

EE.1 Environmental Performance (Upstream Activities)

Santos has a long history of conducting its activities in a way that avoids and minimises potential impacts on the environment. This is based on a thorough understanding of the receiving environment, coupled with proven techniques tailored to specific ecosystems.

Santos monitors its environmental performance by tracking against strategic company-wide and site-specific key performance indicators.

Emergency contingency plans, established for all key operating areas, are tested and reviewed on a regular basis. Santos openly and transparently reports and investigates environmental incidents, near misses and hazards. The EHSMS is designed to ensure feedback continuously improves performance and avoids recurrence in similar circumstances.

Santos and a subsidiary of Santos have been the subject of a contravention under legislation for the protection of the environment. They are:

- Santos Limited for contravention of section 430 of the *Environmental Protection Act 1994* by an infringement notice issued on 4 February 2009 in relation to the clearance of vegetation on Curtis Island, Queensland; and
- Moonie Pipeline Company Pty Ltd for contravention of section 437(2) of the *Environmental Protection Act 1994* in a decision given on 10 September 2003 (Magistrate complaint number 00117362/03(05)) in relation to the loss of oil at Lytton, Queensland.

External assessments of Santos' environment, health and safety standards have been undertaken at major operating sites to determine the level of conformance, to provide a baseline from which opportunities to improve performance can be identified and acted upon.

EE.2 Environmental Performance (Downstream Activities)

Santos' environmental performance is discussed in the upstream section above.

In line with PETRONAS' commitment to continuous growth and sustainable development for the future, PETRONAS works in the best possible way to balance and integrate economic, environmental and social considerations into its business decisions. To this end PETRONAS is guided by a comprehensive HSE (Health, Safety and Environment) Management System which is implemented across the PETRONAS group of companies.

As a responsible corporate citizen, PETRONAS endeavors to ensure that the facilities PETRONAS designs, builds and operates are in accordance with appropriate legal requirements, industry standards and best practices. PETRONAS carries out regular programs to ensure that its employees and contractors, communities in the areas it operates in, and the public in general are educated on HSE issues.

PETRONAS has also taken proactive steps towards the conservation and preservation of the environment. Among the measures PETRONAS is committed to is the reduction of greenhouse gas emissions. Through the use of cogeneration units fuelled by clean-burning natural gas, PETRONAS pursues energy efficiency, and has implemented the Energy Loss Management System at its plants to further reduce energy wastage.

Throughout the years, PETRONAS has garnered many national and international HSE awards by maintaining operational excellence. PETRONAS shares HSE best practices and lessons learnt across the PETRONAS Group to further its culture of continuous improvement.