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# Modern Slavery Statement

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Statement for 2020



Santos

# Disclosure Note

This statement has been made on behalf of Santos Limited. This Statement covers all entities within the Santos Limited group structure, including the May 2020 acquisition of ConocoPhillips' northern Australian assets. Each entity is covered by Santos' policies, procedures and systems, including those relating to contracting, purchasing and human resources. See page 113 of our Annual Report 2020 for a listing of all entities.

Santos is a participant with a 30 percent interest in the GLNG Project and provides procurement services to Gladstone LNG Operations Pty Ltd (GLNG OPL), the operator of the GLNG Facility. The assessment of modern slavery risks in Santos' supply chain, as described in this Statement, includes suppliers procured by Santos on behalf of GLNG OPL.

The modern slavery risks and impacts associated with projects which Santos does not operate, such as Santos' joint venture operations in Papua New Guinea are not included in this Statement. Santos does, however, have joint venture governance processes that involve regular engagement with joint venture partners and operators on key risks and their management, including human rights.

Modern slavery risks and impacts have not been assessed in jurisdictions where Santos may still have a presence but does not actively operate, including Bangladesh, Vietnam and Singapore.

# Contents

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/)

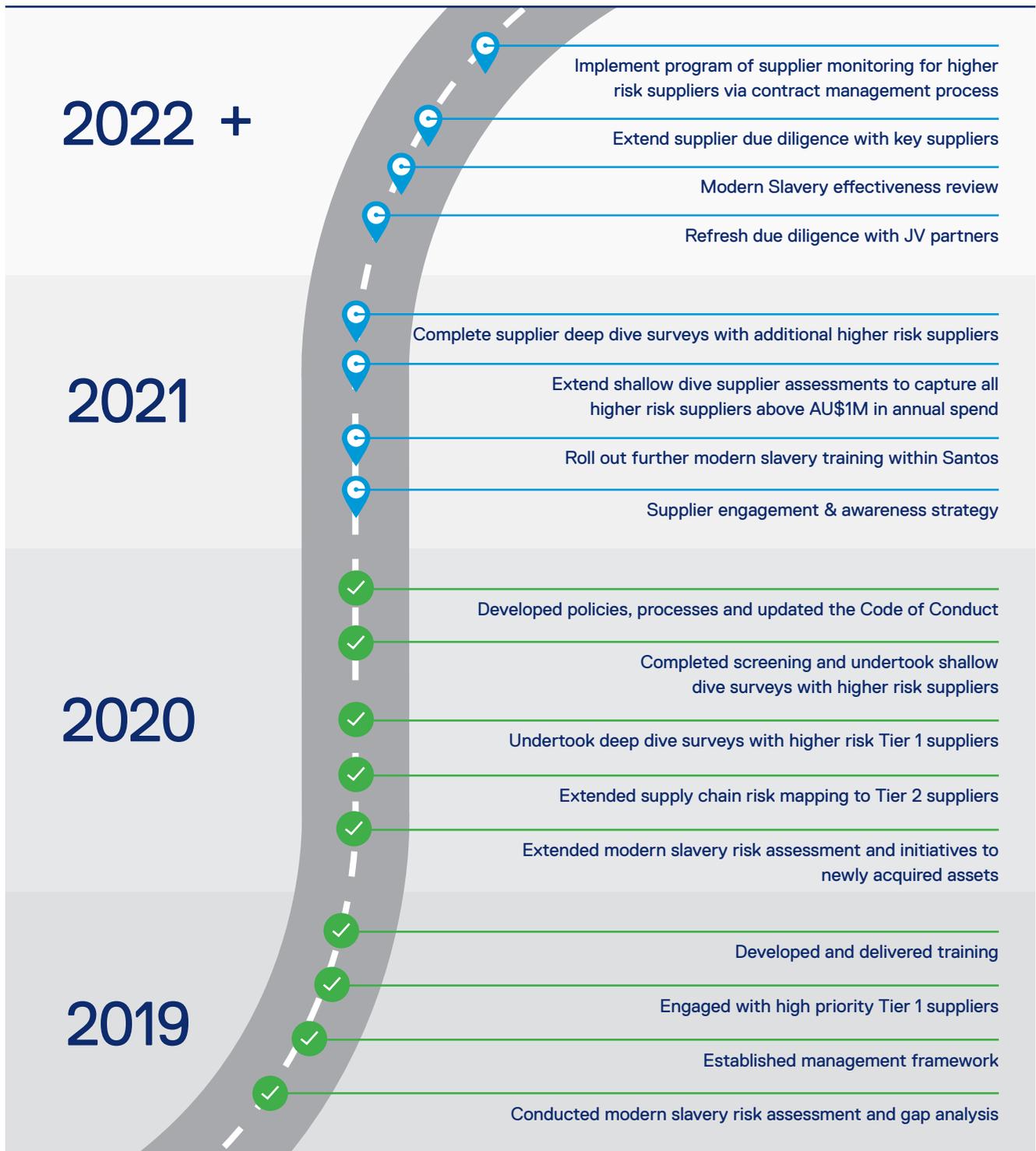
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# Snapshot

## Roadmap



## About us

A proudly Australian company, Santos is a leading supplier of natural gas, a fuel for the future, providing cleaner energy 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 workforce of over 3000 people.

### Our purpose

Our purpose is to provide sustainable returns for our shareholders by supplying reliable, affordable and cleaner energy 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

## 2020 Modern slavery risk management initiatives



We made significant progress in 2020 to integrate modern slavery risk management initiatives into company policies, code of conduct, procedures and supplier risk management processes. A summary of our actions is included below:

