

Sustainability Report 2022



ACKNOWLEDGEMENT

Cooper Energy recognises the First Peoples of this nation and their ongoing connection to culture and country. We acknowledge First Nations Peoples as the Traditional Owners and Custodians of the world's oldest living culture and pay respects to their Elders past, present and emerging.

SCOPE OF THIS REPORT

This report describes Cooper Energy's sustainability performance across each of our environment, social and governance activities. It includes linkages to the relevant United Nations Sustainable Development Goals. The scope of this report includes all of Cooper Energy's operated assets, and covers the period 1 July 2021 to 30 June 2022.

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 "2022", "FY22" and the "2022 financial year" refer to the 12 months ended 30 June 2022 unless otherwise stated. References to 2021, FY21 or 2023, FY23 refer to the 12 months ending 30 June of that year.

Terminology and abbreviations relevant to the Company, its accounts and the petroleum industry are included and described throughout this report.



COVER IMAGE: Morella carbon offset site, Coorong, South Australia
THIS PAGE: Morella carbon offset site, Coorong, South Australia

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NET ZERO

Australia's First Carbon Neutral Domestic Gas Producer

Drooping Sheoak (Allocasuarina verticillata) in flower, South Australia

OUR FY22 SUSTAINABILITY PERFORMANCE

Throughout FY22, we did not have any Lost Time Injuries. Our Lost Time Injury Frequency Rate and Total Recordable Injury Frequency Rate were both zero, compared to an industry benchmark Total Recordable Injury Frequency Rate of 6.91 (lower numbers indicate better performance).



ZERO

Zero Reportable Environmental Incidents

Zero Lost Time Injuries

Zero Lost Time Injury Frequency Rate

Zero Total Recordable Injury Frequency Rate

Industry Benchmark 6.91

100%

FY22 scope-1, scope-2, controllable scope-3 emissions offset



> \$71 million in local purchases



with more than 400 local suppliers

FOREWORD



Cooper Energy is committed to providing energy to our customers in South-east Australia that is safe, secure, reliable, affordable and aligned with society's energy transition.

We are especially proud of our safety record in FY22 with zero lost time injuries, zero recordable injuries, zero tier 1 or 2 process safety incidents and zero reportable or notifiable environmental incidents. This disciplined approach to safety and environmental stewardship was against a backdrop of record gas production and significant project work to upgrade, re-commission, start up and operate the Athena Gas Plant in the Otway Basin where we now process gas from our Casino, Henry and Netherby fields. Of note, this project work was completed successfully while COVID travel restrictions were in force, adding to the rigour required to conduct safe, timely and cost-effective operations.

Natural gas represents a secure and reliable source of energy, based on well-established existing technology. In the electricity market, gas is a valuable complement to variable renewables, providing fast-start and firming supply during dark and still periods when solar and wind are ineffective and batteries are unable to dispatch energy in the quantities required. Gas is by far the cleanest

of the fossil fuels, with approximately half of the emissions intensity of coal fired power generation - which the Australian East Coast electricity grid still relies on for nearly 60% of its output. Locally sourced and used gas has further benefits, with minimal downstream fugitive emissions and lower costs than gas transported long distances. Multiple independent analyses by domestic, regional and global specialists conclude that gas has a vital part to play in our energy system for many years to come. ^(1,2,3,4)

Our country is on a relentless path to decarbonisation over the next few decades. A major consequence of this is a move towards "electrification of everything". In its 2022 Integrated System Plan, the Australian Energy Market Operator (AEMO) indicates that, according to its most likely step change scenario, the Australian East Coast electricity market will require a 234% increase in capacity by 2050. While this will largely be provided with vast increases in wind and solar PV generation, natural gas plays a critical role in providing firming and peaking supply across this time horizon. Beyond electricity, homes and small businesses continue to require gas for cooking, space heating and hot water. Gas is also critical for agriculture and industry in a wide range of applications including for heat generation, as a chemical feedstock and for fertilisers supporting food production.

As well as being a strong supporter of natural gas, at Cooper Energy we are industry leading participants in the energy transition, voluntarily becoming Australia's first net zero upstream gas production company in 2020. We did this by fully offsetting our scope-1, scope-2 and controllable scope-3 emissions. We are now three years down the journey and are committed to continuing along this path. In June 2021, we secured third party endorsement of our net zero position with zero position with

Selected Public Domain References:

1. Shell; The Energy Transformation Scenarios. "Waves" and "Islands" scenarios www.shell.com
2. BP Energy Outlook 2022. "New Momentum" and "Accelerated" scenarios www.bp.com
3. International Energy Agency (IEA) World Energy Outlook 2021. STEPS, APS and SDS scenarios www.iea.org
4. AEMO 2022 Integrated System Plan, AEMO 2022 Gas Statement of Opportunities. Step Change scenario assumed as baseline www.aemo.com.au

certification from Climate Active, the Australian Government body that verifies organisations' carbon neutral status. We are proud to play our part in the energy transition and hold ourselves accountable for what we do, not only what we say.

