

Woodside Energy: Climate Policy Engagement Overview

An investor briefing on Woodside Energy's climate policy engagement to aid shareholder voting decisions at its 2024 Annual General Meeting (AGM)

Executive Summary

- **Context:** Announcements in the run up to Woodside Energy's (Woodside) Annual General Meeting (AGM) on 24 April 2024 have raised concerns amongst investors about the company's climate commitments and the extent to which its business strategy is aligned with efforts to deliver on the Paris Agreement's goals. On 29 February 2024 the Australasian Centre for Corporate Responsibility (ACCR) filed a [members' statement](#) with Woodside opposing the re-election of Chair of the Board Richard Goyder due to these concerns. Woodside's latest climate transition action plan will also be put to a vote. This follows the record 49% shareholder vote in opposition to the company's climate plan in 2022. This briefing summarizes InfluenceMap's assessment of Woodside's climate policy positions and engagement, which can be viewed as a strong indicator of corporate governance and management-level thinking on the transition to a net-zero economy.
- **Direct Climate Policy Engagement:** InfluenceMap analysis suggests that Woodside's direct climate policy engagement is misaligned with science-based pathways for achieving the goal of the Paris Agreement to limit warming to 1.5°C. Woodside advocated for provisions that risk undermining the climate ambition of Australia's Safeguard Mechanism Reforms in [September 2022](#) and [February 2023](#) consultation submissions. The company also appears to have consistently supported a major role for fossil gas in the energy mix in [2023](#) and [2024](#), which is inconsistent with [IPCC](#) advice on the global use of gas in 1.5°C decarbonization pathways.
- **Indirect Climate Policy Engagement via Industry Associations:** Woodside is a member of several industry associations displaying highly strategic and negative engagement with climate legislation and regulation both in Australia and globally, including the [Australian Energy Producers](#), of which Woodside's CEO Meg O'Neill is Chair of the Board, the [American Petroleum Institute](#) (CEO O'Neill sits on Board of Directors), and the [International Association of Oil and Gas Producers \(IOGP\)](#).
- **Accuracy of Climate Policy Engagement Disclosure:** InfluenceMap analysis indicates that Woodside has published a complete account of its direct climate policy engagement activities. The company has published a partial account of its indirect (via industry associations) climate policy engagement, excluding material evidence of climate policy engagement identified by InfluenceMap's database for more than 3 industry associations. InfluenceMap's detailed disclosure assessment for Woodside can be found [here](#).

- **Climate Policy Engagement Review:** Woodside has published two reviews of its climate policy engagement since 2020. However, InfluenceMap analysis shows that the quality of Woodside's review process falls significantly short of standards put forward by institutional investors as part of the 2022 [Global Standard on Responsible Climate Lobbying](#), scoring 29/100 (2020) and 21/100 (2024) under InfluenceMap's assessment criteria. InfluenceMap's detailed assessment of Woodside's review process can be found on InfluenceMap's [CA100+ Investor Hub](#) and in [Appendix B](#).

Context: Voting on Director Re-election

Analysis of corporate climate policy engagement is a strong indicator of corporate governance and management-level thinking on the transition to a net-zero economy. Therefore, if a company's climate policy engagement is inconsistent with the Paris Agreement's 1.5°C goal, this suggests that the company's business model is not prepared for a low-carbon transition.

The [Global Standard on Responsible Climate Lobbying](#) - instigated by investors and launched in March 2022 - sets out 14 indicators to clarify exactly what investors expect from companies regarding their disclosure, governance and oversight processes to ensure company alignment between their climate policy engagement and the 1.5°C goal of the Paris Agreement.

Indicator 4 of the Global Standard states that companies should “assign responsibility at board level for oversight of its climate change lobbying approach and activities”. The Global Standard further clarifies that this responsibility “should explicitly refer to climate change lobbying, not just general climate change-related activities or general policy lobbying-related activities”.

