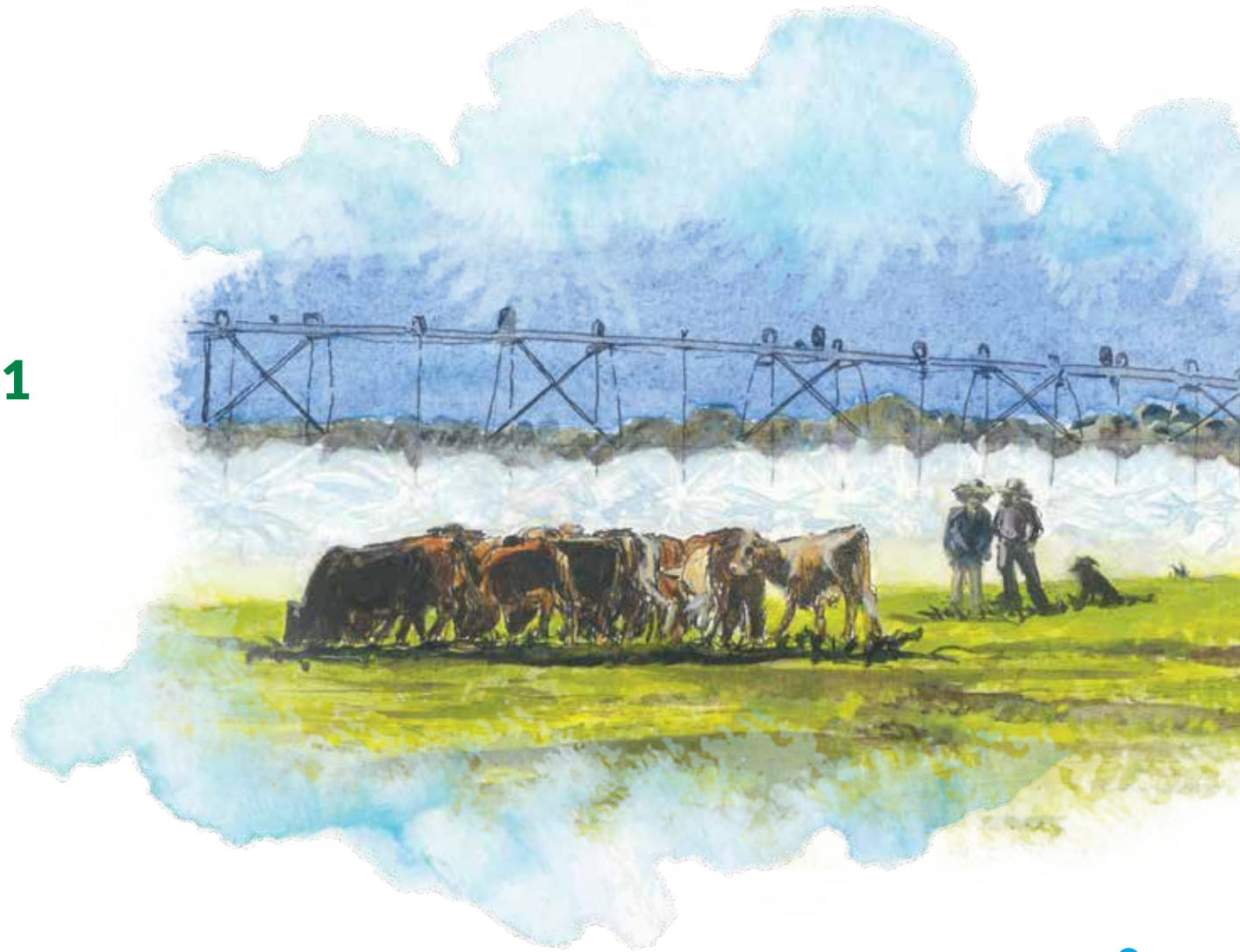


## Sustainability Report 2021

Energy today  
for a brighter  
future



### About this report

This Sustainability Report presents sustainability-related activities and performance data for Senex Energy Limited and its controlled entities for the financial year ended 30 June 2021. Senex Energy Limited is the parent company of the Senex consolidated group of companies. Unless otherwise stated, in this report all references to Senex, the Group, the company, we, us and our, refer to Senex Energy Limited and its controlled entities as a whole. Unless stated otherwise, the data in the report reflects the period 1 July 2020 to 30 June 2021. All references to the financial year or FY are to the year ended 30 June. All dollar figures are expressed in Australian currency unless otherwise stated.

An electronic version of this report is available on the [Senex website](#).

### Report objectives

Senex has prepared this, our first standalone Sustainability Report, in accordance with the global standards for sustainability reporting (GRI Standards: Core option). The report also marks Senex's first climate-related disclosure in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. This report is provided for the benefit of all Senex's stakeholders as a clear and concise summary of Senex's sustainability performance during the reporting period and our objectives for the year ahead.

Throughout this report, we aim to build awareness of how our longstanding commitment to sustainability enables us to consistently deliver on our purpose and mission and how we are integrating sustainability into our strategy.

Our management approach, performance and case studies are outlined in each of our seven sustainability pillars in the report. Associated data tables are set out from page 84, providing a detailed overview of our performance data aligned to global sustainability reporting standards.

The report includes data and content about our value chain partners, customers and suppliers to provide a broader understanding of our social and environmental impact.

### Report approach

We engage with our key stakeholders regularly as part of our ongoing business activities and are committed to transparent reporting of performance outcomes and data. Given this is our first standalone Sustainability Report, we adopted a high-level materiality process to determine what topics to include. This involved a desktop review of industry guidance and detailed benchmarking against our peers to determine an overarching list of themes deemed material to our industry. We then reviewed the themes raised by stakeholders through our regular engagement channels to ensure issues were addressed (see pages 92-93 for list of stakeholder issues). This process provided a comprehensive disclosure base for this first Sustainability Report.

We will improve on the process in future years to ensure that we can provide more targeted disclosures that focus on the material issues of greatest significance to our business and our stakeholders.

Pacesetter Laser Recycled is 30% recycled and made from elemental chlorine free bleached pulp sourced from sustainably managed sources. It is manufactured by an ISO certified mill.



### FRONT COVER:

Two generations of Maranoa graziers, Trevor and Jonty Kehl, stand in front of one of three centre-pivot irrigation systems provided by Senex as part of a water supply agreement. Read more on pages 46-47. This illustration, and all others throughout this report, have been painted by Taroom artist – Peta Crane. You can read more about Peta in her biography on the inside back cover of this report.

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# Introduction

Message from the  
Chairman and the  
Managing Director and  
Chief Executive Officer



**TREVOR BOURNE**  
Chairman

**IAN DAVIES**  
Managing Director and  
Chief Executive Officer

Welcome to Senex's first standalone sustainability report. This is an exciting opportunity for us – so soon after releasing our Decarbonisation Action Plan (see panel at right) – to share with you the proof of our commitment to continuously improve environmental, social and corporate governance practices.

Sustainability is nothing new at Senex. Fundamentally, our approach is to do what we say we will do, maximise the benefits we bring and manage impacts on the environment safely and responsibly.

We aim to be a partner of choice. We work with a wide range of stakeholders, from our gas customers to communities and to our own employees and contractors. Each of us makes decisions that has an impact on the other, often over a long period of time. Therefore, it is in everyone's interests to work well together so that everyone benefits. You can read about our approach to sustainability in detail on pages 10-15.

The 2021 financial year was pivotal for us. Senex sold its legacy Cooper Basin assets and cemented its position as a leading natural gas supplier, focused on the Surat Basin.

Our production, reserves, earnings, balance sheet, growth outlook, dividends and safety performance are those of a strong and growing company committed to Australia's low-carbon energy future.

For strong and growing companies, excellent safety, environmental and community performance is not negotiable, and a standalone Sustainability Report is an opportunity to share great stories about the work we do.

It is the stories that we all remember. Stories about how Senex re-turfed a town's football field, painted the streets of Roma all the colours of the rainbow, kept the Royal Flying Doctor Service in the air and decided to take the time to train someone to do a job when the local labour market tightened.

What we do is vital to quality of life and wellbeing. People use the low-carbon natural gas Senex finds and develops to cook meals, warm their homes and power their vehicles. But as our

Sustainability Report shows, our impact goes even further as we help the world transition to a cleaner energy future.

We are tremendously proud of this report, Senex's employees and the host communities which make it possible for us to operate. As the world grapples with some immense challenges, it is time to share what we are doing to help.

Strong businesses have excellent operational and financial performance and they are also great at sustainability.

Please enjoy the report.



**TREVOR BOURNE**  
Chairman



**IAN DAVIES**  
Managing Director and  
Chief Executive Officer

## Our ambition, targets and actions to deliver a cleaner energy future

Senex is committed to supporting the global transition to cleaner energy and a low-carbon economy.

It is what the world needs and what the Australian market requires. It is also what our investors, customers, employees, communities and regulators expect.

As we move to a low-carbon future, natural gas has an integral role to play in meeting demand for reliable and affordable energy. Our natural gas is already helping industry and manufacturing to reduce greenhouse gas (GHG) emissions and we are committed to being the gas supplier of choice through the transition.

On 11 October 2021, we released our [Decarbonisation Action Plan](#) which outlines our ambition, targets and actions to reduce the direct and indirect GHG emissions across the full value chain, encompassing our suppliers, our operations and our customers.

Our ambition is to reduce GHG emissions across our operational footprint to net zero by 2040. You can read more in the Action Plan and Climate Change section of this report.

Decarbonising the energy system will require sustained and cooperative action across our value chain and the entire sector. We are committed to taking action now to deliver on our targets and ambition as we move towards a cleaner energy future.

### Our ambition 2040 **NET ZERO**

Operational GHG emissions  
using mitigation hierarchy\*

#### Our targets

**FY25**  
**30%**

Reduction in GHG  
emissions intensity  
vs FY21 baseline\*

**FY30**  
**75%**

Reduction in GHG  
emissions intensity  
vs FY21 baseline\*

\*Our net zero ambition for 2040 and targets for FY25 and FY30 address Senex's Scope 1, Scope 2 and Scope 3 Processing GHG emissions within our direct influence.

## Sustainability highlights



First standalone Sustainability Report released



Commitments set for all sustainability pillars



Decarbonisation Action Plan released



Climate Change Policy endorsed



Zero recordable injuries achieved



More than 80% of produced water from Roma North directed for beneficial use



Engaged in more than 30 community partnerships



Parental leave entitlements doubled



Superannuation contributions paid during parental leave



More than \$16 million spent with local businesses



Sustainability clauses incorporated into our supply contracts



First modern slavery statement published



Cooper Basin oil business sold for \$87.5 million

# About Senex

Senex is a leading and rapidly growing Australian natural gas producer committed to supplying reliable, affordable and sustainable energy.

Our long-life assets in Queensland's Surat Basin currently provide around 20 petajoules (PJ) a year of low-carbon natural gas to power homes and businesses, make essential household goods and support jobs across the east coast of Australia.

We are focused on sustainably delivering balance sheet strength, resilient cashflows and growing dividends to support Australia's energy needs as it transitions to a low-carbon future.

To achieve these goals and ensure a bright future, we are working with our investors, customers and the communities in which we operate.

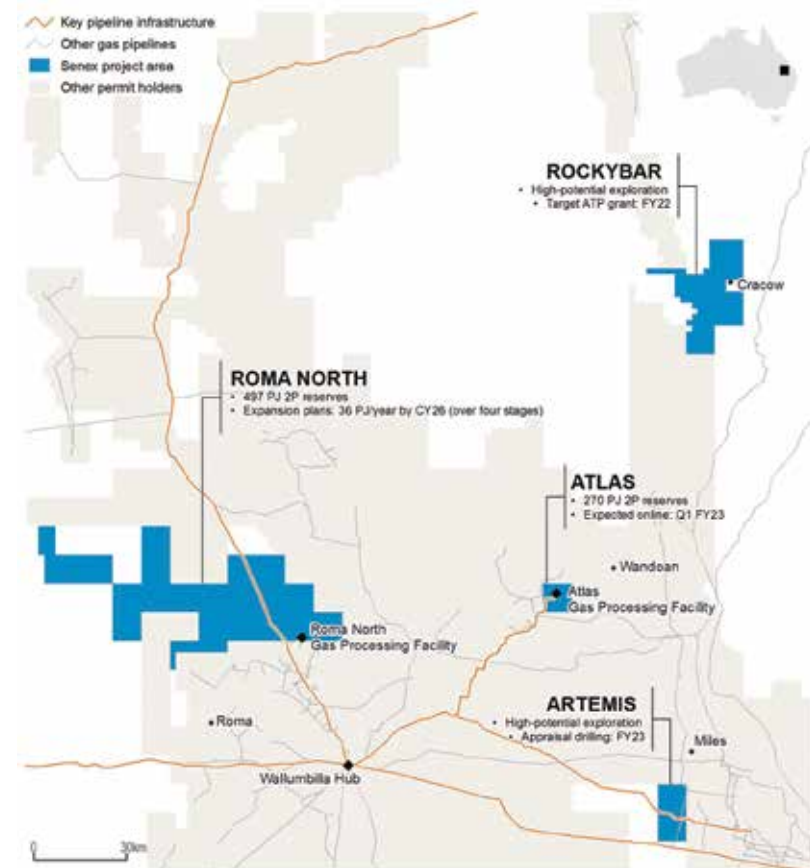
## High-quality assets

Senex's low-carbon natural gas production assets span two areas: Atlas, near Wandoan, and Roma North, near Roma. We have a master development plan, based on our readily expandable hub-and-spoke infrastructure operating model, to pursue expansion in these areas.

We are accelerating the development of these low-cost, low-carbon, high-return opportunities in the Surat Basin to achieve our annual production target of 60 PJ equivalent (PJe) per year by the end of the 2025 financial year.

Our extensive Surat Basin natural gas reserves can sustain long-term production, providing material opportunities for gas production, acceleration and expansion to support Australia's transition to a low-carbon future.

We are pursuing potential further growth through our high-potential exploration and appraisal opportunities known as Artemis and Rockybar.



## Stakeholder engagement

Being a good neighbour matters. We work alongside customers, governments, communities, landholders, suppliers and contractors. To us, engaging successfully with stakeholders is a core skill and one we work very hard at.

Building quality, long-term relationships with our stakeholders enables us to become a better neighbour, partner, producer and provider of reliable, affordable and sustainable natural gas. This is highlighted as a key enabler of Senex's business strategy (see pages 12-13).

Our approach begins with our values, governance systems and an emphasis on continuous learning and adaptation. Four principles guide our approach:

- integrity and commitment
- professional planning and delivery
- transparency and accountability
- effective, timely and tailored engagement

Open and clear communication is critical to building trust and support with stakeholders. We create a tailored Stakeholder Engagement Plan for every project, where we identify relevant stakeholders and the appropriate engagement approach, depending on their needs.

You can see a detailed list of how we engage with our stakeholders and their key issues of interest on pages 92-93.

## How we engage and consult

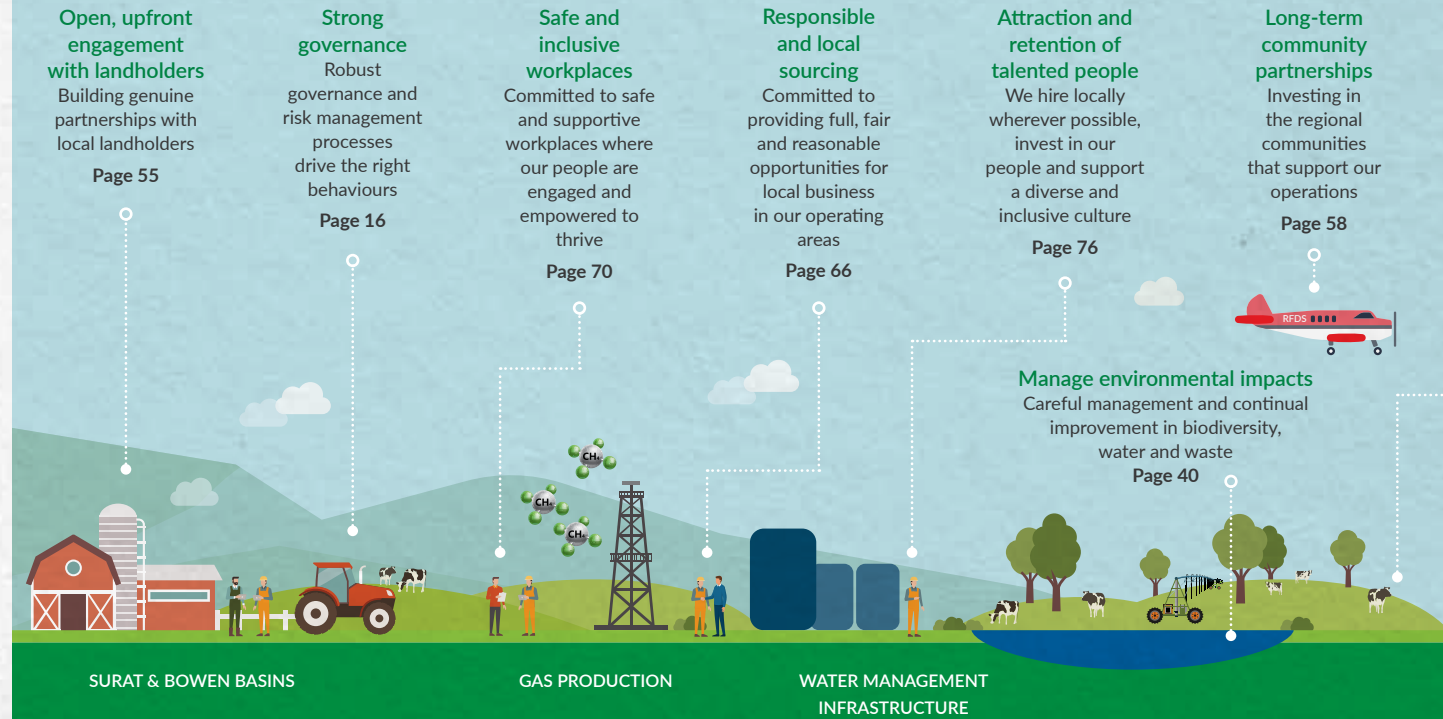


# Value in action

For Senex, sustainability goes beyond our own operations to suppliers, contractors, customers, communities, lenders and shareholders. Extensive collaboration with stakeholders across our value chain is critical to high performance and meeting our ambitions for a low-carbon future. We seek to be a partner of choice, working together to deliver a more sustainable future.



## Produce



### Our purpose

*A growing and independent company, providing gas to improve lives and support the energy needs of Australia and the world*

### Our mission

- We protect* our people and the environment
- We build* quality relationships with our customers, partners and stakeholders
- We deliver* what we promise
- We attract* and retain talented people with drive and energy
- We create* value for our investors





## Market and Trade

## Electrify and Decarbonise

### Drought-proofed grazing

Long-term beneficial use agreement to enhance drought resilience and agricultural yields

Page 47

### Support for the economy and jobs

Gas helps manufacturers and electricity providers produce vital products for millions of Australians

Page 68

### Grow a strong and resilient long-life portfolio

Focused and strategic growth supported by firm, long-term contracts with customers enable balance sheet strength and shareholder value

Page 80

### Customer-led approach

Working with customers to meet their future energy needs and navigate their decarbonisation challenges

Page 31

### Value distribution

Payment of taxes and royalties that support building and operation of hospitals, schools and roads

Page 81

### Enduring solutions

Continuously seeking opportunities to reduce, reuse, recycle or gain efficiencies to deliver sustainable outcomes

Page 52

### Commitment to a low-carbon future

Strategy to decarbonise to achieve net zero across our operational footprint by 2040 and to consider climate change risk in all our decisions

Page 20



WALLUMBILLA GAS HUB

GAS TRANSMISSION PIPELINES

ELECTRIFICATION AND DECARBONISATION

## Our values



Protecting our people and the environment



Striving for excellence



Integrity in everything we do



Winning together

## Sustainable industry

Senex's operations involve a wide range of communities, businesses and people. We strive to work constructively with all of our stakeholders in the delivery of reliable, affordable and sustainable natural gas production. These stakeholders range from communities where the gas is produced to consumers of this valuable energy source and to governments that maintain oversight of our activities.

In 2021, we worked alongside our counterparts in industry and government forums and contributed to key legislative reviews and deliberations. These included the State Government's Queensland Resources Industry Development Plan; the Australian Competition and Consumer Commission's Review of the LNG netback price series; and the Commonwealth Government's Gas Reservation Issues Paper.

We did this both as a company and as a member of the Australian Petroleum Production and Exploration Association (APPEA) and Queensland Resources Council (QRC). We have an obligation to make a powerful case for our company and our industry, to ensure our product is recognised for the important part it will continue to play in the transition to a low-carbon future.

We're also committed to working with regional associations to create sustainable growth and diversity for the regions they serve.

## Our memberships and associations

Senex Energy is proud to be a member of the following leading industry organisations:



Australian Petroleum Production and Exploration Association



Wandoan Community, Commerce and Industry Association



Toowoomba and Surat Basin Enterprise



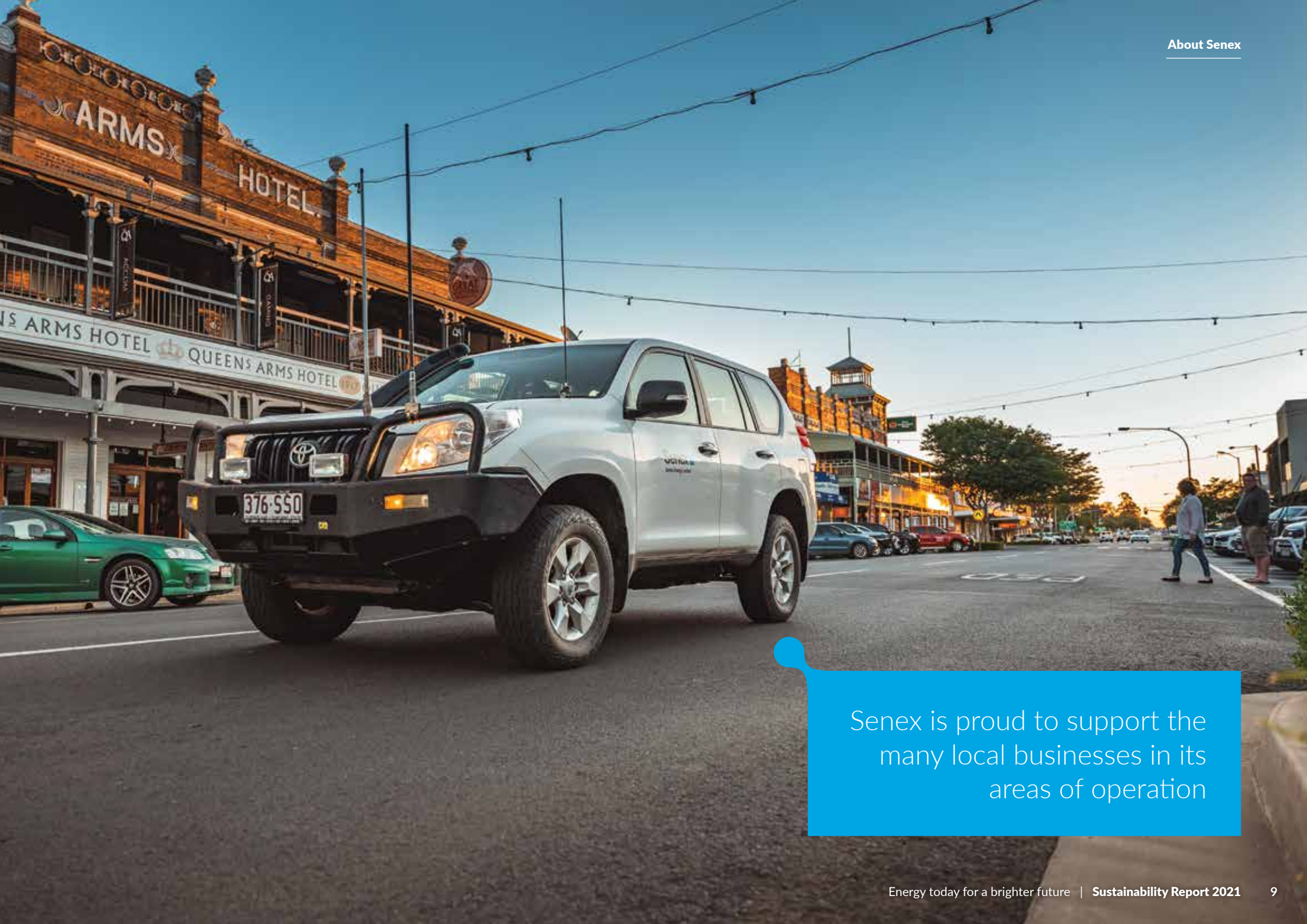
Queensland Resources Council



Roma Commerce and Tourism



Queensland Exploration Council

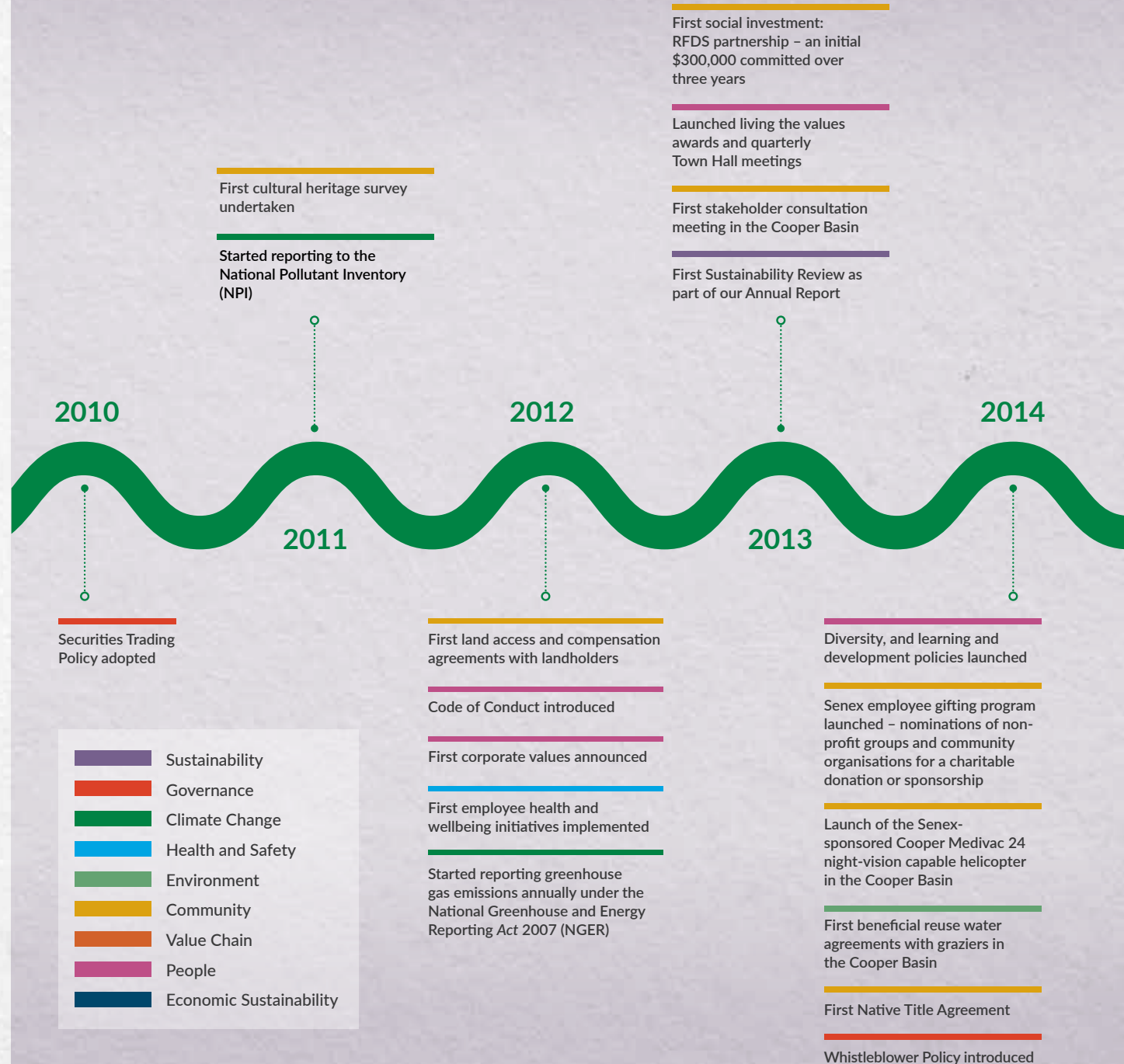


Senex is proud to support the many local businesses in its areas of operation

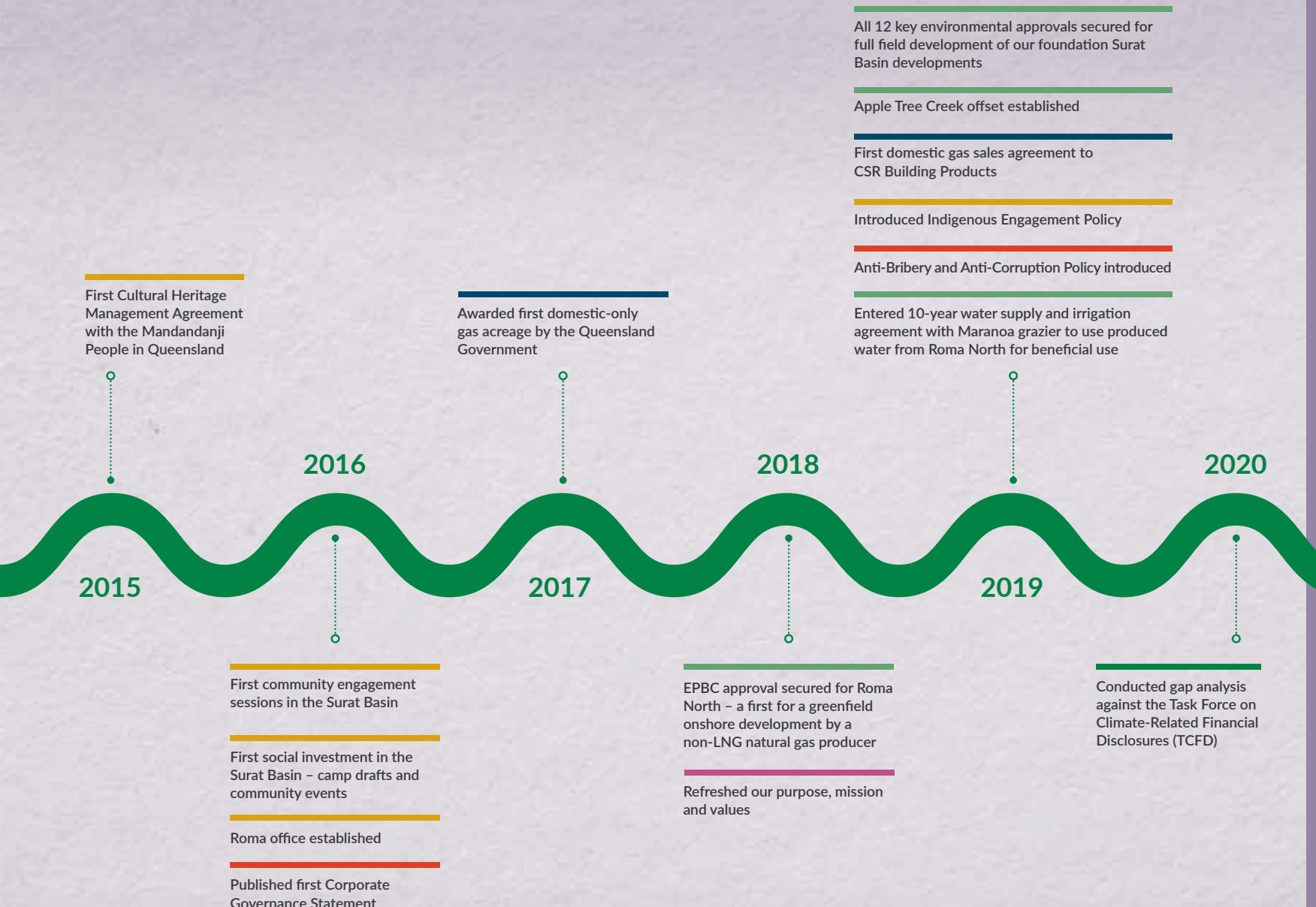
# Our sustainability journey

Since Senex was first established, sustainability has been at the core of what we do. Our mission to deliver what we promise, protect our people and the environment, build quality relationships with our stakeholders, attract and retain talented people, and create value for our investors guides our actions and underpins our approach to sustainability.

Here's a look back at our sustainability journey.



## 2021 achievements



- First standalone Sustainability Report\*
- Set ambitions and commitments for all sustainability pillars\*
- Decarbonisation Action Plan released – net zero by 2040\*
- Climate Change Policy endorsed\*
- Zero recordable injuries achieved
- Directed more than 80% of produced water from Roma North for beneficial use
- Engaged in more than 30 community partnerships
- Superannuation contributions paid during parental leave
- Spent more than \$16 million with local businesses
- Sustainability clauses incorporated into our supply contracts
- First modern slavery statement published
- Cooper Basin oil business sold

\* 2021 calendar year

# Sustainability at Senex

Sustainability at Senex is guided by our purpose: to provide gas to improve lives and support the energy needs of Australia and the world.

Our approach is to consider social, economic and environmental factors in managing impacts safely and responsibly, and to maximise the benefits of our activities. That means considering the short and long-term interests of all stakeholders in the value chain, including customers, the communities in which we operate and our employees and contractors.

Our commitment to sustainability is embedded in our mission, our strategy and in how we remunerate our leadership team. This commitment guides our decisions and is, therefore, critical to our performance in creating sustainable value for our investors and all our stakeholders.

Natural gas is integral to society and has a critical role in meeting society's demand for energy, both here and overseas. We are committed to the objective of limiting the rise in global temperatures to well below 2 degrees Celsius and we have set our ambition, targets and actions as we work towards net zero greenhouse gas emissions across our operations by 2040.