Our Energy Transition Strategy is structured around a three pillars model, designed to keep us profitable, growing and relevant in the energy domain, as the world transitions to a lower carbon future.

The first pillar relates to our net zero commitment as a key enabler. We have found many benefits to this strategy, sometimes in unexpected areas – for example in attracting, motivating and retaining top quality people for our workforce. It has underpinned the successful restructure and expansion of our corporate debt facility, now sized at \$420 million, with a syndicate of eight European, Asian, North American and Australian banks. It has also been a positive factor in the associated successful \$244 million equity raise to support the purchase of the Orbest Gas Processing Plant and to accelerate our growth activities. Others have commented about the difficulty of raising finance for hydrocarbon-based energy projects. However, we have found that a committed, positive and proactive approach to emissions management and the energy transition has made this eminently possible.

The second pillar relates to the operational efficiency and the emissions intensity of our projects. While our projects are already relatively efficient, we are actively reviewing potential on site projects and activities to see where we can further reduce our emissions intensity.

The third pillar is bringing new energy technology projects into our portfolio. We are seeing increasing pressure to reduce the overall emissions intensity of the energy value chain, which includes downstream scope-3 emissions. These represent the scope-1 and scope-2 emissions of our customers, and in turn their customers who are the ultimate users and beneficiaries of the energy we produce.

Adding low carbon energy projects to our portfolio will significantly reduce the overall emissions intensity of the energy value chain that we operate within, in line with state and federal government targets and in line with international agreements such as the 2015 Paris Agreement. We are actively screening opportunities to understand how best we achieve this outcome, noting our size and capabilities.

All this clearly demonstrates our commitment to climate action – not sometime in the future, but now and in the immediate future. We will continue contributing to society's journey to become net zero by 2050.

Our strategy and operations are guided by the Cooper Energy Values which determine not only what we do but also how we do it, or even if we do it at all. We transparently publish a number of key corporate governance documents on our website, including our Climate Action Policy, annual Modern Slavery Statement, Indigenous & Community Engagement Policy, Anti-bribery & Corruption Code, and Whistleblower Policy.

We are embedded in the local community through our onshore gas processing operations. We have invested millions of dollars into those communities, through our employees, our suppliers and contractors and community initiatives including:

- Delivery of eyecare services to regional Victorians through the Royal Flying Doctor Service
- Support for a lifesaving beach transport vehicle through the Warrnambool Surf Life Saving Club
- Support for a patient/client transport bus for the Timboon and District Healthcare Service
- Funding student scholarships through the Playford Trust Foundation

Our values-based approach recognises the importance of relationships in our interactions with all stakeholders, be they shareholders, customers, suppliers, governments, regulators and the broader community. Our commitment is to ensure that the communities we are involved with benefit from our participation and presence.

I return to my opening statement – Cooper Energy is committed to providing energy to our customers in South-east Australia that is safe, secure, reliable, affordable and aligned with society's energy transition. I hope this report provides you with worthwhile information as to how we are progressing this mission.



David Maxwell
Managing Director

OUR APPROACH TO SUSTAINABILITY



The Australian pelican (Pelecanus Conspicillatus), Coorong, South Australia

Cooper Energy has adopted the United Nations definition:

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

Cooper Energy recognises the 17 United Nations Sustainable Development Goals (UN SDGs), which seek to address the world's biggest challenges. These include improving health and well-being, providing decent work and economic growth and delivering access to affordable and clean energy. Throughout this report the relevant UN SDGs have been identified within each section, to align the work we do with the global sustainability community.

OUR VALUES

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

Morella carbon offset site, Coorong, South Australia



Care

Prioritising safety, health, the environment and community.



Integrity

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



Fairness & Respect

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



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.



Awareness

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



Commitment

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

HEALTH & SAFETY

At Cooper Energy we strive to keep everyone safe every day, in a workplace free of injuries.

Throughout FY22 we worked over 220,000 hours with no Lost Time Injuries. Our Lost Time Injury Frequency Rate and Total Recordable Injury Frequency Rate for the year were both zero, compared to an industry benchmark Total Recordable Injury Frequency Rate of 6.91 (lower numbers indicate better performance).

While we recognise past performance is not necessarily an indication of future performance, we emphasise leading rather than lagging indicators with internal audits and workplace inspections. By implementing robust procedures and following them every day we demonstrate strong operational discipline and focus on doing what we say we will do, consistent with the Cooper Energy Values.