While Woodside have a [Sustainability Committee](#) at board level with oversight for general climate change-related activities, the company does not appear to have explicitly assigned responsibility for board level oversight of its climate policy engagement, and as such, does not meet investor expectations under indicator 4 of the Global Standard.

This briefing provides an overview of Woodside’s direct and indirect climate policy engagement, along with its related disclosure and review processes, in advance of the director re-election of Chair of the Board Richard Goyder and the company’s shareholder vote on its climate transition action plan at its Annual General Meeting (AGM) on 24 April 2024, summarized in Table 1 below.

Table 1: Key information for director re-election at Woodside’s 2024 AGM

Members’ statement for resolution relating to the re-election of Richard Goyder			
Lead Filer:	Australasian Centre for Corporate Responsibility	AGM Date:	10.00am (AWST) 24 April 2024
Proposal Summary: <i>The full members’ statement is available here.</i>	On 29 February 2024 ACCR filed a members’ statement with Woodside opposing the re-election of Chair of the Board Richard Goyder due to concerns amongst investors about the company’s climate commitments and the board’s “persistently unresponsive” approach to shareholder concerns on climate risk management. As Chair of the Board, Richard Goyder carries ultimate responsibility for the strategic direction of Woodside, and is therefore directly accountable for the company’s management of climate risk.		

Summary of Woodside's Climate Policy Engagement

InfluenceMap's methodology, available [on our website](#), uses seven publicly available data sources to gather evidence of company and industry association engagement on a range of climate-related policy streams. Each item of evidence is scored against benchmarks based on the advice of [IPCC science](#) or the stated intentions of governments looking to implement the Paris Agreement. This process can result in hundreds of scored evidence items, providing a robust basis to assess the extent to which a company's climate policy engagement, and that of its industry associations, is Paris-aligned.

InfluenceMap's online profile of Woodside, including access to the underlying data which forms this assessment, can be found [here](#). The analysis of Woodside's industry association relationships, including detailed profiles for each association, can be explored via the "Details of Relationship Score" tab. An overview of this assessment is provided in Table 2 below.

Table 2: Overview of InfluenceMap's assessment of Woodside

Woodside		
Performance Band	D-	Performance Band (A+ to F) is a full measure of a company's climate policy engagement, accounting for both its own engagement and that of its industry associations. A+ indicates full support for Paris-aligned climate policy, with grades from D to F indicating increasingly obstructive climate policy engagement.
Organization Score	41%	Organization Score (0 to 100) expresses how supportive or obstructive the company is towards climate policy aligned with the Paris Agreement is, with scores under 50 indicating misalignment with the Paris Agreement
Relationship Score	48%	Relationship Score (0 to 100) expresses how supportive or obstructive the company's industry associations are towards climate policy aligned with the Paris Agreement, with scores under 50 indicating misalignment, while scores between 50 and 74 indicate mixed alignment with the Paris Agreement.
Engagement Intensity	41%	Engagement Intensity (0 to 100) is a measure of the level of policy engagement by the company, with scores above 12 indicating active engagement, and scores above 25 indicating highly active or strategic engagement.

Summary of Woodside's Direct Climate Policy Engagement

InfluenceMap's analysis of Woodside's direct climate policy engagement is based on 306 independent datapoints, with 150 logged since 2021. Under InfluenceMap's system, recent evidence is heavily weighted in the calculation of metrics, as explained in the [methodology](#).

Woodside appears to communicate high-level support for climate policy action, although with some exceptions which could limit the ambition of the response to climate change.

- Woodside expressed general support for the goals of the Paris Agreement in its [2023 Climate Transition Action Plan](#), published February 2024. The company likewise appeared to support greenhouse gas emissions reductions in line with 1.5°C in an April 2023 [Joint Letter](#).
- Woodside appeared to [state support](#) for government regulation to achieve Australia's climate targets in a December 2022 consultation submission. However, this appears to be at the expense of more [ambitious state regulation](#), and includes support for policies that would aid the development of fossil fuel projects. The [IPCC's 2022 Mitigation of Climate Change report](#) states that climate governance is most effective when it "integrates across multiple policy domains, helps realise synergies and minimise trade-offs, and connects national and sub-national policymaking levels".

