



Sustainability Report

## Acknowledgement of Country

Cooper Energy recognises and acknowledges the First Peoples of this nation as the Traditional Owners of the lands where we operate. We pay respects to their Elders past, present and emerging.

COOPER ENERGY LIMITED ABN 93 096 170 295

The scope of this report includes all of Cooper Energy's operated assets for the period 1 July 2022 to 30 June 2023.

The terms "the Company" and "Cooper Energy" are used in this report to refer to Cooper Energy Limited (ABN 93 096 170 295) and/or its subsidiaries. The terms "2023", "FY23" and the "2023 financial year" refer to the 12 months ended 30 June 2023 unless otherwise stated. References to 2022, FY22 or 2024, FY24 refer to the 12 months ending 30 June of that year. References to \$ are Australian dollars unless specified otherwise. Terminology and abbreviations relevant to the Company, its accounts and the petroleum industry are included and described throughout this report.

# Scope of this report

This report describes Cooper Energy’s sustainability performance across each of our environment, social and governance activities.

## Table of contents

Our FY23 Sustainability performance.....	5	Environment .....	11
Foreword.....	6	Climate and energy transition.....	12
Our approach to Sustainability .....	7	People and Culture.....	22
Our Values.....	9	Community and local economies.....	24
Health and Safety.....	10	Governance.....	26



*Victorian Coastline*

# Our FY23 Sustainability performance



## Health & Safety

0

lost time injuries

1

medical treatment injury

228,482

hours worked

**Ahead**

of the industry benchmark



## Environment

0

reportable spills

**Certified  
Carbon Neutral  
organisation<sup>1</sup>**

since FY20



## Gender Diversity

27%

Female  
Workforce

57%

Female Board  
of Directors

<sup>1</sup>Cooper Energy has been certified by Climate Active as a carbon neutral organisation for its scope 1, scope 2 and relevant scope 3 emissions (embedded energy and business travel). The Company achieves this status by purchasing and surrendering verified carbon credits while working to minimise direct physical emissions at our operational sites. Certification was first achieved in June 2021 for the FY20 period.

# Foreword

As the Managing Director and CEO of Cooper Energy, I am proud to present our fifth Sustainability Report. Our commitment to sustainability is founded in our desire to achieve lasting success and positively impact the world around us. To accomplish this, we must deliver long-term value to our investors, customers and society.

Cooper Energy is committed to proactively contributing to Australia's future energy landscape. The nation needs reliable, affordable, lower emission energy, essential to our way of life, our communities and our industries. Gas is not just a transition fuel; it is needed in the long-term, to play a pivotal role in south-eastern Australia to deliver industrial heat and feedstock to manufacturers. Gas is also expected to play a bigger role in delivering flexible, firming power to meet peak intra-day and inter-seasonal electricity demand, further supporting the integration of intermittent renewables such as solar and wind.

We know that for gas to continue to play its critical role in Australia's net-zero future, we need to improve energy efficiency, reduce our physical emissions at our sites, and reduce the emissions intensity of our product. Cooper Energy's gas is produced in regional Victoria and used within the demand centres of South Australia, Victoria and NSW. Locally sourced and used gas has lower transport costs and emissions when compared to gas transported over longer distances, such as gas imported from overseas.

In early 2020, Cooper Energy decided that it would begin voluntarily offsetting scope 1, scope 2 and relevant scope 3 emissions, and has been a carbon neutral organisation since FY20<sup>1</sup>, achieving certification of this status in June 2021. This means that all direct emissions from company owned and controlled resources upstream of the point of sale as well as indirect emissions from purchased electricity, and other relevant emissions (e.g. from embedded energy and business travel) have been either reduced where practical or offset. When we made this voluntary commitment in FY20, Cooper Energy held a smaller non-operated portfolio with offsets being the primary option for achieving carbon neutrality. Today, we operate two major gas production and processing hubs in the Otway and Gippsland Basins, in offshore Victoria. This increases our portfolio emissions as our activities



Our commitment to sustainability is rooted in our desire to achieve lasting success and positively impact the world around us.

have expanded, but also gives us greater control over the way we deliver our product, to drive improved performance in:

- Shareholder value
- Health and safety
- Environment, community and stakeholder relations
- Greenhouse gas emission reduction

Cooper Energy's health, safety and environmental performance has remained exemplary through FY23, with no lost time injuries (LTIs), total recordable injury frequency rate (TRIFR) of 4.38, ahead of the industry benchmark of 5.68, zero process safety events and no recordable environmental incidents with more than minor local impacts.

<sup>1</sup>Cooper Energy has been certified by Climate Active as a carbon neutral organisation for its scope 1, scope 2 and relevant scope 3 emissions (embedded energy and business travel). See pages 14-20 and 21 of this report for further information on Cooper Energy's carbon neutral certifications. The Company achieves this status by purchasing and surrendering verified carbon credits while working to minimise direct physical emissions at our operational sites.

To deliver long-term value to our shareholders, we must provide value to other key stakeholders, including the communities in which we operate. Cooper Energy invests directly into the local communities through our employees, our suppliers and direct initiatives. Some examples include:

- Lead corporate sponsor of the Royal Flying Doctor Service in Victoria, providing critical care to remote locations through regional Victoria;
- Support for the purchase of a community transport bus for Timboon and District Health Service to support community members making medical appointments and maintaining social connections;
- Supporting Warrnambool Surf Life Saving Club to upgrade its surf rescue vehicle as they cover over 20km of coastline.

We also engage closely with governments to ensure that Cooper Energy's role in the economy is understood. Government intervention in the market in December 2022 was challenging, and contributed to delays in moving forward with our growth projects in the Otway, impacting Australia's future domestic energy security. However, we appreciate the collaborative approach the Australian Government took to the consultation process on the Mandatory Gas Code. Its release in July confirmed that Cooper Energy will be exempt from the \$12/GJ price cap as a small, domestic market focused producer, and that foundational projects required to support new gas developments will also be exempt from the Code's negotiation conduct provisions. This recognises that more gas supply is needed and that there is a vital role for domestic suppliers like Cooper Energy.

In closing, I want to reiterate that Cooper Energy is committed to playing its part in Australia's energy transition and that we are confident gas continues to play a critical role in Australia's energy mix. This report offers insights into Cooper Energy operations and our unwavering commitment to our social and environmental responsibilities.



**Jane Norman**  
Managing Director and CEO

## Our approach to Sustainability

Cooper Energy adopts the UN definition of sustainability, developed in the late 1980's as a balanced statement which continues to withstand the test of time.

