

Code of Conduct



SMS-POL-COC-PD02 – Anti-Corruption and Sanctions Compliance Procedure

Purpose

- + Santos and its Board, and senior management are committed to complying with relevant anti-bribery, corruption, and sanctions laws in all jurisdictions in which Santos operates. Santos has assessed that it faces a range of bribery and corruption and sanctions compliance risks arising from the geographic areas in which it operates and the nature of its business, and consequently Santos has adopted controls responsive to such risks.
- + With reference to the Company's Code of Conduct, this Procedure sets out the expectations and requirements for the identification and reporting of corruption and bribery and sanctions at Santos.

Scope

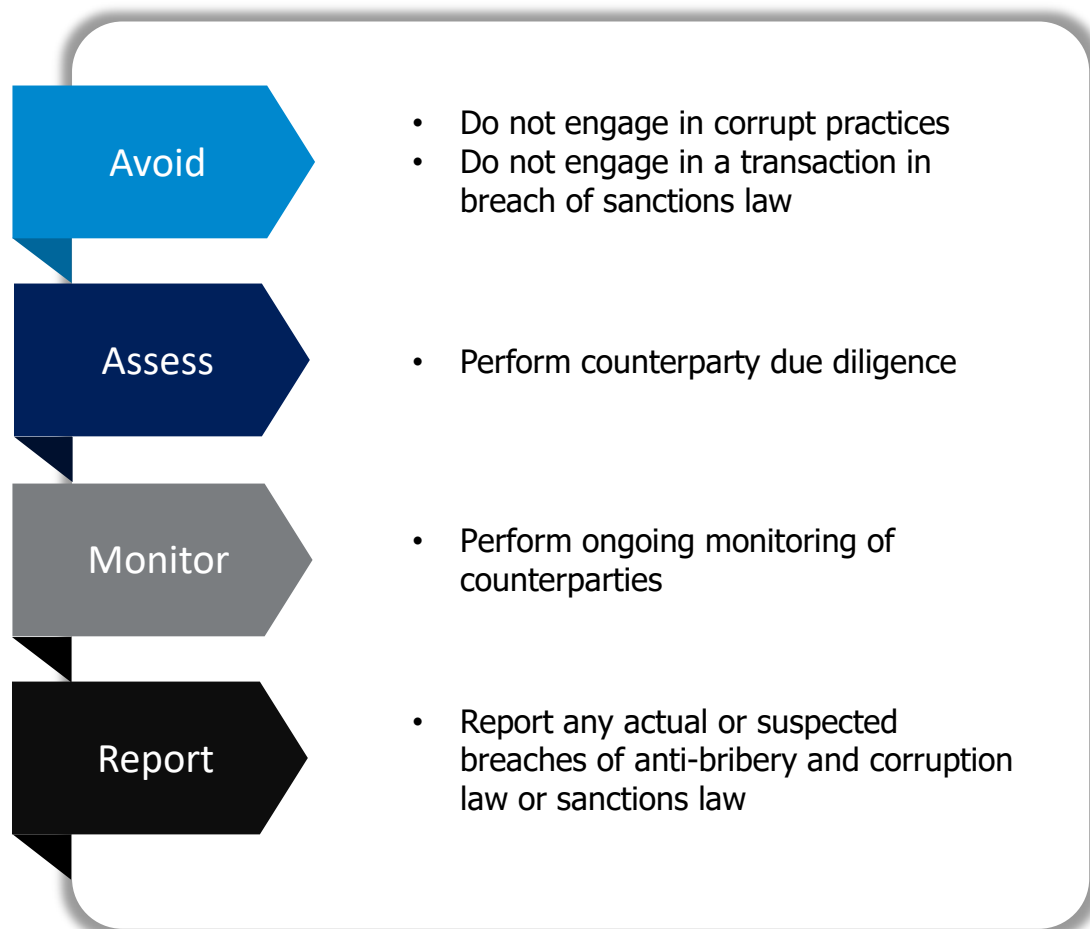
- + This Procedure applies to all Santos Workers and across all Santos activities.
- + It must be applied in dealings with all Santos Business Partners, Government Bodies, Government Officials and other third parties.
- + This Procedure acts as the Santos anti-bribery and corruption and sanctions compliance policy and is intended to supplement anti-bribery and corruption laws, anti-money laundering and counter-terrorism financing and sanctions laws.
- + For information about or support with this Procedure, please contact Santos Compliance.

