



APPEA
Social Licence
Framework

2022





About APPEA

The Australian Petroleum Production & Exploration Association (APPEA) is the national peak body representing Australia's upstream oil and gas explorers and producers. Its purpose is to be the effective voice of the oil and gas industry on the issues that matter, working collaboratively with industry, government, and the community to achieve shared goals.

APPEA members account for nearly all of Australia's petroleum exploration and production. APPEA also represents about 140 associate member companies that provide a wide range of goods and services to the upstream oil and gas industry.

APPEA is forward-looking and outcomes focused, aiming to raise awareness of the economic, environmental, and social benefits of the oil and gas industry across Australia.

Acknowledgement

The Australian Petroleum Production & Exploration Association (APPEA) acknowledges the Traditional Custodians of Country throughout Australia and their knowledge in caring for land, sea, and community. We pay our respect to their Elders; past, present, and emerging.

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Industry overview



80,000

Australia's oil and gas industry supports 80,000 direct and indirect jobs.

\$66 billion

In the last decade the industry has paid \$66 billion in taxes and royalty payments which help build roads, hospitals, schools and other essential public infrastructure.

65%

Oil and gas provides 65% of Australia's primary energy and almost one third of all gas consumed in Australia is used by manufacturers.

\$47.5 billion

In 2019–20: Australia recorded a \$27.9 billion surplus in the trade of oil and gas, with total exports exceeding \$47.5 billion.

\$473 billion

Between 2010 to 2020, the industry invested an estimated \$473 billion into the Australian economy through new project construction and development.

Energy for a better Australia

About APPEA's Social Licence Framework

PHOTO: OCEAN FROLIC FROM ABOVE EAGLE BAY COURTESY MATTHEW BREWER INPEX

Australia's oil and gas industry understands the importance of consistently building and securing its social licence to operate in Australia and embraces the opportunities and challenges this presents.

The industry is committed to being an active partner with all Australians: creating jobs and delivering reliable energy while protecting our unique environment and working together with communities across Australia to build the trust and confidence of all stakeholders.

Central to the industry's social licence is therefore the relationship it has with its many stakeholders—employees, shareholders, communities and governments.

APPEA's Social Licence Framework outlines the industry's social, safety and environmental commitment. The framework shows how the industry strives to meet the expectations of relevant stakeholders and maximise the long-term, community-wide benefits that can be achieved through the safe and responsible development of Australia's oil and gas resources.

The link between oil and gas and the UN's Sustainable Development Goals

The United Nations' Sustainable Development Goals were adopted in 2016. They are the world's action plan to overcome poverty and protect our planet. Energy is key to advancing all seventeen Sustainable Development Goals.

Ensuring universal access [to energy] is necessary for creating sustainable economic growth and development. Energy weaves all Sustainable Development Goals together and decisive action on sustainable energy can catalyse progress towards the other SDGs. Indeed, energy is critical to deliver on all other SDGs. (United Nations 2021, Leveraging Energy Action for Advancing the Sustainable Development Goals.)

Australia's oil and gas industry is contributing to sustainable economic development by:

- providing secure, reliable and affordable energy
- reducing emissions and protecting the environment
- ensuring the safety and wellbeing of our people and the communities in which we operate
- recognising the traditional owners of Australia and working collaboratively with other resource users
- embracing diversity in all its forms
- upholding the highest standards of ethical business practices and corporate governance.



APPEA's Principles of Conduct

APPEA's Principles of Conduct reflect the commitment of APPEA members to maintaining a strong social licence to operate. They inform our environmental, social and governance priorities.

The principles provide a framework for APPEA members to consider how their business practices align with stakeholder interests and demonstrate member commitment to:

- seek opportunities to improve business practices and economic, safety, environmental, and social performance along with good governance in all that they do
- not only comply with the requirements of all laws and regulations, but also to perform consistently with the industry's overall objective of maintaining a strong social licence to operate
- continuously strive to improve health, safety and environmental performance
- promote and adhere to ethical and responsible business practices
- support social and economic development in Australia.

PURPOSE AND OBJECTIVES

APPEA's **vision** is 'Energy for a better Australia'.