Safety Metrics

	FY22	FY21
Hours worked	220,238	289,071
Recordable injuries	0	2
Total recordable injury frequency rate (TRIFR)	0	6.92
Lost-time injuries (LTI)	0	0
LTI frequency rate (LTIFR)	0	0
Industry benchmark TRIFR	6.91	5.27

TRIFR - Total Recordable Injury Frequency Rate. All recordable incident data (Medical Treatment Injuries + Restricted Work Cases + Lost Time Injuries + Fatalities) multiplied by 1,000,000 then divided by total hours worked during the last 12 months. Lower numbers indicate better performance.

Industry TRIFR is the NOPSEMA benchmark for offshore Australian operations; data is for the last full calendar year, published at www.nopsema.gov.au

CLIMATE & ENVIRONMENT

Energy Transition Strategy

In 2020, Cooper Energy took an industry leading and proactive position, taking clear and current action to address our emissions footprint by fully offsetting our scope-1, scope-2 and controllable scope-3 emissions. Our Energy Transition Strategy has developed further since then and is based around a Three Pillars model:

Pillar I: Net Zero as an enabler

Our voluntary commitment to offset 100% of our own residual emissions, taken in 2020 and re-affirmed each subsequent year as an ongoing commitment, represents an industry leading initiative. This has delivered many benefits. During 2022, the Company successfully raised \$244 million through an equity raise and restructured and expanded its corporate debt facility to \$420 million. Our net zero position was key in securing this support from our financial backers, particularly in the bank debt market. It has also been a key factor in attracting excellent candidates to the organisation and in motivating and retaining our existing workforce.

We began our net zero journey using 100% locally sourced Australian Carbon Credit Units (ACCU) from Canopy Nature Based Solutions' Morella Biodiversity Project in south-east South Australia. As the proportion of the gas supply chain under our control has increased with ownership and operatorship of gas processing plants, we have expanded this to include offset units from a range of local and international projects. Importantly, to maintain our carbon neutral certification we are committed to only using offset units eligible under the Climate Active Carbon Neutral Standard.

Pillar II: Direct Emissions Reduction

Site-based projects that reduce emissions are a foundation step in minimizing the Company's climate impact. Not only is it the right thing to do, these projects also have a direct financial benefit to the Company, as lowering emissions equates directly to a reduction in purchased carbon offsets. Although Cooper Energy-operated facilities are already relatively efficient due to the nature of their engineering design and operation, we remain committed to driving further efficiencies where possible.

Pillar III: New Energy Technologies

While we have fully offset our own direct emissions, there are increasing expectations from society to reduce the overall emissions footprint through the entire energy value chain. For us, this means investigating what we can do to reduce our downstream scope-3 emissions intensity, potentially in collaboration with our customers. Our scope-3 emissions represent the scope-1 and scope-2 emissions of our customers and the ultimate end users and beneficiaries of the gas we produce.

Reducing this intensity is a challenge for the whole of society, not something that we, as a single component in the value chain, can succeed at alone.

We are assessing what non-hydrocarbon energy opportunities we can add to our portfolio to reduce our scope-3 emissions intensity. Our objective is to invest in projects which are at suitable scale, technology and commercial readiness levels appropriate to our skillsets, and which have the potential to reach commercial viability during this decade. Incorporating these projects with our assets will reduce our overall scope-3 emissions intensity (expressed as either tonnes CO₂-e per \$ revenue, or tonnes CO₂-e per energy unit of output). Our ambition is to realise up to 30% of our revenue from commercially viable, non-hydrocarbon energy projects by the end of the decade.

The Critical Role of Natural Gas

Along with multiple external forecasters at the domestic, regional and global level, we see a continued strong demand for natural gas well into the next few decades and potentially further. Although Cooper Energy sells gas entirely within Australia, during 2022 there has been a global spike in gas prices, caused substantially by geopolitical events in eastern Europe. This continues to cascade through the entire global market, highlighting the crucial role that gas plays in the energy infrastructure that underpins our society.

Natural gas is by far the cleanest of the fossil fuels, with an emissions intensity approximately 50% that of coal when used to generate electricity. Noting the 25x relative multiplier of methane emissions, the minimisation of downstream methane fugitive emissions is particularly important. These fugitive emissions tend to be a function of the distance that gas has to be transported before final use – hence Cooper Energy’s model of sourcing gas locally which is in the immediately adjacent domestic market has a material advantage in reducing emissions compared to distantly sourced gas or gas that has to be liquefied for transport before being regasified.

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 Protocol¹ splits scope-3 emissions into 15 categories. Broadly, Cooper Energy defines categories 1–8 as controllable scope-3 emissions and categories 9–15 as non-controlled.