“Sustainable Development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

UN Brundtland Commission, 1987



Awareness  
Care  
Commitment  
Collaboration  
Fairness & Respect  
Integrity  
Transparency

# Our Values

Cooper Energy is a values-driven business with actions guided at all times by our seven core values.



## Awareness

Taking account of all identified key issues in our decisions and considering future impacts.



## Fairness & Respect

Valuing diversity and difference, acting without prejudice and communicating with courtesy.



## Care

Prioritising safety, health, the environment and community.



## Integrity

Striving to be consistent, staying true to our values and accountable for our actions.



## Commitment

Staying focused on the core objectives, making pragmatic, and commercial decisions and being decisive with the courage of our convictions.



## Transparency

Being honest, addressing problems and being clear with our communications.



## Collaboration

Sharing ideas and knowledge, encouraging cooperation, listening to our stakeholders and building long-term relationships.

# Health and Safety

Performance	FY23	FY22
Fatalities	0	0
Serious Injuries - Lost Time Injury >= 3 days	0	0
Lost Time Injury < 3 days	0	0
Medical Treatment Injuries	1	0
Hours Worked	228,482	220,238
<b>Injury Frequency Rates</b> - per million hours worked Lower numbers indicate better outcomes		
LTIFR <sup>1</sup>	0.00	0.00
TRIFR <sup>2</sup>	4.38	0.00
Industry Benchmark TRIFR <sup>3</sup>	5.68	6.91

<sup>1</sup>LTIFR = Lost Time Injury. Lost Time Injury Frequency Rate LTIFR is the number of LTI per million hours worked.

<sup>2</sup>TRIFR is recordable injuries (medical treatment injuries + restricted work/transfer case + lost time injuries + fatalities) per million hours worked. Calculated on a rolling 12-month basis.

<sup>3</sup>Industry TRIFR is the NOPSEMA benchmark for offshore Australian operations; data is updated 6-monthly; published at [www.nopsema.gov.au](http://www.nopsema.gov.au).

A critical activity for us this financial year was to welcome the team at the Orbest Gas Processing Plant in Eastern Victoria into the Cooper Energy team, with a focus on continuing safe operations at the plant with the change in Operator from APA to Cooper Energy. This was successfully achieved and we continue to work to integrate systems and processes.

We had one medical treatment injury at the Athena Gas Plant in January when a maintenance contractor injured his hand when removing a pipeline clamp and required stitches at the local medical clinic.



We commenced the Basker Manta Gummy (BMG) decommissioning project with a pre-abandonment campaign in June 2023 using the Mermaid Marine Coral Vessel to carry out preliminary infield works. The pre-abandonment campaign was completed without any safety incidents.



The Helix Q7000 heavy intervention vessel is scheduled to commence work on the main BMG decommissioning campaign during the first half of FY24.

# Environment

Performance	FY23	FY22
Reportable Hydrocarbon Spills	0	0
Other Reportable Events <sup>1</sup>	2	0

<sup>1</sup>Reportable to regulators under licence conditions or applicable regulations.

Operations were conducted with zero reportable spills and no environmental incidents with a potential or actual severity beyond minor.

Two minor air discharge emissions exceedances occurred from the exhausts of thermal oxidizer/incinerator units at the Athena Gas Plant. These were reported to the Victorian EPA as required under

operating licence conditions. Risk assessments were carried out as part of the standard practice associated with investigating such events; neither was judged as posing a risk to either human health or to the environment. The issues have been resolved with changes to operating procedures and confirmation that discharges are back within licence limits.

## Vietnam Carbon Initiative



Cooper Energy is participating in a \$1 million private-public-NGO partnership to lay the foundations for high integrity, nature-based carbon offset projects in Vietnam. The vision is supported through grant funding provided by the Australian Government's Business Partnership Platform (BPP); Cooper Energy's share is ~25% of the total funding.

The Department of Foreign Affairs and Trade (DFAT) is a member of the partnership and announced the project in Hanoi in November 2022. Other partners are NatureCo, One Tree Planted and the Centre for Nature Conservation and Development.

The partnership has three workstreams: a pilot reforestation carbon project in the Dakrong Nature Reserve in Quang Tri province; capacity building in local project implementation organisations across Vietnam; and opportunity

mapping to explore large scale nature-based carbon offset opportunities in Vietnam.

The pilot project aims to be a springboard for similar future initiatives, with the opportunity mapping expected to highlight significant scale potential within the country.

This partnership offers the opportunity to generate carbon credits that can be used to offset Cooper Energy's residual emissions or which can be traded with customers or other business partners.

Nature based carbon projects such as reforestation, agroforestry, forest ecosystem protection or coastal blue carbon ecosystems restoration can provide substantial long-term economic, social and environmental benefits as well as greenhouse gas reductions and carbon credit generation.

# Climate and energy transition

“Cooper Energy is committed to playing a proactive role in both driving and supporting the energy transition as south-eastern Australia transitions to a lower carbon energy system”

## The role of gas in the energy transition

In March 2023, the Australian Energy Market Operator (AEMO) released their latest annual Gas Statement of Opportunities (GSOO) Report.

This report highlights the increasingly critical role that gas plays and will continue to play as more variable renewable generation - solar and wind farms - are brought into the National Electricity Market while coal fired generators are retired. Gas provides reliable and dispatchable power at scale to support renewable generation, which is well in excess of the capacity of current grid scale battery installations.

Beyond electricity generation, gas is a critical source of energy for industrial processes either as a feedstock or where large quantities of very high temperature heat are required. At present, no practical or cost-effective alternatives exist.

