

SUSTAINABILITY POLICY

As an oil and gas exploration and production company Karoon Energy Ltd (**Karoon**) recognises that it has an important obligation to play a role in overcoming global sustainability challenges. Karoon acknowledges its responsibility to ensure it is contributing to a just transition in a decarbonising world.

The Board and senior management of Karoon are committed to embedding and applying contemporary Environment, Social and Governance (**ESG**) principles throughout Karoon's business, with action in the five key areas of:

- Health, Safety, Security and Environment (HSSE), focussing on safe and reliable operations, minimising risk to prevent harm to people and the environment;
- Climate, focussing on operating responsibly to achieve our climate change targets;
- Our People and Human Rights, focussing on wellbeing, diversity, and human rights;
- Community, focussing on respectful community relationships, engagement and support; and
- Environment, focussing on protecting and nurturing local environments and promoting biodiversity.

Sustainability impacts are considered at all levels of both corporate and operational decision making in the interests of our stakeholders, with oversight at Board level through the Sustainability and Operational Risk Committee.

Objectives and Commitments

Karoon is committed to safe and reliable operations in accordance with industry practice and all applicable laws by:

- Prioritising the safety and wellbeing of our employees and providing a safe and respectful working environment for all staff;
- Engaging with local communities to protect the safety and wellbeing of those impacted by our operations and create opportunities to develop stronger educational, health and economic practices for the benefit of current and future generations;
- Seeking to minimise the climate change risks and impacts of Karoon's operations through the ongoing development and implementation of Karoon's Sustainability Strategy and associated Carbon Management Action Plan;
- Recognising the United Nations Sustainable Development Goals, the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights;
- Protecting human rights in our operations and seeking to eliminate modern slavery throughout our supply chain;
- Minimising environmental impacts of our operations.

Karoon has an established risk management framework that ensures sustainability risks are considered in all aspects of its business strategy and planning. Using the core principles of environmental, social and economic sustainability, Karoon strives to conduct its business and operations responsibly across all offices and activities.

Strategies for implementation

- Develop and maintain a strong governance framework to support sustainability decision making at Karoon.
- Identify, assess, and manage sustainability risks, including those related to health and safety, climate change, human rights and the environment, to create a safe and sustainable business.
- Pursue opportunities to meaningfully contribute to the United Nations Sustainable Development Goals most relevant to Karoon's operations.
- Support the global efforts for implementation of the Paris Agreement by setting targets for greenhouse gas emissions reductions, including a Net Zero target.
- Publicly disclose Karoon's carbon emissions profile in Karoon's annual Sustainability Report using the Task Force on Climate related Financial Disclosures (TCFD) reporting framework.
- Communicate openly with communities regarding Karoon's activities, welcoming community participation.
- Source products and services from local suppliers, where appropriate and possible.
- Maintain a zero tolerance policy toward attacks, threats or intimidation against human rights defenders in relation to Karoon's operations.
- Prepare and submit an annual Modern Slavery Statement in accordance with the Modern Slavery Act 2018 (Cth).
- Prioritise safe and effective practices to protect the environment in all locations in which Karoon operates.
- As a minimum, comply with all applicable environmental laws and regulations, ensuring that relevant mandatory environmental licenses, permits, and training are provided. Apply responsible standards where laws and regulations do not exist.
- Encourage Karoon's executive team to demonstrate a commitment to sustainability by linking executive remuneration to sustainability outcomes.
- Educate and empower employees by providing information and training, as required, and encouraging the adoption of ethical and sustainable principles and practices throughout the business.
- Offer appropriate mechanisms for grievances, including whistleblower protection and, where Karoon has identified it has caused or contributed to adverse impacts, provide for, or cooperate in appropriate remediation efforts.
- Report on Karoon's progress annually in a publicly disclosed Sustainability Report.

Application

This Sustainability Policy applies to Karoon in all its operations and functions. The responsible directors, managers, and leaders will use their influence to promote this Sustainability Policy throughout the organisation and in non-operated ventures.

Policy Review

The Sustainability Policy will be reviewed regularly and will be amended (as appropriate) to reflect current best practice. Any amendments made will be in accordance with applicable securities exchange requirements. The Sustainability and Operational Risk Committee is responsible for consistently monitoring and reviewing this Policy and its outcomes and reporting any areas for improvement to the Board accordingly.



Bruce Phillips
Chairman



Julian Fowles
CEO & Managing Director

Approved by the Board. Effective 22 February 2022