatement project (WALFA) for the past 15 years. Read about the social and environmental benefits that have been achieved as a result of this internationally recognised carbon offset program, on [Page 54](#).



# Environment

## Aspiration

We aspire to a net-zero environmental footprint.

## Targets



Water: Net-zero abstraction from Great Artesian Basin aquifers by 2030.



Biodiversity: Rehabilitate 100 per cent of our environment construction footprint within 12 months for production operations by 2030.



Waste: Zero waste to landfill by 2050.



Air: 100 per cent background methane gas and baseline assessments across all onshore operations by 2030.

## Relevant UN SDGs





## Performance highlights and progress against targets

Santos' commitment to achieving a net-zero environmental footprint starts with our [EHS Policy](#). Within our SMS, we have embedded an Environmental Strategic Framework (ESF) that defines how the policy will be implemented in our ongoing business activities.

The aims of the ESF are to:

- + Identify potential environmental risks early in the planning phase, as well as during an activity.
- + Ensure that effective and auditable management measures are identified and implemented to adequately address the potential impacts.
- + Maintain our licence to operate, including securing and fulfilling all regulatory approval requirements, and maintaining support from the community.
- + Apply a whole-of-lifecycle decision making framework to effectively manage environmental risks throughout all stages of our activities.

Key components of the ESF include:

- + Environment management strategies.
- + Business and improvement plans.
- + Early stakeholder identification and regular engagement.
- + Strategic partnerships with world-class research organisations.
- + Documented environmental performance accountabilities within leadership position descriptions.
- + Internal governance that enables the Board to have oversight of key operational activities.

Implementation of the ESF and opportunities for improvement is ongoing across our portfolio of activities. Successful implementation is enabled by the core Santos value, 'build a better future', which acknowledges the importance of protecting the environment and leaving a positive legacy.

Each year, the Board sets environmental targets that are specific, time-bound and mandatory. To ensure each target can be achieved, an implementation plan is endorsed and approved by the Board. Regular progress updates on the implementation plan, as well as overall environmental performance, are provided to the Board throughout the year.

Often, for Santos to successfully implement the ESF and achieve the environmental targets, we engage external individuals and organisations who are experts

in their own field. In 2020, engagement with external organisations included:

- + The CSIRO completing background and baseline methane surveys in the Northern Territory and Queensland.
- + GISERA, the CSIRO's Gas Industry Social and Environmental Research Alliance, conducting research associated with onshore gas development in the Northern Territory.
- + The University of Queensland's Centre for Natural Gas, completing research into the beneficial re-use of brine and salt generated as a waste from the desalination of produced water.

### Case study

#### North West Shoals to Shore Research Program

The offshore North West Shelf of Australia is widely acknowledged for its exceptional ecosystems and diversity of habitats. Santos partnered with the Commonwealth Government's Australian Institute of Marine Science (AIMS) and committed \$14 million of funding to undertake the three year North West Shoals to Shore Research Program. Read more about the program and initial findings on [Page 55](#).

### Case study

#### Gidgealpa Biodiversity Offset Property, onshore Cooper Basin

Santos has partnered with the Nature Foundation and the Yandruwandha Yawarrawarrka Traditional Owners to establish the first large-scale Significant Environmental Benefit Offset of its type in the South Australian Channel Country region. Read about the Gidgealpa Offset Property (GOP) on [Page 56](#).

## 2020 APPEA Environment Project Excellence Award

Santos operates oil and gas facilities on Varanus Island on the North West Shelf of Western Australia. These facilities have been in operation since 1986, occupying a lease that is surrounded by three breeding colonies (rookeries) of the wedge-tailed shearwater bird species. Since 1994, long-term monitoring of rookeries on islands on the North West Shelf have not detected any changes in abundance, or breeding success of these bird populations, however, interactions between the birds and the Varanus Island facilities do occur.

Over three consecutive years, measures were implemented to reduce the number of interactions between the birds and the facilities. A detailed observational study was undertaken during the fledgling season to identify effective mitigative measures to

reduce the number and severity of the interactions between the operating facilities and shearwater fledglings. Measures included the erection of fencing and light shields, changes to lighting around the plant without compromising safety (such as switching off some lights and replacing white lights with orange), and the installation of shade cloth to prevent access. Plant personnel were also trained and engaged to support observational studies and management activities.

These mitigative measures significantly reduced the number of interactions and improved the outcomes for individual shearwaters when interactions do occur. Santos received the 2020 Australian Petroleum Production and Exploration Association award for Environment Project Excellence in recognition of the protection measures implemented.

## Target

### Water: Net-zero abstraction from the Great Artesian Basin Aquifers by 2030



The Queensland Government's Interim Great Artesian Basin Infrastructure Investment Program (IGABIIP) provides a mechanism for Santos to fund public projects to repair uncontrolled flowing bores and bore drains across the Great Artesian Basin (GAB). Such water-saving initiatives are critical to sustainable management of the GAB groundwater. Santos is the first organisation to partner and formalise an agreement with the Queensland Government and provide

funds to support these initiatives. Santos is working towards providing sufficient funding for capping and piping activity under the IGABIIP framework so as to achieve net-zero abstraction from the GAB by 2030. These initiatives will improve the sustainability of groundwater resource management across the GAB, well beyond the life-cycle of Santos' projects within the footprint of the GAB.

## Case study

### Water system loss of containment incident reduction program, onshore Queensland



Read [Page 57](#) for a case study on how a multidisciplinary Santos team successfully worked together to achieve a 93 per cent reduction in the volume of produced water releases over 12 months.



**Target**

**Biodiversity: Rehabilitate 100 per cent of our environment construction footprint within 12 months for production operations by 2030**



Tracking land disturbance associated with Santos' onshore activities and subsequent rehabilitation of these areas is a key business activity. During 2020, Santos developed and implemented a new electronic process to more easily track areas disturbed and rehabilitation status for all onshore assets. The process provides a more standardised approach to capturing and assessing the associated data.

Now that the process is in place, data capture procedures will be rolled out in 2021 so that disturbance and rehabilitation status of infrastructures will be widely accessible by the Santos workforce. Once these are implemented, data metrics and compliance obligations will be easy to query and report on. This will enable easier assessment of compliance with the relevant performance standards such as completing 100 per cent rehabilitation of our construction footprint within 12 months for production operations by 2030.

**Target**

**Waste: Zero waste to landfill by 2050**



Santos has set an ambitious target of reducing our waste to landfill to zero by 2050. Key to achieving this is implementation of a long-term strategy that focuses on the life cycle management of waste across our operations. Our strategy places an emphasis on avoiding and minimising waste generation, and maximising waste reuse and recovery.

During 2020, the following deliverables were achieved as a result of implementing the long-term waste strategy:

- + Development of electronic tools and systems to enable consistent collection, recording and analysis of waste data across all Santos operations.
- + Integration of newly acquired assets (e.g. Darwin LNG and Bayu-Undan) into the Santos waste management, reporting and planning processes.
- + Execution of dedicated waste reduction and recycling campaigns.

We are continuing to improve rates of recycling and minimise the quantities of waste volumes produced across all our operating areas. Quantities of general waste that are disposed of to landfill continue to decline from nearly 45,000 tonnes in 2016 to less than 7,000 tonnes in 2020.

To support continued implementation of the long-term strategy and achievement of the 2050 target, our next steps include:

- + Maturing existing waste management contracts and procurement strategies to increase our waste avoidance and minimisation opportunities, as well as those related to our contractors and subcontractors.
- + Adoption of company-wide waste metrics to enable standardised reporting and assist in tracking performance.
- + Continuing to explore opportunities elsewhere within the industry and with researchers, to eliminate and reduce waste from existing and future onshore and offshore operations.
- + A key focus will continue to be reuse of the waste brine generated from our CSG operations.

**Case study**



**Reducing waste volumes and quantities in the Cooper Basin**

In the geographically isolated Cooper Basin, significant improvements have been achieved at the Moomba Waste Management Facility. Read more about these on [Page 58](#).



**Since 2016 landfill waste has dropped from 45,000 to 7,000 tonnes**

## Target

# Air: 100 per cent background methane gas and baseline assessments across all onshore operations by 2030



Santos is conducting background methane assessments across our onshore operations, and baseline assessments for our new development areas, which are planned to be completed by 2030.

Through a research services agreement with the CSIRO, the assessments continued during 2020.



**CSIRO undertaking a fugitive methane assessment at an Arcadia Valley compression facility, Queensland.** Photo: CSIRO

This research is important for the measurement of fugitive emissions from oil and gas operations, as well as to identify and understand fugitive emissions from natural biological and geological sources - for example from soils, wetlands, rivers and agriculture.

This program builds on previous research undertaken by the CSIRO in New South Wales, Queensland and the Northern Territory.



## Future focus

Santos is committed to preventing harm to the environments in which we operate. We have a proven record in environmental stewardship and innovation to deliver environmental benefits across our operational assets.

We are committed to continuing implementation of the ESF and planning further activities to achieve a net-zero environmental footprint. We plan to embed environmental performance measures and targets matured through 2020 and 2021, across the business, and to continue pursuing improved environmental outcomes through strategic partnerships.

## Supporting information

[Environment, Health and Safety Policy](#)

[Santos Water Portal](#)

[North West Shoals to Shore Research Program](#)



# Community and supply chain

## Aspiration

We aspire to create sustainable futures for the communities where we live and work, through investing in strong local partnerships.