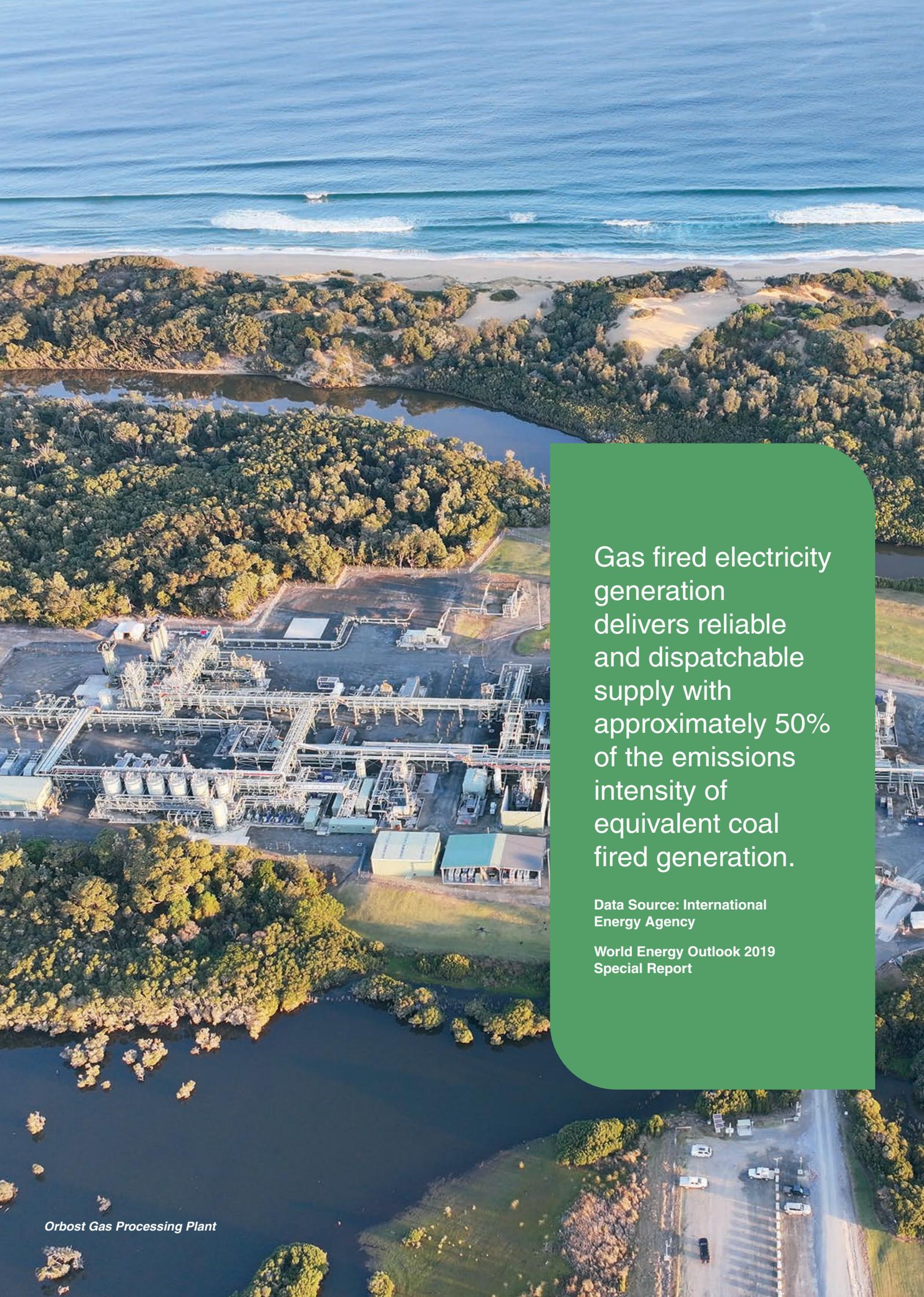
The gap between gas supply and demand in the south-east continues to widen. This has been exacerbated by the investment uncertainty caused by government interventions in the domestic gas market during FY23, coupled with cost inflation driven by high international demand for technical and engineering resources.

AEMO uses its 1.8 degrees Celsius “Orchestrated Step Change” as its baseline scenario for what they consider most likely to occur. In that scenario, the cumulative five-year gas demand decline from south-eastern Australia from 2022 to 2027 is forecast at 16%. However, over the same period the forecast decline in available southern gas production is 31%.

Options for supply to address this increasing shortfall include pipeline transportation from Queensland – though the cost is high and physical bottlenecks exist, and dependence on LNG imports – though no terminals have yet been completed.

“Despite increased production commitments from the gas industry since the 2022 GSOO, **gas supply in southern Australia is declining faster than projected demand.** As Australia transforms to meet a net zero emissions future, **gas will continue to complement zero emissions and renewable forms of energy, and to provide a reliable and dispatchable form of electricity generation,** and may provide potential pathways to incorporate hydrogen and other ‘green’ gases within Australia’s energy landscape.”

**AEMO 2023 GSOO Executive Summary Page 4** (*Emphasis Added*)



Gas fired electricity generation delivers reliable and dispatchable supply with approximately 50% of the emissions intensity of equivalent coal fired generation.

Data Source: International Energy Agency

World Energy Outlook 2019 Special Report

# Climate and energy transition

(Continued)

## Energy Transition Strategy

The Company's Energy Transition Strategy was established in 2020 and is continuously reviewed due to the increasingly rapid change in this area. The current approach is based around three pillars:

### Pillar I

#### **Introduction of a voluntary carbon price and a commitment to offset our organisational emissions.**

In 2020, we voluntarily introduced a price on carbon via our commitment to offset our residual organisational emissions, after having reduced them where possible. These organisational emissions consist of our scope 1, scope 2 and relevant scope 3 emissions. Our intent is to take ownership of, and mitigate, our organisational emissions while we take action to avoid and reduce them from our operations.

Having made this commitment, we are also conscious of the cost impost on the business. First, we drive down our need for offsets by reducing the absolute quantum of emissions – and hence the number of credits needed. This is the focus of our Pillar II initiatives outlined below. Second, we are investigating opportunities to invest directly into carbon projects that generate credits so that we can influence project design and gain price and supply certainty; and lastly, we purchase credits from the market that are at the lower end of the cost curve but still credible and eligible for use under the Climate Active Carbon Neutral Standard .

Our ambition is to generate sufficient credits from our own carbon project investments to make offsetting our own residual emissions cost neutral or even profitable through the sale of excess credits..

### Pillar II

#### **Reduction in absolute levels of our organisational emissions.**

Having voluntarily introduced a real carbon price and as the operator of two major gas processing facilities, our focus has now turned to how we reduce the now-larger quantum of our organisational emissions. We held our first dedicated emissions reduction workshop for the Athena Gas Plant in June 2023, where over 40 potential emissions reduction projects were identified by our engineering and operations teams. This has been short listed and we are now carrying out a detailed analysis of costs, benefits and practicality for each initiative. The most attractive have a negative abatement cost, as the improved efficiency of the facility means more gas for sales.



## What is Climate Active?

Climate Active is an ongoing partnership between the Australian Government and Australian businesses to drive voluntary climate action. The brand represents Australia's collective effort to measure, reduce, and offset carbon emissions to lessen our negative impact on the environment.

Climate Active certification reflects the role that government, business and community have to play in working together to address climate change.