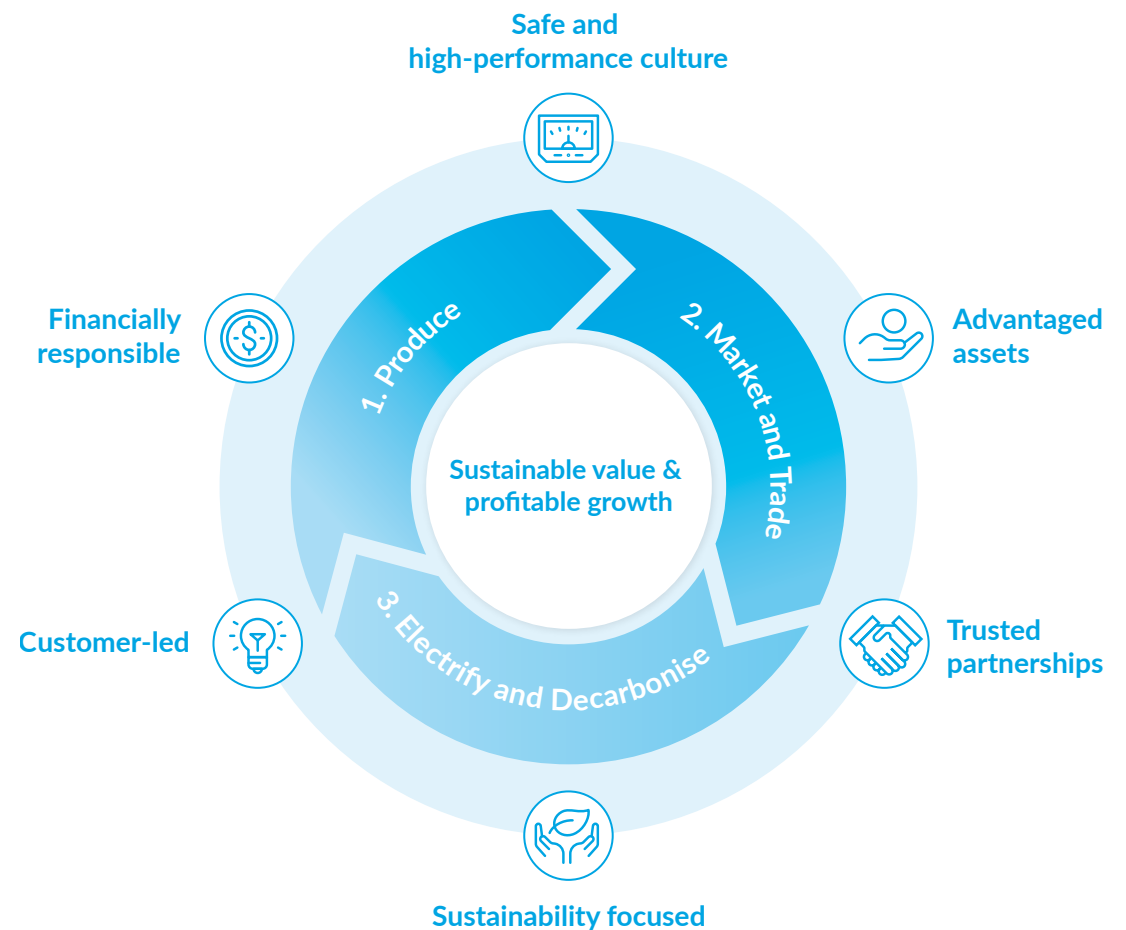
Sustainability has long been part of the way we work, but we are always seeking to do things better. This, our first standalone Sustainability Report, represents an important step in our development and underlines our commitment to sustainability.

We have aligned our report with GRI Standards, the global benchmark for sustainability reporting, and we have set clear targets and commitments for the outcomes we seek.

In the year ahead, we will focus on two key areas. We will engage more deeply with our stakeholders to incorporate their insights and concerns into our sustainability management and reporting; and we will focus on digital initiatives that support our sustainability performance and streamline our reporting.

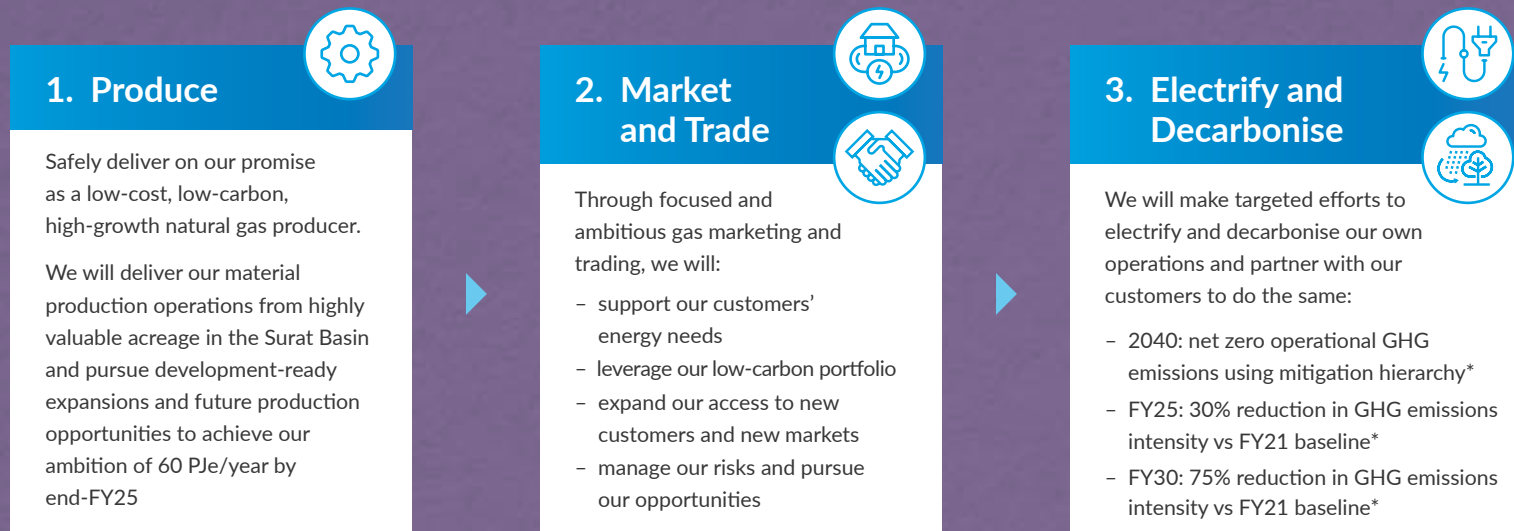
Sustainability matters: it is critical to providing reliable, affordable and sustainable natural gas safely and responsibly as Australia transitions to a low-carbon future.

Our approach is to consider social, economic and environmental factors in managing impacts safely and responsibly, and to maximise the benefits of our activities.



## A strategy for sustainable value and profitable growth

Our vision is to be a leading Australian natural gas producer delivering sustainable value and profitable growth. This means we are committed to the supply of reliable, affordable and sustainable energy that is vital to the economy and jobs while contributing to Australia's low-carbon future. Senex's strategy ensures that we realise our vision of sustainable value creation in three ways:



Our strategy brings together our approach to meeting our customers' future energy needs and decarbonisation efforts while strengthening our focus on sustainability across the value chain

### Supporting these focus areas are six key enablers



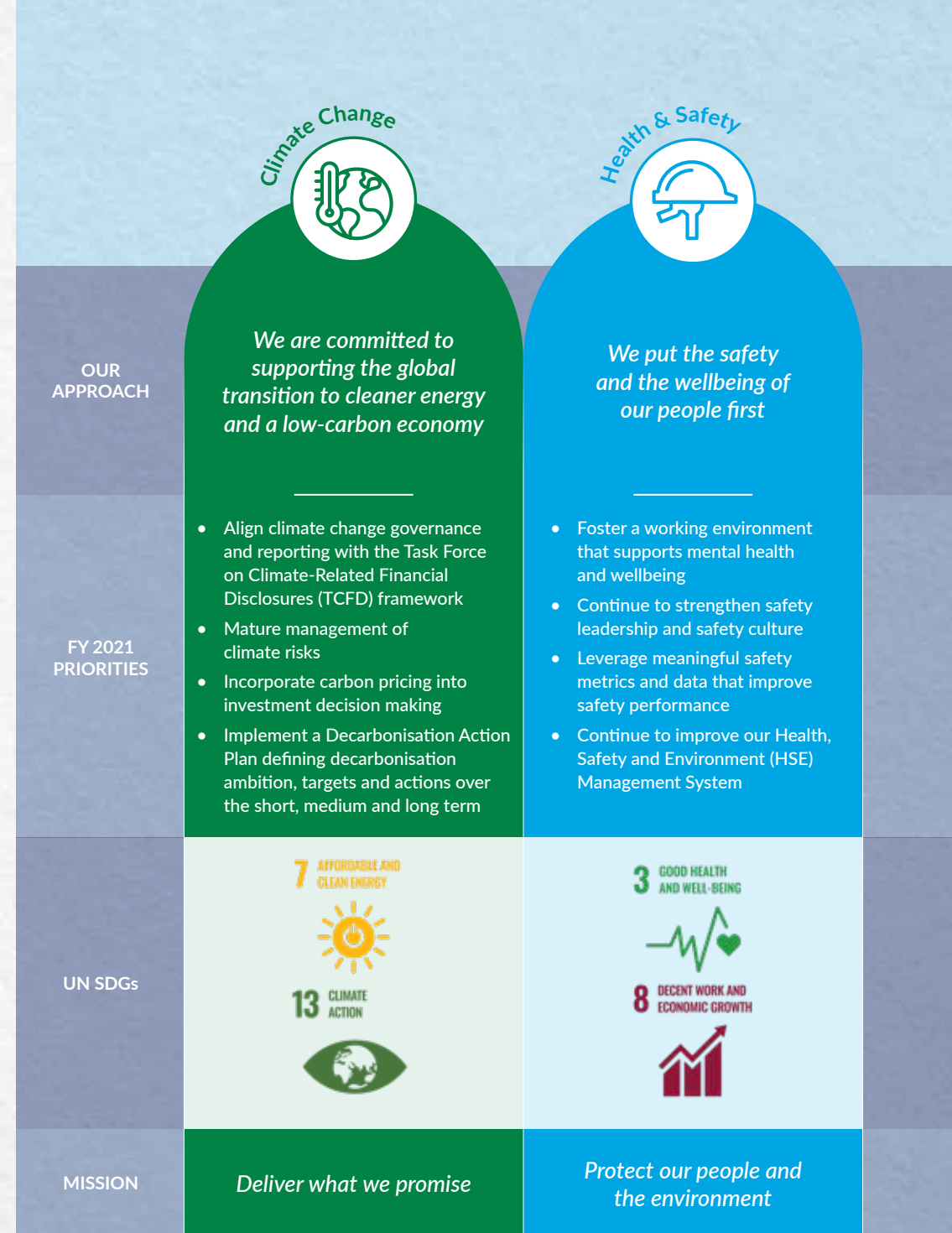
\*Our net zero ambition for 2040 and targets for FY25 and FY30 address Senex's Scope 1, Scope 2 and Scope 3 Processing GHG emissions within our direct influence

# Our sustainability commitments

Seven pillars underpin our approach to sustainability. We are committed to transparently reporting performance under these pillars and aligning our disclosures with the GRI Standards – the global benchmark for sustainability reporting – and the United Nations Sustainable Development Goals (SDGs).

We recognise the value of aligning with these globally recognised standards and objectives, which are widely adopted across all sectors and industries to support communication, collaboration and progress towards a sustainable, resilient and inclusive future.

Following is a snapshot of our approach to sustainability, our key priorities and alignment to the 17 SDGs in 2021. Please also refer to the GRI Content Index on pages 97-101 for our disclosures in line with GRI Standards.





Environment



We seek to minimise our impact on the environment, maximise the beneficial reuse of our by-products and are committed to offset unavoidable impacts

- Maintain record of environmental compliance and approvals
- Optimise our management and use of produced water
- Protect and preserve biodiversity values
- Implement initiatives to reduce waste



Protect our people and the environment

Community



We are a good neighbour and an active member of the communities where we work and make a meaningful and sustainable impact through partnerships and economic investment

- Maintain quality engagement with landholders, Traditional Owners and the local community
- Continue to invest strategically in communities to maximise our positive impacts in the long-term
- Increase opportunities for local procurement and employment



Build quality relationships with our stakeholders

Value Chain



We seek to be the partner of choice for suppliers, customers and contractors to deliver a more sustainable future

- Encourage sustainable practices across our supply chain
- Collaborate with key suppliers to deliver sustainability outcomes
- Work with customers and suppliers as they transition to a low-carbon future



Build quality relationships with our stakeholders

People



We create a diverse and inclusive work environment where our people are empowered to thrive

- Structure for success
- Support an inclusive and diverse workforce
- Attract and retain talented people
- Inspire leadership behaviours across the business



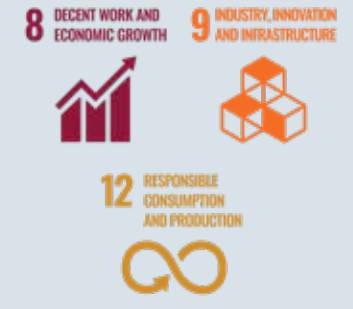
Attract and retain talented people

Economic Sustainability



We are a resilient natural gas company delivering sustainable long-term value for our stakeholders

- Grow a low-cost, high-return and long-life portfolio of assets
- Enhance efficiencies to maintain low-cost operations
- Maintain transparency on performance, risks and opportunities
- Address the environmental, social and governance expectations of our lenders, investors and other stakeholders



Create value for our investors

# Governance

Creating sustainable shareholder value relies on responsible operations. Our reputation is based on what we do and how we do it, with a strong foundation of governance and risk management.

## Corporate governance

As a company listed on the Australian Securities Exchange (ASX), Senex is subject to, and conducts its business within, ASX Listing Rules and all relevant laws and regulatory requirements. Senex's corporate governance framework also guides the way we work and is essential to achieving our strategic objectives and sustainable business practices.

In 2021, our approach to corporate governance was modelled on recommendations in the *ASX Corporate Governance Council's Principles and Recommendations (4th Edition)*. The Board believes that Senex has complied with all the guidelines and further information can be found in our [Corporate Governance Statement](#) on our website.

### We are guided by the following corporate governance policies:

- [Anti-Bribery and Anti-Corruption Policy](#)
- [Code of Conduct](#)
- [Compliance Policy](#)
- [Conflict of Interest Policy](#)
- [Delegation of Authority Manual](#)
- [Disclosure and Communications Policy](#)
- [Diversity Policy](#)
- [Environmental Management Policy](#)
- [Climate Change Policy](#)
- [Health, Safety and Welfare Policy](#)
- [Privacy Policy](#)
- [Risk Management Policy](#)
- [Remuneration Policy](#)
- [Securities Trading Policy](#)
- [Tax Risk Management Policy](#)
- [Treasury Risk Management Policy](#)
- [Whistleblower Policy](#)

These policies are regularly reviewed by Senex's Audit and Risk Committee and Board. Senex employees and contractors are required to comply with relevant policies and procedures. The policies underlined above are available on the Senex website.

### Corporate governance structure

Our Board, with the assistance of the Audit and Risk Committee and the People and Remuneration Committee, oversees all sustainability matters, including climate-related risks and opportunities. Sustainability topics are a regular focus at Board and Board committee meetings, with day-to-day accountability for sustainability delegated to executives.

Managers support the executive level in delivering on the strategy, with working groups established as required. Examples include: Climate Change and Sustainability Working Group; Digital Transformation Steering Committee; Business Development Working Group; and Marketing and Trading Working Group.

The Climate Change and Sustainability Working Group has the following purposes:

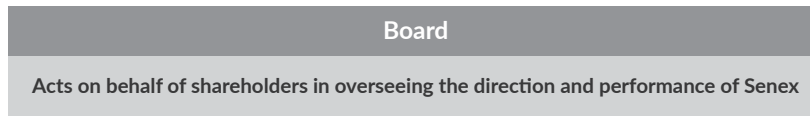
- guide strategy and performance on sustainability and climate-related issues and opportunities
- recommend and implement climate change and sustainability targets and the roadmap across the business
- monitor climate change and sustainability risks and trends

### Executive remuneration

Remuneration plays an important role in motivating executives to deliver sustainable value and profitable growth. Senex's remuneration framework currently includes performance measures focused on health, safety and environmental outcomes. To align our long-term climate transition business strategy with the interests of our stakeholders, we have introduced a decarbonisation measure into executive incentive plans.

More information about our corporate governance, including statements, charters and policies, can be found on the [Senex website](#).

#### Senex's corporate governance structure



**Sustainability-related responsibilities**  
Is responsible for overseeing effective management of sustainability and climate-related risks and opportunities

Audit and Risk Committee oversees sustainability and climate change risk governance in alignment with the enterprise risk management framework. The People and Remuneration Committee oversees executive remuneration linked to climate and sustainability-related performance measures

Executive General Manager Corporate Affairs and Sustainability has oversight of the implementation of Senex's sustainability strategy  
Executive General Manager Energy Solutions, is responsible for applying proven technologies and investigating low-carbon investment opportunities

## Risk management

Effective risk management ensures consistent execution of our strategy and is fundamental to good corporate governance.

Sustainability and climate-related risks and opportunities are identified, assessed and managed using the Senex risk management framework. The framework incorporates an enterprise-level view of risk and explains and manages the material risks for Senex. Material risks are presented to the Board through quarterly updates and an annual risk report.

## Bribery and corruption

Senex’s Code of Conduct requires employees to comply with relevant laws and regulations, act honestly, and with integrity and fairness in all dealings, and avoid, or disclose and manage conflicts of interest. In addition, our Anti-Bribery and Anti-Corruption Policy details our responsibilities in minimising the risk of bribery and corruption and provides guidance on how to deal with actual or suspected bribery or corruption. Complementary policies cover whistleblowing, and conflicts of interest, with an external whistleblower service available for raising concerns. Employees are trained in these policies.

The CEO and CFO are required to declare any risks of fraud and non-compliance with laws that include those relating to bribery and corruption with our half-year and full-year accounts.

## Risk management governance framework

Managing risk is an integral part of our business, with all levels of our organisation engaged in the process. Senex uses the “three lines of defence” model to coordinate our approach to risk and assurance. The model, to the right, is focused on managing material risks, including environmental, social and governance risks, at the strategic, tactical and operational levels.

### Three Lines of Defence Model



Senex’s material business risks for the 2021 financial year are shown on pages 40-41 of our 2021 [Annual Report](#). Our responses to specific material social, environmental and economic risks have been outlined where applicable in this report.

Senex's Managing Director and CEO Ian Davies with Senex employees at one of the company's Atlas natural gas wellsites dedicated to domestic gas supply

**Investment process**

To ensure Senex maintains a robust and resilient portfolio, we address sustainability and climate-related risks when making decisions.

Senex's investment decisions are made within a governance framework overseen by the Investment Committee. The committee's purpose is to ensure investments align with our strategy and are robust in a range of potential future scenarios. When projects are evaluated, we test them to ensure they remain profitable in low commodity-price scenarios and to illustrate possible upsides. In 2021, we started to test the robustness of our investment proposals against future carbon price sensitivities ranging from US\$30/tonne to US\$140/tonne over the period to 2040. Read more in Note 7 of the Senex FY21 Financial Statements, available on our [website](#).

**Climate-related considerations**

As part of a review of our corporate strategy in 2021, Senex stress tested the value of our portfolio against different International Energy Agency's (IEA) World Energy Outlook (WEO) scenarios, including the impact of the Paris Agreement goal of less than 2 degrees Celsius carbon reduction pathway. Our analysis demonstrates that while transitioning to a low-emissions future presents considerable challenges, our natural gas portfolio is structured to support the transition to lower emissions and ensure the resilience of our business in a low-carbon world.



# Climate change

Senex is committed to supporting the global transition to cleaner energy and a low-carbon economy. It is what the world needs and what the Australian market requires. It is also what our investors, customers, employees, communities and regulators expect. As we move to a low-carbon future, natural gas has an integral role to play in meeting demand for reliable and affordable energy.



Pictured: Senex employees Kate Gunther and Jason Schroder inspect a well head at Atlas

Illustration: Peta Crane

## Priorities



align climate change governance and reporting with the Task Force on Climate-Related Financial Disclosures (TCFD) framework



mature management of climate risks



incorporate carbon pricing into investment decision making



develop and implement Decarbonisation Action Plan defining decarbonisation ambition, targets and actions over the short, medium and long term

## Relevant UN Sustainable Development Goals

7 AFFORDABLE AND CLEAN ENERGY



13 CLIMATE ACTION



## Our decarbonisation commitment

Natural gas is integral to society and will remain so through the energy transition. As a natural gas producer, Senex recognises that to achieve a low-carbon future and to mitigate the effects of climate change, the world needs access to reliable, affordable and sustainable energy delivered in cleaner ways. For Senex to have a sustainable business we recognise that we must meet these expectations of our stakeholders.

Our target is to grow our portfolio to 60 petajoules equivalent per year (PJe) by the end of the 2025 financial year (FY25) while supporting the global transition to cleaner energy and a low-carbon economy.

Our commitment is captured in our [Decarbonisation Action Plan](#) available on our website. In this document we detail our

ambition to reduce greenhouse gas (GHG) emissions across our operational footprint to net zero by 2040, with transparent and bold near-term emissions intensity reduction targets. The plan also highlights our priorities and commitments.

As a leading Australian natural gas producer, we are supporting these outcomes. Natural gas is our core business, with Senex focused on being the gas supplier of choice through the transition. However, we recognise that we have a commercial imperative to deliver cleaner energy - our stakeholders demand this.

We are committed to reducing our own carbon footprint, and supporting our customers to do the same, by growing a strong and resilient long-term portfolio with an increasing focus on sustainability and decarbonisation.

### The role of natural gas in a low-carbon future

As we transition to a low-carbon economy, natural gas will continue to be an integral source of energy for industry, manufacturing, business and homes.

Decarbonising the energy system is a key part of mitigating climate risks and will require sustained co-operation across the energy sector. Prominent scenarios such as the International Energy Agency's (IEA) Stated Policies Scenario (STEPS), Sustainable Development Scenario (SDS) and Net Zero Energy Scenario (NZE2050) recognise natural gas will continue to play an integral role in the energy mix as we transition to a low-carbon future. Gas is a lower emissions-intensive fuel source than coal and oil, complements intermittent renewable power and supports industrial processes that are difficult to electrify.

“Natural gas will be a part of Australia’s energy mix for many years to come.”

ALAN FINKEL

Special Adviser to the Australian Government on Low Emissions Technology

## 2021 highlights\*



Climate Change Policy developed



climate ambition, strategy and targets defined



completed climate change risk assessment by third-party specialist



completed scenario analysis on asset portfolio and incorporated carbon pricing into investment decision-making



Decarbonisation Action Plan released

\* 2021 calendar year



## Governance

### Priority: Align climate change governance and reporting with the Task Force on Climate-Related Financial Disclosures (TCFD) framework

#### Adoption of the Task Force on TCFD

This report marks Senex's first climate-related disclosure in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We have summarised our approach to governance, strategy, risk management and metrics and targets aligned with the framework. We are committed to continuously improving the quality of our climate change-related disclosures as our processes and understanding of climate-related matters mature. In line with these recommendations, Senex comprehensively assessed climate change risks and opportunities in 2021. We incorporated mitigations and actions into our business, from strategy to operations and across our value chain (see pages 24-25).

#### Governance

In 2021, Senex progressed several high-priority climate change governance actions including:

- the release of our Climate Change Policy
- appointing a dedicated Executive Committee member with decarbonisation responsibility
- linking executive remuneration to performance against climate targets, set annually
- ensuring climate considerations are assessed in investment proposals, budget and procurement decisions
- initiating the establishment of a Climate Change and Sustainability Sub-committee at management level

#### Board and management oversight

The Board is responsible for overseeing management of climate-related risks and opportunities and considers these matters when reviewing and guiding our corporate strategy. As part of the implementation of our climate strategy outlined in the Decarbonisation Action Plan, the Board will also monitor and oversee ongoing progress against our targets and ambition. The Audit and Risk Committee oversees governance of climate change risk in alignment with the Enterprise Risk Management framework. The committee meets every quarter and discusses material risks to the business and strategy including climate-related risks.

Management has day-to-day accountability for matters related to climate change. The Executive General Manager Corporate Affairs and Sustainability has accountability for implementation of Senex's climate change and sustainability strategy, as outlined in the Decarbonisation Action Plan. This executive sponsors the Climate Change and Sustainability Working Group, which reviews all aspects of climate change and sustainability risks and trends relevant to Senex.

Task Force on Climate-Related Financial Disclosures (TCFD) framework



This year we have reported Senex's climate-related disclosures in line with the Task Force on Climate-Related Financial Disclosures (TCFD) framework, pictured above. See page 96 for full details of our alignment with TCFD.



### Our position on climate change

Senex's Climate Change Policy guides our commitment to reduce greenhouse gas emissions as we produce affordable and reliable energy required to meet global and domestic natural gas demand. Through the commitments made in our Policy, we are demonstrating our desire to contribute to the global aspiration to limit temperature rise to well below 2 degrees Celsius.

As part of our Decarbonisation Action Plan we will regularly review our ambition, targets and actions, and publicly disclose our performance.

### Position statement:

- *Senex supports the objective of limiting global temperature rise to well below 2 degrees Celsius.*
- *Our role is to provide access to affordable and reliable energy that contributes to economic growth in the context of sustainable development and a low-carbon future.*
- *We believe that natural gas will continue to play an integral role in the energy mix within a low-carbon future.*

### Commitment:

#### Senex is committed to:

- identifying, assessing, managing and reporting material climate-related risks to create a sustainable business
- measuring and reporting Scope 1, 2 and 3 greenhouse gas emissions in a transparent manner
- setting and publishing meaningful short-term and long-term targets to encourage innovation and drive reductions in our greenhouse gas emissions
- identifying and pursuing greenhouse gas emission reduction opportunities for our business, operations and supply chain
- working with partners, customers, suppliers and other stakeholders towards the shared objectives of greenhouse gas emissions reductions
- evaluating the resilience of our portfolio and investment decisions to potential changes in policy including the application of internal carbon pricing
- actively engaging in climate dialogue with governments, industry associations and other stakeholders in the design of practical, sustainable climate regulation and policies



## Risk Management

### Priority: Mature management of climate risks

Climate-related risks and opportunities are identified, assessed and managed under our Enterprise Risk Management framework and reviewed by the Board's Audit and Risk Committee. The Enterprise Risk Management framework is aligned with the International Standard of Risk Management (ISO 31000). The framework incorporates a Risk Management Policy, Standard and Matrix, and provides an enterprise-level view of risk, an understanding of management options and the use of consistently developed information to support decision-making and management practices to achieve organisational goals.

Risks identified as material are included in a risk register which is reviewed quarterly by the Audit and Risk Committee to ensure that mitigations are enacted. Each risk is assigned to an accountable executive member to ensure monitoring of risk control effectiveness. Each function is responsible for assessing, quantifying and managing the risks that relate to that function. Senex discloses all material risks as part of the annual reporting process (see 2021 [Annual Report](#) pages 40-41).

### Climate-related risks and opportunities

In 2021 Senex conducted a detailed climate risk and opportunity analysis, supported by a specialist climate change advisory firm. The analysis considered six key drivers identified by TCFD relating to transition and physical risks. These risks have the potential to impact on our corporate objectives, over different time horizons, including material financial implications such as increased cost, lost profitability, lower product demand and revenue disruptions.

The risks have been assessed against a number of scenarios. A summary of the key risks and opportunities identified in the analysis are shown to the right.

Growth opportunities were also identified which may include investment in new products and markets such as renewable energy, microgrids, biogas, carbon offsets, carbon-neutral products and hydrogen.

# Key climate-related risks

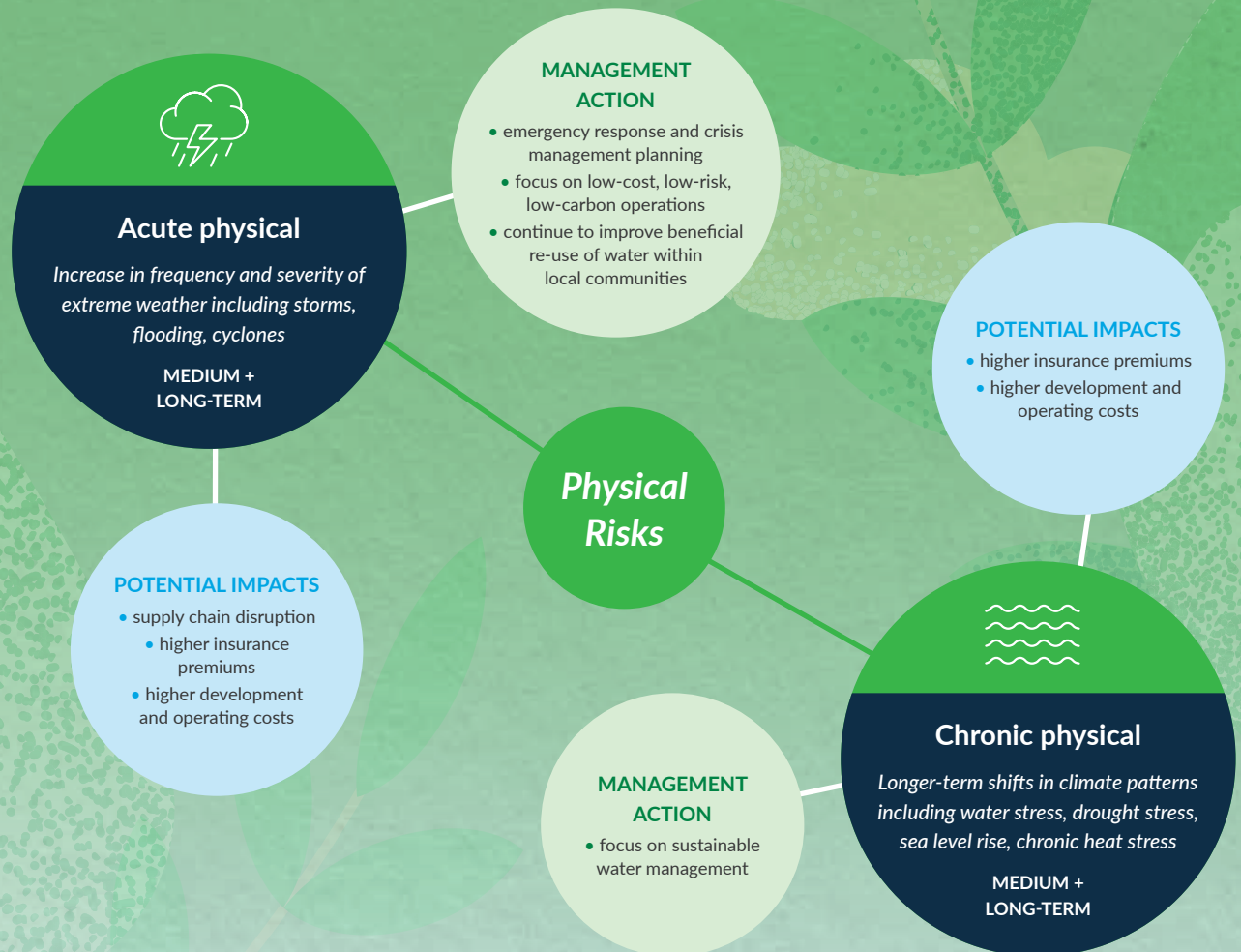
Time horizons

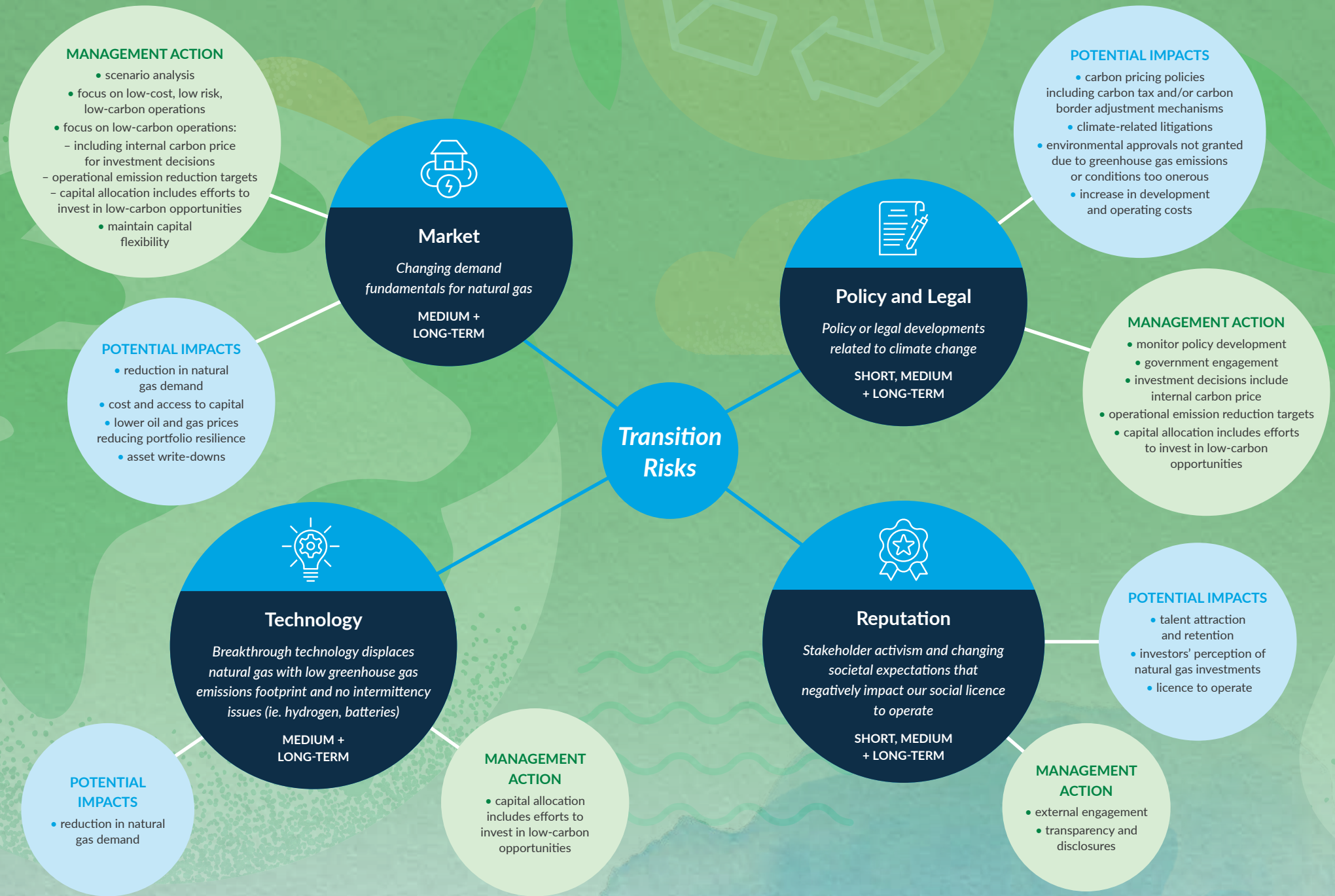
SHORT-TERM 1-5 YEARS

MEDIUM-TERM 5-15 YEARS

LONG-TERM 15-30 YEARS

These risks and opportunities, and their potential impact on our business will be reviewed on an ongoing basis to ensure that appropriate mitigation actions are developed and implemented.