## Targets



Create a positive legacy and build capacity in the communities where we operate.



Build sustainable communities through investing in local jobs, supporting local businesses and paying local taxes and rates.



Work in partnership with landholders.

In 2020, we adopted a new target to describe our focus on enabling local communities through our supply chain:



Maximise opportunities for local and Indigenous suppliers to increase their capability and capacity to supply.

## Relevant UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION





# Performance highlights and progress against targets

We are committed to creating a sustainable future for the communities where we live and work, by providing benefits that have a positive impact. Our commitment includes partnering with community groups and organisations that contribute to the social vitality of the region. We work with local businesses and organisations to actively listen, support, invest, create jobs and build diverse skill sets. Keeping Santos' supply chain local is a key enabler for economic, environmental, social and operational sustainability. Hiring and procuring locally is important to Santos because it encourages:

- + A reliable, local supply chain that can be flexible and resilient in times of uncertainty.
- + Long-term socio-economic benefits for smaller regional communities.
- + Upskilling and educational opportunities.
- + Local suppliers to source from other local companies.

In 2019, the Santos Board approved a new Local Industry, Community and Indigenous Participation Policy which defines the principles that drive how we engage with, and support, our communities. The Policy contains specific objectives around forging mutually beneficial community relationships and delivering sustainable, social outcomes. Our approach is guided by three social performance pillars, shown to the right.

All Santos operated assets and project activities that take place within or near a local community are governed by a Stakeholder and Community Management Plan. The plans are used to enhance opportunities and minimise any potential impacts associated with our activities. They identify key stakeholders, their needs, proactive engagement approaches and community investment focus areas. Oversight of our approach to community and supply chain management is provided by the Environment, Health, Safety and Sustainability (EHSS) Committee of the Board.

In 2019 and 2020 we completed community perception surveys across our operating areas to better understand our positive impacts and identify areas for improvement. Implementing the results from these surveys, we have adjusted our approach to community engagement by increasing our focus on local presence and providing more accessible information about who we are and what we do. We will undertake this survey on an annual basis to ensure we continue to understand the evolving needs of, and feedback from, our communities and adapt accordingly.

## Social Performance Pillars

### Community engagement

- + Having an accessible local presence.
- + Providing informative communications.
- + Consulting openly and transparently with stakeholders.
- + Supporting meaningful community initiatives.

### Local participation

- + Local employment and training opportunities.
- + Procuring goods and services from local businesses.
- + Contributing to regional economic development.

### Community investment

- + Strong partnerships with, and sponsorship of, community organisations.
- + Contribute to grassroots initiatives through community grants and donations.
- + Building local capacity and capability.

**Target**

**Create a positive legacy and build capacity in the communities where we operate**



Santos is committed to creating a positive legacy in the communities where we operate through targeted community, social and supply chain initiatives. We partner with each community to identify, evaluate and progress opportunities that will deliver enhanced community support, increased skills capacity and long-term economic sustainability. In 2020, we invested over \$17 million in community partnerships and local infrastructure projects. Our community investment program aims to create social value by supporting organisations which deliver programs or initiatives that contribute to the following areas:

**Community investment program**

Our community investment program aims to create social value by supporting organisations which deliver programs or initiatives that contribute to the following areas:

**Case study**



**Supporting the community's crisis response**

The last 12 months have been incredibly challenging for our regional communities dealing with the impacts of the devastating bushfires and the COVID-19 pandemic. Read more on [Page 61](#) about how Santos donated over \$885,000 for community support during this difficult time, including over \$100,000 of company-matched donations from our staff.

**Environment and climate change**



Community carbon abatement schemes, environmental research and education, water preservation, land conservation, community clean-up and reforestation.

**Indigenous communities, diversity and inclusion**



Improve the lives and prosperity of Indigenous people through support programs, providing sustainable health, employment, economic benefits, and celebrating and protecting cultural heritage.

**Mental health and healthy living**



Programs and events that encourage healthy lifestyles, support those impacted by illness or mental health issues, and improve the long-term health outcomes of community groups.

**STEM training and education**



STEM (Science, Technology, Engineering and Maths) learning that aims to build industry skills and knowledge through scholarships, traineeships, cadetships and academic support.

**Strengthening local economies and communities**



Grassroots regional programs and initiatives that enhance the lives of local communities, with a focus on farming and agriculture, local events, support for regional sporting teams and infrastructure investment.

### Case study

#### Santos Support Worker Training Program

In partnership with Charles Darwin University (CDU), Santos established the pioneering Santos Support Worker Training Program. An overview of the intensive six month Indigenous healthcare traineeship is provided on [Page 59](#).

### Case study

#### Timor-Leste engineering hub

Increasing onshore Timor-Leste employment is being driven by Santos' ability to transfer existing work scopes to Dili for completion by local personnel with relevant skills and experience. [Page 60](#) overviews the accomplishments of the dedicated engineering hub, since it was first established in 2014.

## Target

**Build sustainable communities through investing in local jobs, supporting local businesses and paying local taxes and rates** 

We aim to create positive long-term impacts in the communities where we live and work, by providing local employment, training, education and enterprise opportunities. Sharing the positive economic and social benefits of natural gas is critical to ensuring a sustainable future for both Santos and the community.

Our assets, including gas processing facilities, pipelines, and associated infrastructure, can have a life cycle of several decades, meaning we have a long-term presence in the communities where we operate. Our projects and activities create a range of local community benefits including jobs for local people; opportunities for local suppliers, compensation payments for landholders and pastoralists, and taxes, charges and royalties for local governments.

**Santos remains a proud sponsor of the following major partners and events:**



**In 2020, Santos invested over \$17 million in community partnerships and local infrastructure projects**



# Our 2020 community contribution

Santos has a workforce of over 3,000 people and in 2020, we spent approximately \$3 billion on Australian goods and services with over 3,700 businesses. Over 90 per cent of our total procurement spend across all projects and activities is spent in Australia.

## Timor-Leste

- + More than 250 Timorese are working directly supporting our Bayu-Undan activities onshore and offshore and in our Dili office.
- + Over US\$20 billion contributed to Timor-Leste's Petroleum Development Fund through Bayu-Undan revenue over the lifetime of the operations to date.

**Community highlight:** Funded the Alola Foundation's Mother & Child Health program across 14 villages in the Liquica municipality.

## Northern Territory

- + Over \$55 million spent on local goods and services.
- + 100 per cent local workforce, 115 employees.
- + Over \$300,000 contributed to community organisations through sponsorships and grants.

**Community highlight:** Partner of the Darwin Festival for over 20 years.

## Western Australia

- + Over \$1 billion spent on local goods and services, rates and charges.
- + Santos offshore division office in Perth, 443 employees.
- + Over \$800,000 contributed to community groups and organisations through sponsorships and grants.

**Community highlight:** Principal sponsor of the Ronald McDonald House Charities-operated Family Resource Centre and Aboriginal Lounge within Perth Children's Hospital.

## South Australia

### Adelaide

- + Santos head office, 615 employees.

### Port Bonython/Eyre Peninsula

- + Over \$17 million spent locally on goods and services.
- + 48 local employees.

**Community highlight:** Official sponsor of the Santos Tour Down Under, the largest cycling race in the southern hemisphere.





### Papua New Guinea

\*PNG LNG is a non-operated asset.

- + Community spend and infrastructure projects are undertaken by the PNG LNG project.

**Community highlight:**

Santos contributed \$120,000 towards sponsorship of a PNG student to complete a Masters in Petroleum Engineering. The scholarship is a joint initiative of the Australian Government, Kumal Petroleum and Santos.

Port Moresby



### Queensland

**Brisbane**

- + Santos onshore division office, 450 direct employees.

**Gladstone**

- + Over \$38 million spent locally on goods and services, rates and charges.
- + 119 local employees.
- + Over \$137,000 contributed to community organisations through sponsorships and grants.

**Community highlight:** Supporter of the EQIP/PREQIP career pathway program.

**Roma and surrounding regions**

- + Over \$115 million spent locally on goods and services, infrastructure upgrades, rates and charges, and landholder compensation.
- + 53 employees.
- + Over \$165,000 contributed to community organisations through sponsorships and grants.

**Community highlight:** Sponsor of Lifelight Aeromedical services, providing critical medical care.

Gladstone  
Roma  
Brisbane



### New South Wales

**Narrabri**

- + Over \$2 million spent locally on goods and services, rates and charges, and landholder compensation.
- + 100 per cent local workforce.
- + Over \$163,000 contributed to community organisations through sponsorships and grants.

**Community highlight:** Supporter of the Country Universities Centre North West, a campus-style facility enabling students to stay and study locally.

Narrabri



### South Australia/Queensland

**Cooper Basin**

- + Over \$58,000 contributed to community organisations through sponsorships and donations.
- + 340 employees working across our remote assets.

**Community highlight:** Long time partner of the Eromanga Natural History Museum supporting their discovery, excavation, preservation and showcasing of Australian fossil heritage.

Moomba  
Port Bonython  
Adelaide

**Key** ○ Office locations

**Target**

**Maximise opportunities for local and Indigenous suppliers to increase their capability and capacity to supply.**



Purchasing goods and services from local suppliers is an essential way that Santos shares economic wealth and enables capacity building within our local communities.

We do this in accordance with Santos' local procurement principles and targets.

**Local procurement targets** 

- + Year-on-year increase in number of Indigenous suppliers engaged by Santos.
- + Year-on-year increased spend in local communities where we operate.