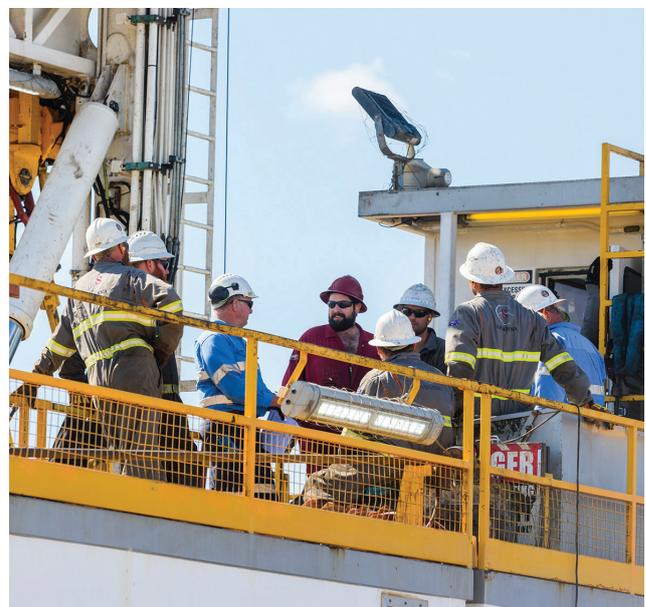
- + **Modern Slavery Working Group:** Our Modern slavery working group continued to meet regularly throughout 2020 to review the modern slavery action plan and roadmap.
- + **Code of Conduct:** We updated the Santos Code of Conduct to reinforce Santos' position on human rights and modern slavery and included Modern Slavery awareness in our annual Code of Conduct training requirement.
- + **Supplier Risk Identification:** We refreshed and updated our supplier risk identification and prioritisation tool (including for newly acquired assets).
- + **Supplier Due Diligence (shallow dive):** We undertook supplier due diligence (shallow dive surveys) with 112 suppliers (representing 80% of risk assessed spend), focusing on higher risk categories.
- + **Supplier Due Diligence (deep dive):** We undertook additional supplier due diligence (deep dive surveys) with 14 suppliers (representing 50% of risk assessed spend).
- + **Tier 2 Supplier Mapping:** In addition to the deep dive surveys we completed Tier 2 supplier identification and mapping with the same 14 suppliers.
- + **Updated Procurement Processes:** We updated supplier tendering processes, tendering documentation, standard contract clauses and performance standards to include modern slavery risk management requirements.
- + **Updated Company Procedures:** We updated company procedures to better capture modern slavery incident response, including promoting our confidential, independent Whistleblower hotline to suppliers.
- + **Joint Venture Engagement:** We continued our engagement and collaboration with our joint venture partners to better understand modern slavery risks.
- + **Modern Slavery Training:** We extended modern slavery awareness training to newly acquired assets in Northern Australia and Timor-Leste.

More detail on each of these actions is included under Criteria 4 of this Statement.

## Our plans for 2021



- + **Ongoing due diligence:** We will continue to roll out supplier surveys and desk-top supplier assessments for our highest risk/highest spend Tier 1 suppliers (direct contract); assess known Tier 2 suppliers (our Tier 1 suppliers key subcontractors) against modern slavery risk indicators; and work with joint venture partners to review risks in international operations.
- + **Capability building:** We will continue to deliver modern slavery risk management training to staff.
- + **Supplier engagement:** We will expand our supplier engagement and communications strategy and conduct engagement and awareness-raising initiatives with high risk Tier 1 suppliers on an ongoing basis.



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## Our plans beyond 2021

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+ **Continuous improvement:** We will continue to review and improve our due diligence, risk management, training and supplier engagement systems and processes to ensure modern slavery risks are effectively managed and mitigated.

+ **Supplier monitoring:** We will establish and implement specific supplier monitoring programs for our highest risk suppliers.

+ **Effectiveness review:** We will review the effectiveness of actions taken to identify, assess and address modern slavery risks and incorporate outcomes-focused performance indicators into review processes.

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## Statement from CEO and Board Chair

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A proudly Australian company, Santos is a leading supplier of natural gas, a fuel for the future, providing clean energy to improve the lives of people in Australia and Asia. Santos is already Australia's biggest domestic gas supplier and a leading Asia-Pacific LNG supplier and aims to be a world-leading clean fuels company, achieving net-zero emissions by 2040.

Following the publication of our first ever Modern Slavery Statement for the 2019 period, Santos is now pleased to present our second Modern Slavery Statement, which demonstrates our commitment to sustainable development of resources and to improving the lives of people in Australia and Asia.

Tackling modern slavery is an important issue which requires ongoing focus and awareness of our broader supply chain activities. We have made positive steps to better understanding our supply chain and key risk areas.

Our second Modern Slavery Statement outlines our successful progress against our 12-month action plan and provides an update on our three year road map. Throughout this process we have built a better understanding of human rights and modern slavery within Santos and with our key suppliers.

This statement has been approved by the Board of Santos Limited.

Signed

**Kevin Gallagher**  
Managing Director and Chief  
Executive Officer

**Keith Spence**  
Chairman



# Reporting Criteria 1 & 2

## About Santos

### Our organisational structure



**Santos Limited (Santos)** is an Australian public company, employing over 3,000 people, listed on the Australian Securities Exchange under the code STO. The Australian Company Number for Santos Limited is ACN 007 550 923.

The registered office for Santos Limited is 60 Flinders Street, Adelaide, SA 5000.

Our operation focus is on the exploration, development, production, transportation and marketing of natural gas and other petroleum products both onshore and offshore in Australia.

In May 2020, we completed an acquisition of ConocoPhillips' Australia Business Unit West assets in northern Australia and Timor-Leste. Throughout 2020 we also continued to participate in various non-operated joint ventures, an example being our investment in the PNG LNG project operated by ExxonMobil.

**Controlled entities:** A list of our controlled entities is available in our 2020 Annual Report. Following recent acquisitions, Santos now has a number of employing entities. The majority of employees are employed by Santos Limited with the remaining employees employed in the other entities now part of Santos. The subsidiaries enter into contracts, hold licences and permits, interests in projects and so on. The subsidiaries all operate under the direction and governance of Santos and all share the same executive management. The directors of each of the subsidiaries are the Chief Executive Officer and Chief Financial Officer of Santos Limited.



### Joint arrangements

Our investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. Our exploration and production activities are often conducted through joint arrangements governed by joint operating agreements, production sharing contracts or similar contractual relationships.

This includes:

- + Oil and gas assets – producing assets
- + Processing and transportation assets such as LNG plants and pipelines
- + Exploration and evaluation assets

## The Santos Corporate Governance Structure

### The Board

is responsible for overseeing the performance and operations of the Company.

Approves Santos' values and monitors company performance in line with the values.

Approves Santos' sustainability strategy including aspirations and targets and guides sustainability performance and response to evolving stakeholder expectations.

### Board Committees

assist the Board to discharge its responsibilities in relation to:

#### People, Remuneration and Culture

including the remuneration framework and people and culture strategies and initiatives.

#### Audit and Risk

including risk management, internal audit and financial reporting.

#### Environment, Health, Safety and Sustainability

including climate change, anti-slavery, land access, Indigenous engagement and cultural heritage, and community engagement.