Our **purpose** is to be the trusted and effective voice of the oil and gas industry on the issues that matter, working collaboratively with industry and the community.

APPEA's strategic **objectives** are:

Influencing: Be the influential and respected voice for industry to create a positive operating environment

Leading: Be a leader for industry on the issues that matter

Collaborating: Foster positive interactions between industry, stakeholders and the community to achieve shared goals

Advocating: Raise awareness of the economic, environmental and social benefits of the oil and gas industry in the community

Operating: Be an efficient, forward-looking outcomes-focused association.

PRINCIPLES OF CONDUCT

Australian Petroleum Production & Exploration Association (APPEA) members seek opportunities to improve business practices and economic, safety, environmental, and social performance along with good governance in all that they do.

The performance of APPEA members must not only comply with the requirements of all laws and regulations, but also be consistent with the industry's overall objective of maintaining a strong social licence to operate.

In striving to achieve this, APPEA and its members endorse the following Principles of Conduct:

- 1 Continuously strive to improve health, safety and environmental performance in ways that:
 - protect people and the environment through the responsible management of operations and their impacts
 - incorporate risk management strategies based on sound science, to the application of new technologies and industry practices.
- 2 Engage constructively with government and industry to develop appropriate principles/objectives-based standards.
- 3 Promoting and adhering to ethical and responsible business practices, so that APPEA members:
 - make both ethical business practices and good corporate governance pervasive features of company operations
 - use open and effective communication and engagement with communities, regulators, government, and other affected parties.
- 4 Supporting social and economic development in Australia in ways that:
 - respect the rights, property and dignity of the communities in which we operate and acknowledge Aboriginal and Torres Strait Islanders as the first peoples of Australia
 - enable members to co-exist with stakeholders to generate long-term mutual benefit
 - enable member activities to foster economic growth and enduring value.
- 5 Provide Australian suppliers full and fair opportunity to compete for commercially competitive resource development activities.

These principles outline the Australian oil and gas industry's shared values.

COMMITMENT TO THESE PRINCIPLES IS AN EXPECTATION OF ALL APPEA MEMBERS

K. T. Gallagher

[Signature]

PHOTO: FINDING A HAPPY SPOT COURTESY MARTIN HELLER, MITSUI E&P AUSTRALIA PTY LTD

Priority 1: Climate change and environment (emissions, flora, fauna, biodiversity, land, air, water)

STATEMENT OF COMMITMENT

Through APPEA's Climate Change Policy Principles and Environmental Policy, we recognise that our industry has a responsibility to play a leadership role in responding to the global challenges of climate change and environmental sustainability.

OUR COMMITMENT IN ACTION

13 CLIMATE ACTION



APPEA's Climate Change Policy Principles

Australia's oil and gas industry supports a national climate change policy that delivers greenhouse gas emissions reductions, consistent with the objectives of the Paris Agreement and with net zero emissions across the Australian economy by 2050.

- APPEA's Australia's Cleaner Energy Future report incorporates the industry's Climate Change Policy Principles, and highlights the sector's commitment to emissions reduction, while maintaining affordable, secure energy supplies to consumers and industries that provide jobs and economic growth.

The industry continues to monitor, report, and reduce its own emissions profile and participates in a range of global initiatives to reduce emissions, including the Australian Industry Greenhouse Action Network, Future Energy Exports Cooperative Research Centre (FEnEx CRC), Net Zero Australia project, Oil and Gas Climate Initiative, the World Bank Zero Routine Flaring initiative, the Climate & Clean Air Coalition, Oil & Gas Methane Partnership and Methane Guiding Principles.

- APPEA's Industry Actions on Emissions Reduction report provides an overview of the activities and initiatives undertaken by APPEA members to reduce greenhouse gas emissions.

15 LIFE ON LAND



APPEA's Code of Environmental Practice

In Australia, exploration and production operations are conducted in a wide range of environments, including on land

and in the sea. APPEA's members have a strong record of going above and beyond regulatory requirements to protect and preserve the environments in which they operate.