**Local procurement principles** 

- + For new contracts, give preference to tenderers that maximise local content in both labour and materials, where comparative tenders are commercially competitive and technically acceptable.
- + For existing contracts, work with the suppliers to maximise local and Indigenous procurement opportunities.
- + For non-contracted purchases, where all else is equal, preference is given to local and Indigenous businesses.
- + Where possible, use Industry Capability Network to identify and connect with capable local and Indigenous contractors.
- + Continually monitor and review goods and services that are supplied by local and Indigenous businesses.

**Case study** 

**Sourcing local in Exmouth for offshore facility food supply**

2020 saw the award of a new contract to Exmouth Freight and Logistics for the supply of food to the offshore facility from 2021. An overview of this contract and the flow-on effect to the greater community can be read on [Page 62](#).

**Case study** 

**Compass Group supports local and Indigenous participation across onshore operating locations**

Read more about this on [Page 63](#).

 **\$250 million spent with local suppliers and \$3 million spent with Indigenous suppliers in 2020**



## Target

### Work in partnership with landholders



Working collaboratively with landholders across the country is essential for accessing Australia's abundant supply of natural gas. Strong and enduring community relationships are fundamental to the sustainability of our business activities.

We employ 21 Land Access Advisers to work directly with local landholders and have over 2,000 active land access agreements.

Over the past five years, Santos has invested \$77 million towards helping landholders to diversify their income streams, upgrade equipment and technology, and receive the best return for their land.

We pride ourselves on being a responsible participant in the communities in which we operate. During the drought in 2019-2020, we were able to provide potable water to landholders in Queensland that allowed them to continue to hold stock on their properties. We continue to provide firefighting resources across our operations. In Roma, Queensland, 20 Santos personnel are trained in bush firefighting and are resourced with firefighting equipment to respond to rural bushfires, working closely with the local brigades.



**Santos provided rural firefighting truck and equipment, Queensland**

In 2020, Santos worked with the Central Highlands Regional Council to widen the Arcadia Valley Road in Queensland. The road carries regional, tourist and school traffic as well as Santos vehicles. Previously the road was narrow with crests, tight curves and creek crossings. Vehicles often had to slow down to pass each other safely. Widening the road has reduced the risk of collision and reduced travel times.



**Key regional road in Arcadia Valley, Queensland, widened to increase safety and reduce collision risk**

Santos often extends the programs provided to field personnel to our local landholders. In 2020 we provided:

- + Free flu vaccinations to local landholders via accommodation camp nurses.
- + Access to advanced medical care, including check-ups for the elderly.
- + Free access to first aid courses that are run for our regional staff and extended to the local community members to attend.
- + Public access to newly constructed communication towers.

## Modern Slavery Statement

In 2020, we achieved a significant milestone in reaffirming Santos' commitment to tackling modern slavery. [Our Modern Slavery Statement](#) was issued in July 2020.

Modern slavery is described as a range of exploitative practices including human trafficking, forced labour, child labour, and where threats or deception are used to exploit victims and undermine or deprive them of their freedom.

Santos acknowledges the importance of continued focus on tackling this serious and difficult issue, as demonstrated by our voluntary publication of the Modern Slavery Statement 12 months ahead of government mandated time frames.

In our first Modern Slavery Statement, we communicated our 12 month action plan and three year road map.

Santos is committed to preparing and publishing a revision of the Statement by 30 of June each year. In June 2021, an update of the Statement, including details of our performance against the published plans, will be published and made available at [santos.com](https://www.santos.com).



## Future focus

At Santos, we will continue to improve our support of the communities where we live and work through forging close partnerships to help build a sustainable future. We will do this by:

- + Maturing our social impact investment and support initiatives which help address specific community needs.
- + Continuing to focus on strengthening our local presence by opening more shopfronts to expand our local presence in our regions.
- + Creating more opportunities to increase local capability by supporting local traineeships and supporting STEM learning.
- + Providing more accessible information by sending out community newsletters in each region detailing what Santos is doing locally, and including a feature on a local supplier and local employee, as well as updating our suite of fact sheets about what we do in each of our communities.
- + Giving preference to local and Indigenous businesses and tenderers that maximise local content.

## Supporting information

[Modern Slavery Statement for 2019](#)

[Santos Community webpage, including newsletters](#)

[Local Industry, Community and Indigenous Participation Policy](#)

[Community Investment Framework](#)



# Indigenous partnerships

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## Aspiration

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We aspire to partner with, and be trusted by, Indigenous people and communities where we operate.

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## Targets

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Industry best-practice recruitment and development programs for meaningful career opportunities.



Leader in community engagement and cultural heritage management.



Support Indigenous businesses through our supply chain.

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## Relevant UN SDG

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## Performance highlights and progress against targets

Santos has long-standing relationships with many Indigenous communities, some dating back over 30 years. We engage and work in partnership with Traditional Owner Groups and Land Councils for the life cycle of our operations on matters relating to Native Title, consent and cultural heritage management. In addition, we work to support economic opportunities including employment, training, education and enterprise opportunities. Santos is committed to building and maintaining mutually beneficial relationships with Indigenous communities, as reflected in our [Local Industry, Community and Indigenous Participation Policy](#).

With a footprint that spans the natural gas industry's largest Australian onshore acreage, Santos currently works in partnership with 21 Traditional Owner Groups, four Land Councils and their associated Indigenous communities. Santos currently has 88 agreements in place on matters relating to native title, consent and cultural heritage.

Our management approach is interlinked with the approaches outlined in the previous community and supply chain section. The Local Industry, Community and Indigenous Participation Policy clearly defines Santos' commitments and actions to engage at the earliest possible opportunity, actively work to increase the benefit of development activity with others, and to develop a range of procurement strategies, training and employment activities for Traditional Owners.

We have an Indigenous Participation Framework in place which translates Santos' values into Indigenous participation values and defines economic participation and community investment deliverables. Implementation of the Framework is supported by the specific standards, procedures and other management tools integrated within the SMS. It prescribes the requirements for:

- + Managing and protecting Indigenous and non-Indigenous cultural heritage.
- + Applying best practice in obtaining native title and consent requirements.
- + Ensuring that the workforce undertakes cultural heritage awareness training.

### Target

## Industry best practice recruitment and development programs for meaningful career opportunities



We believe in ensuring that our host Traditional Owners and their communities are integrated into our business and can share in the benefits of our activities.

Since 2011, we have created over 800 employment, training and educational opportunities for Indigenous Australians, and have invested over \$11 million since 2007.

Since 2013, the Santos Indigenous Development Program (IDP) has provided opportunities across our business including full time and school-based traineeships, undergraduate and full time cadetships. A key focus has been to provide pathways for IDP graduates into ongoing employment opportunities within Santos.



**Since 2011 we have created over 800 employment, training and educational opportunities for Indigenous Australians**



**Current and former Indigenous trainees from the Darwin region. Left to right: Dakota, Shanhan, Brendon, Sonny, Jessica, Jerome, Kim, Jahye, Daniel and Keyona**

## 2020 Indigenous employment summary

- + Santos currently employs 48 Aboriginal and Torres Strait Islander (ATSI) employees. This equates to 1.7 per cent of the total workforce.
- + In 2020, 40 per cent of the 15 apprentices recruited are ATSI. This included three of the nine graduates of the IDP transferring to full time apprenticeships.

## Community Relations Cadet, Tallis

Since joining Santos in 2018, Tallis has applied his enthusiastic approach to developing and maintaining trusted relationships with the local Roma community, landholders and business owners.

“As a Roma local, I see the benefit that Santos provides locally-owned businesses, who form an integral part of our operations. I lead tours of our site operations and engage with local schools and their students to provide information and encouragement about pathways to careers in our industry.

My greatest achievement since joining Santos is the strong relationship that I have formed with the local Indigenous community. The influence and involvement of Indigenous people is incredibly important to our social licence to operate and the reputation that we have all over Australia. I'm very proud of my Aboriginal heritage and my ability to showcase that here at Santos, while working within my hometown on Mandandanji Country.”



**Tallis, Roma based Community Relations Cadet, Queensland**

## Case study



### Santos Aboriginal Power Cup

The Santos Aboriginal Power Cup is the Port Adelaide Football Club's flagship community program to support and develop the potential of young Aboriginal people. Proudly supported by Santos for the past 11 years, read more about the resounding success of the program on [Page 63](#).

## Case study



### Encouraging career opportunities through STEM programs

Read more on [Page 64](#) about our support of the Science Schools Foundation to deliver the nationwide STEM outreach Science Experience program for Year 9/10 students across 30 universities and tertiary institutes.

**Target**

**Leader in community engagement and cultural heritage management**



Santos believes that successful partnerships with local Indigenous communities are vital to the long-term viability of our operations. This goes beyond contractual or legislated matters. We engage and work closely with our host Traditional Owners and their communities for the life cycle of our operations.

A specific Cultural Heritage Management process is integrated into the SMS and embedded across all operating areas.

**The core principles underpinning the process are to:**

- + Work in partnership with our Traditional Owners.
- + Ensure that sites of cultural significance are identified, recorded and avoided.

The process is premised on undertaking early and continuous engagement for Native Title and Cultural Heritage to ensure informed consent for the life cycle of operations.

**This is achieved by:**

- + Developing and implementing agreements in partnership with Traditional Owners and statutory bodies.
- + Engaging Cultural Heritage Officers, nominated by their respective communities, throughout the life cycle of cultural heritage assessments and implementation of site management actions.
- + Facilitating annual site visits by elders and youth to sites of cultural and environmental significance.