Woodside appears to engage with largely negative positions on climate-related policy.

- In [September 2022](#) and [February 2023](#) consultation submissions on Australia's Safeguard Mechanism Reforms, Woodside promoted measures which risk weakening the climate ambition of the policy. These included advocating for expedited access to international offsets, calling for Safeguard Mechanism Credits (SMCs) to be fungible with Australian Carbon Credit Units (ACCUs), and calling for additional support for emissions-intensive trade exposed (EITE) facilities, stating that current provisions for such facilities may not be sufficient.
- Woodside's messaging appears inconsistent with both the Australian Government's [initial proposals](#) on the Safeguard Mechanism Reforms and its January 2023 [Position Paper](#), which state that international offsets are not to be part of the initial enhanced Safeguard Mechanism, that SMCs cannot be used outside the Safeguard Mechanism, and that there would be "concerns" if Safeguard Mechanism facilities could continue to register projects and generate ACCUs, as this would amount to double counting.
- Woodside also appeared to support Australia's Guarantee of Origin Scheme with major exceptions in a February 2023 [consultation submission](#), supporting a prominent role for carbon credits in reducing emissions from hydrogen production, as opposed to clearly backing green hydrogen, and challenging the proposal's requirement for carbon capture and storage (CCS) usage to be permanent.

Woodside Energy appears to actively promote a sustained role for fossil gas in the energy mix, contrary to IPCC advice on the role of fossil gas in pathways that limit global warming to 1.5°C.

- In its [2023 Climate Transition Action Plan](#), published February 2024, Woodside suggested that the long-term role for fossil gas in the energy mix is desirable, without placing any conditions on the deployment of CCS or methane abatement measures. The company also stated that it does "not accept the claim that advocating for natural gas is at odds with climate goals".
- In a November 2023 [consultation submission](#) to Australia's Future Gas Strategy, Woodside advocated for the government to increase the social license of continued fossil gas production and development, for new fossil gas supply to be prioritized, and opposed any artificial reduction in fossil gas demand. It also advocated for fossil gas to be included in the [Capacity Investment Mechanism](#), a policy that aims to support the country's renewable capacity by underwriting new renewable generation and storage.
- In an August 2023 [consultation submission](#) on the Inquiry into Western Australia's Domestic Gas Policy, Woodside advocated for long-term investments in new gas supply, streamlined approval processes for the development of new gas supply and "stable and supportive policy settings" that encourage new investment in WA gas supplies.

This messaging conflicts with the [IPCC's 2022 Mitigation of Climate Change report](#), which states that in pathways that limit warming to 1.5°C with no or limited overshoot, the global use of gas is projected to decline by 45%, compared to 2019. Woodside's advocacy, which appears to entail a continued or increased role for Australian fossil gas, also appears to be inconsistent with the IPCC's less ambitious mitigation pathways, including scenarios for 1.5°C warming by 2100 with overshoot (45% reduction in gas) and 2°C warming (15% reduction in gas), all compared to 2019 levels.

Summary of Indirect Climate Policy Engagement via Industry Associations

InfluenceMap's LobbyMap platform tracks and analyzes the climate policy engagement of over 250 industry associations, using the same benchmarks and scoring process applied to companies. This assesses each association's engagement against Paris-aligned benchmarks.

This section details InfluenceMap's analysis of some of Woodside's key industry associations. A full ranking table of Woodside's industry associations, including links to each association's online profile, is available in [Appendix A](#).