APPEA's Code of Environmental Practice establishes the industry's commitment to avoid or minimise and manage impacts to the environment, by adhering to four principles:

- Assess the risks to, and impacts on, the environment as an integral part of the planning process.
- Reduce the impact of operations on the environment, public health and safety to as low as reasonably practicable and to an acceptable level by using the best available technology and management practices.
- Consult with stakeholders regarding industry activities.
- Develop and maintain a corporate culture of environmental awareness and commitment that supports the necessary management practices and technology, and their continuous improvement.

14 LIFE BELOW WATER



Protecting Australia's marine environments

The industry has contributed approximately \$40 million to marine research that

helps to protect our oceans and their unique environments. Important partnerships between oil and gas companies and world-class research organisations, such as the Australian Institute of Marine Science (AIMS), are delivering real outcomes for our marine biodiversity.

- APPEA's Working together: Protecting our marine environment report highlights the industry's contribution to marine research and the actions that are preserving and protecting our ocean environments.



Priority 2: Safe, healthy and respectful workplaces (physical safety, harassment and bullying, mental health)

STATEMENT OF COMMITMENT

The Australian oil and gas industry's top priority is the health, safety and wellbeing of its workforce, the general public and communities where we operate.

OUR COMMITMENT IN ACTION

Australia's oil and gas industry is committed to providing safe and healthy working environments with a strong focus on building and maintaining respectful workplaces.

Every person working in and with our industry has a responsibility for the safety, health and wellbeing of themselves and their colleagues, as well as contributing to positive and respectful workplaces.

On behalf of the industry, APPEA works with government to ensure regulations promote continuous improvement in the management of health and safety risks.

APPEA partners with Safer Together and AMMA to provide best-practice resources to members to support the health, safety and wellbeing of their workforce, including:

- APPEA, AMMA and Safer Together Mental Health and Wellbeing Implementation Guideline
- AMMA Resources and Energy Industry Workforce Mental Health Framework
- AMMA Workplace Behaviour Training
- AMMA Inclusive Safety Audit.



Mental Health and Wellbeing Implementation Guideline

Complements AMMA's Resources and Energy Industry Workforce Mental Health Framework at amma.org.au

	Everyone	Peer supporters / wellbeing champions	Supervisors, managers and executives
Champion wellbeing culture and leadership	<ul style="list-style-type: none"> • Speak up if you are concerned or require support for yourself or a colleague. • Stay connected with friends, family and colleagues. • Get involved with your team, in person or virtually. • Invest time to take care of your wellbeing. 	<ul style="list-style-type: none"> • Check in with your colleagues and make sure they are supported. • Promote proactive wellbeing. • Participate in available training and coaching to upskill. • Encourage people to follow rules and advice provided by Australian Government and company. 	<ul style="list-style-type: none"> • Ensure time and resources for the workforce to proactively manage their wellbeing. • Check in with your team and workforce to ensure they feel supported. Encourage people to raise concerns, emphasising confidentiality. • Implement, champion and/or participate in mental health and wellness training to reduce stigma and increase mental health and wellbeing confidence and capability. • Engage your teams, communicate and verify they understand and are following Australian Government and company requirements.
Promote wellbeing	<ul style="list-style-type: none"> • Develop a Personal Wellbeing Plan adapted to your working environment and the changes within your home environment. • Use the resources available to help in maintaining your wellbeing. • Exercise plays a key role in personal wellbeing, consider how you and your colleagues would benefit. 	<ul style="list-style-type: none"> • Stay connected with colleagues and check-in regularly. • Encourage colleagues to develop wellbeing plans and complete daily activities to keep well. • Promote use of wellbeing resources. 	<ul style="list-style-type: none"> • Ensure specific resources and support (i.e. peer supporters, buddies, wellbeing champions, etc) is provided, complemented by appropriate medical professionals. • Stay connected and check-in regularly with your team, encouraging your team to look out for each other. • Encourage your people to develop wellbeing plans and complete daily activities to keep well. • Promote use of wellbeing resources. • Share ways you are looking after your wellbeing and your personal experiences.
Protect mental health	<ul style="list-style-type: none"> • Participate in mental health and wellbeing conversations and activities. • Share personal experiences and encourage others to do the same. • Utilise as necessary, wellbeing resources and support services. 	<ul style="list-style-type: none"> • Encourage people to proactively access available services. • Listen to the challenges of colleagues to understand their concerns. • Feedback any key emerging themes to improve any mental health and wellbeing programs (always maintain confidentiality to ensure individuals are not identifiable). 	<ul style="list-style-type: none"> • Communicate openly with team about mental health risk factors. • Facilitate mental health and wellbeing conversations and activities. • Encourage the team to speak up to raise any concerns so action can be taken. • Support discussions that remove the stigma associated with mental health, encouraging people to share experiences. • Promote the use of wellbeing resources and support services to your team.
Support people	<ul style="list-style-type: none"> • If required, seek support in ways you feel most comfortable — in person, over the phone or via video call. • Talk to colleagues, line manager, peer supporter or wellbeing champion in your organisation. • Reach out or speak up if you notice a colleague is showing signs of stress, distress, anxiety or depression. 	<ul style="list-style-type: none"> • Complete company-specific mental health and wellbeing training. • Seek additional coaching, if required, to consolidate skills and competency. • Provide support to people if they need it and refer to professional services, when required. 	<ul style="list-style-type: none"> • Complete company-specific mental health and wellbeing training targeted at leaders. • Seek additional coaching, if required, to consolidate skills and competency. • Provide support to people if they need it and refer to services individuals feel comfortable accessing, when required.



