Woodside's climate strategy and performance: response to ACCR claims

April 2025

Australasian Centre for Corporate Responsibility (ACCR) claims do not accurately describe Woodside's approach

Woodside holds deep concerns on the quality of ACCR's analysis which it does not believe to be sound, objective or undertaken with the intent of providing balanced perspectives on Woodside's business. Readers are advised to treat ACCR's analysis with caution.

ACCR's themes	Woodside's response
2024 climate performance	✓ ACCR does not recognise Woodside's better than industry performance across a range of benchmarks as outlined on page 4 of our 2024 Climate Update. ✓ This performance is underpinned by portfolio composition, resource quality, operational performance and asset decarbonisation.
Use of offsets	✓ Woodside's gross equity Scope 1 and 2 greenhouse gas (GHG) emissions performance is better than industry benchmarks before offsets are applied.[1] ✓ Woodside's climate strategy prioritises avoiding and reducing emissions, with offsets playing an important role in abating our residual emissions. ✓ Our internal cost of carbon of US$80/t CO_2-e is higher than the most recent published generic Australian carbon credit unit (ACCU) spot price of A$35.20/t, which aims to drive emissions reductions on our assets.[2] ✓ Woodside's Climate measure in its Corporate Scorecard is related to gross Scope 1 and 2 emissions, which incentivises reductions to emissions from our operations before the use of offsets.
Scope 3 targets	✓ Woodside has set two complementary Scope 3 targets related to diversifying our portfolio i.e. growing the new energy products and lower-carbon services that help our customers address their emissions (which are our Scope 3 emissions). ✓ The energy and decarbonisation pathways identified by nations in Asia gives us confidence in the long-term demand for LNG. As a result, setting a Scope 3 target, which requires a reduction in Scope 3 emissions from LNG sales isn't aligned with the energy transition pathways of our customer markets.
Science-based targets	✓ The International Energy Agency's (IEA) report titled Emissions from Oil and Gas Operations in Net Zero Transitions is a study of the global industry as a whole. ACCR is misrepresenting the IEA's study by applying its findings on a pro-rata basis to an individual company. The study does not say that all oil and gas companies need to reduce their Scope 1 and 2 emissions by the exact same amount as each other. It should be noted that not all oil and gas companies have the same emissions performance. A material part of the IEA's global figure of 60% by 2030 relates to addressing this disparity. Woodside's emissions performance is ahead of industry benchmarks. ✓ This does not preclude Woodside from continuing to build on its strong emissions performance, including through our disclosed approach to asset decarbonisation planning and our net equity Scope 1 and 2 targets. ✓ There is currently no Science Based Targets Initiative (SBTi) methodology for the oil and gas industry, so there is no opportunity for Woodside, or any oil and gas company for that matter, to seek SBTi certification.
Paris Agreement	✓ We support the goals of and align our advocacy to the Paris Agreement. ✓ The Paris Agreement is implemented through the Nationally Determined Contributions of its member countries, and the associated energy and emissions policies. Woodside carefully considers its own plans, including its targets and its investments, against these national commitments and policies and has disclosed why it believes to be aligned.
Oil price assumptions	✓ Woodside's oil price assumptions are annually benchmarked to globally reputable analyst outlooks. For investment decisions, Woodside uses a range of oil and gas prices to stress test its investments, which sits across a broad range of outlooks and scenarios, including 1.5-degree cases. ACCR misrepresents Woodside's investment process through its inference that its oil price assumption risks Woodside sanctioning marginal projects.
Shareholder responsiveness	✓ Woodside held >250 investor meetings in 2024, which enable open dialogue on climate-related topics with our investors. ✓ Woodside's Chair and management held meetings with ACCR in Q1 2025. ✓ Woodside has provided information in its Climate-related Investor Engagement report about how our 2025 disclosures address topics raised by investors, subsequent to the 2024 CTAP vote.
Transparently disclosing 2024 AGM CTAP voting results	✓ Woodside has consistently acknowledged the CTAP vote was disappointing and has continued to engage our investors on our climate strategy. The total votes breakdown in our Climate-related Investor Engagement report were displayed for the purposes of transparency and corporate governance, and were provided as a percentage of votes cast as well as a percentage of total shares on issue and eligible to vote. ✓ In 2023, Woodside announced that it intends to hold shareholder advisory votes at three-yearly intervals, except in exceptional circumstances.
Climate-related shareholder voting history	✓ ACCR fails to recognise that Woodside's emissions by volume and overall performance against industry benchmarks are in fact strong and in some cases higher than other oil and gas companies who have received higher voting outcomes. ✓ Some other companies that have received better voting outcomes have consequently reduced ambition in recent times, whereas Woodside's strategy is being delivered through action and is resilient to a volatile energy transition.