- + Engaging Traditional Owners to participate and directly inform the delivery of field-based cultural heritage awareness training session.
- + Ensuring that economic opportunities are developed in partnership with Traditional Owners and associated communities.
- + Santos funding all costs associated with Native Title, Cultural Heritage and statutory meetings.

The Santos Board has regular oversight of relationships with relevant Indigenous communities and Traditional Owner groups. Progress on implementation of the Local Industry, Community and Indigenous Participation Policy and SMS requirements is reviewed regularly by the Santos Executive Committee and the EHSS Committee of the Board, including updates on plans, progress and opportunities to adjust our approach.

In 2020, implementation of our Cultural Heritage Management process resulted in:

- + 403 cultural heritage assessments.
- + 92 cultural heritage site management actions.
- + 82 cultural heritage work programs.
- + 65 cultural heritage officers engaged from Traditional Owner groups (COVID-19 restrictions were applied).
- + Seven Traditional Owner groups engaged relating to Native Title and statutory requirements (COVID-19 restrictions were applied).

Over the longer term, since 2015, implementation of the process has resulted in:

- + 2,163 cultural heritage assessments.
- + 3,451 cultural heritage discoveries.
- + 464 site management actions being implemented.
- + 612 cultural heritage officers employed.

 **Santos has long-standing relationships with many Indigenous communities, some dating back over 30 years**



## Case study



### Cultural heritage management results in area avoidance

In 2020, one application of Santos' Cultural Heritage Management Process resulted in identification of human remains. Read more on [Page 65](#) about how this led to avoidance of an area that was previously planned for activity.

## Target

### Support Indigenous businesses through our supply chain



At Santos, we are committed to enabling and supporting Indigenous businesses through our extensive supply chain network. We also expect the same commitment from our contract partners. Year-on-year, Santos is implementing and maturing procurement strategies that consider local and Indigenous capability.

Within our business, we have direct contracts in place with Indigenous service providers, who provide services ranging from weed management surveys at our operating plants to provision of operational equipment. The contracts deliver Indigenous capability and capacity-building opportunities across several locations.

In 2020, 60 of our key contractors with the greatest ability to support Indigenous businesses through contracts were surveyed to understand the extent of inherent Indigenous participation.

Early information gained from the survey is providing Santos with insights into aspects such as percentages of Indigenous employment, strategies to increase Indigenous participation and Indigenous business ownership within the extended supply chain. The outcomes of the survey will be further analysed and used in partnership with our contractors to identify and implement additional Indigenous business opportunities.

## Case study



### Weed management service providers

New weed and vegetation management contracts have been awarded to Indigenous businesses, to support the Gladstone LNG and Devil Creek facilities. Read more about this on [Page 66](#).

## Case study



### Larrakia Rangers support mangrove monitoring at the DLNG plant

Environmental health monitoring of the mangrove vegetation and soil health surrounding the Darwin LNG gas plant has been undertaken since 2003. Read more [Page 64](#) about the role that rangers from the local Traditional Owners, the Larrakia People, undertake to complete the monitoring.

## Future focus

Santos is committed to continuing to implement and mature the range of processes and initiatives already in place related to Indigenous participation and Cultural Heritage Management.

Santos will continue to partner with contractors to deliver on our Indigenous participation commitments. This will be achieved through development of Indigenous procurement plans and the introduction of key performance indicators for Indigenous participation.

## Supporting information

[Local Industry, Community and Indigenous Participation Policy](#)

[Indigenous Partnerships Fact Sheet](#)



**Since 2007 we have invested over \$11 million in employment, training and educational opportunities for Indigenous Australians**

# People and culture

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## Aspiration

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We aspire to be a high performing meritocracy with a diverse, inclusive and highly competent workforce.

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## Targets

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Attract top talent and retain our best people.



Grow an organisational learning culture.



View diversity and inclusion as the norm.



Harness talent to sustain our disciplined operating model.

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## Relevant UN SDGs

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# Performance highlights and progress against targets

As a leader in the natural gas industry, we want to encourage Australia's smartest and most creative minds to choose a career with Santos. We recognise the value of our

workforce and offer a diverse range of inclusive learning and development options to suit the needs of the individual.

## Target

### Attract top talent and retain our best people



Our aim is to attract and retain people who are innovative, diverse and highly competent, and see them develop their careers with us. We value our role in building STEM careers in the oil and gas industry.

We support a range of programs that spark an interest in STEM at a primary and secondary school level, raise awareness of STEM career pathways, and support a pipeline of talent through university and vocational pathways. Across Australia, we have invested over \$500,000 in STEM initiatives that reached over 5,000 students.

### Fostering STEM career pathways

In partnership with Earth Science WA, Santos is supporting the teaching of STEM from kindergarten to Year 6 through teacher professional development, school incursions and teacher resources.

We want to foster an interest in STEM in young people to spark an interest in working within our industry in the areas of operations, geoscience and engineering. In addition to apprenticeships programs, we have an extensive Australia-wide vacation and graduate program which provides an entry point for students into the technical disciplines within our industry and within Santos.

- + 56 graduates have been recruited over the last three years (2018, 2019 and 2020), with female intake increasing to over 50 per cent in 2020.

- + A total of 53 students participated in the vacation program in 2020, including 28 females.
- + 103 vacation students participated in our 12 week vacation program over the last two years, with female intake increasing from 35 per cent to 54 per cent in the past year.
- + 15 apprentices and trainees were recruited in 2020, including seven females.



**Kathryn receives the Santos 2020/21 Vacation Program - Most Outstanding Contributor Award from Operations Technical General Manager, Ram**



**More than \$3.1 million spent on professional development and technical training since 2018**



## Target

# Grow an organisational learning culture



We have industry leading development programs in place that support our people to create a career at Santos. More than 280 existing employees having come through the graduate programs.

There are no 'one size fits all' leadership pathways at Santos. We offer opportunities for career advancement for all our people, whether they are engineers, system operators, supervisors or environmental analysts.

At Santos, we expect everyone to demonstrate leadership behaviours, regardless of individual role or level in the

organisation. All employees are called to lead in different capacities as Leaders, Experts and Professionals (LEAP). With this in mind, we have built our LEAP Framework to describe the expected behaviours across each level and career stage within the organisation. Grounded in our values, the LEAP Framework sets a standard for leadership behaviours at Santos and provides a common language to facilitate the growth and development of our workforce. To ensure our employees grow the right capabilities for success, we are creating the LEAP Development Program which aims to deliver leadership curriculums tailored to the four key career stages in the organisation.

**L**eaders

**E**xperts

**A**nd

**P**rofessionals



### The Santos LEAP Development Program is tailored to four key career stages

Part of maturing an organisational learning culture is obtaining regular feedback to drive continuous improvement. Following our 2017 Employee Engagement Survey, we implemented regular Pulse Surveys from 2018 onwards. They are designed to empower our leaders by regularly monitoring engagement and providing feedback from the workforce. In 2019, the questions of the surveys were adjusted to reflect four key objectives:

- + Create behavioural alignment and ownership of the Santos values and leadership behaviours.
- + Improve leadership outcomes.
- + Improve employee engagement.

- + Reduce company risks.

We invest in our people, as evidenced by the growing hours of training and development committed in the last two years. While face-to-face training delivery was impacted by COVID-19 in 2020, we continued to support employee development through virtual training and online computer-based training modules:

- + Over 38,000 hours of professional development and technical training delivered both face-to-face and virtually during 2020.
- + More than \$2.2 million spent on professional development and technical training.

## Target

### View diversity and inclusion as the norm



At Santos, diversity and inclusion is not about targets or tokenism, and is guided by our [Diversity and Inclusion Policy](#). We strive to ensure that our teams and our functions encourage diversity of thought. Throughout 2020, leaders have undertaken extensive development in understanding unconscious bias to support a work environment that is fair and inclusive.

Our aim is for Santos to be a high performing, empowered, trusted, inclusive and diverse thinking workforce. We actively support working parents at Santos.

- + 75 families have taken up the recently introduced child-care subsidy: Santos pays 50 per cent of the out-of-pocket childcare expenses for returning primary carers.
- + Paid carer leave: industry leading 18 week paid leave for the primary carer, and two weeks paid leave for the secondary carer. This includes equal access for parents that experience a still birth, and LGBTQI parents.

By understanding the needs of parents returning from parental leave, we are focusing on better engagement during the period of leave and upskilling supervisors to understand and support the needs of individuals.

Our efforts have been recognised through the South Australian Chamber of Mines and Energy (SACOME) award for the best Company Gender Diversity Program for our Working Parents Support Program. SACOME recognised that the program promotes both social and financial equality between men and women, forms part of the culture of equality where family and carer responsibilities are accepted as equally male and female duties, and where the financial impact of taking time off from work to start a family is minimised.

In 2020, Santos was also recognised in the following awards:

- + Ying was awarded the South Australian Exceptional Young Woman in Resources.

This award recognised her work in developing energy solutions, and in recognising the mentoring programs Ying has been involved in, to develop and foster increased interest in the engineering and resources sector, particularly for women.

- + Northern Territory Trainee of the Year was awarded to Jaylie (Darwin LNG), with Santos' Sandra named runner-up for this award. Jessica (Darwin LNG) was a finalist for the Aboriginal and Torres Strait Island (ATSI) Student of the Year.
- + Emily was awarded the Petroleum Club of Western Australia's Brooke Arnot Excellence Award which recognises the outstanding work of young professionals within the oil and gas industry.

