

## Vote Bulletin – Santos Limited

**Meeting Type** – Annual

**Meeting Date** – 05/03/2022

**Key Issues** – Climate change

**Vote decisions** – State Street Global Advisors voted ABSTAIN on the ‘Advisory Vote on Climate Change’ as a result of our assessment and engagement with the company.

### Management Resolution

Item number	Item description	Management recommendation	SSGA vote
4	Approve Advisory Vote on Climate Change	FOR	ABSTAIN

### Our Approach to Assessing Say on Climate Proposals

State Street Global Advisors analyzes ‘Say on Climate’ proposals on a case-by-case basis. Earlier this year, we published our [Disclosure Expectations for Effective Climate Transition Plans](#), which outlines the ten disclosure categories we expect companies in carbon-intensive sectors to address as part of their plans. Through our engagements, we aim to better understand the company’s approach to developing climate transition plans as well as gain insight on each company’s unique set of climate-related risks and strategic opportunities presented by the transition. We assessed Santos Limited’s Climate Transition Action Plan against this framework and also considered industry trends, peer performance, and our engagements with the company when making our voting decision in line with our [Guidance on Climate Related Disclosures](#).

### Voting Rationale

In May 2022, we engaged with Santos Limited to discuss their Climate Transition Action Plan and capital allocation plans around decarbonization, developing lower carbon fuels, and investing in carbon capture and storage projects. During the engagement, we highlighted opportunities to enhance certain areas of disclosure in line with peers in the Australian market including adopting short-term greenhouse gas targets, strengthening disclosure on current and planned capital investments to achieve interim and long-term climate goals, and providing more detail on emissions reduction strategies for operated assets, including methane monitoring and reduction efforts.

Regarding Scope 3 emissions, we see an opportunity for Santos Limited to provide enhanced disclosure on opportunities for incremental Scope 3 reductions in line with our [guidance](#). While we recognize the challenges around Scope 3 calculation and reduction efforts, investor demand for Scope 3 GHG targets is growing, and it is becoming market practice among major oil and gas companies in European and North American markets to adopt such goals. We also believe investors would also benefit from information on IRR requirements for low carbon projects which would provide additional transparency into how the company is thinking about return hurdles for low carbon investments compared to conventional investments.

As a result of our assessment and engagement with the company, we voted ABSTAIN as Santos aligns with several elements of our expectations but has an opportunity for improved disclosure. We believe that enhanced disclosure in line with the items above would give investors more comfort around Santos’ strategy to operationalize their climate goals and better align with disclosure practices among oil and gas companies locally and globally. We are committed to an ongoing dialogue with the company and will monitor progress on their climate transition plan commitments.

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4748727.2.1.GBL.RTL Exp. Date: 06/30/2023