1 Woodside analysis, based on Woodside Scope 1 and 2 greenhouse gas emissions data for 2024 relative to a comparable portfolio of upstream oil, upstream natural gas and LNG liquefaction assets, based on the average emissions intensity of these project categories reported in Table 3.1 of IEA's "The Oil and Gas Industry in Net Zero Transitions" (November 2023).

2 Generic ACCU volume weighted average price at 14 February 2025 "Australian Government Clean Energy Regulator - The Quarterly Carbon Market Report – December 2024".

Evidenced-based responses to ACCR's five key topics

ACCR has nominated five areas of criticism of Woodside's approach that omit key pieces of information and do not fairly represent Woodside's business or strategy. Woodside provides the following evidence-based responses to these areas of criticism.

Response to the 2023 CTAP vote

Woodside's response: Woodside has engaged extensively with our shareholders following the 2024 AGM vote on our CTAP. The summary of shareholder views has been published in our Climate-related investor engagement report, including how we have addressed them. While ACCR's perspectives are captured in this report, ACCR themselves do not recognise that their views are not the only ones expressed by our shareholders. As a corporation, Woodside will consider and address feedback in the best interests of our shareholders as a whole.

Financial performance

Woodside's response: Since the merger with BHP's petroleum business in 2022, Woodside has returned more than US$9.7 billion to shareholders as dividends.[1] Woodside's total full-year fully franked dividend was 140 US cents per share (cps) in 2023 and 122 US cps in 2024, representing a dividend yield of approximately 7% and 8%, respectively.[2] Woodside has maintained its dividend at the top end of its target payout range (being 80% of underlying NPAT). Including the franking credit, the total dividend benefit to Australian shareholders equated to approximately 309 AU cps in 2023, and 267 AU cps in 2024.

Strategy and future modelling of oil and gas

Woodside's response: A key pillar of Woodside's climate strategy is to invest in the products and services for the energy transition. This will include oil, gas and new energy products and lower-carbon services in line with our customers' energy security and decarbonisation pathways. Given rising global energy demand, Woodside expects sustained demand for our core products into the future (as evidenced by >24 million tonnes of our LNG being committed to by Asian buyers since early 2024). In its 2024 Climate Update (page 7), Woodside outlines the significant role for LNG to displace coal in Asia and support the energy security and decarbonisation goals of the region.

Woodside has also developed and implemented a 'transition case' methodology, which helps it manage risk by assessing investment opportunities across a range of climate-related risk factors. Further details are available in Woodside's CTAP (pages 50-51) and 2024 Annual Report (pages 56).

Corporate governance of climate risk

Woodside's response: The Board or its Sustainability Committee discuss climate change at every regular scheduled meeting. When the Board and its Committees consider climate change, they do so in the context that we are responsible for creating and returning shareholder value while addressing investor expectations and striving to effectively mitigate the risks of climate change to Woodside's business.

Pre-final investment decision (FID) spend on Louisiana LNG project

Woodside's response: ACCR is not recognising pre-FID spend on long lead items, which is common practice for large capital projects in oil and gas, and is used as a means of de-risking supply chain issues and project execution. Louisiana LNG is no exception to this practice. In the meantime, Woodside announced the sale of 40% interest of Louisiana LNG Infrastructure LLC to Stonepeak on 7 April 2025, and is progressing at pace towards a final investment decision on the project.[3]

1 Including the 2024 final dividend paid on 2 April 2025.

2 Based on share price at 31 December 2023 and 2024.

3 See announcement titled "Woodside announces Louisiana LNG partnership with Stonepeak". https://www.woodside.com/docs/default-source/about-us-documents/woodside-announces-louisiana-lng-partnership-with-stonepeak.pdf?sfvrsn=de60045e_1

Disclaimers, important notes and assumptions

The purpose of this document is to enable readers to obtain a high-level understanding of Woodside's climate strategy and approach in response to ACCR's claims.

This document contains extracts of some of the key climate strategy and 2024 progress information from Woodside's Climate Transition Action Plan and 2023 Progress Report (CTAP), Woodside's 2024 Climate Update and section 3.8.5 of Woodside's 2024 Annual Report.