www.appea.com.au



Priority 3: Diversity and inclusion

(gender, ethnicity, religion, ability, sexual orientation, age, political, CALD)



STATEMENT OF COMMITMENT

Diversity, equity, and inclusion are at the core of APPEA's values. Our commitment to these principles is unwavering—it is central to our vision and to our impact. We know that having varied perspectives helps generate better ideas to solve the complex issues of a changing—and increasingly diverse—world.



OUR COMMITMENT IN ACTION

Australia's oil and gas industry values diversity and is committed to building workplaces that are free from discrimination, harassment (including sexual harassment) and bullying. APPEA and our members foster working cultures where respect, inclusiveness and diversity are core values and in which every employee has the opportunity to thrive.

Our industry's commitment to diverse and inclusive workplaces is achieved by:

- Leaders actively and visibly promoting diverse and inclusive workplaces, including promoting and effectively managing flexible ways of working.
- Setting measurable and meaningful objectives and targets for diversity and inclusion outcomes.
- Considering diversity and inclusion in organisational policies, systems and practices.
- Educating employees on their obligations in providing a safe, respectful and inclusive workplace where all people are treated with dignity and respect.
- Developing organisational and leadership capabilities required to integrate inclusion into the way we work and how we do business.



 40%

APPEA has committed to a minimum 40% gender diversity target for the APPEA Conference and Exhibition and member events

26.7% 

As of August 2021, female representation on the APPEA Board is 26.7%.

Priority 4: Respecting Indigenous peoples and communities

STATEMENT OF COMMITMENT

Australia's oil and gas industry acknowledges and recognises Aboriginal and Torres Strait Islanders as the first peoples of Australia. We respect and honour the traditions and living cultures of First Nation's peoples and commit to building a brighter future together.

OUR COMMITMENT IN ACTION



Australia's oil and gas industry strives to partner with, and be trusted by, Indigenous peoples and communities where we operate.

Building and maintaining mutually beneficial relationships with First Nations peoples means demonstrating our respect and commitment to traditional owners, and their communities, who hold deep connections to the lands and waters where we operate.

APPEA members have long-standing relationships with many Indigenous communities, some dating back many decades. Our members engage and work in partnership with traditional owner groups and land councils on matters relating to Native Title, consent and cultural heritage management.

In addition, our members work to support economic opportunities including employment, training, education and enterprise opportunities. These include Aboriginal recruitment and job preparation programs to support skills development and long-term employment outcomes; education scholarships to encourage and assist Aboriginal and Torres Strait Islander students to progress to tertiary and vocational education and training; and engaging with Indigenous businesses to support local enterprise growth.