#### Nomination

including devising nomination criteria for, reviewing membership and nominations to the Board.

All Board Committees have procedures and practices in place to ensure they effectively communicate in relation to matters of shared responsibility.

Regularly monitors the progress of implementation plans to achieve sustainability aspirations and targets.

Recommends opportunities to mature aspirations and targets based on operational and industry learnings.

**Santos Management System - company policies, management/operating standards and procedures, including risk appetite and the Risk Management Framework.**

### Management under the leadership of the CEO

are responsible for delivering the strategic direction and goals approved by the Board.

The CEO is responsible for instilling a culture that aligns with the Santos values.

## Our 2020 governance highlights include:

- + Adoption of formal Conflict of Interest Policy
- + Publication of first Modern Slavery Statement
- + Refresh of Company's Securities Dealing Policy
- + Updated Code of Conduct, including references to human rights and Modern Slavery issues
- + Refresh of the Reporting Misconduct Procedure which is relevant for our suppliers
- + Review and update of Board and Committee Charters in line with current best practice
- + Comprehensive review of the risk management framework including the risk appetite statement

Anti-slavery initiatives are overseen by our Environment, Health, Safety and Sustainability Board Committee. The Committee's duties comprise the governance and review of our activities in the areas of Environment, Health and Safety, Climate Change, Anti-Slavery, Land Access, Indigenous Engagement and Cultural Heritage and Community Engagement.

In relation to modern slavery risk management the Committee's duties include policy review, monitoring effectiveness of the management system and risk framework, maintaining corporate knowledge of risks relevant to modern slavery, and reporting and making recommendations to the board as required.

We support the intent and purpose of the ASX Corporate Governance Council's Principles and Recommendations (ASX Principles). Our 2020 Corporate Governance Statement reports against the 4th Edition of the ASX Principles. A list of our publicly available core governance framework documents is provided in our 2020 Corporate Governance Statement. Most of these documents are accessible on our website.

## Our people

Santos has over 3,000 employees working across our operations. Our well regarded graduate program together with an apprenticeship and trainee program attracted exceptional talent. Fifty-Nine graduates were recruited over the last three years, with female intake increasing from 33 percent to almost half in 2020. Since 2011 we have created over 800 employment and training opportunities for indigenous Australians.

## Our Operations

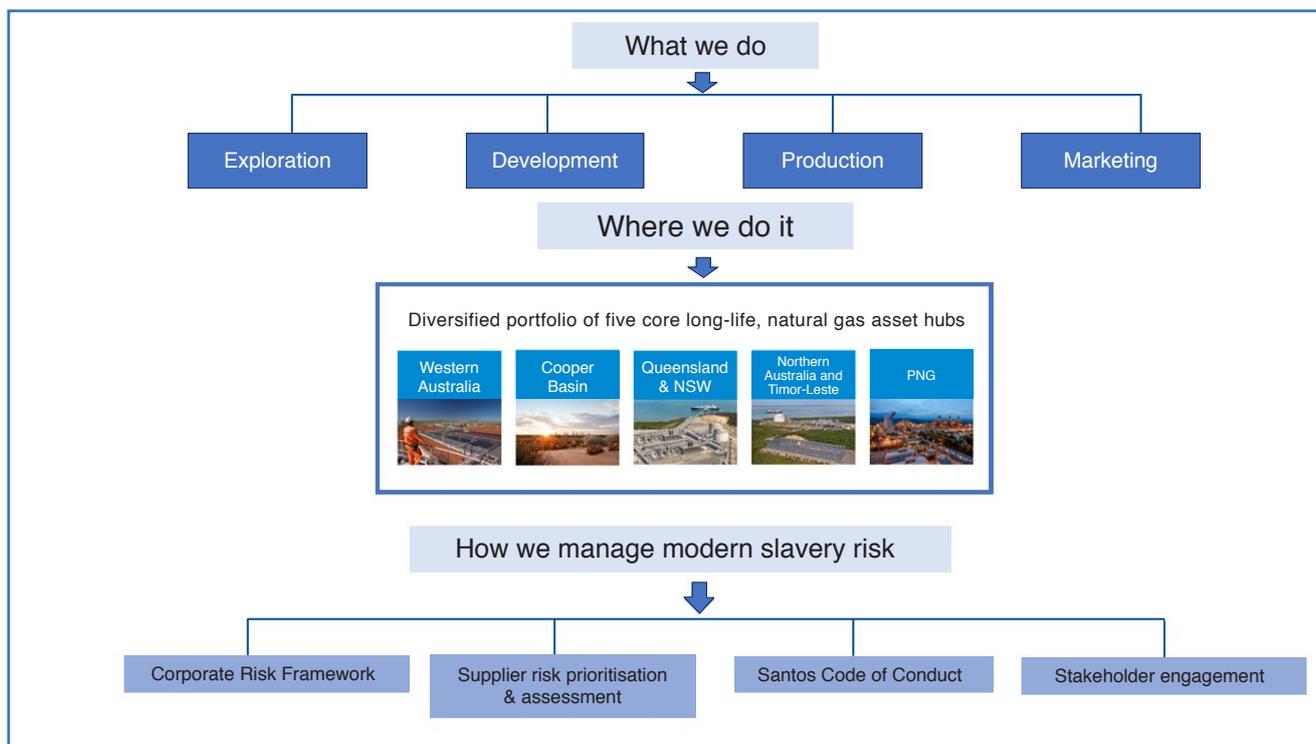


Our operations focus on exploration, development, production, transportation and marketing of natural gas and other petroleum products. These products are sold to customers in Australia and Asia. In May 2020, Santos completed the acquisition of the ConocoPhillips assets in northern Australia and Timor-Leste.

Five core long-life natural gas assets now sit at the heart of our business: Western Australia, the Cooper Basin, Queensland and NSW, Northern Australia & Timor-Leste, and Papua New Guinea.

Our risk management framework, combined with our supplier risk prioritisation and assessment process and procurement processes, ensure we can identify, assess and address any potential modern slavery risks on an ongoing basis.





## Western Australia

Santos is the largest supplier of natural gas to the domestic market in Western Australia and is also a significant producer of oil and natural gas liquids. In late 2018, Santos completed the acquisition of Quadrant Energy which has significantly strengthened Santos' position in Western Australia, including 100 percent ownership and operatorship of the Varanus Island and Devil Creek domestic gas hubs, and a leading position in the highly prospective Bedout Basin.