This document does not contain all of the underlying context and detail that is included in the full CTAP, 2024 Climate Update or section 3.8.5 of Woodside's 2024 Annual Report and should be read in conjunction with the CTAP, 2024 Climate Update and section 3.8.5 of Woodside's 2024 Annual Report which includes more fulsome explanation of the underpinning assumptions, uncertainties, and context relevant to the information in this document.

Information

This document includes content which is oriented towards future events, the trajectory and outcome of which are continually evolving and inherently uncertain, and contains forward looking information regarding the plans, strategies, objectives, targets, aspirations and the like of Woodside in relation to climate change.

This presentation may contain industry, market and competitive position data that is based on industry publications and studies conducted by third parties as well as Woodside's internal estimates and research. While Woodside believes that each of these publications and third-party studies is reliable and has been prepared by a reputable source, Woodside has not independently verified the market and industry data obtained from these third-party sources and cannot guarantee the accuracy or completeness of such data. Accordingly, undue reliance should not be placed on any of the industry, market and competitive position data contained in this presentation.

To the maximum extent permitted by law, neither Woodside, its related bodies corporate, nor any of their respective beneficiaries , assume any liability (including liability for equitable, statutory or other damages) in connection with, any responsibility for, or make any representation or warranty (express or implied) as to, the fairness, currency, accuracy, adequacy, reliability or completeness of the information or any opinions expressed in this presentation or the reasonableness of any underlying assumptions.

No offer or advice

This document is not intended to and does not constitute, form part of, or contain an offer or invitation to sell to Woodside shareholders (or any other person), or a solicitation of an offer from Woodside shareholders (or any other person), or a solicitation of any vote or approval from Woodside shareholders (or any other person) in any jurisdiction.

The information contained in this document does not constitute, and should not be taken as, financial product or investment advice. Woodside encourages you to seek independent legal, financial, taxation and other professional advice before making any investment decision.

This document and the information contained herein may not be taken or transmitted, in, into or from and may not be copied, forwarded, distributed or transmitted in or into any jurisdiction in which such release, publication or distribution would be unlawful. The release, document, publication or distribution of this document, in whole or in part, in certain jurisdictions may be restricted by law or regulation, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction. Woodside does not accept liability to any person in relation to the distribution or possession of this document in or from any such jurisdiction.

Forward-looking statements

This document contains forward looking statements with respect to Woodside's business and operations and market conditions, including, for example, but not limited to, expectations regarding the achievement of Woodside's net equity Scope 1 and 2 greenhouse gas emissions targets and aspiration, emissions intensity performance or Woodside's Scope 3 targets; and the performance or future position of Woodside's shareholder outcomes, offtake arrangements, and decarbonisation, abatement or sustainability initiatives.

Forward looking statements including, for example, but not limited to, those with respect to Woodside's climate strategy and, ongoing engagement with investors and other stakeholders, and the achievement of climate related targets and aspirations in this document, are not guidance, forecasts, guarantees or predictions of future events or performance. No representation or warranty is given as to the accuracy, completeness, likelihood of achievement or reasonableness of any forward looking information in this document.

Forward looking information in this document may be affected by variables and changes in underlying assumptions and other factors which could cause actual results to differ materially from those expressed in this document.

Targets, aspirations and opportunities described in this document may also change materially if Woodside changes its strategic aim set out in the 2024 Annual Report and the CTAP.

Woodside does not undertake to provide ongoing market updates on forward looking information, including plans to achieve strategic aims or targets, or on performance against its plans or targets, except to the extent it has a legal obligation to do so. Past performance is not a guide to future performance.

Other important information

All references to dollars, cents or $ in this document are to US currency, unless otherwise stated.

References to "Woodside" may be references to Woodside Energy Group Ltd and/or its applicable subsidiaries (as the context requires).

This document does not include any express or implied prices at which Woodside will buy or sell financial products.

The glossary and footnotes to this document provide clarification regarding the use of terms such as "lower carbon" under Woodside's climate strategy. A full glossary of terms used in connection with Woodside's climate strategy is contained in the CTAP.

