

SUSTAINABILITY POLICY

Karoon Energy Limited (**Karoon**) is an Australian based oil and gas exploration and production company. Karoon recognises that the nature of the oil and gas industry presents significant sustainability risks and opportunities and the successful identification and management of these challenges is important to Karoon.

Objectives and commitment

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

Karoon recognises the challenges and opportunities arising from climate change and will endeavour, wherever possible, to pursue strategies and programs that consider and address the risks and impacts of climate change. Karoon is committed to transparent climate change reporting in accordance with the Task Force on Climate related Financial Disclosures (TCFD) recommendations.

Karoon also recognises the United Nations Sustainable Development Goals and the Universal Declaration of Human Rights. Karoon accepts its responsibility to respect human rights throughout its business and operations, informed by the United Nations Guiding Principles on Business and Human Rights. Karoon will not tolerate modern slavery within its operations or supply chain and is committed to transparent reporting in accordance with the Modern Slavery Act 2018 (Cth).

Karoon has a strong commitment to the equitable and sustainable development of local communities in operational regions, looking to create opportunities to develop stronger educational, health and economic practices for the benefit of current and future generations.

Strategies for Implementation

Karoon will:

- continue to use its established risk management framework to facilitate the integration of sustainability risks and opportunities, including climate change, into all aspects of business operations and planning.
- Inform employees of Karoon's commitment to sustainability and promote a strong culture of sustainability throughout the organisation by fostering responsibility and leadership in management and all employees.
- Publicly disclose Karoon's carbon emissions profile and continue to consider climate change risks and opportunities relevant and appropriate to its business in both long and short-term planning.
- Use energy more efficiently by identifying opportunities to implement energy efficient initiatives in offices and at sites where Karoon operates.
- Prepare an annual Modern Slavery Statement in accordance with the Modern Slavery Act 2018 (Cth).
- Communicate openly with communities regarding Karoon's activities, welcoming community participation.
- As a minimum, comply with all applicable laws and regulations, and higher standards where appropriate. Apply responsible standards where laws and regulations do not exist.

Application

This policy is applicable to Karoon in all its operations and functions. The responsible managers 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 monitoring this Policy and reporting any areas for improvement to the Board accordingly.



Bruce Phillips
Chairman



Julian Fowles
CEO & Managing Director

Approved by the Board. Effective 22 January 2021