Controllable scope-3 emissions (such as those arising from business travel and capital goods such as concrete, plant and infrastructure) are included within the Company’s organisational boundary and are fully offset as part of Cooper Energy’s Climate Active carbon neutral certification. By fully offsetting all scope-1, scope-2 and controllable scope-3 emissions, when gas leaves Cooper Energy’s organisational boundary, all emissions upstream of that point have been offset.

Non-controlled scope-3 emissions are downstream of the Company’s organisational boundary and outside the direct control of Cooper Energy. The largest contributors to non-controlled scope-3 emissions arise from the final combustion of our gas by customers (e.g., to generate electricity, or for heating, or cooking) and downstream fugitive emissions from pipelines owned and operated by others. This generally represents our customers scope-1 emissions and is not offset as part of our Climate Active carbon neutral certification.

¹ www.ghgprotocol.org

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 which will 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 includes 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.

Climate Active Certification

Following Cooper Energy's net zero 2020 achievement, the Company achieved Climate Active Certification as a carbon neutral organisation in June 2021 and that certification has been maintained.

The certification covers all of 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.

In December 2021 Cooper Energy received Climate Active Certification for its opt-in natural gas product.

This certification enables the Company to market and sell carbon neutral gas on an opt-in basis and sets a foundation for which Cooper Energy can align closely with customers in support of their decarbonisation and emission reduction objectives.





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's carbon neutral certification is one of the most rigorous in the world. The 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.

Source: [Climate Active](#)

Scenario Analysis, Risks & Opportunities

Cooper Energy assesses the impact of climate related scenarios on the South-east Australia gas and energy markets using various independent data, including the annual Gas Statement of Opportunities (GSOO) report and the biannual Integrated System Plan (ISP) which provides a whole of system plan for the National Electricity Market (NEM). Both documents are produced by AEMO. Cooper Energy bases its Energy Transition Strategy around AEMO's Step Change Scenario, as described in the 2022 GSOO and ISP reports. This scenario is aligned with a sub 2-degree Celsius temperature rise.

The AEMO 2022 GSOO shows historical east coast Australia gas demand, excluding gas fired electricity power generation, as essentially flat since 2014 at an average of 454 PJ per annum. Looking ahead, a wider range of uncertainty is apparent in the 2022 gas demand scenarios compared to 2021. The 2022 Step Change scenario, considered most likely by AEMO, forecasts a consistent fall in demand of 2% per annum out to 2041. This compares to the older 2021 Central and 2021 Step Change scenarios which had flat demand out to 2041.

The 2022 ISP Step Change scenario forecasts that the use of gas for electricity generation will fall from ~120 PJ per annum to ~70PJ per annum by mid-decade and then will remain steady between 70–100PJ per annum out to 2041. High impact low probability events such as unexpected major outages or earlier than anticipated retirement of coal fired power generation could increase this demand by circa 40PJ per annum. There is wide variability in peak gas demand, especially in winter.

The 2022 ISP suggests a radical transformation of the NEM will be required, with capacity increasing by 234%, between 2023 and 2050 to support the transition to electric vehicles and increasing electrification of household space and water heating. Underpinning this dramatic change is a forecast ninefold increase in utility scale variable renewable generation. As widely reported, gas fired power generation is a critical part of the transition to an electricity grid dominated by variable renewables, providing reliable, dispatchable firming supply with tried and tested established technology at approximately half the emissions intensity of equivalent coal plants.

Summing the market components together, suggests a small fall in overall east coast Australia domestic gas demand, with a wider range of uncertainty than previously assumed, against a backdrop of significantly declining local supply. There are some risks of gas shortages in winter 2023 which were not highlighted previously. The data in both AEMO reports pre-dates the major upheavals in the global gas market caused by the war in Ukraine. This disruption is expected to significantly increase international demand for Australian gas exports over the medium term.

Analysis of all these factors validates the resilience of Cooper Energy's business model of supplying locally sourced gas into the South-east Australia market.



AEMO 2022 Integrated System Plan

"10 GW of gas-fired generation [required] for peak loads and firming. Gas-fired generation will play a crucial role as coal-fired generation retires. It will complement battery and pumped hydro generation in periods of peak demand, particularly during long 'dark and still' weather periods. It will help cover for planned maintenance of existing generation and transmission. And it will provide essential power system services to maintain grid security and stability, particularly following unexpected outages or earlier than expected generation withdrawal.

This critical need for peaking gas-fired generation will remain through the ISP time horizon to 2050, and older and less efficient peaking plants may need to be replaced. Additional and earlier peaking gas-fired generation would add resilience against potential shortfalls in VRE, storage, DER or transmission. Over time, gas-fired generation emissions will need to be offset elsewhere if the economy is to reach net zero emissions, and natural gas may be replaced by net zero carbon fuels such as green hydrogen or biogas."