The Climate Active initiative and Climate Active Carbon Neutral Standard supports and guides businesses as they account for and reduce carbon emissions.

The Climate Active stamp helps the community take action by making it easier to identify and choose brands that are making a real difference. It's about making good decisions today, for a more sustainable tomorrow.

Climate Active carbon neutral certification is one of the most rigorous in the world and is subject to independent third party verification to ensure the integrity of the carbon neutral claim.

*Source: Climate Active*

The challenge for our gas plants is that the bulk of the greenhouse gas emissions (~80% in the case of Athena) are from burning gas as fuel to compress natural gas from reservoir arrival conditions to high pressure sales gas pipeline pressure. While electrification of compression is technically possible, the capital cost of doing so is very high and in Victoria, the emissions intensity of grid-supplied electricity is significantly higher than direct combustion of gas.

Having taken on Operatorship at the Orbost Gas Plant, we will be carrying out a similar workshop there later in 2023 to identify and realise similar opportunities.

### Pillar III

#### **Pursue new energy opportunities outside our traditional domain.**

The third pillar relates to incorporating future opportunities into our portfolio to reduce the overall emissions intensity of the energy value chain we operate within. We are actively screening alternative opportunities, outside our traditional upstream gas exploration and production activities, which make sense within our portfolio. Any investments in this area need to be commercially robust.

## Q and A

### What are scope 1, scope 2 and scope 3 emissions?

**Scope 1 emissions** are direct emissions from company- owned and controlled resources. In other words, greenhouse gas (GHG) emissions that are released into the atmosphere as a direct result of a set of activities, at a company level. For Cooper Energy, fuel use for gas processing and compression and during offshore and onshore campaigns are the primary sources of scope 1 emissions. Scope 1 emissions are fully offset as part of Cooper Energy's Climate Active Carbon Neutral certification.

**Scope 2 emissions** are indirect emissions released as a result of the generation of purchased energy from a utility provider. In other words, all GHG emissions released into the atmosphere, from the consumption of purchased electricity, steam, heat and cooling. For Cooper Energy purchased electricity is the primary source of scope 2 emissions. Scope 2 emissions are fully offset as part of Cooper Energy's Climate Active Carbon Neutral certification.

**Scope 3 emissions** are all indirect emissions - not included in scope 2 - that occur in the supply chain. In other words, emissions that are linked to the Company's operations and products. The GHG Protocol<sup>1</sup> splits scope 3 emissions into 15 categories. Broadly, Cooper Energy describes categories 1-8 as relevant scope 3 emissions, which are offset as part of Cooper Energy's Climate Active Carbon Neutral certification, and categorise 9-15 as scope 3 emissions, which are not offset.

Relevant scope 3 emissions are emissions embedded in significant infrastructure such as the concrete and steel that we construct our wells, pipelines and gas processing plants from, together with smaller categories such as business travel. We include these within our organisational boundary. These emissions are fully offset as part of Cooper Energy's Climate Active Carbon Neutral certification. By fully offsetting all scope 1, scope 2 and relevant scope 3 emissions, when gas leaves Cooper Energy's organisational boundary, all emissions upstream of that point have been offset. In the past, we have referred to these as "controllable", others may use the term "upstream" scope 3 emissions.

Downstream (non-relevant) scope 3 emissions are outside the Company's organisational boundary and outside the direct control of Cooper Energy. The largest contributors to downstream scope 3 emissions arise from the final combustion of our gas by our customers and by end users to generate electricity, for industrial and residential heating or for cooking. A significant fraction also arises from downstream fugitive emissions from pipelines owned and operated by others. This category can generally be summarised as the scope 1 emissions of our customers. These customer and end user emissions are not offset as part of our Climate Active Carbon Neutral certification.

<sup>1</sup>[www.ghgprotocol.org](http://www.ghgprotocol.org)

# Climate and energy transition

(Continued)

## Climate action policy

We recognise the important role of clean, reliable and affordable energy in support of society's decarbonisation journey.

Our commitments comprise the following:

- We recognise the important role of renewables and the key role gas plays in complementing and supporting the deployment of renewable technologies;
- We are making our contribution to a low emissions economy by prioritising ESG with investment in offset projects and consideration of future sustainable energy projects;
- We identify and, where practicable, implement opportunities for GHG emission reduction within our operations and through our supply chain;
- We factor carbon pricing into business decisions and commercial models;
- We identify, manage and mitigate material climate change risks to our activities;
- We align with our customers' sustainability and emissions reduction initiatives to enable collaboration to address the broader challenge of reducing downstream scope 3 emissions;
- We voluntarily align our climate change related disclosures, including our emissions, with the Task Force on Climate related Financial Disclosures (TCFD) principles. This involves disclosure of our governance around climate change, including material short, medium and long-term climate-related risks and opportunities on our business, strategy and financial planning, together with disclosure of the resilience of our strategy, taking into account different climate scenarios, including Paris-aligned scenarios; and
- We work with governments and stakeholders in the design of climate change regulation and policies.

Our commitments in respect of climate are described in our [Climate Action Policy](#).

## Metrics and targets

Our goals and targets are to:

- Maintain our certified Carbon Neutral organisational status<sup>1</sup>.
- Invest in and develop carbon projects and sell sufficient excess credits to make our overall Carbon Neutral organisational certification cost neutral or better.
- Investigate alternative energy opportunities outside our traditional upstream gas exploration activities to invest in. These should be within our risk appetite, scale and technology appropriate and value adding to the organisation.

These metrics and targets will evolve as the energy transition progresses.

## Scenario analysis, risks and opportunities

Rather than carrying out our own bespoke scenario analysis, we leverage the resources of AEMO which publishes detailed scenarios for various energy transition pathways in its annual GSOO report. The AEMO scenarios provide a level of granularity and a focus on eastern Australia that is not readily accessible from global references such as the International Energy Agency (IEA) World Energy Outlook or the BP Energy Outlook.

The baseline we are using this year to assess resilience of our business is the AEMO "Orchestrated Step Change" scenario which is a 1.8 degrees Celsius warming scenario and is broadly similar to the "Step Change Scenario" used in previous years. Using a sub 2 degrees Celsius warming scenario is aligned with TCFD best practice.

To understand sensitivities to a range of potential outcomes, we also review the resilience of the business against the range of gas demand forecasts as described in the GSOO, which range from 1.5 to 2.6 degrees Celsius forecasts.

In all cases forecast gas demand and expected pricing are robust beyond the expected reserves life of our project portfolio.