At Santos, we want to be a leader in supporting women in our workplace. We regularly review our gender diversity programs and are committed to expanding the ways in which we support our women. Our progress so far is reflected in 33 per cent female representation on the Board of Directors and, of the graduates hired in 2020 and 2021, 50 per cent are female.



**Over 20,000 hours of professional development and technical training every year since 2018, and this is increasing year-on-year**

## Target

# Harness talent to sustain our disciplined operating model



To sustain implementation of Santos' disciplined operating model, it is essential to attract, retain and develop talented people. Our recruitment strategy and supporting processes are comprehensive and aligned with capability plans that are developed across the business. They take into consideration the needs of the organisation and resource requirements, both now and into the future.

Our recruitment process enables us to meet current and future resourcing needs. We use a range of recruitment tools and practices to attract diverse candidates and assess their suitability for a role at Santos.

We also proactively focus on building our talent pools.

One way in which we build talent for the future is through recruitment for our annual vacation student program, which is increasing year-on-year, and is a key pipeline of talent for our graduate program. The vacation and graduate recruitment strategy is aligned to our functional capability plans. These plans identify the required skills and disciplines for our future business requirements. Programs like these are part of our broader strategy to hire and develop a diverse range of talent across the business, that is continuing to enable sustainable, demonstrated performance.

Upon commencement of recruitment for a role or roles, a sourcing strategy is developed. Depending on the role and organisational needs, the strategy takes into consideration aspects such as previous experience and qualifications, specific technical skill requirements, leadership capability, hiring locally and supporting community participation plans.

### Case study



#### Timor-Leste graduate foundational skills training and internship program

Since 2014, Santos has proudly worked with the Autoridade Nacional do Petróleo e Minerais (ANPM) to deliver a Timor-Leste training and internship program. Read more about the program and outcomes on [Page 67](#).

## Future focus

At Santos, we are focused on ensuring that we continue to develop a high performing, diverse, inclusive and highly competent workforce. Our focus will continue to be in the following areas:

- + Attract top talent and retain our best people.
- + Grow an organisational learning culture.
- + View diversity and inclusion as the norm.
- + Harness talent to sustain our disciplined operating model.

## Supporting information

[Diversity and Inclusion Policy](#)

[Careers at Santos](#)



**Santos is increasing the size of our annual vacation and graduate programs year-on-year.**



# Appendix 1

## Case studies

Sustainability Pillar: Health and safety

### Fast-tracked measures to keep the Bayu-Undan workforce COVID-19 safe

Safeguarding the health of the workforce is consistently a key priority for Santos across all locations. This importance was heightened as the COVID-19 crisis deepened around the world. Our employees and contractors worked tirelessly to plan and implement virus mitigation and workforce protection measures across all offices and operating locations.

One component of this response included the rapid establishment of facilities for our Timorese and Australian workforce to proactively isolate for seven days before travelling to our offshore Bayu-Undan facilities in the Timor Sea. To establish the facilities

in Dili, long-term contractor Compass Group was engaged to implement the logistics, cleaning and catering requirements at the facility. An additional 38 Timorese locals were hired to support the effort.

Facility and hygiene processes and procedures were implemented within two weeks as a result of collaboration between the Timor-Leste and the Australian based Compass Group and Santos teams. This included specialised training for cleaning and food preparation. The rapid implementation of these played an important role in the Bayu-Undan workforce remaining COVID-19 free.



Compass Group staff preparing meals at the Dili pre-mobilisation isolation facility

Sustainability Pillar: **Climate change**

## Social co-benefits of carbon offset program

For 15 years Darwin LNG, now operated by Santos, has supported the West Arnhem Land Fire Abatement project (WALFA), in which Indigenous rangers conduct strategic fire management to lessen the impact of bigger, hotter fires in the pristine environment of Arnhem Land.

As outlined in the [Santos 2021 Climate Change Report](#), WALFA is now recognised across Australia and the world for its effectiveness at reducing greenhouse gas emissions, more than two million tonnes of CO2 equivalent, making it one of Australia’s biggest offset projects.

For the original five Aboriginal ranger groups, the long-running project has had a transformational effect on the communities they support. Revenue from the carbon credits they produce has reaped benefits in a range of key areas, allowing more employment of traditional owners on country, and a strengthening and expansion of the vital work they do.

As well as better fire management, carbon credits revenue has supported WALFA’s five project partners to invest in community-identified priorities to increase their capacity to manage the land and sea country of Arnhem Land, growing their effectiveness while also strengthening culture.

+ The **Warddeken** rangers have established initiatives to build knowledge of the region’s extensive biodiversity and ancient rock art, train future community leaders and increase female representation. In 2017 they established the Narwardekken Academy, a first of its kind school providing first-rate bilingual education

for their children on country, so they did not have to travel hundreds of kilometres to larger towns.

- + The **Mimal** Rangers have created their own Aboriginal land management corporation providing benefits to country and culture for the Dalabon, Rembarrnga and Mayili landowners and are developing an Indigenous Protected Area (IPA).
- + The **Jawoyn** Rangers have expanded their fire management projects to cover the majority of the Jawoyn estate, including a joint management partnership to undertake fire management within Nitmiluk National Park.
- + The **Bawinanga** Rangers have grown their support for Traditional Landowners to include targeted action against other key threats including feral animals and invasive weeds.
- + The **Adjumarlari** Rangers have increased their capacity to support Traditional Landowners including expanding their registered fire project area where they can generate ACCUs, which is likely to be registered in 2021.

Far beyond its original goal to produce carbon offsets, initiatives such as these demonstrate the enduring environmental, social and education legacy of the WALFA project and the potential for the carbon market to contribute to diverse sustainable outcomes in Australia.



**Ranger Anne-Marie undertakes a rock art survey at Merebu, in the Warddeken Indigenous Protected Area**





## North West Shoals to Shore Research Program

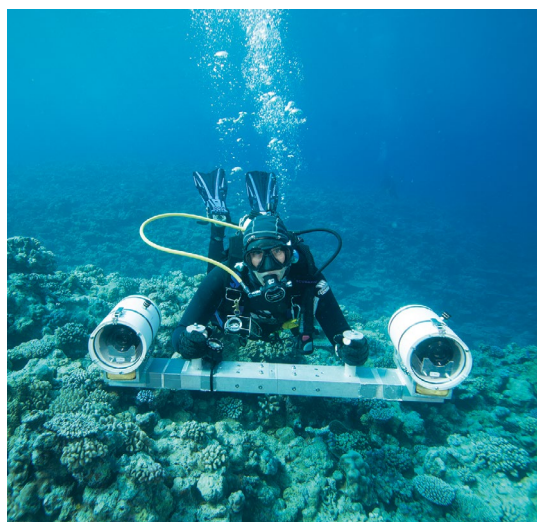
The offshore North West Shelf of Australia is widely acknowledged for its exceptional ecosystems and diversity of habitats. Oil and gas exploration and operational activities are undertaken in this region. For the potential environmental risks associated with these activities to be managed, it is important to understand the biodiversity and have ready access to high-quality scientific information.

Santos identified an industry-leading opportunity to fund a large-scale series of scientific studies to better understand the seabed habitats and biodiversity, threatened species and the isolated coral reef atolls of the North West Shelf. Marine noise monitoring and understanding long and short-term impacts were also included as part of the studies. To enable this, Santos partnered with the Commonwealth Government's Australian Institute of Marine Science (AIMS) and committed \$14 million of funding to undertake the three year North West Shoals to Shore Research Program.

In 2020, a significant milestone was achieved with the last of the scientific studies included within the Program being completed. Full details of the latest published findings, newsletters, images and videos can be viewed at the [North West Shoals to Shore Research Program website](#).



**Stereo video cameras were used to document the abundance, diversity and size of coral reef fish at long-term monitoring sites at the Rowley Shoals** Photo: Nick Thake



**Prolific marine life studied as part of the North West Shoals to Shore Research Program** Photo: Nick Thake





Sustainability Pillar: **Environment**

# Gidgealpa Biodiversity Offset Property, onshore Cooper Basin

Santos has partnered with the Nature Foundation and the Yandruwandha Yawarrawarrka Traditional Owners to establish the first large-scale Significant Environmental Benefit Offset of its type in the South Australian Channel Country region – the Gidgealpa Offset Property (GOP). The GOP environmental offset has been established to fulfil Significant Environmental Benefit obligations, as defined by South Australian legislation, and is planned to be in place for at least ten years.

The GOP is a 20,000-hectare area located on Santos' Gidgealpa Pastoral Lease and will be managed to achieve improved biodiversity across the property. The GOP includes a significant area inside the Coongie Lakes RAMSAR Reserve, which is part of the complex and extensive freshwater wetland system in the arid zone (RAMSAR means the Convention on Wetlands of International Importance). Several threatened species have also been previously recorded in the area including the dusky hopping-mouse, curlew sandpiper and braided sea-heath. As a result of prolonged dry

conditions, the landscape has shown signs of physical and ecological stress.

A management plan has been implemented for the GOP to guide implementation of the offset program. In 2020, initial vegetation and fauna surveys were conducted across the GOP to establish the baseline conditions of the site. Representatives of the Yandruwandha Yawarrawarrka Traditional Owners have directly participated throughout each stage of the project and also have identified several previously unknown Indigenous cultural heritage sites.