AEMO 2022 Integrated System Plan, Page 11



Production tanks, Cooper Basin, South Australia

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

Board oversight of climate-related risks and opportunities.	Climate-related risks and opportunities are reported to the Risk & Sustainability Committee, a sub-committee of the Board. The Committee meets four times per annum.
Management role in assessing and managing climate-related risks and opportunities.	Management conducts the risk assessment and includes it in the corporate risk register. This is reviewed and updated by the accountable General Manager on at least a 6-monthly basis.

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

Climate related risks (opportunities and threats) were identified over the short, medium, and long term.	Physical risks: Sea level rise (long term), increase in extreme heat days (medium-long term), increased bushfire risk.
Impacts of climate-related risks (opportunities and threats) on the organisation's businesses, strategy, and financial planning.	Business risk: Market impacts from the changing energy mix and potentially changing community sentiment towards gas.
The resilience of the organisation's strategy considering different climate scenarios, including a 2-degree or lower scenario.	<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 Step Change Scenario). This work indicates that the Company's business is robust under these assumptions.</p> <p>Eastern Australia gas demand is anticipated to be higher under several of the more radical transition scenarios out to 2040 than they would be under slower change scenarios. Gas price forecasts have increased between 2020 and 2022.</p>

Risk Management

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

Processes for identifying and assessing climate-related risks.	Climate-related risks and opportunities are included in Cooper Energy's Corporate Risk Register, which is reviewed by management and the Risk & Sustainability Committee periodically as part of a standard risk management process. The Risk Register is a comprehensive document describing causes, risk events, interim effects, and long-term consequences.
Processes for managing climate-related risks.	The existing preventative and reactive risk controls are documented, along with their effectiveness in establishing an initial risk rating regarding likelihood, consequence, and severity.
The process for identifying, assessing, and managing climate-related risk is integrated into the organisation's overall risk management.	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.

Metrics & Targets

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

The organisation uses metrics to assess climate-related risks and opportunities in line with its strategy and risk management process.	Modelling of Eastern Australia gas demand under various energy transition scenarios, including a below 2-degree scenario (AEMO Step Change Scenario) aligned with the IEA's Sustainable Development Scenario and the Paris Agreement. Assessment of sea-level rise models.
Scope-1, scope-2, scope-3 GHG emission and the related risks.	Certified Carbon Neutral Organisation: 100% annual offset one year in arrears of scope-1, scope-2, and controllable elements of scope-3 emissions (embedded energy and business travel). Certified since FY20 baseline year. The Company is actively investigating with our customers what cost-effective measures might be pursued to partially offset or mitigate downstream scope-3 emissions intensity. This is enabled by the Climate Active opt-in natural gas product carbon neutral certification received in December 2021.
Targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	100% annual offset one year in arrears of scope-1, scope-2, and controllable elements of scope-3 emissions (embedded energy and business travel) to achieve certified organisational carbon neutrality. This has been achieved annually since the FY20 baseline year. The Company is committed to maintaining this position as far as is reasonably and economically practical for the foreseeable future.

Emissions Summary

Cooper Energy offsets 100% of its scope-1 and scope-2 emissions and the small fraction of scope-3 emissions under its direct control.

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

FY22 has seen an expected increase in gross emissions attributable to the commissioning and start-up of processing at the Athena Gas Plant near Port Campbell which processes our Otway Basin gas. We forecast another step up in gross emissions in FY23, attributable to the acquisition of the Orbest Gas Processing Plant. Notwithstanding the significant

growth, Cooper Energy has re-affirmed its intention of retaining its' carbon neutral position.

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

For our carbon neutral certification, the Company's emissions 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	FY22	FY21*	FY20	Units
Emissions Data				
Scope-1 (direct) emissions	29,941	3,429	9,090	tonne CO ₂ -e
Scope-2 (consumed) emissions	793	455	474	tonne CO ₂ -e
Scope-3 (controllable) emissions	2,496	467	923	tonne CO ₂ -e
Total organisation emissions	33,230	4,352	10,488	tonne CO ₂ -e
Emissions offset	-33,230	-4,352	-10,488	tonne CO ₂ -e
Net organisation emissions	0	0	0	tonne CO₂-e
Total scope-3 (including customer emissions) after offsets	1,248,189	962,762	537,212	tonne CO ₂ -e
Emissions Intensity Data (Scope 1 + scope 2 + controllable scope 3)				
Total organisation emissions intensity (before offsets)	0.010	0.002	0.007	tonne CO ₂ -e/boe
Net organisation emissions intensity (after offsets)	0.000	0.000	0.000	tonne CO ₂ -e/boe
Emissions Intensity Data (including downstream scope 3 customer emissions)				
Total emissions intensity after offsets	0.377	0.366	0.344	tonne CO ₂ -e/boe
Total emissions intensity after offsets	55.8	56.1	55.0	tonne CO ₂ -e/TJ
Total emissions intensity after offsets	3.37	3.34	3.1	tonne CO ₂ -e/tonne hydrocarbon
Total emissions intensity after offsets	6,077	7,308	7,140	tonne CO ₂ -e/million \$ revenue
Supplementary / Supporting Data				
Energy produced	22,359	17,152	9,766	TJ
Production	3.31	2.63	1.56	MMboe

*Minor changes have been made to the previously reported Equity Share figures from FY21 to account for adjustments made as a result of new Climate Active emissions calculators finalised in H2 2021. Offsets have been made against the revised figures to ensure net zero.