### Our approach to decarbonisation

Our vision is to be a leading Australian natural gas producer delivering sustainable value and profitable growth. This means we are committed to the supply of reliable, affordable and sustainable energy that is vital to the economy and jobs while contributing to Australia’s low-carbon future.

To assess the resilience of our business strategy (set out on pages 12-13) against climate change risk we incorporated carbon pricing, scenario modelling and climate-related risk and opportunity assessment into our decision-making processes.

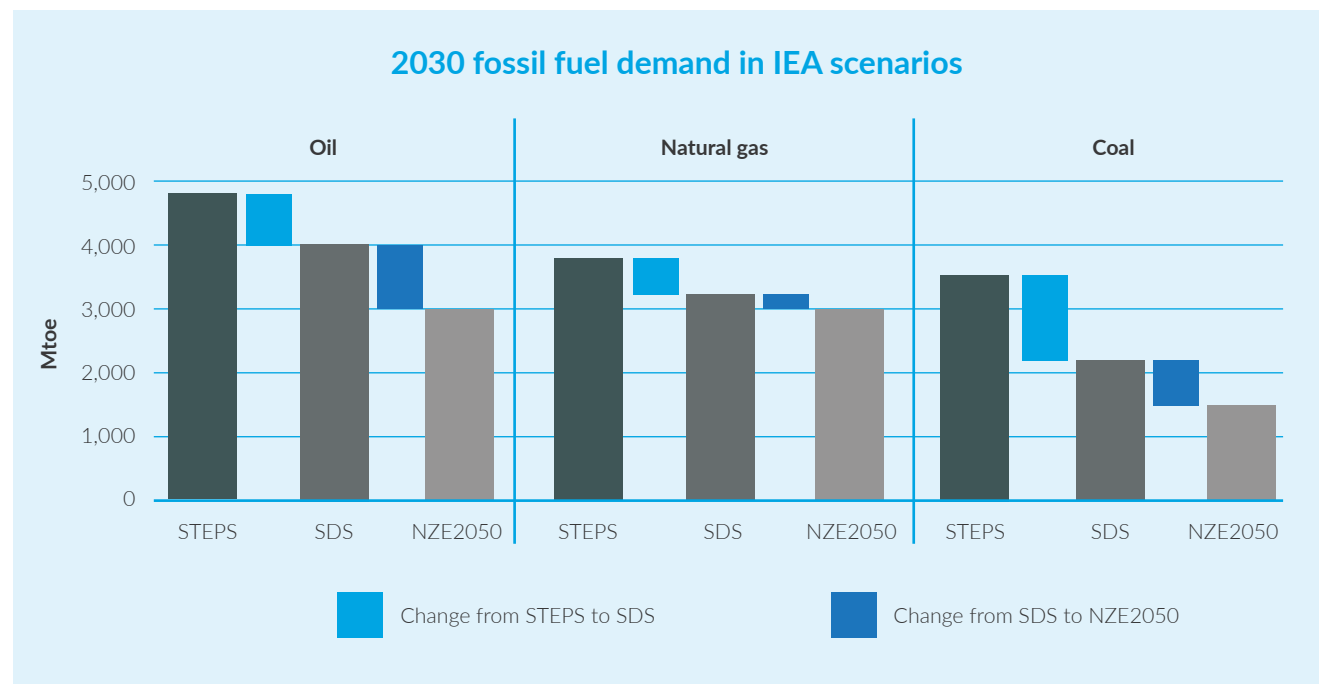
Additionally, our Decarbonisation Action Plan sets out an approach for our business which is practical, achievable and consistent with our values and reputation for meeting our commitments.

### Scenario analysis

We undertake scenario analyses to stress-test our assets and the resilience of our strategy under different low-carbon scenarios and support robust decision-making. We define “resilience” as financial robustness and the ability to generate positive cashflow even when energy prices are low and carbon costs are applied.

Senex bases its analysis on the International Energy Agency’s (IEA) World Energy Outlook 2020 scenarios. The IEA is a global intergovernmental organisation that provides energy and climate policy advice including scenarios for future global energy demand and climate change. The use of the IEA scenarios enables standardisation of stress-testing and comparisons between companies.

### Fossil fuel energy demand in 2030



Source: IEA World Energy Outlook 2020, IEA Key World Energy Statistics 2019

Senex uses the following IEA scenarios:

- Stated Policies Scenario (STEPS), which reflects today’s policy intentions and targets (2.8°C to 3.2°C warming)
- Sustainable Development Scenario (SDS), which identifies the market changes needed to reach net zero global CO<sub>2</sub> emissions in 2070 (< 2°C)

The World Energy Outlook 2020 shows the range of possible outcomes for future demand for natural gas is wide, with global primary energy demand ranging from 9.5 to 12.0 million metric tonnes of oil equivalent (MMtoe) through to 2030. Gas remains part of the energy mix in most low-carbon scenarios, with the

expectation that it will displace more carbon-intensive coal and oil as feedstock and for electricity generation. The corresponding commodity prices associated with both the STEPS and SDS scenarios were used in Senex’s assessment of the economic impacts of climate-related risks.

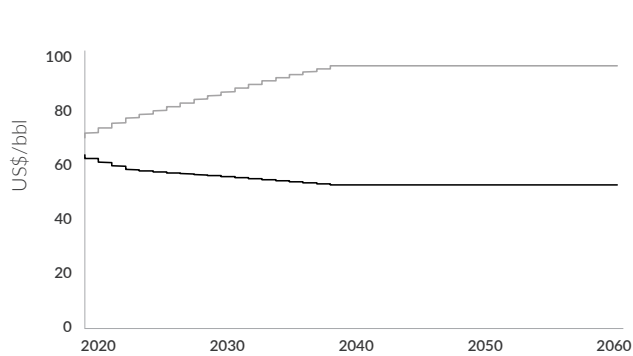
Senex notes the release of the IEA’s NZE2050 scenario which reflects a more rapid decline in fossil fuel demand and an accelerated deployment of low-carbon technologies and significant behavioural changes that reduce energy use. The impact of this scenario on Senex’s portfolio will be modelled in the 2022 financial year and the results and analysis will be provided in future releases of our Sustainability Report.

### Priority: Incorporate carbon pricing into investment decision making

In alignment with IEA scenarios, Senex applies a range of carbon price sensitivities ranging from US\$30 per tonne to US\$140 per tonne over the period to 2040, to determine the robustness of its operating business. All investment decisions are modelled using the same carbon price sensitivities. This carbon price is also included in all investment decisions. Carbon price assumptions are refreshed annually along with other corporate economic assumptions.

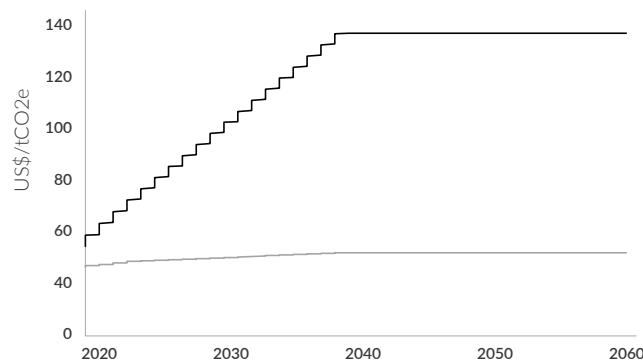
The charts below show the Brent oil price and carbon price assumptions under each of the IEA's 2020 World Energy Outlook scenarios.

Brent oil price



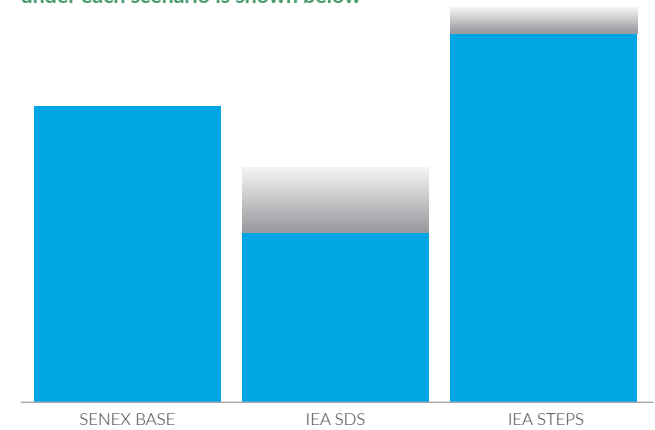
— IEA Stated Policies

Carbon price



— IEA Sustainable Development

The company's relative portfolio value under each scenario is shown below



● Base ● Decarbonisation

Based on the scenario analysis undertaken, Senex's producing asset base of Roma North and Atlas is robust against each of the IEA scenarios. The net present value of our current producing asset portfolio increases in value under the STEPS scenario but is negatively impacted under SDS scenario.

**Our scenario analysis confirms that our focus on low-cost, low-carbon, sustainable-cashflow growth will ensure our resilience in a low-carbon future. Although value may be impacted by low commodity prices and carbon costs in the event of the SDS scenario, the impact can largely be offset by investment in emission reductions opportunities as described in our metrics and targets outlined on the following pages.**



## Metrics and targets

### Priority: Develop and implement Decarbonisation Action Plan defining decarbonisation ambition, targets and actions over the short, medium and long-term

Our Climate Change Policy commits us to measuring and transparently reporting carbon emissions. This is the first year Senex has reported historical and current financial year Scope 1, 2 and 3 greenhouse gas (GHG) emissions.

In parallel with reporting our Scope 1, 2 and 3 emissions, Senex has also released a Decarbonisation Action Plan that details our ambition to reduce GHG emissions across our operational footprint to net zero by 2040, with transparent and bold near-term emissions intensity reduction targets.

We recognise that we are at the start of our decarbonisation journey and understand the decarbonisation landscape is dynamic. We are committed to achieving our targets and to helping our customers do the same. We will review and refine our targets regularly as technology matures, and we will be transparent in sharing our progress with our stakeholders.

### Emissions

Senex reports our total Scope 1 and 2 greenhouse gas emissions, energy produced, and energy consumed, under the *National Greenhouse and Energy Reporting Act 2009 (NGER)*. Our greenhouse gas emissions are independently audited each year. We report our Scope 1 and 2 greenhouse gas emissions on an operational control basis, as required by the NGER.

We are not required to report Scope 3 emissions under NGER. However, we believe it is important to take responsibility for influencing emissions across the value chain and this year we have undertaken a detailed analysis to estimate Scope 3 emissions for the first time. We calculate Scope 3 emissions based on the Greenhouse Gas Protocol's Corporate Value Chain (Scope 3) Accounting and

Reporting Standard, and Scope 3 guidance. Where data is not available, we apply a reasonable estimation methodology.

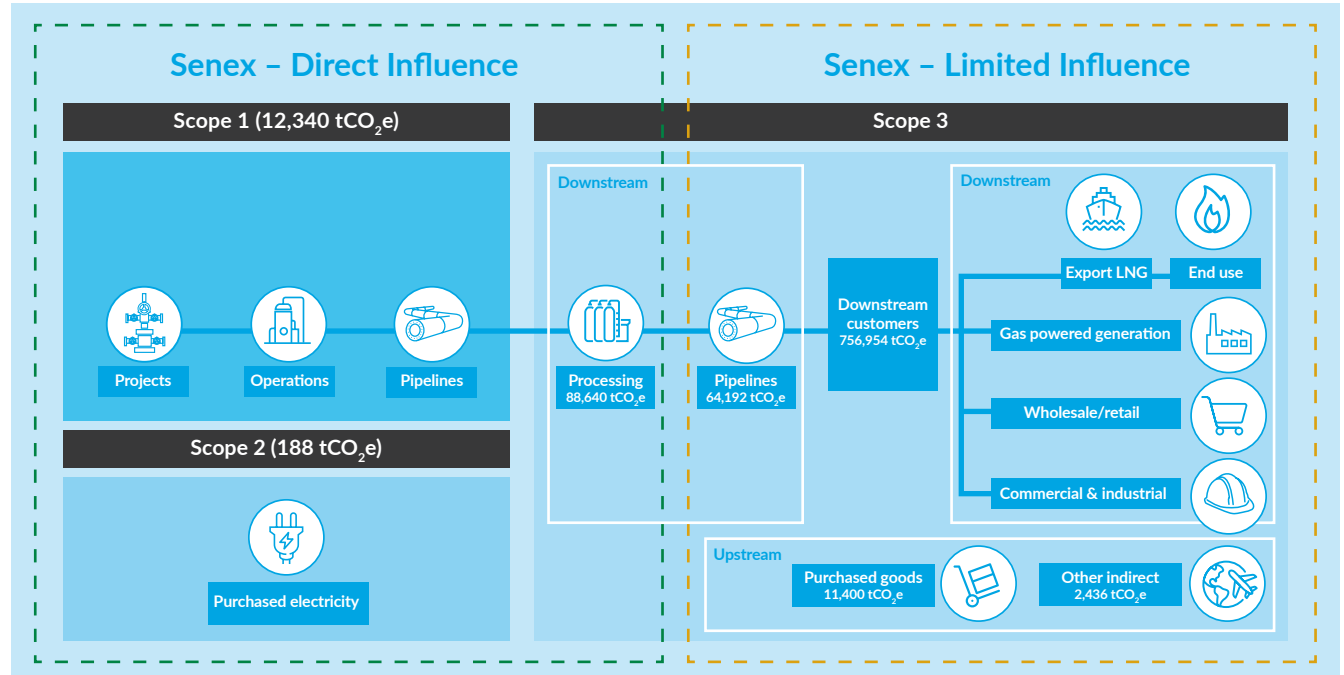
The figure below illustrates Senex's emissions across the value chain. More detail on our emissions, including historical data, is shown on page 85.

Senex's emissions intensity is low in the context of the hydrocarbon industry because natural gas is the cleanest of fossil fuels. Additionally, we produce high-quality natural gas in the Surat Basin as it has less than 0.5 per cent by volume carbon dioxide (CO<sub>2</sub>) content.

Emissions associated with the processing of our natural gas account for 9.5 per cent of our GHG emissions. However, we do not have operational control of, nor equity share in, the third-party owned

facilities that process our natural gas at Roma North and Atlas. NGER categorises the emissions from these facilities as Scope 3 for Senex. As the mode of operation for these facilities has been dictated by Senex, we have elected to treat the emissions relating to these processing facilities as being part of Senex's operational emissions. We have set our emissions reduction targets and ambition (set out on the following page) on the basis that Senex is responsible for these emissions, as they would commonly be understood to be part of our operations.

Senex has limited influence over the vast majority of its emissions profile, with 82 per cent from Scope 3 emissions related to end-use and upstream activities.



### Targets

In 2021, consistent with our commitment to supporting the global transition to a cleaner energy and low-carbon economy, Senex adopted a Climate Change Policy and released our Decarbonisation Action Plan. The plan outlines our ambition, targets and actions to reduce the direct and indirect GHG emissions across the full value chain, encompassing our suppliers, operations and customers. Senex acknowledges that the energy transition is accelerating and the decarbonisation landscape is dynamic. Accordingly, Senex's ambition, targets and actions will be reviewed annually within our governance framework. We will also regularly disclose progress against, and changes to, these measures.

The plan acknowledges that natural gas will continue to be an integral source of energy as we transition to a low-carbon economy and that Senex plans to expand its natural gas business to deliver 60 PJe per year by the end of the 2025 financial year.

However, the plan also defines how we will materially reduce the carbon intensity of our operations and use our knowledge and technology to help our customers to do the same.

At the core of our plan is the ambition to reach net zero Scope 1, Scope 2 and Scope 3 Processing GHG emissions by 2040 using a mitigation hierarchy. This ambition is supported by interim emissions intensity reduction targets for FY25 and FY30.

Underpinning the plan are three pillars which outline the practical and achievable actions Senex intends to take to decarbonise across the value chain.

### Our ambition

2040  
**NET ZERO**

Operational GHG emissions using mitigation hierarchy\*

### Our targets

FY25  
**30%**

Reduction in GHG emissions intensity vs FY21 baseline\*

FY30  
**75%**

Reduction in GHG emissions intensity vs FY21 baseline\*

<b>PILLAR 1</b> Become the gas supplier of choice	30% reduction in GHG emissions intensity by FY25 (target)
	75% reduction in GHG emissions intensity by FY30 (target)
	Net zero GHG emissions by 2040 across Scope 1, 2 and Scope 3 Processing emissions using a mitigation hierarchy (ambition)
	Focus on reductions in operational GHG emissions, such as eliminating flaring, reducing fugitive emissions and the electrification of facilities
<b>PILLAR 2</b> Actively decarbonise our value chain	Conduct a customer engagement program and aim to announce customer-related Scope 3 targets in the next year
<b>PILLAR 3</b> Invest in low-carbon growth	We have appointed a new member of our Executive Committee to lead a dedicated Energy Solutions team to identify and fund low-carbon investment opportunities
	Allocate at least 5% of EBITDA per year to low-carbon investments and review annually
	Consider investment in credible Australian offsets to address any hard-to-abate emissions

\*Our net zero ambition for 2040 and targets for FY25 and FY30 address Senex's Scope 1, Scope 2 and Scope 3 Processing GHG emissions within our direct influence

## Pillar 1: Become the gas supplier of choice

Meeting Australia's growing need for sustainable energy forms a central part of Senex's ambition to become the natural gas supplier of choice. This means reducing greenhouse gas (GHG) emissions and identifying efficiencies across every aspect of our operations, from exploration to production, to processing and distribution.

In the short to medium term our initiatives include:



electrification of new and existing facilities



the reduction and elimination of flaring



recovery of methane from the water gathering system



recovery of methane from produced water

Senex has set GHG emission reduction targets for FY25 and FY30 to be achieved from energy efficiency initiatives and operational efficiency measures.

We acknowledge that achieving our net zero 2040 ambition is dependent on several enablers, including the commerciality of future technology and the availability of affordable and reliable renewable energy and the development of credible Australian offsets.

We will work collaboratively with the third-party owner and operator of the facilities that process our natural gas to reduce processing emissions.

### Roma North renewable energy hub

In our first material decarbonisation investment, we plan to construct a renewable energy hub as part of a multi-staged expansion at Roma North.

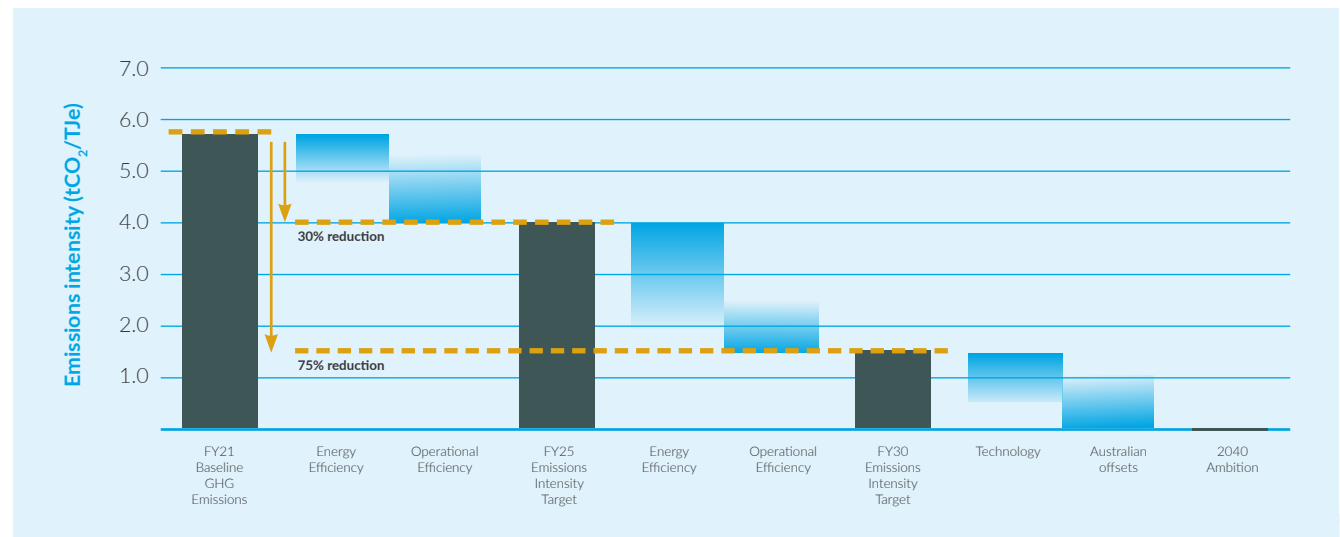
The initial project includes the installation of a high-efficiency power station that will reduce fuel consumption by more than 20 per cent. The second phase of the project will be the connection of the facility to the electricity grid, allowing the purchase of green power and the exporting of electricity from Roma North. Senex is investigating both behind-the-meter and export-capable options for solar and other renewable power generation at Roma North.

“Decarbonising our direct operations makes sense both economically and environmentally. It demonstrates to our people, partners, investors and communities that we care about minimising our impacts and we value efficiency.”

IAN DAVIES

Senex Managing Director and CEO

### Towards net zero\*



\*Our net zero ambition for 2040 and targets for FY25 and FY30 address Senex's Scope 1, Scope 2 and Scope 3 Processing GHG emissions within our direct influence. Reductions for individual initiatives are indicative only at this time.



**Pillar 2: Actively decarbonise our value chain**

We are proudly a customer-led business and we understand many of our customers, suppliers and energy users are committed, like us, to decarbonisation.

More than 80 per cent of our total GHG emissions are Scope 3, over which Senex has limited influence. Despite that, we are committed to not just decarbonising our operations but using the knowledge and expertise we develop to help our customers and suppliers achieve their targets and ambitions. The Scope 1 and Scope 2 GHG emissions of our customers and suppliers are our Scope 3 GHG emissions.

To actively decarbonise our value chain we are investing in low-carbon growth, positioning us to provide carbon neutral or low-emission energy products to assist our customers with their decarbonisation plans. We believe we will strengthen the resilience of our business by actively working with our customers.

We will make deliberate decisions in respect to our current and future customer base by understanding sector demand for both existing and new energy products.

Further, we will conduct a customer engagement program and plan to announce customer-related Scope 3 targets next year.

“Facilities like this are only viable if we can source reliable and affordable energy. It’s one of the major inputs to the facility.”

**DAN CZUBALA**  
 Chief Operating Officer of Southern Oil Refinery (September 2020)



Gladstone MP and Queensland Regional Development and Manufacturing Minister Glenn Butcher, left, with Dan Czubala, explains how natural gas is being used to power the refining process

### Pillar 3: Invest in low-carbon growth

Our commitment to change goes beyond setting an ambition and targets. It includes clear accountabilities for oversight and delivery as well as allocation of capital for investing in a cleaner energy future.

We have created a dedicated Energy Solutions Team and have appointed a new Executive General Manager to lead our business, our customers and our partners on a pathway to net zero. Our new EGM Energy Solutions, Ben Lacey, has more than 25 years of senior energy market commercial and leadership experience, including in domestic gas and power supply as well as the development of renewable energy supplies. The Energy Solutions Team will seek out opportunities to decarbonise our operations, support our customers and identify commercially viable investments to support us on our transition to a low-carbon future.

At least 5 per cent of our annual EBITDA will be allocated to identify and fund commercially viable, low-carbon investment opportunities as well as investments in credible Australian offsets to address hard-to-abate emissions. In time, we expect this will develop into a commitment in relation to total capital expenditure being directed towards low-carbon investments.

At least 5 per cent of our annual EBITDA will be allocated to identify and fund commercially viable, low-carbon investment opportunities



### Transparency and assurance

In developing our Decarbonisation Action Plan, Senex sought expert advice. We engaged, and worked with, a globally recognised, specialist climate advisory and investment firm to understand our emissions profile, to ensure we understand best practice decarbonisation targets and strategies, to build capability within Senex, and to ensure our plan is meaningful, practical, achievable and fit for purpose.

Additionally, environmental accountants Greenbase Pty Ltd were engaged to review and validate data and verify our decarbonisation model (from which we derive our emissions calculations). Greenbase concluded the decarbonisation model has been prepared with due care and, in its opinion, there were no material issues with the methodology, emission factors or emissions calculated.

EY was engaged to perform certain agreed-upon procedures on the methodology and calculations applied to determine the emissions reduction pathway in our Decarbonisation Action Plan to 2030.



### Future focus

Senex is committed to supporting the global transition to cleaner energy and a low-carbon economy. In the years ahead, we will continue to supply reliable, affordable and sustainable natural gas for industry and manufacturing while pursuing our ambition to reduce GHG emissions across our operational footprint to net zero by 2040.

In 2022 we will:



**embed a climate and sustainability framework across Senex through the Climate Change & Sustainability Sub-committee**



**start implementing initiatives consistent with our Decarbonisation Action Plan**



**continue to refine our scenario analysis to better understand potential vulnerabilities to climate change risk**

# Health and safety

At Senex, we prioritise the safety and wellbeing of our staff, contractors and communities. We believe that all incidents are preventable and that everyone who works with us must finish their day without injury. We support a safety culture that goes beyond targets and reporting, seeking to understand and develop techniques for meaningful engagement with our workforce and stakeholders. At Senex, everyone takes responsibility for safety.



Pictured: Senex's Mark Foster and Jemena's Simon Bryzenski at the Roma North natural gas processing facility

Illustration: Peta Crane

## Priorities



foster a working environment that supports mental health and wellbeing



continue to strengthen safety leadership and safety culture



leverage meaningful safety metrics and data that improve safety performance



continue to improve our Health, Safety and Environment (HSE) Management System

## Relevant UN Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



## In 2021, Senex achieved zero recordable injuries

### Safety at Senex

Our commitment to the health and safety of our people, contractors and communities is expressed in our focus on safety culture, our engagement with our workforce and stakeholders, and our systemic approach to identifying and managing risks.

The strength of our commitment is reflected in our results. We recorded zero injuries in 2021, despite operating in a high-risk sector, with the additional challenge of the COVID-19 pandemic. Three high-potential events were recorded during the year, with investigations concluding that all were to have insignificant consequences.

While we are proud of our safety performance, ensuring that every worker goes home without injury requires constant focus. We constantly engage with our workforce to reinforce our safety culture.

As part of this commitment to continuous improvement, in 2021 we conducted a series of safety leadership workshops to build and maintain a stronger and more effective safety culture. These workshops helped us develop a formal statement for our employees that provides a clear articulation of our ambition and commitment to safety culture and performance.

These workshops also provided opportunities to discuss safety performance in detail and identify areas for improvement. The top three priorities identified were:

1. Mental health: understanding the causes and extent of mental health challenges in the workplace, including psychological safety
2. Safety leadership: enhancing the quality and impact of our leaders' engagements on safety
3. Risk management: refining our framework to manage high-risk activities



### 2021 highlights



zero recordable injuries



429 days without a lost time injury (at 30 June 2021)



refined and strengthened commitment to safety at Senex

## Priority: Foster a working environment that supports mental health and wellbeing

At Senex, safety management goes well beyond our operational sites. We invest in a series of programs to support employee health and wellbeing, including:

- reimbursement for annual health and wellbeing expenses
- annual influenza vaccinations
- annual skin screening for early cancer detection
- confidential counselling support for employees and immediate family members through an Employee Assistance Program, including 24/7 critical incident response and a hotline for management advice and support
- mental health initiatives including R U OK? Day and online mindfulness programs
- designated mental health and wellbeing contact officers



Pictured: Senex employees enjoying some friendly competition in our annual Cancer Council Biggest Morning Tea bake off



## CASE STUDY: TAKING TIME FOR MENTAL HEALTH

Simple changes can often make the biggest impact. To mark Queensland Mental Health Week 2020 and its theme *Take time – for mental health*, Senex planned a week of daily mood boosting activities to share some proven strategies and start more conversations about mental health.

Between 12-16 October, Senex began each day with 10 minutes of mindfulness. Through the day our people took time to reflect on things for which they are grateful, connect with colleagues over coffee, take lunchtime walks or wear blue shirts to raise awareness of men's mental health.

The week provided opportunities for staff to reflect on mental health and wellbeing, regardless of whether their lives have been directly touched by mental health issues. It also highlighted the importance of seeking help when needed.

*“Take time is about the simple yet proven things everyone can do to boost mental wellbeing. It is also about breaking down the stigma associated with mental health and reaching out to people in our communities who need support.”*

**LARA REIHER**

**Senex Human Resources Manager**

## Spotlight on mental health and wellbeing

In 2021 we held safety leadership workshops focused on identifying areas for improvement. Mental health emerged as an area requiring greater focus and strategic support at Senex, particularly against the backdrop of COVID-19.

We established a cross-disciplinary team to lead a mental health and wellbeing work plan in the 2022 financial year focused on three actions:

- **define mental health and wellbeing** – identify internal and external factors that impact mental health and wellbeing, and understand the state of mental health within the business
- **identify root cause** – understand the factors that might negatively impact mental health at work and determine and implement interventions to reduce and eliminate them
- **build resilience** – consider resilience-boosting interventions that contribute to positive mental health and wellbeing and build our people's skills to ensure they have sufficient support

We will continue this work in the year ahead by implementing a mental health management plan and resilience program for all staff.

### Priority: Continue to strengthen safety leadership and culture

We are committed to enhancing the powerful impact our leaders have in developing a strong safety culture and performance.

In safety leadership workshops during 2021, we encouraged our leaders to reflect on their behaviours, our processes and culture and what they envisage as the ideal future state.

Through these workshops and subsequent surveys, our leaders identified opportunities to improve the strength of their safety engagement with employees.

We will hold a series of targeted development sessions in the year ahead to enhance leaders' ability to engage effectively and authentically on topics relevant to both their business area and the safety culture and performance of the organisation.

The workshops will focus on supporting our leaders' understanding of:

- **safety culture** – reinforcing the commitments and aspirations defined in the Safety at Senex statement
- **governance** – reinforcing our obligations under Work Health & Safety legislation, the *Petroleum and Gas (Production and Safety) Act 2004* (Qld) and the *Corporations Act 2001* (Cth)
- **engagement** – developing techniques for effective communication on safety



Development sessions will enhance leaders' ability to engage

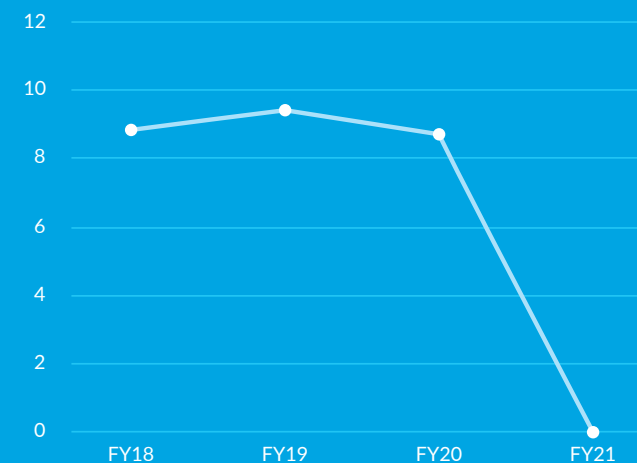
### Our constant challenge – achieving zero injuries

We are committed to enhancing safety outcomes across the industry and engage in safety initiatives through the Queensland chapter of Safer Together; Australian Petroleum Production and Exploration Association (APPEA) safety forums; and collaboration with government on policy initiatives.

Our focus on improving safety outcomes helped us achieve a Total Recordable Injury Frequency Rate (TRIFR) of zero during 2021.



Total Recordable Injury Frequency Rate (TRIFR)



**Priority: Leverage meaningful safety metrics and data that improve safety performance**

To drive continuous improvement and a strong safety culture, we are developing leading indicators that will help us focus on the quality rather than quantity of our actions and engagements.

In 2021, as part of this process, we extended our investigations beyond reported injuries to scrutinise high-potential incidents and near misses that could have caused one or more serious injuries or fatalities. Our findings provided the basis for our renewed focus on effectively managing high-risk activities.

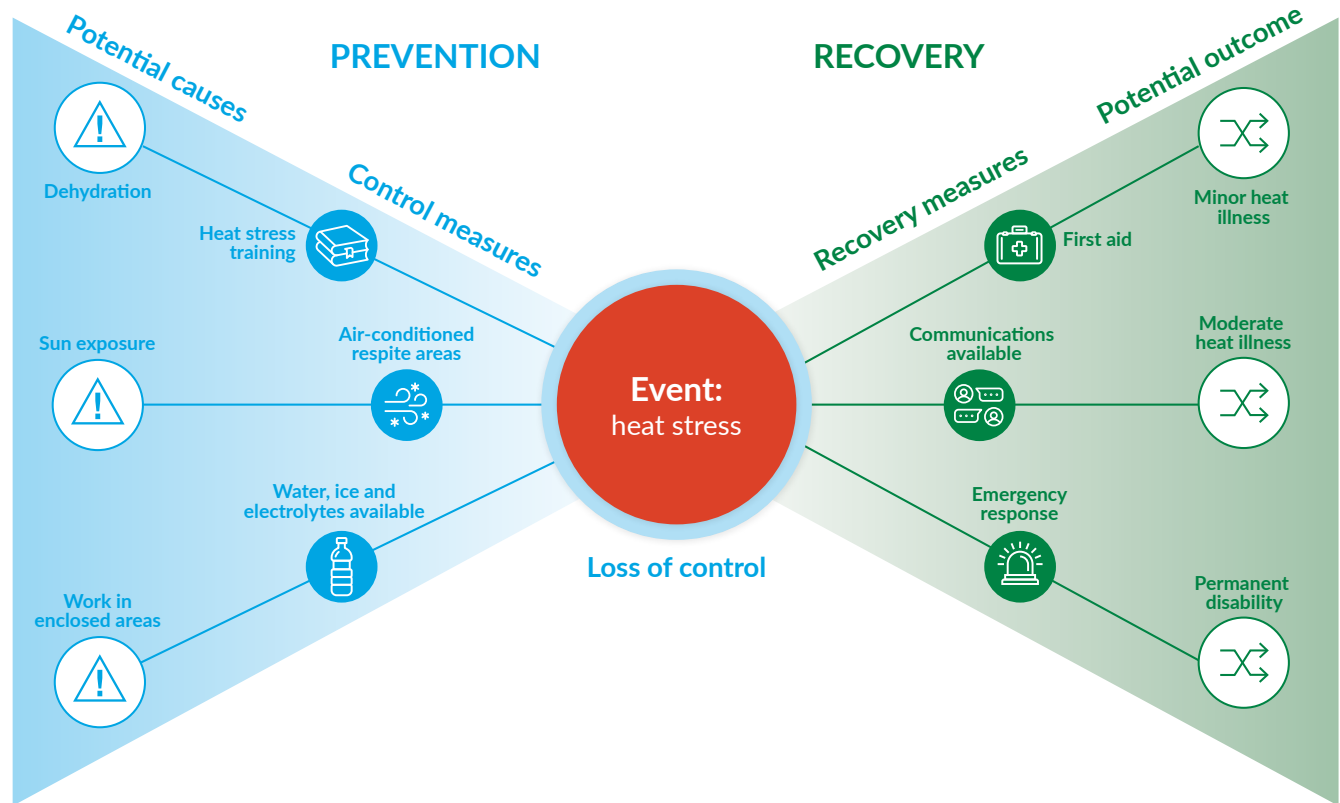
**Bow-tie method**

To provide assurance that effective mitigating controls are in place, we developed a framework to manage high-risk activities. We used the bow-tie method to identify risk and then introduced barriers on either side to minimise threats and consequences.