- InfluenceMap analysis indicates that Woodside likely holds memberships to 8 industry associations with climate policy engagement misaligned with delivering the 1.5C goal of the Paris Agreement (ranked as a D or below by InfluenceMap's system), and 9 industry associations with climate policy engagement partially aligned with delivering the 1.5C goal of the Paris Agreement (ranked B- to D+).

Table 3 gives an overview of 6 key industry associations with examples of recent climate policy engagement. Detailed profiles for all of Woodside's industry associations can be explored via the links in the table, [Appendix A](#), or the "Details of Relationship Score" tab on Woodside's [online profile](#).

Table 3: Evidence of recent climate policy engagement by Woodside's key industry associations

Industry Association	Performance Band	Type of Membership	Examples of recent climate policy engagement
American Petroleum Institute (API)	E-	CEO sits on Board of Directors	<ul style="list-style-type: none"> ■ February 2024: In a news article, API CEO Mike Sommers advocated for new investments in oil and fossil gas and for increased lease sales to enable fossil fuel exploration. ■ January 2024: In a joint letter to the US Secretary of Energy, the API opposed measures to transition away from fossil gas and advocated for the repeal of the US government's restrictions on permits for LNG export facilities.

<p><i>Canadian Association of Petroleum Producers (CAPP)</i></p>	<p>E</p>	<p>Member</p>	<ul style="list-style-type: none"> January 2024: CEO Lisa Baiton opposed the US government's restrictions on permits for LNG export facilities in a press release. August 2023: Appeared unsupportive of the decarbonization of electricity generation in Canada, stating that regulations should consider the long-term role for fossil gas in comments on Canada's Clean Electricity Regulations. March 2022: Opposed Canada's emissions cap on the oil and gas industry in a letter to the Canadian Minister of Environment and Climate Change.
<p><i>Australian Energy Producers (Formerly APPEA)</i></p>	<p>E+</p>	<p>CEO is Chair of AEP's Board</p>	<ul style="list-style-type: none"> November 2023: Advocated for Australia's government to remove barriers and introduce policy to support new domestic gas projects in comments on the country's Future Gas Strategy. September 2022 - February 2023: Opposed reforms to Australia's Safeguard Mechanism in September 2022 and February 2023 consultation submissions, including advocating for greater flexibility for oil and gas facilities.
<p><i>Australian Industry Greenhouse Network</i></p>	<p>D</p>	<p>Member</p>	<ul style="list-style-type: none"> February 2023: Advocated for provisions that risk undermining the climate ambition of Australia's Safeguard Mechanism Reforms, including for a phased implementation and inclusion of international offsets, in consultation submission on the Reforms. June 2022: Appeared unsupportive of Victoria's 2035 greenhouse gas emissions target in comments on the State's consultation on its 2035 target.

<p><i>Chamber of Minerals and Energy of Western Australia (CME)</i></p>	<p>D</p>	<p>Member</p>	<ul style="list-style-type: none"> ■ November 2023: called for the Australian Government to support international investment in additional gas supply in submission to the Future Gas Strategy consultation paper. ■ October 2023: Appeared unsupportive of Western Australia's (WA's) Climate Change Bill in a consultation submission, calling for the WA Government to reassess the need to legislate a net zero by 2050 target. ■ September 2022 - February 2023: Advocated for provisions that risk weakening climate ambition of reforms to Australia's Safeguard Mechanism in September 2022, October 2022 and February 2023 consultation submissions. CME appeared to be unsupportive of proposed baseline decline rates, supported retaining some headroom in the policy, called for state-level emissions measures to be removed in favor of federal Safeguard Mechanism policy and advocated for SMC's to be generated outside the policy.
<p><i>International Association of Oil and Gas Producers (IOGP)</i></p>	<p>D+</p>	<p>Member</p>	<ul style="list-style-type: none"> ■ January 2024: In a joint letter to US President Joe Biden, the IOGP opposed policies which aid the decarbonization of the economy by calling on the Biden administration to reconsider its decision to pause liquified natural gas (LNG) export permits until the Department of Energy updates its public interest approval process for pending LNG export applications. ■ January 2024: In a press release, IOGP Managing Director François-Régis advocated for US policymakers to not take action to limit new liquified natural gas (LNG) projects, supported the long-term role of fossil gas in the energy mix and called for increased US exports of LNG to Europe.