Scope-3 Emissions

Cooper Energy has taken a forward-looking stance in becoming Australia's first certified carbon neutral domestic gas producer. Our organisational boundary includes what we define as 'controllable scope-3' emissions, which include scope-3 emissions that are within the business's direct control. These include emissions embedded in steel and concrete used in construction and emissions generated from employee commuting and business travel. This provides us with the ability to do something about the indirect emissions we have control over now.

A key challenge for a growing gas producer is that most of our scope-3 emissions are customer

related and are emitted when our customers use gas for electrical power generation, heating and cooking, or other industrial processes. That is, most of our scope-3 emissions are our customers' scope-1, emissions.

We consider the most effective way to take meaningful action on scope-3 emissions is to work collaboratively with customers, which has been greatly enabled with achievement of Climate Active opt-in natural gas product certification. We anticipate that the alignment of our sustainability initiatives with that of our customers will be a crucial success factor as we tackle the dual challenge of delivering energy to support the community's health and wellbeing, while reducing scope-3 emissions intensity.

Greenhouse Gas Emissions – operational control basis

For National Greenhouse and Energy Reporting purposes, the Company also 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	FY22	FY21*	FY20	FY19	Units
Scope-1 (direct) emissions	51,813	2,501	7,254	12,918	tonne CO ₂ -e
Scope-2 (consumed) emissions	1,486	708	452	85	tonne CO ₂ -e
Energy produced	26,397	21,236	14,710	11,721	TJ

ENVIRONMENTAL INITIATIVES

Through our partnership with Greening Australia's Canopy Nature Based Solutions, Cooper Energy has committed to the Coorong Biodiversity Project in the south-east of South Australia.

Australian Carbon Credit Units (ACCU) generated from this project have been retired as part of Cooper Energy's carbon neutral certification for FY20, FY21 and FY22.

The project is a registered Emissions Reduction Fund project and aligns with our ambition to invest in environmental projects that offset our emissions while providing meaningful co-benefits to landholders, biodiversity and water quality.

The project includes reforestation and restoration of over 600 hectares of native vegetation and wildlife habitat, including large areas of subcoastal wetlands, Mallee and woodlands on the shores of the Coorong National Park.

As well as removing thousands of tonnes of carbon dioxide from the atmosphere, the reforestation project provides important connectivity between the Coorong National Park and the Messent Conservation Park, restoring native vegetation and wildlife habitat for the threatened Mallee fowl and migratory shorebirds; and improving the condition of subcoastal wetlands.



Coorong, South Australia

S O C I A L

Our People

Cooper Energy's employee numbers have remained stable throughout FY22 across our three locations of Adelaide, Perth and the Athena Gas Plant in Victoria. Our contract personnel numbers fluctuated during the year in line with the project activity that was part of the FY22 planned works programs. Additional resources were added for the due diligence process associated with the acquisition of the Orbest Gas Processing Plant later in the year. As we look ahead, our employee numbers will increase as a result of that acquisition. The Company will retain its mix of employees and contractors to support our onshore and offshore projects.

Our Operating Model

Cooper Energy maintains its nine principles underpinning its organisational structure: Alignment with Strategy; One Team; Simplify; Create Asset Accountability; Encourage Agility; Ensure Scalability; Codify Decisions; Separate Governance; and Centralise Scarce Excellence. The structure comprises a matrix organisation of line and functional disciplines designed to optimise effective value delivery. We work with a flexible resourcing model to assist in meeting the needs specific to our work programme.

Culture

The Company's culture derives from firmly embedded values and a one-team approach. The Cooper Energy Values need to be demonstrated by all employees and contractors via their behaviour and work ethic. Achievement against objectives and behaviours are measured as part of our 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.

Talent Resourcing

Our recruitment strategy focuses on ensuring we obtain the required skills and experience whilst at the same time aligning with our Values. Skills shortages and increased competition for talent are a challenge for Australian business. Cooper Energy prides itself on its employment proposition and its ability to attract and retain key personnel that contribute to our growth trajectory.

During the year, Cooper Energy permanent employees remained stable. As at 30 June 2022, a total of 92 employees were employed across our three sites. Our contractor numbers vary as our goal is to maintain sufficient workforce flexibility to respond effectively to the changing demands of a project-based business.

