

BACKGROUND

The Intergovernmental Panel on Climate Change has stated that “it is unequivocal that human influence has warmed the atmosphere, ocean and land”. An objective of the Paris Agreement is to hold “the increase in the global average temperature to well below 2°C above pre-industrial levels” and to pursue “efforts to limit the temperature increase to 1.5°C”. Many countries have set targets to reduce greenhouse gas emissions, including by changing the way they produce and consume energy.

OBJECTIVE

Woodside’s objective is to thrive in this energy transition as a low cost, lower carbon energy provider.

PRINCIPLES

Woodside aims to achieve the objective by:

- Setting science-based¹ near, mid, and long-term net emissions reduction targets that are consistent with Paris-aligned² scenarios, covering equity scope 1 and 2 emissions, both operated and non-operated.³
- Developing and operating oil and gas projects in a manner that is consistent with these targets. This includes the deployment of lower-emission technologies (Design Out), supporting efficient operations (Operate Out) and use of robust offsets (Offset) as methods to reduce and offset greenhouse gas emissions.
- Investing in new energy products and lower carbon services to reduce customers’ emissions (part of Woodside’s Scope 3 emissions), including but not limited to hydrogen, ammonia and carbon capture, utilisation and storage.
- Publishing transparent climate-related disclosures aligned to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) or other recognised global reporting standards.
- Aligning our advocacy to the principles of this Climate Policy.

¹ Woodside is using the draft Prototype IFRS Sustainability Disclosure Standard definition of “science-based” (published 2021) which states “targets are considered ‘science-based’ if they are in line with what the most recent climate science sets out is necessary to meet the goals of the Paris Agreement—limiting global warming to below 2 degrees Celsius above pre-industrial levels and pursuing efforts to limit warming to 1.5 degrees Celsius.” See <https://www.ifrs.org/content/dam/ifrs/groups/trwg/trwg-climate-related-disclosures-prototype.pdf> (Appendix A).

² Woodside is using the draft Prototype IFRS Sustainability Disclosure Standard definition of “Paris-aligned scenarios” (published 2021) which states “scenarios consistent with limiting global warming to below 2 degrees Celsius above pre-industrial levels and pursuing efforts to limit warming to 1.5 degrees Celsius.” See <https://www.ifrs.org/content/dam/ifrs/groups/trwg/trwg-climate-related-disclosures-prototype.pdf> (Appendix A).

³ Equity emissions means the share of the total emissions arising from an activity that are attributable to Woodside in proportion to Woodside’s ownership interest in the activity, irrespective of whether Woodside operates the activity. Operated emissions are the total emissions arising from an activity that Woodside operates, irrespective of Woodside’s ownership interest.

Title:

APPLICABILITY

Responsibility for the application of this Policy rests with all Woodside employees, contractors and joint venture participants engaged in activities under Woodside operational control. Woodside managers are also responsible for promotion of this Policy in non-operated joint ventures.

This Policy will be reviewed regularly and updated as required.

Reviewed by the Woodside Energy Group Ltd Board in December 2023.