<i>Business Council of Australia (BCA)</i>	C+	Member	<ul style="list-style-type: none"> ■ November 2023: Called for ongoing and urgent investment in fossil gas supply in consultation submission to Australia’s Future Gas Strategy. ■ February 2023: Advocated for provisions that risk undermining the climate ambition of Australia’s Safeguard Mechanism in a consultation submission on the reforms. ■ October 2022: Opposed the introduction of a climate trigger to the EPBC Act in a consultation submission.
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Disclosure and Review of Climate Policy Engagement

The [Global Standard on Responsible Climate Lobbying](#) - instigated by investors and launched in March 2022 - is the leading best practice framework for climate policy engagement disclosure. The Global Standard sets out 14 indicators covering disclosure, governance and oversight processes to ensure alignment between a company's climate policy engagement and delivering the 1.5°C goal of the Paris Agreement.

In September 2023, InfluenceMap's methodology to assess corporate disclosures on climate policy engagement was formally updated in line with the Global Standard and stakeholder input. InfluenceMap has two distinct assessments of disclosures:

Accuracy of Climate Policy Engagement Disclosure (see Woodside's detailed disclosure scorecard [here](#)): An assessment of the accuracy of a company's reporting on its direct and indirect (via industry associations) climate policy engagement activities.

- InfluenceMap analysis suggests that Woodside has published a complete account of its own climate policy engagement on specific policies. The company includes links to its government consultation responses to specific climate-related policies from 2020 to 2023, including the Australian Safeguard Mechanism Reforms, Mandatory Code of Conduct and the Independent Review of Australian Carbon Credit Units.
- InfluenceMap analysis suggests that Woodside has published a partial account of its industry associations' climate policy engagement on specific policies. However, Woodside excludes material evidence of indirect climate policy engagement identified by InfluenceMap's database for more than 3 industry associations, and has therefore excluded key instances of engagement with specific climate-related policies by its industry associations.

Corporate Climate Policy Engagement Review (see Woodside's detailed review assessment [here](#)): An assessment of the quality and robustness of a company's process to identify, report on, and address specific cases of misalignment between its climate policy engagement activities and delivering the 1.5°C goal of the Paris Agreement.

- Woodside has published two reviews of its climate policy engagement since 2020. However, InfluenceMap analysis shows that the quality of Woodside's review process falls significantly short of standards put forward by institutional investors as part of the 2022 Global Standard on Responsible Climate Lobbying, scoring 29/100 (2020) and 21/100 (2024) under InfluenceMap's assessment criteria.
- Woodside has not assessed the alignment of its own climate policy engagement activities with the 1.5°C goal of the Paris Agreement as part of its latest review, nor has it identified key cases of misalignment between its industry associations and delivering the 1.5°C goal of the Paris Agreement. Although the company has disclosed a detailed framework for addressing potential misalignments, including escalation strategies, it has not included clear deadlines for associations which do not amend misaligned practices.