Document control

Document Owner:	Jodie Hatherly, General Counsel & Company Secretary		
Approved by:	Kevin Gallagher, Managing Director and Chief Executive Officer		
Date approved:	7 June 2022	Version Number:	4.0
Version Changes:	<p>N/A – First version</p> <p>1.0 Updates in respect of facilitation payments exemption and processes for the assessment of potential Santos Business Partners</p> <p>2.0 Inclusion of a specific counterparty due diligence process in Appendix B for the assessment of potential Santos Business Partners</p> <p>3.0 Separation of specific counterparty due diligence process and ethical conduct clause. Structural changes, including separate sections for consequences of non-compliance, and reporting procedures. Expansion of concepts such as bribery and sanctions transactions. Inclusion of secret commissions and training and review section.</p> <p>4.0 Re-titling of procedure to reference sanctions in the title. Expansion of sanctions compliance guidance. Updates for the Oil Search merger.</p>		

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2 Requirements

2.1 Do not engage in corrupt practices

2.1.1 Corrupt practices include:

- + giving, offering, promising, authorising, accepting or requesting a bribe (see section 2.1.2);
- + making a facilitation payment (see section 2.1.3);
- + paying or receiving a secret commission (see section 2.1.4);
- + giving, offering, promising, authorising, accepting or requesting improper gifts or entertainment (see section 2.1.5);
- + giving, offering, promising or authorising improper charitable or community sponsorships or donations or political contributions (see sections 2.1.6 & 2.1.7); or
- + engaging in money laundering (see section 2.1.8).

2.1.2 Public sector bribery

- + Public sector bribery involves improperly giving, offering or promising a benefit to a person where the person does so with the intention of influencing a Government Official in the exercise of his/her duties. It is irrelevant whether the gift is customary in the situation.
- + The benefit can be direct or indirect. For instance, liability may arise where the benefit is given or offered indirectly to the person sought to be influenced, for example, through a business associate or family member.
- + The benefit may be monetary or non-monetary. It is not limited to cash or property, but includes any financial or other advantage such as gifts, hospitality, travel, meals, daily expense allowances, political, community or charitable contributions, sponsorships, or anything of value.
- + It is irrelevant whether the bribe is accepted or ultimately paid. Merely offering a bribe will usually be sufficient for an offence to be committed and will result in a breach of this procedure.
- + Payments which could be construed as a bribe and would otherwise be prohibited under this Procedure are permitted in the face of an imminent or explicit threat to personal health or safety. Such payments are sometimes referred to as 'duress payments'.
- + Decline any request for a bribe, report it to Santos Compliance and record it on the **Gifts and Benefits Register**.
- + Santos will not penalise you for refusing to engage in corrupt practice, even if it results in Santos losing business.

2.1.3 Facilitation payments

- + Facilitation payments are typically minor, unofficial payments made for the sole or dominant purpose of securing or expediting a routine government action by a government official or employee.
- + For example, a payment to expedite an application for a licence.
- + Decline any request for a facilitation payment, report it to Santos Compliance and record it on the **Gifts and Benefits Register**.

2.1.4 Private sector bribery and secret commissions

- + Secret commissions occur where a benefit is dishonestly or corruptly given to or received from an agent or representative of a third party as an inducement or reward for providing a favour, or for a favour already provided, and that benefit is not disclosed to the relevant principal(s). Secret commissions are sometimes referred to as 'kickbacks' or 'commercial bribes'.
- + For example, a payment or other benefit made by an employee of Santos to an agent or representative of another person (e.g., a supplier), where that payment is not disclosed by the agent or representative to their principal. Likewise, the receipt of a payment or other benefit by an employee of Santos from a third party where the payment is not disclosed by the employee could be a secret commission.

- + Decline any request for, or offer of, a secret commission, and report them to Santos Compliance and record any offers of secret commissions in the **Gifts and Benefits Register**.

2.1.5 Gifts, entertainment and other related benefits

- + Improper gifts, entertainment and related benefits may amount to bribes.
- + Follow all precautions set out in the **Gifts & Benefits, Corporate Entertainment & Company Resources Procedure** in relation to the giving, offering, promising, authorising, accepting or requesting of gifts, entertainment or related benefits.