Developing these diagrams enabled us to gain a more holistic view of our safety measures and more rigorously assess the adequacy of our controls, with particular consideration given to escalation factors.

The following diagram shows a simplified example of how the bow-tie method can be applied to a high-risk event such as heat stress.

**Bow-tie method example: heat stress**



Senex is committed to identifying, managing and minimising risk in all areas of our operations. Risk is managed through Senex's Enterprise Risk Management Framework and internal controls such as risk assessments, job hazard assessments and pre-job safety meetings. Regular inspections and audits are also undertaken to provide assurance that the controls are in place and being effectively utilised.



## Priority: Continue to improve our HSE Management System

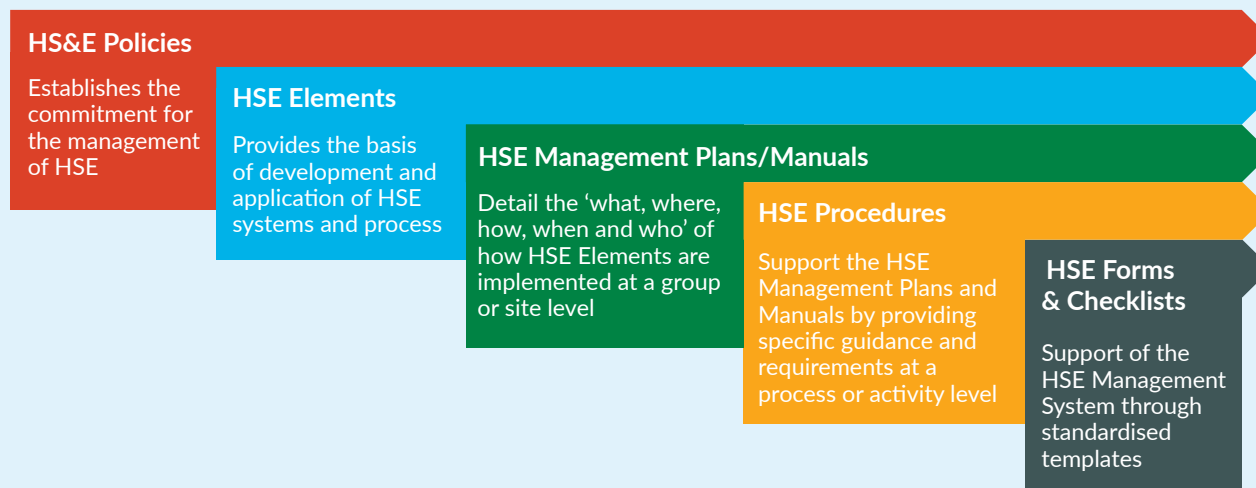
Our approach to health and safety management is governed by the Senex Health, Safety and Environment (HSE) Management System and the Health, Safety and Welfare Policy.

The HSE Management System, aligned with ISO 45001 and ISO 14001, provides a framework that establishes expectations and parameters to encourage continuous improvement in health, safety and environmental performance. This system applies to all Senex worksites and employees working for, or on behalf of, Senex.

All our on-site contractors are covered by our HSE Management System, and we adopt a collaborative approach with our contractors which enables the integration – rather than imposition – of our system. This flexibility enables our contractors to work at a level that meets our standards, within a framework that they are comfortable and familiar with.

During the year we started a comprehensive review of our HSE Management System and associated safety policies and procedures, including those extending to contractor management, to ensure they remain effective in managing our safety risks and are fit-for-purpose. Making information simpler and more streamlined has helped to ensure our safety policies and procedures are easy to adopt. We will continue this work to improve the effectiveness and clarity of our HSE Management System in the year ahead.

### Senex Health, Safety & Environment Management System



## Future focus

The safety and wellbeing of our staff, contractors and communities is our first concern. We aspire to maintain the excellent safety record of zero recordable injuries that we achieved in 2021.

In 2022 we will:



implement a mental health management plan and resilience program



train all leaders in effective and authentic safety engagement



identify leading indicators that capture the quality of our safety interventions



implement improvements to our HSE Management System



implement a number of recommendations from the 2019 Brady Review\* focusing on competency and effective supervision, and hierarchy of control in managing safety risk

\*The Brady Review was commissioned in 2019 by the Queensland Department of Natural Resources, Mines and Energy to review all fatal accidents in Queensland mines and quarries from 2000 to 2019. The review delivered eleven recommendations for the regulator and industry, and was tabled in Queensland Parliament on 6 February 2020.

# Environment

The sustainability of Senex's operations relies on careful management of the natural environment. We manage the impacts associated with the production and supply of natural gas, and work with stakeholders to develop opportunities for beneficial use of by-products. We hold ourselves to high standards in supplying natural gas that provides a net benefit to society.



Pictured: The Queensland bottle tree, a prominent feature of the landscape in the Maranoa region

Illustration: Peta Crane

## Priorities



maintain record of environmental compliance and approvals



optimise our management and use of produced water



protect and preserve biodiversity values



implement initiatives to reduce waste

## Relevant UN Sustainable Development Goals



## Environment at Senex

Our approach to biodiversity, water and waste is aimed at ensuring impacts are managed appropriately and that opportunities to generate value are identified through collaboration and innovation.

In 2021, we maintained our focus on the reinstatement of non-operational land, offset our impacts on biodiversity value and directed 80 per cent of our produced water at Roma North to beneficial use, improving the drought resilience of a farming property.

### Our approach to managing environmental risks and impacts

Our Health, Safety and Environment Management System (HSEMS) and Environmental Management Policy govern our management of environmental risks.

The policy requires:

- employees and contractors to operate safely and environmentally responsibly
- assessment of potential impacts on the local environment to limit disturbance
- continual improvement in environmental standards, systems, controls and overall performance

To implement this policy we:

- educate employees and contractors in their environmental responsibilities to ensure compliance with laws, regulations, industry codes and standards
- report environmental incidents, determine the cause and, where appropriate, implement changes to prevent recurrence
- measure our performance through regular monitoring and reporting

Senex educates employees and contractors in their environmental responsibilities



## 2021 highlights



**>80% of produced water from Roma North directed to beneficial use**



**best-practice ecology surveys on all greenfield locations before disturbance**



**secured offsets for disturbed land in areas of high biodiversity value**



**100 tonnes of metal tubing recovered for reuse**



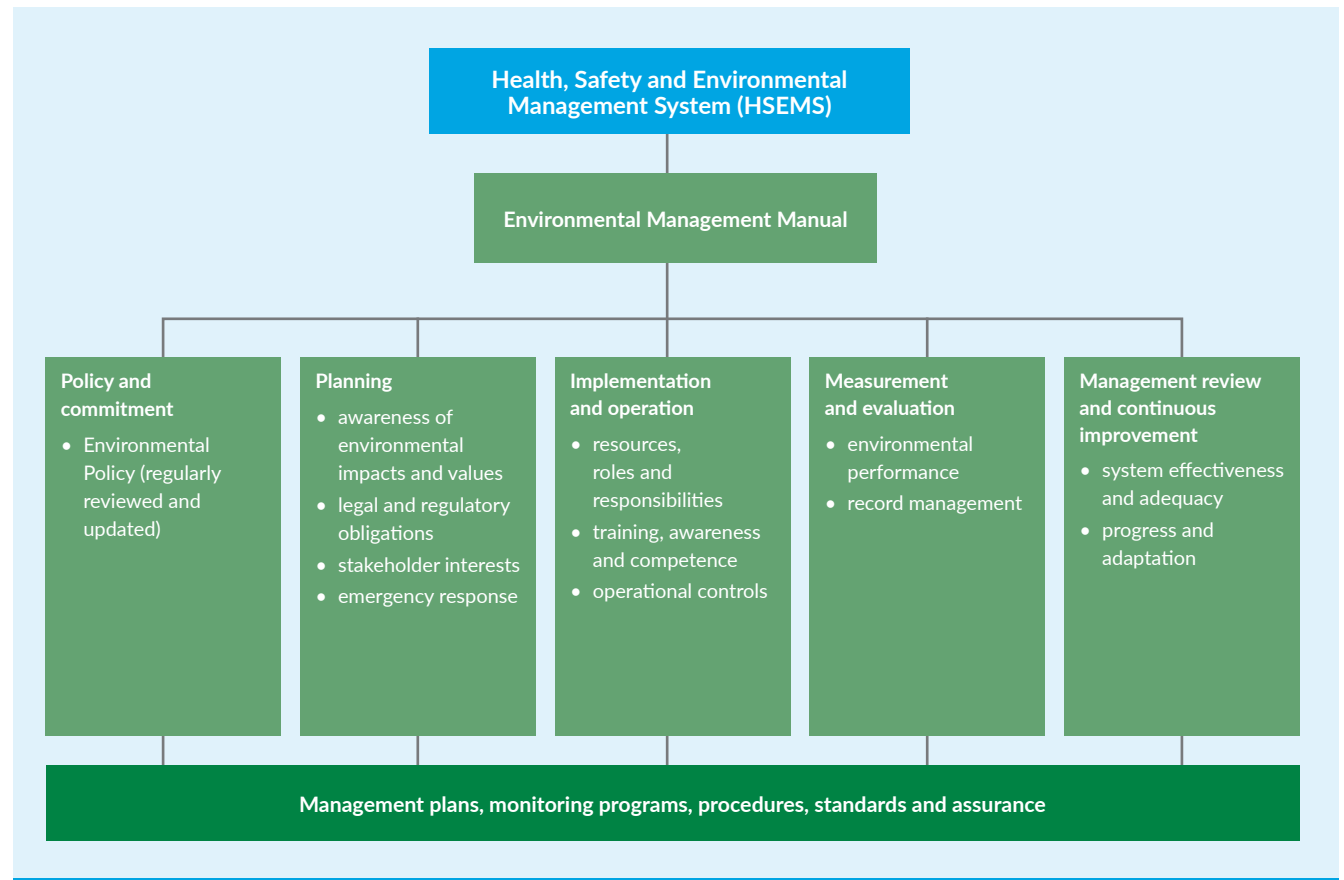
**partnered with local supplier to beneficially reuse drill waste to seal roads**

## Environmental Management Manual and Plans

Our Environmental Management Manual (EMM) is a framework for carrying out environmental management and ensures continual improvement. The manual supports our HSEMS and is aligned with the general principles of the ISO 14001 environmental management standard, guiding a range of approaches and activities from policies and planning to measurement of outcomes. The EMM is regularly updated in response to internal management reviews and changes to technology, industry practices, regulatory requirements, research, monitoring and community expectations.

In addition to the EMM, we have site-specific environmental commitments and control strategies at Roma North and Atlas. All Senex employees, contractors and sub-contractors must comply with the requirements in the relevant Environmental Management Plan for each site.

Environmental Management Manual framework



## Priority: Maintain record of environmental compliance and approvals

Senex operates in a responsible manner and is committed to high standards of environmental management. This commitment to managing impacts, aligned with our mission and values, is focused on:

- environmental risk management
- produced water management and groundwater monitoring
- biodiversity management

We operate in one of Australia's most highly regulated industries, in which the state and federal governments and regulatory authorities provide environmental permits, approvals and compliance conditions that we must follow.

We adhere to legislative requirements and permit conditions that define strict obligations for mitigating, managing and monitoring potential environmental impacts.

**The strength of Senex's approach enabled us to secure environmental approvals for Atlas and Roma North ahead of schedule. We clearly demonstrated how impacts would be appropriately avoided, managed or mitigated.**



## Reporting standards and frequency

Senex projects adhere to the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability. This includes regular performance review and assessment against the IFC Environmental Health and Safety General Guidelines and the Sector Guidelines for onshore oil and gas development.

Senex publishes an Annual Environment Protection and Biodiversity Conservation (EPBC) Compliance Report, addressing compliance with conditions of the federal approval between September and August each year. The 2020 report is available on the Senex website.

Senex also submits an Annual Report to the Queensland Government every March, covering our conformance with conditions of the state environmental approval in the previous calendar year.

Our approach to safe and responsible groundwater management, storage and beneficial use

# Respecting a vital shared resource

## Water

### Priority: Optimise our management and use of produced water

Water is essential to sustaining life, production of food and fibre, and industry.

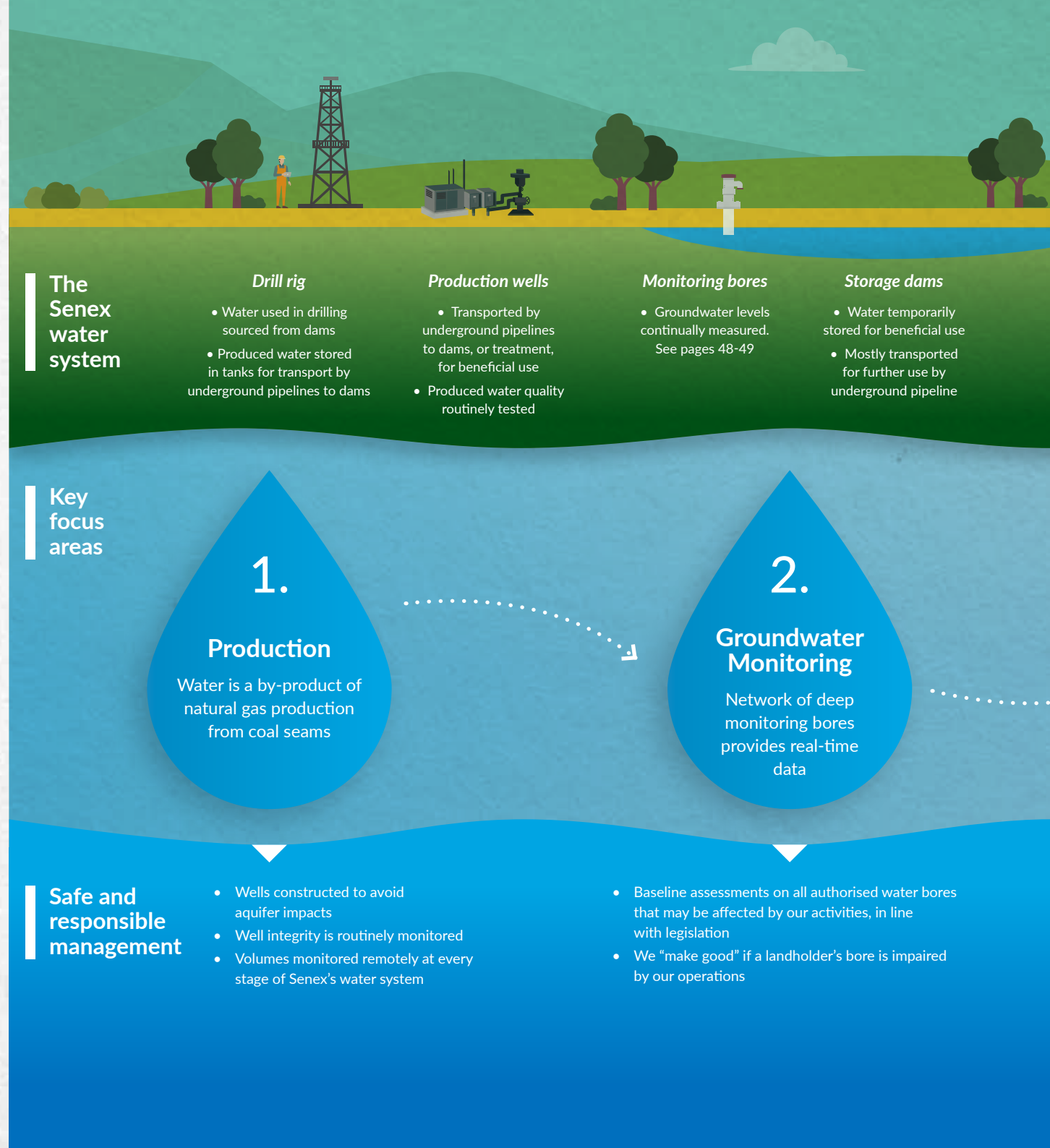
In the Surat Basin, natural gas is held in coal seams by water pressure. Pumping water from the coals lowers the pressure sufficiently for gas to flow to the surface.

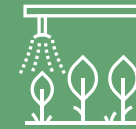
Therefore, water is a by-product of our operations and we prioritise the effective management and beneficial use of this water.

As we manage produced water, and the water used in our construction projects, we focus on responsible, efficient and transparent management practices. Understanding this resource through technical studies, as well as monitoring and managing impacts, is critical to the success of our activities.

We continually seek opportunities to:

- enhance efficiencies during production to minimise and manage the quantity of water produced
- increase beneficial use of produced water to benefit stakeholders
- ensure water-related impacts from our activities are minimised
- manage wastewater efficiently and effectively





More than 80% of produced water at Roma North was directed to beneficial use in 2021

**Treatment plant**

- Produced water naturally contains salts and other minerals
- Higher-salinity water at Atlas is typically purified by reverse osmosis

**Storage tanks**

- Reverse osmosis creates brine, which requires storage
- Brine is collected for further processing

**Agriculture**

- Senex has water supply agreements at Roma North and Atlas
- Lower-salinity untreated water at Roma North, or treated water at Atlas, can be used for irrigation. See pages 46-47

**Other beneficial uses**

- Dust suppression, drilling, well maintenance, land rehabilitation

3.

**Treatment and storage**

Senex treats water to 'fit for purpose' standards

4.

**Beneficial use**

Produced water is used for other purposes, reducing demand for fresh water from other sources

- We desalinate water only where salinity levels exceed regulations because the process is energy intensive and it generates waste in the form of brine that needs to be stored on site
- Brine is currently stored in engineered storage tanks
- Over time, brine is reduced to salt residue. Consistent with the industry's approach, Senex intends to store this residue in a regulated waste facility
- Dams and storage tanks designed to stringent regulations and integrity monitored in real time
- Shallow monitoring bores designed to detect potential seepage from storage facilities

- Beneficial use minimises waste and environmental impacts
- Routine monitoring of water quality and quantity
- All produced water is used in line with regulations, guidelines and environmental approvals



Two generations of Maranoa graziers, Jonty (left) and Trevor Kehl, stand under one of the three centre-pivot irrigation systems provided by Senex as part of a 10-year water supply agreement that has drought-proofed their grazing operation

### Treatment and beneficial use

Senex's preferred water strategy is to identify beneficial use opportunities for produced water that minimise waste and harm to the environment.

As part of our strategy, we work with landowners to understand their water quality and quantity needs and plan storage infrastructure for produced water. Existing beneficial use opportunities include small-scale stock watering, irrigation and feedlot water supply.

The method by which we treat produced water depends on the end use and salinity of the water.

Produced water of moderate to low salinity does not need to be desalinated and can be used for irrigation, provided that sulphur and gypsum are applied directly to the land to manage pH and sodicity. This is our approach for the Roma North irrigation project, in which Senex is supplying large quantities of produced water to the Kehl family's grazing operation (see opposite page). During the 2021 financial year, more than 80 per cent of produced water at Roma North was directed to the Kehl property, enhancing drought resilience and agricultural yields.

Produced water of higher salinity generally requires treatment by reverse osmosis for beneficial use in agriculture. This process is employed at Atlas, where Senex has entered a water supply agreement with a landholder and construction of related irrigation infrastructure has begun.

The by-product of this water purification process is brine. We use desalination via reverse osmosis only where unavoidable because it is energy intensive and requires concentrated brine waste to be stored on site. Where it is necessary to desalinate produced water for beneficial use, brine is stored in engineered storage tanks.

### Managing water-related climate risks

Senex's assets are in areas of medium water stress and extreme weather patterns. Senex's climate risk assessment for our assets has identified material physical risks of heat stress, fire and water scarcity in coming decades, with ramifications including social licence risks related to water rights. These risks are exacerbated in more extreme climate scenarios. To mitigate these risks, Senex will continue identifying and developing opportunities for beneficial use of produced water to support local adaptation and enhance water security.

### Growing benefits

There have been many advantages to beneficial use of produced water at Roma North since 2019. These include agricultural gains for our grazier partner and avoidance of resource-intensive water treatment and disposal processes for Senex.



**4,308 tCO<sub>2</sub>-e**  
emissions avoided



**200kg to 450kg**  
Cattle more than doubled in weight



**252,843m<sup>3</sup>**  
of brine avoided



**25,031 gigajoules**  
of energy saved



**80% of water**  
produced from Roma North  
beneficially used





## CASE STUDY: DROUGHT-RESILIENCE PROJECT – A WIN FOR NATURAL GAS AND AGRICULTURE

### Drought has well and truly broken for one Maranoa grazier.

Through a partnership with Senex, Trevor Kehl has tapped a large and long-term water supply that has transformed his property, 40 minutes' drive from Roma.

"It's more than a lifeline, it's like winning the lotto for a farmer," Trevor said. "If you've got rain, you've got food. Now, we've got rain on command and we've got feed for our cattle."

His property is the site of Senex's Roma North Irrigation Project.

The irrigation scheme uses water produced from Senex's natural gas wells at the Roma North project to irrigate more than 100ha of pasture that Trevor uses to feed his cattle.

Under the 10-year agreement, Senex has installed pipelines and irrigation equipment, including three centre pivots, to provide up to one megalitre a day to the property.

To ensure maximum crop yield the soil's chemistry is studied with electromagnetic surveys and the soil is tested every six months by an expert adviser. Water quality is routinely monitored.

For Trevor, summer and winter crops of Rhodes grass and forage barley have increased the quality, number and sale price of his breeder cattle.

"If you quickly do the sums, you work on four head per hectare, so that's a lot of cattle that we can feed," Trevor said.

"In a dry land situation, we'd sell the cattle progeny straight off mum at their peak of around 200 to 250 kilos.

"Now we're retaining those cattle and we're putting another 200 kilos on them so that's a win-win for us. It's more turnover and more money."

For Senex, the agreement means more than 80 per cent of water produced from Roma North is beneficially used, avoiding significant waste and energy production.

Senex Managing Director and CEO Ian Davies said he was extremely proud of the relationship and results.

"We're beneficially using the produced water from our natural gas development so that Trevor can increase crop yields and increase feed for his cattle. It's a win-win all round," Ian said.

"It absolutely has turned his farm around, and this is the thing with coal seam gas: when you get the formula right between the gas company and the landholder both parties can really win."

**IAN DAVIES**

Senex Managing Director and CEO

Produced water has turned around the fortunes of Maranoa graziers Trevor and Jonty Kehl, whose cattle have doubled in weight since the irrigation scheme began





Drilling of a groundwater monitoring bore – one of several Senex has drilled to provide real-time data

## Groundwater

Senex produces natural gas from a geological formation of the Surat Basin known as the Walloon Coal Measures (the Walloons).

This formation is typically around 200 to 400 metres thick.

The Walloons are bounded on either side by aquifers – bodies of rock that contain groundwater – and aquitards, bodies of rock that restrict the flow of water from one aquifer to another, partially or completely.

When a well is drilled into the coals and groundwater is pumped out (ie. produced water), the pressure in the coals is reduced and natural gas is released to the surface.

Some water bores drilled by farmers extend into the Walloons and could, therefore, be impacted over time by Senex's activities. Impacts may include reduction in water levels, impaired production rates, and possibly (over time) gas appearing in the bores.

Productivity of bores that source water from adjacent aquifers could also be impaired if a well enables water to flow from those aquifers.

To prevent such impacts Senex:

- constructs wells with steel and cement to isolate the Walloon Coal Measures from other aquifers
- uses advanced techniques to determine the exact location of aquifers
- monitors water production rates and composition to detect leaks, which we repair

## Monitoring

Senex undertakes baseline assessments on water bores that might be impacted by our activities and maintains ongoing monitoring to assess impacts on these bores over time.

Queensland's Office of Groundwater Impact Assessment (OGIA) predicts impacts from current and planned natural gas development in the Surat Basin through a regional groundwater flow model.

Impact predictions are revised every three years and reported in an Underground Water Impact Report (UWIR).

Under the *Water Act 2000* (Qld), natural gas producers are required to monitor groundwater and related springs, and provide water production and monitoring data.

Senex has built groundwater monitoring bores that provide data in real time and we share this with OGIA, along with information on planned developments and operations.

Monitoring data indicates that our impact on adjacent aquifers will be minimal.

## Make good

Senex is required by law to minimise potential impacts to aquifers resulting from the extraction of groundwater in the Walloons, and to "make good" any impacts that do eventuate.

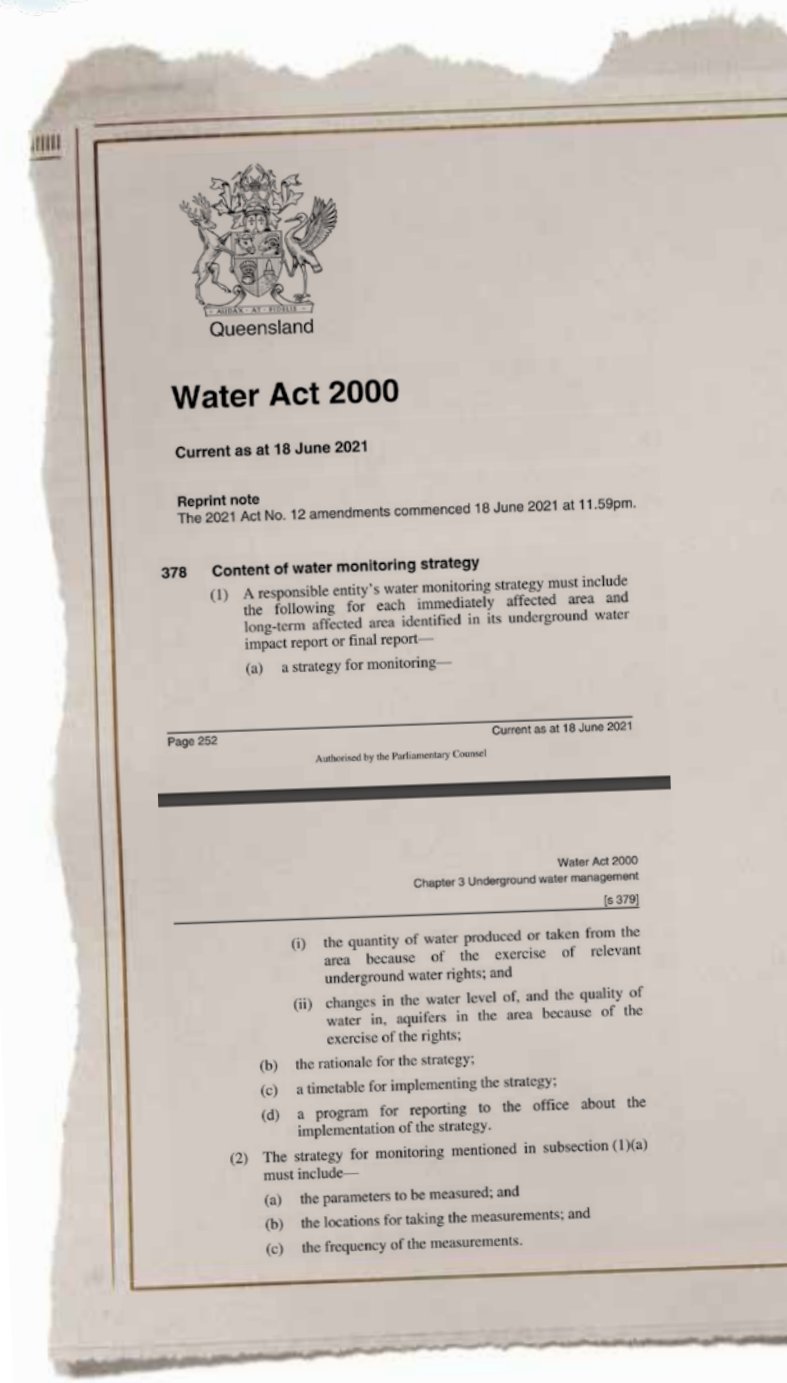
As part of a "make good" arrangement, Senex is obliged to provide affected bore owners with access to alternative groundwater sources. This includes the safe decommissioning of gassy water bores, if required, to ensure there are no uncontrolled methane emissions or impacts on surrounding aquifers.

In the case that a landholder's bore is impaired (or likely to be impaired) by our operations, Senex enacts "make good" arrangements.

Senex has "mandatory" "make good" arrangements with landholders who own bores identified in the UWIR as being in affected areas, as well as "voluntary" agreements where Senex expects that future gas operations may impact bores.



A water monitoring bore near Senex's Atlas development  
Credit: Queensland Government



## Biodiversity

### Priority: Protect and preserve biodiversity values

Senex avoids and minimises potential environmental impacts where feasible, to promote preservation of biodiversity values. As a greenfield onshore gas developer, we do this through detailed environmental assessments across proposed project areas and construction sites. We prioritise constructing our wells and infrastructure in already cleared areas to avoid further impacts on vegetation. Where this is not feasible, we monitor, measure, mitigate, remediate and/or offset any impacts on local ecosystems and biodiversity.

#### Biodiversity value

Before starting a development, Senex does an environmental impact assessment of proposed activities. Field surveys are undertaken to ensure the environmental values are well understood. Monitoring and management plans are prepared to ensure the impacts are mitigated as much as is feasible. Then, Senex begins the environmental approval process with both State and Commonwealth regulators in which comprehensive submissions are made that include the project description, environmental impact assessments and proposed monitoring and mitigation plans. Authorisation of a project, following rigorous government assessment, generally includes a range of conditions.

Before obtaining approval for Roma North and Atlas, Senex prepared reports on possible biodiversity values based on identification of threatened species and the likelihood of their presence. Environmental approvals were granted alongside stringent conditions committing us to biodiversity management processes for construction of new wells, pipelines or other project activity. These processes include a constraints protocol, rehabilitation plans and offset management.

#### Constraints protocols

Our detailed assessment before every construction activity:

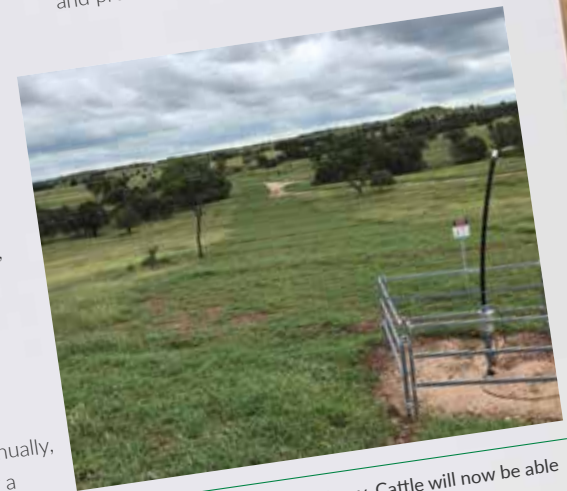
- ✓ authorised activities
- ✓ protection of environmental values
- ✓ operating standards, including documentation, plant and equipment, contingency and emergency response, soil management, chemical storage, waste management, treated sewage and financial assurance
- ✓ well or pipeline planning and construction conditions
- ✓ fauna management
- ✓ reinstatement and revegetation
- ✓ post-construction conditions, including operations, maintenance and decommissioning
- ✓ final acceptance criteria for rehabilitation
- ✓ monitoring and reporting requirements
- ✓ other biodiversity values, including presence of endangered, vulnerable or near-threatened plants or fauna under Queensland's Nature Conservation Act 1992; presence of any threatened plant species or communities under the federal Environment Protection and Biodiversity Conservation Act 1999; and presence of any restricted weeds

#### Rehabilitation plans

Senex takes a staged approach to rehabilitation guided by the phase of a project or asset life cycle.

Following construction activity, non-operational land is progressively reinstated. We rehabilitate all disturbed land for pipelines, which are buried underground, and reduce the area of well sites by nearly 50 per cent, which allows for operations and maintenance. Following decommissioning of well sites, all land is rehabilitated.

The average operational life of our assets, which are mostly production and monitoring wells, is 20 to 30 years. Forecast rehabilitation costs are reviewed annually, with funds retained to cover remediation as part of a state government financial assurance scheme.



A reinstated gathering right of way. Cattle will now be able to graze this area.



## CASE STUDY: IMPROVING HABITAT AT APPLE TREE CREEK

### Offset management

Where it is not feasible to avoid an impact on an environmentally significant species or habitat, Senex contributes to a biodiversity offset scheme that compensates for impacts on one site by managing land at another site that has similar habitat. This ensures that its environmental values are improved.

When project biodiversity values trigger state and national offset requirements, Senex prepares a biodiversity offset strategy. This strategy identifies expected offset requirements and nominates a plan to achieve them.

At Roma North, biodiversity values assessments identified potential for residual impact on matters of national environmental significance. Potential impacts related to threatened species and ecological communities, particularly habitat for the koala, yakka skink, collared delma and dunmall's snake.

These assessments also identified some potential for residual impact on matters of state environmental significance that required offsets, including prescribed regional ecosystems, habitat connectivity and protected wildlife habitat. This included clearing within a defined distance from a watercourse and habitat for the koala and yakka skink.

These impacts necessitated offsets, requiring Senex to establish a land-based offset scheme at Apple Tree Creek. Financial settlement offsets, managed by the state, are also used for small standalone tracts of land.

In 2021, our land-based offset program continued at the Apple Tree Creek offset site. Financial offsets were approved to cover the clearing and construction of 15ha in the Juandah State Forest.



In 2019, Senex established the Apple Tree Creek offset site, about 100km northwest of Roma. Local landholders manage the 168ha woodland area, which is linked to the Merivale River – a recognised riparian biodiversity corridor – and Oakvale State Forest.

The Apple Tree Creek offset area is in a degraded condition and represents a regrowth regional ecosystem of concern. The objectives and outcomes of the management area are to enhance the habitat connectivity along Apple Tree Creek and improve watercourse vegetation and habitat.

Between September 2019 and August 2020, Senex had cleared 57ha of potential habitat for koalas and yakka skink in the construction of wells, gathering pipelines, right-of-way corridors and related activities.

In the same period, the extent and condition of habitat for the koala and yakka skink within the 168ha offset area, which is more than double the size of the cleared land, had improved. Senex will continue to monitor these improvements.