Key Priorities for Investor Engagement

1. Assign responsibility at board level for oversight of its climate change lobbying approach and activities to ensure company alignment between Woodside's climate policy engagement and the 1.5°C goal of the Paris Agreement, as set out by [the Global Standard on Responsible Climate Lobbying](#).
2. Align positioning on key upcoming Australian climate policies - including [reforms to the EPBC Act](#), [Electricity and Energy Sectoral Decarbonisation Plan](#), and [Capacity Investment Scheme](#) - with the Government's efforts to meet the country's Nationally Determined Contributions under the Paris Agreement.
3. Ensure its policy positions on the role of fossil gas and oil in the energy mix are consistent with the latest IPCC science on 1.5°C pathways ([IPCC WG3 report](#) ; [International Energy Agency Net Zero by 2050 report](#)).
4. Improve governance and oversight processes to ensure company alignment between their direct and indirect climate policy engagement and the 1.5°C goal of the Paris Agreement, including:
 - a) Commit to publishing an annual review of its direct and indirect (via industry associations) climate policy engagement with the 1.5°C goal of the Paris Agreement.
 - b) Disclose a more detailed and accurate account of the company's direct and indirect (via industry associations) climate policy engagement activities on specific items of climate-related regulation and legislation relevant to the company's sector and region(s) in which it operates.
 - c) Disclose clear and robust governance processes to: (i) assess alignment between the climate policy engagement of its industry associations and the 1.5°C goal of the Paris Agreement, including an explanation of how this methodology has been applied to each industry association; (ii) address potential cases of misalignment, including an escalation strategy and clear deadlines for the more regressive industry associations that have shown limited progress in reforming their detailed climate policy engagement.
 - d) Identify and report on all misalignments between its direct and indirect climate policy engagement activities and the 1.5°C goal of the Paris Agreement, including specific actions taken to remedy misalignments. Further analysis of corporate reviews on climate policy engagement is available on InfluenceMap's [CA100+ Investor Hub](#).

Appendix A: Ranking of Woodside's Industry Association Memberships

The table below provides a ranking of Woodside's industry associations currently covered by InfluenceMap's database by Performance Band, i.e. a full measure of a company's climate policy engagement, accounting for both its own engagement and that of its industry associations. Detailed profiles for all industry associations can be explored via the links in the table.

Industry associations are categorized by InfluenceMap as having climate policy engagement that is aligned, partially misaligned or misaligned with delivering the 1.5°C goal of the Paris Agreement by Performance Band:

- **Aligned** = Performance Band A+ to B
- **Partially Misaligned** = Performance Band B- to D+
- **Misaligned** = Performance Band D to F
- **Low Engagement** = Performance Band N/A

Industry Association	IM Performance Band	IM Assessment
Australian Hydrogen Council	C+	Partially Aligned
Hydrogen Council	C	Partially Aligned
International Emissions Trading Association (IETA)	C	Partially Aligned
Business Council of Australia	C	Partially Aligned
International Gas Union	C-	Partially Aligned
H2KOREA	C-	Partially Aligned
Australian Pipelines and Gas Association	D+	Partially Aligned
Asociación Mexicana de Empresas de Hidrocarburos (AMEXHI)	D+	Partially Aligned
International Association of Oil and Gas Producers (IOGP)	D+	Partially Aligned
Australian Industry Greenhouse Network	D	Misaligned
Chamber of Minerals and Energy of Western Australia (CME)	D	Misaligned
Australian Energy Producers (Formerly APPEA)	E+	Misaligned

<i>Energy Chamber of Trinidad & Tobago</i>	E+	Misaligned
<i>Australian Institute of Petroleum</i>	E+	Misaligned
<i>Asia Natural Gas and Energy Association (ANGEA)</i>	E+	Misaligned
<i>Canadian Association of Petroleum Producers (CAPP)</i>	E	Misaligned
<i>American Petroleum Institute (API)</i>	E-	Misaligned

Appendix B: Detailed assessment of Woodside's corporate climate policy engagement review (21/100)

A summary of Woodside's corporate climate policy engagement review is shown below. Woodside has published two reviews of its industry associations to date. The Review Score represents InfluenceMap's overall assessment of the quality of the company's industry association review process, where 100 would indicate that a company has met investor expectations for all criteria related to the review process.

Date of Review	Review Score
June 2020	29 / 100
February 2024	21 / 100

A detailed assessment of Woodside's latest corporate climate policy engagement review can be found [here](#). InfluenceMap's online profile of Woodside, including access to the underlying data which forms this assessment, can be found [here](#).