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Professor Matthew Tonts
Chair, Environmental Protection Authority
8 Davidson Terrace
Joondalup, WA

Submitted via EPA online consultation portal

Dear Professor Tonts

DRAFT REVISED ENVIRONMENTAL FACTOR GUIDELINE – GREENHOUSE GAS EMISSIONS

Woodside Energy Group Ltd (Woodside) welcomes the opportunity to provide feedback on the Environmental Protection Authority (EPA) revised draft Environmental Factor Guideline – Greenhouse Gas Emissions (Guideline).

As you are aware, on 1 June 2022 Woodside merged with BHP Petroleum to create a leading independent global energy company. Our merged portfolio includes assets and interests in a range of locations and regulatory jurisdictions including Australia, US, Trinidad and Tobago, Senegal, Timor-Leste, Canada and Mexico.

Woodside aims to build a low-cost, lower-carbon, profitable, resilient and diversified portfolio towards our aspiration of net zero by 2050 or sooner¹. To achieve this, we are reducing our net equity Scope 1 and 2 greenhouse gas emissions and targeting investment of US\$5 billion by 2030 in new energy products and lower-carbon services that our customers need as they reduce their emissions².

Woodside is a member of the Australian Petroleum Production and Exploration Association, the Chamber of Minerals and Energy WA, and the Chamber of Commerce and Industry WA, all of which have considered Woodside and other member feedback in the development of their submissions on the Guideline. We encourage the EPA to have regard to a number of significant points made in these submissions.

We also wish to emphasise Woodside's ongoing support for effective regulation that enables access to reliable, affordable energy and is aligned with the Paris Agreement. We highlight the following key items for the EPA's consideration.

1. Woodside supports the commitment of the parties to the Paris agreement to "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C". Woodside reiterates its support for this commitment, which was also reaffirmed by the Glasgow Climate Pact and replicated in Federal Climate Change Act 2022 (the Act). We encourage the EPA to formulate its advice to decision makers in accordance with the terms contained in the Act.
2. Woodside supports the Australian Government's lead role on climate change policy as the signatory to Australia's Paris Agreement commitments, and believes that state and territory requirements should be consistent with, and complementary to, this national policy. For example, we note the Australian Government is currently undertaking consultation on the Commonwealth Safeguard Mechanism and that the Independent Review of Australian Carbon Credit Units (ACCUs) is underway. We recommend that the

¹ Target is for net equity Scope 1 and 2 greenhouse gas emissions, relative to a starting base of the gross annual average equity Scope 1 and 2 greenhouse gas emissions over 2016-2020 and may be adjusted (up or down) for potential equity changes in producing or sanctioned assets with an FID prior to 2021.

² Individual investment decisions are subject to Woodside's investment hurdles. Not guidance. Potentially includes both organic and inorganic investment.

timing and content of the Guideline pay particular attention to avoiding misalignment or duplication with evolving national policy.

3. Woodside supports the appropriate consideration of Scope 3 emissions through the energy transition. The key focus of our Scope 3 plan is on investing in the development of new energy products and lower-carbon services that can significantly reduce the end-use emissions of our customers. Woodside reports estimated Scope 3 emissions, including in major project proposals recently approved, or currently under assessment, by the EPA. We note that, consistent with international reporting arrangements under the United Nations Convention Framework on Climate Change, Scope 3 emissions are not reportable under the Commonwealth's National Greenhouse and Energy Reporting (NGER) legislative regime. We recommend the Guideline recognise the complexity for proponents to provide further detail on potential reduction of Scope 3 emissions, given the limited ability to track or control such emissions.
4. Woodside supports international offsets applying to activities in Western Australia where integrity can be demonstrated. As previously discussed with the EPA, Woodside uses international offsets accredited by two independent non-government organisations, Verra and Gold Standard. Noting existing supply constraints in the ACCU market and the lead time required to originate new projects, it is Woodside's view that further stimulating demand for ACCUs via regulatory requirements for localised offsets would exacerbate these challenges. Many international units, including from the Voluntary Carbon Market (VCM), have comparable integrity standards to the Emissions Reduction Fund. In particular, VCM project registers have higher transparency standards – permitting independent third-party scrutiny of unit integrity and increasing market confidence.

Woodside appreciates the opportunity to provide its views on the draft Guideline. Should you have any questions on the above, please contact Daniel Clery, Head of Government Relations and Policy, at daniel.clery@woodside.com

Yours faithfully

Tony Cudmore
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Strategy and Climate