A priority focus of the management plan is to construct a fence to stop livestock from entering the GOP. By preventing livestock from grazing, coupled with good rainfall, the vegetation is expected to recover over time. Increased perennial vegetation will stabilise the sand dunes and is expected to lead to improved habitat for native fauna and increases in biodiversity values in the GOP.

Fencing is planned to be installed during 2021 and surveys will be undertaken regularly throughout the project to measure progress. The local Traditional Owners will continue to play an important role in the ongoing management of the project.



**Josh, Yandruwandha Yarrawarraka Traditional Owner and Sofia, Santos Principal Environmental Adviser, checking a trapping site**



**Common knob-tailed gecko (*Nephurus levis*)**

## Water system loss of containment incident reduction program, onshore Queensland

Management of produced water from Santos' onshore coal seam gas (CSG) operations is a large-scale operation. Each day the equivalent of 19 Olympic-sized swimming pools of produced water (water associated with gas extraction from CSG wells) is piped from well bores to water management facilities.

After a review of produced water incidents in 2018 showed that they were increasing, operations leaders challenged their teams to find ways to stop them. A multidisciplinary team of engineers, oil and gas operators and water managers identified the aspects of concern, analysed historical data, characterised the risks and then identified actions to be implemented.

Actions focused on improving reliability of the water management system and included replacing plastic components with stainless steel and making changes to maintenance schedules.

To ensure sustainable outcomes, actions were incorporated into a management plan that is being implemented. The results to date have been significant. In 2020, there was a 93 per cent reduction in produced water volumes released, compared to 2019.

This work showcases how structured risk processes can be used to minimise the risk of water loss of containment and ultimately, to deliver better business outcomes.



**Roma Hub Compression and Water Treatment Facility**



Sustainability Pillar: **Environment**

## Reducing waste volumes and quantities in the Cooper Basin

Maintaining a focus on waste management across Santos' operational locations is important. Due to the geographical isolation of the Cooper Basin, waste is managed on-site in Moomba. To maximise productivity of the Moomba Waste Management Facility, the Operations Support Team implemented an improvement project to:

- + Reduce the volumes of waste destined for landfill.
- + Increase the rates and quantities of waste recycling and reuse.
- + Optimise transportation of recyclable material from the facility.

To successfully deliver the project, a large industrial shredder was introduced to the facility. More than 80,000m<sup>3</sup> of general waste (equivalent to approximately 32 Olympic swimming pools) were recovered at the Moomba Waste Management Facility and processed through the shredder.

This reduced overall waste volumes and extended the life of the landfill disposal site.

The shredder, in conjunction with other specialised demolition equipment, was also used to process approximately 2,000 tonnes of recyclable material including pallets, tyres and bulk containers. Recyclable volumes were reduced by 60-70 per cent and where possible, the resulting material was identified for beneficial re-use. In one example, 100 per cent of pallets shredded will be re-used on other civil and construction projects in Moomba and the Cooper Basin.

The optimisation of recyclable volumes has generated significant environmental, safety and economic benefits to Santos by reducing road transportation requirements out of Moomba. More efficient transportation results in reduced heavy vehicle traffic on the roads, reduced driving risks and a reduction in transport-related emissions.



**Industrial shredder in operation at the Moomba Waste Management Facility, Cooper Basin**



## Santos Support Worker Training Program

In partnership with Charles Darwin University (CDU), Santos established the pioneering Santos Support Worker Training Program in Darwin. The intensive six month healthcare traineeship was developed in response to an identified need for qualified aged and disabled care workers in the local community. The Northern Territory Government's 2019 Skilled Occupation Priority List highlighted a significant skills shortage of local qualified carers. Through consultation with the Wickham Point Deed Reference Group, Santos confirmed this was an area of need identified within the local Indigenous Larrakia community and developed the 2019 pilot program

as a sustainable solution. Upon completion of the traineeship, successful participants gain either a Certificate III in Individual Support (Disability) or a Certificate III in Individual Support (Ageing), both solid pathways into the health and community service industry. The pilot program was a success, delivering positive social and capacity-building impacts, and increasing the local-skilled Indigenous workforce. Six trainees successfully completed the program and secured employment as qualified carers in the community. Due to the impacts of the COVID-19 pandemic, the 2020 intake was deferred, to commence in 2021.



**Lorraine, one of the successful alumni of the pilot traineeship accepting her certificate from former CDU Vice-Chancellor, Simon**

Sustainability Pillar: **Community and supply chain**

## Timor-Leste engineering hub

Increase in onshore Timor-Leste employment is being driven by Santos' ability to transfer existing work scopes to Dili for completion by local personnel with relevant skills and experience. Since 2014, the Dili office has grown to include a local engineering hub. This has been accomplished through training and capacity-building programs and successfully moving additional scopes of work into this office, now that base competency and experience have been established. Today, focus has shifted from pure skill development and training to a fully functioning professional engineering service. The hub executes a high level of work for the Bayu-Undan offshore platform and the Darwin LNG gas plant, and more recently has commenced supporting Varanus Island and Devil Creek facility work scopes.

Santos currently has six Timorese engineers based in Dili, including individuals who have progressed in their careers from graduates to supervisors. They supervise three Dili based contracts that resource the engineering hub with local personnel from other engineering organisations: Wood Group (19), Oceaneering (seven), and Clough AMEC (10-13). The scope of these services includes design, inspection, maintenance, reliability, and planning. The high level of skill and experience generated within the Dili engineering hub is testament to our talented Timorese engineers.



**Santos staff from the Dili Engineering Office, Timor Leste.**  
Left to right: Orlando, Eduardo, Marcea, Antonio, Robin

## Supporting the community's crisis response

The last 12 months have been incredibly challenging for our regional communities dealing with the impacts of the devastating bushfires and the COVID-19 pandemic. Santos responded swiftly and proactively, reaching out to local schools, organisations and businesses to understand their immediate needs and provide support. We donated over \$885,000 to support communities through this difficult year including over \$100,000 of company-matched donations from our staff.

### Bushfire support

- + \$300,000 donated to the South Australian Government's Bushfire Appeal, supporting people directly affected by bushfires in Cudlee Creek and on Kangaroo Island.
- + \$50,000 donation to Adelaide Koala Rescue, supporting their emergency triage facility for injured koalas.
- + \$250,000 donated to Lifeline Australia's Community Recovery Program, supporting people through crisis and trauma counselling.



**Santos' offshore team coordinating shipment of supplies for COVID-19 support to Exmouth, Western Australia**

### COVID-19 Support

We donated over \$175,000 to support 35 schools and nine local organisations across our communities including:

- + ~\$2,000 of personal protective equipment to two local organisations.
- + ~\$60,000 to 35 local schools to assist delivery of remote learning.
- + ~\$31,000 to three local economic rebuilding initiatives: Exmouth Chamber of Commerce "Santos Business Revitalisation Program", "Visit Roma" tourism campaign, Commerce Roma "Shop Local Campaign" and Gladstone Engineering Alliance virtual small business event.

Additionally, we donated 3,600 litres of hand sanitiser and 13,500 toilet rolls to assist the community through the pandemic. In Timor-Leste, we proudly supported our long-term community partner, St. John of God Social Outreach Services, with \$77,000 of medical-grade personal protective equipment including:

- + 36,000 surgical masks.
- + 6,000 N95/P2 masks.
- + 25,000 medical gloves.



**Donation of supplies to Clinton State School in Gladstone, Queensland to support remote learning during COVID-19**



Sustainability Pillar: **Community and supply chain**

# Sourcing local in Exmouth for offshore facility food supply

The Santos Ningaloo Vision Floating, Production, Storage and Offloading (FPSO) vessel is located offshore from Exmouth, Western Australia. With crew ranging between 50-65 personnel onboard at any one time, sourcing great quality, fresh food supplies is no easy task.

In 2020, a new contract was awarded to Exmouth Freight and Logistics for the supply of food to the FPSO to be sourced from local Exmouth businesses in 2021. Contract award was the result of the Santos Procurement and Operations Teams working in partnership with the Exmouth business community to understand their needs and challenges, and create opportunities to address them.

Exmouth is a tourist town that historically experiences the limitations of seasonal trade. Local award of this contract will enable up to six local businesses to experience stronger trade consistently throughout the year and will create approximately six additional local jobs. The flow-on effect for the greater community is also significant. These businesses also fund other organisations and events such as Exmouth's local sporting clubs, festivals, rescue services and junior development initiatives.



**Forklift loading road train to commence new Santos supply contract**



**Foreground, left to right: Rowena, Shane and Phil, Directors of Exmouth Freight & Logistics**



## Sustainability Pillar: Community and supply chain

# Compass Group supports local and Indigenous participation across onshore operating locations

Since late 2017, the Compass Group have run catering and cleaning services across Santos' operating facilities. They place a strong focus on local and Indigenous participation. Numbers of Indigenous

staff as well as local spend are tracked and reviewed throughout the year, including data specific to each location. Indigenous staff rates are approximately nine per cent in total across the Santos locations.

## Sustainability Pillar: Indigenous partnerships

# Santos Aboriginal Power Cup

The Santos Aboriginal Power Cup is the Port Adelaide Football Club's flagship community program to support and develop the potential of young Aboriginal people. Established in 2008, the program has been a resounding success, hosting nearly 500 students from 70 schools in South Australia each year. Santos has proudly supported the event for 11 years.

