

2 June 2025

Australian Accounting Standards Board

standard@asb.gov.au

Confidential

Re: Proposed amendments to AASB S2 Greenhouse Gas Emissions Disclosures

Dear Sir/Madam

Santos Ltd is an Australian energy company with operations across Australia, Papua New Guinea, Timor-Leste and North America. We are a domestic gas producer in Australia and a leading LNG supplier to Asia. Our purpose is to provide reliable and affordable energy to help create a better world for everyone.

Santos welcomes the opportunity to comment on the proposed amendments to AASB S2 Greenhouse Gas Emissions Disclosures.

Santos has publicly disclosed its greenhouse gas emissions for over two decades, reported under Australia's National Greenhouse and Energy Reporting (NGER) scheme since its commencement in 2008 and has its greenhouse gas emissions inventory independently audited each year.

Santos has assets in numerous countries and as an Australian publicly listed company, has developed an emissions framework such that greenhouse gas emissions are calculated in accordance with the National Greenhouse and Energy Reporting Act 2007 (Cth), unless the asset is located in a jurisdiction that has a compliance emissions reporting framework, such as the United States Environmental Protection Agency's Greenhouse Gas Reporting Program. Santos uses this approach for management, reporting, setting and tracking of emission reduction targets, and for external reporting in Santos' Annual Report. Under this approach, emissions from assets in countries that do not have a jurisdictional compliance emissions reporting framework, such as Papua New Guinea (PNG) and Timor-Leste, are calculated in accordance with the Australian NGER scheme.

Currently section 29(a)(ii) states that emissions need to be measured in accordance with the Greenhouse Gas (GHG) Protocol unless required by a jurisdictional authority or exchange. Sections B20 to B25 define the emissions calculation methodology under various scenarios. Santos considers that our principles outlined above (i.e. emissions from US assets will be calculated using the US compliance reporting framework and emissions from Australian, Timor-Leste and PNG assets will be calculated using the Australian NGER scheme) are consistent with the principles in sections B20 to B25 but will not meet the requirements of Section 29(a)(ii).

Santos believes that there would be no public benefit for an Australian company to use a non-NGER alternate approach to report emissions from PNG and Timor-Leste where there is no local jurisdictional compliance reporting framework. Requiring for example IPCC AR6 based GWPs for PNG emissions would be inconsistent with Santos' emissions inventory, which currently uses IPCC AR5 GWPs in accordance with the Australian NGER scheme, and would require duplication of effort, confusion of reporting with 'multiple sets of emissions books', and

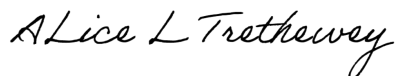
increase in regulatory compliance costs. The requirement to use a different methodology for emissions reporting under AASB will require a ground-up assessment of each emission source for the relevant assets. This will not be a trivial activity. Updates associated with a different reporting framework will then need to be incorporated into our integrated production and emissions accounting system, as well as an addition to our existing rigorous assurance requirements to assure PNG and Timor-Leste emissions under the GHG Protocol and IPCC AR6 framework.

Santos requests that the drafting clearly states that unless there is a specific jurisdictional reporting requirement for a particular asset, the asset's emissions should be reported based on the jurisdictional reporting requirements of the parent company, which for clarity is the NGER scheme for Australian based companies.

Santos recommends that an Australian-specific paragraph (i.e. 'Aus' prefix paragraph as included for certain accounting standards to modify IFRS requirements with Australian-specific requirements) should be included to allow Australian entities that are required to report under NGER to apply this same reporting methodology for any operated assets located in countries that do not have jurisdictional emissions reporting requirements. This would improve the consistency, comparability and transparency of reporting disclosures for Australian entities.

We look forward to the passage of the AASB amendments and contributing to the forward work program, as appropriate.

Yours sincerely



Alice Trethewey
Head of Government Affairs