Glossary

Term	Definition
Abate/Abating/ Abatement	Avoidance, reduction or removal of an amount of carbon dioxide or equivalent.
ACCU	An ACCU, or Australian Carbon Credit Unit, is a tradable financial instrument representing one tonne of carbon dioxide equivalent (tCO_2-e) that has been either removed from the atmosphere or avoided through a project under the Australian Carbon Credit Unit (ACCU) Scheme.
Board	The Board of Directors of Woodside Energy Group Ltd.
Carbon credit	A tradable financial instrument that is issued by a carbon-crediting program. A carbon credit represents a greenhouse gas emission reduction to, or removal from, the atmosphere equivalent to 1 t/CO_2-e, calculated as the difference in emissions from a baseline scenario to a project scenario. Carbon credits are uniquely serialised, issued, tracked and retired or administratively cancelled by means of an electronic registry operated by an administrative body, such as a carbon-crediting program.
CO_2-e	CO_2 equivalent. The universal unit of measurement to indicate the global warming potential of each of the seven greenhouse gases, expressed in terms of the global warming potential of one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) any greenhouse gas against a common basis.
CTAP	Woodside's Climate Transition Action Plan and 2023 Progress Report.
CCUS	Carbon capture utilisation and storage.
Decarbonisation	Woodside uses this term to describe activities or pathways that have the effect of moving towards a state that is lower carbon, as defined in this glossary.
Emissions	Emissions refers to emissions of greenhouse gases unless otherwise stated.
Equity greenhouse gas emissions	Woodside sets its Scope 1 and 2 greenhouse gas emissions reduction targets on an equity basis. This ensures that the scope of its emissions reduction targets is aligned with its economic interest in its investments. Equity emissions reflect the greenhouse gas emissions from operations according to Woodside's share of equity in the operation. Its equity share of an operation reflects its economic interest in the operation, which is the extent of rights it has to the risks and rewards flowing from the operation.
GHG or Greenhouse gas	The seven greenhouse gases listed in the Kyoto Protocol are: carbon dioxide (CO_2); methane (CH4); nitrous oxide (N20); hydrofluorocarbons (HFCs); nitrogen trifluoride (NF3); perfluorocarbons (PFCs); and sulphur hexafluoride (SF6).[1]
Gross greenhouse gas emissions	Also referred to as 'absolute' emissions, gross emissions are emissions before any eligible units and certificates have been accounted for.[2]
LNG	Liquefied natural gas.
Lower carbon	Woodside uses this term to describe the characteristic of having lower levels of associated potential GHG emissions when compared to historical and/or current conventions or analogues, for example relating to an otherwise similar resource, process, production facility, product or service, or activity.
Lower carbon services	Woodside uses this term to describe technologies, such as CCUS or offsets that could be used by customers to reduce their net greenhouse gas emissions.
Net equity greenhouse gas emissions	Woodside's equity share of net greenhouse gas emissions which includes the utilisation of carbon credits as offsets.
Net greenhouse gas emissions[3]	Net greenhouse gas emissions are equal to an entity's gross greenhouse gas emissions reduced by the number of retired carbon credits.[2]
New energy	Woodside uses this term to describe energy technologies, such as hydrogen or ammonia, that are emerging in scale, but which are expected to grow during the energy transition due to having lower greenhouse gas emissions at the point of use than conventional fossil fuels.
Offsets	The compensation for an entity's greenhouse gas emissions within its scope by achieving an equivalent amount of emission reductions or removals outside the boundary or value chain of that entity.
Scope 1 GHG emissions[3]	Direct GHG emissions. These occur from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.
Scope 2 GHG emissions[3]	Electricity indirect GHG emissions. Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company.
Scope 3 GHG emissions[3]	Other indirect GHG emissions. Scope 3 emissions are a consequence of the activities of the company, but occur from sources not owned or controlled by the company.
Target	Woodside uses this term to describe an intention to seek the achievement of an outcome, where Woodside considers that it has developed a suitably defined plan or pathway to achieve that outcome.

1 IFRS Foundation, 2021. "Climate Related Disclosures Prototype", Appendix A. https://www.ifrs.org/content/dam/ifrs/groups/trwg/trwg-climate-related-disclosures-prototype.pdf
The IFRS published a further consultation document subsequent to the 2021 prototype. As it did not contain an updated definition of Paris-Aligned scenarios Woodside has retained use of the previous edition

2 Australian Clean Energy Regulator, 2023. "Corporate Emissions Reduction Transparency report 2023"
https://www.cleanenergyregulator.gov.au/Infohub/Markets/cert-report/cert-report-2023/cert-2023-glossary

3 This is an abbreviated definition, please refer to the glossary in the CTAP (pages 77-79) for the full definition.