Priority 5: Reliable and affordable supply

STATEMENT OF COMMITMENT

Australia's oil and gas industry supports the United Nation's sustainable development goal (SDG7) to ensure universal access to reliable, affordable and modern energy by 2030

OUR COMMITMENT IN ACTION



The United Nations' Sustainable Development Goals are the world's action plan to overcome poverty and protect our planet for the future prosperity of all people.

Energy is key to achieving all 17 Sustainable Development Goals. More than two billion people are still living without secure energy. They depend on traditional fuels such as wood and dung for cooking and heating.

Australia is fortunate to have abundant resources of oil and natural gas, both onshore and offshore. Sustainable development of these resources provides households and businesses across Australia with a reliable and affordable supply of energy for electricity generation, heating and cooking, manufacturing and minerals processing.

Oil and natural gas together provide around two-thirds of Australia's energy demand and around five million Australian homes and businesses have a direct gas connection.

In addition to supplying our domestic energy needs, Australia's liquefied natural gas (LNG) exports are providing reliable and affordable energy to Asia's fast-growing economies.

Access to secure supplies of natural gas is lifting millions of people out of poverty and advancing the United Nation's Sustainable Development Goals.

Natural gas is also an essential raw material to make products like glass, bricks, cement, plastics and fertilisers, as well as consumer products such as hand sanitiser, beauty products and deodorants. In fact, more than half the natural gas consumed in Australia is used in manufacturing and industrial processes.



Priority 6: Coexisting with other resource users

(farmers and landholders, fishing industry, traditional owners)

STATEMENT OF COMMITMENT

Australia's oil and gas industry respects the rights, property and dignity of the communities in which we operate. We are committed to coexisting with stakeholders to generate long-term mutual benefit and enduring value.

OUR COMMITMENT IN ACTION

Working collaboratively with other resources users across the country is essential for accessing Australia's abundant supply of natural gas. Strong and enduring community relationships are fundamental to the sustainability of our industry's activities.

The industry is committed to working collaboratively with local fishers, pastoralists, farmers, other land and marine users and communities to build positive, mutually beneficial relationships, share benefits and protect our unique environment.



Consultation with other land and marine users is an ongoing activity for all onshore and offshore oil and gas activities and is integral to avoid and minimise any potential impacts on stakeholders.

Australia's agriculture sector is an enduring economic partner to the oil and gas industry. Landholders hosting natural gas infrastructure receive a significant financial stream that is not dependent on weather and agricultural commodity price cycles. They can also benefit from upgraded farm infrastructure and low-cost water supply.

In Queensland alone, more than 4,500 Conduct and Compensation Agreements are in place, and a significant amount of business growth and infrastructure development has occurred as a direct result of investments in oil and gas projects. These investments benefit the whole community with increased employment opportunities, small business participation and community investment initiatives.



Priority 7: Good corporate governance and ethical business

STATEMENT OF COMMITMENT

APPEA members are committed to ethical business practices and good corporate governance in all aspects of company operations and communication with stakeholders.

OUR COMMITMENT IN ACTION

APPEA's members are committed to ethical business practices that comply with or exceed the requirements of laws and regulations to ensure the safe and sustainable development of Australia's oil and gas reserves.

The industry supports high standards of reporting and transparency as important steppingstones to building greater understanding of our industry and safeguarding community trust and confidence.

APPEA members comply with Australian and international accounting and auditing standards, and the reporting of reserves and resources, revenues,



operating expenditure, borrowing costs and taxes paid. Where applicable APPEA members also provide production reports to state and federal administrators.

Many of APPEA's members comply with the Australian Taxation Office's (ATO) Reporting of Tax Information regime. A number have signed up to the Board of Taxation's Voluntary Tax Transparency Code and support both the ATO and Board of Taxation processes by publishing their own Taxes Paid reports.

In 2016, the Australian Government committed to the Extractive Industries Transparency Initiative (EITI). Many of APPEA's members comply with the EITI in other jurisdictions in which they operate and will continue to work with the government to support and progress the adoption of EITI in Australia.



PHOTO: 'BRINGING THE JOY OF MUSIC WITH THE WESTERN DOWN' COURTESY TONI DUGDALE, ORIGIN ENERGY



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