## Cooper Basin

The Cooper Basin in Queensland and South Australia produces natural gas as well as oil and natural gas liquids. Natural gas is sold to the east coast domestic market and also to liquefied natural gas (LNG) projects for sale into Asia. Liquids and oil are sold in both domestic and export markets.

## Queensland and NSW

Santos is a participant with a 30 percent interest in the GLNG Project which was one of the world's first coal seam gas to LNG projects. LNG is sold into Asian markets. Some natural gas is also sold into the east coast domestic market. GLNG has two LNG trains at Gladstone with a combined capacity of 8.6 mtpa. Feed gas is sourced from GLNG's own upstream production and from other gas producers.

## Papua New Guinea

Santos' business in PNG is centred on the PNG LNG Project. Commencing in 2014, PNG LNG produces LNG for the Asian market, as well as some liquids. Santos has a 13.5 percent interest in PNG LNG. The LNG plant near Port Moresby has two LNG trains with combined capacity of more than 8 mtpa.

Santos also has some interests in upstream acreage in PNG which will be explored and developed to support our interests in PNG LNG.

## Northern Australia & Timor-Leste

During 2020, ConocoPhillips' northern Australia and Timor-Leste assets were integrated into Santos.

The acquisition delivers operatorship and control of a high quality portfolio of low-cost, long-life natural gas assets and strategic LNG infrastructure.

## Santos locations



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



## Our supply chain

Our supply chain consists primarily of large oil and gas field engineering, construction and technical services companies, marine logistics and transportation, specialist consultancies and labour and corporate services.

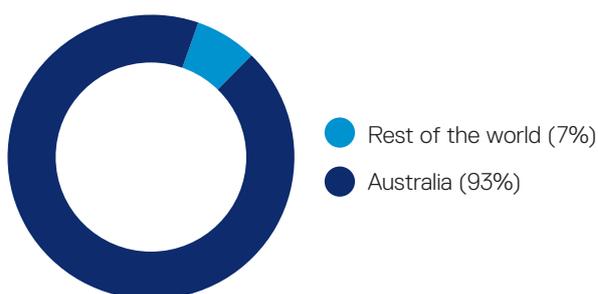
Major categories of goods and services we procure include:

- + Building, construction and fabrication services
- + Offshore services
- + Plant and equipment
- + Construction and building materials and consumables
- + Utilities (Water, electricity and gas)
- + Remote camps, catering and accommodation
- + Maintenance services
- + Professional services
- + Logistics, transport and warehousing
- + Marine and aviation support services
- + Wellsite services
- + Labour hire and recruitment services
- + ICT hardware and software
- + Production operations and support

Following the acquisition of ConocoPhillips' Northern Australia and Timor-Leste assets in May 2020, we refreshed our detailed risk assessment of our integrated supply chain.



Figure 1. Spend by geographic location



In 2020 we spent AU\$3.33 billion with 3850 suppliers, with AU\$2.93 billion spent with Tier 1 (direct hire) suppliers over AU\$1 million. This is an increase of AU\$370m from spend reported in our 2019 Modern Slavery Statement. Our supply chain is complex, and we source our goods and services from across the globe including North America, Europe, South East Asia, East Asia and the Middle East.

93 percent of our annual procurement spend is with Australian suppliers. In 2020 we contributed approximately AU\$3 billion to the national economy through our procurement spend.

In Australia, we work closely with our key suppliers many of whom are in regional communities. We aim to partner with local business and other organisations to listen, support, invest, create jobs and build skills for the future.

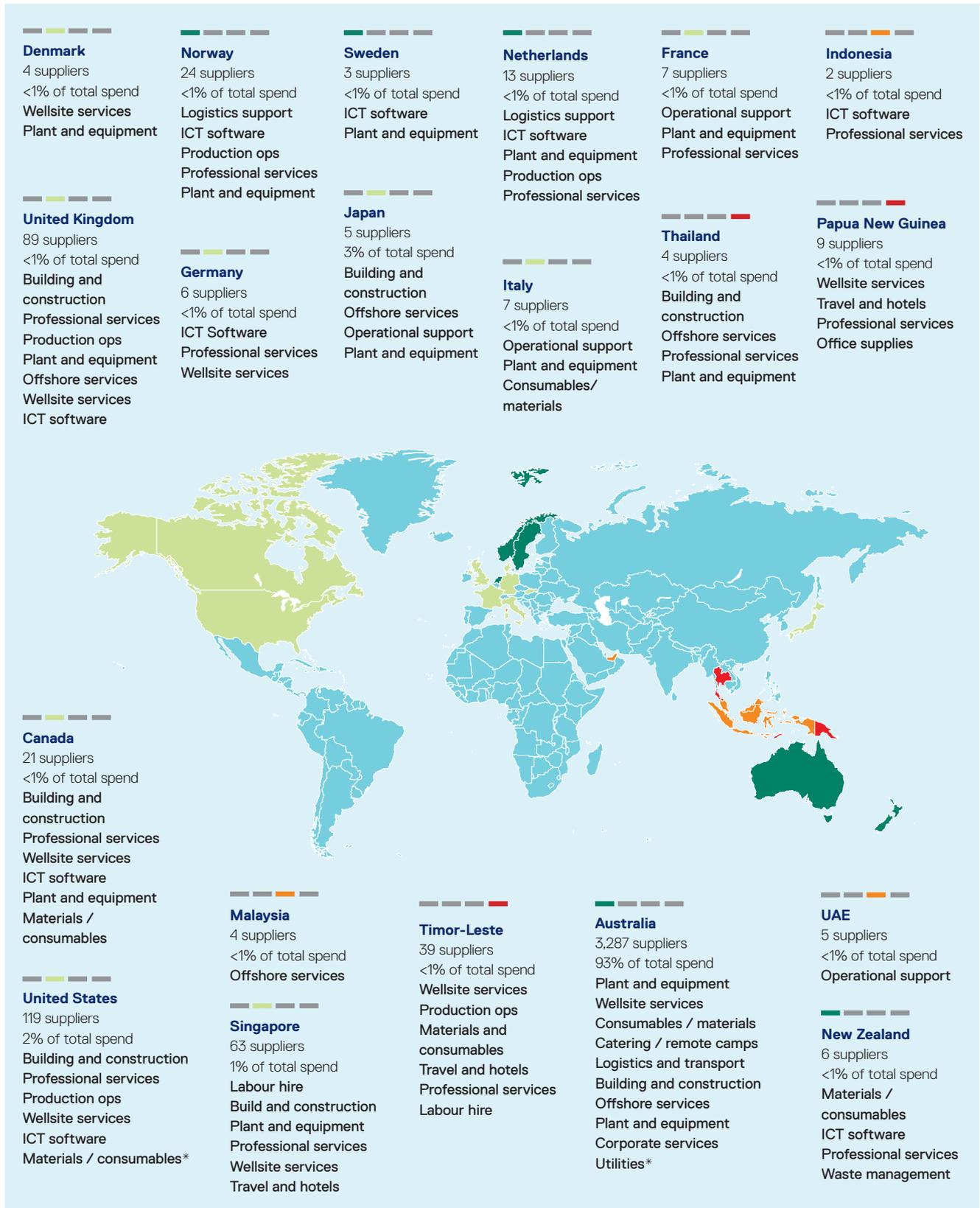
In addition to our Australian suppliers, 7 percent of our total spend is with suppliers operating in 33 countries.

