

ASX Announcement

Thursday, 17 February 2022

ASX: WPL
OTC: WOPEY

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CLIMATE REPORT 2021

Woodside has outlined its approach to climate change and its strategy to thrive through the energy transition as a low cost, lower-carbon energy provider in its Climate Report released today.

The report has been structured to align with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations framework and will be put to a non-binding advisory vote at Woodside's 2022 Annual General Meeting on 19 May 2022.

In this report we have tested our portfolio of producing and sanctioned assets against a range of climate-related scenarios from the International Energy Agency. Woodside's free cash flow is positive in all scenarios including Net Zero Emissions by 2050, a 1.5 degrees Celsius scenario.

Woodside CEO Meg O'Neill said the report recognised Woodside's role as a leading energy company to make a positive contribution to the global energy transition.

"Our approach to responding to climate change has two components. First, like all companies and consumers, we must reduce our net equity Scope 1 and 2 greenhouse gas emissions. Secondly, as an energy producer, we have to ensure that we profitably invest in the products and services that our customers need as they too reduce their emissions.

"The uncertainty of how the energy transition will unfold means that we need a diverse portfolio and the ability to adapt our product mix to meet changing demand.

"Woodside has already set near- and medium-term targets to reduce net equity Scope 1 and 2 greenhouse gas emissions.

"We are expecting to achieve these targets by avoiding greenhouse gas emissions through design; reducing them through the way we operate our assets; and originating and acquiring offsets for the remainder. Avoiding and reducing greenhouse gas emissions is our first priority. Offsets that are scientifically verified and accurately accounted for also have an important role.

"Woodside has also announced a Scope 3 emissions plan which involves investing in new energy products and lower-carbon services; supporting our customers and suppliers to reduce their net emissions; and promoting global measurement and reporting.

"We announced in December our target to invest US\$5 billion in new energy products and lower-carbon services by 2030.

"Partnering with our customers to achieve decarbonisation is even more important following the announcements in 2021 by Japan, China and Republic of Korea – our three major markets – of mid-century goals for net zero emissions.

"In the report released today, Woodside sets out its perspective and explains how we intend to deliver on our climate strategy, including the challenges and risks we face.

"We also provide an update on our progress in 2021, during which we delivered a 10% reduction in net equity Scope 1 and 2 greenhouse gas emissions below the 2016-2020 gross annual average, keeping us on course to meet our 2025 target of a 15% reduction," she said.

Key climate activities in 2021

- Delivered a 10% reduction in Woodside's net equity Scope 1 and 2 greenhouse gas emissions below the 2016-2020 gross annual average
- Announced a \$5 billion investment target for new energy products and lower-carbon services by 2030¹
- Published a Scope 3 emissions plan
- Achieved sufficient offsets to meet our net equity Scope 1 and 2 greenhouse gas emissions reduction target of 15% by 2025 with the average cost of offsets secured for this period being less than \$15 per tonne^{2,3}
- Signed as a supporter of the Task Force on Climate-related Financial Disclosures
- Commenced front-end engineering design on the H2OK hydrogen project in Oklahoma
- Secured land for the proposed H2Perth and H2TAS hydrogen and ammonia projects in Australia
- Announced a collaboration with Heliogen, Inc. for a 5 megawatt commercial-scale concentrated solar energy demonstration facility in California

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This ASX announcement was approved and authorised for release by Woodside's Disclosure Committee.

¹ Investment target assumes completion of the proposed merger with BHP's petroleum business. Individual investment decisions are subject to Woodside's investment hurdles. Not guidance.

² Assumes equity Scope 1 and 2 greenhouse gas emissions are as currently forecast in Woodside's business plan. 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. Post-completion of the Woodside and BHP petroleum merger (which remains subject to conditions including regulatory approvals), the starting base will be adjusted for the then combined Woodside and BHP petroleum portfolio.

³ Based on offset sale and purchase contracts executed from 1 October 2018 to 31 December 2021. Current costs are not an indicator of potential future costs which may increase as market demand for offsets increases.