Engagement & Enablement

Cooper Energy monitors its work environment through staff feedback including employee surveys undertaken by an independent organisation. The employee survey is structured around key measurement dimensions including engagement - the "want to" and enablement - the "can do". From the most recent survey conducted in FY22, the Company's enablement score is particularly encouraging and aligned to global benchmarks, including benchmarking against high performing oil & gas companies. Whilst we did experience a drop in our engagement score from FY21, a highlight of the FY22 survey were results in the Respect and Recognition dimension that exceeded global benchmarks, reflecting positive staff feedback on safety, care, respect in the workplace, and flexibility.



Coorong, South Australia

Diversity & Inclusion

Cooper Energy is committed to diversity and inclusion, which contribute to some of our fundamental Values.

Our gender split at 30 June 2022 for permanent staff was 27% women and 73% men. 14% of the Key Management Personnel (KMP) level were women and 38% of the Board were women. These figures are shown below, together with benchmark industry data.

Organisations with 100 or more staff employees are required by the Workplace Gender Equality Act 2012 to report annually to the Workplace Gender Equality Agency (WGEA) on the following gender equality indicators. While Cooper Energy is just below this threshold and therefore is not obliged to report, an insight into Cooper Energy's standing against each of these indicators is provided below:

1. Overall composition of the workforce.

Cooper Energy sits on or above the industry benchmarks for gender diversity when measured at the Company level and the Board of Directors level. It currently sits below the industry benchmark at the KMP level.

2. Equal remuneration between women and men.

Our recruitment is based on the skills and experience required for the position. Both women and men are assessed equally on their ability to perform the role.

3. Availability and utility of employment terms, conditions and practices relating to; flexible working arrangements for employees; and working arrangements support employees with family and carers' responsibilities.

90% of employees are full-time and 10% of employees are part-time (including men and women). Flexible working arrangements are available for our employees through our policies. Cooper Energy provides eight weeks paid parental leave to the primary caregiver. Five days of Dad and Partner paid leave are available after the birth of a child.

4. Composition of governing bodies.

The gender diversity of our overarching governing body, the Board of Directors, is above the industry benchmark, with three out of eight (38%) women directors as at 30 June 2022. This analysis includes the Chair, Non-Executive Directors, and the Managing Director.

5. Consultation with employees on workplace gender equality issues.

Cooper Energy provides an open environment for matters of gender equality to be raised through management or the People and Remuneration team. It also seeks feedback from the workforce on diversity, workplace flexibility, respect and safety through employee surveys.

A Whistle-blower Policy and Issue Resolution Procedure underpin our Code of Conduct, Equal Opportunity and Diversity Policy and Bullying and Harassment Code (incorporating Sexual Harassment).

A confidential Employee Assistance Program (EAP) is provided to support staff and direct contractors, including concerns regarding gender equality issues.

The Company provides annual training on matters such as bullying and harassment, including sexual harassment. Cooper Energy celebrated International Women's Day in 2022, which included reiterating our ongoing commitment to safe, respectful and inclusive work environments.

6. Any other matters specified by the Minister for Women in a legislative instrument: sex-based harassment and discrimination.

No matters of significance were identified.



Gender Diversity

at 30 June 2022

	% Women	% Men	WGEA Benchmark
Company Overall	27%	73%	26%
Key Management Personnel	14%	86%	29%
Board of Directors	38%	62%	28%

As at 30 June 2022, Cooper Energy had a total of:

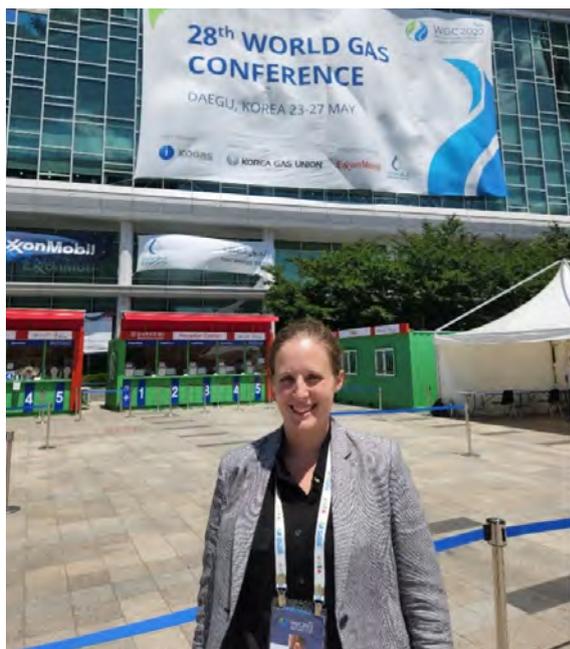
- 25 women employees out of 92 employees across the organisation (i.e., women comprise 27% of all employees)
- 1 woman employee out of a total of 7 employees in senior executive positions (excluding the Managing Director) i.e. women comprise 14% of senior executives. In the chart above, this category is referred to as KMP.
- 3 women directors out of a total of 8 directors on the Board (including the Managing Director) (i.e. women comprise 38% of the Board)

Learning & 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, focussing 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 incorporates leadership and management development, technical and regulatory operational requirements; competency-based training; compliance awareness and education; and general business learning and development programs. In FY22 there has been a continued focus on competency-based training for our employees at the Athena Gas Plant in support of the ongoing operational requirements.