In 2020 our spend was **AU\$3.33 billion** with **3,850** suppliers in **34** countries (including Australia).

**AU\$2.93** billion of spend was analysed for risk across **329** suppliers (with spend >AU\$1 million).

In 2020 **93%** of our procurement spend was with Australian companies

## Key Tier 1 Supplier Locations



# Reporting Criteria 3

## Modern slavery risks in operations and supply chain

### Risk Management



A comprehensive review of the Company's risk management framework was undertaken in 2020 with consideration of the International Standard for Risk Management (ISO 31000:2018 Risk Management Guideline) and current best practice. As part of a broader risk management review, the Board also reviewed and approved our Risk Appetite Statement. The Risk Appetite is designed to support and inform Board and management decision-making and is reviewed annually to ensure ongoing alignment with strategic objectives.

The Audit and Risk Committee also reviewed enterprise-wide risks, new and emerging risks. Throughout 2020, the Board continued to undertake regular deep-dives into the Company's enterprise risks.

### Operational risks



For 66 years we have been safely and sustainably exploring and developing oil and natural gas resources in partnership with local communities, landholders and marine users. We comply with all labour, employment, immigration and Whistleblower laws of Australia and its states and territories, including the Fair Work Act and are committed to:

- + working safely and looking out for the safety of our colleagues;
- + providing a workplace free from harassment, discrimination and bullying;
- + acting ethically and lawfully in all business conduct;
- + engaging with our stakeholders respectfully and honestly; and
- + building sustainable communities through providing local jobs, developing local skills and providing local business opportunities.

We have an internal audit program to assure the effectiveness of our risk control framework and compliance with our policies.

While we consider the potential for us to cause or contribute to incidents of modern slavery to be low, areas of vulnerability in our operations include outsourced services such as cleaning, catering, security and facilities management, and use of labour hire contractors.



## Supply chain risks

In 2020 we updated our supplier prioritisation dashboards to include suppliers in our newly acquired assets in northern Australia and Timor-Leste. We continued to focus our efforts on suppliers above AU\$1 million in spend. Potential risks for modern slavery were determined according to the following indicators:

- + Industry sector – specific industry sectors deemed as high risk in international and national guidance documentation.
- + Commodity/product – specific products and commodities deemed as high risk by the US Department of Labor’s 2018 List of Goods Produced by Child and Forced Labor, the Global Slavery Index (GSI) and other international guidance materials.
- + Geographic location – based on estimated prevalence of modern slavery and the government responses as outlined in the 2018 GSI. While we predominantly use Australian suppliers, we recognise that our goods and services may come from countries other than those of suppliers’ headquarters.
- + Workforce profile – in undertaking our supplier analysis we considered the type of labour involved in the production of our goods and services, particularly where low skilled, vulnerable or migrant labour is used, or where the work is deemed as ‘4D’ work (Dirty, Dull, Degrading or Dangerous).

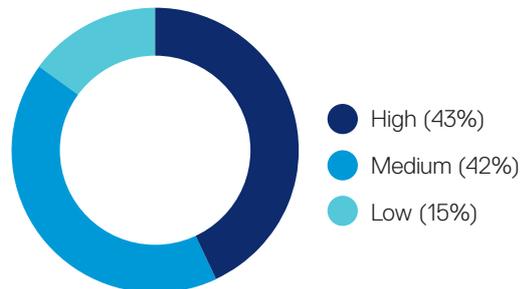
While our focus in 2020 continued to be on our suppliers with greater than AU\$1 million annual spend, we acknowledge that lower spend suppliers also present modern slavery risks and vulnerabilities. It is our intention to consider a broader review and risk prioritisation of our lower spend suppliers in future years.

### Risk by Spend

Analysis of just over AU\$2.93 billion of spend (329 suppliers with spend above AU\$1 million) identified 43 percent of spend as potentially higher risk where modern slavery may be present. Our higher risk spend includes major building, construction and fabrication projects. We anticipate that these categories will remain the major high risk spend categories as several new projects come online in the next three to five years.

A further 42 percent of spend was categorised as medium risk for modern slavery and 15 percent as lower risk.

#### Risk by spend (% of spend assessed as high, medium or low modern slavery category risk)

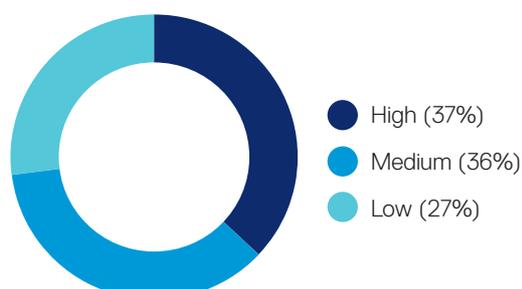


### Risk by Supplier Number

Analysis of suppliers with spend above AU\$1 million identified that 120 of the 329 suppliers assessed are potentially higher risk for modern slavery.

We will continue to explore potential risk of the goods and services procured by our Tier 1 suppliers to enable us to gain a better understanding of potential risk in our extended supply chain both in Australia and internationally (see Case Study 1).