With a competitive football carnival as its centrepiece, the Aboriginal Power Cup focuses on engaging young

people in Aboriginal culture, education, healthy lifestyle choices, teamwork, leadership and life skills.

"The Aboriginal Power Cup is not just about football. It is a program that is driving real social improvement for young Aboriginal people by lifting school attendance and graduation rates, and providing a great platform for success in their future education, employment and life endeavours," Santos Managing Director and Chief Executive Officer, Kevin Gallagher said.

The work completed in the program goes towards achievement of the South Australian Certificate of Education (SACE) in Year 12. 96 per cent of Aboriginal students in Year 12 who complete the Aboriginal Power Cup program go on to complete their SACE. The program has supported over 2,000 students over the past five years. By comparison, the average SACE completion by South Australian Aboriginal students in Year 12 is 50 per cent.

Port Adelaide Chief Executive Officer Keith Thomas thanked Santos for its ongoing support.

"The Aboriginal Power Cup is our community team's flagship education program which has been achieving some amazing results – results that could not be possible without the backing of Santos," Mr Thomas said.



**Santos Managing Director and CEO Kevin Gallagher celebrates with Santos Aboriginal Power Cup participants**

Sustainability Pillar: **Indigenous partnerships**

## Encouraging career opportunities through STEM programs

Meaningful careers start with early learning opportunities. Santos is proud to sponsor the Science Schools Foundation to deliver the nationwide STEM outreach Science Experience program for Year 9/10 students. The program is held in over 30 universities and tertiary institutes.

In 2020, Santos also sponsored two schools from Katherine in the Northern Territory to join other schools in the program run at Charles Darwin University (CDU). The three-day agenda was packed with a range of active STEM learning opportunities and activities, delivered by CDU staff and students. Santos received handwritten letters from the students following the event, telling us how much they gained from the experience.

“Without your sponsorship, it would have been impossible for me to attend the Science Experience.

Living in Katherine, we rarely receive these amazing opportunities locally. My future job interest is in the medical field, so I enjoyed the CDU facilities for medical students.” Katherine high school student.

From early 2021, a collaboration is planned to commence between Santos and CDU that aims to enable ten Indigenous students to complete health related traineeships and obtain the CHC33015 Certificate III in Individual Support.

Santos also sponsors the Engineers Australia SySTEMic program. This program has particular focus on encouraging students who are commonly under-represented in STEM industries, such as Indigenous young people, women and those from lower socio-economic backgrounds. In 2020, Santos supported 16 students from Darwin and 40 students from the Alice Springs region to participate.

Sustainability Pillar: **Indigenous partnerships**

## Larrakia Rangers support mangrove monitoring at the DLNG plant

Since 2003, environmental health monitoring of the mangrove vegetation and soil health surrounding the Darwin LNG gas plant has been undertaken annually. Monitoring results have consistently confirmed the mangrove community to be in very good health.

For the past two years, rangers from the local Traditional Owners, the Larrakia People, have been employed to support environmental consultants to complete the monitoring over a four to five-day period. During the most recent surveys, the Larrakia Rangers completed all photo monitoring to greatly improve the accuracy in relocation of photo-points for future annual monitoring. They also assisted with collection of native sea snails from the mangroves for environmental testing.



**Photo marker boards for improved location accuracy**



## Sustainability Pillar: Indigenous partnerships

# Cultural heritage management results in area avoidance

In 2020, one application of Santos' Cultural Heritage Management Process resulted in the avoidance of an area planned to be used.

As part of the planning phase for the Cooper Basin carbon capture and storage (CCS) project, a cultural heritage assessment was undertaken for a pipeline alignment. The assessment was completed in accordance with the Yandruwandha Yawarrawakka (YY) Cultural Heritage Management Plan – the agreed plan negotiated and implemented in partnership with the Traditional Owners of the area.

During the in-field inspection at the planned pipeline location by YY Cultural Heritage Officers and Santos personnel, human remains were identified.

In response, the Potential Human Skeletal Remains Procedure was rapidly applied and site management measures identified, including moving nearby infrastructure to more than 1km away from the burial site and fencing a defined perimeter. The measures were agreed between all parties and implemented.

In addition, the Coroner was notified in compliance with South Australian Coroners Act 2003 and the information captured in Santos' electronic mapping system for future reference.

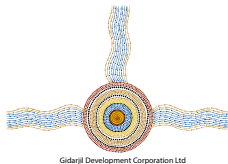
This successful application of the Cultural Heritage Management Process confirmed the integrity of the process and how the 'avoidance principle' can be applied to Santos' activities.



Site demarcation during cultural heritage assessment

Sustainability Pillar: **Indigenous partnerships**

## Weed management service providers



### **Gladstone LNG plant, Queensland**

In 2020, a four year contract for weed, vegetation and fire management services across the Curtis Island LNG facilities was issued to the Gidarjil Development Corporation. This organisation is regionally based in Queensland and 100 per cent Indigenous owned and operated by the local Traditional Owners. It operates as a not-for-profit organisation with both land and sea rangers. Gidarjil Development Corporation employs four Indigenous people to deliver the contract, three of which are Gladstone based and one in Bundaberg.

Contract award was the result of successful collaboration between the Santos Gladstone LNG (GLNG) plant, Shell QGC and ConocoPhillips. It was an important step towards introducing Indigenous organisations into the LNG facilities in Gladstone and will provide increased capabilities for managing aspects related to firebreaks and the national park outside of the plant boundaries.



### **Devil Creek facility Karratha region, Western Australia**

In 2021, the Supply Nation Certified Aboriginal Business, Yurra, was awarded a contract to deliver the Devil Creek weed management contract. Two years in the making, the contract demonstrates how partnerships with local businesses can deliver outcomes for both operations and the communities in which we operate. Yurra was founded in 2013 and has developed a 'Pathway to Trades' model that aims to create opportunities for engagement, training and career development for local people. Yurra currently employs over 120 staff locally within the Pilbara region, over 50 per cent of whom are Indigenous.



**Yurra personnel working on country**





## Timor-Leste graduate foundational skills training and internship program

Santos is proud of the work we do in Timor-Leste. Since 2014, together with the Autoridade Nacional do Petróleo e Minerais (ANPM), two intakes of a training and internship program have been completed. The program provides Timorese university graduates with the opportunity to gain valuable technical and on-the-job experience in the oil and gas industry.

The program is run in two phases. Phase one includes a six month training course that covers English language development, business skills and learning the foundations of the oil and gas industry. Phase two involves a twelve month internship, where interns are placed in Santos departments in Perth, Darwin or Dili to develop technical and business skills, and acquire real industry experience. In the most recent intake, seven of the trainees who completed phase one were selected to join phase two.

In June 2019, following completion of phase one of the program, Santos and the ANPM hosted an industry engagement session that was attended by approximately 21 local Timor-Leste companies. This enabled the phase one graduates to promote their skills and experiences to prospective Timor-Leste employers. A further session was held in December 2020, following completion of phase two and the internship opportunities.

+ Since 2014, 25 Timorese graduates have completed the program, with 44 per cent (eleven) of the graduates being female.

Following from the first intake, over 80 per cent of graduates are employed either directly or indirectly in the oil and gas industry. The remaining graduates have gone on to pursue opportunities such as a Fulbright scholarship and teaching positions.



Timor-Leste internship program graduates



# Appendix 2

## Summary data tables

All data in the following tables is for the 2020 calendar year, unless otherwise stated.

### Economic

Access to the latest quarterly reports, interim results, full-year results and related information is available on [santos.com](https://www.santos.com).

### Health and safety

Metric	2015	2016	2017	2018	2019	2020
Fatalities	0	0	0	0	0	0
TRIR*	2.82	2.25	3.49	4.48	4.65	3.37
LTIR*	0.12	0.14	1.00	0.63	0.57	0.24
High Potential Event rate	0.36	0.28	0.49	0.23	0.41	0.31
Tier 1 LOCI	4	6	3	4	4	2
Tier 2 LOCI	20	11	13	12	4	7

#### Notes

\* TRIR and LTIR are annual rates (calculated over a 12 month period).

#### Definitions

- + High Potential Event - Incident or near miss that could have realistically resulted in one or more fatalities.
- + LOCI – Loss of Containment Incident.
- + LTIR – Lost Time Injury Rate: the number of lost time injuries per million hours worked.
- + TRIR – Total Recordable Injury Rate: the number of recordable injuries (lost time injuries, alternate duty injuries and/or medical treatment injuries) per million hours worked.