Beyond the market analysis, we also assess, manage and mitigate impacts where possible of direct climate change risks. Climate change and energy transition risks are explicitly described in our corporate risk register which is reviewed regularly at both Executive Management and Board Committee

<sup>1</sup>Cooper Energy has been certified by Climate Active as a carbon neutral organisation for its scope 1, scope 2 and relevant scope 3 emissions (embedded energy and business travel). See pages 14-20 and 21 of this Sustainability Report for further information.



Cooper Creek

level. The most relevant direct risk aspects for our business are increased bushfire risk, sea level rise and an increasing number of extreme heat days. Our analysis and mitigation measures are sufficient to manage these risks to a level that is both acceptable and as low as reasonably practical (ALARP).

### Climate Active carbon neutral organisation certification



Cooper Energy has been certified by Climate Active as carbon neutral in respect of its scope 1, scope 2 and relevant scope 3 emissions since FY20 and also achieved Climate Active carbon neutral certification for our business operations to this effect for FY21 and FY22.

The Company has achieved this by reducing emissions where practical, and purchasing and surrendering eligible carbon credits to compensate for residual organisational emissions. For the avoidance of doubt, we do not offset our customers emissions downstream of the point of sale. These downstream scope 3 emissions are primarily associated with distribution, transmission and combustion of gas by industry and the community.

The certification covers Cooper Energy's activities and operations using an equity share approach. The equity share approach reflects that Cooper Energy has interest in both assets over which the Company has operational control (i.e. as the operator), as well as assets over which another company (a joint venture partner) has operational control.

### Opt-in natural gas product certification update

Cooper Energy achieved Climate Active product certification for its opt-in natural gas product in December 2021, which effectively certified the emissions intensity of the natural gas product that it sells to customers. This gave customers the option to 'opt-in' to offset the carbon emissions associated with the full lifecycle, including combustion of that product. To date none of Cooper Energy's customers have acquired this opt-in natural gas product and so we have decided not to pursue renewal of this certification in 2023.

However the underlying work which forms the basis of the certification will continue and it remains our ambition to sell gas on this basis in the future if and when customer demand evolves; we can apply to Climate Active seeking to reactivate this certification if and when commercial opportunities arise.

# Climate and energy transition

(Continued)

## Climate related financial disclosures

Cooper Energy has aligned its climate change related disclosures with the Taskforce on Climate related Financial Disclosures (TCFD). These are summarised in the table below.

### Governance

Disclose the organisation’s governance around climate-related risks and opportunities

<p><b>Board oversight of climate-related risks and opportunities.</b></p>	<p>Climate-related risks and opportunities are reported to the Risk &amp; Sustainability Committee, a sub-committee of the Board. The Committee meets four times per annum.</p>
<p><b>Management role in assessing and managing climate-related risks and opportunities.</b></p>	<p>Management conducts the risk assessment and includes it in the corporate risk register. This is reviewed and updated by the accountable General Manager on a regular basis.</p>

### Strategy

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

<p><b>Climate related risks (opportunities and threats) were identified over the short, medium, and long-term.</b></p>	<p>Physical risks: Sea level rise (long-term), increase in extreme heat days (medium to long-term), increased bushfire risk.</p>
<p><b>Impacts of climate-related risks (opportunities and threats) on the organisation’s businesses, strategy, and financial planning.</b></p>	<p>Business risk: Market impacts from the changing energy mix and potentially changing community sentiment towards gas.</p>
<p><b>The resilience of the organisation’s strategy considering different climate scenarios, including a 2-degree or lower scenario.</b></p>	<p>To test the resilience of its strategy, Cooper Energy compares its corporate assumptions for the Eastern Australia gas price and demand under various climate scenarios.</p> <p>These include a below 2-degree scenario aligned with the IEA’s Sustainable Development Scenario and the Paris Agreement (AEMO 2023 1.8 degrees Celsius “Orchestrated Step Change” Scenario).</p> <p>Our work indicates that the Company’s business is robust under these assumptions.</p> <p>Eastern Australia gas demand is anticipated to be slightly higher under more radical transition scenarios out to at least 2029 and is lower under slow change scenarios due to delayed coal fired power generation retirements.</p> <p>Gas price forecasts have increased between 2020 and 2023.</p>

## Risk management

Disclose the organisation's governance around climate-related risks and opportunities

<p><b>Processes for identifying and assessing climate-related risks.</b></p>	<p>Climate-related risks and opportunities are included in Cooper Energy's Corporate Risk Register, which is reviewed by management and the Risk &amp; Sustainability Committee periodically as part of a standard risk management process.</p> <p>The Risk Register is a comprehensive document describing causes, risk events, interim effects, and long-term consequences.</p>
<p><b>Processes for managing climate-related risks.</b></p>	<p>The existing preventative and reactive risk controls are documented, along with their effectiveness in establishing an initial risk rating regarding likelihood, consequence, and severity.</p>
<p><b>The process for identifying, assessing, and managing climate-related risk is integrated into the organisation's overall risk management.</b></p>	<p>Future treatment actions are documented to determine residual risk ranking. Depending on the initial and residual risk ranking, appropriate monitoring and follow-up actions are taken.</p>

## Metrics and targets

Disclose the organisation's governance around climate-related metrics and targets

<p><b>The organisation uses metrics to assess climate-related risks and opportunities in line with its strategy and risk management process.</b></p>	<p>Modelling of Eastern Australia gas demand under various energy transition scenarios, including a below 2-degree scenario.</p> <p>For FY23, we use AEMO's Orchestrated Step Change Scenario which is a 1.8 degree Celsius scenario as our baseline which is consistent with the 2015 Paris Agreement.</p> <p>Assessment of direct climate-change related risks including mitigation measures associated with increased bushfire risk, increased extreme heat days and sea-level rise.</p>
<p><b>Scope 1, scope 2, scope 3 GHG emission and the related risks.</b></p>	<p>Cooper Energy was first certified by Climate Active as a Carbon Neutral Organisation for FY20, with 100% annual offset one year in arrears of scope 1, scope 2, and relevant elements of scope 3 emissions (embedded energy and business travel).</p> <p>It has also achieved Climate Active carbon neutral certification to this effect for FY21 and FY22.</p> <p>Note that downstream customer emissions (classified as Cooper Energy's non-relevant scope 3 emissions) are not included in this certification.</p>
<p><b>Targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</b></p>	<p>Maintain 100% annual offset one year in arrears of scope 1, scope 2, and relevant elements of scope 3 emissions (embedded energy and business travel) to retain certified organisational Carbon Neutrality.</p> <p>This has been achieved annually for FY20, FY21 and FY22. The Company is committed to maintaining this position as far as is reasonably and economically practical for the foreseeable future.</p> <p>Through our current process to identify direct emissions reduction and efficiency projects at our operational sites to reduce the absolute quantum of our emissions where practical, we intend to set quantifiable near-term and medium term targets.</p>

# Climate and energy transition

(Continued)



## Emissions summary

Cooper Energy offsets 100% of its scope 1, scope 2 emissions and relevant scope 3 emissions (embedded energy and business travel).