#### Risk by supplier number (% of suppliers operating in high, medium or low modern slavery risk categories)



### Risk by Spend Category

Based on the four risk factors outlined previously, 12 of our 21 spend categories are potentially higher risk for modern slavery, including:

- + Building / construction / fabrication
- + Maintenance services
- + Consumables / materials
- + Logistics – Transport / marine
- + Labour hire
- + Catering and hospitality
- + Building and engineering materials
- + Waste management
- + Real estate / facility management
- + ICT hardware
- + Camps and camp services
- + Security services

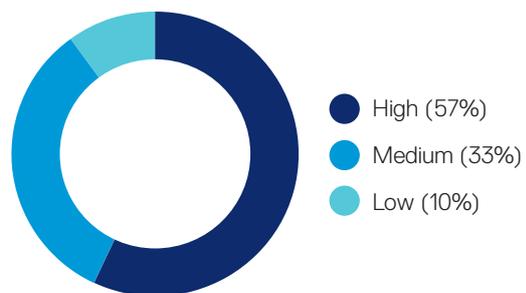
Higher levels of modern slavery risk associated with these spend categories is due to country of manufacture (primarily China and other parts of Asia), the industry sectors involved (building, construction, services, hospitality, logistics, facility

management, security and manufacturing) and commodities used (metal, plastic, chemicals etc).

While the risk of modern slavery in Australia is lower than many other jurisdictions (according to GSI data), we recognise that our Australian suppliers (who make up 93 percent of our total spend) provide us with goods and services across all high-risk categories and thus will require further engagement and assessment.

High-risk goods and services across building / construction / fabrication, consumables, logistics and labour hire categories are also procured directly from some of our international suppliers predominantly those across Asia, Europe and North America.

Risk by spend categories



### Case study #1

## Investigating potential risk across Tier 2 suppliers

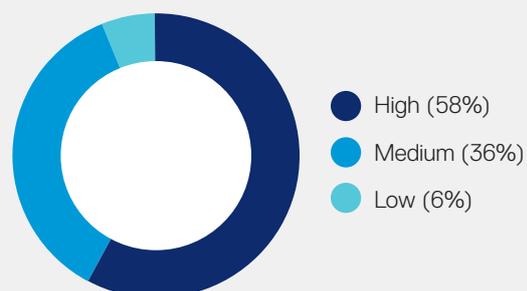
While our primary focus in 2019 and 2020 has been on identifying and assessing potential modern slavery risk in our direct (Tier 1) suppliers, we recognise there is potential risk in our extended supply chain also. We asked fourteen of our high risk Tier 1 suppliers (who account for 50 percent of our higher risk spend) to provide names of suppliers critical to the delivery of their contract with Santos.

A preliminary (high level) risk analysis of seventy (70) Tier 2 suppliers indicates that more than half (58 percent) are potentially higher risk for modern slavery across the following spend categories:

- + Building, construction, civil engineering and fabrication services
- + Remote camp and accommodation services (including food, beverage and personal consumables)

- + Property and facility maintenance (office based)
- + Building and office supplies.

The resulting supplier map enhances visibility of potential risk in our supply chain, helps us to understand relationships between different tiers of suppliers and enables us to focus our efforts to manage risk across our extended supply chain.



### Risk by supplier location

Seven percent of spend analysed for modern slavery risk is with suppliers located overseas. While we have suppliers in 33 countries (outside Australia), those with more than AU\$1 million in spend are in eight countries:

- + Canada
- + Japan
- + Norway
- + Singapore
- + Thailand
- + Timor-Leste
- + United Kingdom
- + United States

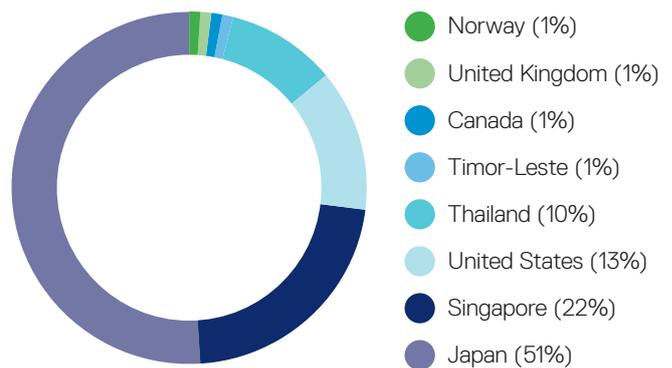
According to published information such as the Global Slavery Index, Thailand and Timor-Leste (both accounting for less than one percent of total spend) present the greatest risk for modern slavery. Following the acquisition of ConocoPhillips assets, we have also taken specific steps to better understand and manage potential modern slavery risks in Timor-Leste (see Case Study 2).

We are aware that there is an increased vulnerability to modern slavery in PNG and will continue to monitor this risk with our joint venture partner.

Potentially higher risk suppliers were invited to complete a self-assessment questionnaire (SAQ) in 2020. We had a response rate of 92 percent and used the information obtained to inform our more in-depth supplier due diligence strategy. Our SAQ will be expanded in 2021 to ensure all potentially high-risk suppliers (including new suppliers from the ConocoPhillips acquisition) are assessed.

To obtain a more in-depth understanding of modern slavery risks posed by our Tier 1 suppliers, we invited 14 of our highest risk/highest spend suppliers (who together account for 50 percent of our potentially high risk spend) to participate in a deep-dive survey (see Case Study 3).

Country spend (as % of overseas spend, top 8 only)



### Case study #2

## Managing risk in Timor-Leste supply chains

Following the acquisition of ConocoPhillips' northern Australia and Timor-Leste assets in May 2020, we undertook a modern slavery risk assessment of our suppliers located in Timor-Leste. As part of our commitment to the economic development of Timor-Leste, we endeavour to source goods and services from local businesses. Using the methodology we applied when analysing our Tier 1 suppliers, a risk profile was developed for 48 in-country suppliers. High risk spend categories in Timor-Leste include transport and logistics, building and construction, facility management and security services.

The assessment has informed our modern slavery risk management strategy for Timor-Leste which includes:

- + Ongoing use of anti-corruption and due diligence questionnaire to support qualification and the supplier on boarding process
- + Assurance processes and verification from Santos project staff in Adelaide and Dili that the rates offered are commensurate with the services performed
- + Identifying and monitoring potentially high-risk procurement activities such as building and construction works, labour hire and facilities management in our Timor-Leste supply chain

### Case study #3

## Deep Dive Supplier Assessments

In 2020 we invited 14 potentially higher risk suppliers (based on industry sector, product/service, commodity and geographic location) to participate in a deep dive modern slavery desk top assessment. Together these suppliers account for just over 50 percent of our annual high risk spend (for suppliers with spend >AU\$1 million).