# Climate change

## Greenhouse gas emissions data\*

Greenhouse gas (GHG) emissions and energy consumption (Santos gross operated, unless otherwise stated, financial years)								
	Units	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Direct energy consumption	PJ	32	34	48	65	65	71	87
Indirect energy consumption	PJ	0.18	0.19	0.19	1.47	1.85	2.54	2.63
Scope 1 (Quadrant acquisition)	MtCO <sub>2e</sub>						0.62	0.56
Scope 1 (Conoco acquisition)	MtCO <sub>2e</sub>							1.85
Scope 1 (Santos ex acquisitions)	MtCO <sub>2e</sub>	3.94	4.35	5.04	5.82	5.49	5.21	5.32
Scope 1 (direct GHG emissions)	MtCO <sub>2e</sub>	3.94	4.35	5.04	5.82	5.49	5.83	7.74
Scope 2 (purchased electricity)	MtCO <sub>2e</sub>	0.03	0.03	0.03	0.31	0.39	0.53	0.57
Scope 3 (product use)	MtCO <sub>2e</sub>	18.0	15.5	18.8	20.4	20.0	24.5	28.6
Scope 1 (Santos equity share)	MtCO <sub>2e</sub>	3.36	3.63	3.79	3.79	3.57	3.65	3.85
Scope 1 intensity (Santos equity share)	ktCO <sub>2e</sub> /mmboe	65	63	63	63	62	54	50
Scope 2 (Santos equity share)	MtCO <sub>2e</sub>				0.13	0.16	0.20	0.22
Scope 3 (Santos equity share)	MtCO <sub>2e</sub>				19.2	18.4	21.6	24.3
Further details of Scope 1 emissions and flared and vented hydrocarbon (Santos gross operated)								
Emissions of CO <sub>2</sub>	MtCO <sub>2e</sub>	3.49	3.86	4.51	5.09	4.99	5.35	7.29
Emissions of CH <sub>4</sub>	MtCO <sub>2e</sub>	0.45	0.48	0.53	0.72	0.49	0.47	0.44
Emissions of N <sub>2</sub> O	MtCO <sub>2e</sub>	0.00	0.01	0.01	0.01	0.01	0.01	0.01
Emissions from fuel	MtCO <sub>2e</sub>	1.70	1.67	2.38	3.19	3.18	3.37	4.64
Emissions from flare	MtCO <sub>2e</sub>	0.30	0.54	0.38	0.25	0.18	0.29	0.45
Emissions from vent	MtCO <sub>2e</sub>	0.30	0.30	0.30	0.31	0.24	0.15	0.13
Emissions from CO <sub>2</sub> removal	MtCO <sub>2e</sub>	1.62	1.81	1.94	2.03	1.85	1.98	2.45
Emissions from fugitives	MtCO <sub>2e</sub>	0.02	0.02	0.03	0.04	0.04	0.04	0.06
Volume of flared hydrocarbon	Million m <sup>3</sup>	94.1	212.2	134.8	93.8	56.8	96.5	88.7
Volume of vented hydrocarbon	Million m <sup>3</sup>	35.4	38.0	45.0	38.7	33.0	26.2	24.8
Basis for 2030 emissions reduction target**								
Scope 1 and 2 emissions (Santos equity share)	MtCO <sub>2e</sub>							5.0
Scope 1 and 2 intensity (Santos equity share)	ktCO <sub>2e</sub> /mmboe							55

### Notes

\* Emissions and energy are reported on an Australian financial year basis in accordance with the National Greenhouse and Energy Report Act, 2007. Scope 1 emissions occur from sources controlled by the Company, for example emissions from fuel, flare and vent; Scope 2 emissions are indirect, mainly electricity consumption; Scope 3 emissions represent indirect emissions when our products are combusted by our customers to produce energy.

\*\* Emissions reduction target based on 2019-20 emissions and intensity (Santos equity share, grossed up for post ConocoPhillips acquisition equity in acquired assets for full year).

## Environment

### Water

	Produced formation water	Aquifer injection water	Beneficial use water	Evaporation water	Seawater discharge	Surface water discharge	Groundwater withdrawal	Seawater withdrawal	Surface water withdrawal
	1000m3	1000m3	1000m3	1000m3	1000m3	1000m3	1000m3	1000m3	1000m3
New South Wales	105	-	-	-	-	-	11	-	-
Queensland	12794	-	5523	1785	-	4042	509	-	-
South Australia	2652	22	81	2549	-	-	1219	-	-
Western Australia	1491	1402	-	49	35151	-	72	35224	-

### Footprint of operations

	Tenements	Operations footprint	Rehabilitated sites returned to government*	Protected areas within tenements	Operations within protected areas
	ha	ha	ha	ha	ha
New South Wales	5366113	892	-	180794	6
Northern Territory	11684230	467	-	140731	2
Queensland	5048463	24733	1255	208343	947
South Australia	1142907	9439	3415	826784	4927
Western Australia	6659283	470	-	-	-
Papua New Guinea	8488	7	-	-	-
<b>Total</b>	<b>29909484</b>	<b>36008</b>	<b>4670</b>	<b>1356652</b>	<b>5882</b>

### Notes

General - data as per footprint report downloaded January 2021.

\* Returned to government in accordance with the specific approval-related site rehabilitation requirements.

### Waste

	Septic waste	General waste disposed of to landfill	Recycled waste
	kilolitres	tonnes	tonnes
New South Wales	69	46	41
Queensland	2384	2456	4396
South Australia	0	4071	8109
Western Australia	11011	394	214



## Incidents and spills

Key Performance Indicator	Units	2014	2015	2016	2017	2018	2019	2020
Volume HC released	m <sup>3</sup>	20	382	132	5	76	46	48
Number HC releases		81	61	42	34	162	178	184
Volume PFW released	m <sup>3</sup>	2957	2274	1499	565	5460	6396	403
Number PFW releases		61	36	47	22	90	122	72
Notices received from regulators		13	33	10	5	9	9	0
Fines received from regulators (A\$)		70500	34155	8835	12190	82115	65115	0

## Definitions

**Aquifer injection** - PFW that has been injected as aquifer recharge.

**Beneficial use** - PFW that has been used in activities such as irrigation, dust suppression, drilling completions, civil works and other operations. The volume does not include aquifer injection water.

**Evaporation water** - PFW that has been disposed in designated evaporation ponds, and excludes any water extracted from groundwater bores.

**Groundwater withdrawal** - Water extracted from water source bores that are not categorised as producing wells.

**HC** - Hydrocarbons.

**Notices received from regulators** - Notices from environmental regulators that require action to address an identified non-compliance (e.g. penalty infringement notice, environment protection order).

**PFW** - Produced formation water - water extracted from oil and gas producing wells.

**Septic waste** - Waste that is removed by third parties. Sewage effluent that is delivered through sewerage pipelines is not included in this septic volume.

**Surface water discharge** - PFW that meets with regulatory requirements and is discharged into natural water bodies (e.g. rivers, lakes).

## Community

Corporate social responsibility pillar	2019 Spend (\$M)	2020 Spend (\$M)
Strengthening local economies and communities	17.3*	10.8
Indigenous communities, diversity and inclusion	0.5	0.1
Mental health and healthy living	1.2	3
STEM Training and education	0.2	1
Environment and climate change	0.6	2.1
<b>Total</b>	<b>19.8</b>	<b>17</b>

\* In 2019, this included Santos' investment of \$15.8 million in major road upgrades in the Maranoa region.

## People and culture

### Workforce details\*

	Male	Female	Total
Field	1110	69	1179
Office	1033	510	1543
<b>Total Santos employees</b>	<b>2143</b>	<b>579</b>	<b>2722</b>
Establishment contractors**	407	102	509
<b>Workforce total</b>	<b>2550</b>	<b>681</b>	<b>3231</b>
Graduates and Interns***	41	22	63
Apprentices	16	11	27
Indigenous workforce****	33	15	48

### Notes

\* Includes active and inactive workforce. Includes CEO.

\*\* Includes establishment base business and project contractors and secondees.

\*\*\* Includes those on the Santos Graduate Development Program, and Graduate Interns.

\*\*\*\* Indigenous workforce includes those on the Indigenous Development Program.

### Employee composition

	Under 30 years		30 to 50 years		Over 50 years		Total		%	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Executive Committee*	0.0%	0.0%	20.0%	10.0%	50.0%	20.0%	7	3	70.0%	30.0%
Leading Business	0.0%	0.0%	45.8%	5.6%	41.7%	6.9%	63	9	87.5%	12.5%
Leading Teams	0.0%	0.0%	52.9%	14.6%	28.5%	4.0%	491	112	81.4%	18.6%
Leading Others	2.1%	0.7%	49.8%	25.5%	18.3%	3.5%	498	211	70.2%	29.8%
Leading Self	7.1%	4.1%	47.8%	11.2%	26.8%	3.2%	1083	244	81.6%	18.4%
<b>Total</b>	<b>4.0%</b>	<b>2.2%</b>	<b>49.3%</b>	<b>15.5%</b>	<b>25.4%</b>	<b>3.6%</b>	<b>2143</b>	<b>579</b>	<b>78.7%</b>	<b>21.3%</b>
Non-Executive Director	0.0%	0.0%	11.1%	0.0%	55.6%	33.3%	6	3	66.7%	33.3%

### Note

\* Includes CEO.

# Santos Limited

ABN 80 007 550 923

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## Australian Securities Exchange Listing

STO

## Santos Website

To view Annual Reports, shareholder and Company information, news announcements and presentations, quarterly activities reports and historical information, please visit our website at [santos.com](http://santos.com)

## Annual Reports

You can view our Annual Report online at [santos.com](http://santos.com) or request a printed copy from the Share Registrar either by email at [santos@boardroomlimited.com.au](mailto:santos@boardroomlimited.com.au) or by telephone on 1300 096 259 (within Australia) or +61 2 8016 2832.

## General Enquiries

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Telephone: +61 8 8116 5000  
Email Santos via the Contact Us portal at our website [santos.com](http://santos.com)

## Shareholding Enquiries

Please direct all shareholding enquiries to:

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GPO Box 3993  
Sydney NSW 2001

Toll free: 1300 096 259  
International: +61 2 8016 2832

Email: [santos@boardroomlimited.com.au](mailto:santos@boardroomlimited.com.au)  
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