## Waste

### Priority: Implement initiatives to reduce waste

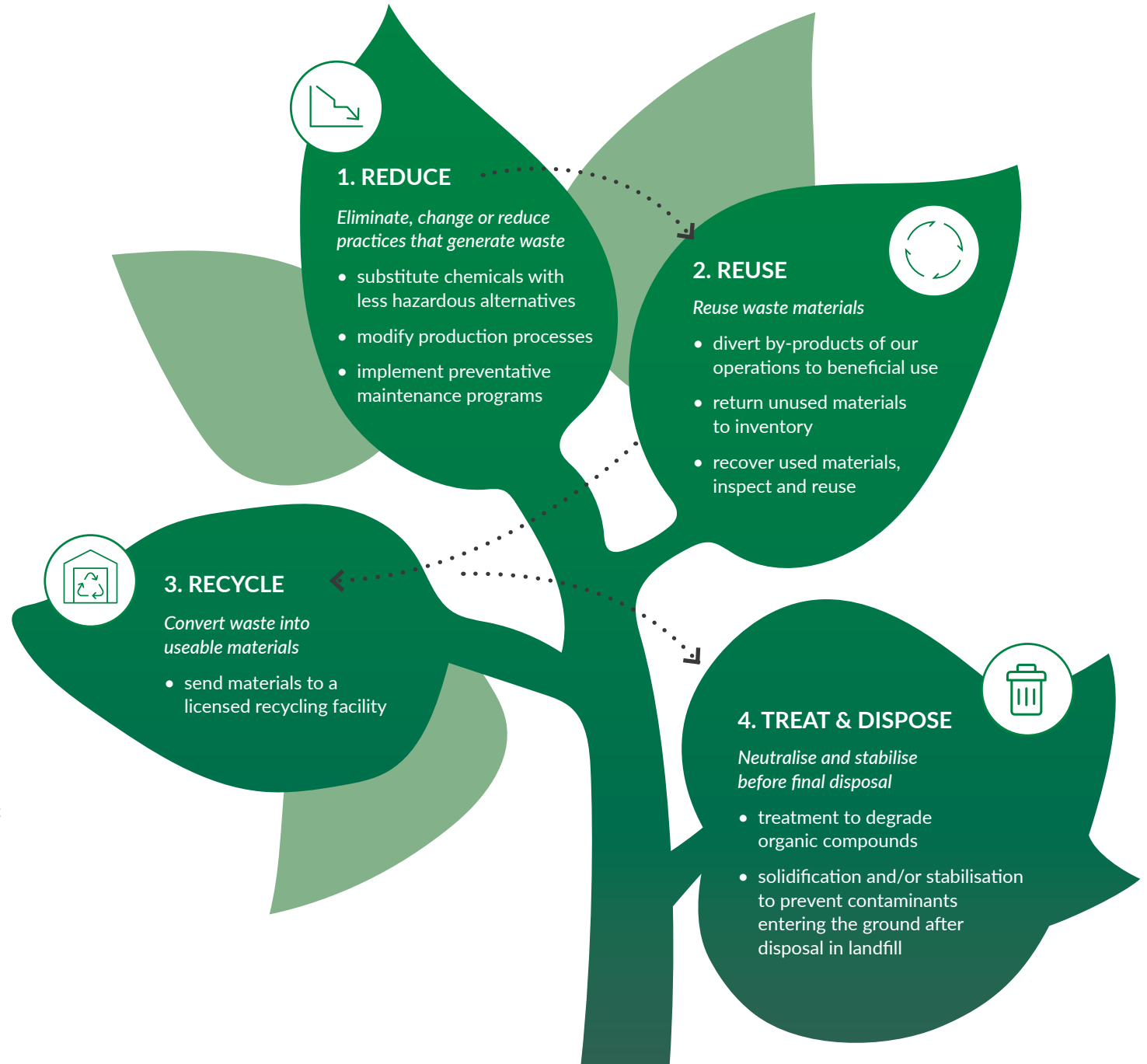
At Senex we manage waste to avoid, minimise or mitigate potential impacts on the environment. Where possible, we use the by-products of our operations for beneficial use. We use a variety of systems and procedures to mitigate the following risks:

- inappropriate waste disposal or accidental release to land or waters
- inappropriate disposal or inadequate reuse and recycling creating increased burden on the environment
- inappropriate storage, handling and disposal of waste impacting wellbeing of people and the environment

Hazardous and non-hazardous wastes are generated through the following activities across our operations:

- drilling, operation and decommissioning of wells
- separation and treatment of produced fluids
- equipment operations and maintenance
- operation of camp, office and processing facilities

We use a waste management hierarchy to prioritise strategies to reduce and reuse waste materials from our operations wherever possible (see following page for case study). When waste is generated, we engage licensed recycling operators to turn waste into usable materials where this is feasible. Our least preferred option is disposal at regulated waste facilities.





## CASE STUDY: REDUCE AND REUSE STEEL TUBING

Senex has reused about 100 tonnes of steel pipes from our production wells as part of our focus on reducing and reusing waste materials.

We have used Coho Resources, a drilling services company based in Roma, to assess pipes used in construction and operation of our production wells for safe reuse in other wells. Pipes that do not meet safety standards may be offered to landholders for beneficial uses such as fencing.

“Through inspection, we have been able to reuse more than 40 per cent of the steel tubing recovered from pump

maintenance activities that would otherwise have been sent to scrap metal because its condition was unknown,” Senex Senior Drilling Engineer Gonzalo Vazquez said. “This has saved up to \$6,500 per well in some cases and our focus on reuse and local partnering has reduced CO<sub>2</sub> emissions.”

In 2020, 210 tonnes of CO<sub>2</sub> were avoided because new steel did not need to be made or shipped.

In the future we plan to apply data analysis and machine learning to reduce and reuse the amount of steel tubing waste from our operations.

### PIPE DREAMS – BENEFITS OF REDUCING AND REUSING PIPES

- financial savings from reuse
- maximise lifespan of construction materials within accepted parameters
- partnership with local supplier for inspections and recycling
- improved inspection protocols to avoid wear-related failures
- historical data prepared to enable future digital monitoring
- reduce carbon footprint by using less imported steel



## Future focus

The sustainability of Senex’s operations relies on careful management of the natural environment. Our approach is to manage the environmental impacts associated with the production and supply of natural gas, and work with stakeholders to develop opportunities for beneficial use of by-products.

In 2022 we will:



direct all produced water to beneficial use wherever feasible



reinstate 100% of land disturbed for new construction within 12 months



explore an innovative circular economy solution for drill waste that would enable its use in other industries



leverage our digital capability to streamline and automate environmental reporting

# Community

Senex strives to be a good neighbour and an active member of the community. We seek to understand and address the needs and concerns of our community stakeholders. Our approach is to employ local people, spend with local businesses and partner with local organisations on initiatives that create mutual benefits.



Pictured: Senex Government and Stakeholder Relations Manager Trevor Robertson presents Shari Knudsen with the sash for the Senex Energy-sponsored Restricted Open Draft at Eumamurrin

Illustration: Peta Crane

## Priorities



maintain quality engagement with landholders, Traditional Owners and the local community



continue to invest strategically in communities to maximise our positive impacts in the long term



increase opportunities for local procurement and employment

## Relevant UN Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



11 SUSTAINABLE CITIES AND COMMUNITIES





## Senex in the community

Senex understands that establishing, maintaining and enhancing community support is critical to developing and operating our natural gas assets.

The idea that communities should benefit as much as possible from our presence is at the heart of our approach. We do that by building quality relationships, being transparent and accessible, and consistently delivering what we promise.

Strong relationships with our communities are good practice, and they reinforce our reputation as an operator of choice.

We are focused on actively engaging with, and investing in, communities and maximising their involvement in our activities.

## Community engagement

### Priority: Maintain quality engagement with landholders, Traditional Owners and the local community

Senex believes it's important to be a good, considerate neighbour. There are many stakeholder groups across our local communities. Each has its own interests, priorities and needs. The development of Stakeholder Engagement Plans for every project ensures our stakeholders can have their say about what's important to them.

### Snapshot of landholder engagement in 2021



## Landholders

Senex takes time to understand our landholders' agricultural operations and how they manage their properties. We ensure landholders' rights are respected and look for ways to locate and install our infrastructure to minimise disturbance. In this way, farming, grazing and our natural gas operations can meaningfully co-exist.

Since we began operations in the region in 2015, only three complaints about Senex operations have been made to regulators, and none in 2021. As Senex grows, we will continue to work with landholders to reach mutually beneficial long-term agreements.

Our guiding principles for landholder engagement are:

- early, honest and genuine engagement; in-person wherever possible
- transparent and timely discussions focused on realistic expectations and shared learning
- maintain courtesy and respect in all interactions
- take a fit-for-purpose approach, tailored to each situation
- use recent and relevant property valuations as a basis for compensation agreements
- follow agreement precedence and maintain consistency in terms and conditions

## 2021 highlights



engaged in more than 30 community partnerships



invested more than \$240,000 in local community initiatives



spent more than \$16 million with 122 local businesses (17% of our total supplier base)



zero complaints recorded from 2188 individual landholder interactions

## Traditional Owners

### Our approach

Indigenous people have a rich and continuing connection to the land where we operate. Working with the Traditional Owners of the land over which we hold tenement rights, and developing and maintaining collaborative and mutually beneficial relationships, is a key part of our activities.

Our approach to cultural heritage and native title is based on open engagement to understand the needs and objectives of Traditional Owners. Our policies and procedures, including our Indigenous Engagement Policy, Cultural Heritage and Native Title Management Procedure and Mandandanji Cultural Heritage Induction Procedure, support our approach.

### Indigenous engagement and agreements

We have Cultural Heritage Agreements with Traditional Owners in Queensland and have established Native Title Agreements with the Mandandanji and Iman peoples.

We have commenced Native Title Agreement and Cultural Heritage Management Agreement discussions for our Artemis and Rockybar exploration tenures.

### Cultural awareness and Indigenous participation in our value chain

Senex supports Indigenous training, education and business participation programs, and places a high importance on cultural awareness and heritage protection. We provide training to ensure employees, contractors and visitors are aware of the cultural heritage in our operating areas and of their responsibilities and obligations to respect and protect it. We also engage with local native title groups to perform cultural heritage clearances in the areas where we intend to conduct activities.

## Our approach to cultural heritage

Before starting any projects, Senex seeks to identify and understand geographical areas of significance to Traditional Owners.

In 2021 several cultural heritage field surveys were undertaken by Traditional Owners, surveying well sites, access and gathering line routes and uncovering a number of significant artefacts.

GPS markers recorded the locations of the artefacts to guide Senex operations away from culturally sensitive areas. The location markers will inform our ongoing cultural heritage monitoring activities with the Traditional Owners.

As we carry out cultural heritage field surveys, Traditional Owners provide Senex with valuable information to ensure cultural heritage is preserved. We work with Traditional Owners toward agreed outcomes by:

- re-aligning access routes around culturally sensitive areas
- seeking to minimise disturbance of artefacts and, where we are unable to avoid this, working with Traditional Owners on how best to minimise impacts respectfully
- jointly monitoring of works with Traditional Owners during the civil construction phase



Cultural Heritage officer Joshua Delaney, of the Mandandanji People, recording a scarred tree

### Snapshot of Indigenous engagement in 2021



40

People attended face-to-face inductions with the Mandandanji People



26

People completed Senex's online induction into Iman culture before travelling to site



6

Cultural heritage clearance surveys with the Iman People (four for Atlas and two for Roma North)



3

Cultural heritage clearance surveys with the Mandandanji People for Roma North



4

Total groups of Indigenous Australians engaged



2

Cultural heritage meetings were held (one with the Iman People and one with the Mandandanji People)

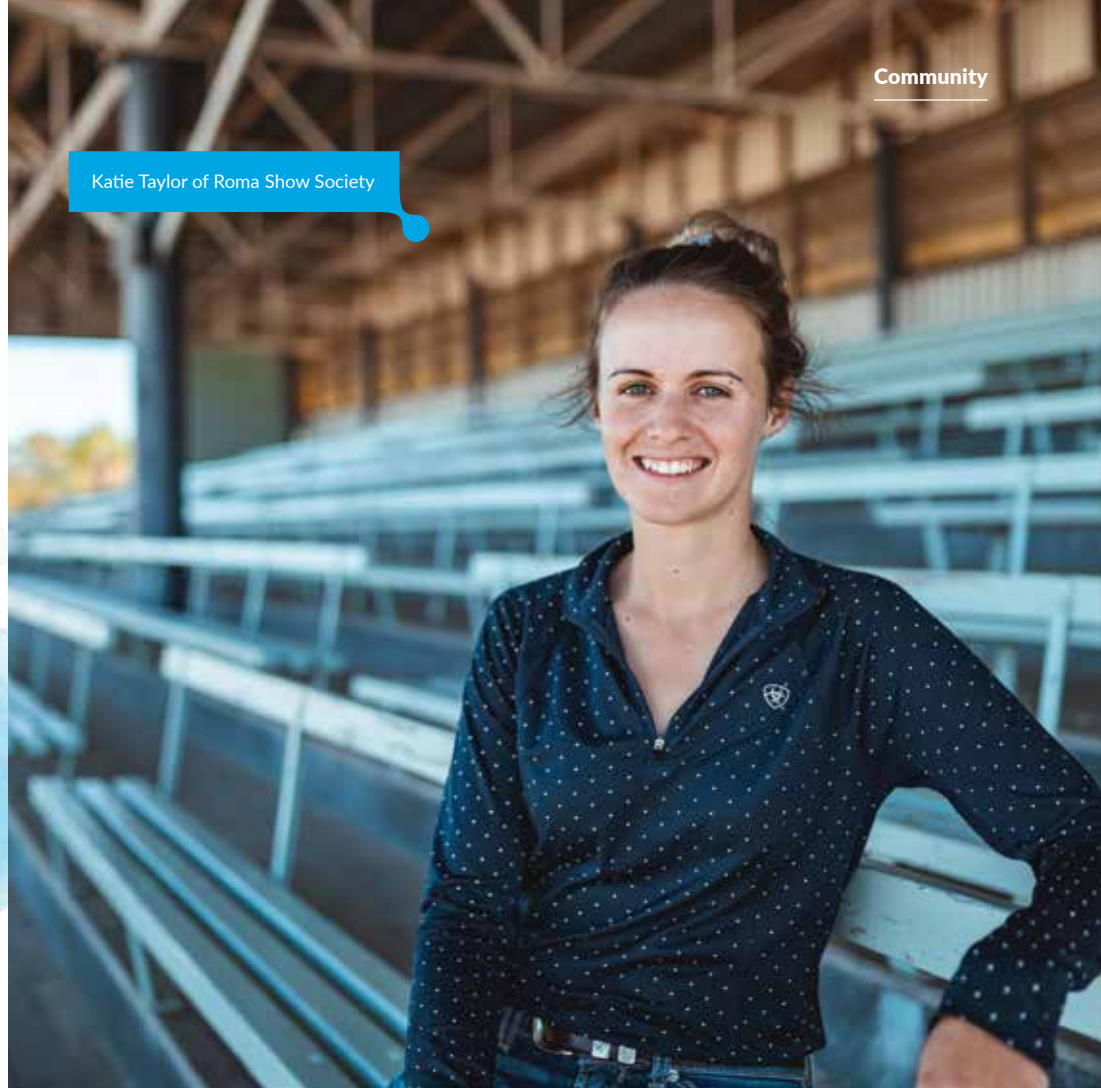


### CASE STUDY: MOEC

We also encourage qualified local Indigenous people and businesses to apply for opportunities with Senex.

A recent initiative reflecting Senex's Indigenous Engagement policy was the award of a multi-year construction contract to certified Indigenous business Moec, based in Chinchilla. Moec will install gas and water gathering systems associated with the drilling program across our Roma North and Atlas assets. We view this as an opportunity to provide local employment opportunities while upskilling members of the community, particularly Indigenous Australians. We look forward to developing this mutually-beneficial partnership with Moec.

Katie Taylor of Roma Show Society



### Other community stakeholders

We work hard to understand what's important to our community stakeholders. This includes regular interaction, discussions and initiatives with local councils, engagement and support of local commerce and industry associations, and annual information sessions.

Our local community engagement is strengthened and supported by our community investment program, which promotes long-term partnerships that empower and sustain the regional communities where we work.

Pictured is Katie Taylor of Roma Show Society, a recipient of the Senex-sponsored small grants category of Maranoa Regional Council's community grants program.

# Partners for long-term benefit

## Priority: Continue to invest strategically in our communities to maximise long-term impact

We seek to build vibrant and sustainable communities in line with our core value of Winning Together.

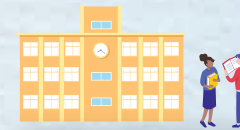
Our community investment strategy is founded on long-term community partnerships that promote vibrant and sustainable communities.

In 2021, we invested more than \$240,000 in local communities. Long-term partnerships continued throughout the year, focused on improving liveability, economic development, skills capability, quality education and access to health services.

We enjoy witnessing the impact of our investment through the success, growth and sustainability of the community partners we support, and through the services and benefits their initiatives deliver.

Over the coming years we will focus on improving our process for tracking and quantifying the impacts of these investments so that we can more effectively monitor and direct our contributions so that they generate the best community outcomes.

The infographic at right shows examples of our investment in action.



### Education



**Activity:** Queensland Minerals and Energy Academy partnership to support STEM education in Roma secondary schools

**Outcome:** students encouraged to study STEM subjects

**Activity:** funded three education bursaries for student members of the Iman People of Central and South-West Queensland

**Outcome:** improved education



### Economic Development



**Activity:** doubled funding for small community grants in partnership with Maranoa Regional Council\*

**Outcome:** enhanced sustainability of local organisations



### Sport and Recreation



**Activity:** support for Eumamurrin Campdraft

**Outcome:** funds raised for Eumamurrin community hall and surrounding recreation facilities

**Activity:** purchase of picnic tables and seating for Surat community swimming pool\*

**Outcome:** encourages family participation in water sports



**Activity:** funded accessibility improvements at Injune and District Men's Shed\*

**Outcome:** ensures physical access for all



**Activity:** 10-year partnership with Royal Flying Doctor Service

**Outcome:** 24/7 medical support, and life-saving medical chests in Surat Basin starting with Roughlie community



**Activity:** cultural sites survey for the Gunggari People of South-West Queensland\*

**Outcome:** enabled identification and protection of cultural sites

WANDOAN

A5

Arts and Culture



**Activity:** major sponsorship of Wandoan Photo Challenge

**Outcome:** promotion of Wandoan and district



Health



**Activity:** support for Surat Hospital Auxiliary Fete\*

**Outcome:** funds raised for local health services

MITCHELL

A2

A55

ROMA

A2

ROUGHIE

EUMAMURRIN

INJUNE

SURAT



**Our community investment approach**

Community investments are selected to ensure they:

- contribute to community sustainability and long-term partnerships
- focus on liveability, economic development, quality education and access to health services
- align with local governing bodies' strategic focus areas
- align with the interests of key stakeholders

\* Jointly funded with Maranoa Regional Council

Long-term investments for sustainable Surat Basin communities



CASE STUDIES

SUPPORT FOR STEM EDUCATION AND REGIONAL STUDENTS

SMALL GRANTS OFFER BIG WINS FOR LIFEBLOOD COMMUNITY PROJECTS

“We very much appreciate Senex’s commitment. It’s only through such industry support that we can bring the world of work into the classroom and help encourage students to continue with high-level STEM studies into their senior school years and beyond.”

**KATRINA-LEE JONES**  
Queensland Resources Council  
Director Skills Education and Diversity

Our engineers, data scientists and STEM graduates are committed to mentoring and inspiring the next generation of leaders and technical experts in the energy sector.

In 2021, Senex again partnered with Queensland Minerals and Energy Academy (QMEA), the skills and education arm of Queensland Resources Council, to deliver exciting, hands-on learning experiences for Roma students.

Senex representatives – including engineer Mary Kwong (pictured above, left) – joined the STEM-focused workshops to help students connect the dots between classroom learning and real-world applications.

**“We are keen to engage with students and teachers to demonstrate the variety of career options in natural gas,” Senex CEO Ian Davies said.**

**“Our industry is one of the few where young people can return to, or remain in, their local community following study or training to take up highly-skilled and paid careers.”**

Senex’s commitment to supporting education includes a five-year commitment to help disadvantaged and low-income students from regional Queensland through the QUT Learning Potential Fund. Since 2018, one student each year has received a scholarship to study for a degree at QUT. The remaining investment stays in an endowment fund to provide a scholarship each year in perpetuity.

Through a partnership with the Maranoa Regional Council, Senex helps fund community grants that support local organisations and sporting clubs in completing projects, buying equipment and hosting events.

Since the first grant in 2019, Senex has contributed more than \$45,000 to projects including re-surfacing a football field in Roma and buying a life-saving defibrillator for Yuleba and District Bowls Club. Roma Life Christian Church used a small community grant to buy much-needed kitchen equipment and installed child-safety fencing to separate a car park and play area.

**“For Senex to get involved, particularly with organisations that give back to the community, that really makes Roma a better place for everyone who comes from quite a distance to enjoy what we have to offer,” Roma Life Christian Church Pastor Shane Wallis (pictured) said.**

Senex is proud to partner with the Maranoa Regional Council for a third year. Other organisations to receive funding include the Surat Hospital Auxiliary, Roma Show Society, Rotary, Zonta, Country Women’s Association, Injune Men’s Shed and the Gunggari Native Title Aboriginal Corporation.



## SENEX SPONSORSHIP CREATES MORE THAN A COLOURXPLOSION IN ROMA

The Senex ColourXplosion is an annual fundraiser for Maranoa PCYC and an Easter Sunday tradition. Senex has been a major sponsor of the event since 2018. More than 400 people participated this year – a record – providing more than just a colourful highlight to local communities.

Roma-based police Sergeant Dion Horn said the roads were painted as rainbows.

**“It was magnificent and without Senex to help us we just wouldn’t be able to continue with the event,” Sergeant Horn said.**

Senex is proud to support activities like this that provide a bright spark on the local calendar while supporting Maranoa PCYC to deliver services to the community, particularly to young people who are at risk, disadvantaged or disengaged.

The PCYC ColourXplosion is one of many events Senex sponsors across the Maranoa and Western Downs. Others include the Roma Show, Wandoan Photo Challenge, school trivia nights and community sporting and social functions.



## SENEX AND THE ROYAL FLYING DOCTOR SERVICE: \$1 MILLION COMMITMENT TO SUPPORT RURAL COMMUNITIES

In the 2021 financial year, Senex extended its commitment to The Royal Flying Doctor Service (RFDS) Central Operations to more than \$1 million, supporting communities in rural and remote South and Central Australia.

The additional \$300,000 pledged in a three-year major sponsorship will support the ongoing operation of aircraft like the Senex-badged flying intensive care unit that transports up to 1,000 patients a year from remote South Australia to major hospitals.

Senex’s contribution ensures 24/7 aeromedical support for workers, visitors and people living almost 1,000 kilometres north of Adelaide in the Cooper-Eromanga Basin. Our support also extends to other RFDS services including fly-in GP and nurse clinics, dental clinics and 24/7 telehealth services for remote communities.

In 2021, our support also extended to helping the RFDS in Queensland deliver life-saving medical chests to property owners and communities across rural and remote western Queensland.

Our partnership with the RFDS began in 2013 and we are proud to support the RFDS as it brings world-class medical care to remote communities.

In 2021, the Senex-badged aircraft:

- flew over 480,000 kilometres throughout South Australia and beyond
- airlifted 979 patients from 58 different country hospitals and outback locations to major hospitals for specialist care or life-saving treatment
- transported primary health care teams to deliver four ‘fly-in’ community health clinics to remote communities
- transferred four suspected COVID-19 patients under full PPE protocol

Pictured at the announcement of the medical chests are, from left, Federal Defence Minister Peter Dutton; Senex Managing Director and CEO Ian Davies; Federal Emergency Management Minister and Member for Maranoa David Littleproud; and Queensland RFDS Board member Bruce Scott.

## Community involvement

### Priority: Increase opportunities for local procurement and employment

Senex promotes significant socio-economic development through the creation of local jobs and business opportunities.

Over the coming years we will also develop a policy and initiatives that support living locally and create vibrant and sustainable communities in the areas where we operate.

#### Local employment

Senex gives priority to local candidates where they have the required skills and capability, and we strongly encourage our contractors to do the same. We currently have 30 regionally based roles in Wandoan and Roma.

Where we are unable to find local candidates, we look to relocate new employees to the local area. Where our employees and contractors must travel from surrounding areas to work, we provide flow-on benefits to local Surat Basin businesses by using established accommodation to house our non-local workforce.



## CASE STUDY: BUILDING SKILLS AND CAPABILITY IN LOCAL COMMUNITIES

When Senex was unable to successfully recruit local Production Operators for our Roma North and Atlas operations, Field Superintendent Paul Boland suggested that instead of looking for someone with all the skills, we look for a great person first – and then train them to do the job.

“We had tried online, local newspapers, agency support and word of mouth, to no avail. Creating a locally-based traineeship offered a solution where we could boost our future talent pipeline and provide a significant opportunity for someone in the local community,” said Paul.

Roma-local Matt Foster, pictured, said he jumped at the trainee Production Operator opportunity when it came up early last year.

“I had recently completed my electrical apprenticeship and was looking for a way to get back into the gas industry,” Matt said.

“It’s hard to advance your career in Roma as a domestic electrician. This role has enabled me to stay in Roma with my family while advancing my career.”

“I’ve really enjoyed learning on the job with Senex and look forward to growing with the company as it grows.”

Matt is completing a Certificate III in Process Plant Operations while working as a trainee Production Operator.

Paul Boland said the trainee role is critical to production at Senex and that Matt has been a great addition to the team.

“Matt is developing into an extremely versatile and valuable employee,” Paul said.

TAFE Queensland and Australian Apprenticeship Support Network help manage the training contract.





### Local procurement

Senex buys goods and services from local businesses wherever possible. Local content is a priority criteria when considering vendors. We engage local enterprises early, sharing updates and explaining the types of goods and services we'll need. We contact local suppliers about relevant work packages and use media to promote local content contracts.

We have a firmly established practice of using family-run and locally owned accommodation providers to house employees and contractors. Our crews in the Surat Basin wear their uniforms with pride knowing much of their workwear and safety apparel is sourced from locally owned businesses in Roma.

More information about local procurement can be found on page 67 in our Value Chain section.



### CASE STUDY: LOCAL SUPPLIERS PROTECTING PEOPLE AND JOBS

Roma's fire safety and training expert Rick Grinsell, said his small business survives because companies like Senex buy local.

Romafire and First Aid started working with Senex in 2017, servicing fire extinguishers, and has since fitted out Senex operations across gas fields near Wandoan and Roma. He plans to employ two apprentices in the next six months – jobs that would not be created without the certainty of these contracts.

“Senex prefers to deal local and that is incredibly important for the local economy. The multiplier effect of every dollar makes a big difference,” Rick said.

More than just money spent in local businesses, Senex's policy to employ locals has a considerable impact.

“The thing about Senex is they have people living here. And when you contribute to a small community, eventually you help employ a teacher, nurse or local police. It just helps to keep the whole fabric of society together.”

Through his involvement with the local Lions Club, Rick sees more positive effects of Senex's support every day. “Without businesses like Senex getting behind us, community groups suffer. Once you lose community groups, you lose the community,” he said.

In the past two years, Senex has invested almost half a billion dollars into Atlas and Roma North and supported more than 50 businesses across the region. Our next phase of expansion in the Surat Basin over the coming years will further help local business, communities and local economies.

### Future focus

Senex strives to build long-term, trusted partnerships with our valued stakeholders. We will be part of our host communities for decades and are committed to ensuring local people, businesses and community initiatives thrive in the long term.

In 2022 we will:



**build and strengthen relationships with new Indigenous groups across our exploration tenures**



**continue proactive engagement with landholders to reach mutually beneficial long-term agreements**



**enhance data capture systems to better monitor and evaluate the value and impact of our community contributions**



**develop initiatives that support living locally**

# Value chain

Sustainability goes beyond our own operations to suppliers, contractors, customers and communities. Extensive collaboration with stakeholders across our value chain is critical to high performance and meeting our ambitions for a low-carbon future. We seek to be a partner of choice, working together to deliver a more sustainable future.



Pictured: Our natural gas is used to create items used in everyday life, such as the glass drink bottles depicted here on a customer's production line  
Illustration: Peta Crane

## Priorities



encourage sustainable practices across our supply chain



collaborate with key suppliers to deliver sustainability outcomes



work with customers and suppliers as they transition to a low-carbon future

## Relevant UN Sustainable Development Goals

7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION







## Priority: Encourage sustainable practices across our supply chain

Senex seeks to maximise value for its shareholders through effective management of the contracts and procurement discipline. Our Contracts and Procurement (C&P) Policy sets guiding principles that inform how we procure goods and services across all company activities.

In the year ahead we will update our C&P Policy and Standards to ensure sustainability principles are firmly embedded in all aspects of our sourcing activities.

### Contracts and Procurement Framework

CONTRACTS AND PROCUREMENT POLICY				
<b>Pillars</b>	<b>Strategy</b> Comprehensive sourcing strategies with input from all relevant stakeholders will provide clear objectives, plans and commitments	<b>Sourcing</b> A fit-for-purpose sourcing process enables the efficient delivery of goods and/or services in line with our strategies	<b>Management</b> Clear post-award management process and defined accountabilities maintain value throughout the contract lifecycle	
<b>Standards</b>	<b>Contracts and Procurement Pre-Award Standard:</b> outlines a clear process for the efficient and effective sourcing and award of contracts		<b>Post-Award Contract Management Standard:</b> outlines how to manage contracts and contractors once the supply contract has been executed	
<b>Procedures</b>	<b>Any contractor and/or service provider contracted to perform work on a Senex site is:</b> <ul style="list-style-type: none"> <li>assessed and managed using the Senex Contractor Management Procedure</li> <li>subject to a health, safety and environment pre-qualification process to assess the suitability and implementation of their Health Safety and Environment Management System against Senex requirements. If necessary, specific management strategies and/or corrective action plans are developed to address areas of non-conformance or concern</li> </ul>			
<b>Risk Management</b>	Contractor scopes of work are assessed using the Senex Enterprise Risk Management Standard and Health Safety and Environmental Management System			
<b>Principles</b>	Guidelines that serve as the foundations for behaviour when engaging in all contracts and procurement activities with stakeholders			
<b>Values</b>	 Protecting our people and the environment	 Striving for excellence	 Integrity in everything we do	 Winning together
<b>Senex is working to incorporate sustainability principles into all sourcing activities</b>				

## 2021 highlights



sustainability clauses incorporated into supply contracts



on-site contractors screened for health, safety and environment systems and procedures



reached a total of around 80 PJ of natural gas sales agreements with high-quality customers\*



more than \$16m spent with local businesses

\*includes gas sales agreements reached subsequent to the end of the financial year

### Priority: Collaborate with key suppliers to deliver sustainability outcomes

Senex is committed to working in partnership with suppliers to deliver on sustainability objectives. In 2021, we worked closely with our key suppliers to start integrating sustainability into our agreements and operations.

Following the release of our [Modern Slavery Statement](#) for 2020, our Contracts and Procurement team focused on integrating modern slavery reporting obligations into our supply agreements. This work continued throughout 2021, with additional social and environmental considerations being incorporated into standard contracts and procurement processes.

We also identified opportunities to:

- include more Indigenous businesses in our supplier base
- explore new technologies with existing suppliers to enhance sustainability performance
- work with our key suppliers to identify performance improvement opportunities
- integrate sustainability performance and management requirements into our new supply contracts

In 2021 we worked closely with our waste provider WestRex to identify suitable reuse solutions for our drill waste. Discussions are underway to implement an even more innovative and sustainable solution in coming years.

In 2022 we will look to integrate sustainability more strategically into our Contracts and Procurement function. We have established a centralised digital repository of contracts and agreements. Used alongside the planned new Stakeholder Management System, this repository will facilitate better management of information and enable a higher level of strategic engagement with our suppliers on sustainability initiatives.



### CASE STUDY: PAVING THE WAY FOR GREATER WASTE RECYCLING

“Our partnership with WestRex has enabled us to support a local Queensland business while fulfilling our commitments to safe and beneficial use of drill waste. We will continue to work with WestRex to explore ways to use waste and make a positive contribution to local producers and businesses in the area.”

**GONZALO VAZQUEZ**  
Senex Senior Drilling Engineer

Senex is committed to recycling as much waste from our drilling operations as possible. Since 2019 we have partnered with WestRex, a leader in liquid and solid waste management, to recover and use drill waste from our Surat Basin operations.

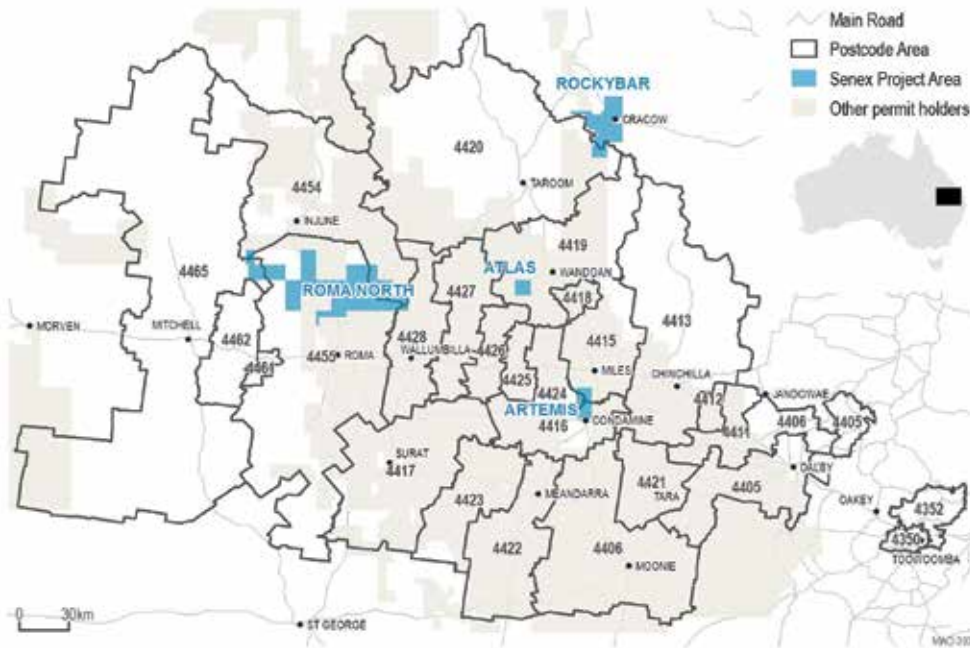
In 2020, 44,525m<sup>3</sup> of cuttings and fluid that could not be treated or used through Senex’s internal or external beneficial use channels was transferred to WestRex’s purpose-built facility in nearby Jackson to be used for road resurfacing around their facilities or for combustion.

WestRex and Senex are exploring further opportunities to use waste including manufacturing new consumer products as part of a circular economy.