The base year for the organisation's Climate Active Carbon Neutral certification was FY20, and the certification has been maintained since then.

As expected, FY23 has seen an increase in gross emissions attributable to Cooper Energy becoming responsible for a full year of operations at the Athena Gas Plant (AGP) as well as the acquisition of the Orbest Gas Processing Plant (OGPP) in July 2022 and transfer of operatorship in May 2023. Emissions from the OGPP have been accounted for within Cooper Energy's organisational boundary since the acquisition date.

Notwithstanding the significant growth in energy value chain now falling within the Company's organisational boundary, Cooper Energy has re-affirmed its intention to reduce emissions from

its operations where practicable, and offset residual scope 1, scope 2 and relevant scope 3 emissions via eligible carbon credits.

Cooper Energy accounts for emissions both on an equity share and operational control basis.

For the Company's Climate Active carbon neutral certification, the organisational boundary is established using an equity share approach, accounting for GHG emissions according to its share of ownership in projects and licences. This approach recognises that natural gas assets are generally owned in joint ventures with other companies, allowing emissions to be accounted for in a manner consistent with costs, revenues, and production volumes.

## Greenhouse gas emissions - equity share basis

Category	FY23	FY22 <sup>1</sup>	FY21 <sup>2</sup>	FY20	Units
<b>Emissions Data</b>					
Scope 1 (direct) emissions	93,906	20,197	3,429	9,090	tonne CO2-e
Scope 2 (electricity consumed) emissions	1,685	793	455	474	tonne CO2-e
Relevant scope 3 emissions	7,047	4,624	467	923	tonne CO2-e
Total organisational emissions (excluding non-relevant scope 3 emissions)	102,638	25,614	4,352	10,488	tonne CO2-e
Emissions offsets retired and retirement balance from previous year	(124,957)	(33,230)	(4,352)	(10,488)	tonne CO2-e
Offsets retired and banked for future years	22,319	7,616	0	0	tonne CO2-e
<b>Net organisational emissions (excluding non-relevant scope 3 emissions)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>tonne CO2-e</b>
Total scope 3 (including non-relevant, i.e. customer emissions)	1,245,441	1,190,456	962,762	537,212	tonne CO2-e
<b>Emissions Intensity Data (scope 1 + scope 2 + relevant scope 3)</b>					
Total organisation emissions intensity (before offsets)	0.029	0.008	0.002	0.007	tonne CO2-e/boe
Net organisation emissions intensity (after offsets)	0.000	0.000	0.000	0.000	tonne CO2-e/boe
<b>Emissions Intensity Data (including downstream scope 3 customer emissions)</b>					
Total emissions intensity after offsets	0.350	0.360	0.366	0.344	tonne CO2-e/boe
Total emissions intensity after offsets	57.1	53.2	56.1	55.0	tonne CO2-e/TJ
Total emissions intensity after offsets	3.00	3.22	3.34	3.1	tonne CO2-e/ tonne hydrocarbon
Total emissions intensity after offsets	6,325	5,796	7,308	7,140	tonne CO2-e/ million \$ revenue
<b>Supplementary / Supporting Data</b>					
Production – energy units	21,797	22,359	17,152	9,766	TJ
Production – volume equivalent	3.56	3.31	2.63	1.56	MMboe

<sup>1</sup>A post finalisation audit revealed that emissions of 7,616 tonne CO2-e associated with gas compression had been included in the Cooper Energy organisation boundary for FY22, when they were actually associated with downstream compression from the 3rd party owned Iona Gas Plant which processed Cooper Energy gas prior to the startup of the Athena Gas Plant in December 2021. Offsets were purchased to account for these emissions and were retired in FY22 resulting in an over-retirement. These have subsequently been credited against FY23 emissions, maintaining net carbon neutrality through Climate Active's organisational certification scheme over FY22.

<sup>2</sup>Minor changes were made to the previously reported Equity Share figures from FY21 to account for adjustments made as a result of revised Climate Active emissions calculators. Offsets were made against the revised figures to maintain carbon neutrality of the organisation.

## Greenhouse gas emissions - operational control basis

For National Greenhouse and Energy Reporting purposes, the Company reports on an operational control basis. Operational control calculations only consider activities where Cooper Energy is the operator and do not consider the ownership share of these projects or participation in non-operated projects. Therefore these figures include our joint venture partners equity share of emissions where Cooper Energy is operator, and exclude Cooper Energy's equity share emissions from assets operated by others.

Category	FY23	FY22	FY21	FY20	FY19	Units
Scope 1 (direct) emissions	71,488	42,292	2,501	7,254	12,918	tonne CO2-e
Scope 2 (electricity consumed) emissions	3,226	1,486	708	452	85	tonne CO2-e
Energy produced	26,930	26,397	21,236	14,710	11,721	TJ

# People and Culture

## Our people

In May 2023 we welcomed the Orbost Gas Plant employees into Cooper Energy. We have also increased our engineering support in the business which has included establishing a Melbourne office central to our gas plant operations. As at 30 June 2023, a total of 132 personnel were employed across our five sites. Contractor numbers fluctuated in line with project requirements, including the Orbost Gas Plant integration work which was finalised in Q4 FY23 and the preparation for BMG decommissioning work.

## Culture and engagement

In FY23 we relaunched our induction modules for all new employees, with a clear focus on culture and values. Achievement against objectives and behaviours are measured as part of our annual performance review cycle.

Cooper Energy encourages people to give back to others by supporting employees to participate in volunteering within our community with two days of paid volunteering leave per annum. We engage with staff through a variety of forums, including team meetings, monthly staff meetings, and updates from the Managing Director & CEO.

## Talent resourcing

Cooper Energy prides itself on its employment proposition and its ability to attract and retain diverse personnel able to contribute effectively to our growth ambitions. Our size provides the opportunity for all staff to know each other and collaborate well across all of our business sites.