Suppliers were chosen from the following major spend categories: engineering, construction, remote hospitality, labour hire, transport, marine logistics, materials/consumable supplies and heavy manufacturing. 100 percent of suppliers participated, answering questions and uploading supporting documentation across five key areas of their business:

- + business operations
- + governance and due diligence
- + risk management
- + labour and employment
- + training, communications and reporting

Our Category Managers worked closely with suppliers to engage them on modern slavery broadly and Australia's legislative reporting requirements. Suppliers were able to log on to a supplier portal that included information on the *Modern Slavery Act 2018 (Cth)* and Santos' commitment to modern slavery risk management and supply chain due diligence. The portal provided suppliers with an in depth guideline outlining the survey questions, the intent of each question and the types of supporting documentation or information required.

Some of our high-level findings are included below:

- + Two-thirds of the suppliers are wholly owned subsidiaries of global entities
- + 85 percent of suppliers are reporting entities under the UK and/or Australian modern slavery legislation
- + While all suppliers operate in ANZ, three of the fourteen suppliers also operate in SE Asia, with individual suppliers operating across other regions (including North and South America, Europe and South Asia)

- + Close to 60 percent of suppliers indicated that modern slavery presents low or no risk to their operations or their supply chains, with the majority indicating they had developed effective systems and processes for managing operational risk, had implemented supplier SAQs and audits or are using a responsible sourcing platform such as Sedex.
- + 78 percent of suppliers indicated they are assessing and addressing modern slavery risks.
- + Half of the participating suppliers source products or services from China, with smaller numbers of suppliers also sourcing from India, Thailand, Bangladesh, Indonesia and Timor-Leste.
- + More than three-quarter of suppliers indicated that they have Business Ethics, CSR, Whistleblowing, Labour Rights/Human Rights and Recruitment policies in place, however only limited policies were provided for our review. Some suppliers also indicated having Labour Relations, Sustainability, Migrant Worker, Procurement/Responsible Sourcing Policies.
- + Where policies exist, they are included in staff induction training and reviewed in management meetings. Some fifty percent of suppliers also indicated that policies are linked to local management KPIs. Just over half of the suppliers incorporate modern slavery into existing training programs.

A risk-based report with improvement recommendations was prepared for each supplier. These reports have informed Corrective Action Plans with each supplier. Deep dive SAQs will be undertaken with an additional 12 high risk suppliers in 2021 to extend our due diligence efforts to 75 percent of our highest risk/highest spend suppliers located in Australia.

# Reporting Criteria 4

## Actions taken to assess and address risk

In 2020 our focus was on further integrating our modern slavery risk management processes into company policies, procedures and operations. We also endeavoured to better understand the risks of modern slavery presented by our highest spend suppliers and undertook both shallow-dive and deep-dive desk top risk assessments of more than 100 priority suppliers. Our 2020 modern slavery risk management activities are outlined below.

**Modern slavery working group:** Our working group comprised of senior representatives from our procurement, supply chain, risk and audit, legal and sustainability functions continued to meet quarterly to review progress against our modern slavery action plan and due diligence processes.

**Operational gap analysis (update):** At the end of the 2020 reporting year, we updated the modern slavery gap analysis to enable us to track our progress against key areas of operations and modern slavery indicators. While we are pleased with the progress we have made, the analysis identified areas that will require an increased focus in 2021.

### Our governance maturity specific to modern slavery

	Stage 1: Starting out	Stage 2: End 2019	Stage 3: End 2020
Management Systems			
Risk Management			
Procurement and Supply Chain			
Human Resources & Recruitment			
Customers and Stakeholders			

**Modern slavery action plan and road map:** The action plan and road map developed by our Working Group in 2019 continued to guide our modern slavery risk management actions. We have updated the road map to ensure a continuous improvement approach beyond 2021.

**Ethical standards and Code of Conduct:** Santos' Directors, employees and contractors are expected to demonstrate high standards of business conduct and to comply with legal requirements wherever the Company operates. The Company's Code of Conduct sets out Santos' values, policies, guidelines and expected behaviours with respect to safety, business conduct, environmental and other requirements, and is a key element of the Santos Management System (SMS). The Code of Conduct

was reviewed in 2020 and updated to ensure compliance with the key findings of the Banking Royal Commission, ASX Corporate Governance Principles and Recommendations (4th edition) and other legislative updates, such as those relating to modern slavery. All employees are required to undertake a periodic refresher on the Code of Conduct by completing an online training module annually. This training module is also a compulsory component of new employee inductions. Santos treats breaches of its policies seriously, and has an independent, externally managed Reporting Misconduct (Whistleblower) Hotline enabling employees and third parties to report misconduct confidentially, without fear of victimisation.

**Supplier risk identification and prioritisation:** We expanded our 2019 supplier risk prioritisation to incorporate the newly acquired ConocoPhillips assets and operations in Timor-Leste. An additional 54 suppliers will be required to participate in our supplier modern slavery screening process in 2021.

**High-risk supplier screening:** We selected 112 potentially high risk suppliers to complete a self-assessment questionnaire, with a 92 percent response rate.

**Supplier engagement and deep-dive surveys:** We engaged 14 of our highest risk/highest spend suppliers, who together account for 50 percent of our higher risk spend, in a deep-dive risk-based analysis. Suppliers were provided with detailed reports and recommendations which have informed Corrective Action Plans and ongoing supplier engagement (see Case Study 3). The deep dive assessment included requirements for suppliers to provide names of their direct suppliers within the Santos extended supply chain. These suppliers have been mapped against modern slavery risk indicators, with outcomes of this process informing our due diligence approach for Tier 2 suppliers in 2021.

**Emergency Crisis Management Procedure:** Acknowledging that a current and well-known procedure within Santos will be more effective than a stand-alone procedure for modern slavery response management, we plan to utilise the Emergency Crisis Management Procedure as the framework for any incident response. We are also updating our Supply Chain Procedure to ensure procurement staff are clear on processes to follow where instances of modern slavery are identified. Importantly, our response process is focused on victim support and remedy.

**Supplier qualification / selection process:** Our supplier Request for Tender documentation was updated to include requirements for modern slavery risk management.

**Supplier performance standards and contract clauses:**

We updated our standard contract clauses to ensure contractors and sub-contractors comply with anti-slavery and human trafficking laws and our policies and guidelines relating to modern slavery. Our standard purchase order terms and conditions also provide us with audit rights and approval of subcontractors.