### Local procurement

Senex is committed to providing full, fair and reasonable opportunity for the supply of goods and services from local businesses within our operating areas. We use postcodes to specify what “local” means for each of our projects and promote economic development opportunities in the areas where we operate.

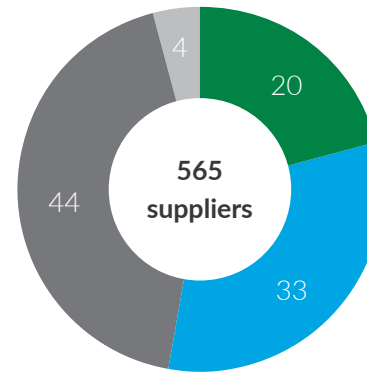


Regular communication and engagement with local suppliers is critical to successfully completing our work programs and ensuring long-term relationships that contribute to sustainable outcomes. We hold engagement sessions in the community to promote awareness of our project activities and seek to identify and approach potential local suppliers for sourcing opportunities.

To further enhance the advantage, capability and development of local suppliers, Senex allocates a priority weighting to local suppliers. We also include terms in our Major Goods Supply Agreements that encourage local supplier sub-contracting.

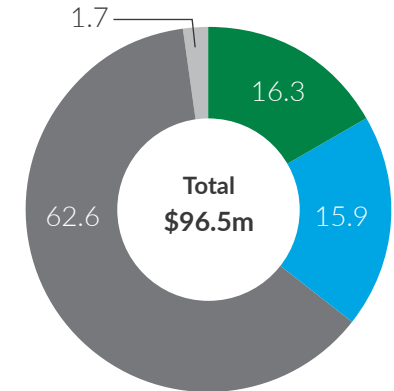
We measure our local content performance by evaluating the total number of local suppliers as a proportion of our total supplier base and the value of the local supplier spend as a proportion of our total direct spend.

Suppliers by location (%) in 2021



● Local ● Regional ● National ● International

Procurement spend (\$m) by location in 2021

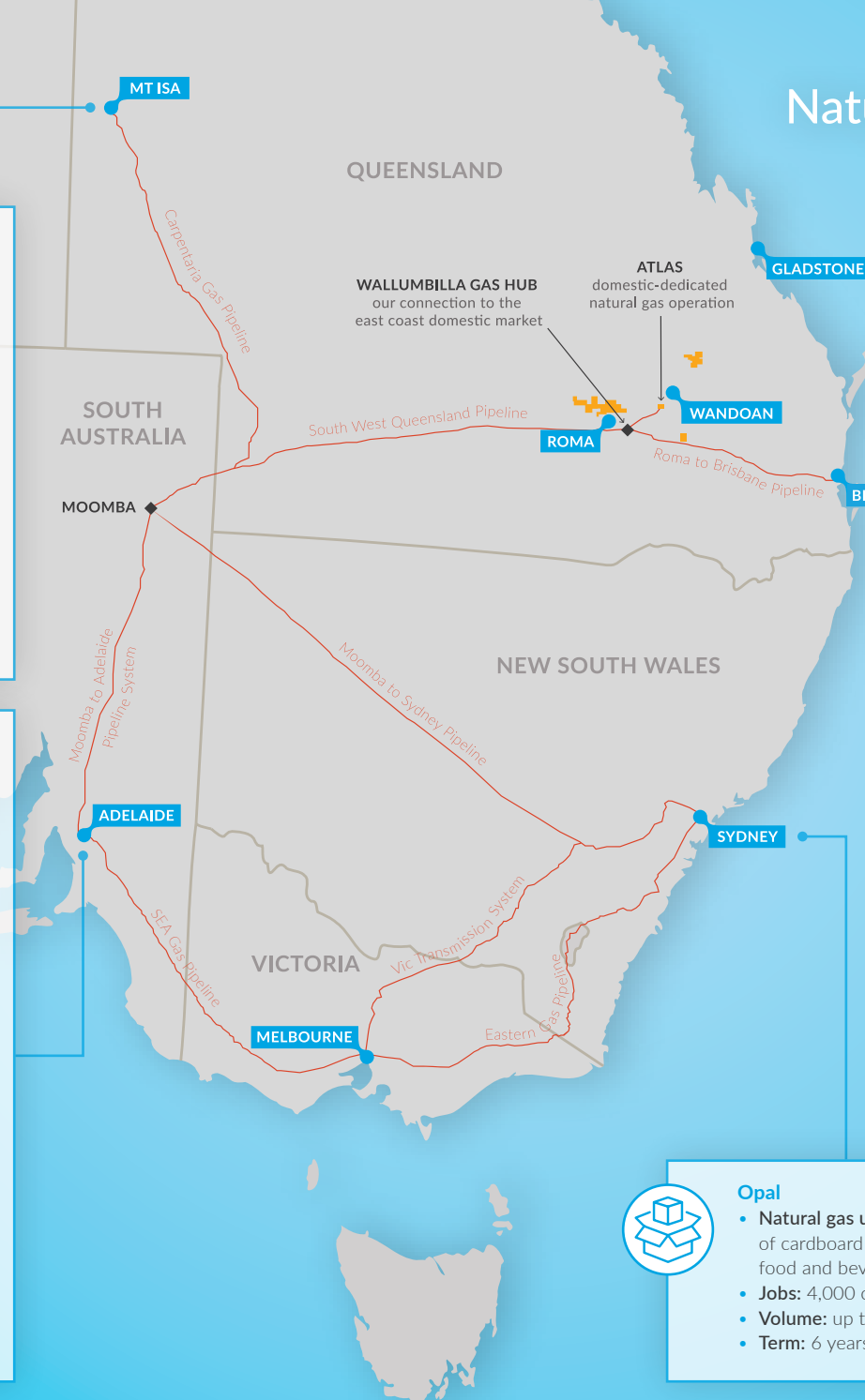


With regular lockdowns and travel restrictions due to COVID-19, coupled with a break in major development activities, there was a significant reduction in travel and activity on site, resulting in reduced spending with local suppliers.

To support local businesses throughout the year we continued with shorter payment terms and community sponsorship initiatives and look forward to an increased year of activity and local procurement spending in 2022.

# Natural gas for Australian industry

Supporting gas users, jobs and the economy



### New Century Resources

- **Natural gas use:** power generation to process zinc concentrates
- **Jobs:** 250
- **Volume:** 7 PJ
- **Term:** 3 years

### 29Metals - Capricorn Copper Mine

- **Natural gas use:** power generation supporting production of copper and silver
- **Jobs:** 330
- **Volume:** up to 4 PJ
- **Term:** up to 5 years



### Adbri

- **Natural gas use:** cement manufacturing for building construction
- **Jobs:** 1,500 Australia-wide
- **Volume:** 11 PJ
- **Term:** 7 years



### Nyrstar

- **Natural gas use:** advanced metal recovery and refining to produce commodity grade lead, silver dore and other products
- **Plant jobs:** 750
- **Volume:** 1.7 PJ
- **Term:** 3 years



### Orora

- **Natural gas use:** food-grade glass manufacturing to produce wine and beer bottles
- **Plant jobs:** ~300
- **Volume:** 13.2 PJ
- **Term:** 8 years



### Opal

- **Natural gas use:** manufacture of cardboard packaging for food and beverages
- **Jobs:** 4,000 company-wide
- **Volume:** up to 12 PJ
- **Term:** 6 years



### Southern Oil Refining

- **Natural gas use:** recycling waste lube oil into base lube oil for use in trucks
- **Plant jobs:** 30
- **Volume:** up to 2.5 PJ
- **Term:** 2.5 years



### Alinta Energy

- **Natural gas use:** electricity production to power homes and businesses
- **Jobs:** 800 Australia-wide
- **Volume:** 4 PJ
- **Term:** 2 years



### CSR

- **Natural gas use:** heating for plasterboard, insulation and brick production for use in homes and buildings
- **Plant jobs:** 260
- **Volume:** up to 3.25 PJ
- **Term:** 3 years



### Visy Glass

- **Natural gas use:** food-grade glass manufacture of glass bottles and jars for drink and food
- **Jobs:** 5,000
- **Volume:** up to 10.5 PJ
- **Term:** 5 years



### CleanCo

- **Natural gas use:** electricity generation to power homes and businesses
- **Volume:** 6.1 PJ
- **Term:** 2 years

**Priority: Work with customers and suppliers as they transition to a low-carbon future**

Senex is supporting Australia's economy and jobs by supplying reliable gas for domestic manufacturing and electricity generation.

Our low-carbon natural gas from the Surat Basin is powering industry from Mt Isa to Adelaide, helping to produce electricity, building materials, packaging, glass bottles and essential metals.

We are one of the key producers increasing gas supply in the east coast market, with around 80 PJ of natural gas contracted from our domestic-only Atlas operation. This includes more than 10 PJ of gas sales agreements Senex signed during the year.

The long-term agreement with leading cement manufacturer, Adbri, which we announced in July 2021, along with our existing customer agreements, underwrote the expansion of our Atlas operation to 18 PJ/year. The addition of Adbri and Nyrstar broadened Senex's reach in supplying natural gas from Queensland to South Australia.

Future expansions will also be supported by new gas sales agreements. Our long-term commitment is to unlock both development-ready and future production opportunities and continue to work with customers to deliver reliable, affordable and sustainable gas supply to the domestic market.

We are also committed to working with our customers to help them navigate their decarbonisation challenges. We recognise that our largest emissions impact is in the use of the gas we sell. We understand that many of our customers and large energy users face the same challenges we do in addressing Scope 1 and 2 greenhouse gas emissions. We will engage with customers in the 2022 financial year and announce customer-related targets at the end of the year.

**Future focus**

Senex is committed to building trusted partnerships with our suppliers, customers and contractors to enhance sustainability performance and decarbonisation outcomes as we transition to a low-carbon future.

In 2022, we will:



**incorporate key sustainability requirements into the Request for Proposal process**



**establish a strategic framework and roadmap to ensure the integration of our sustainability strategy across the value chain**



**engage with customers to understand their decarbonisation needs to reduce their Scope 1 and 2 greenhouse gas emissions**

**Our customer-led approach**

Senex is proud of its strong relationships with high-quality partners, which are the result of our focus on:

- long-term relationships centred on mutual value creation
- electrification and decarbonisation of our business and supporting our customers in their plans to do the same
- working on dynamic and flexible contract structures that support customers' current and future needs
- being open to non-traditional and long-term structures with natural gas and other aspects of the electricity value chain



Tom Wimberley of CSR at the company's Oxley brick plant, which Senex supplies with natural gas

# People

Senex knows that we are only as strong as our relationships with each other and the people with whom we work throughout the value chain. We hire locally, invest in our people and are building a diverse and inclusive culture with the drive and energy to achieve our vision.



Pictured, from left: Senex's Jess Taylor, Shanae O'Brien, Kate Gunther and Katie McLean at an Atlas well site

Illustration: Peta Crane

## Priorities



structure for success



support an inclusive and diverse workforce



attract and retain talented people



inspire leadership behaviours across the business

## Relevant UN Sustainable Development Goals

4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES





## People at Senex

Our people and culture are critical to our business.

Despite challenges in 2021, our people supported each other and those we work with throughout the value chain.

Our people share a can-do spirit that reinforces our purpose, mission and values. Senex strives to support this shared commitment by creating a work environment in which everyone can thrive.

In addition to the Senex Code of Conduct, our people are guided by our Values in Action guidelines. These guidelines outline the commitments and characteristics that underpin each of our values.

Embedding a strong values-based, high-performance culture has been a major focus for Senex in recent years. This culture has been supported by a comprehensive leadership program, which has reinforced skills to build capability in our teams.

This program has helped us strengthen the foundations for success and embed our values.

Through these integrated initiatives, we are building a culture of people making a difference, underpinned by clear communication and aligned ways of working.

“When every person at Senex is clear about where we are heading and how they can make a difference, we create an environment for success. Developing a strong pipeline of outstanding leaders to channel our collective energy and resources into the right areas is ensuring that we stay aligned to our strategy and values.”

**SUZANNE HOCKEY**

Senex Executive General Manager People and Culture



Our people share a commitment and can-do spirit that reinforce our purpose, mission and values

## 2021 highlights



organisational structure aligned to our strategy



supported our people through COVID-19 pandemic



diversity objectives achieved



female representation target exceeded



parental leave entitlements doubled



policy to pay superannuation during parental leave

### Priority: Structure for success

Against the backdrop of the COVID-19 pandemic and the related economic downturn, in 2021 we undertook a rigorous process to re-evaluate our operating model and strengthen our foundation for long-term, sustainable growth.

An organisational restructure resulted from this evaluation, designed to help us withstand, and emerge strongly from, the profound effects of the COVID-19 pandemic and economic downturn. The new operating model resulted in a more flexible and fit-for-purpose organisational structure.

The restructure regrettably resulted in a reduction in employee numbers. Our priority was maintaining regular and transparent communication and treating people fairly and respectfully through these uncertain times. We provided outplacement services and job-support packages as needed, and ongoing access to our Employee Assistance Program.

Against the backdrop of the complex and changing external environment, we also undertook a considered review of our strategy and set a vision to be a leading Australian natural gas producer delivering sustainable value and profitable growth.

With our focus firmly on the future, we made a decision to exit our legacy Cooper Basin oil business and accelerate the expansion of our Surat Basin natural gas business. We set out a strategy focused on: delivery of our low-cost, low-carbon, high-return and long-life natural gas assets; targeted and ambitious gas marketing and trading; and progressive electrification and decarbonisation of our business in collaboration with our customers. Our flexible and fit-for-purpose operating model will continue to guide our structure as we support our Surat Basin-focused growth strategy.

# Strategy in action

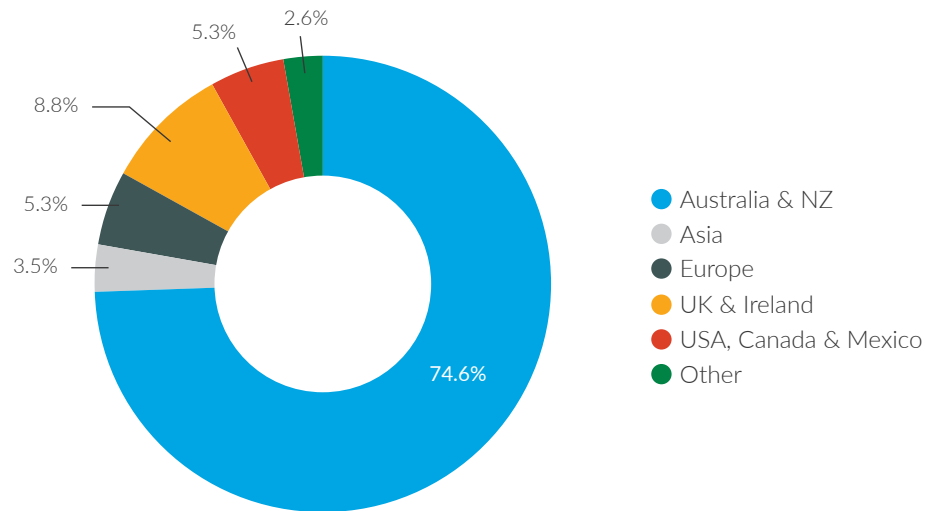
To support the delivery of our strategy, we have established a structure for success with a number of new roles and functions:



### Priority: Support an inclusive and diverse workforce

Senex values diversity of experience and thinking. We believe that diversity improves the quality of decision making, productivity and teamwork, enabling better business outcomes. Our business benefits from the people we have attracted over the years with international backgrounds and experience, adding to the diversity of thinking that different cultural backgrounds help to foster. Our [Diversity Policy](#) outlines how these principles are reflected in recruitment and workforce planning.

Diversity of culture at Senex



Setting measurable objectives for diversity targets each year, including gender diversity, guides our efforts to ensure diversity principles are integrated into our activities.

We performed well against our objectives in 2021 and continue to pursue improvements.

### Objective 1: At least one female candidate shortlisted for 80 per cent of permanent roles

- 85 per cent permanent roles advertised had at least one female candidate shortlisted
- 78 per cent of permanent roles that commenced in 2021 were filled by a female candidate

Senex has achieved a year-on-year increase in the proportion of female new hires, aided by our policy of recruiting based on skills, qualifications and experience and our commitment to shortlisting at least one female for 80% of permanent roles.

### Objective 2: Ensure pay equity by annually auditing “like-for-like” roles

Pay equity is taken into consideration when making new employment offers. We also audit remuneration annually based on specific employment categories:

- **Operators** – field operators or construction supervisors in the field
- **Support** – professionals and paraprofessionals that are non-technical, eg. accountants and lawyers
- **Technical** – geologists, engineers
- **Administration** – support roles

A pay review was undertaken in September 2020. We also conducted a detailed review in June 2021 of technical and support roles at employee, management and executive levels. This review found that any pay differences could be attributed to level of experience, specialised skillset and availability of skillset in the market.



**Objective 3:**

**Provide support and flexibility so that at least 80 per cent of females taking parental leave return to work**

- parental leave entitlements doubled from June 2021 following employee feedback
- superannuation payments are now provided throughout the first 52 weeks of primary carers' leave (including unpaid leave)

**Women taking parental leave since 2019**

**100%**  
return rate from parental leave

**100%**  
>12-month retention rate



**CASE STUDY: IMPROVED PARENTAL LEAVE ENTITLEMENTS**



Senex Girls' Night In raised \$1,315 for the Cancer Council and enabled significant changes to leave entitlements to better support working parents

An opportunity to raise money and awareness in support of the Cancer Council also led to improvements in parental leave entitlements in 2021. The Senex Girls' Night In provided an opportunity for the Diversity and Inclusion Working Group to survey attendees about issues that are important to them at work. Discussion revealed a view that parental leave entitlements at Senex had fallen behind that of our peers.

The business reacted quickly, completing a benchmarking exercise before announcing significant increases in parental support and entitlements in June 2021, including:

- increase from 8 to 16 weeks for primary carers
- increase from 5 to 10 days for secondary carers
- payment of superannuation throughout the first 52 weeks of primary carers' leave, including the unpaid portion of leave

“We recognised that many women had been disadvantaged due to the loss of superannuation contributions while taking parental leave. We are proud now to pay these contributions, in addition to increased leave, and reduce financial stress on families.”

**LARA REIHER**  
Senex Human Resources Manager

“Acting on this feedback about parental leave entitlements demonstrates that Senex has a safe, supportive working environment where concerns can be shared and our leaders will respond fairly.”

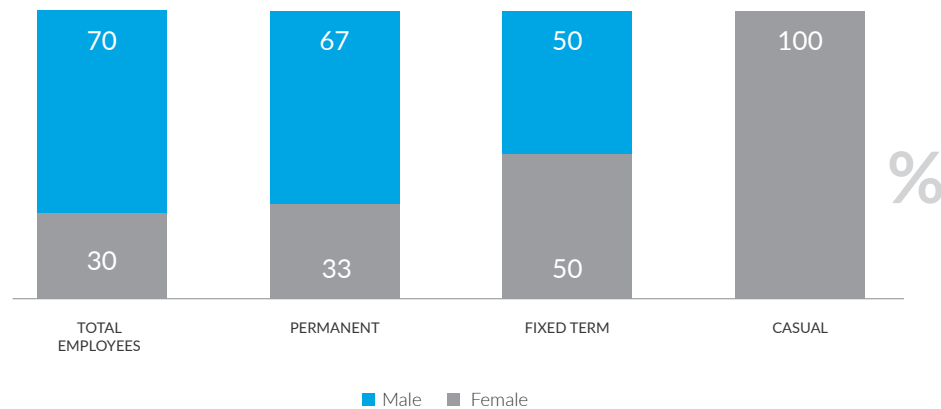
The changes provide additional flexibility for working families and support Senex's diversity objective that at least 80 per cent of females taking parental leave return to work.

**Objective 4:**

**General workforce is comprised of not less than 30 per cent females**

- our workforce has been consistently comprised of 30 per cent females since FY17
- 33 per cent of our current permanent workforce are female
- females hold 100 per cent of part-time positions

**Breakdown by gender**



We are constantly seeking new ways to break the 30 per cent ceiling of females in our workforce. Acknowledging that female employees seek more flexible work arrangements, we offer part-time permanent roles to suitably qualified female employees so that they can maintain balance between work and family life.

**Objective 5:**

**Recruitment for executive roles must have at least one female on the shortlist**

- During 2021, executive recruitment was undertaken for the following roles:
  - Chief Financial Officer** – two female candidates shortlisted
  - General Counsel/Company Secretary** – two female candidates shortlisted, with the successful candidate, Tara Hogan, being female

We are passionate about finding the right people for our company. Shortlisting female candidates is not a tokenistic effort. They must be quality candidates that are suitably qualified and the right cultural fit for Senex. Sometimes this takes more time and effort but it meets our genuine intent.

**Objective 6:**

**The Board (seven directors) should include at least two females**

- Board representation – two female members (28.6 per cent representation)

**Glenda McLoughlin**

Independent Non-executive Director (pictured left)

**Margaret Kennedy**

Independent Non-executive Director (pictured right)



### Priority: Attract and retain talented people

Senex recognises the importance of providing tools to improve knowledge and expertise and attracting talented people to meet future demands. We offer professional development to enhance our people’s skills by providing access to formal training and career development opportunities. We are also focused on inspiring young people, especially girls, to seek pathways into education and training for vocational and professional careers in the resources sector.

In 2021, we had several initiatives to support these objectives including:

- mentoring three Year 12 girls in Queensland Minerals and Energy Academy (QMEA) high schools through the girls mentoring program run by Queensland Resources Council and Women in Mining & Resources Queensland (WIMARQ)
- supporting two female employees to participate in the WIMARQ mentoring program (since 2016)
- creating a local trainee operator position to add to our pipeline of regional talent and the skill base in local areas (see case study on page 62)
- launching a Digital Essentials program to build digital skills and support our adoption of smarter ways of working (see case study on page 77)
- sponsoring the Australian Exploration Geoscience Conference
- sponsoring the Society of Petroleum Engineers’ Unconventional Resources Technology Conference

We measure and monitor our attraction and retention performance to understand our performance relative to our peers and trends in the labour market more broadly.

In 2021, in addition to staff reductions as a result of the organisational restructure, we saw employee-initiated turnover of 16 per cent, an increase on the prior year. We are committed to identifying areas for improvement and will be taking further steps in the year ahead to address this trend. Increased volatility in the employment market following COVID-19 and a shortage of skilled candidates in many areas have made this particularly important.

While the number of new employees has reduced significantly in the past three years, we are preparing for a period of growth as we execute our strategy. In the year ahead, we will refresh our employee value proposition to reflect the business strategy and to ensure that we remain competitive in attracting talented people to Senex. Our goal is to clearly communicate with potential candidates about what we stand for and what we can offer.

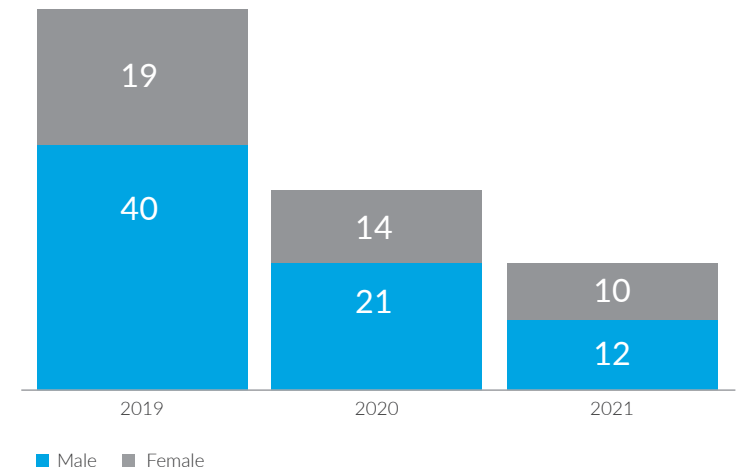
We will also maintain recruitment processes that promote diversity of our workforce and build a pipeline of future leaders.

We will continue to invest in developing our workforce to ensure we have the culture and capabilities to create value for stakeholders. This includes supplementing our skills base with people who bring new skills and can teach and develop others, eg. in energy solutions, trading, technology and digital functions.

To supplement these workforce development initiatives we continue to invest in our leadership program, which ensures our people have a shared understanding of what leadership means at Senex.



**New employees**  
Increasing proportion of women hired





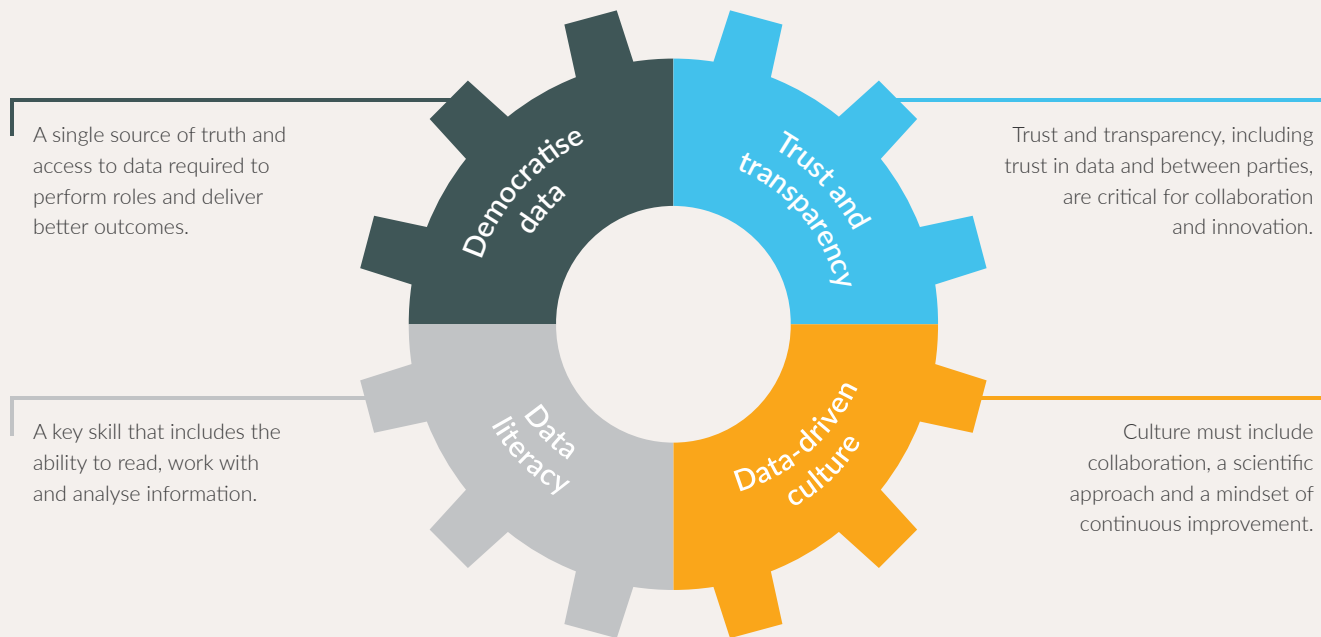
## CASE STUDY: DIGITAL ESSENTIALS

Senex is committed to working smarter through the use of digital technologies. A range of 20 short and long-term initiatives are underway as we use data to gain an awareness of opportunities to create greater value and solve complex problems. On a day-to-day basis, this means we are able to make better decisions that optimise the use of our time and resources.

Read more about our digital initiatives on page 82.

Cultural change is required to support these initiatives, which also offer opportunities for our people to adopt new skills and capabilities.

### Key characteristics of a data-driven organisation



In 2020 we identified the need to build digital skills across the business, acknowledging that our successful transition to new ways of working relies on:

- support for our people to develop the required skills, behaviours and mindsets
- robust processes to implement changes quickly, while learning and improving with each iteration
- data and systems that enable us to become a data-driven organisation

In 2021 we started the first phase of our digital capability improvement strategy: the Digital Essentials program.

The eight-part series of teach-ins resulted in a common understanding of:

- the elements of data-driven organisations and how this applies to Senex
- the role of data governance
- different types of analytics – from basic business intelligence to more advanced concepts such as artificial intelligence and machine learning
- understanding robotics and automation, including digital and physical robotics
- how to apply agile ways of working

The training began with Executive Committee members, who then helped train their teams. This process ensured that everyone developed a shared knowledge and understanding of key concepts.

In 2022 we will maintain our holistic approach to increasing digital capability as we move into the second phase of our strategy to focus more intently on capability development in machine learning, data analytics and visualisations, robotics and cloud computing.

### Priority: Inspire leadership behaviours across the business

Senex's leadership development program is building the skills and capability of existing and emerging leaders. The Executive and Advanced levels completed their inaugural 18-month programs during 2021.

The Foundational program, aimed at engaging frontline leaders in a series of face-to-face workshops and one-on-one coaching, will complete their program in 2022.

The next phase of leadership training will give every team member the opportunity to develop skills in leadership at Senex through a series of workshops around culture, mindset and how to create an environment for success. The training will become part of the onboarding process for new employees and include digital tools and quick-reference materials.



### CASE STUDY: LEADERSHIP TRAINING

Senex leaders play a crucial role in motivating and equipping our people to deliver on our strategy. With our operations spread across a variety of business functions and locations, consistent and effective leadership is critical.

Senex Operations Manager Jason Schroder manages a diverse team across various production, operations and engineering roles in field and office-based locations. This poses unique challenges and opportunities for collaboration.

*“To lead teams successfully we all need to be aligned in what we say and do. When every person in the business, including the most senior executives, commits to understanding and applying the same leadership behaviours, it makes such a difference.”*

**JASON SCHRODER**  
Senex Operations Manager

Jason believes that joining the first cohort of Senex's leadership program when he started with Senex in May 2020 helped him develop a more consistent approach.

“The training is both strategic and practical. I found the tools really useful, for example, tips on how to structure effective meetings or prepare for difficult conversations. When we have a common language for these situations it helps everyone across the business.”

Continuing to develop our leaders remains a priority, supporting our strategy and sustainability values and helping to make Senex a great place to work.



More than 2,700 hours and close to \$900,000 in training has been invested across the three leadership cohorts.





### Future focus

We are committed to safe, diverse and supportive workplaces where our people are engaged and empowered to thrive.

In 2022 we will:



**maintain at least 30% females in our workforce**



**ensure female candidates are shortlisted for at least 80% of permanent roles**



**improve our talent pipeline, recruiting at least three female graduates or young professionals in 2022**



**refresh our employee value proposition to attract and retain quality people**



**continue to develop our workforce to support our strategy**



**continually enhance and embed our organisational culture**

Jason Schroder says the leadership training is both strategic and practical



# Economic sustainability

Senex has an exciting future as a leading Australian natural gas producer delivering sustainable value and profitable growth. We have built solid foundations as a low-cost, low-carbon, high-return business with a long-life asset base and high growth trajectory. Our financially responsible approach – effectively allocating capital to accelerate growth projects and deliver meaningful shareholder returns – will ensure our economic sustainability and continued investment, jobs and long-term benefits for stakeholders.



Pictured: Senex's relative FY21 share price performance

Illustration: Peta Crane

## Priorities



grow a low-cost, high-return and long-life portfolio of assets



enhance efficiencies to maintain low-cost operations



maintain transparency on performance, risks and opportunities



address the environmental, social and governance expectations of our lenders, investors and other stakeholders

## Relevant UN Sustainable Development Goals

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



## Priority: Grow a low-cost, high-return and long-life portfolio of assets

In the 2021 financial year Senex cemented its status as a leading natural gas supplier committed to Australia's low-carbon energy future.

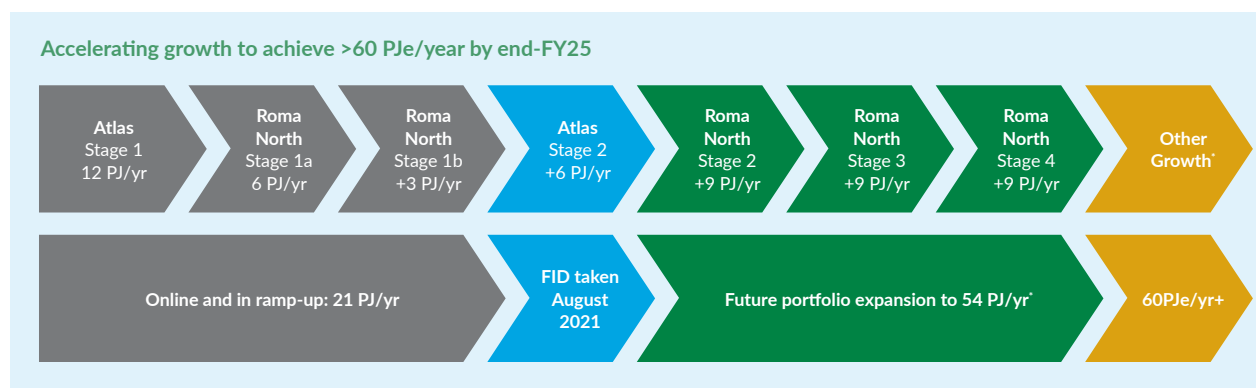
Having safely and seamlessly delivered our initial \$400 million Surat Basin natural gas development projects in 2020, we more than doubled production and tripled EBITDA in 2021. The sale of our legacy Cooper Basin oil business reinforced our balance sheet and cashflow resilience, funded plans to accelerate the development of our low-cost, low-carbon, high-return business and enabled the payment of our first dividends to shareholders.

Our increased 2P and 3P reserves – 767 PJ and 1,016 PJ respectively – underpin decades of future production. To put this into perspective, our 2P reserves represent more than six months' energy consumption by Australian households.

Our extensive reserves, with material uncontracted volumes,

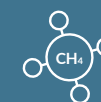
support a master development plan to deliver five-fold growth in production to more than 60 petajoules equivalent (PJe) per year by the end of the 2025 financial year. As part of this plan, during the year we took final investment decisions to expand production capacity at our Roma North and Atlas projects to around 27 PJ/year.

In the next 12 months Senex is poised to deliver material increases in sales gas. Senex's strategy supports further growth in the years to come, focused on project delivery, growth, increasing participation in energy markets and decarbonisation. Sustainable development of our high-quality gas reserves will enable us to play a key role in a low-carbon energy value chain and to continue to support the economy and jobs. During FY21 Senex paid more than \$10 million in taxes and royalties that support the Australian community. See Senex's [Tax Transparency Report](#) for more information on our tax contributions.



\*Future investment decision not yet taken and subject to final internal approvals.

## 2021 highlights



Surat Basin natural gas production more than doubled from 7.2 PJ to 17.3 PJ



Cooper Basin assets sold for \$87.5 million



new gas sales agreements increase total domestic supply to around 80 PJ\*



completed quick win digital initiatives expected to save \$8.5 million over three years



continued engagement with investors and lenders to understand their expectations and requirements regarding ESG issues

\*Up until date of Sustainability Report publication

## Priority: Enhance efficiencies to maintain low-cost operations

Senex made a commitment in 2021 to use data and technology in ways that will allow us to focus on higher value work and make better decisions that generate value across every aspect of our business. Digital projects enabling our operations and corporate functions to work smarter are expected to realise financial benefits up to \$60 million over the next five years.