## Learning and development

Learning within Cooper Energy comes from various sources, including both on the job and formal training. Our framework consists of a formal planning process with a review against development objectives, focusing on a 70:20:10 principle with 70% of training on the job, 20% from mentoring and exposure to various projects and 10% from formal training with external providers.

Cooper Energy's learning framework is multi-faceted. It incorporates leadership and management development, technical and regulatory operational requirements, competency-based



training, compliance awareness and education, and general business learning and development programs. The Cooper Energy study assistance program also supports undergraduate and postgraduate studies.

Cooper Energy was well represented at the Australian Petroleum Production & Exploration Association (APPEA) Conference in Adelaide in May 2023 with a cohort of our recently hired non-technical staff attending training to build their general knowledge of the oil and gas industry. In addition, Eamonn Montague from our subsurface team, presented his peer reviewed technical paper entitled "Re-discovering the Gummy gas field – Gippsland Basin" which was co-authored by three of his Cooper Energy colleagues together with industry contributors.

The Company maintains an annual cycle of performance and development reviews for all staff with open dialogue on objectives, development, and career aspirations. Cooper Energy also encourages and facilitates career diversification that includes cross-functional opportunities.

Cooper Energy supports university students with scholarships, internships, mentoring and assisting with relevant study projects. The Company also actively supports industry forums, including speaking engagements and regular participation in round table and learning sessions.



## Diversity and inclusion

Cooper Energy is committed to diversity and inclusion, which contribute to some of our fundamental values. We support diversity and inclusion in our everyday practices and we are committed to providing a safe and inclusive workplace that enables our people to thrive. Our diversity objectives are set and reviewed annually by the Board and achievement against them is regularly reviewed.

During the year we launched an improved Parental Leave offering based on external benchmark data to support our diversity ambitions. We review staff remuneration in line with external benchmark data to alleviate possible bias. We educate our employees and demonstrate our commitment to anti-discrimination and harassment through training and awareness programs.

As at 30 June 2023, Cooper Energy had a total of:

- 35 women out of 132 employees across the organisation (i.e. women comprise 27% of all employees)
- 2 women out of a total of 8 employees in the executive leadership team (excluding the Managing Director who is included in the Board figures) i.e. women comprise 25% of the Executive Leadership Team.
- 4 women directors out of a total of 7 directors on the Board (including the Managing Director) i.e. women comprise 57% of the Board.

### Gender Diversity at 30 June 2023

	% Women	% Men	WGEA Benchmark % Women
Company Overall	27%	73%	26%
Executive Leadership Team	25%	75%	29%
Board of Directors	57%	43%	28%

# Community and local economies



Cooper Energy supported the 2023 Victorian Women in Resources Awards, which recognise and promote diversity across Victoria's resource industry.

The awards, established by the Minerals Council of Victoria, recognise excellence in career achievements, leadership and advocacy of women working in the Victorian resources sector.

Award winners in 2023 have had incredible career achievements and demonstrate the diverse range of jobs in resources from science to communications.

The winners demonstrate a commitment to innovation and improving practices in their fields.

All winners are heavily involved in volunteer work and extra study to enrich the community.

The awards aim to promote inclusion in the resources sector, provide a platform for women to be role models, and encourage more women into the resource industry.

The 2023 Victorian Women in Resources Award Winners are:

### **Exceptional Woman in Victorian Resources**

Suneeti Purohit, Research Scientist, CSIRO

### **Exceptional Young Woman in Victorian Resources**

Rachel Peng, Graduate Rock Mechanics Engineer, Agnico Eagle

### **Outstanding Australian Trade Operator or Technician**

Alia Melgin-Hill, Process Plant Operator, Agnico Eagle

### **Gender Diversity Champion**

Joanna Stevens, Managing Director, Premier Strategy

Victorian winners progressed to the national Women in Resources Awards.

*Cooper Energy's Bindi Gove (left) with the 2023 Victorian Women in Resources Awards Winners.*



## Royal Flying Doctor Service

Cooper Energy's long standing partnership with the Victorian Royal Flying Doctor Service has been a great success, with a focus on delivering telehealth services to clients.

Thanks to a custom-built videoconferencing platform, over 1,656 appointments were conducted over a year, completely free of charge. Cooper Energy's support enabled 12 specialists to provide their services to 112 communities across Victoria, Tasmania,

and the borders of New South Wales and South Australia.

The Royal Flying Doctor Service has confirmed that Cooper Energy's support has improved the lives of 52 patients and saved over 66,000 kilometres of travel.

As a result of this successful partnership, we were selected as a finalist in the 2023 APPEA Community Excellence Awards.



## NEIL PORTER LEGACY COMMUNITY FOR CAREERS

Through Cooper Energy's support, the Neil Porter Foundation successfully addressed crucial concerns regarding the education and career paths of young people in the Otway region. By leveraging its resources, the Foundation was able to provide practical and unbiased advice to 45 parents, helping their children transition from secondary school with ease. Similarly, 151 students received insights into industries that aligned with their interests through hands-on activities and workplace tours.

These efforts were informed by the Youth Conversations Research Report, which

surveyed over 700 young people in our area. The report revealed that many felt stigmatised for pursuing vocational or applied learning pathways and sought more relevant and hands-on teaching approaches. They also expressed a need for better career advice and a celebration of diverse educational outcomes, rather than an overemphasis on the VCE.

Cooper Energy's support enabled the Neil Porter Foundation to take concrete steps towards addressing these issues and making a meaningful impact in our community.

# Governance



## Leadership governance

The Cooper Energy Board has oversight of corporate governance. The Board's responsibilities are discharged per applicable legislation. The Board has established four committees to assist it with carrying out its responsibilities – the Audit Committee, the Risk & Sustainability Committee, the People & Remuneration Committee, and the Governance & Nomination Committee.

To clearly articulate the responsibilities of the Board, Committees of the Board and Management, the Company has adopted charters to outline the roles of each of these bodies. These charters are reviewed regularly, as occurred during FY23.

The Company's [Board Charter](#) sets out (amongst other things):

- the roles and responsibilities of the Board;
- the matters expressly reserved to the Board; and
- the matters delegated to Management.

The Charters for each of the Committees can be found at: <https://cooperenergy.com.au/about/governance>

Further detail regarding Board and Committee governance, composition, responsibilities, skills, and evaluation is set out in our annual Corporate Governance Statement. Further detail regarding executive compensation is set out in our annual Remuneration Report, which forms part of our [Annual Financial Results and Annual Report](#).

