

## WOODSIDE: OUR CARBON BUSINESS

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Woodside established a carbon business in 2018 to develop an offsets portfolio in support of our climate targets and aspiration.

We source carbon offsets through carbon market purchases and through development of our own carbon origination projects<sup>1</sup>.

We continue to grow our carbon business with an aim to develop a diversified domestic and international carbon offsets portfolio differentiated by vintage, methodology and geography.

### Why does Woodside pursue offsets?

Avoiding and reducing our emissions are our first priorities for meeting our net equity emissions reduction targets. However, offsetting emissions allows Woodside more flexibility to meet these targets, while asset and technology decarbonisation plans are matured and implemented. In the longer term, where emissions prove to be hard-to-abate, any such residual emissions would also need to be offset using carbon credits in order to achieve our net equity Scope 1 and 2 net-zero aspiration.

As the world progresses towards a global balance between emissions by sources and removals by sinks (global net zero), carbon dioxide removals (CDR), which take CO<sub>2</sub> out of the atmosphere and store it, are expected to be increasingly important. Examples of potential CDR activities include reforestation and direct air capture projects.

### Our approach: working together with our communities

As we develop our carbon business, Woodside works together with local communities and businesses.

We emphasise open and transparent communication and feedback on our activities, and use the feedback received during consultation to help inform our planning so that our projects can deliver mutually beneficial and sustainable outcomes.

In addition to sequestering carbon, carbon offset projects can deliver co-benefits including land restoration, biodiversity outcomes and economic opportunities.

We believe carbon farming and traditional farming can co-exist – diversifying farm incomes and leveraging farmers' generations of land management expertise.

Our approach to buying land for carbon projects is guided by our key principles:

- We are interested in land that is not typically considered highly productive, or highly reliable, for agricultural activities.
- We actively seek opportunities to maintain or integrate traditional agricultural activities into our land portfolio.
- We look to support sustainable regional communities and work to understand and manage potential social impacts.
- We engage with Shires and local councils.
- We are active in managing the land and projects with the support of local and Indigenous businesses.
- We select appropriate plant species for the area.
- We work to prevent adverse impacts to other industry sectors, while looking for opportunities to work together.

<sup>1</sup> At Woodside, carbon origination refers to carbon offset projects developed by Woodside or third-party project developers, where 1) Woodside is a participant in the project and/or a recipient of carbon credits from the project; (2) Woodside provides up-front investment or funding; and 3) Woodside accepts risk in relation to delivery of the carbon credits.

## Tree planting as part of the Woodside Native Reforestation Project in Western Australia

Woodside is undertaking carbon origination projects in regional Western Australia via the Woodside Native Reforestation Project (the Project).

Origination projects strengthen our internal capability and understanding of carbon projects.

The Woodside Native Reforestation Project aims to restore and revegetate land. More than approximately 10,000 hectares of native trees and shrubs have been planted to date. The reforestation of the land has not only allowed for increased habitat connectivity through restored landscape linkages, but has also provided employment opportunities for the local community.

The Native Reforestation Project is expected to sequester approximately 2,000 kt CO<sub>2</sub>-e over 25 years. The Australian Carbon Credit Units generated from the Native Reforestation Project are planned to be used to offset Woodside's carbon emissions.

**We are proud of the relationships we have built with many of our neighbours**

### Local content

Woodside seeks to engage a range of local businesses to support its carbon origination projects. This includes but is not limited to agricultural chemical suppliers (for weed and pest spraying), fencing contractors, agricultural machinery suppliers (Woodside owns and operates a fleet of tractors and spray equipment), ground preparation contractors, accommodation providers, and labour hire for planting crews.

### Key challenge

Woodside recognises that, notwithstanding the integrity assessment process for the carbon credits that it originates and acquires, some stakeholders question the validity of offsetting emissions as part of decarbonisation strategies. Woodside's view is that the use of offsets is inherently consistent with balancing sources and sinks of emissions (i.e. the "net" in "net zero") and that its participation in carbon markets can enhance investment flows and integrity.



### Collaborating with Our Neighbours

In Australia, we look for opportunities to collaborate with farmers to identify and make available areas of land which are commercially viable to continue traditional farming while we use the land that is not typically considered highly productive or reliable for agricultural activities to establish our carbon origination projects.

By taking a collaborative approach to the way we use the land and involve our neighbours, we are able to leverage their local land management expertise as we pursue our carbon farming activities while they can retain access to viable agricultural land for their enterprises.

Tree planting as part of Woodside's Native Reforestation Project 2020-2023

### Providing feedback and further information

Providing feedback and further information If you would like further information or to comment on the Native Reforestation Project, please contact Woodside by email to [feedback@woodside.com](mailto:feedback@woodside.com) or call toll free 1800 442 977. There will be many opportunities to engage and provide feedback across all phases of the project.

[www.woodside.com](http://www.woodside.com)