Our digital projects will help to:

- increase safety
- enhance partner and stakeholder relationships
- improve data capture and management for sustainability performance
- improve productivity and field economics
- reduce risk and avoid unnecessary costs
- increase revenue and profit margins
- make better and faster decisions

“Senex has made a fundamental shift in our approach to using data. Digital technology is providing the tools to leverage opportunities and work smarter, which benefits every part of our business.”

**TIM COCHRANE**  
Senex General Manager Digital



Digital projects are expected to realise financial benefits of up to \$60 million over the next five years

## Working smarter

We have 20 short and long-term digital initiatives underway, using data to identify opportunities to create value and solve complex problems. On a day-to-day basis, this means we can make better decisions that optimise the use of our resources.

One priority has been establishing a subsurface data management system that has the potential to influence key decisions across our operations such as the number and placement of wells to enhance recovery from our natural gas reserves. Data will also enable our production team to optimise well productivity and prevent equipment failures.

Completed quick-win initiatives, including automated reporting from drilling activities and a field journey management app, are expected to save a combined \$8.5 million over three years as we seek total benefits of up to \$60 million over five years.

## Priority: Maintain transparency on performance, risks and opportunities

We are committed to maintaining transparency of our financial performance, setting clear aspirations and targets, and reporting material risks and opportunities.

In addition to prioritising clear and concise communication with all our stakeholders, Senex provides regular updates on financial performance and corporate governance in line with Australian reporting requirements. This reporting helps build an awareness of our operations, and demonstrates how we are delivering on our purpose, mission and values and prioritising sustainability across our operations.

Releasing our first standalone annual Sustainability Report aligned with global standards reflects our commitment to continuously maturing our approach.

## Priority: Address the environmental, social and governance expectations of our lenders, investors and other stakeholders

Demonstrating and communicating our non-financial performance increases our pool of available capital and investment.

In 2018, we commissioned an independent environmental and social assessment to supply financial institutions with necessary information to raise debt capital for development, construction and operation of our projects in the Surat Basin.

As part of this process our projects were assessed against the following:

- state and federal laws, legislation and regulations relating to environmental and social matters
- Equator Principles
- International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability
- IFC Environmental Health and Safety (EHS) General Guidelines
- IFC EHS Industry Sector Guidelines for Onshore Oil and Gas Development

This assessment is reviewed several times each year to ensure progress on specific actions and demonstrate alignment with the standards above.

We will continue to demonstrate our ongoing sustainability commitment and contributions to our lenders and investors to maintain and expand access to, and reduce cost of, capital.

## Future focus

Senex has established a strong foundation to realise our vision of being a leading Australian natural gas producer delivering sustainable value and profitable growth. In the year ahead we will pursue our refreshed strategy, focused on production growth, ambitious gas marketing and trading, and progressive electrification and decarbonisation of our business in pursuit of meaningful returns for our shareholders.

In 2022 we will:



**pursue our production target of 60 petajoules equivalent (PJe) per year by the end of 2025**



**implement digital transformation initiatives to drive improved productivity across the business**



**ensure thorough and credible transparency on performance, risks and opportunities**



**demonstrate through actions the credibility of our ESG commitments and determination to contribute toward a sustainable economy**

# Sustainability data

In preparing our inaugural Sustainability Report, we have endeavoured to report detailed current and historical data for those sustainability topic areas identified as material in our review of sustainability and industry standards.

We acknowledge that there are specific frameworks and approaches for disclosing and presenting data for annual consistency and comparability with our peers. We have prepared this, our first standalone Sustainability Report, in accordance with the global reporting standards for sustainability reporting (GRI Standards: Core option). The report also marks Senex's first climate-related disclosure in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We have endeavoured to report in accordance with these where feasible, and we have identified and acknowledged those areas where we have opportunity for improvement.

In the following pages, you will find detailed data tables summarising Senex's sustainability performance for the 2021 financial year across our seven sustainability pillars; Climate change, Health and safety, Environment, Community, Value chain, People and Economic sustainability. To read our management approach, overview of performance and case studies, please refer to the relevant pillar in the document.

We engaged sustainability services firm Point Advisory to undertake limited assurance and third-party verification of our water and safety data within this 2021 report. The Assurance Statement follows this Sustainability data section.

With respect to emissions data, EY and Greenbase have provided assurance as outlined on page 33 of this report and in our Decarbonisation Action Plan.

Data collection, management and reporting will be a core focus for Senex over coming years as we mature in our approach, and work to firmly integrate and embed sustainability into our business reporting and decision-making.

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## Climate change

### Greenhouse gas (GHG) emissions and Energy

Emissions and energy are reported on an Australian financial year basis in accordance with the National Greenhouse and Energy Report Act, 2007. Assessment of Senex Scope 1, 2 and 3 greenhouse gas emissions was conducted by Greenbase.

Senex has taken an operational influence approach to the measurement of greenhouse gas emissions. This means we account for 100 per cent of Scope 1 and 2 emissions from operations over which Senex has direct influence.

Similarly, we report Scope 3 emissions on a 100 per cent basis.

GREENHOUSE GAS (GHG) EMISSIONS	2021	2020	2019	2018
<b>GHG emissions by Scope (tCO<sub>2</sub>e)</b>				
Scope 1 – Direct	12,340	27,356	22,380	22,513
Scope 2 – Indirect	188	173	165	224
Scope 3 – Processing	88,640	26,712	9,818	3,190
Scope 3 – Upstream	13,835	17,516	30,884	20,298
Scope 3 – Downstream Transportation and Distribution	64,192	23,199	6,045	1,860
Scope 3 – Use of Sold Products	756,954	303,030	78,282	23,632
<b>Total GHG emissions (Scope 1, 2, 3) (tCO<sub>2</sub>e)</b>	<b>936,149</b>	<b>397,986</b>	<b>147,573</b>	<b>71,718</b>
<b>GHG emissions – Senex – Direct Influence (tCO<sub>2</sub>e)</b>				
Scope 1 – Direct	12,340	27,356	22,380	22,513
Scope 2 – Indirect	188	173	165	224
Scope 3 – Processing	88,640	26,712	9,818	3,190
<b>Total GHG emissions (Scope 1, 2, Scope 3 Processing) (tCO<sub>2</sub>e)</b>	<b>101,168</b>	<b>54,241</b>	<b>32,363</b>	<b>25,927</b>
<b>Scope 1 GHG emissions composition (tCO<sub>2</sub>e)</b>				
Methane	895	708	1,376	404
Carbon Dioxide	11,437	26,558	20,925	22,053
Nitrous Oxide	8	90	79	56
<b>Total Scope 1 GHG emissions (tCO<sub>2</sub>e)</b>	<b>12,340</b>	<b>27,356</b>	<b>22,380</b>	<b>22,513</b>
<b>GHG emissions intensity – Senex – Direct Influence (tCO<sub>2</sub>e/TJe) Produced)</b>				
Production (TJe)	17,297	14,588	10,094	7,379
Total GHG emissions (Scope 1, 2, Scope 3 Processing) (tCO <sub>2</sub> e)	101,168	54,241	32,363	25,927
<b>Scope 1, 2, Scope 3 Processing emissions intensity (tCO<sub>2</sub>e/TJe) Produced)</b>	<b>5.85</b>	<b>3.72</b>	<b>3.21</b>	<b>3.51</b>
<b>GREENHOUSE GAS (GHG) EMISSIONS FROM FLARING AND VENTING</b>				
<b>GHG emissions flaring and venting (tCO<sub>2</sub>e)</b>				
Emissions from flaring	12	3,662	3,830	-
Emissions from venting	342	-	-	-
<b>ENERGY</b>				
<b>Total direct energy consumption (TJe)</b>	<b>222</b>	<b>438</b>	<b>333</b>	<b>342</b>
<b>Operational energy intensity (TJe Consumed / TJe Produced)</b>	<b>0.01</b>	<b>0.03</b>	<b>0.03</b>	<b>0.05</b>

Scope 1 & Scope 2 data is consistent with NGER reporting by Senex.

Scope 1 & Scope 2 data includes Surat and Cooper Basin emissions for 2018, 2019 & 2020; Surat only for 2021 (Cooper assets sold, effective June 30 2020). 2021 NGER emissions data does not match stated numbers due to Cooper Basin sale.

Scope 3 data relates to Surat assets only.

May not add due to rounding.

## Health and safety

### Safety performance

	2021 <sup>1</sup>	2020	2019
<b>Lost Time Injury (LTI)</b>	<b>0</b>	<b>2</b>	<b>2</b>
– Employee	0	1	0
– Contractor	0	1	2
Alternative Duties Injury (ADI)	0	2	2
Medical Treatment Injury (MTI)	0	2	2
<b>Total Recordable Injury (TRI)</b>	<b>0</b>	<b>6</b>	<b>6</b>
– Employee	0	2	1
– Contractor	0	4	5
Mining the Diamond Severity Level (Actual) <sup>2</sup>	0	SL1: 4, SL2: 2	SL1: 1, SL2: 5
High Potential Incidents (HPI)	3	2	1
Exposure Hours Worked FYTD	334,265	693,019	641,350
<b>LTI Frequency Rate (LTIFR)<sup>3</sup></b>	<b>0</b>	<b>2.9</b>	<b>3.1</b>
– Employee	0	3.3	0
– Contractor	0	2.6	6.2
<b>TRI Frequency Rate (TRIFR)<sup>4</sup></b>	<b>0</b>	<b>8.7</b>	<b>9.4</b>
– Employee	0	6.6	3.1
– Contractor	0	10.3	15.6

<sup>1</sup> Reduced project activity in the Surat Basin in 2021. Cooper Basin assets divested in 2021.

<sup>2</sup> Severity Level descriptors under Mining the Diamond methodology:

SL0: Insignificant Hurt (Minutes / hours / first aid);

SL1: Minor Hurt (Days. First Aid / medical intervention);

SL2: Moderate Hurt (Week to Months. Medical intervention);

SL3: Major Hurt (Long-term. Life-altering);

SL4&5: Catastrophic Hurt (Fatalities)

<sup>3</sup> Number of Lost Time Injuries (LTIs) per million hours worked.

<sup>4</sup> Number of Total Recordable Injuries (TRIs) per million hours worked.

## Environment

### Water

Surat Total (ML)		2021	2020
<b>Water Withdrawal</b>	<b>Type</b>		
Produced water	Other water	1,256	937
Third-party water (site offices etc.)	Freshwater	101	80
<b>Total Withdrawal</b>		<b>1,357</b>	<b>1,017</b>
<b>Water Storage</b>			
Storage for Beneficial use			
– Annual Change in Storage	Other water	430	583
– Total Water in Storage	Other water	1,013	583
Wastewater (Brine) Storage <sup>2</sup>			
– Annual Change in Storage	Other water	27	–
– Total Brine in Storage	Other water	27	–
<b>Total Change in Storage</b>		<b>457</b>	<b>583</b>
<b>Water Discharge</b>			
Beneficial use	Other water	450	90
Reuse (dust suppression, construction etc.)	Other water	54	NR <sup>3</sup>
Third-party water (effluent disposal)	Other water	48	77
<b>Total Discharge</b>		<b>552</b>	<b>167</b>
<b>Water Consumption<sup>4</sup></b>		<b>348</b>	<b>268</b>

**Beneficial use:** use of produced water for benefit of external stakeholders (irrigation, water for livestock etc).

**Reuse:** beneficial use of produced water for internal (project-related) activities: dust suppression, construction, rehabilitation etc.

**Third-party water:** potable water supply (withdrawal) and or effluent disposal (discharge) provided by a third-party operator.

**Freshwater:** water containing <1,000mg/L Total Dissolved Solids.

**Other water:** water containing >1,000 mg/L Total Dissolved Solids.

<sup>1</sup> Storage for beneficial use: ML of water in storage facilities (dams), available for beneficial use.

Annual change in storage: calculated based on change in dam levels from previous year. (Natural evaporation is not factored into this calculation.)

Total water in storage: total dam levels at end of the reporting period.

<sup>2</sup> Wastewater (brine) storage = ML of wastewater (brine) generated in process of reverse osmosis.

Annual Change in storage = ML generated in RO process during the reporting period.

Total brine in storage = cumulative value of ML generated and stored.

<sup>3</sup> NR – not reportable.

Historical data not reportable as reuse data at Roma North has not been captured or tracked systemically. Produced water is transported from the storage facility to reuse location without systemic volume measurement. Infrastructure at our Atlas project will enable us to report this data systemically in future years.

<sup>4</sup> Water Consumption = Water Withdrawal – Water Storage – Water Discharge.



## Environment (continued)

### Water

Surat Breakdown			
Roma North (ML)		2021	2020
Water Withdrawal	Type		
Produced water	Other water	554	635
Third-party water (site offices etc.)	Freshwater	59	28
<b>Total Withdrawal</b>		<b>612</b>	<b>662</b>
Water Storage			
Storage for Beneficial use <sup>1</sup>			
- Annual Change in Storage	Other water	33	319 <sup>1</sup>
- Total Water in Storage	Other water	352	319
Wastewater (Brine) Storage <sup>2</sup>			
- Annual Change in Storage	Other water	-	-
- Total Brine in Storage	Other water	-	-
<b>Total Change in Storage</b>		<b>33</b>	<b>319</b>
Water Discharge			
Beneficial use	Other water	450	90 <sup>3</sup>
Reuse (dust suppression, construction etc.)	Other water	NR <sup>4</sup>	NR
Third-party water (fluid disposal)	Other water	32	28
<b>Total Discharge</b>		<b>482</b>	<b>118</b>
<b>Water Consumption</b>		<b>97</b>	<b>226</b>

<sup>1</sup> Storage infrastructure came online in August and November 2019.

<sup>2</sup> Given the quality of produced water at Roma North there is no need for desalination and therefore no brine (wastewater).

<sup>3</sup> Beneficial use infrastructure came online January 2020.

<sup>4</sup> NR – not reportable.

Reuse data not tracked. Trucks collect produced water from storage facility and transport it to area where it will be reused, but the volumes being transported are not systemically tracked.

Atlas (ML)		2021	2020
Water Withdrawal	Type		
Produced water	Other water	702	303
Third-party water (site offices etc.)	Freshwater	43	53
<b>Total Withdrawal</b>		<b>745</b>	<b>355</b>
Water Storage			
Storage for Beneficial use			
- Annual Change in Storage	Other water	397 <sup>2</sup>	264
- Total Water in Storage	Other water	661	264
Wastewater (Brine) Storage <sup>3</sup>			
- Annual Change in Storage	Other water	27	-
- Total Brine in Storage	Other water	27	-
<b>Total Change in Storage</b>		<b>424</b>	<b>264</b>
Water Discharge			
Beneficial use <sup>4</sup>	Other water	-	-
Reuse (dust suppression, construction etc.) <sup>5</sup>	Other water	54	-
Third-party water (fluid disposal)	Other water	16	49
<b>Total Discharge</b>		<b>70</b>	<b>49</b>
<b>Water Consumption</b>		<b>251</b>	<b>42</b>

<sup>1</sup> Project Atlas came online during 2020.

<sup>2</sup> Two additional storage dams came online in 2021.

<sup>3</sup> Produced water at Atlas requires treatment by reverse osmosis (RO).

Wastewater (brine) storage = ML of wastewater (brine) generated in process of reverse osmosis.

Annual Change in Storage = ML generated in RO process during the reporting period.

Total Brine in Storage = cumulative value of ML generated and stored.

<sup>4</sup> Beneficial use infrastructure at Atlas not yet online. It will be developed to meet the specific needs of agreed beneficiaries.

<sup>5</sup> A Truck Loadout Facility came online in 2021 which will enable us to report reuse values for Atlas in future years. The 54 ML reused in 2021 was the only treated water offtake prior to the Facility coming online and was used to irrigate and revegetate the dam bank.

## Environment (continued)

### Biodiversity

Portfolio	
Number of tenures used for extraction and/or production activities <sup>1</sup>	3
Total land area of production and extraction tenures (ha)	97,350
Biodiversity Impact	
Protected areas within tenement (ha)	3,960.2
Operations within protected areas (ha)	0
Total land area disturbed	329.5
Disturbed land area of high biodiversity value (ha) <sup>2</sup>	57
Total land area set aside for biodiversity, including onsite and offsite (ha) <sup>3</sup>	168
Biodiversity Management	
% tenures mapped for biodiversity	100%
% tenures that have a biodiversity management plan	100%
Land Management	
Disturbed land (ha)	329.5
– Non-Remnant (ha)	236.1
– Vegetation Clearing (ha)	93.3
Operational footprint (to be rehabilitated on completion of operation) (ha) <sup>4</sup>	194.4

<sup>1</sup> Only includes production tenures. Exploration and appraisal tenures and Pipeline licences not included, though will be referenced in future if ever they are known to impact on areas of high biodiversity value

<sup>2</sup> Requiring biodiversity offset

<sup>3</sup> This relates to land-based offsets exclusively, it does not include financial offsets

<sup>4</sup> Land area required for ongoing operations. The non-operational (construction) footprint is progressively reinstated, within 6-12 months where practicable

### Air emissions

Air Emissions, Surat (t)	2021	2020	2019
Oxides of Nitrogen (NOx, including N2O)	81.4	84.8	57.5
Sulphur dioxide (SOx)	0.0	1.4	0.0
Volatile organic compounds (VOCs)	11.3	26.8	5.2
Particulate Matter (PM10)	154.3	73.3	29.5

Surat air emissions reflect National Pollutant Inventory reporting thresholds

### Waste

	2021	2020
Corporate (tonnes)		
Recycling	0.72	0.26
Landfill	2.20	2.75
Drill Waste (m3) <sup>1</sup>		
Drill Fluid		
Liquid	0	8,262
Solid	0	2,024
Cement		
Liquid	0	1,779
Solid	0	79

<sup>1</sup> There was no Drilling and Completions activity in 2021

Due to shared infrastructure, operational and project (construction) waste is not clearly delineated. We are working with our third-party provider to source reliable, suitably categorised data for operational and project (construction) waste to enable more complete reporting in future years.

### Environmental compliance

	2021	2020	2019
Non-compliance with environmental laws and regulations <sup>1</sup>	0	0	0
Serious Reportable Environmental Incidents <sup>2</sup>	0	0	0
Non-Serious Reportable Environmental Incidents <sup>3</sup>	2	8	5
Tier 1 <sup>4</sup> Process Safety Loss of Primary Containment (LOPC) <sup>4</sup>	0	0	0
Tier 2 <sup>5</sup> Process Safety Loss of Primary Containment (LOPC) <sup>5</sup>	0	0	0

<sup>1</sup> Monetary fines or non-monetary sanctions for non-compliance with environmental laws and regulations

<sup>2</sup> An incident causing a serious breach of regulation, and/or significant environmental harm resulting in serious ecological impact

<sup>3</sup> An incident that results in environmental harm that is not trivial or negligible, and/or that causes potential or actual damage to property to a value greater than \$5,000 but less than \$50,000

<sup>4</sup> Tier 1: an unplanned / uncontrolled release of any process material, with the greatest consequence (based on defined threshold levels), adapted from API RP 754

<sup>5</sup> Tier 2: an unplanned / uncontrolled release of any process material, with an approx. order of magnitude lower level consequence than Tier 1 (based on defined threshold levels), adapted from API RP 754

## Community

### Community investment

	2021	2020	2019
<b>Total Community Investment*</b>	<b>\$241,000</b>	<b>\$259,350</b>	<b>\$291,000</b>
<b>Investment by Strategic Focus</b>			
Education	\$55,000	\$ 59,000	\$70,000
Health	\$102,000	\$101,350	\$101,000
Skills Capability	\$7,000	\$3,500	\$7,500
Arts and Culture	\$10,000	\$17,000	\$45,000
Sport and Recreation	\$14,000	\$11,500	\$13,000
Economic Development	\$23,000	\$37,000	\$24,500
Emergency Relief	\$30,000	\$30,000	\$30,000

\*Our Total Community Investment value reflects the cash contributions made as part of our community investment strategy. In-kind and time-based (volunteering) contributions, and non-strategic philanthropic donations, made by Senex to support causes and initiatives outside our local communities are not currently measured. Investment data and reporting systems will be enhanced in future years to better monitor and communicate the total value and impact of our contributions.

## Value chain

### Supply chain

	2021 <sup>1</sup>		2020	
Supplier Base	Suppliers <sup>2</sup>	% Supplier Base	Suppliers	% Supplier Base
Local <sup>3</sup>	111	20%	146	19%
Regional	185	33%	242	32%
National	246	44%	335	44%
International	23	4%	30	4%
<b>Total Suppliers</b>	<b>565</b>	<b>100%</b>	<b>753</b>	<b>100%</b>

	2021		2020	
Procurement Spend	Direct Spend (\$m)	% Total Spend	Direct Spend (\$m)	% Total Spend
Local	\$16.3	17%	\$33	16%
Regional	\$15.9	16%	\$96.1	48%
National	\$62.6	65%	\$70.4	35%
International	\$1.7	2%	\$2.1	1%
<b>Total Procurement Spend</b>	<b>\$96.5</b>	<b>100%</b>	<b>\$201.6</b>	<b>100%</b>

<sup>1</sup> There was a change in methodology in 2021 to recategorize certain vendors and narrow focus to local providers of goods and services

<sup>2</sup> Suppliers include all vendors to whom the company issues payment to conduct its activities

<sup>3</sup> Local refers to Roma, Wandoan and neighbouring communities, as outlined in Local Content policy based on local postcodes

## People

## Workforce data

By Contract Type	2021	2020	2019
Full Time	93	146	161
– Permanent	89	135	150
– Fixed Term	4	11	11
Part Time	7	12	13
– Permanent	7	12	13
– Fixed Term	–	–	–
Casual	14	13	16
<b>Total Employees</b>	<b>114</b>	<b>171</b>	<b>190</b>

Breakdown by Gender	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
Full Time	66	27	107	39	116	45
– Permanent	64	25	98	37	108	42
– Fixed Term	2	2	9	2	8	3
Part Time	–	7	–	12	2	11
– Permanent	–	7	–	12	2	11
– Fixed Term	–	–	–	–	0	–
Casual	14	–	13	–	15	1
<b>Total</b>	<b>80</b>	<b>34</b>	<b>120</b>	<b>51</b>	<b>133</b>	<b>57</b>

Breakdown by Location	2021		2020		2019	
	Local*	National	Local	National	Local	National
Full Time	9	84	8	138	5	156
– Permanent	9	80	7	128	5	145
– Fixed Term	–	4	1	10	–	11
Part Time	–	7	–	12	–	13
– Permanent	–	7	–	12	–	13
– Fixed Term	–	–	–	–	–	–
Casual	5	9	6	7	7	9
<b>Total</b>	<b>14</b>	<b>100</b>	<b>14</b>	<b>157</b>	<b>12</b>	<b>178</b>

\* Local: Roma / Wandoan and surrounding suburbs.

Breakdown by Country of Origin	2021	2020	2019
Australia & NZ	85	133	144
Asia	4	8	12
Europe	6	4	5
United Kingdom, Scotland & Ireland	10	12	15
USA, Canada & Mexico	6	6	7
Other	3	8	7
<b>Total employees of international origin</b>	<b>29</b>	<b>38</b>	<b>46</b>
Proportion of workforce from Australia & NZ	75%	78%	76%

Country of origin: country of birth

## Diversity and inclusion

Employment Categories <sup>1</sup>	Male	Female	Local	National	<30	30-50	>50
<b>2021</b>							
Executive	6	1	–	7	–	2	5
Managers	21	4	2	23	–	19	6
Individual Contributors	53	29	12	70	12	57	13
<b>2020</b>							
Executive	5	1	0	6	–	2	4
Managers	29	12	2	39	–	36	5
Individual Contributors	86	38	12	112	14	88	22
<b>2019</b>							
Executive	6	1	0	7	–	1	6
Managers	27	12	1	38	–	33	6
Individual Contributors	100	44	11	133	18	91	35

<sup>1</sup> Employment Categories:

**Executive:** member of the Executive Committee

**Manager:** employees that supervise or manage a team or individual

**Individual Contributors:** all remaining employees

## People (continued)

### Attraction and retention

Attraction	2021		2020		2019	
	Number	Rate <sup>1</sup>	Number	Rate	Number	Rate
New Employees	22	19%	35	20%	59	31%
<b>Breakdown by Age</b>						
<30	4	18%	10	29%	11	19%
30-50	13	59%	22	63%	35	59%
>50	5	23%	3	9%	13	22%
<b>Breakdown by Sex</b>						
Male	12	55%	21	60%	40	68%
Female	10	45%	14	40%	19	32%
<b>Breakdown by Background</b>						
Local	0	0%	3	9%	3	5%
National	22	100%	32	91%	56	95%

<sup>1</sup>Attraction rate: number of new employees during the reporting period as a percentage of total employee headcount at the end of the reporting period.

Retention	2021		2020		2019	
	Number	Rate <sup>1</sup>	Number	Rate	Number	Rate
Total Turnover	74	65%	46	27%	39	21%
Initiated by Employee	18	16%	21	12%	30	16%
Initiated by Senex	56	49%	25	15%	9	5%
<b>Breakdown by Age</b>						
<30	2	2%	6	4%	6	3%
30-50	57	50%	22	13%	25	13%
>50	15	13%	18	11%	8	4%
<b>Breakdown by Sex</b>						
Male	48	42%	29	17%	27	14%
Initiated by Employee	11	10%	10	6%	19	10%
Initiated by Senex	37	32%	19	11%	8	4%
Female	26	23%	17	10%	12	6%
Initiated by Employee	7	6%	11	6%	11	6%
Initiated by Senex	19	17%	6	4%	1	1%
<b>Breakdown by Location</b>						
Local	1	1%	-	0%	-	0%
National	73	64%	46	27%	39	21%

Turnover Rate: number of employees that left during the reporting period as a percentage of total employee headcount at the end of the reporting period.

## Economic sustainability

### Economic value

	2021 \$'000	2020 <sup>1</sup> \$'000	2019 \$'000
<b>Direct Economic Value Generated</b>			
Sales Revenue	\$115,800	\$121,519	\$95,350
Other Revenue	\$249	\$3,019	\$7,161
<b>Direct Economic Value Generated</b>	<b>\$116,049</b>	<b>\$124,538</b>	<b>\$102,511</b>
<b>Economic Value Distributed</b>			
Operating Costs	\$22,582	\$29,891	\$23,699
Employee Wages and Benefits	\$27,894	\$41,417	\$37,782
Payments to Providers of Capital	\$30,151	\$8,595	\$231
Total Payments to Government	\$10,051	\$12,764	\$9,396
Community Investment	\$241	\$259	\$291
<b>Economic Value Distributed</b>	<b>\$90,919</b>	<b>\$92,926</b>	<b>\$71,399</b>
<b>Economic Value Retained <sup>2</sup></b>			
<b>Total Economic Value Retained</b>	<b>\$25,130</b>	<b>\$31,612</b>	<b>\$31,112</b>

<sup>1</sup> 2020 values differ to those stated in 2021 financial report because, to accurately reflect the total economic value generated and distributed by Senex in previous years, 2019-2020 figures include Cooper Basin assets.

<sup>2</sup> Economic Value Retained = Direct Economic Value Generated - Economic Value Distributed

### Financial assistance

	2021 \$'000	2020* \$'000	2019 \$'000
Tax relief <sup>1</sup> and tax credits	\$436	\$497	-
Other financial benefits from government <sup>2</sup>	\$1,616	\$1,370	-
<b>Total Financial Assistance from Government</b>	<b>\$2,052</b>	<b>\$1,867</b>	<b>-</b>

<sup>1</sup> Tax relief: payroll tax refund and delayed payments.

<sup>2</sup> Other benefits: JobKeeper payments.

### Benefit plan obligations

	2021 \$'000	2020 \$'000	2019 \$'000
<b>Current</b>			
Annual and Long Service Leave	\$1,621	\$2,366	\$1,821
<b>Non-Current</b>			
Long Service Leave	\$582	\$766	\$763
<b>Total Benefit Plan Obligations</b>	<b>\$2,203</b>	<b>\$3,132</b>	<b>\$2,584</b>

## Our stakeholders

Building quality, long-term relationships with our stakeholders enables us to become a better neighbour, partner, producer and provider of reliable, affordable and sustainable natural gas. This requires open and clear communication. The table below illustrates how we engage with individual stakeholder groups. The type and frequency of engagement vary depending on the needs of each individual stakeholder group and the project phase. The issues of interest reflect the topics most commonly raised by these stakeholders through our established channels and were incorporated into our evaluation of material issues for disclosure in this report.

Stakeholder group	Engagement type	Issues of interest
Customers	<ul style="list-style-type: none"> <li>email</li> <li>video conference</li> <li>telephone updates</li> <li>face-to-face meetings</li> </ul>	<ul style="list-style-type: none"> <li>new or expanded gas supply</li> <li>security of supply</li> <li>price</li> <li>contract conditions and flexibility to meet their needs</li> <li>decarbonisation, sustainability and emissions reduction initiatives</li> <li>supply chain sustainability</li> </ul>
Senex staff and contractors	<ul style="list-style-type: none"> <li>CEO virtual updates with Q&amp;As</li> <li>Town Hall meetings</li> <li>Toolbox meetings</li> <li>regular face-to-face staff updates</li> <li>site visits</li> <li>ASX announcements</li> </ul>	<ul style="list-style-type: none"> <li>living the values</li> <li>company strategy and priorities</li> <li>safety, production and gas sales performance</li> <li>key operational activities and project updates</li> <li>macro societal and political factors impacting our industry and business</li> <li>digital transformation initiatives</li> </ul>
Landholders	<ul style="list-style-type: none"> <li>face-to-face meetings and/briefings (individual or groups)</li> <li>targeted phone calls</li> <li>shed meetings (groups of landholders)</li> <li>targeted letters and newsletters</li> <li>regular text and email updates</li> <li>community information sessions</li> <li>project offices located in town (Roma and Wandoan)</li> <li>targeted engagement plans for each project phase</li> <li>active presence in the local community (shopping and living locally, attending local functions etc.)</li> <li>stakeholder relationship management system (X-Info database) with contact details and summaries of each engagement, particularly for landholders</li> </ul>	<ul style="list-style-type: none"> <li>impacts to groundwater</li> <li>gate management</li> <li>road maintenance</li> <li>weed control or spread</li> <li>washdown or vehicle inspection integrity</li> <li>location of infrastructure: causing light, noise, dust or interfering with rural operations</li> <li>property visits after rain events</li> </ul>

Stakeholder group	Engagement type	Issues of interest
Community	<ul style="list-style-type: none"> <li>annual community information sessions</li> <li>annual community dinners</li> <li>sponsorship program based on community partnerships (community investment) and regular engagement throughout the year</li> <li>project office presence in Roma and Wandoan main streets</li> <li>regular email updates to influential community leaders</li> <li>fact sheets</li> <li>posters</li> <li>public displays</li> <li>presentations</li> <li>targeted phone calls</li> <li>monthly update in local newsletters</li> <li>free call telephone, email and postal feedback</li> </ul>	<ul style="list-style-type: none"> <li>expansion and new projects</li> <li>current and future jobs</li> <li>living locally</li> <li>supporting local businesses</li> <li>sponsorship opportunities to assist with events and infrastructure</li> <li>volunteer involvement of Senex in the community</li> </ul>
Native title parties	<ul style="list-style-type: none"> <li>annual implementation committee meetings to discuss cultural heritage management</li> <li>ongoing cultural heritage inductions for staff working on site and how to respond if Indigenous artefacts or human remains are found</li> <li>open and transparent discussions about timing, impacts and expectations with Traditional Owners</li> <li>cultural heritage clearances in advance of any activity and compliance with conditions of clearance</li> </ul>	<ul style="list-style-type: none"> <li>Native Title Agreements</li> <li>cultural heritage preservation</li> <li>employment opportunities</li> <li>study assistance</li> <li>funding for community initiatives</li> </ul>
Local government	<ul style="list-style-type: none"> <li>face-to-face meetings and telephone calls, including about our projects and gas marketing strategy</li> <li>regular email updates</li> <li>site tours, as requested</li> <li>regular road inspections</li> <li>sponsorship partnering</li> </ul>	<ul style="list-style-type: none"> <li>local economic development</li> <li>expansion and new projects</li> <li>current and future jobs</li> <li>road safety</li> <li>revenue</li> <li>community engagement</li> </ul>

## Our stakeholders (continued)

Stakeholder group	Engagement type	Issues of interest
State government	<ul style="list-style-type: none"> <li>quarterly face-to-face updates</li> <li>regular electronic updates</li> <li>targeted phone calls</li> <li>site tours, as requested</li> </ul>	<ul style="list-style-type: none"> <li>compliance with workplans</li> <li>environmental stewardship</li> <li>gas price and supply</li> <li>royalties</li> <li>community and business support</li> </ul>
Federal government	<ul style="list-style-type: none"> <li>face-to-face meetings</li> <li>regular electronic updates</li> <li>targeted phone calls</li> </ul>	<ul style="list-style-type: none"> <li>monitoring and compliance with EPBC approvals</li> <li>energy market operation</li> <li>gas price and supply</li> <li>compliance with regulations</li> <li>community and business support</li> </ul>
Local commerce and industry associations	<ul style="list-style-type: none"> <li>regular email project updates in local newsletters</li> <li>presence at annual dinners</li> <li>event sponsorship</li> <li>attendance at meetings and functions</li> <li>engagement with media advisors to share milestone achievements</li> </ul>	<ul style="list-style-type: none"> <li>economic and business development</li> <li>new or expanded projects</li> <li>opportunities for local suppliers</li> <li>community support</li> <li>population retention and growth through living locally</li> </ul>
Local suppliers and contractors	<ul style="list-style-type: none"> <li>annual community information sessions</li> <li>pro-actively contacting local suppliers about re-work packages</li> <li>promoting local content policy that advantages local suppliers</li> <li>establishing a panel of local civil earthwork contractors</li> <li>media promoting local content contracts</li> </ul>	<ul style="list-style-type: none"> <li>securing work projects</li> <li>maintaining cashflow</li> <li>continued revenue through COVID-19 pandemic</li> <li>advantageous payment terms</li> <li>growth and future opportunities</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>actively contacting suppliers regarding pending tendering opportunities</li> <li>tender de-briefing sessions</li> <li>Senex website (Work with us – Suppliers)</li> <li>face-to-face meetings and personal telephone calls, as needed</li> </ul>	<ul style="list-style-type: none"> <li>securing work projects</li> <li>maintaining cashflow</li> <li>continued revenue through COVID-19 pandemic</li> <li>advantageous payment terms</li> <li>growth and future opportunities</li> </ul>

Stakeholder group	Engagement type	Issues of interest
Financial Markets	<ul style="list-style-type: none"> <li>email</li> <li>video conference</li> <li>telephone updates</li> <li>face-to-face meetings</li> <li>investor conferences</li> <li>virtual webinars</li> </ul>	<ul style="list-style-type: none"> <li>production volumes</li> <li>sales price and operational costs</li> <li>growth and development plans</li> <li>reserves and certainty of gas sales</li> <li>capital management and dividend policies</li> <li>balance sheet strength and leverage ratios</li> <li>Environmental, Social and Governance (ESG) performance</li> <li>environmental sustainability and GHG emissions</li> </ul>
Industry groups	<ul style="list-style-type: none"> <li>active member of the APPEA Board</li> <li>regular engagement with policy advisors</li> <li>regular face-to-face meetings</li> <li>telephone calls and emails</li> <li>active participation in policy development positions</li> </ul>	<ul style="list-style-type: none"> <li>environmental, social and governance topics</li> <li>environmental stewardship</li> <li>community support</li> <li>policy positions</li> </ul>
Media	<ul style="list-style-type: none"> <li>project-related ASX announcements</li> <li>local content announcements</li> <li>local sponsorships</li> <li>milestone achievements</li> <li>targeted phone calls</li> <li>media monitoring</li> </ul>	<ul style="list-style-type: none"> <li>gas price and supply</li> <li>milestones, expansion and new projects</li> <li>energy market operation</li> <li>compliance breaches</li> <li>event and infrastructure community partnerships</li> <li>community sponsorships</li> </ul>
Activists and / lobbyists	<ul style="list-style-type: none"> <li>engage on an as needs basis</li> </ul>	<ul style="list-style-type: none"> <li>environmental, social and governance topics</li> <li>climate change</li> <li>compliance breaches</li> </ul>

## Independent Limited Assurance Statement to the Board and Management of Senex Energy Limited

### Assurance conclusion

Based on the scope of our independent limited assurance engagement, nothing has come to our attention that causes us to believe that the selected indicators in Senex Energy Limited's Sustainability Report 2021 have not been prepared and presented fairly, in all material respects, in accordance with the Criteria defined below.