2.1.6 Charitable and community donations and sponsorships

- + Santos supports various charitable and educational programmes and builds relationships with our local communities by open and honest engagement with people affected by our operations.
- + Because charitable and community organisations may be used as conduits for illegal bribes in some parts of the world, all precautions set out in the **Sponsorships Donations Procedure** must be followed in relation to the giving, offering, promising or authorising of charitable and community donations and sponsorships.

2.1.7 Political donations

- + Santos does not make cash donations to political parties.
- + Requirements for engagement and interactions with governmental representatives and political parties are set out in the **Government and Stakeholders Standard**.

2.1.8 Money laundering

- + Money laundering is the process by which a person or entity conceals the existence of an illegal source of income and then disguises that income to make it appear legitimate.
- + Exercise caution in dealing with persons and other entities associated with tax havens and countries with a reputation for money laundering.

2.2 Do not engage in any transaction that is in breach of sanctions law

2.2.3 Sanctions are economic, financial and trade restrictions that international and regional organisations and states impose against other international actors in situations of international concern. The most common forms of restrictions are:

- + restrictions on trade in goods and services, which prohibit the export to or import from a sanctioned country of goods and associated services;
- + restrictions on engaging in commercial activities, which prohibit entering into certain commercial or financial relationships with participants in key sectors of a sanctioned country's economy; and
- + targeted financial sanctions against designated persons and entities, which prohibit all commercial, financial and trade transactions with designated persons and apply freezes against their assets.

2.2.4 Some countries treat individuals or entities that are owned or controlled by sanctioned entities as if they themselves were sanctioned.

2.2.5 Sanctions formerly targeted rogue state behaviour. However, sanctions laws are increasingly targeting transnational actors (like international criminal and terrorist organisations) and transnational issues (like corruption, cybercrime and human rights abuses). Consequently, sanctions risk may materialise anywhere in the world.

2.2.6 Santos prohibits conduct that breaches applicable sanctions laws.

2.2.7 Do not engage in a transaction that involves:

- + the providing or receiving of any payment, other benefit, good or service, directly or indirectly, to or from any individual or entity that is subject to a sanctions law;
- + any activity in connection with a designated country, where that activity is prohibited by a sanctions law;
- + encouraging, permitting or otherwise allowing any person or entity acting on behalf of Santos to engage in any conduct or transactions that is prohibited by a sanctions law; and

- + any measure intended to circumvent a sanctions law.

2.3 Applicable laws and consequences of non-compliance

- 2.3.1 Laws prohibiting bribery and other improper payments apply in each country in which Santos operates or has trading activities and apply to Santos companies and Workers. In addition, laws imposing sanctions have been enacted in most such countries, and also apply to Santos companies and Workers.
- 2.3.2 A number of these laws, such as the Australian Criminal Code, the US Foreign Corrupt Practices Act, the UK Bribery Act, and the sanctions laws of Australia, the EU, the UK and the US have extra-territorial reach. This means that, for example, under Australian law an Australian citizen may be prosecuted in Australia even where the relevant activity occurred entirely overseas.
- 2.3.3 If Santos or Santos Workers are found to have taken part in bribery, breach of sanction law or any other related improper conduct addressed by this Procedure, Santos and/or Santos Workers could face serious civil or criminal penalties, lose contracts and suffer reputational harm.
- 2.3.4 In addition to significant legal and regulatory action, reputational damage and financial loss, any employees who are involved in or have facilitated bribery and/or corruption activities or failed to take reasonable steps to prevent and/or report those activities, could face dismissal.

2.4 Reporting corrupt practices or breaches of sanctions laws

- 2.4.1 Santos Workers must immediately report in accordance with the **Reporting Misconduct Procedure** if they:
- + become aware of or suspect corrupt practices;
 - + become aware of or suspect a breach in sanctions law; or
 - + make a payment in the face of a threat to personal health or safety.
- 2.4.2 The Board will be informed of any material breaches of this Procedure.
- 2.4.3 Santos will not tolerate retaliation or harassment or other detrimental conduct against anyone who has reasonable grounds for raising a concern.
- 2.4.4 In addition, in some circumstances a Santos Worker (or other eligible individual) who raises a concern that could be a material breach of this Procedure will have the benefit of Australian whistleblower legal protections. See the **Reporting Misconduct Procedure** for more information.