**Contract management requirements:** The Santos procurement team manages our key contracts via periodic management meetings focussed on a broad agenda covering HSE, contract performance and broader contract compliance.

**External reporting hotline:** Recognising the importance of making it safe for all workers, including those working for our contractors and suppliers, to freely raise concerns regarding actual or suspected unethical, unlawful or undesirable conduct, we continue to actively promote our independent, confidential external hotline. Our Reporting Misconduct (Whistleblower) Hotline, details of which are provided on our website, in our Code of Conduct and supplier communications, enables workers, including those working for our contractors and suppliers, to freely raise concerns regarding actual or suspected unethical, unlawful or undesirable conduct.

**Joint venture partner engagement and collaboration:**

We implemented initial engagement, collaboration and due diligence processes with key JV partners to obtain assurance that modern slavery risks are being assessed in supply chains operated by our partners. The collaboration will continue in 2022.

**Modern slavery awareness training:** We extended our modern slavery risk management initiatives to our newly acquired assets in Northern Australia and Timor-Leste. Specific modern slavery risk management training was provided to new procurement staff and general awareness training was provided to senior leaders within the newly acquired assets.

## Modern slavery actions road map

2020	2021	2022 +
<b>Actions for Year 2</b>	<b>Actions for Year 3</b>	<b>Actions for Year 4</b>
Published Santos' updated Code of Conduct	Complete supplier deep dives to capture 50% of high risk suppliers over AU\$1M	Identify opportunities for sector collaboration and innovation
Promoted Whistleblower Hotline via Santos website and other supplier communications	Extend shallow dive assessment to additional 54 suppliers to capture 100% of high risk suppliers (spend above AU\$1M)	Engage with industry and peer groups to benchmark performance
Completed screening of higher risk suppliers via desk-top assessment process, including newly acquired assets.	Build understanding of key Tier 2 suppliers informed from our supplier deep dive due diligence process	Modern slavery effectiveness review
Completed shallow dive assessment with 112 Tier 1 suppliers, representing 80% of higher risk spend	Complete modern slavery training needs analysis and roll out further modern slavery training to key staff	Refresh due diligence with JV partners
Extended supply chain risk mapping to Tier 2 suppliers for selected high risk contracts	Improve monitoring mechanisms for reviewing risk management effectiveness	Implement program of supplier monitor for higher risk supply
Updated supplier tender and select process to include modern slavery risk review	Deliver supplier engagement and communications strategy with our key suppliers	
Published Santos' position on modern slavery on the Santos website including our 2019 Modern Slavery Statement		
Developed procedures for reporting and responding to incidents of modern slavery		
Collaborated with relevant joint venture parties to obtain assurance for supply chains operated by partners		
Updated contract management requirements		
Extended modern slavery initiatives to newly acquired assets		

## Case study #4 - COVID response

# Supporting the community's crisis response

### COVID-19 Support

In 2020, Santos enacted a comprehensive response plan focused on the safety and wellbeing of staff and contractors, business continuity and management of the economic impacts. At the time of writing this report Santos is pleased to report no cases of COVID-19 in our offices or operations.

Specific actions implemented in 2020 included:

- + Dedicated and centralised Pandemic Task Force
- + Preventative controls established in office and site locations including social distancing, self-declaration, temperature measurement and additional cleaning
- + Deferral of non-essential field travel
- + Office personnel working from home, with phased return in line with government requirements
- + Operations continuity plans in place

Santos continued to proudly support local procurement and local communities during the pandemic.

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

- + ~AU\$2,000 of personal protective equipment to two local organisations.
- + ~AU\$60,000 to 35 local schools to assist delivery of remote learning.
- + ~AU\$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 AU\$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

# Reporting Criteria 5

## Effectiveness Assessment

Our modern slavery risk management action plan and due diligence processes will be reviewed regularly as part of our corporate sustainability and risk management reviews.

We acknowledge the importance of assessing the effectiveness of our actions to manage and mitigate risks of modern slavery in our operations and supply chain. In 2020, we assessed the effectiveness of our actions against the following key indicators:

Focus Area	Example Activity	Effectiveness Assessment
Governance & due diligence	<ul style="list-style-type: none"> <li>+ Code of Conduct oversight</li> <li>+ Modern Slavery Roadmap / Action Plan</li> <li>+ JV partner modern slavery due diligence</li> <li>+ Effective Santos Management Systems</li> </ul>	<p>Regular oversight on progress against the roadmap prepared by the Modern Slavery Working Group and provided to the Executive and Board.</p> <p>Compliance with policies and procedures that manage our modern slavery risks actively enforced.</p>
Procurement & supply chain	<ul style="list-style-type: none"> <li>+ Shallow dive supplier risk assessments / due diligence</li> <li>+ High risk supplier screening</li> <li>+ Targeted identification of Tier 2 suppliers</li> <li>+ Supplier tendering and selection processes</li> <li>+ Post award Contract Management</li> </ul>	<p>Ongoing enhancement in Tier 1 and Tier 2 due diligence, building greater understanding of potential modern slavery risks within Santos supply chain.</p>
HR practices, training & education	<ul style="list-style-type: none"> <li>+ Employee, management and executive engagement and training</li> <li>+ Supplier awareness</li> </ul>	<p>Increased awareness and training to staff and senior managers.</p> <p>Compliance with HR policies and procedures that manage our modern slavery risks in operations.</p>
Grievances and reporting	<ul style="list-style-type: none"> <li>+ Reporting hotline (Whistleblower)</li> <li>+ Established resolution process</li> <li>+ Modern Slavery Statement</li> </ul>	<p>Review of number of issues raised and percent of issues effectively addressed.</p> <p>Review the effectiveness of the Whistleblower mechanism.</p>

# Reporting Criteria 6

## Process of consultation with entities owned or controlled

A list of our controlled entities is available in our 2020 Annual Report. All Australian employees / contractors are employed by Santos (STO) Limited, or recently acquired entities now part of Santos. The subsidiaries enter into contracts, hold licences and permits, interests in projects and so on. The subsidiaries all operate under the direction and governance of STO Limited and all share the same executive management who have been directly involved in our modern slavery risk management efforts. The directors of each of the subsidiaries are the CEO and CFO of STO Limited.

# 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)  
Website: [investorserve.com.au](http://investorserve.com.au)

The Santos logo, consisting of the word "Santos" in a bold, blue, sans-serif font.