The Cooper Energy study assistance program supports undergraduate and postgraduate studies. Cooper Energy partners with leading providers such as the Melbourne Business School to support its learning framework. The return of domestic and international travel in FY22 has increased the opportunity for our staff to attend industry forums and conferences in person. In May 2022, Cooper Energy was represented at the World Gas Conference (WGC) in South Korea by our Operations Engineer, Fiona Read (pictured).



Cooper Energy was also well represented at the Australian Petroleum Production & Exploration Association (APPEA) Conference in Brisbane in May 2022.

The Company maintains a 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.

Community & Local Economics

It is a priority for Cooper Energy to support the communities in which we operate. We seek to have the local community understand our business and the role we are playing locally to support the health and wellbeing of local economies. We not only create and sustain local jobs, but we also use local suppliers where we can and invest in local community organisations. There is a direct link to the support of our communities and the critical role we play in providing cleaner lower emissions energy.

Athena Cutback Project Site Rehabilitation

In keeping with the Cooper Energy Values and approach to sustainable development, we are committed to leaving the various environments in which we operate in a condition that is as good – or better – than how we found them.

This was no more apparent than in the rehabilitation program undertaken following the successful 2021 completion of the construction phase of the Athena Cutback Project, which involved the connection of the Casino-Henry-Netherby (CHN) pipeline and the Minerva pipeline to facilitate the redirection of CHN gas and condensate to the Athena Gas Plant.

With a close eye on the optimum pasture sowing window in the region, and in partnership with local landholders and contractors, Cooper Energy undertook reinstatement activities which included

the removal of remaining equipment and erosion control measures onsite, as well as access tracks, bunding and drainage systems. This was followed by the reinstatement of topsoil across the project area, and the engagement of a local agronomist to undertake weed spraying, gypsum & fertiliser spreading, power harrowing and, finally, the sowing of new pasture.

With successful pasture establishment already evident onsite, Cooper Energy, in ongoing partnership with the local landowner, will continue to rehabilitate and monitor the site with a view to restoring the land to its original purpose as grazing pasture as soon as possible.

Case Study - We Care for Eye Care

In Australia, adults over 50 years of age are more affected by vision impairment, with the five main conditions responsible being an uncorrected refractive error (which refers to being long or short-sighted), cataracts, age-related macular degeneration, diabetic retinopathy, and glaucoma. Notably, two-thirds of Australians wear prescription glasses, 13% wear prescription contact lenses and 31% wear prescription sunglasses.

While more than 90% of all blindness and moderate or severe vision impairment is preventable or treatable, gaining access to treatment is an enormous barrier to

those in rural and remote communities. That's why The Royal Flying Doctor's Victoria Mobile Eye Care clinic has utilised Cooper Energy's support to help deliver services to rural townships such as Gelantipy, Dargo, Ensay, Cann River and Goongerah in Gippsland and East Gippsland.

Providing mobile eye care ensures people in rural areas can assess their vision more regularly. Early intervention with deteriorating vision could prevent conditions from advancing.



Victoria's Royal Flying Doctor Services - Regional Mobile Eye Clinics supported by Cooper Energy

FY22 SUPPORT FOR LOCAL BUSINESS

> \$71million local purchases with more than 400 local suppliers



> \$6million 68 suppliers South Australia wide



> \$30million 152 suppliers Victoria wide

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 FY22.

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: www.cooperenergy.com.au/our-company/corporate-governance-and-policies/corporate-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 the creation of security holder value. 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.

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 FY22.

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 Mr Hector Gordon and, at end-FY22, comprised four 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.

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.



Malleefowl (Leipoa ocellata)

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.

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 as an indication or guarantee of future performance. Cooper Energy makes no representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statement or any outcomes expressed or implied in any forward-looking statement. Except as required by applicable law or the ASX Listing Rules, Cooper Energy disclaims any obligation or undertaking to publicly update any forward-looking statements, or discussion of future financial prospects, whether as a result of new information or of future events.

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

Authorisation: Approved and authorised for release to ASX by David Maxwell, Managing Director, Cooper Energy Limited.

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