### Scope

We, Point Advisory Pty Ltd ('Point Advisory'), performed a limited assurance engagement over selected indicators presented in Senex Energy Limited ('Senex')'s Sustainability Report for the reporting year ended 30 June 2021.

### Subject Matter

The Subject Matter covered as part of this limited assurance engagement is listed below:

- Water Withdrawal – Produced Water and Third-party water (ML)
- Water Storage – Storage for Beneficial use, Wastewater (Brine) Storage (ML)
- Water Discharge – Beneficial Use, Reuse and Third-party water (ML)
- Total Recordable Injury Frequency Rate (TRIFR)
- Lost Time Injury Frequency Rate (LTIFR)

### Criteria

We have used Senex's own reporting criteria (as set out in the Report) and relevant procedures used to compile the selected data.

### Respective responsibilities

Senex's management is responsible for the preparation and fair presentation of the selected indicators in accordance with that Criteria, and related information within the Sustainability Report. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation of the Sustainability Report, adequate records and making assumptions that are reasonable in the circumstances.

Point Advisory's responsibility, in accordance with the terms of our engagement letter with Senex dated 16 August 2021, is to express a limited assurance conclusion about whether the selected indicators have been prepared in accordance with the Criteria. Our assurance engagement has been planned and performed in accordance with the Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ASAE 3000).

### Our methodology

The assurance procedures we performed were based on our professional judgement and included:

- Making enquiries of persons responsible for preparing Senex's selected indicators, related information in the Sustainability Report 2021.
- Interviewing selected personnel to understand how the indicators data is collected, calculated, and aggregated.
- Performing analytical tests and limited substantive testing to source documentation for selected indicators and related qualitative information.
- Checking the accuracy of calculations performed and the reasonableness of assumptions used.
- Reviewing the presentation of the selected indicators in the Sustainability Report 2021 to check that the indicators are fairly reported.





### **Inherent limitations**

Our evidence-gathering procedures were designed to obtain a 'limited level' of assurance (as set out in ASAE 3000) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement and therefore a lower level of assurance is provided.

### **Use of our assurance statement**

We do not accept any responsibility for any reliance on this assurance statement by any other person(s) or organisation(s) other than the Board and Management of Senex. Other stakeholders should do their own due diligence before taking any action as a result of this statement.

### **Our independence**

We are not aware of any issues that could impair our independence or objectivity for this assurance engagement. Point Advisory's independence policy and supporting measures apply to management and professional staff. This policy also prohibits our team from having any financial interests in our clients that could impair our independence, either in fact or in appearance.

### **Our assurance team**

Our team has the required qualifications and experience in applying ASAE 3000 relevant for this assurance engagement.

On behalf of the assurance team.

A handwritten signature in black ink, appearing to read "Dawes", written in a cursive style.

Simon Dawes  
Lead Auditor, Sydney  
Point Advisory  
27 October 2021

## TCFD alignment content index

GRI Standard	Disclosure	Location (Page / URL)
<b>TCFD: Governance</b>  <i>Disclose the organisation's governance around climate-related risks and opportunities</i>	a) Describe the Board's oversight of climate-related risks and opportunities	<a href="#">Pages 17, 22</a>
	b) Describe management's role in assessing and managing climate-related risks and opportunities	<a href="#">Pages 17, 22, 24</a>
<b>TCFD: Strategy</b>  <i>Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material</i>	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term	<a href="#">Pages 24-25</a>
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	<a href="#">Pages 24-27</a>
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<a href="#">Pages 26-27</a>
<b>TCFD: Risk management</b>  <i>Disclose how the organisation identifies, assesses and manages climate-related risks</i>	a) Describe the organisation's processes for identifying and assessing climate-related risks	<a href="#">Pages 17-19, 24</a>
	b) Describe the organisation's processes for managing climate-related risks	<a href="#">Page 24</a>
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	<a href="#">Pages 18-19, 24-25</a>
<b>TCFD: Metrics and targets</b>  <i>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</i>	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	<a href="#">Pages 28-32</a>
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks	<a href="#">Pages 28-32, 85</a>
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	<a href="#">Pages 29-32</a>

## GRI content index

GRI CONTENT INDEX		
GRI Standard	Disclosure	Location (Page / URL)
GRI 101: Foundations 2016	GRI 101 does not include any disclosures	
<b>General Disclosures</b>		
GRI 102: General Disclosures 2016	<b>Organisational Profile</b>	
102-1	Name of the organisation	<a href="#">About Senex – page 4</a>
102-2	Activities, brands, products, and services	<a href="#">About Senex – page 4</a>
102-3	Location of headquarters	<a href="#">Senex Energy Limited – page 106</a>
102-4	Location of operations	<a href="#">About Senex – page 4</a>
102-5	Ownership and legal form	<a href="#">About this report – inside front cover</a>
102-6	Markets served	<a href="#">Value chain – pages 68-69</a>
102-7	Scale of the organisation	<a href="#">Sustainability data – pages 90-91; Economic sustainability – page 81</a>
102-8	Information on employees and other workers	<a href="#">People data – page 90</a>
102-9	Supply chain	<a href="#">Value chain – pages 64-67</a>
102-10	Significant changes to the organisation and its supply chain	<a href="#">People – page 72; Economic sustainability – page 81</a>
102-11	Precautionary Principle or approach	<a href="#">Environment – pages 40-53; Climate change – pages 20-33</a>
102-12	External initiatives	<a href="#">Sustainable industry – page 8; Industry safety initiatives – page 37</a>
102-13	Membership of associations	<a href="#">Memberships and associations – page 8</a>
<b>Strategy</b>		
102-14	Statement from senior decision-maker	<a href="#">Message from the Chairman and MD and CEO – page 2</a>
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards, and norms of behaviour	<a href="#">Value in action – pages 6-7; Governance – pages 16-17; People – page 71</a>
<b>Governance</b>		
102-18	Governance structure	<a href="#">Governance – page 17</a>
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	<a href="#">Our stakeholders – pages 92-93</a>
102-41	Collective bargaining agreements	<i>Not applicable: we do not have any collective bargaining agreements</i>
102-42	Identifying and selecting stakeholders	<a href="#">Stakeholder engagement – page 5</a>
102-43	Approach to stakeholder engagement	<a href="#">Stakeholder engagement – page 5; Our stakeholders – pages 92-93; Report approach – inside front cover</a>
102-44	Key topics and concerns raised	<a href="#">Our stakeholders – pages 92-93; Report approach – inside front cover</a>
<b>Reporting Practice</b>		
102-45	Entities included in the consolidated financial statements	<a href="#">About this report – inside front cover; Annual Report 2021 – page 99</a>
102-46	Defining report content and topic Boundaries	<a href="#">Report approach – inside front cover</a>
102-47	List of material topics	<a href="#">FY21 Priorities – pages 14-15; GRI Content Index (Material Topics) – pages 97-101</a>
102-48	Restatements of information	<i>Not applicable: this is our first Sustainability Report</i>
102-49	Changes in reporting	<i>Not applicable: this is our first Sustainability Report</i>
102-50	Reporting period	<a href="#">About this report – inside front cover</a>
102-51	Date of most recent report	<i>Not applicable: this is our first Sustainability Report</i>
102-52	Reporting cycle	<a href="#">About this report – inside front cover</a>
102-53	Contact point for questions regarding the report	<a href="#">Senex Energy Limited – page 106</a>
102-54	Claims of reporting in accordance with the GRI Standards	<a href="#">Report objectives – inside front cover</a>
102-55	GRI content index	<a href="#">GRI Content Index – pages 97-101</a>
102-56	External assurance	<a href="#">Assurance Statement – pages 94-95</a>

## GRI content index (continued)

GRI CONTENT INDEX (continued)			
GRI Standard	Disclosure	Location (Page / URL)	
<b>Material Topics</b>			
<b>Climate Change</b>			
<b>Climate Change (see TCFD Disclosure Table)</b>			
GRI 103: Management Approach 2016	103-1	Explanation and Boundaries	<a href="#">Climate change – pages 20-21, 28</a>
	103-2	Management Approach	<a href="#">Climate change – pages 20-33</a>
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	<a href="#">Energy data – page 85</a>
	302-3	Energy intensity	<a href="#">Energy data – page 85</a>
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	<a href="#">GHG emissions data – page 85</a>
	305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">GHG emissions data – page 85</a>
	305-3	Other indirect (Scope 3) GHG emissions	<a href="#">GHG emissions data – page 85</a>
	305-4	GHG emissions intensity	<a href="#">GHG emissions data – page 85</a>
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	<a href="#">Air emissions data – page 88</a>
Oil & Gas Sector Supplement	OG6	Flared and Vented Hydrocarbon	<a href="#">GHG emissions data – page 85</a>
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Climate change – pages 24-27</a>
<b>Health &amp; Safety</b>			
<b>Safety Culture &amp; Performance</b>			
GRI 103: Management Approach 2016	103-1	Explanation and Boundaries	<a href="#">Health and safety – pages 34-35</a>
	103-2	Management Approach	<a href="#">Health and safety – pages 34-39</a>
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	<a href="#">Health and safety – page 39</a>
	403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">Health and safety – page 38</a>
	403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Health and safety – page 37</a>
	403-8	Workers covered by an occupational health and safety management system	<a href="#">Health and safety – page 39</a>
	403-9	Work-related injuries	<a href="#">Health and safety data – page 86</a>
<b>Health &amp; Wellbeing</b>			
GRI 103: Management Approach 2016	103-1	Explanation and Boundaries	<a href="#">Health and safety – pages 34-35</a>
	103-2	Management Approach	<a href="#">Health and safety – pages 34-36</a>
GRI 403: Occupational Health and Safety 2018	403-3	Occupational health services	<a href="#">Health and safety – page 36</a>
	403-6	Promotion of worker health	<a href="#">Health and safety – page 36</a>

## GRI content index (continued)

GRI CONTENT INDEX (continued)			
GRI Standard	Disclosure		Location (Page / URL)
<b>Environment</b>			
<b>Environmental Compliance and Approvals</b>			
GRI 103: Management Approach 2016	103-1	Explanation and Boundaries	<a href="#">Environment – pages 40-43</a>
	103-2	Management Approach	<a href="#">Environment – pages 40-43</a>
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	<a href="#">Environmental compliance data – page 88</a>
<b>Water</b>			
GRI 103: Management Approach 2016	103-1	Explanation and Boundaries	<a href="#">Water – pages 44-45</a>
	103-2	Management Approach	<a href="#">Water – pages 44-49</a>
GRI 303: Water and Effluents 2018	303-1	Interactions with water as shared resource	<a href="#">Water – pages 44-49</a>
	303-2	Management of water discharge-related impacts	<a href="#">Water – pages 46-47</a>
	303-3	Water withdrawal	<a href="#">Water data – pages 86-87</a>
	303-4	Water discharge	<a href="#">Water data – pages 86-87</a>
	303-5	Water consumption	<a href="#">Water data – pages 86-87</a>
	OG5	Produced Water	<a href="#">Water data – pages 86-87</a>
<b>Biodiversity</b>			
GRI 103: Management Approach 2016	103-1	Explanation and Boundaries	<a href="#">Biodiversity – page 50</a>
	103-2	Management Approach	<a href="#">Biodiversity – pages 50-51</a>
GRI 304: Biodiversity 2016	304-1	Operational sites in, or adjacent to, protected areas and areas of high biodiversity value	<a href="#">Biodiversity data – page 88</a>
	304-2	Significant impacts of activities, products, and services on biodiversity	<a href="#">Biodiversity – pages 50-51</a>
	304-3	Habitats protected or restored	<a href="#">Biodiversity – pages 50-51</a>
	304-4	IUCN Red List and national conservation list species with habitats in areas affected by operations	<a href="#">Biodiversity – page 51</a>
Oil & Gas Sector Supplement	OG4	Biodiversity Risk	<a href="#">Biodiversity – pages 50-51</a>
<b>Waste</b>			
GRI 103: Management Approach 2016	103-1	Explanation and Boundaries	<a href="#">Waste – page 52</a>
	103-2	Management Approach	<a href="#">Waste – pages 52-53</a>
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	<a href="#">Waste – page 52</a>
	306-2	Management of significant waste related impacts	<a href="#">Waste case study – page 66</a>
	306-3	Waste generated	<a href="#">Waste data – page 88</a>
	306-4	Waste diverted from disposal	<a href="#">Waste case study – page 53</a>
Oil & Gas Sector Supplement	OG7	Drill Waste	<a href="#">Waste data – page 88; Waste case studies – pages 53 and 66</a>
<b>Communities</b>			
<b>Community Engagement</b>			
GRI 103: Management Approach 2016	103-1	Explanation and Boundaries	<a href="#">Communities – pages 54-55</a>
	103-2	Management Approach	<a href="#">Community engagement – pages 55-57</a>
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	<a href="#">Community engagement – pages 54-57</a>
	413-2	Operations with significant actual and potential negative impacts on local communities	<a href="#">Community engagement – pages 54-57; Groundwater – pages 48-49</a>
Oil & Gas Sector Supplement	OG12	Resettlement	<i>Not applicable: we work with landowners to secure access to their land, we do not have to resettle inhabitants</i>
Oil & Gas Sector Supplement	OG9	Indigenous Engagement	<a href="#">Community engagement – pages 56-57</a>

## GRI content index (continued)

GRI CONTENT INDEX (continued)			
GRI Standard	Disclosure		Location (Page / URL)
<b>Community Investment</b>			
GRI 103: Management Approach 2016	103-1	Explanation and Boundaries	<a href="#">Community investment – pages 58-61</a>
	103-2	Management Approach	<a href="#">Community investment – pages 58-61</a>
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	<a href="#">Community investment – pages 58-61</a>
	203-2	Significant indirect economic impacts	<a href="#">Community investment – pages 58-61</a> ; <a href="#">Community involvement – pages 62-63</a>
<b>Community Involvement</b>			
GRI 103: Management Approach 2016	103-1	Explanation and Boundaries	<a href="#">Community involvement – pages 62-63</a>
	103-2	Management Approach	<a href="#">Community involvement – pages 62-63</a>
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	<a href="#">People data – page 90</a>
<b>Value Chain</b>			
<b>Supply Chain Sustainability</b>			
GRI 103: Management Approach 2016	103-1	Explanation and Boundaries	<a href="#">Value chain – pages 64-67</a>
	103-2	Management Approach	<a href="#">Value chain – pages 64-67</a>
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	<a href="#">Value chain – page 67</a> ; <a href="#">Supply chain data – page 89</a>
GRI 308: Supplier Environmental Assessment 2018	308-1	New suppliers that were screened using environmental criteria	<a href="#">Value chain – page 65</a>
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	<a href="#">Value chain – page 65</a>
<b>People</b>			
<b>Organisational Development</b>			
GRI 103: Management Approach 2016	103-1	Explanation and Boundaries	<a href="#">People – pages 71-72, 78</a>
	103-2	Management Approach	<a href="#">People – pages 71-72, 77-78</a>
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">Digital Essentials – page 77</a>
<b>Attraction &amp; Retention</b>			
GRI 103: Management Approach 2016	103-1	Explanation and Boundaries	<a href="#">People – pages 71, 76</a>
	103-2	Management Approach	<a href="#">People – pages 71, 76</a>
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	<a href="#">Attraction and retention data – page 91</a>
	401-3	Parental leave	<a href="#">People – page 74</a>
<b>Diversity and Inclusion</b>			
GRI 103: Management Approach 2016	103-1	Explanation and Boundaries	<a href="#">People – pages 71, 73-75</a>
	103-2	Management Approach	<a href="#">People – pages 71, 73-75</a>
GRI 405: Diversity & Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	<a href="#">People – page 75</a> ; <a href="#">Diversity and inclusion data – page 90</a>

## GRI content index (continued)

GRI CONTENT INDEX (continued)			
GRI Standard	Disclosure	Location (Page / URL)	
<b>Economic Sustainability</b>			
<b>Long Term Value</b>			
GRI 103: Management Approach 2016	103-1	Explanation and Boundaries	<a href="#">Economic sustainability – pages 80-81</a>
	103-2	Management Approach	<a href="#">Economic sustainability – pages 80-81</a>
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	<a href="#">Economic sustainability data – page 91</a>
	201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Climate change – pages 24-27</a>
	201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Economic sustainability data – page 91</a>
	201-4	Financial assistance received from government	<a href="#">Economic sustainability data – page 91</a>
<b>Operational Efficiency</b>			
GRI 103: Management Approach 2016	103-1	Explanation and Boundaries	<a href="#">Economic sustainability – pages 80, 82</a>
	103-2	Management Approach	<a href="#">Economic sustainability – pages 80, 82</a>
<b>Transparency</b>			
GRI 103: Management Approach 2016	103-1	Explanation and Boundaries	<a href="#">Economic sustainability – pages 80, 83</a>
	103-2	Management Approach	<a href="#">Economic sustainability – pages 80, 83</a>
GRI 207: Tax 2019	207-1	Approach to tax	<a href="#">Tax Transparency Statement</a>
	207-2	Tax governance, control and risk management	<a href="#">Tax Transparency Statement</a>
	207-3	Stakeholder engagement and management of concerns related to tax	<a href="#">Tax Transparency Statement</a>
	207-4	Country by country reporting	<a href="#">Tax Transparency Statement</a>
GRI 205 Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	<a href="#">Governance – page 18</a>

## Glossary

Term	Definition and/or usage
<b>Ambition</b>	An outcome that we aspire to and will seek to achieve in relation to which we have identified one or more pathways that we expect will deliver the outcome, subject to establishing details as opportunities, technologies and markets evolve
<b>Apple Tree Creek</b>	168ha land-based biodiversity offset site 100km northwest of Roma managed by the offset providers. Senex undertakes regular ecological monitoring and reporting in accordance with the Offset Area Management Plan (OAMP) approved by both State and Federal environmental authorities
<b>Artemis</b>	Senex's 153sq km high potential exploration acreage in the Surat Basin. Granted Authority to Prospect in September 2020. Estimated gas volumes more than 600 PJ.
<b>Atlas</b>	Senex's natural gas development near Wandoan in the Surat Basin comprising gas wells, pipelines and a processing facility to compress gas for delivery to domestic customers. Production target 18 PJ/year by mid-CY22, with a 15-year remaining reserve life from 2P reserves of 270 PJ
<b>ATP</b>	Authority to Prospect granted under the Petroleum Act 1923 (Qld) or the Petroleum Gas (Production and Safety) Act 2004 (Qld)
<b>Beneficial use</b>	Where an operational resource or by-product can be used beneficially for another purpose (eg. produced water that meets certain quality standards can be reused to irrigate pastures used for agriculture)
<b>Biodiversity</b>	The number and variety of organisms found within a specified geographic region or within a given ecosystem
<b>Bore or borehole</b>	Includes a well, excavation or any other constructed groundwater cavity used to intercept, collect, analyse or store water or data from an aquifer
<b>Brine</b>	Water that contains more than 35,000 mg/l of dissolved solids
<b>CO<sub>2</sub> equivalent (CO<sub>2</sub>e)</b>	The universal unit of measurement to indicate the global warming potential of each greenhouse gas, expressed in terms of the one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) different greenhouse gases against a common basis
<b>Cooper Basin</b>	The sedimentary geological basin of upper Carboniferous to middle Triassic age in north-east South Australia and south-west Queensland
<b>CSG</b>	Coal seam gas: natural gas stored within coal deposits or seams

Term	Definition and/or usage
<b>Cultural heritage management</b>	Includes plans, systems, surveys and monitoring undertaken in consultation with Traditional Owners to make sure cultural heritage sites are not damaged during exploration or operation and are monitored appropriately
<b>Decarbonisation</b>	Reducing or removing the amount of carbon emitted into the atmosphere
<b>Development</b>	The operational phase that occurs after exploration has proven successful and before full-scale production. The gasfield is assessed and a plan to fully and efficiently exploit it is created. Additional wells are usually drilled
<b>Direct emissions</b>	Emission from sources that are owned or controlled by the reporting company
<b>Direct influence</b>	Activities where a party has either operational control or operational influence
<b>Downstream emissions</b>	Scope 3 greenhouse gas emissions that are a consequence of the activities of Senex but occur at sources owned by another entity (ie. downstream transportation and distribution, processing of sold products, use of sold products)
<b>Drilling mud</b>	A mixture of clays and other chemicals with water that is circulated around the drill bit in order to cool the bit, flush rock cuttings to the surface, and support the side of the well to prevent the hole collapsing
<b>Drilling waste</b>	Cuttings and spent drilling fluid resulting from drilling a well
<b>EBITDA</b>	Earnings before interest, taxes, impairment, depreciation (or depletion) and amortisation
<b>Ecology</b>	Scientific study of abundance, distribution and interactions between organisms and their natural environment
<b>Ecosystem</b>	An organic community of plants, animals and bacteria and the physical and chemical environment they inhabit
<b>Electrification</b>	The process of making a machine or system operate using electricity when it did not before. In Senex's case, converting the processing facilities from gas powered to be electrically powered
<b>Emissions</b>	Refers to greenhouse gas emissions unless otherwise stated
<b>Emission intensity</b>	A factor that converts activity data into greenhouse gas emissions data (e.g. tCO <sub>2</sub> e emitted per TJ of natural gas produced or sold)
<b>Exposed Assistance Emission factor</b>	Calculation factor expressing GHG emissions per unit of activity

Term	Definition and/or usage
<b>Equator Principles</b>	A financial industry framework for determining, assessing, and managing environmental and social risk in projects
<b>ESG</b>	Environmental, social and governance. Investors are increasingly factoring these non-financial factors into their assessment processes to identify material risks and opportunities
<b>Exploration</b>	The initial phase in operations that includes generation of a prospect or play or both and drilling of an exploration well. Appraisal, development and production phases follow successful exploration
<b>Flaring</b>	A process to release gas by burning the methane in specially designed flares within infrastructure. Flaring converts methane to carbon dioxide, which is a less potent greenhouse gas than methane
<b>Fugitive emissions</b>	Emissions that are not physically controlled but result from the intentional or unintentional release of greenhouse gases
<b>Gas processing facility</b>	An installation that processes natural gas to recover natural gas liquids and sometimes other substances such as sulfur
<b>Greenhouse gas (GHG)</b>	Any gas that absorbs infrared radiation in the atmosphere. Greenhouse gases include, but are not limited to, water vapour, carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), hydrochlorofluorocarbons (HCFCs), ozone (O <sub>3</sub> ), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF <sub>6</sub> )
<b>GRI Standards</b>	Developed by the Global Sustainability Standards Board (GSSB) the GRI Standards are the first global standards for sustainability reporting. (Formerly the Global Reporting Initiative)
<b>Limited influence</b>	Activities where Senex has a direct or indirect commercial relationship with a third party (such as a customer or supplier), but Senex's ability to influence the actions of that third party are limited as it is an arm's length relationship
<b>Low-carbon natural gas</b>	Natural gas or coal seam gas with less than 0.5 per cent by volume carbon dioxide (CO <sub>2</sub> ) content
<b>LTI</b>	A lost-time injury is a work-related injury or illness that results in a person's disability, or time lost from work of at least one day shift
<b>LTI/FR</b>	Lost time injury frequency rate, a statistical measure of health and safety performance. The number of lost time injuries per million hours worked. A lost-time injury is a work-related injury or illness that results in a person's disability, or time lost from work of at least one day shift
<b>Methane</b>	A colourless, odourless flammable gas which is the main constituent of natural gas. It is the simplest member of the alkane series of hydrocarbons



## Glossary (continued)

Term	Definition and/or usage
<b>Mitigation hierarchy</b>	Hierarchy by which actions to decarbonise are determined with highest priority being technology and science-based solutions, and offsets only being utilised where other options to decarbonise have been exhausted or are not yet commercially available
<b>ML</b>	Megalitres. One million litres
<b>Native title</b>	Native title recognises and protects by Australian law Aboriginal and Torres Strait Islander people's traditional rights and interests in land and waters held under traditional law and custom
<b>Natural gas</b>	Natural gas is a fossil energy source that is formed deep beneath the earth's surface. Natural gas contains many different components including methane and nonhydrocarbon gases, such as carbon dioxide and water vapour. In some basins, natural gas also contains smaller amounts of natural gas liquids (NGL, which are also hydrocarbon gas liquids)
<b>Net zero</b>	In relation to Senex, net zero refers to achieving an overall balance between greenhouse gas emissions produced and greenhouse gas emissions taken out of the atmosphere, in respect of its Scope 1, Scope 2 and Scope 3 Processing emissions including the use of carbon offsets as required, when other options to decarbonise have been exhausted or are not yet commercially available
<b>Offset or carbon offset</b>	A unit representing an emission reduction or removal of greenhouse gases. These units are issued by regulated and voluntary carbon crediting programs and are uniquely serialized, issued, tracked, and cancelled by means of electronic registries. 'Carbon offset' is often used interchangeably with 'carbon credit'
<b>Operational control</b>	Where a party has the authority to introduce and implement operating policies, health and safety policies and environmental policies in respect of a facility or operation
<b>Operational influence</b>	Where a party has a commercial arrangement with a third party who has operational control in respect of a facility or operation, and who has influence over the operations undertaken by that third party
<b>PJ</b>	Petajoule. Joules are the metric measurement unit for energy. A petajoule equals 10 <sup>15</sup> joules
<b>Produced water</b>	Water that is brought to surface during operations which extract coal seam gas from underground coal seams
<b>Production</b>	The volume of hydrocarbons produced in production operations
<b>Renewable energy</b>	Energy from a source that is not depleted when used, such as wind or solar power
<b>Reserve</b>	Commercially recoverable resources which have been justified for development, as defined in the SPE's PRMS

Term	Definition and/or usage
<b>Rockybar</b>	Senex's 486sq km of high-potential exploration acreage in the Bowen Basin. Target ATP grant FY22
<b>Roma North</b>	Senex's 370sq km development area in the Surat Basin comprising wells and pipeline to produce natural gas for GLNG under a 20-year gas sales agreement. Gas processing facility and pipeline is owned and operated by energy infrastructure operator Jemena. Production target 36 PJ/year by CY26
<b>Sales gas</b>	The output following processing to remove production water and impurities. Sales gas is transported by pipeline to customers
<b>Sales volumes</b>	Equal to production less volumes of hydrocarbons used as fuel in operations; flared, vented, other shrinkages and inventory movements
<b>Scope 1</b>	Scope 1 greenhouse gas emissions are direct emissions from operated assets that are owned and/or controlled by Senex
<b>Scope 2</b>	Scope 2 greenhouse gas emissions are indirect emissions from the generation of purchased or acquired electricity, that is consumed by operations that are owned or controlled by Senex
<b>Scope 3</b>	Scope 3 greenhouse gas emissions are all other indirect emissions (not included in Scope 2) that occur in Senex's value chain, primarily emissions resulting from our customers using the fossil fuel commodities and processing the non-fossil fuel commodities we sell, as well as upstream emissions associated with the extraction, production and transportation of the goods, services, fuels and energy we purchase for use at our operations and emissions resulting from the transportation and distribution of our products
<b>Scope 3 Processing</b>	Scope 3 GHG emissions resulting from the processing and compression of Senex's natural gas in third-party-owned gas processing facilities upstream of the gas sales point
<b>Senex</b>	Senex Energy Limited and its subsidiaries
<b>Social licence</b>	Social licence refers to the ongoing acceptance of a company's operating practices and procedures. Social licence is based on trust and is built and maintained over time. To protect and build social licence, companies must both do, and be regarded as doing, the right thing by stakeholders
<b>Surat Basin</b>	The sedimentary geological basin of Jurassic to Cretaceous age in southern Queensland and northern New South Wales
<b>Sustainable Development Goals (SDGs)</b>	17 goals established by the United Nations aimed at promoting social equality, health and environmental wellbeing globally by 2030

Term	Definition and/or usage
<b>Stakeholder Engagement Plan</b>	Process to identify relevant stakeholders and plan the appropriate engagement approach (including aim, methods, frequency, roles and responsibilities) according to stakeholder needs
<b>Target</b>	An intended outcome in relation to which we have identified one or more pathways for delivery of that outcome, subject to certain assumptions or conditions
<b>Third party</b>	Third party is an individual or entity that is involved in a transaction but is not one of the principals
<b>TJ</b>	Terajoule, or 10 <sup>12</sup> joules
<b>Traditional Owner</b>	Traditional Owners of the land are a local descent group of Indigenous people who have a common spiritual affiliation to the land and primary spiritual responsibility for that land or particular sites
<b>TRIFR</b>	Total recordable injury frequency rate. The total number of fatalities, lost time injuries, alternate work and other injuries requiring medical treatment per million hours worked
<b>Upstream emissions</b>	Scope 3 greenhouse gas emissions that are a consequence of the activities of Senex but occur at sources owned by another entity (ie. purchase of goods and services, capital goods, fuel and energy related activities, upstream transportation and distribution, waste generated in operations, business travel)
<b>Value chain</b>	Refers to all of the upstream and downstream activities associated with the operations of the reporting company, including the use of sold products by consumers and the end-of-life treatment of sold products after consumer use
<b>Venting</b>	The process that relieves pressure in the system, releasing gas
<b>Walloons</b>	Walloon Coal Measures – a geological formation of the Surat Basin
<b>Wallumbilla Gas Hub</b>	A major gas supply hub in Queensland providing a connection point for operators in the Surat and Bowen basins linking suppliers to customers via gas markets in Queensland, South Australia, New South Wales and Victoria
<b>Workover</b>	The repair of an existing production well using a well servicing rig for the purpose of restoring production of hydrocarbons

## Forward looking statements

This report contains certain forward-looking statements, which can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “intend”, “plan”, “ambition”, “anticipate”, “estimate”, “continue”, “assume”, “project”, “target”, or “forecast” or comparable terminology.

The forward looking statements in this report:

- are based on management’s current expectations and reflect judgments, assumptions, estimates and other information available when report was compiled or scenario analysis were undertaken; and whilst we think the expectations reflected in these statements are reasonable, they may be affected by a range of variables which could cause actual results to differ from what was planned or expected; including but not limited to production levels, gas composition, development progress, operating results, physical risks, regulatory developments, economic and financial conditions, technology development and availability and cost estimates;
- are subject to risk factors associated with the gas industry and decarbonisation technologies and potentially carbon products and markets and the inherent limitations that are associated with scenario analysis (namely, that it is difficult to predict what might actually eventuate, and scenarios may be impacted by additional factors to the assumptions disclosed);
- involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance, achievements and outcomes to be materially different from the forward-looking statements contained in this report (including things such as availability of technology or the cost of technology or other emission reduction proposals);
- should be read in the context of the variables, risks, uncertainties and other factors outlined above or mentioned in the report.

Accordingly, this report should not be relied upon as a recommendation, forecast or guarantee by or expectation of Senex, its related or controlled entities or officers, directors, employees or agents (Senex entities), and the Senex entities disclaim any liability whatsoever (including for negligence) for any loss howsoever arising from any use of this report or reliance on anything contained in or omitted from it or otherwise arising in connection with this. The Senex entities further disclaim any duty or undertaking, except to the extent we have separately committed to in our Decarbonisation Action Plan or as required by law or the Listing Rules of the Australian Securities Exchange, to release publicly any updates to any forward-looking statement contained herein to reflect changes to relevant risks, uncertainties or other factors, and/or the Senex entities’ understanding of them.

### Emissions data and third party information

Due to the inherent uncertainty and limitations in measuring Emissions and the differences in calculation methodologies used in respect of Emissions data, all Emissions data or volumes in this report by their nature are estimates. There may be differences in how third parties calculate or report Emissions data compared to the methodology Senex uses, which means that third party data may not be comparable to our data.

This report has also utilised publicly available third-party information and forward-looking statements that have not been publicly verified; for example forecasts from the International Energy Agency (IEA) were utilised in the development of the scenario analysis. No representation or warranty is made as to the accuracy, completeness or reliability of information of that kind.

Peta Crane is an Australian artist living outside Taroom, in the southern central highlands of Queensland. She lives there on a cattle property, where she is surrounded by the flora, birds, cattle and landscape which she loves to paint.

In her teens Crane trained as a florist, with Meg Barry, in her Australian Contemporary Floral Art School. It was to become a greatly satisfying life-long career for this creative lover of flora.

The artist works in several different mediums and art forms; ink – using technical pens, bamboo pens, sharpened sticks and brushes; watercolour, gouache, acrylic, pencil, crayon and charcoal on paper and canvas; textiles including felt-making, Shibori, batik and embroidery.

Crane received a Bachelor of Fine Art – Textiles major and a Graduate Diploma in Secondary Education majoring in Art and Agricultural Science from the University of Southern Queensland in 1991.

She has had three solo exhibitions, one joint exhibition, and won numerous prizes in regional art competitions. Her work can be found in private and business collections in Australia, Denmark, the United Kingdom, Samoa and USA.



Artwork used throughout this report  
Australian Artist – Peta Crane



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