## Cooper Energy internal controls

**Cooper Energy is committed to a diligent and unqualified performance of its corporate governance obligations.**

## Ethics and business conduct

Transparency, Integrity and Accountability are embedded in the Cooper Energy Values and are vital to the way we do business. The Cooper Energy Values are consistent with conducting our business honestly and ethically, in compliance with the laws of the jurisdictions where we operate and with zero tolerance for bribery and corruption. Cooper Energy supports and encourages a culture of integrity and transparency. We have a number of codes and procedures that are designed to foster and maintain ethical business conduct within Cooper Energy, including the following.

## Code of conduct

This [Code of Conduct](#) sets out the standards of behaviour expected of all Cooper Energy employees, directors, officers, contractors and consultants. Acting in a manner consistent with this Code, and with the Cooper Energy Values and our other corporate governance policies and procedures, assists Cooper Energy in effectively managing our operating risks and meeting our legal and compliance obligations, as well as enhancing Cooper Energy's corporate reputation and our total shareholder return.

## Anti-Bribery and corruption

The [Anti-Bribery and Corruption Code](#) prohibits bribery, facilitation payments, secret commissions and money laundering. Offering or accepting gifts, entertainment or hospitality, and providing donations, community investments and sponsorships, are also prohibited other than in accordance with this Code.

## Whistleblower framework

Cooper Energy's whistleblower framework, including our [Whistleblower Policy](#), encourages reporting of suspected or actual wrongdoing and provides information about how disclosures made by whistleblowers will be handled by Cooper Energy and the protections available to whistleblowers.

## Modern slavery

The annual [Modern Slavery Statement](#) outlines our approach to ensuring that Cooper Energy has appropriate frameworks and processes in place to minimise the risk of modern slavery in our business operations and supply chains. We see this as a vital part of our corporate responsibility and inherent in the Cooper Energy Values.

## Privacy

Cooper Energy is bound by the Privacy Act 1988 (Commonwealth) and the Australian Privacy Principles that are contained in that Act, and is committed to protecting the privacy of personal information collected and held. Our [Privacy Policy](#) governs the management of personal information by Cooper Energy.

## Equal opportunity and diversity

At Cooper Energy we believe that decision-making and workplace culture is enhanced through diversity and inclusion. We value diversity in gender, marital or family status, age, religious beliefs, ethnicity, cultural background, economic circumstance, human capacity, expression of thought and sexual orientation as well as different experiences, skills and capabilities. Through a commitment to inclusion, we aim to create a business environment that encourages a range of perspectives and fosters excellence in value creation. Our Equal Opportunity and Diversity Code provides further detail on governance in this area.

## Shareholder rights

Cooper Energy is committed to complying with its obligations under the ASX Listing Rules and the Corporations Act, preventing insider trading, preventing selective or inadvertent disclosure of material price sensitive information, and ensuring that shareholders and other market participants and interested parties are provided with accurate, equal and timely access to material information about the Company.

The following codes and policies support our governance in this area:

- Our [Continuous Disclosure and Market Communications Code](#) outlines the processes followed by Cooper Energy to ensure compliance with our continuous disclosure obligations and the corporate governance standards applied by Cooper Energy in our market communications practices.
- Our [Shareholder Communications Policy](#) outlines the processes followed by Cooper Energy to ensure that communication with Cooper Energy shareholders and the investment community is effective, consistent and adheres to the principles of continuous disclosure.
- Our [Securities Dealing Policy](#) imposes certain restrictions on dealing in Cooper Energy securities, establishing processes to prevent breaches of the Corporations Act, prohibition on insider trading and to maintaining market confidence in the integrity of dealings in Cooper Energy's securities.

# Governance

## Risk management

Cooper Energy's policy is to achieve best practice in management and decision-making by managing risk for the benefit of all stakeholders in a manner consistent with the Cooper Energy Values. "Best practice" recognises the Company's activities, size and assets and takes account of fitness-for-purpose regarding these attributes.

The Company recognises that business decisions entail calculated risks, and managing those risks within sensible tolerances is fundamental to:

- protecting our people, communities, environment, assets and reputation;
- ensuring good governance and legal compliance; and
- realising opportunities and delivering sustainable long-term shareholder value.

Risk management is part of all strategic, line and functional management responsibilities. It is an integral part of decision making and underpins the Company's culture. The Company's risk management policies and procedures are regularly reviewed and updated as appropriate, as occurred during FY23.

The Executive Leadership Team regularly performs risk assessments. A summary of top corporate risks is reported at each Risk & Sustainability Committee meeting.

The Risk & Sustainability Committee is chaired by Ms Betsy Donaghey and, at end FY23, comprised three non-executive directors who are considered independent. Under the terms of its Charter, the Chairman of the Risk & Sustainability Committee must not be the Board's Chairman.

The Risk & Sustainability Committee's Charter is located at: <https://cooperenergy.com.au/uploads/corporate-governance/Risk-and-Sustainability-Committee-Charter.pdf>

Per the terms of its Charter, the role of the Risk & Sustainability Committee is to assist the Board to fulfil its oversight responsibilities concerning:

- risk management;
- the Company's sustainability policies and practices;
- insurance; and
- internal audit of non-financial matters.

This Sustainability Report ('Report') is issued by Cooper Energy Limited ABN 93 096 170 295 (ASX: COE)

**Summary Information:** This Report contains summary information about Cooper Energy and its activities as at the date of this Report and should not be considered to be comprehensive or to comprise all the information which a shareholder or potential investor in Cooper Energy may require in order to determine whether to deal in Cooper Energy shares. While all reasonable efforts are made to ensure accuracy and completeness, the information in this Report is a general summary only and does not purport to be complete. It should be read in conjunction with Cooper Energy's periodic reports and other continuous disclosure announcements released to the Australian Securities Exchange, which are available at [www.asx.com.au](http://www.asx.com.au).

**Not financial product advice:** This Report is for information purposes only and is not a disclosure document under Australian law (and will not be lodged with the ASIC) or financial product or investment advice or a recommendation to acquire Cooper Energy shares (nor does it or will it form any part of any contract to acquire Cooper Energy shares).

**Past and future performance:** Past performance and pro forma historical financial information given in this Report is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. This Report may contain certain statements and projections provided by or on behalf of Cooper Energy with respect to anticipated future undertakings. Forward-looking statements, including projections, forecasts, guidance on future earnings and estimates, are provided as a general guide only, are subject to change without notice and should not be relied upon

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**Currency:** All financial information is expressed in Australian dollars unless otherwise specified.

**Authorisation:** Approved and authorised for release to the ASX by Jane Norman, Managing Director, Cooper Energy Limited.

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