2.5 Perform counterparty due diligence

- 2.5.1 Under anti-corruption and sanctions laws, Santos may be held responsible for the illegal activities of Santos Business Partners, and for historical misconduct by companies that it merges with or acquires. It is important to:
- + ensure that all Santos Business Partners and wholly or partly owned Santos subsidiaries comply with the principles of this Procedure;
 - + conduct appropriate due diligence to assess whether a potential counterparty is fit to be a Santos Business Partner (refer to the process set out in the **Counterparty Due Diligence Procedure** which must be followed before transacting with any counterparty on behalf of Santos);
 - + conduct appropriate due diligence to assess the exposures to anti-corruption and sanctions laws a merger or acquisition could create for Santos;
 - + if necessary in the circumstances, seek advice from Santos Compliance and/or Legal in respect of any additional due diligence that may be required or any other concerns; and
 - + keep detailed records of due diligence conducted.
- 2.5.2 When putting a contract in place with a Santos Business Partner, include an ethical conduct clause in terms such as those set out in **Counterparty Due Diligence Procedure** if deemed appropriate in the circumstances. Consult with Santos Compliance if you have any questions or concerns.

- 2.5.3 Do not enter into a transaction with a counterparty if it would be in breach of the **Counterparty Due Diligence Procedure**. For example, if after conducting due diligence, there is reason to suspect that any transaction entered with that counterparty:
- + may involve an intolerable level of bribery risk;
 - + may breach any anti-money laundering or counter-terrorism financing or economic trade and sanctions law in Australia or any other country;
 - + involves a person or entity that is itself sanctioned or is connected, directly or indirectly, to any person or country that is sanctioned under economic and trade sanctions;
 - + may directly or indirectly involve the proceeds of, or be applied for the purposes of, conduct which is unlawful in Australia or any country.
- 2.5.4 After entering into a transaction with a counterparty, maintain oversight and monitoring of the counterparty in accordance with the requirements of the **Counterparty Due Diligence Procedure** in order to confirm that the counterparty is not engaging in inappropriate conduct.

2.6 Keep accurate records of Santos' business affairs

- 2.6.1 To prevent corrupt practices, Santos must maintain books and accurate records which, reflect a true and fair view of Santos' business affairs, and are maintained in accordance with Santos' accounting, finance and relevant internal controls.
- 2.6.2 Santos Workers must work in a way that ensures the integrity of Santos' books and records, and must not prepare false, misleading, incomplete or inadequate accounting books or records. This means avoiding any action that could result in Santos' failing to accurately and fairly record its financial position and transactions.

2.7 Training and review

- 2.7.1 Santos employees, officers and directors must undertake online anti-corruption and sanctions training upon induction, then annually thereafter.
- 2.7.2 Santos Compliance may additionally require that:
- + Santos Business Partners must undertake online anti-corruption and sanctions training upon the commencement of their relationship with Santos; and
 - + Santos employees, officers or directors with enhanced anti-corruption and/or sanctions compliance responsibilities or exposure to anti-corruption and/or sanctions risks must undertake periodic live training.
- 2.7.3 The Document Owner will ensure that this Procedure is reviewed at least every 2 years to ensure ongoing suitability and effectiveness

3 Key terms

Term	Definition
Government Body	includes any government or government owned enterprise, government agency or regulatory authority, political party, international public organisation, the judiciary or magistracy, and any appointment, office or position created by customer or convention, which may include some royal families and some tribal groups.
Government Official	includes an official, employee or member of any Government Body, or a person who is or holds themselves out to be an authorised intermediary of an official, employee or member of any Government Body.
Santos	means each of the Santos Limited group of companies, including each Related Body Corporate (as that term is defined in the <i>Corporations Act 2001</i> (Cth)) of Santos Limited.
Santos Business Partner	means any joint venture or associated party, agent and any other intermediary, contractor, supplier and customer with whom Santos has a business relationship, who is not a Santos Worker.
Santos Worker	means any person who performs work, or provides services, in any capacity for, or on behalf of, Santos, including: (a) employees, officers and directors; (b) contractors, agents, consultants and subcontractors; and (c) apprentices, trainees, secondees, students gaining work experience and volunteers.

Appendix A – Other Relevant Santos Policy Documents

- + Code of Conduct
- + Santos Values
- + Counterparty Due Diligence Procedure
- + Gifts & Benefits, Corporate Entertainment & Company Resources Procedure
- + Reporting Misconduct Procedure
- + Sponsorships Donations Procedure
- + Government and Stakeholders Operating Standard